

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.

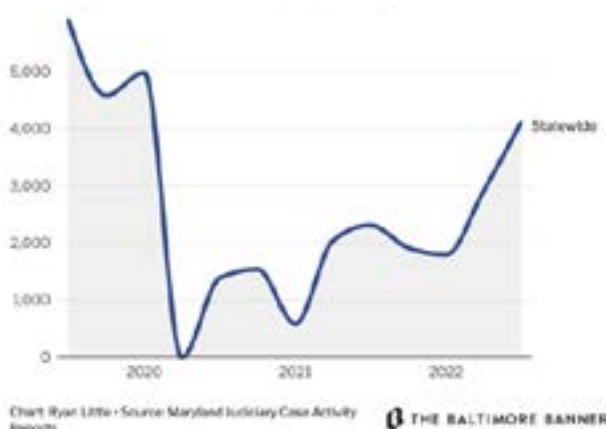
RECOMMENDATIONS

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.

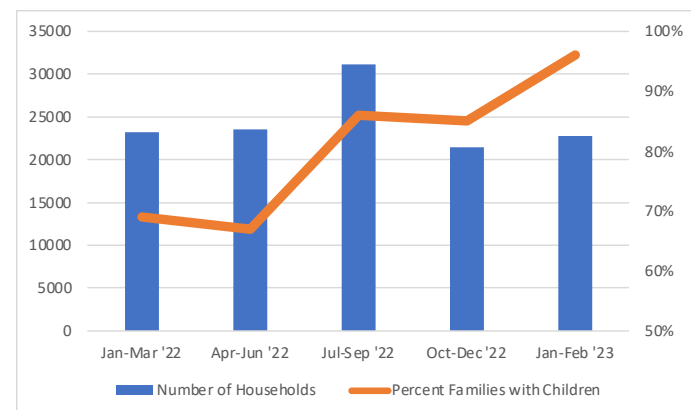
This trend is especially worrying because ERA has still been available in many of the most populous counties. When ERA ends, the volume of evictions will accelerate substantially beyond pre-pandemic levels.



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

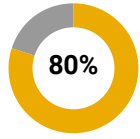
Footnotes:

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.

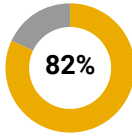
WHO IS BEHIND ON RENT?

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

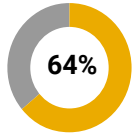
Characteristics of Renters Behind on Rent in Maryland



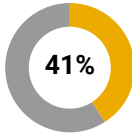
People of Color



Low Income



Have Not Received ERA



Unemployed

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