



HOMELESS PERSONS REPRESENTATION PROJECT, INC.

**Testimony to the Ways and Means Committee
HB449: Property Tax - Renters' Property Tax Relief Program - Application Period
Position: Favorable**

February 8, 2022

Delegate Vanessa E. Atterbeary, Chair
Ways and Means Committee
Room 131
House Office Building
Annapolis, Maryland 21401

Cc: Members, Ways and Means Committee

Honorable Chair Atterbeary and Members of the Committee:

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal aid organization that provides free legal representation to people who are homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. HPRP regularly represents tenants in failure to pay rent cases and other landlord-tenant matters in Baltimore City.

What the bill does

HB0449 would allow Maryland renters who were at least 70 years old and previously eligible for tax credits to claim those credits retroactively for up to three (3) years, further reducing their financial burden. This bill will protect older adult, low-income renters from housing displacement, provide Maryland residents with the opportunity to protect their housing situation, and allow vulnerable older adults the means to age in place - maintaining their intergenerational investment and strengthening the communities they live in.

HPRP's mission is to prevent and end homelessness for all Marylanders. Providing the opportunity to claim these tax credits will assist senior adults in maintaining financial stability, which is essential in retaining safe and stable housing.

The importance of aging in place

In 2017, 34.95% of the State's 60+ low-income minority individuals lived in Baltimore City, followed by Prince George's (19.36%) and Montgomery (16.3%) counties. In 2017, 91,630 older Marylanders (7.56%

of the total state 60+ population) lived in poverty as defined by the federal poverty guidelines. Minorities composed nearly half (49%) of the State's low income older adult population.¹

Aging in place is an important issue for the growing senior population. According to the AARP, most adults over 65 want to remain in their homes for as long as possible.² Relocating for seniors can be detrimental to their overall wellbeing and financial health. Older adults typically have spent many years establishing and nurturing relationships with their neighbors and communities, which could be lost if they were forced to relocate.³

The Maryland Renters' Tax Credit Program addresses many of the financial security issues that older Maryland renters face. HB449 will expand on this successful program by making the tax credit retroactive.

Housing vulnerability of older adults

In 2020, Maryland had the 8th highest number of renters who were cost-burdened, with 49% paying more than 30% of their income for housing, while many are severely cost-burdened paying more than 50% for a rental.⁴

Older adults are more vulnerable to housing displacement. They may not have secure incomes in retirement, or may be on fixed incomes that do not adjust well enough for soaring housing prices.⁵ Even for those who are employed, they may be living paycheck to paycheck and even one unexpected bill or illness could create an unstable housing situation. In Maryland in 2018, 280,000 senior households were below the ALICE (Asset-Limited, Income-Restrained, Employed) threshold and their housing costs alone were on average \$1,129 per month.⁶ HB 449 will benefit these elders.

COVID and financial burden

The ongoing COVID-19 pandemic has contributed to major financial burdens, especially in our most vulnerable communities. History shows us that adults 60 and older experience a large decrease in total net wealth and an increase in debts, particularly property related debt, and experience significant increases in poverty status post-recession.⁷ According to the United Way's 2021 COVID-19 impact survey, respondents below the ALICE Threshold were significantly more likely than respondents above the ALICE Threshold to say that they were concerned about paying housing expenses (47% vs. 13%).⁸ HB449 will give much needed financial support to Maryland renters during this difficult time and will continue to help vulnerable seniors through future economic downturns.

¹ <https://aging.maryland.gov/SiteAssets/Pages/StatePlanonAging/MD%20State%20Plan%202022-2025.pdf>

² https://assets.aarp.org/rgcenter/il/beyond_50_communities.pdf

³ <https://gero.usc.edu/students/current-students/careers-in-aging/the-value-of-aging-in-place/>

⁴ <https://conduitstreet.mdcounties.org/2020/08/11/study-roughly-half-of-tenants-in-maryland-rent-burdened/>

⁵ <https://justiceinaging.org/why-eviction-hits-older-adults-harder-making-them-vulnerable-to-homelessness/>

⁶ https://www.uwcm.org/files/2020ALICEReport_MD_FINAL-7-9-20.pdf

⁷ <https://www.ncoa.org/article/economic-insecurity-for-older-adults-in-the-presence-of-the-covid-19-pandemic>

⁸ https://www.uwcm.org/files/COVID_Impact_Survey_MD_Results%20Report.pdf

HPRP supports programs that provide senior renters with the means to remain in their homes. We ask that the Committee issue a favorable report on HB0449.

Sincerely,

[YOUR CONTACT INFO]