

HEALTH CARE FOR THE HOMELESS
TESTIMONY IN SUPPORT OF

SB 481 - Renters' Rights and Stabilization Act of 2024

Senate Judicial Proceedings Committee
Senate Education, Energy, and the Environment Committee
February 29, 2024



Health Care for the Homeless strongly supports SB 481, which will help end and prevent homelessness by making a number of key reforms to enable Marylanders to obtain housing and keep them stably housed.

Health Care for the Homeless Supports SB 481 Because It Helps Move People from Crisis to Stability

Health Care for the Homeless is Maryland’s leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. Since 1985, we have grown from one small clinic in the heart of the city, to 240 employees across multiple clinic sites (downtown, West Baltimore, Baltimore County) and a mobile clinic providing care partner sites throughout the Greater Baltimore area. This expanded reach, and a diversity of health disciplines on staff, exemplifies our approach: we meet people where they are—geographically and emotionally—with *easy access to the health care, supportive services and resources necessary to move from crisis to stability*.

From infants to aging adults, Health Care for the Homeless serves about 10,000 clients annually, with care and supportive services that include vital screenings, treatment for chronic illness and addiction, behavioral health therapy, immunizations, dental care, public benefits assistance and more. We take extra efforts to pursue a personalized care model that includes robust coordination and collaborative teams consisting of primary care clinicians, nurses, counselors and behavioral health therapists. Each team works as a single, cohesive group to develop goals and a care plan specific to the needs and circumstances of each client—with the *ultimate goal of helping people regain housing*.

The reforms as contemplated by SB 481 will not only assist our staff in ensuring the clients we serve can regain housing and remain stably housed, but it will help vulnerable Marylanders throughout the state.

With the Cost of Housing Already Too High, Renters Need Reforms to Keep Them Stably Housed

Low income relative to cost of living combined with a dire lack of affordable housing creates conditions where ensuring renters can stay housed is imperative to the lives of Marylanders. Maryland is the 10th most expensive state in the country, with a housing wage of \$31.08 for a two-bedroom apartment at fair market rent.¹ With the State’s minimum wage, that means a person would have to work 79 hours per week to afford a two-bedroom apartment.²

Given this landscape, enacting broad policy reforms to ensure that renters can obtain and stay housed is imperative given that if they are evicted and become unhoused, it would be immensely difficult to find

¹ National Low Income Housing Coalition, *Out of Reach* (2023), Maryland data, available at <https://nlihc.org/oor/state/md>; see also [Maryland | National Low Income Housing Coalition \(nlihc.org\)](https://nlihc.org/).

² Id.

affordable housing. One such policy reform in this bill is to reduce the allowable security deposit for renters in Maryland from two month's rent to one month's rent. This change closes the "first and last month's rent" loophole by limiting the tenant costs to occupy the premises to the security deposit and first month's rent. Currently, a tenant is often required to produce the equivalent of two months' rent as a security deposit and an additional month's rent as the first month's payment, totaling 3 months rent to become housed or move. In 2022, the median rent for a two-bedroom apartment in Maryland was \$1,600, meaning a tenant can be required to come up with nearly \$4,800, or more, to move in.³ According to the Federal Reserve, the median American family has about \$5,300 accessible in savings accounts,⁴ an amount that would be nearly, if not completely, used up to pay a two-month security deposit and the first month's rent on a two-bedroom apartment in Maryland. The typical renter has only about \$3,400 in total savings.⁵ For many renters, even those with incomes at or above the area median, this places a new home out of reach. We also know that 52% of renters are spending 30% or more of their income on housing related costs. According to the National Low Income Housing Coalition 2023 GAP Report, there are more than 200,000 Maryland households making less than 30% of AMI.⁶ If a renter has budgeted to spend 30% of their income on rent,⁷ they would be required to come up with 90% of their monthly earnings to simply become housed.

Given that rent in Maryland is far too high with the relative income, it is unsurprising that security deposits have been categorically cost-prohibitive to many renters. Reducing the amount of allowable security deposit by half will be immensely helpful in enabling Marylanders to obtain housing in the first place. Affordable security deposits can therefore help end an individual or family's experience of homelessness.

Homelessness and Health are Inextricably Linked

Homelessness is a housing and health crisis. Homelessness creates new health problems and exacerbates existing ones. Where someone who is stably housed could easily manage something like diabetes or hypertension, our providers see every day that homelessness makes caring for these things exponentially harder and sometimes impossible. There is ample data to show that housing improves health.⁸

It is no surprise that the mortality rates among people experiencing homelessness are substantially higher than those of their housed counterparts – the life expectancy of those housed residents living in the

³ Numbers from the most recent report of the Maryland Interagency Council on Homelessness show an even grimmer picture. Data from the report showed that the average rent for a two-bedroom unit in Maryland was \$1,700 per month, while the average amount that households at 30% AMI have available for rent is \$708. The Maryland Interagency Council on Homelessness (ICH), available at <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf> (released 2022), page 8. In accordance with Housing and Community Development Article § 4-2101, the Interagency Council on Homelessness (ICH) is staffed by the Department of Housing and Community Development (DHCD) and includes a number of diverse community stakeholders as its membership.

⁴ U.S. News, The Average Savings Account Balance (Feb. 2024), available at [The Average Savings Account Balance | Banking Advice | U.S. News \(usnews.com\)](#).

⁵ Zillow, Renters of color pay higher security deposits, more application fees, available at [Renters of color pay higher security deposits, more application fees - Apr 6, 2022 \(mediaroom.com\)](#).

⁶ <https://nlihc.org/gap/state/md>

⁷ Renter households spending more than 30% of their income on housing costs and utilities are considered "cost burdened," and those spending more than half of their income are "severely cost burdened." [Maryland | National Low Income Housing Coalition \(nlihc.org\)](#)

⁸ For instance, a recent report on the outcomes of the Maryland Medicaid supportive housing waiver program, known as Assistance in Community Integration Services (ACIS) showed "[s]tatistically significant decline in the average number of ED visits, avoidable ED visits, and inpatient admissions for ACIS participants in the year following enrollment in the program." See The Hilltop Institute UMBC, *Summary Report: Assistance in Community Integration Services (ACIS) Program Assessment, CY 2018 to CY 2021* (Sept. 15, 2023), available at [Summary Report: ACIS Program Assessment \(hilltopinstitute.org\)](#).

wealthiest Maryland counties is 82, whereas for people experiencing homelessness, the life expectancy is just 48 years of age. Conservatively, over 23,000 people in Maryland experienced homelessness in the given year.⁹ More than 2,000 residents in Baltimore City alone experience homelessness on any given day. The Maryland Interagency Council on Homelessness rightly recognizes that homelessness is caused, in large part, by the lack of affordable housing available to Maryland residents.¹⁰

SB 481 Will Prevent Homelessness

SB 481 makes necessary reforms to help ensure people regain housing and remain stably housed. Eviction prevention efforts as contemplated by this bill will help ensure people avoid homelessness by stably remaining in their homes. Maryland has the highest eviction filing rate in the nation at 48.1% compared to the national average of 7.3%. Key eviction prevention efforts in this bill are imperative as a part of the State's homelessness prevention efforts. Building upon an existing right for administrative judges to stay an eviction in extreme weather conditions, this bill will bar evictions in extreme weather or other dangerous conditions.

Additionally, this bill will increase the eviction filing fee surcharge from \$8 to \$93, thereby increasing the total cost of filing an eviction from \$15 to \$100. This will decrease eviction filings. Research on the impact of filing fee increases has demonstrated that eviction judgment rates decrease when filing rates decrease, and not vice versa. Importantly, the bill prohibits landlords from passing through the costs of the fee to tenants through redemption or adjudication. If the fees could be passed on to tenants, the purpose of the bill is eviscerated. There would no longer be any disincentive for the landlord to file an eviction action if the landlord or the court can pass that surcharge onto the tenant. Further, any additional fees on tenants, even "minor" increases, would have significant effects on renters and housing stability in Maryland.

As referenced above, reducing the allowable security deposit for renters in Maryland from two month's rent to one month's rent is a key component of the bill. Reducing the barrier of security deposits will enable people to secure housing in the first place. With the housing stock and income landscape as it is, the ending of potential homelessness or housing instability through this initiative is a critical aspect of renter reforms in Maryland.

Compliance with fair housing law is another vital aspect of ensuring that individuals and families can stay stably housed or aren't denied housing. The bill establishes an Office of Tenant Rights (OTR), which would, among other things, provide access to resources to help tenants understand and exercise their rights under Maryland law and promote freedom from discrimination or other unfair or illegal housing practices. Importantly, the OTR would implement fair housing testing to ensure compliance with fair housing laws and identify landlords out of compliance with state, federal and local laws and facilitate referral to appropriate law enforcement. People cannot stay stably and safely housed without compliance with and enforcement of fair housing laws. We applaud the Governor for recognizing the importance of a housing situation that is free from discrimination.

Only housing solves homelessness. We must remove barriers to safe and stable housing. SB 481 will make huge strides towards ensuring Marylanders obtain housing and remain stably housed. We strongly urge a favorable report.

⁹The 2020/2021 report from The Maryland Interagency Council on Homelessness (ICH) <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf>. We believe, however, the number of people experiencing homelessness is closer to 30,000 in Maryland.

¹⁰ Id. at pg. 8, available at <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf>.

Health Care for the Homeless is Maryland's leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness.

We deliver medical care, mental health services, state-certified addiction treatment, dental care, social services, housing support services, and housing for over 11,000 Marylanders annually at sites in Baltimore City and Baltimore County.

Our Vision: Everyone is healthy and has a safe home in a just and respectful community.

Our Mission: We work to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it.

For more information, visit www.hchmd.org.