



**SB 644 - Landlord and Tenant - Residential Leases and Holdover Tenancies
Local Just Cause Termination Provisions**

Hearing before the Senate Judicial Proceedings Committee
Feb. 16, 2024

Position: Favorable

submitted via electronic transmission
February 15, 2024

To All Members of the Committee:

I am writing today on behalf of Enterprise Community Partners (Enterprise) **to urge you to move favorable on HB 477**. HB 477 is enabling legislation that would give authority to Maryland counties to establish “just cause” or “good cause” limitations on lease non-renewals. That means local policymakers would be able to determine the kind of “just cause” policy that their locality needs, whether by type of building, for certain populations, or under certain circumstances such as a state of emergency. Without this enabling bill, counties are preempted from enacting legal protections for Maryland families who face increasingly unstable housing and fears of retaliation and displacement.

We especially thank Senators Muse, Carter, and Sydnor and Delegates Wilkins and Stewart (companion bill HB477) for their leadership in sponsoring this important legislation.

About Enterprise:

Founded 40 years ago here in Maryland, Enterprise is committed to make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all.

Our impact and investment in Maryland housing and affordability is one measure of our commitment to the state and its residents. Enterprise’s affordable housing production, preservation, and rehabilitation efforts total more than \$1 billion in total portfolio value, including 76 apartment communities and more than 7,500 homes in Maryland. Our work is centered on holistic resident services and environmentally sustainable design, construction and operations.

In addition, we provide millions of dollars each year in loan financing, equity investments and grants to nonprofit and mission-minded community organizations, as well as technical assistance, partnerships, and a variety of federal, state, and local policy analysis.

Enterprise brings substantial first-hand experience of the vital role the state’s housing and community development programs play in meeting community needs.

ENTERPRISE COMMUNITY PARTNERS, INC.

Washington, DC Office: 10 G Street NE ■ Suite 580 ■ Washington, DC 20002 ■ 202.842.9190 ■

www.EnterpriseCommunity.org

We are also a proud signatory of the [Purple Line Corridor Community Development Agreement](#), and actively work in coalition with a variety of cross-sector stakeholders, including tenant and landlord interests, to prevent displacement, support greater housing affordability, and overall increased health and quality of life for residents along the corridor. Many Purple Line residents are under threat of displacement, and more have been displaced at least once while trying to remain members of their local communities. The financial, emotional, logistical, and long-reaching costs of involuntary displacement on households are described later in this testimony.

[The Purple Line's Housing Action Plan 2023-2027](#) includes explicit support for stronger legal protections for renters (p29) and cites Just Cause Eviction as one example of those protections, for both Montgomery and Prince George's Counties.

About Just Cause:

Maryland is currently a "no cause" state – that is, a landlord can decide to non-renew without any stated cause. This means that working families and their children face the constant threat of displacement, even when they follow all the rules. They are under constant pressure to stay quiet and accept declining conditions, arbitrary policies, and increasing rents just to stay in their communities and keep their children in their local school. Or, they can speak up – on their own or as a group – and face a likely “non-renewal” at the end of their lease and displacement from their community.

Unfortunately, Maryland has seen a spike in the number of no-cause, evictions known as “Tenant Holding Over” evictions– a 117% increase in average Tenant Holding Over complaint filings each month since 2020. This mirrors a national trend in which “[n]early half of U.S. renter households reported experiencing significant pressure to move during the previous 6 months.”¹ In addition to increasing rents and fewer market options, Maryland renters face the increased uncertainty of involuntary displacement, causing additional household costs to move, and negative impacts on work commutes, access to schools, and instability in their housing record, which can impact credit access and consideration on future rental applications.

One proven way to minimize this uncertainty is through establishing Just Cause provisions. Just Cause articulates that a landlord must disclose the reason for choosing not to renew. HB477 does not limit or constrain landlords who have legitimate reasons for non-renewals. It offers a list of options for what “just cause” may include and gives that ultimate authority to localities to decide. Common Just Cause provisions may include substantial lease violations, illegal activities, removal of the property from the market, or personal use of the property by the owner. Requiring landlords to disclose the reason for a lease non-renewal helps ensure that no eviction takes place under the cover of discriminatory intent. HB 477's list reflects the policies other U.S. jurisdictions that have enacted.

HB477's approach to allowing localities to control ultimate Just Cause decisions is important to understand in context. As you may recall, since 2008 legislation to establish just cause eviction has been introduced 9 times – including multiple statewide bills, as well as bills specific to Prince George's County and Montgomery County.

¹ HUD Office of Policy Development and Research, “Pressure to Move and Forced Moves Among U.S. Renter Households: Findings From New Questions in the Household Pulse Survey” (Sept. 19, 2023) (based on June-Aug. 2023 data).

During the COVID-19 state of emergency, Howard County unsuccessfully attempted to prohibit lease non-renewals while Baltimore City passed a short-term provision to require just cause for lease non-renewals until 6 months after the state of emergency's end. Most tenant landlord affairs in Maryland are decided at the local level; we agree that localities should have the right to establish Just Cause conditions as part of their overall approach to addressing strong rental housing protections and authorities in consultation with stakeholders.

At least 5 states, the District of Columbia (since 1985), and 16 localities including Philadelphia (since 2018) have adopted just cause eviction laws. New Jersey's just cause law (since 1974) demonstrates that the benefit of just cause far outweighs the hypothetical that it hurts development. ["Something in the Garden State is clearly working. According to data from the Eviction Lab, New Jersey cities such as Trenton, Paterson, Jersey City, and West New York have among the lowest eviction rates in the country. Meanwhile, construction is absolutely exploding."](#)

As well a [2019 Princeton/Eviction Lab](#) study of four California jurisdictions found that "just cause eviction ordinances have a significant and noticeable effect on eviction and eviction filing rates. Given the budget limitations of many states and municipalities to fund other solutions to the eviction crisis, passage of just cause eviction ordinances appears to be a relatively low-cost, effective policy solution."

HB 477 recognizes that local legislatures want to assist renting families with stable housing so that they are able contribute long-term to the workforce and the local economy. Requiring that a landlord state a legitimate reason for an eviction through lease non-renewal eviction boosts the stability of families, neighborhoods, and communities. It also streamlines court processes and reduces eviction filings that may be filed for arbitrary reasons against tenants who are otherwise obeying all terms of their lease and the law.

Our team would be happy to answer any questions you may have about our work in Maryland, and we appreciate your consideration of these views. On behalf of Enterprise Community Partners, we urge you to move favorable on Just Cause Eviction legislation.

Respectfully submitted:

Melissa Bondi
Mid-Atlantic State & Local Policy Director

Cc: Rev. David C. Bowers, Vice President and Mid-Atlantic Market Leader
Sheila Somashekar, Director, Purple Line Corridor Coalition