

**RENTAL
ASSISTANCE
AND
TENANT
SUPPORTS**

**Briefing before the
Montgomery County Delegation
Education, Elections and Housing Committee
“Housing Issues Currently Facing Montgomery County Residents
Due to the Pandemic”**

**October 14, 2020
11:00 a.m.**

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COVID-19 EMERGENCY ADVERSE IMPACTS ON RENTAL HOUSEHOLDS

- ❖ Estimated 20,000 households (15% of 130,000 rental HH) are delinquent on rent:
 - Data based on two surveys of multifamily properties:
 - 15.1% of 18,000 units in June (large multifamily properties)
 - 14.8% of 3,000 units in July (small multifamily properties)
 - Prior to COVID, delinquencies were generally around 5%

- ❖ Estimated monthly delinquency for 20,000 households (e.g., \$1,750 rent) = \$35M

- ❖ Rent delinquency changes are consistent with County worker unemployment.

- ❖ Total employment – Feb 2020: 566,018 labor force in Montgomery County Unemployment rate increased from 2.8% in February to a peak of 9.0% in May, to 7.4% in July.
 - February 2020 Unemployment: 16,480
 - May 2020 Unemployment: 48,809
 - July 2020 Unemployment: 43,166 (Source: MD Department of Labor)

OVERALL CHALLENGES IN SUPPORTING TENANTS

- ❖ Tenants are fearful and in shock; lack enough money to pay full rent; are receiving unclear/misleading eviction notices; and, are facing additional challenges beyond housing.
- ❖ Eviction Court process is challenging:
 - It is very complicated for renters to understand their rights and options.
 - An upcoming eviction cliff is very possible.
- ❖ Landlords may not always understand state and county laws.
- ❖ Communication challenges:
 - Tenants reside in hard-to-reach, low-income communities.
 - It is challenging to get information in people's hands during a pandemic.
 - Tenants lack access to needed documents, technology & copy machines for applications.

EVICTION PROCESS UNDER GOVERNOR'S ORDER & CDC ORDER

❖ Governor's Executive Order:

- Temporarily prohibits evictions for Failure to Pay Rent for tenants who demonstrate in court substantial Loss of Income due to COVID-19.
- If Court accepts defense, it will issue a reserved judgment for repossession when order is terminated.
- In effect until the state emergency is terminated and public health emergency is rescinded.

Limitations: Governor's Order does not specifically address tenant holdover; requires tenants to bring documents that may be difficult to access; and, has an unclear timeframe.

❖ CDC Order:

- Renter must present landlord with a signed declaration stating that the renter made "best efforts" to obtain government rental assistance; has income under the limits; is experiencing "substantial" loss of income or "extraordinary" out-of-pocket medical expenses; has made "best effort" to make partial rent payments; and, an eviction would cause homelessness or require moving in with a friend or family member.
- Effective September 4 through December 31, 2020.

COUNTY RESPONSES FOR TENANT SUPPORT

- ❖ Created Recovery Workgroups on Eviction and Homelessness Prevention and Multifamily Property Distress, which have made final recommendations
 - *Representatives*: landlords, legal services, tenant support, homeless support, County agencies
 - *Recommendations*: Delinquency Survey, Rental Assistance, Tenant Information, Policy Positions
- ❖ Committed funds to Rental Assistance programs
- ❖ Tenant and Landlord Information Campaign Supports tenants in understanding their rights, responsibilities and protections
- ❖ Expanded Tenant Education and Legal Aid services
- ❖ Deferred payments from Affordable Housing loans through December 2020
- ❖ Limitation on rent increases to 2.6%;
- ❖ Recommended changes to Governor's Executive Order

COVID-19 RENTAL ASSISTANCE PROGRAMS

- ❖ \$3.5M COVID Rent Relief Phase One (HHS)
 - \$2M CARES Act; \$1.5M County rental assistance funds
 - Implemented in May, targeted to serve 1,000 households up to \$4,000 rent arrearage

- ❖ \$20.0M COVID Rent Relief Phase Two (HHS)
 - CARES Act funds approved in July, Implemented in September
 - 5,000 household targeted for up to \$4,000 rent arrearage
 - Funds must be dispersed by December 30, 2020

- ❖ \$1.95M CDBG COVID Rental Assistance (HOC administered)
 - Initial June documentation unworkable, reopened August with simplified documents
 - 1,396 Applications received and under review for approvals
 - Targeted to serve 970 households, \$600 per month/ \$1,800 over 3 months

COVID-19 RENT RELIEF PROGRAM

❖ \$20M is being distributed now:

- DHHS is prioritizing 33 census tracts identified as most at risk of eviction and homelessness
- Prioritization is based on Social Determinants, Pandemic Impact, Housing Stress
- Equity approach to housing supports

❖ Benefits and Eligibility:

- ~ \$4,000 per household
- Renters may have formal or informal leases
- Expected to serve about 5,000 renter households
- To be dispersed by 12/30/2020

TENANT EDUCATION AND COUNSELING

DHCA COLLABORATIONS TO ENGAGE HARD-TO-REACH COMMUNITIES

❖ Communications:

- Continually updated webpages for renters & landlords
- On-going social media outreach
- Multiple weekly webinars for renters; DHCA monthly webinars (some also for landlords)
- Ride On Bus (interior) advertisements (Eng/Sp)
- Updated Tenant's Rights Poster in multifamily properties re: Court suspension of eviction actions, Governor's Order protecting tenants, Rent increase limit of 2.6%.
- Reminder emails to all licensed landlords on COVID emergency requirements and changes

❖ Outreach: DHCA and collaboration efforts:

- 7,500+ Flyers (7 languages) at food distribution sites, apartment buildings and COVID test sites
- Collaborations via Office of Community Partnerships (African American, Asian, Ethiopian, Korean, Latinx, Vietnamese communities)
- Collaborations via Regional Service Centers

❖ Expanded tenant education and counseling by Nonprofit Organizations & Legal Aid:

- Outreach through social media, Spanish language radio, leveraging community partners
- Support for Tenant-Landlord payment agreements

LEGAL ASSISTANCE FOR TENANTS

- ❖ DHCA Office of Landlord Tenant Affairs (OLTA) assists tenants in understanding landlord tenant law, mediating with landlords, and investigating complaints for the Commission on Landlord Tenant Affairs:
 - Service Request numbers have not increased (~820 per month) but issues have changed
 - Concerns about eviction actions, rights and process have increased markedly
- ❖ Tenant education and support organizations are under contract with the County to assist tenants in understanding their rights and directing them to OLTA services.
- ❖ The County contracted with Maryland Legal Aid Bureau to provide free legal representation and advice to tenants in the District Court:
 - Provided FY20 funding in June
 - Provided CARES Act funding to increase capacity through December 2020
- ❖ Tenants may also receive legal information support:
 - by telephone from the Court's Self-Help Center; or,
 - by calling the Montgomery County Pro Bono Program

EXPANDED TENANT EDUCATION AND COUNSELING SERVICES

Informing tenants about their rights and options to avoid eviction before engaging with court system

- ❖ FY20 Tenant Support, \$218,000 for 12 months of services:
 - Tenant Education contracts, \$170,490:
 - Renters Alliance ; Latino Economic Development Center, Housing Initiative Partnership
 - Providing outreach and materials to explain Landlord and Tenant law requirements; information about Court and eviction processes; support in working with landlords
 - Court Based Legal Assistance, \$47,510:
 - MD Legal Aid assistance at Landlord Tenant Court

- ❖ CARES Act funds, \$220,000 for services through December 2020:
 - Tenant Counseling contracts, \$160,000:
 - Latino Economic Development Center, Housing Initiative Partnership
 - One-on-one counseling & assistance in understanding rent repayment options
 - Court Based Legal Assistance, \$60,000:
 - MD Legal Aid additional Landlord Tenant Court representation support

PROVIDING TENANTS ENOUGH TIME AND SUPPORT TO RECOVER

- ❖ Renters need time to access supports and collaborate with their landlord on a payment plan.
- ❖ More Rental Assistance is needed especially in Montgomery County, which has demonstrated need.
 - Federal monies expire 12/30/2020.
- ❖ Governor Hogan has been urged to revise the Executive Order on evictions to:
 - Cover tenant hold over cases;
 - Remove requirement that tenants demonstrate in court a substantial loss of income; and,
 - Extend the Order through at least January 31, 2021.
- ❖ Need to Address Tenant Risks for Eviction:
 - Protect tenants with expiring leases who may be given notice to vacate from “Tenant Holdover” actions; and,
 - Discourage landlords from carrying out non-judicial evictions.
- ❖ Need for Longer-Term Protections:
 - Protect tenants from being required to provide criminal history information on lease application;
 - Expand long-term housing supports for very low income; and,
 - Promote Preservation and Production of Affordable Housing: 9% allocation for Montgomery County.