



Montgomery County Community Action Board Testimony

County Council Bill 16-23: Landlord-Tenant Relations – Rent Stabilization (The HOME Act)

SUPPORT

The Montgomery County Community Action Board, the federal, state, and locally-designated anti-poverty group, strongly supports County Council Bill 16-23, The HOME Act, and asks the Council to pass this bill. Affordable housing has been a longstanding priority for our board because it is a pervasive issue impacting lower-income residents. Our board believes that rent stabilization is an opportunity to implement an important policy that directly helps some of the County's most vulnerable residents who struggle to make ends meet in our extremely expensive County. Our board strongly believes that rent stabilization is one of many tools to address the extraordinary costs of housing in the County. Additional tools include added funding for rental assistance and increased construction of affordable housing – especially for the lowest-income households who may not earn enough to qualify for programs like MPDU but also find themselves on the waiting list for housing vouchers and other supports.

The Community Action Board reviews all potential advocacy issues and legislation utilizing an equity lens. We know that minority communities here in Montgomery County and across the country are disproportionately impacted by poverty. There are many causes for this disparity, including systemic racism and lack of opportunities. Racial equity was a large part of why our board voted to support The HOME Act. The Office of Legislative Oversight's Racial Equity and Social Justice Impact Statement for the HOME Act clearly notes that the bill would, *have a moderate to large positive impact on racial equity and social justice (RESJ) in the County. The proposed rent regulations would disproportionately benefit Black and Latinx tenants with improved housing affordability and stability.*¹ Furthermore, this same report emphasizes that

¹ <https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2023/Bill16-23.pdf>

Black and Latinx residents are disproportionately burdened by housing costs in the County. *In 2021, 63 percent of Latinx renters and 57 percent of Black renters were cost-burdened (expending 30 percent or more of income on rent), compared to 45 percent of White renters and 38 percent of Asian renters.*² Passage of The HOME Act is therefore a significant opportunity for the Council to support Black and Latinx residents and take a step towards your stated commitment to racial equity.

Capping rent increases at 3% will help lower-income renters stay in their homes and avoid even more burdensome housing costs in our area where the cost of living is already so high. According to the Maryland Community Action Partnership's latest report, the Montgomery County Self-Sufficiency Standard for a household with one adult, one preschooler, and one school age child is \$116,864 – over four and a half times the federal poverty level.³ This family is estimated to spend \$1,934 on housing alone each month. For a single parent earning modest wages, even a small increase in rent can result in instability and the possibility of falling behind on rent payments.

While our board views this issue as an important policy change, with one-third of our board members representing the low-income community, this issue is also personal for many in our group. One board member recently noted that at her previous apartment, the rent increased every single year. It was extremely frustrating to face this challenge year after year for the exact same space and continued poor maintenance of the property by the landlord.

As our board oversees a free advocacy training program for lower-income residents that many of you are familiar with, the Community Advocacy Institute, we also hear directly from residents who struggle to pay their rent. In the seven years of the program, affordable housing has continued to be one of the top advocacy issues for participants. Many participants have shared their personal stories of falling behind on rent, facing eviction, and the incredible stress that this uncertainty and instability brings.

² <https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2023/Bill16-23.pdf>

³ <https://maryland-cap.org/the-maryland-2023-self-sufficiency-standard-calculator/>

Limiting rent increases to 3% annually can directly address the challenges that so many in our community face. We therefore request that the Council enacts The HOME Act.

Acknowledging that access to affordable housing also depends upon the preservation of the existing housing stock, and the creation of additional housing units, we also encourage the County Council to pursue alternative strategies and invest in housing for lower income residents. The Community Action Board stands ready to support the Council in these efforts and will continue to advocate for more funding and policies that will reduce poverty and help more County residents move closer to meeting the Self-Sufficiency Standard, improving the lives of them and their families.