

Robin Carter
Chairperson, Board of Commissioners
Janet Abrahams
President | Chief Executive Officer



February 29, 2024

TO: Members of the Environmental and Transportation Committee
FROM: Housing Authority of Baltimore City
RE: Senate Bill 481 Renters' Rights and Stabilization Act of 2024
POSITION: Support with Amendments

Chair Korman, Vice-Chair Boyce, and Members of the Committee, please be advised that the Housing Authority of Baltimore City (HABC) supports Senate Bill 481 - Renters' Rights and Stabilization Act of 2024. This bill enhances protections for renters, strengthens the enforcement of existing laws and reduces the impact of evictions on tenants. HABC fully supports the bill's intention of keeping families stably housed and would like to offer friendly amendments.

HABC is the largest public housing authority in the State of Maryland and the fifth largest in the country. The agency provides federally funded housing assistance and related services to over 20,000 low-income households in Baltimore City through its Public Housing and Housing Choice Voucher programs. With over 57,000 additional households on our waiting lists for both programs combined, we understand the significant need for affordable housing in the state and are pleased that this administration is making housing a top priority. HABC recommends the amendments discussed below to provide consideration for the unique position of public housing authorities (PHAs), which are responsible for providing safe and affordable housing to vulnerable populations while ensuring that federal requirements are met. HB 693 proposes to increase the current filing fee surcharge for summary ejectment, tenant holding over and breach of lease cases from \$8.00 to \$93.00, thereby increasing the total cost of filing from \$15.00 to \$100.00.

It is always HABC's goal to work with households who are struggling to pay rent and to provide them with resources and opportunities to pay overdue balances, and litigation is used only as a last resort to address rent arrearages. In addition to the 10-day notice that the State requires landlords to send to tenants prior to initiating a failure to pay rent action, HABC and other PHAs are currently required by the U.S. Department of Housing and Urban Development (HUD) to provide a 30-day notice for lease termination actions. This notice specifies the amount that the tenant owed and for what period and informs the household of their tenant rights under HUD regulations, such as the right to reply to the notice, examine the documents, file a grievance and seek protection under the Violence Against Women Act (VAWA).

HABC takes steps to work with residents who have overdue rent balances to enter into repayment agreements for payment of their back rent. We also engage in outreach campaigns to encourage residents to pay their rent and/or seek eviction prevention assistance. Despite efforts to collect back rent outside of court, HABC still has many residents who owe significant rent arrears that have accumulated over the years, particularly during the Covid-19 pandemic. As a result, HABC's current backlog of tenant rent owed is over \$3.8 million.

Unfortunately, some residents repeatedly do not pay their rent until after the failure to pay rent case is filed in court, resulting in multiple rent court filings against the same households during the year. The cost of filing fees cannot be recouped if the resident pays before trial. HABC sends approximately 2,200 30-day notices to terminate for breach of lease every month. On average, about 1,300 make a payment or enter

Housing Authority of Baltimore City | 417 East Fayette Street, Baltimore, MD 21202

410.396.3232 www.HABC.org @BmoreHabc

into a repayment agreement after HABC files a failure to pay rent action in court.

Adding a surcharge to file a summary ejectment case in rent court would place a harsh financial burden on HABC. The proposed surcharge of up to \$93.00 on 900 rent cases monthly, for instance, would add another \$83,700 to file those cases. In addition to failure to pay rent cases, HABC also files breach of lease actions due to lease violations, including criminal activity. The surcharge would be a crushing burden on HABC and would severely impact the agency's ability to serve our residents.

Market rate landlords can simply spread the additional filing fee across all residents by making small rent increases. HABC and other affordable housing providers cannot raise rents since regulations governing such programs set strict rent limits. Further, PHAs are mandated by federal regulations to ensure that residents comply with their leases, which requires the filing of a court action for lease violations when alternative measures are not possible. Additionally, HABC cannot choose not to renew a lease at the end of its term for residents who repeatedly pay late or fail to pay. The leases for public housing residents automatically renew unless terminated through a court action.

HABC and other housing authorities in Maryland would be adversely affected if SB 481 were to pass because this surcharge would have to be paid from each PHA's allocation of federal operating funds, which are granted by HUD to operate the public housing program. Every dollar paid for the fee would be a dollar less that could be used to house one of the thousands of residents on our wait list or on the lengthy wait lists all across the state.

HABC respectfully requests an amendment to exempt public housing authorities from this surcharge increase. If such an exemption is not made, HABC respectfully requests a significant reduction in the surcharge increase for public housing authorities.

For the reasons stated above, HABC respectfully requests a favorable report on SB 481 with amendments.

HABC is authorized to state that the following Maryland PHAs join in HABC's report on this bill:

- **Housing Authority of the City of Annapolis**
- **Housing Authority of the City of Hagerstown**
- **Housing Commission of Anne Arundel County**
- **Howard County Housing Commission**