

HB 674 - Landlord and Tenant – Stay of Eviction Proceeding for Rental Assistance Determination

Hearing before the Environment and Transportation Committee, Feb. 22, 2022

Position: SUPPORT (FAV)

Public Justice Center (PJC) urges the Committee to issue a favorable report on HB 674, with sponsor amendments that would conform to the crossfile, SB 384.

Maryland has unprecedented funding to prevent evictions. Every dollar of our [estimated rent debt of \\$392 million](#) (Dec. 2021) can be paid by local emergency rental assistance programs (ERAPs) that have scaled up over the past year. Yet, in the second half of 2021, there were nearly 27,000 eviction cases filed for non-payment of rent per month. **In that time, 705 households were evicted per month.**

HB 674 provides a structural fix by:

1. Providing the Court Authority to Temporarily

Pause The Eviction Process. Right now, there is no statutory authority for the Court to pause the eviction process related to rent assistance. This sets up a nightmarish race between the ERAP agency/tenant and the eviction process. HB 674 mandates a stay on Failure To Pay Rent proceedings, on a case-by-case basis, if a judge determines that a good faith rental assistance application to resolve the debt is pending. *No one should be evicted when there is money to pay the rent – especially during a pandemic.*



73%

of surveyed pro bono attorneys in Maryland reported that in some, most, or all of their cases, **renters faced eviction while waiting** for Emergency Rental Assistance.

63%

of surveyed pro bono attorneys had cases in which renters **faced eviction after their landlords refused** to accept Emergency Rental Assistance.

2. Incentivizing Landlords to Accept Rental Assistance.

Numerous landlords – both large corporations and smaller operators – are refusing to accept rental assistance. Some refuse it across the board. Others pick winners and losers – accepting the rental assistance for some who they like and refusing it for others. If the landlord wants to use a state-

DECEMBER 2021

105,000

MD HOUSEHOLDS
BEHIND ON RENT

The Household Pulse Survey (Week 41) estimates that **62% of Maryland renters feel "very" or "somewhat" likely to be evicted** in the next 2 months. These renters are disproportionately people of color, and the majority have children in their households. Here's what else we know about them:

97% have a household income under \$50,000

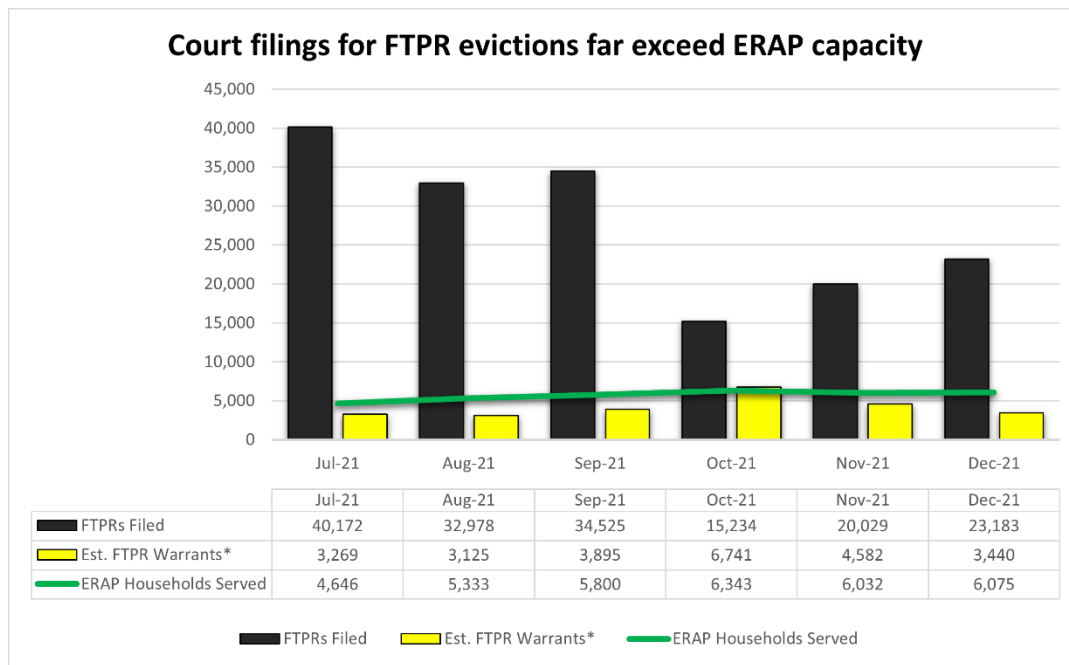
84% lost employment income in the past 4 weeks

88% borrowed from friends/family to meet spending needs in the past 7 days

14% used their Child Tax Credit payment to meet spending needs in the past 7 days

funded judicial process to collect the rent, they should be required to accept rental assistance. *No one should be evicted when there is money to pay the rent – especially during a pandemic.*

3. Aligning The Pace of Rental Assistance With Eviction Processes For Fairness and Efficiency. Even as local rental assistance programs have worked overtime to innovate solutions that make landlords whole while keeping residents housed, they were exceedingly outpaced by eviction filings. In July 2021, the ratio of FTPR eviction filings to households served by ERAPs was nearly **9:1**. Even with the incredible ramp-up effort over summer and fall, plus the implementation of new notice requirements under HB18 (Oct. 2021), that ratio was still approximately **4:1**.



Amid this tide of eviction litigation, ERAP programs have had to prioritize applications in which tenants face pending evictions. They have collaborated with local sheriffs to identify addresses slated for eviction. The work of distributing federal relief funds broadly has become the urgent triaging of scheduled evictions. The cost of this dynamic has been to place timely applications on hold, to have tenants waiting months for assistance, until they are on the brink of losing their home. This is not fair or efficient. It rewards landlords who aggressively pursue eviction by pushing them to the front of the line while leaving behind those landlords who are cooperating with ERAP programs. HB 674 would remove that incentive for landlords to aggressively pursue eviction because the Court could pause the eviction while a good faith rental assistance application is pending. *No one should be evicted when there is money to pay the rent – especially during a pandemic.*

4. Adopting a National Best Practice of Pausing Eviction for Rental Assistance.

HB 674/SB 384 adopts a best practice learned in the wake of COVID-19 that has been adopted in some form by at least **16 other states**. "Eviction stays are a critical intervention that delay final judgment and give renters the opportunity to apply for ERA and avoid evictions." - [National Low Income Housing Coalition](#)

[At least 16 other state and local jurisdictions have enacted protections for tenants who have applied for rental assistance by temporarily staying the eviction process.](#) Additionally, some states have issued guidance that landlords who refuse rental assistance

violate the state's source of income law. *No one should be evicted when there is money to pay the rent – especially during a pandemic.*

Ms. Di'jhae Flowers is a Public Justice Center client who could not be present at the hearing but asked that we share her experience

My name is Di'jhae Flowers and I am a Baltimore City tenant. In August 2021, I was forced to quit my job in order to take care of my son. I am the sole caretaker of my son, and at the time he was running very high fevers and had chills. Although my son did not have COVID-19, he was not permitted to go to daycare because of COVID-19 policies that were in place to protect the children. My employer would not give me the time off I needed to care for my son, so I had to quit.

As a result of my sudden loss of income I soon fell behind on rent and submitted a rental assistance application to the Baltimore City Community Action Partnership (BCCAP) Eviction Prevention Program in August 2021. After completing my application, I call the rental assistance office every other week to ask for an update. While this was going on I was receiving multiple Failure To Pay Rent court summons from my landlord. When I attended a court hearing in December, I recall my landlord's representative saying that they were only approving rental assistance for certain accounts.

It was not until January 2022 that I received word that I had been approved for rental assistance. That same week I was informed by BCCAP that my landlord was not accepting rental assistance in my case. I realized then that I would have to come up with the money on my own. I want legislators to know that my landlord, Maryland Management Company, states on their website that they accept rental assistance. Without rental assistance, I do not know how I will be able to pay back my arrears.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a report of FAVORABLE on HB 674, with sponsor amendments**. If you have any questions, please contact: Matt Hill, hillm@publicjustice.org, 410-625-9409, ext. 229.

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