

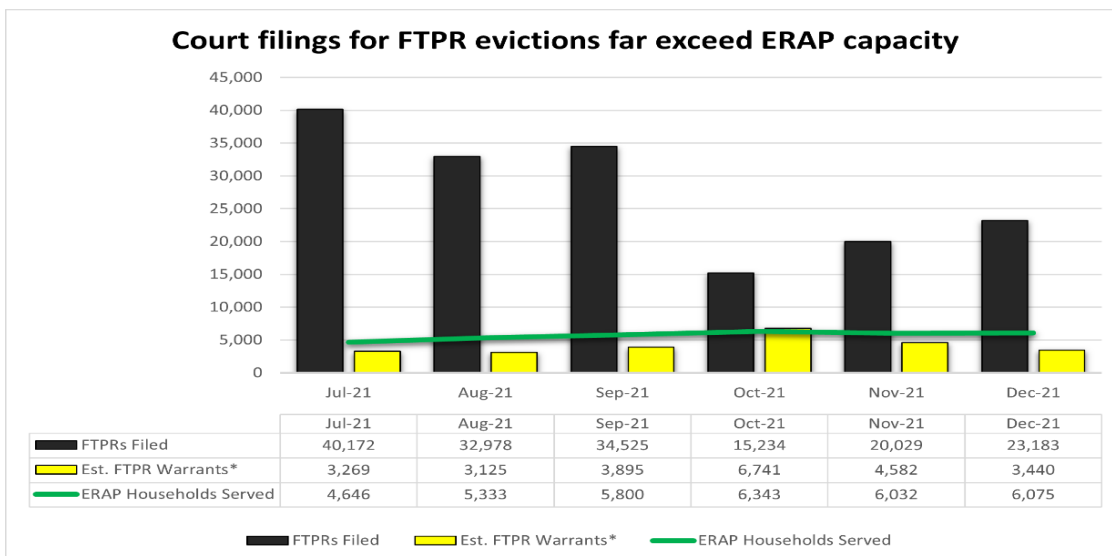
Requirements For Landlords Would Make Federal Rental Assistance More Effective

Position Statement Supporting House Bill 367

Given before the Environment and Transportation Committee

Maryland has unprecedented funding to prevent evictions. Every dollar of our estimated rent debt of \$392 million can be paid by the local emergency rental assistance programs (ERAPs) that have scaled up over the past year to deploy federal relief funds.¹ 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. These eviction cases proceeded because Maryland did not take steps in the 2021 Session to require that landlords utilize emergency rental assistance before they can file eviction actions. **The Maryland Center on Economic Policy supports House Bill 367, because the bill ensures that landlords utilize federal funds to cover outstanding rent and avoid litigation.**

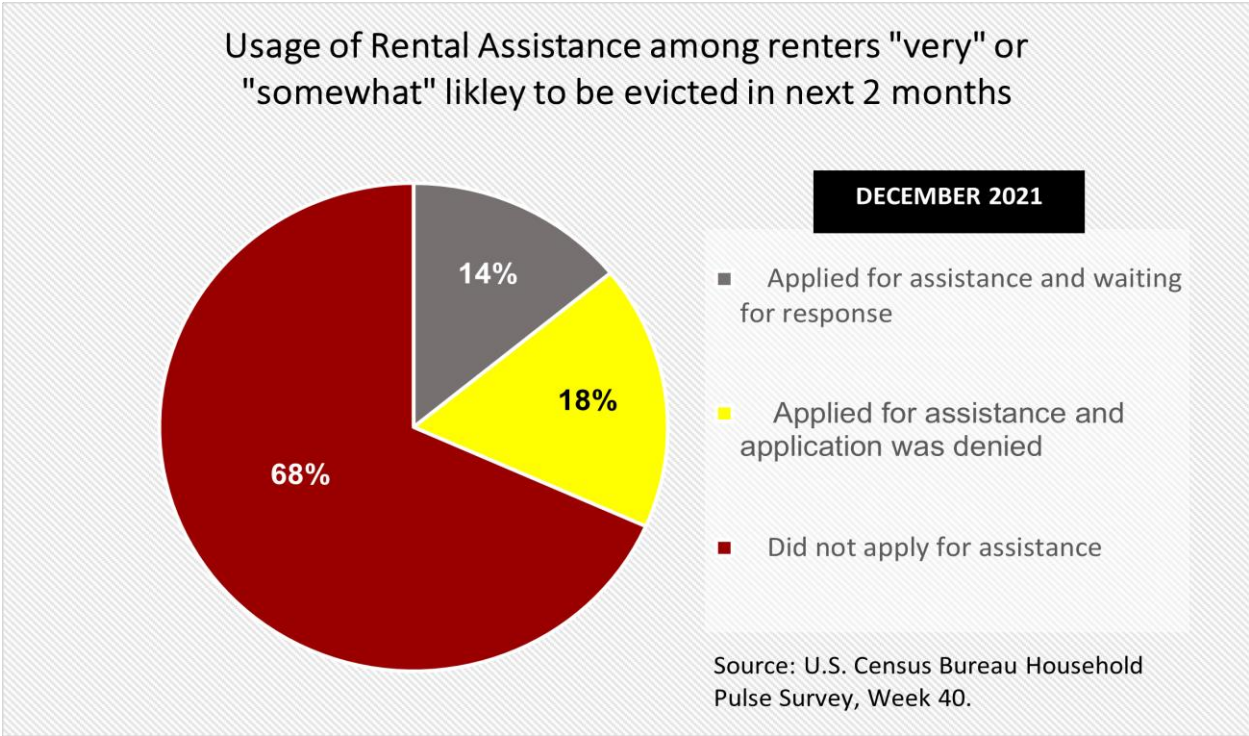
HB 367 will make emergency rental assistance distribution more efficient. Even as local rental assistance programs have worked overtime to innovate solutions that make landlords whole while keeping residents housed, they were exceedingly outpaced by eviction filings. In July 2021, the ratio of failure to pay rent 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 last year's HB 18 (Oct. 2021), that ratio was still approximately 4:1.



Amid this tide of eviction litigation, rental assistance program managers 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.

HB 367 would ensure that rental assistance programs have 45 days to work on a rental assistance application before the landlord proceeds with filing a failure to pay rent eviction action. This is a measure styled after laws adopted in other jurisdictions, including nearby Philadelphia, Washington, D.C., and Virginia.ⁱⁱ Without a policy of prioritizing rental assistance ahead of eviction actions, Maryland allowed 4,618 households to be evicted for non-payment of rent in the latter half of 2021. Even more families would have been affected if not for federal eviction moratorium policies and COVID-19-related scheduling delays in Maryland’s district courts. Now rental assistance programs are working without the benefit of slowed-down eviction proceedings. HB0367 would provide a new legal tool that helps local programs to distribute the nearly \$400 million in remaining rental assistance funds in a fair, effective manner.

As of January 2022, the US Census Bureau Household Pulse Survey (Week 41) showed that 62% of Maryland renters feel “very” or “somewhat” likely to be evicted in the next two months. They are primarily households of color, with children, earning less than \$50,000, and having recently lost employment income in the past four weeks. Many of these households have not yet used emergency rental assistance:



The time for critical interventions in the rental housing arena is far from over. The General Assembly must act to bridge these Maryland household to local Emergency Rental Assistance Programs before they are subject to

eviction proceedings. **For these reasons, the Maryland Center on Economic Policy respectfully requests the Environmental and Transportation Committee to make a favorable report on House Bill 367.**

Equity Impact Analysis: House Bill 367

Bill Summary

HB 367 would ensure that local Emergency Rental Assistance Programs have 45 days to work on a rental assistance applications before the landlord proceeds with filing a failure to pay rent eviction action.

Background

Maryland has unprecedented funding to prevent evictions. Every dollar of our estimated rent debt of \$392 million can be paid by the local emergency rental assistance programs that have scaled up over the past year to deploy federal relief funds.ⁱⁱⁱ 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. These eviction cases proceeded because Maryland did not take steps in the 2021 Session to require that landlords utilize emergency rental assistance before they can file a failure to pay rent eviction action.

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 FTRP 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, ERAPs 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.

Equity Implications

As of January 2022, the US Census Bureau Household Pulse Survey (Week 41) showed that 62% of Maryland renters feel “very” or “somewhat” likely to be evicted in the next two months. They are primarily households of color, with children, earning less than \$50,000, and having recently lost employment income in the past four weeks.

Impact

House Bill 367 will likely **improve racial and economic equity** in Maryland.

ⁱ National Equity Atlas (2021) *Rent Debt in America* <https://nationalequityatlas.org/rent-debt>

ⁱⁱ National Low Income Coalition (2021) *Tenant Protections and Emergency Rental Assistance During and Beyond the Covid-19 Pandemic* https://nlihc.org/sites/default/files/Tenant-Protections_Emergency-Rental-Assistance-during_beyond_COVID-19_Pandemic.pdf

ⁱⁱⁱ National Equity Atlas (2021) *Rent Debt in America* <https://nationalequityatlas.org/rent-debt>