

HOUSING JUSTICE 2023

emergency assistance. stability. safety. fairness.

As the Maryland General Assembly begins its 2023 session, **108,000** households are behind on rent amid rent gouging and economic uncertainty. Renters United Maryland is working with legislators and a new governor on four priorities for Maryland renters.



ASSISTANCE *Sustain emergency rental assistance.* Federal funds are running out and evictions are returning to pre-pandemic rates. We joined five county executives and 50+ organizations to ask for \$175 million in FY 24 to help over **20,000** households avoid eviction. Without significant investment, tens of thousands of predominantly Black and Latine families with children, who are still battered by the pandemic and an unstable economy, will likely face eviction.



STABILITY *Local Enabling Legislation for Just Cause Eviction (HB684/SB504).* Landlords often terminate tenancies when tenants organize for their rights, demand that repairs are made, or complain about violations of the law. “Just cause” laws protect tenants from this kind of retaliation and promote housing stability for tenants and neighborhoods. Sponsors: Del. Wilkins & Se. Muse.



SAFETY *The Tenant Safety Act (HB691/SB807)* will allow groups of tenants to access a “rent escrow” process to collectively hold the landlord accountable for serious conditions of disrepair that threaten the lives, health and safety of multiple occupants with the same landlord. Sponsors: Del. Stewart & Sen. A. Washington.



FAIRNESS *Block Illegally Operating Landlords from Eviction Court (HB36/SB100).* This bill would stop landlords who do not have a rental license from using the court to evict tenants in localities that have a licensing law. Licensing requires a periodic inspection and protects public health and safety. This bill passed by huge margins in 2022 but was vetoed by Gov. Hogan. Sponsors: Del. Lehman & Sen. Hettleman.

Fact Sheet for 2023 Legislative Session

BACKGROUND

More than 100,000 Maryland renter households continue to struggle with lingering rent debt in the wake of the pandemic,¹ and families with dependent children now make up more than 90% of those households “very likely” to be evicted due to outstanding rent debts in January and February 2023.² Despite low unemployment rates, rising costs of living have meant that low-income households do not have enough left over at the end of each month to pay down large back rents they accumulated during the peak of the pandemic. Emergency rental assistance (ERA), which includes rent debt relief as well as housing stability services to help households regain self-sufficiency, has helped more than 100,000 Maryland households avoid eviction, but all remaining federal funds will be exhausted by May 2023. Maryland is now heading towards a “cliff,” where the sudden end of ERA will cause significant increases in evictions and homelessness.

As of February 2023, the Mayor of Baltimore City and the County Executives of the six most populous counties in Maryland (Anne Arundel, Baltimore, Frederick, Howard, Montgomery, and Prince George’s Counties), as well as Maryland State Senators and Delegates and more than 50 government agencies and nonprofit service providers, have signed onto an open letter calling on the Governor to allocate funding in this year’s budget to sustain ERA programs. This group, now known as the Maryland Emergency Rental Assistance (MERA) Coalition, meets regularly to review the latest data and fine-tune recommendations to address the continuing evictions crisis in Maryland.

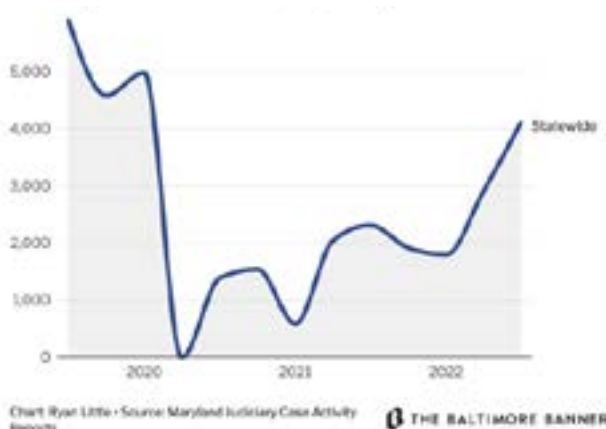
RECOMMENDATIONS

1. Maryland should allocate funding for ERA in the FY24 budget. Our coalition recommends an allocation of \$175 million to assist approximately 20,000 households in avoiding evictions.
2. A taskforce should be created to make recommendations for an ongoing framework for ERA (a “safety net for renters”) for FY25 and beyond.

WHY THE URGENCY?

Maryland evictions are rising steadily and are already approaching or exceeding pre-pandemic levels in some jurisdictions.

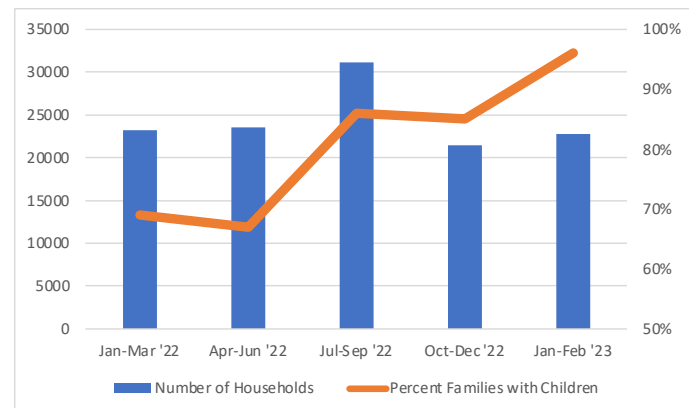
This trend is especially worrying because ERA has still been available in many of the most populous counties. When ERA ends, the volume of evictions will accelerate substantially beyond pre-pandemic levels.



WHAT DOES THE MOST RECENT DATA SHOW ABOUT RENT DEBTS AND EVICTIONS IN MARYLAND?

Families with dependent children in the home now make up the overwhelming majority of households at imminent risk of eviction in Maryland.

Households at Imminent Risk of Eviction and Percent at Imminent Risk that are Families with Dependent Children (Monthly Average for Each Quarter)



*Source: U.S. Census Bureau Household Pulse Survey, 2023

Last Updated February 27, 2023

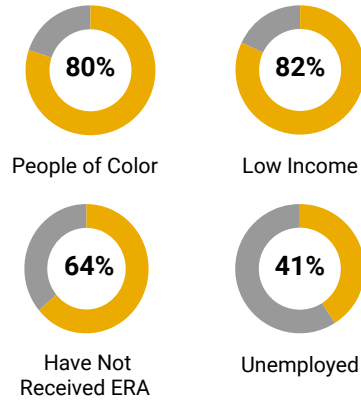
Footnotes:

1. Maryland Department of Legislative Services, “Analysis of the FY 2024 Maryland Executive Budget; Department of Housing and Community Development,” 2023.
2. U.S. Census Bureau, “Household Pulse Survey Week 54,” February 22, 2023.

WHO IS BEHIND ON RENT?

Those behind on rent are overwhelmingly low-income households who experienced job and income losses during the pandemic

Characteristics of Renters Behind on Rent in Maryland



Source:
National Equity
Atlas, 2023

WHY ARE HOUSEHOLDS STILL BEHIND ON RENT IN 2023?

1. Lingering pandemic rent debt means that even households who have regained incomes and resumed making monthly rent payments are still being evicted.
2. Rent inflation skyrocketed during the pandemic, increasing 19% over two years in the Baltimore area alone. Households don't have enough left at the end of each month to pay down rent debts.
3. Asset depletion is widespread among low-income renters. With savings and credit tapped out, households have no buffer to keep them from homelessness when small financial setbacks inevitably happen.

HOW MUCH FUNDING IS REQUIRED TO ADDRESS THE CRISIS?

The Maryland Emergency Rental Assistance Coalition recommends an allocation of **\$175 million** to serve approximately **20,000 low-income households**. The table below shows options for funding levels based on two variables: the months of assistance being offered and target income brackets.

Months of Assistance	\$35k and below 8,901 Households	\$50k and below 20,183 Households	\$75k and below 21,186 Households
4	\$62 million	\$140 million	\$147 million
5	\$77 million	\$175 million	\$184 million
7	\$108 million	\$245 million	\$257 million

*4 months of assistance equates to rental arrears only; 5 months equates to 4 months of arrears and 1 month of forward rent; and 7 months equates to 4 months of arrears and 3 months of forward rent

HOW DID WE ARRIVE AT THESE PROJECTIONS?

Sample Calculation for Number Served at Income Bracket <\$50k	
11,761	HHs likely evicted in <\$25k bracket
45%	Application rate for <\$25k bracket
5,292	Projected MERA applicants <\$25k bracket
37,228	HHs likely evicted \$25k-\$50k
40%	Application rate \$25k-\$50k bracket
14,891	Projected MERA apps \$25k-\$50k
20,183	Projected MERA apps <50k

Source:
Census Bureau Household Pulse Survey,
Week 53, January 2023
Joint Center for Housing Studies of Harvard University, 2022
National Low Income Housing Coalition, 2023

Sample Calculation for Maryland ERA Budget Allocation Income Under \$50k and 5 Months of Assistance Per Household	
\$1,505	FMR for 2-bedroom
10,495	52% of applicants (families)
5	Months of assistance (4 back, 1 fwd)
\$78,974,875	ERA need for families <\$50k
\$1,262	FMR for 1-bedroom
9,688	48% of applicants (non-families)
5	Months of assistance (4 back, 1 fwd)
\$61,131,280	ERA need for non-families <\$50k
\$140,106,155	Total ERA need (all HH types)
\$17,513,269	Program admin (10% of total budget): processing applications; working with tenants and landlords
\$17,513,269	Self-sufficiency services (10% of total budget): help with finances, employment, government benefits
\$175,132,694	Total allocation needed for ERA

Local Enabling Legislation for Just Cause Eviction

Sponsors: Del. Jheanelle Wilkins & Sen. Anthony Muse

2023 Session HB 684 / SB 504

When it comes to lease non-renewals, Maryland is a "no cause" state - that is, a landlord can decide to non-renew without any stated cause. This means that working people and their children face the constant threat of displacement, even when they follow all the rules, and must accept declining conditions and increasing rents just to stay in their communities.

This legislation would enable Maryland counties to pass local "just cause" policies for lease non-renewals. "Just cause" means that a landlord may choose not to renew an expiring lease only if there is an acceptable basis for that decision. This bill gives local legislatures the power to decide what's acceptable and when.

Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to their local efforts to stabilize rental housing through just cause policies.



During the COVID-19 pandemic, as court delays and emergency rental assistance slowed the pace of non-payment eviction filings, evictions based on lease non-renewal roughly doubled.

With more tenants organizing and demanding repair and safe, healthy living conditions, landlords have retaliated with unjust and discriminatory lease non-renewals.

Requiring just cause as a precondition for an eviction is a limited requirement which boosts the stability of the market by stabilizing families, neighborhoods, and communities to ensure that no one is arbitrarily deprived of their home.

Cities such as Oakland, Washington, DC, and Philadelphia have adopted just cause eviction policies. This legislation recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

Renters United Maryland is a coalition of advocates, organizers, policymakers and renters. To learn more about our work on these priorities and other legislation, visit www.rentersunitedmaryland.org

Tenant Safety Act: Create a legal tool for tenants to win repairs together

Sponsors: Del. Vaughn Stewart & Sen. Alonzo T. Washington

2023 Session HB 691 / SB 807

Under current state law, groups of tenant facing the same substandard living conditions with no intention from the landlord to remedy the situation are not able to file a collective rent escrow case or a class action case about conditions. Instead, they each individually have to file the action and are often filing without representation.

This legislation addresses two growing concerns of Maryland renters: (1) their need for safer housing conditions, and (2) the need to lower the barrier of entry to courts to address poor housing conditions. The bill will enable tenant groups with the same landlord to collectively file a single rent escrow case that would address all participating tenants' issues.

The bill would also increase court efficiency by compiling conditions issues related to a property owned by a particular landlord into a single proceeding and provide for attorney's fees so that tenant groups can obtain counsel to manage their collective cases.



The Proposed Law is Tried and True:

The proposed law is based on a tool that already exists in New York City, which allows tenants in a single building to file a single conditions action against their landlord.



Current Escrow Laws Are Inaccessible for Most Tenants:

The current law requires a tenant, unlike any other litigant, to pay in order to be heard in court. As a result, it is not fair to single out tenants when their challenge is about conditions, not their rent.



Poor Escrow Outcomes for Tenants:

Even when tenants are able to file, only 6 percent of cases result in reduced rent, according to a Baltimore Sun review of over 5,000 cases.

Bad Landlords Pay for Their Own Bad Behavior:



The bill provides for damages and attorney's fees so that landlords found liable under this proposed law are directly held accountable and required to reimburse renters.



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Stop Illegally Operating Landlords From Using Eviction Court

Sponsors: Sen. Shelly Hettleman & Del. Mary Lehman
2023 Session HB 36 / SB 100



This bill would stop landlords who do not have an operating license from using streamlined court processes to evict tenants in localities that have a licensing law. Licensing laws protect public health and safety through periodic inspections. No landlord is above the law. The bill passed the 2022 General Assembly with a super majority but was vetoed by Governor Hogan.

All legitimate stakeholder concerns have been addressed. If a tenant causes the licensing failure, the landlord can move forward with the eviction case. Some landlords complain about code violations in their county and the effect on licensure, but responsible landlords have multiple tools to address code violations.

Licensing laws in six counties and other municipalities require landlords to pass a health and safety inspection. **When unlicensed landlords use eviction court, it encourages all landlords to ignore licensing laws and increases the risk of tenants being subjected to health and safety hazards.**

But, the Maryland Supreme Court held in *Velicky v. CopyCat* that landlords do not need to have a license when filing certain types of eviction cases called “Tenant Holding Over.”

The number of Tenant Holding Over cases filed has risen in recent years – **a 116% increase from FY 2018 to FY 22.**

As the dissenters in *Velicky* recognized: “This loophole presents an obvious risk of danger to tenants, as unlicensed landlords may now use tenant holding over actions ... to recover rent and possession of property and lease the property again, with little incentive to eliminate hazards on the premises and obtain licenses.”

Illegally operating landlords should not be able to use the court’s streamlined eviction processes. This undermines licensing laws meant to require inspections and protect public health and safety. If a landlord does not have a license, they should get one. No landlord is above the law.

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