



February 9, 2021

Senate Bill 401

Landlord-Tenant - Nonrenewal of Lease - Notice Requirements

Position: Favorable

Thank you for the opportunity to provide testimony in support of Senate Bill 401, **legislation that would extend the required amount of time for advance notification of a landlord's intention not to renew a lease in Maryland.** Arundel Community Development Services, Inc., (ACDS) serves as Anne Arundel County's nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. In fulfilling this role, ACDS administers grants to nonprofit partners, directly develops and implements programming, and advises the County on housing and community development policy initiatives.

As the COVID-19 crisis forced the closing of businesses and so many households saw a huge drop in incomes due to the loss of jobs and childcare and other factors, **ACDS stood up the State's first Emergency Rental Assistance (ERA) Program, getting payments to landlords as quickly as possible and keeping low-income families affected by the COVID-19 crisis in their homes.** (Financial eligibility for ERA Programs is typically set at or below 80% Adjusted Median Income.) With the influx of more than \$400,000,000 in new federal rental assistance funds coming to the State of Maryland this year through the Consolidated Appropriations Act, **Emergency Rental Assistance Programs in jurisdictions throughout the State will play a larger role than ever in providing ERA payments to the State's landlords and preventing evictions of the State's lower income households.**

As Maryland Rental Assistance Programs attempt to stretch ERA funds as far as possible and to expend those funds in such a way that they will have as much benefit for stability of housing for low income tenants as possible, **Programs must attempt to ensure that when funds are expended to cover past due rental arrears, the tenants on whose behalf those funds have been expended will have some level of security in their tenancy for at least some period of time going forward.** This bill, which provides a modest increase in the amount of advance notice a landlord must give before that landlord may refuse to renew a lease, will provide some certainty that an ERA Program use of limited funds are will keep a tenant in place, for at least the next two to three months.

Many renters on whose behalf ACDS makes payments to cover rental arrears are either near the end of their lease or have leases that have already expired. In that instance, the landlord may generally simply give the tenant 30-days' notice that the lease is to be terminated,

and after that 30 days, the landlord can sue to evict the tenant as a Tenant Holding Over – without any cause required other than the expiration of the lease term. This bill would extend that notice requirement to 60 or 90 days, depending on the duration of the tenant’s prior stay in the property.

This affects rental assistance programs because, unless a landlord is willing to voluntarily enter into an agreement promising not to begin proceedings to evict a tenant as a Tenant Holding Over for a specified period after the ERA Program has paid a tenant’s arrears, the landlord may accept payment for arrears – sometimes for several past due months’ rent – and then immediately thereafter notify the tenant that their lease will be terminated in 30 days. This defeats the goal of the ERA Program, which is to provide housing stability for those at risk of eviction. **As a result, many ERA Programs, ACDS included, request a voluntary agreement that a landlord will not sue to evict a tenant as a Tenant Holding Over for a specified period in exchange for payment of arrears on the tenant’s behalf. It is a struggle and a negotiation that is not always successful. This bill would eliminate that struggle.**

If the tenant is assured at least 60 to 90 days’ notice prior to the termination of their tenancy, which this bill would require, **ERA Programs could much more confidently provide ERA payments for past due rent knowing that the payment will make a significant, even if not long term, step toward housing security for the tenant being assisted.**

For the reasons noted above, we urge a FAVORABLE report on HB 52.

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