# Assessment of Maryland's Need for Eviction Prevention Funds (EPF) and the Estimated Fiscal Impact of EPF

Prepared for: Maryland Eviction Prevention Funds Alliance

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STOUT

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# Section I-Stout Profile and Qualifications

Stout Risius Ross, LLC (Stout) is a global investment bank and advisory firm specializing in corporate finance, valuation, financial disputes, and investigations. In addition to these services, Stout's professionals have expertise in strategy consulting involving a variety of socioeconomic issues, including issues of or related to access to justice and the needs of low-income individuals and communities.

Under the direction of Neil Steinkamp, who leads Stout's Transformative Change Consulting practice, Stout is a recognized leader in the civil legal services community and offers the following services:

- Economic impact assessments and policy research for civil legal services initiatives
- Strategy consulting and action plan development for issues relating to access to justice
- Non-profit budget development, review, and recommendations
- Cost-benefit and impact analyses for non-profit initiatives and activities
- Data-driven program evaluation and implementation
- Dispute consulting and damages analyses for low-income individuals.

Neil Steinkamp is a Managing Director at Stout and a well-recognized expert and consultant on a range of strategic, corporate, and financial issues for businesses, non-profit organizations, and community leaders and their advisors. Neil has extensive experience in the development of strategic plans, impact analyses, data evaluation, and organizational change. His work often includes assessments of data reporting, data collection processes, the interpretation or understanding of structured and unstructured data, the review of documents and databases, the development of iterative process improvement strategies, the creation of data monitoring platforms to facilitate sustained incremental change toward a particular outcome and creating collaborative environments. Mr. Steinkamp also has experience with housing related issues, including eviction. He has authored numerous economic impact studies on providing low-income tenants with attorneys in eviction proceedings. Mr. Steinkamp also currently serves as the court-appointed Independent Data Analyst in *Baez v. New York City Housing Authority,* overseeing NYCHA's compliance with the timely remediation of mold and leak work orders.

In mid-2020, Stout developed innovative analyses of tenant household instability caused by the COVID-19 pandemic, the estimated rental debt owed, and estimated of how that instability could result in an unprecedented number of eviction filings in states throughout the country. Stout's research and analyses have been cited in local and national publications, including, but not limited to, *The New York Times*, *The Washington Post*, *CNBC*, *Reuters*, *Forbes*, *Politico*, and *Bloomberg*, and was referenced in the Centers for Disease Control and Prevention (CDC) September 4, 2020 Order enacting a nationwide eviction moratorium. Stout also maintains an Eviction Right to Counsel Resource Center which includes Stout's eviction cost-benefit analyses as well as a compilation of resources related to the eviction process, housing instability, racial bias, the impacts and economic costs of eviction, and draft and enacted legislation.

Stout was engaged by a recipient of the National Low Income Housing Coalition's "ERASE" (End Rental Arrears to Stop Evictions) grant to assist it in estimating what financial commitment would be required to sustain emergency rental assistance. Stout has worked closely with the emergency rental assistance administrators in Cleveland and Milwaukee as an element of its eviction right to counsel evaluations in those jurisdictions. In Cleveland and Milwaukee, Stout receives monthly data exports from the emergency rental assistance administrators with de-identified row-level information about ERAP applications. Stout uses this data to build, maintain, and update a library of data visualizations showing applicant demographics, trends in applications received, amounts sought and granted, if applicants have received an eviction notice, summons and complaint, or if they have not yet entered the eviction process, among other analyses. Through the course of Stout's work in other jurisdictions, it has connected with rental assistance administrators to understand data availability and their experiences over the last several years. In Stout's pre- and post-legislation RTC evaluations (Maryland, Cleveland, Milwaukee, Connecticut, Nashville, Oklahoma, Chicago), Stout is or will be collecting data to determine how frequently tenants seeking legal representation have already applied for emergency rental assistance, what the amount of back-rent owed was, whether they were approved, what amount of assistance they received, and whether the rental property owners accepted the funds.

Over the past 3 years, Stout has conducted extensive stakeholder engagement with rental property owners, property managers, rental property owner counsel, tenants, and tenant counsel. During the conversations, these stakeholders have shared the impact emergency rental assistance funds have had since the beginning of the pandemic, during the pandemic, and their perspective on the role and importance of sustained emergency rental assistance post-pandemic – particularly as a complement to legal representation – as well as their perspectives on the challenges and opportunities of the rental assistance administration process.

Stout has been engaged by more than 50 non-profit organizations serving low-income communities across the United States. These engagements often included program or public policy evaluations, return on investment analyses, and strategic action planning. Neil is currently serving as the evaluator of eviction right to counsels in Cleveland, Milwaukee, Connecticut, and Maryland. Stout has conducted eviction right to counsel fiscal return on investment analyses and independent expert reports for advocates, coalitions, bar associations government agencies in Baltimore, Delaware, Detroit, Newark, Pennsylvania, New York City, Philadelphia, Los Angeles, South Carolina, and New York (outside of New York City) and is currently conducting eviction-related analyses in Chicago, Atlanta, Nashville, and Oklahoma and Tulsa counties. Following the release of Stout's reports in Baltimore, New York City, Philadelphia, and Detroit eviction right to counsel legislation was enacted. In these engagements, Stout worked closely with funders/potential funders, legal services organizations, rental property owners, academics studying housing and eviction, government agencies and the continuum of care, non-profits serving low-income residents, community organizers, and impacted residents.

# Section II-Executive Summary

Stout was engaged by the Public Justice Center on behalf of the Maryland Eviction Prevention Funds Alliance[1] (MEPFA) to estimate the need for eviction prevention funding (EPF) in Maryland and to directionally estimate the potential fiscal impacts of EPF. Funding for this report came from the Abell Foundation, the Annie E. Casey Foundation, and the United Way of Central Maryland.

### *Key Findings*

Stout developed two primary scenario analyses for estimating the potential need for EPF in Maryland:

- A scenario to estimate the statewide need for EPF for tenant households likely at highest risk of disruptive displacement[2] (Scenario 1: Likely At Highest Risk of Disruptive Displacement)
- A scenario to estimate the statewide need for EPF for tenant households at risk of disruptive displacement (Scenario 2: At Risk of Disruptive Displacement)

The estimated annual funding for EPF for tenant households likely at highest risk of disruptive displacement, who are income eligible, apply for and receive EPF, and have the rental property owner accept EPF is approximately $28 million to $52 million.[3] In this scenario, an estimated 12,000 to 18,000 Maryland tenant households would receive EPF.[4]

The estimated annual funding for EPF for tenant households at risk of disruptive displacement, who are income eligible, apply for and receive EPF, and have the rental property owner accept EPF is approximately $52 million to $95 million.[5] In this scenario, an estimated 23,000 to 33,000

[1] MEPFA is a coalition of Maryland community-based organizations, renter organizations, civil legal services providers, emergency rent assistance administrators, non-profits, government agencies, and researchers.
[2] Stout uses the phrase "disruptive displacement" to capture outcomes of cases beyond "winning" and "losing." For example, there may be circumstances where tenants did not have a formal eviction warrant executed against them and therefore were not displaced but still have experienced disruption in their lives because of the eviction filing and process.
[3] Included in the estimated annual funding needed for EPF is an estimated cost to administer the program.
[4] Stout estimates between 24,000 and 36,000 individuals within these tenant households based on an average household size of 2, which was estimated using household size data from emergency rental assistance data provided by Maryland Department of Housing and Community Development and data collected by civil legal services organizations representing tenants through Maryland's Access to Counsel in Evictions program.
[5] Included in the estimated annual funding needed for EPF is an estimated cost to administer the program.

Maryland tenant households would receive EPF annually (impacting approximately 46,000 to 66,000 Maryland residents).[6]

Stout used the population of tenant households who are at highest risk of disruptive displacement, apply for and receive EPF, and have the rental property owner accept EPF to directionally estimate the fiscal impact of EPF in Maryland. Tenant households in this scenario have the highest likelihood of experiencing disruptive displacement and requiring a social safety net response. It is important to appreciate that there are significant challenges associated with precisely estimating the fiscal benefits of EPF (or any rent assistance program). Program design, the local eviction process and landlord-tenant law, as well as the variety and severity of consequences a tenant could experience if they were disruptively displaced as a result of not having received EPF effect the ability to precisely estimate fiscal benefits and return on investment. Additionally, Maryland's unique right to redeem presents uncertainty as to the exact proportion of tenants who may be disruptively displaced and require a social safety net response. For these reasons, Stout's estimates of fiscal benefits and return on investment are directional and based on the data currently available.

The fiscal benefits[7] of EPF and the number of tenant households avoiding the high likelihood of disruptive displacement could be higher or lower based on program design, implementation, and stakeholder participation. How the availability of EPF is communicated to tenants as well as how supportive policymakers are of EPF can also affect the fiscal benefits of the program. Based on currently available data and feedback from Maryland stakeholders, Stout quantified the following potential annual fiscal benefits to Maryland if EPF were implemented for tenant households at high risk of disruptive displacement:

- Economic impacts associated with employment and income stability – potentially $21 million to $32 million

[6] Stout estimates there are between 46,000 and 66,000 individuals in these tenant households based on an average household size of 2, based on the household size indicated in emergency rental assistance data provided by Maryland Department of Housing and Community Development and data collected by civil legal services organizations representing tenants through Maryland's Access to Counsel in Evictions program.

[7] Stout uses the phrase "fiscal benefits" to encompass a variety of economic impacts that Maryland may experience. It is important to note that "fiscal impacts" is not synonymous with "direct cost savings." For example, certain social safety net system responses would continue to be funded through the state budgeting processes regardless of an incremental decrease in the number of people requiring a social safety net response. Other fiscal benefits, such as the economic benefits derived from stable employment and decreases in out-migration, would not result in direct cost savings but may have broader economic impacts in Maryland.

- Decrease in the need for housing social safety net responses such as emergency shelter and rapid re-housing - potentially $19 million to $28 million
- Economic impacts associated with increased educational attainment for children - potentially $18 million to $27 million
- Decrease in the need for Medicaid spending on health care - potentially $4 million to $7 million
- Retained economic value realized by minimizing out-migration - potentially $4 million to $6 million
- Decrease in the need for publicly funded unemployment benefits - potentially $3 million to $5 million
- Decrease in foster care costs for children experiencing homelessness - potentially $2 million to $3 million
- Decrease in incarceration costs associated with criminalizing people experiencing homelessness - potentially $2 million to $3 million
- Retained federal funding for Maryland public schools - potentially $1 million to $1.5 million.

In total, Stout estimates directional potential annual fiscal benefits of $74 million to $111 million if EPF were implemented for tenant households who would likely be at high risk of disruptive displacement. The estimated annual funding for EPF for tenant households who would likely be at high risk of disruptive displacement is $28 million to $52 million, and the estimated directional return on investment of EPF in Maryland would be approximately $2.14 to $2.64.[8] A 2021 study in the Indiana Health Law Review titled "The Return on Investment of Pandemic Rental Assistance: Modeling a Rare Win-Win-Win" found that the 3-year return on investment of pandemic-era emergency rental assistance was 208% to 355%.[9] The analysis model used in the study considered the cost of up to 2 years of rent assistance and quantified "public and social costs avoided" which included "estimates of expected outlays of local, state, and federal funds associated with outcomes of evictions" and "additional costs to individuals, landlords, neighborhoods, and society."[10]

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[8] A portion of tenants receiving EPF are likely to also benefit from and require legal representation through Maryland's Access to Counsel in Evictions Program (ACE). The cost of providing services through ACE (that often complement and enhance the effectiveness of rent assistance) are not contemplated in Stout's directional fiscal impact and return on investment estimates.

[9] Gillman, Sam. "The Return on Investment of Pandemic Rental Assistance: Modeling a Rare Win-Win-Win." Indiana Health Law Review. June 2021.

[10] Ibid.

In addition to quantitative analyses, Stout conducted independent research to identify evidence-based practices for program design and implementation. The research included the following considerations when designing and implementing rental assistance programs:

- Creating low-barrier, efficient application processes
- Enabling transparency during the application process
- Distributing payments efficiently
- Engaging and collaborating with local stakeholders, including rental property owners and property managers
- Leveraging the Access to Counsel in Eviction resource to pair eviction preventions with legal representation when needed for outcomes promoting safe and healthy housing.
- Collecting and analyzing data to iteratively refine rent assistance programs.

Many of these considerations were shared and emphasized in Maryland stakeholder interviews and listening sessions conducted by the Maryland Center on Economic Policy and Stout as an element of qualitative research.[11] Local stakeholders also communicated systemic challenges experienced by tenants, rental assistance program administrators, and rental property owners including but not limited to:

- An overall lack of affordable and habitable housing in Maryland
- The absence of case management services for tenants experiencing housing instability and at risk of homelessness
- Financial literacy challenges experienced by tenants
- Cumbersome, inefficient application processes
- Significant delays in receiving rent assistance funds and accumulations of rent arrearages as a result of lack of transparency regarding application funding status.

[11] Stout acknowledges and values the feedback provided by the Maryland Multi-Housing Association (MMHA) and appreciates its willingness to engage on this topic. MMHA's membership consists of owners and managers of more than 178,000 rental housing units in more than 700 apartment communities throughout Maryland.

# Section III-Estimated Need for Eviction Prevention Funding - Scenario Analyses

Using publicly available data from Maryland's Judiciary, the Maryland Department of Housing and Community Development, stakeholder feedback and independent research conducted by Stout, Stout developed two primary scenarios for understanding the magnitude of need for EPF statewide:

- A scenario to estimate the statewide need for EPF for tenant households likely at highest risk of disruptive displacement[12] (Scenario 1: Likely At Highest Risk of Disruptive Displacement)

- A scenario to estimate the statewide need for EPF for tenant households at risk of disruptive displacement (Scenario 2: At Risk of Disruptive Displacement)

To reasonably quantify the amount of EPF needed in Maryland, a variety of factors must be considered, including but not limited to:

- The types of risk tenant households in Scenario 1 and Scenario 2 may experience but for EPF
- The expected number of landlord-tenant filings where the tenant exercises the right to redeem
- The percentage of tenant households who would apply for EPF and be approved for EPF
- The percentage of rental property owners who would accept EPF[13]
- The median statewide rent
- The expected months of rent that would be paid by EPF.

Stout worked closely with stakeholders in Maryland (including rental property owners) to develop a deeper understanding of the potential need for EPF and to incorporate their expertise and experience in the calculations.

It is important to appreciate that program design elements can significantly impact the amount of EPF that may be needed. For example, program design elements such as eligibility criteria (income or otherwise), the maximum amount of funding approved per applicant, and how

[12] Stout uses the phrase "disruptive displacement" to capture outcomes of cases beyond "winning" and "losing." For example, there may be circumstances where tenants did not have a formal eviction warrant executed against them and therefore were not displaced but still have experienced disruption in their lives because of the eviction filing and process.

[13] Civil legal services attorneys in Maryland shared with Stout that Maryland has Source of Income (SOI) discrimination protections. As it relates to federal emergency rental assistance during the pandemic, civil legal services attorneys in Maryland indicated that aspects of the federal emergency rental assistance programs made enforcement of source of income laws challenging. Certain aspects of the design of a program for the distribution of eviction prevention funds could affect rental property owner participation. For purposes of Stout's calculations presented herein we have assumed that rental property owners would not be required by law to accept emergency rental assistance. If rental property owners were required to accept emergency rental assistance, certain assumptions in Stout's calculations may need to be revisited and / or revised.

frequently rental property owners accept EPF will be factors impacting the amount of EPF that may be needed annually.

### *Scenario 1: Likely At Highest Risk of Disruptive Displacement*

When a rental property owner receives a warrant of restitution from the court, they can begin the process of having the tenant removed from the property. Not all rental property owners who receive warrants of restitution from the court execute the warrant (i.e., have the tenant removed from the property). Based on Stout's analysis of data published by Maryland Judiciary, approximately 15% (approximately 22,200) of the estimated annualized warrants of restitution issued in 2023 would be executed. It is important to appreciate that tenants who have warrants of restitution executed against them are likely at highest risk of disruptive displacement because they (and their belongings) are being removed from the property. In Stout's evaluations of eviction right to counsel, access to counsel, and diversion programs throughout the country, approximately 15% to 25% of tenants indicate that they would experience homelessness if they were forced to move. Additionally, approximately 55% to 65% of tenants indicate they do not know where they would go if they were forced to move. Tenants also communicate they would move in with family or friends (locally or out of the jurisdiction) or need to live in a hotel / motel. These alternative living arrangements are forms of disruptive displacement beyond a tenant experiencing sheltered or unsheltered homelessness.

The purpose of modeling this scenario, which starts with an estimated range of 20,000 to 25,000 tenant households who would likely have warrants of restitution executed against them, is to quantify the need for EPF for those who are likely at highest risk of disruptive displacement and who may require social safety net responses as a result.[14]

Scenario 1 considers the percentage of tenant households who would apply for EPF, the percentage of tenant households that would be approved for EPF, and the percentage of approved applications that would be accepted by rental property owners. Additionally, the starting population of tenant households for Scenario 1 necessitates adjusting the ranges of these inputs (as compared to Scenario 2) to account for the increased likelihood that a tenant household is likely at highest risk of being disruptively displaced.

Because of the high risk of disruptive displacement contemplated in this scenario, Stout did not incorporate an income eligibility requirement. That is, all tenants who are likely at high risk of disruptive displacement would be eligible for EPF regardless of household income. In Stout's experience, households at risk of experiencing the most severe consequences of disruptive displacement absent an intervention are likely to be households with low incomes. It would be

[14] It is important to appreciate that a portion of the estimated 20,000 to 25,000 tenant households may have long term needs for sustained housing assistance (i.e., a voucher or other subsidy) rather than EPF. Tenant households with long term needs for sustained housing assistance may apply for and receive EPF, however, they may also require other housing interventions to achieve housing stability.

reasonable to expect that tenant households that are likely at high risk of disruptive displacement and experiencing severe consequences of disruptive displacement are therefore most likely to have low incomes. As previously mentioned, income eligibility is a program design element, and the estimated total annual EPF needed in Maryland will vary based on income eligibility or other eligibility requirements (e.g., children in the household, ability to pay rent going forward).

In Scenario 1, Stout modeled higher tenant application rates and application approval rates to reflect the high risk of a tenant household experiencing disruptive displacement. It would be reasonable to expect that tenant households who are at high risk of disruptive displacement would be more likely to apply and be approved for EPF given the severity of the consequences if they did not receive EPF. Scenario 1 incorporates an estimated tenant application rate range of 90% to 95%, an estimated application approval rate range of 90% to 95%, and an estimated percentage of approved applications that rental property owners would accept of 75% to 80%.[15]

Based on the estimated 20,000 to 25,000 tenant households that would likely be at high risk of disruptive displacement and the input adjustments described in the previous paragraph, Stout estimates that 12,000 to 18,000 of the approved EPF applications would be accepted by rental property owners.[16]

In its independent evaluation of Maryland's Access to Counsel in Evictions (ACE) Program, the civil legal services providers are collecting the amount of monthly rent for ACE clients. Based on data collected from July 1, 2023 through October 31, 2023, the average monthly rent paid by ACE clients was $1,025, and the 75th percentile[17] of monthly rent paid by ACE clients was $1,300. Data shared by Maryland Department of Housing and Community Development indicated the average monthly rent of tenant households who received federal emergency rental assistance was $1,042, and the 75th percentile was $1,320. This is a reasonable estimate of the range of monthly rent amounts that could be paid by EPF rather than the statewide market rate rent given that tenants seeking assistance from EPF will likely have similar monthly rent amounts to ACE clients (and in some circumstances will also be assisted by ACE) and tenant households who received federal emergency rental assistance.[18]

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[15] See footnote 13 for information about Stout's consideration of SOI discrimination in Maryland as it relates to emergency rental assistance funds.

[16] Stout estimates there are approximately 24,000 to 36,000 individuals living in these tenant households. See footnotes 4 and 6 for details on the methodology used to estimate individuals in tenant households in Maryland.

[17] The 75th percentile, or third quartile, is the value at which 25% of the values are greater than that value and 75% of the values are less than that value.

[18] Stout also considered recent rent trends when developing a reasonable estimated range for this input. The Consumer Price Index "rent of primary residence" expenditure category increased 0.7% year-over-year in the Baltimore-Columbia-Towson Metropolitan Statistical Area, and median rent across Maryland has decreased 3% year-over-year, according to data published by Zillow.

Stout incorporated an estimated monthly rent range of $1,025 to $1,300.[19] Stakeholders in Maryland shared their expectation that EPF would be available to assist with 2 months of rent. Applying these inputs to the estimated 12,000 to 18,000 approved EPF applications that rental property owners would accept results in estimated annual EPF needed in Maryland of approximately $25 million to $37 million. Stout also incorporated, at the request of MEPFA, an estimated cost to administer the program of 10% of total cost, which increases the estimated annual EPF needed in Maryland to approximately $28 million to $52 million.[20] Figure 1 illustrates the calculations for Scenario 1.

| | | Low | High |
|---|---|---|---|
| 1 | Estimated number of tenant households likely at the highest risk of disruptive displacement - applied, approved, rental property owner accepts EPF | 12,000 | 18,000 |
| 2 | Estimated monthly rent | $ 1,025 | $ 1,300 |
| 3 | Expected months of rent paid by EPF | 2 | 2 |
| 4 | Estimated annual total EPF needed in Maryland for tenant households likely at the highest risk of disruptive displacement | $ 25,000,000 | $ 47,000,000 |
| 5 | Estimated costs necessary to administer EPF (equivalent to 10% of total funding) | $ 2,500,000 | $ 4,700,000 |
| **6** | **Estimated annual total EPF needed and costs necessary to administer EPF in Maryland** | **$ 28,000,000** | **$ 52,000,000** |

Figure 1

### *Scenario 2: At Risk of Disruptive Displacement*

In Maryland, if the court enters a judgment in favor of the rental property owner, the rental property owner can seek a warrant of restitution which enables them to begin the process of having the tenant removed from the property. Based on data published by Maryland Judiciary, there were approximately 97,000 warrants of restitution issued against Maryland tenants in 2023 (through August). Annualized, there would be an estimated 145,000 warrants of restitution issued against Maryland tenants in 2023.

The Maryland eviction ecosystem is unique in that tenants have the right to redeem (i.e., pay and stay) before a warrant of restitution is executed (i.e., they are removed from their home). This results in a portion of cases with warrants of restitution issued not being executed. Stout used data published by the Maryland Judiciary regarding the number of monthly Failure to Pay Rent cases that are dismissed prior to an entry of a judgment as a reasonable proxy for the percentage of cases where the tenant may have exercised their right to redeem post-trial. Stout understands that dismissals are pre-trial case dispositions and warrants are only issued and executed post-trial. In the absence of data specific to the percentage of tenant households who

[19] The program design elements of EPF may also include considerations of whether EPF could be used toward utilities, fines, or fees that may have accrued.
[20] If the rental property owner acceptance rate was 100%, the estimated annual EPF needed in Maryland would be approximately $36 million to $66 million in Scenario 1.

exercise their right to redeem post-trial but prior to a warrant of restitution being executed, Stout used the pre-trial dismissal rate as a reasonably proxy because it would be reasonable to expect a similar proportion of tenant households would pay the back rent owed pre-trial as would post-trial, pre-warrant of restitution execution.

In 2023, approximately 30% to 40% of Failure to Pay Rent cases were dismissed, which likely indicates the tenant exercised their right to redeem, came to an agreement with the rental property owner before trial, or vacated the unit. Removing an estimated 30% to 40% of warrants of restitution from the estimated warrants of restitution issued in 2023 results in approximately 87,000 to 102,000 warrants of restitution issued where the tenant likely did not exercise their right to redeem and may need EPF to avoid disruptive displacement. During the fourth quarter of 2021 when federal emergency rental assistance was widely available, approximately 7,000 Maryland renter households were being assisted each month.[21] Annualizing the 7,000 Maryland renter households that were assisted monthly when federal emergency rental assistance was widely available results in an estimated 84,000 Maryland renter households assisted annually, which aligns closely with the 87,000 to 102,000 estimate.

As with other eviction prevention and emergency rental assistance programs in Maryland (and throughout the country), it is Stout's understanding that eligibility for EPF would be determined by a tenant's household income (though other factors could also be considered). Stout estimated the total annual EPF needed in Maryland for tenants at risk of disruptive displacement, where they likely did not exercise their right to redeem, and for whose household income is 50% of the area median income (AMI) or less. At this income eligibility level, Stout estimated that approximately 69%[22] of tenants at risk of disruptive displacement and who did not exercise their right to redeem would be income eligible for EPF. Income eligibility is a program design element, and the estimated total annual EPF needed in Maryland will vary based on income eligibility or other eligibility requirements (e.g., children in the household, ability to pay rent going forward).

Stout used data from United Way of Central Maryland's 2-1-1 call center and its experience analyzing eviction right to counsel, access to counsel, prevention, and diversion programs throughout the country to estimate that 40% to 70% of tenants who are at risk of disruptive displacement, did not exercise their right to redeem, and are income eligible would apply for

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[21] Based on publicly available data published by Maryland Department of Housing and Community Development.

[22] Stout developed this independent estimate using publicly available research and reports relating to the incomes of tenants experiencing eviction and tenants appearing in housing courts across the country. See: "Housing Court, Evictions and Homelessness: The Costs and Benefits of Establishing a Right to Counsel." Community Training and Resource Center and City-wide Task Force on Housing Court, Inc. 1993. Krenichyn, Kira and Shaefer-McDaniel, Nicole. "Results From Three Surveys in New York City Housing Courts." Center for Human Environments, Graduate Center of the City University of New York. 2007. Desmond, Matthew. "Who gets evicted? Assessing individual, neighborhood, and network factors." Social Science Research. 2016. "ALICE Research Methodology." United for ALICE. 2020.

EPF.[23] Stout modeled a scenario with tenant EPF application rates at the higher end of the 40% to 70% range to demonstrate the estimated annual EPF needed in an environment where tenants are more frequently applying for EPF. Applying an application rate range of 65% to 70% to the number of tenants who would be income eligible for EPF results in an estimated 39,000 to 49,000 income eligible tenants in Maryland who would apply for EPF.

Of the estimated 39,000 to 49,000 tenants who are income eligible and would be expected to apply for EPF, an estimated 80% to 85% would be approved for EPF, based on Stout's experience analyzing eviction right to counsel and access to counsel throughout the country. These rates can be used as a reasonable proxy for EPF approval rate ranges because it demonstrates how frequently tenants who are eligible for a service seek a service and are provided such service.

Once a tenant is approved for EPF, rental property owners need to accept the EPF. However, national research, Stout's experience and expertise, and qualitative feedback from rental property owners in Maryland indicate that not all rental property owners would likely accept EPF. Research published by the National Low Income Housing Coalition indicates that approximately 40% to 60% of rental property owners from the study sample participated in COVID-19 emergency rental assistance programs. Stout discussed the potential reasonable range for estimating the proportion of rental property owners in Maryland who would accept EPF with representatives from the Maryland Multi-Housing Association (MMHA). MMHA shared feedback regarding factors to consider when estimating a reasonable range for this input as well as their experiences which could inform reasonable ranges for other inputs used in this analysis. Qualitative feedback from rental property owners surveyed in Milwaukee indicated that approximately 85% "agree" or "strongly agreed" that rental assistance programs should continue, which could be considered as a reasonable proxy for the percentage or rental property owners who would participate in a future rent assistance program. For purposes of this scenario, Stout modeled rental property owner acceptance rates toward the higher end of the 40% to 85%

[23] Based on data from United Way of Central Maryland's 2-1-1 call center indicating that approximately 40% of weekly calls in 2023 have been for "Housing Assistance" and the estimated percentage of tenants who engage with the eviction process by appearing for their hearing, which is approximately 50% - 70% of tenants in jurisdictions where Stout is working. For purposes of this scenario, Stout modeled tenant application rates toward the higher end of the 40% to 70% range to demonstrate the estimated annual funding needed in an environment where tenants are more frequently applying for eviction prevention funds. Stout also requested data from United Way of Central Maryland's 2-1-1 call center related to the number of requests for assistance specifically for rent assistance, the number of requests for rent assistance that were referred to rent assistance providers, and data that could inform the development of a metric estimating the percentage of callers seeking housing assistance or rent assistance who may have resolved their issue on their own. Stout requested this data to consider potential further refinement of the reasonable range of application rates. This data may have allowed Stout to develop an estimate using data specific to residents seeking housing assistance or rent assistance in Maryland. If Stout's analysis of this data would have resulted in a higher estimated application rate range, the estimated annual EPF needed would have been greater (all other inputs equal). If this data would have resulted in a lower estimated application rate range, the estimated annual EPF needed would have been less (all other inputs equal).

range (75% to 80%) to demonstrate the estimated annual EPF needed in an environment where rental property owners are more frequently accepting EPF. As with previous inputs, the rental property owner acceptance rate can vary significant depending on program design factors including but not limited to how cumbersome the application process is, documentation requirements, transparency during the application process regarding application status, application processing times, amount of funding received, whether the tenant can pay rent going forward, and whether there is a direct-to-tenant payment option.

This scenario started with an estimated 145,000 warrants of restitution issued against Maryland tenant households in 2023 (annualized based on data through August). The 145,000 warrants of restitution were adjusted to account for the estimated percentage of tenant households with warrants of restitution issued against them who would likely exercise their right to redeem. Based on this expectation, Stout estimated that approximately 87,000 to 102,000 tenant households (an estimated 174,000 to 204,000 individuals)[24] would be at risk of disruptive displacement and may need EPF. The additional adjustments to arrive at the number of approved and accepted EPF applications were:

- Income eligibility
- The percentage of tenants who would apply for EPF
- The percentage of tenants who would be approved for EPF
- The percentage of approved applications that would be accepted by rental property owners

These adjustments result in an estimated 23,000 to 33,000 approved EPF applications that rental property owners would accept.

Consistent with Scenario 1, Stout incorporated an estimated average monthly rent range of $1,025 to $1,300. Stakeholders in Maryland shared their expectation that EPF would be available to assist with 2 months of rent.

Stakeholders in Maryland shared their expectation that EPF would be available to assist with 2 months of rent. Applying these inputs to the estimated 23,000 to 33,000 approved EPF applications that rental property owners would accept results in estimated annual EPF needed in Maryland of approximately $47 million to $68 million. Stout also incorporated, at the request of MEPFA, an estimated cost to administer the program, which increases the estimated annual EPF needed in Maryland to approximately $52 million to $95 million.[25] Figure 2 illustrates the calculations for Scenario 2.

[24] See footnotes 4 and 6 for details on the methodology used to estimate individuals within tenant households.
[25] If the rental property owner acceptance rate was 100%, the estimated annual EPF needed in Maryland would be approximately $70 million to $120 million in Scenario 2.

|  | | Low | High |
|---|---|---|---|
| 1 | Estimated number of tenant households likely at risk of disruptive displacement - income eligible, applied, approved, rental property owner accepts EPF | 23,000 | 33,000 |
| 2 | Estimated monthly rent | $ 1,025 | $ 1,300 |
| 3 | Expected months of rent paid by EPF | 2 | 2 |
| 4 | Estimated annual total EPF needed in Maryland for tenant households likely at risk of disruptive displacement | $ 47,000,000 | $ 86,000,000 |
| 5 | Estimated costs necessary to administer EPF (equivalent to 10% of total funding) | $ 4,700,000 | $ 8,600,000 |
| **6** | **Estimated annual total EPF needed and costs necessary to administer EPF in Maryland** | **$ 52,000,000** | **$ 95,000,000** |

Figure 2

*Alternative Calculation Considering Maryland Renter Households and Metrics Derived from Other States*

There are several reasons why Stout relied on Scenario 1 and Scenario 2 analyses rather than a methodology where the primary input is landlord-tenant filings and metrics derived from other jurisdictions. These reasons include, but are not limited to:

- The frequency of serial filings in Maryland and Stout's understanding that landlord-tenant filings can be used to compel payment
- Maryland's landlord-tenant laws and processes, including the right to redeem – and the many differences in local law and practice that can make drawing certain comparisons to other jurisdictions challenging
- The significant speculation that would be required to understand what portion of tenants with landlord-tenant filings against them would potentially be at imminent risk of disruptive displacement in an ecosystem that has a right to redeem

Although Stout did not rely on this alternative calculation, the result is within the range of the Scenario 1 and Scenario 2 estimates and may be helpful to consider. Stout's alternative calculation was premised on the number of renter households in Maryland and the percentage of them that may experience eviction that would not be cured through payment or resolution without EPF. This scenario applied an estimated eviction filing rate from jurisdictions with similar notice periods, filing fees, demographics, and rental housing market characteristics to the number of renter households in Maryland.[26] Based on this data, Stout estimated that 60,000 to 70,000 Maryland tenant households with eviction filings against them would likely need assistance from EPF. The same input ranges for income eligibility, application and approval rates, rental property owner acceptance rates, and rent that were described in Scenario 2 were applied in this alternative methodology. Using this alternative methodology, Stout estimated there would be 16,000 to 23,000 approved EPF applications that rental property owners would

[26] The jurisdictions were Colorado, Indiana, and Missouri.

accept. The alternative calculation results in an estimated annual EPF needed in Maryland of approximately $33 million to $60 million. Stout also incorporated, at the request of MEPFA, an estimated cost to administer the program, which increases the estimated annual EPF needed in Maryland to approximately $36 million to $66 million. The estimates produced using this calculation are within the range of estimates produced using Scenario 1 and Scenario 2.

# Section IV-Directional Estimates of Potential Fiscal Benefits of Maryland EPF

### *Directional Estimates of Potential Fiscal Benefits of Maryland EPF*

Stout used publicly available research, data sets, and its experience and expertise conducting cost-benefit analyses of eviction-related programs throughout the country to estimate the potential directional fiscal benefits of EPF and the potential direction return on investment. For purposes of the fiscal benefits and return on investment analyses, Stout used the population of tenants who would likely be at high risk of disruptive displacement, apply for, receive, and have the rental property owner accept EPF (i.e., Scenario 1). As previously described, tenant households in this scenario have a higher likelihood of experiencing disruptive displacement and requiring a social safety net response, which is the foundation of fiscal impact and potential return on investment calculations. To estimate the percentage of tenants who avoid the high likelihood of disruptive displacement as a result of their receiving EPF, Stout relied on the findings of its cost-benefit analysis of an eviction right to counsel in Baltimore City. Stout analyzed eviction case outcome data for tenants who were represented and estimated that 92% avoided the high likelihood of disruptive displacement as a result of being represented. Stout used this estimate as a reasonable proxy for estimating the percentage of tenants who receive EPF would avoid the high likelihood of disruptive displacement as a result of receiving EPF.

As discussed throughout this report, the EPF program design elements can significantly impact not only the amount of EPF needed but also the diversity and severity of the risks, challenges, and consequences experienced by tenants who would receive EPF. Maryland's unique eviction ecosystem and landlord-tenant laws, particularly the right to redeem, present challenges when attempting to estimate the fiscal benefits of EPF. A portion of tenant households who are likely at high risk of disruptive displacement in Maryland and who would likely receive EPF may not have required a social safety net response in the absence of EPF and a portion likely would have. The confluence of these challenges, the uncertainty surrounding program design, the lack of Maryland-specific data on application, approval, and acceptance rates, and the lack of previous research and methodologies for quantifying the fiscal benefits of rent assistance creates a challenging environment in which to attempt to measure the return on investment of EPF. Stout relied on the best information currently available to develop its directional estimates of fiscal benefits and return on investment. It is important to appreciate these challenges and to understand that Stout's estimates are directional rather than precise.

The fiscal benefits of EPF and the number of income eligible tenant households avoiding the likelihood of disruptive displacement could be higher or lower based on program design, implementation, and stakeholder participation. How the availability of EPF is communicated to tenants as well as how supportive policymakers are of EPF can also affect the fiscal benefits of the program. Based on currently available data and feedback from Maryland stakeholders, Stout quantified the following potential fiscal benefits to Maryland if EPF were implemented for tenants who are potentially at imminent risk of disruptive displacement:

- Economic impacts associated with employment and income stability – potentially $21 million to $32 million
- Decrease in the need for housing social safety net responses such as emergency shelter and rapid re-housing - potentially $19 million to $28 million
- Economic impacts associated with increased educational attainment for children - potentially $18 million to $27 million
- Decrease in the need for Medicaid spending on health care - potentially $4 million to $7 million
- Economic value retained by minimizing out-migration - potentially $4 million to $6 million
- Decrease in the need for publicly funded unemployment benefits - potentially $3 million to $5 million
- Decrease in foster care costs for children experiencing homelessness - potentially $2 million to $3 million
- Decrease in incarceration costs associated with criminalizing people experiencing homelessness - potentially $2 million to $3 million
- Retained federal funding for Maryland public schools - potentially $1 million to $1.5 million.

In total, Stout estimates directional potential annual fiscal benefits of $74 million to $111 million if EPF were implemented for tenant households who would likely be at high risk of disruptive displacement. The estimated annual funding for EPF for tenants would likely be at high risk of disruptive displacement is $28 million to $52 million, including an estimate of the costs necessary to administer the program equivalent to 10% of the total funding per MEPFA's request. The estimated directional return on investment of EPF in Maryland for tenant households who would likely be at high risk of disruptive displacement would be approximately $2.14 to $2.64.

A 2021 article in the Indiana Health Law Review titled "The Return on Investment of Pandemic Rental Assistance: Modeling a Rare Win-Win-Win" found that the 3-year return on investment of pandemic-era emergency rental assistance was 208% to 355%.[27] The analysis model used in the study considered the cost of up to 2 years of rent assistance and quantified "public and social costs avoided" which included "estimates of expected outlays of local, state, and federal funds associated with outcomes of evictions" and "additional costs to individuals, landlords, neighborhoods, and society."[28] The article concludes "paying people's rents is almost always cheaper than the combined debts and outlays that might occur if the government does not foot

[27] Gillman, Sam. "The Return on Investment of Pandemic Rental Assistance: Modeling a Rare Win-Win-Win." Indiana Health Law Review. June 2021.
[28] Ibid.

the bill. More broadly, these ROI estimates indicate that homeless prevention and housing security investments in the form of rental assistance are good financial investments."[29]

Researchers at the Center on Budget Policy and Priorities conducted a literature review of research on the impact of federal rent assistance and identified positive societal and personal impacts of rent assistance that included:

- A decrease in the number of families living in shelters or unsheltered by 75%.[30]
- Decreased the average number of times a family moved over 5 years by approximately 40%.[31]
- Families experiencing homelessness who were given rental assistance were less than half as likely as families who were not given rental assistance to have a child placed in out-of-home foster care.[32]
- Increased consistent school attendance for children.[33]

### *Economic Impacts Associated with Employment and Income Stability*

Research has demonstrated the impact of eviction on employment stability, particularly the increased likelihood of a person experiencing job loss after being evicted.[34] Stout estimates approximately 15% of tenants with a high likelihood of disruptive displacement would likely experience job loss because of disruptive displacement.

To calculate the decreased economic activity in Maryland due to job loss resulting from disruptive displacement, Stout estimated the income lost by the individuals who lost their jobs due to disruptive displacement. To develop a conservative estimate, Stout used:

- Maryland's hourly minimum wage;
- A 40-hour work week;
- The average duration of unemployment;
- The estimated percentage of Maryland residents who apply for and receive unemployment benefits;
- The average weekly unemployment benefits payment in Maryland;
- The average number of weeks unemployment benefits are received; and
- The Maryland Final Demand RIMS II Economic Multiplier for Private Households.

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[29] Ibid.
[30] Fischer, Will et al. "Research Shows Rental Assistance Reduced Hardship and Provides Platform to Expand Opportunity for Low-Income Families." Center on Budget and Policy Priorities. December 2019.
[31] Ibid.
[32] Ibid.
[33] Ibid.
[34] Desmond, Matthew and Gerhenson, Carl. "Housing and Employment Insecurity among the Working Poor." Harvard University. January 11, 2016.

The difference in the potential total income lost by individuals who experienced job loss as a result of disruptive displacement and the potential unemployment benefits paid to them is the net income lost by individuals who experienced job loss as a result of disruptive displacement. The economic impact associated with disposable income spending can be estimated using an economic multiplier. The estimated economic impacts associated with employment and income stability using the inputs described previously could be $21 million to $32 million annually.

### *Decrease in the Need for Housing Social Safety Net Responses*

Because eviction is a leading cause of homelessness, avoiding disruptive displacement through EPF will likely reduce costs associated with housing social safety net responses such as emergency shelter, repaid rehousing, and hotel stays. Research has shown that a portion of people experiencing homelessness will experience homelessness again even after exiting a housing program. Stout estimated the average annual housing social safety net fiscal impacts to Maryland for an initial interaction with the housing social safety net system and the first subsequent re-entry to these systems.

Without EPF, for the people contemplated in this analysis (as described above), it is possible that approximately 14.5% of tenant households with a high risk of experiencing disruptive displacement may enter emergency shelter.[35] The eviction process (for some people but not all) creates a degree of housing instability that requires costly intervention to return people to stable housing. Cities and states have demonstrated their dedication to returning people to stable housing through a variety of housing programs/interventions funded with public dollars. Using this metric, an estimated annual per household housing social safety net response cost of $11,550[36], and an estimate that approximately 20% of people who exit a housing social safety net response program will experiencing homelessness again and require a second housing social safety net response, Stout estimated fiscal benefits of potentially $19 million to $28 million

[35] Rolston, Howard et al. "Evaluation of the Homebase Community Prevention Program." Abt Associates. June 2013. See paragraph 48. The Abt Study was an evaluation of the Homebase Community Prevention Program on households' use of homeless shelters and services. The Homebase program was a network of neighborhood-based homelessness prevention centers located in high-need neighborhoods of New York City. Homebase was designed to prevent homelessness and to prevent repeated stays in shelter. One of the research questions to be answered by the evaluation was: does Homebase affect the rate of shelter use (nights in shelter)? The evaluation population, as agreed upon with the New York City Department of Homeless Services, was 295 families with at least one child – 150 in the treatment group, and 145 in the control group. The evaluation indicated that over the evaluation period of 27 months (September 2010 to December 2012) a statistically significant difference the likelihood of spending at least one night in shelter between the treatment and control groups – 14.5% compared to 8%. Evaluators had access to individual-level administrative data from systems operated by three New York City social services agencies (the Department of Homeless Services, the Administration for Children's Services, and the Human Resources Administration) and the New York State Department of Labor. This individual-level data was matched with Homebase data based on social security number, name, date of birth, and gender. Evaluators then used this data and a linear probability model to assess the likelihood of shelter entry.

[36] Estimated using publicly available data from the United States Department of Housing and Urban Development.

annually as a result of a decreased need for housing social safety net responses such as emergency shelter and rapid re-housing.

### *Fiscal Impacts Associated with Increased Educational Attainment for Children*

School-aged children who experience homelessness face significant mental and physical health challenges that prevent students from focusing on their education.[37] These challenges can result in students experiencing homelessness to become chronically absent from school.[38] Even after just one year of chronic absenteeism, students are significantly less likely to complete high school.[39]

Stout used the following data points to estimate the fiscal benefits associated with increased educational attainment and the resulting economic activity:

- The estimated percentage of tenant households with children and the average number of children per household
- The estimated percentage of students who experience homelessness and are chronically absent from school
- The estimated percentage of students who complete high school
- The estimated incremental difference in lifetime earnings of students who do not complete high school compared to those who complete high school
- The Maryland Final Demand RIMS II Economic Multiplier for Private Households.

Using these inputs, Stout estimates fiscal benefits associated with increased educational attainment for children of potentially $18 million to $27 million annually.

### *Fiscal Impacts Associated with Decreased Need for Medicaid Spending on Health Care*

Stout estimated Medicaid spending on healthcare by Maryland that may be avoided for tenant households likely at high risk of disruptive displacement. The two categories of care that could reasonably be quantified are in-patient care and emergency room care. Stout used the following data points to estimate the fiscal benefits associated with the decreased need for Medicaid spending on health care in Maryland:

- The estimated percentage of tenant households that would experiencing homelessness as a result of disruptive displacement
- In-patient care and emergency room care utilization rates for people experiencing homelessness compared to people not experiencing homelessness
- The estimated Medicaid enrollment rate
- The estimated average cost of in-patient care and emergency room care per person experiencing homelessness

[37] Bishop, Joseph. "Our Children Can't Wait: The Urgency of Reinventing Education Policy in America"
[38] "Chronic Absenteeism Among Students Experiencing Homelessness in America." National Center for Homeless Education. 2022.
[39] "Research Brief: Chronic Absenteeism." University of Utah, Utah Education Policy Center. 2012.

- The estimated portion of Medicaid paid by Maryland.

Using these inputs, Stout estimates fiscal benefits associated with a decreased need for Medicaid health care spending of potentially $4 million to $7 million annually.

### *Retained Economic Value by Minimizing Out-Migration*

Research has shown that evictions can contribute to out-migration and population loss.[40] Data from Stout's eviction right to counsel evaluations in Connecticut, Cleveland, and Milwaukee indicates that approximately 3% of tenants, if forced to move, would leave the jurisdiction. Using this metric and an estimated $12,000 in economic value (e.g., federal funding, state and local tax revenue, dollars spent in state and local economies) per person,[41] Stout estimates that Maryland could potentially retain $4 million to $6 million in economic value annually if EPF were available for tenant households at a high risk of disruptive displacement.

### *Fiscal Impact Associated with the Decreased Need for Unemployment Benefits*

As previously discussed, eviction and the eviction process has been linked to employment disruption and job loss, both of which can result in an increased demand for unemployment benefits. Stout used the following data points to estimate potential fiscal benefits related to fewer unemployment benefits paid:

- The estimated percentage of Maryland residents who apply for and receive unemployment benefits;
- The average weekly unemployment benefits payment in Maryland; and
- The average number of weeks unemployment benefits are received.

Using these inputs, Stout estimates fiscal benefits associated with fewer unemployment benefits paid of potentially $3 million to $5 million annually.

### *Fiscal Impacts Associated with Decreased Foster Care Costs for Children Experiencing Homelessness*

An estimated 4% of children from evicted families are placed in foster care and generally remain there for at least one year.[42] Using publicly available data, Stout estimates that the annual cost of foster care per child is approximately $10,800 in Maryland, and Maryland funds approximately 33% of foster care costs. Using these inputs, Stout estimates fiscal benefits

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[40] Mah, Julie. "Gentrification-Induced Displacement in Detroit, Michigan: An Analysis of Evictions." Routledge. July 21, 2020

[41] Estimated by Stout using data from: (1) Aguilar, Louis. "Detroit population continues to decline, according to Census estimate." Bridge Michigan. May 2020. (2) "State and Local Expenditures." Urban Institute. 2018. Referencing State & Local Government Finance Data Query System and Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Volume 4. 2020. (3) Present value of investments that cities and states have been willing to make to attract new residents.

[42] Berg, Lisa and Brannstrom, Lars. "Evicted children and subsequent placement in out-of-home care: a cohort study." Public Library of Science. April 18. 2018.

associated with fewer children entering foster care of potentially $2 million to $3 million annually.

### *Fiscal Impacts Associated with Decreased Incarceration Costs*

Individuals experiencing homelessness are more likely to experience interactions with police, be fined for quality-of-life crimes, and be arrested, relative to housed individuals.[43,44,45,46] A study on homelessness in Minnesota found that 12% of adults experiencing homelessness had been incarcerated within the past year.[47] Researchers also found that 23% of New York City recent shelter occupants had been incarcerated within the past two years.[48] Stout estimates that the average incarceration cost per individual in Maryland is approximately $5,400.[49] Using these inputs, Stout estimates fiscal benefits associated with a decrease in the incarceration and criminalization of people experiencing homelessness of potentially $2 million to $3 million annually.

### *Retained Federal Funding for Maryland Public Schools*

Data from Stout's eviction right to counsel evaluations throughout the country has consistently indicated that approximately 3% of households who experience disruptive displacement will migrate out of the jurisdiction as a result of disruptive displacement.[50] Research indicates approximately 62% of households receiving an eviction filing have children, and there are approximately 2 children per household.[51] The State of Maryland receives approximately $2,430 in federal funding per student enrolled.[52] Each additional student that lives in a household that migrates out of Maryland due to disruptive displacement results in less federal funding for

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[43] Speiglman, Richard, Green, Rex S. "Homeless and Non-Homeless Arrestees: Distinctions in Prevalence and in Sociodemographic, Drug Use, and Arrest Characteristics Across DUF Sites." National Institute of Justice. 1999.
[44] Herring, Chris. "Complaint-Oriented Policing: Regulating Homelessness in Public Space." American Sociological Association. 2019.
[45] Bailey, Madeline, Crew, Erica, Reeve, Madz. "No Access to Justice: Breaking the Cycle of Homelessness and Jail." Vera Institute of Justice. 2020.
[46] Zakrison, Tanya, Hamel, Paul, Hwang, Stephen. "Homeless People's Trust and Interactions with Police and Paramedics." Journal of Urban Health. 2004.
[47] "Overview of Homelessness in Minnesota 2006." Wilder Research. 2007.
[48] Metraux, Stephen, Caterina, Roman, Cho, Richard. "Incarceration and Homelessness." US Department of Veterans Affairs. 2008.
[49] Based on the monthly cost of room and board and health care per inmate from the Maryland Division of Correction and the United States Bureau of Justice Statistics research on the average of jail stay resulting from misdemeanors.
[50] Based on Stout's findings in its independent evaluations of Cleveland, Connecticut, and Milwaukee eviction right to counsel programs.
[51] Desmond, Matthew et al. "Evicting Children." Social Forces. 2013. And "Families with Children Under 18." U.S. Census Bureau, Bureau of Labor Statistics. November 2021.
[52] Calculated using U.S. Census Fiscal Year 2018 Annual Survey of School System Finances.

Maryland public schools. Using these inputs, Stout estimates Maryland would retain potentially $1 million to $1.5 million annually in federal funding for public schools.

### *Summary and Limitations of Fiscal Impact Estimates*

Stout's directional estimate of the fiscal benefits of EPF is significantly understated and does not include several fiscal impacts that were considered in "The Return on Investment of Pandemic Rental Assistance: Modeling a Rare Win-Win-Win," for example, personal fiscal impacts, fiscal impacts to rental property owners, and broad societal impacts. Included in Stout's directional estimate are fiscal benefits that can be reasonably quantified based on currently available data. However, additional fiscal impacts, such as the ones below would likely be realized but are not currently quantifiable.

- The economic value of EPF to rental property owners that enables them to avoid financial distress and mortgage / tax foreclosure and assists them in ensuring there is safe and stable housing available in the Maryland rental market;
- The education costs, juvenile justice costs, and child welfare costs associated with children experiencing homelessness;
- The negative impact of an eviction on a tenants' credit score, the tenants ability to re-rent, and the potential loss of a subsidized housing voucher;
- The cost of family, community, and neighborhood instability; and
- Preservation of financial and personal assets.

Stout estimates the annual need for EPF in Maryland for tenant households at high risk of disruptive displacement could be $28 million to $52 million, and Maryland could realize fiscal benefits that result in a directional return on investment of $2.14 to $2.64. Stout's directional estimate of Maryland's return on investment for EPF aligns with the 208% to 355% return on investment calculated in "The Return on Investment of Pandemic Rental Assistance: Modeling a Rare Win-Win-Win."

Again, it is important to appreciate that a portion of tenants receiving EPF are likely to also benefit from or seek legal assistance or representation through ACE. The cost of providing services through ACE (which may complement and enhance the effectiveness of rent assistance) are not contemplated in these directional fiscal impact and return on investment estimates.

# Section V–Themes from Qualitative Research

*Evidence-based Practices for Administering Rental Assistance Programs*

The federal Emergency Rental Assistance Program (ERAP), established in January 2021, has assisted more than 10 million individuals experiencing challenges paying housing costs throughout the pandemic. In Maryland, approximately 260,000 individuals in 112,000 tenant households received assistance from the federal ERAP.[53] ERAP assisted rental property owners and tenants by paying rental arrearages, future rent, and utilities and prevented evictions by supporting renter households whose income was impacted by the pandemic. The unprecedented amount of funding and the local infrastructures developed to administer the funding created the opportunity to identify evidence-based practices for future sustainable rental assistance programs at the state and local levels.

Stout conducted independent research and reviewed national, state, and local publications identifying evidence-based practices to consider for future rent assistance programs based on the lessons learned through administering the federal ERAP. These practices include but are not limited to:

- Creating low-barrier, efficient application processes
- Enabling transparency during the application process
- Distributing payments efficiently
- Engaging and collaborating with local stakeholders, including rental property owners and property managers
- Collecting and analyzing data to iteratively refine rent assistance programs

In addition to the independent research Stout conducted, to complement and inform the quantitative analysis of the need for EPF, Maryland Center on Economic Policy (MDCEP) and MEPFA conducted interviews and listening sessions with stakeholders throughout the state. The stakeholders included:

- Community-based organizations
- State and local government agencies
- Rental property owners and managers
- Civil legal services organizations
- Emergency rental assistance administrators
- Representatives from the foster care system
- Public health experts

The purpose of the qualitative research was to listen to and learn from local stakeholders' experience and expertise as it relates to pandemic-era emergency rent assistance, its impact, and how housing instability affects their constituents or clients. Stout collaborated with MDCEP and MEPFA to create a list of topics to be explored during the interviews and listening sessions.

[53] Based on data provided to Stout by Maryland Department of Housing and Community Development.

MDCEP and MEPFA conducted nearly 20 interviews and listening sessions with stakeholders across the state. Many of the themes from the interviews and listening sessions align with the evidence-based practices Stout identified in its independent research and are incorporated throughout the following paragraphs.

### *Creating Low-Barrier, Efficient Application Processes*

After the height of the pandemic, the National Low Income Housing Coalition (NLIHC)[54] and Avail[55] surveyed renters, rental property owners, and rental assistance program administrators to understand better the challenges, opportunities, and practices of ERAPs throughout the country. Renters and rental property owners communicated uncertainty about receiving rental assistance payments and the issues they faced with complicated eligibility requirements that discouraged them from applying.[56] Maryland stakeholders who participated in interviews and listening sessions with MDCEP also shared that the required documentation for ERAP was cumbersome and time consuming to confirm. NLIHC and United States Department of Treasury (Treasury) studied and shared guidance as to program design considerations that would assist in creating low-barrier, efficient application processes. Two of these program design considerations were the use of proxies to minimize the need for documentation and simplifying the overall application process for tenants and rental property owners.

**Using fact-specific proxies to simplify documentation requirements.**[57] Rather than requesting documentation and relying solely on self-attestation, ERAP administrators have leveraged publicly available data sets on household income to reasonably confirm an applicant's household income.[58] Throughout the pandemic, NLIHC tracked the use of fact-specific proxies across more than 500 ERAPs. As of August 2021, only 5 programs used fact-specific proxies to reasonably verify applicant income, and by December 2021, there were 26 ERAPs using fact-specific proxies.[59] ERAP administrators built household income proxies based on publicly available census tract and zip code data from the United States Census Bureau and / or the United States Department of Housing and Urban Development. These data sets were integrated with the rental assistance application processing platform where a person who is processing applications can use the applicant's address to reasonably confirm their household income by comparing their reported household income to the median or average household

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54 https://nlihc.org/about
55 https://www.avail.co/about
56 Scott, Marin. "Going Into 2021, Renters and Landlords Are Still Hurting From COVID Consequences." February 2022.
57 See https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices/fact-specific-proxies
58 Ibid.
59 https://nlihc.org/sites/default/files/Fact-Specific-Proxy-Report.pdf

income within the census tract or zip code.[60] Figure 3 below, prepared by NLIHC, summarizes examples fact-specific methodologies used by ERAP administrators throughout the country.

| Program | Geography of Analysis | Data Source | Methodology |
|---|---|---|---|
| Connecticut | Census Tract | New Markets Tax Credit | Applicants are eligible if they live in a "low-income community," as defined by the New Markets Tax Credit guidelines.[1] |
| Massachusetts | N/A | Department of Transitional Assistance, MassHealth | Applicants are eligible if they are enrolled in social service programs within the state's Department of Transitional Assistance or the state's healthcare program, MassHealth. |
| South Carolina | ZIP Code | American Community Survey, HUD Area Median Income | Applicants are eligible if they live in a ZIP code where the median household income is less than 50% Area Median Income (AMI) for the corresponding county. |
| North Carolina | County | Comprehensive Housing Affordability Strategy (CHAS) | Applicants are eligible if they live in a county served by the program. The program uses the estimated number of low-income renter households and cost burdened renter households within each county as a threshold for the expected number of applications within each county. If a county starts to approach the proxy threshold, the program will do in-depth monitoring of that county and potentially require income documentation going forward. |
| Kentucky | ZIP Code | American Community Survey, HUD Area Median Income | Applicants are eligible if they live in a ZIP code where the median renter household income is less than 80% AMI of the corresponding county. |
| Multnomah County, OR | Census Tract | American Community Survey, HUD Area Median Income | Applicants are eligible if they live in a census tract where the median income is less than 80% AMI for Multnomah County. |
| Tulsa, OK | ZIP Code | American Community Survey, HUD Area Median Income | Applicants are eligible if they live in a ZIP code where the median renter household income is less than 80% AMI of the county. |
| Phoenix, AZ | Census Block Group | American Community Survey, HUD Area Median Income | Applicants are eligible if they live in a Census Block Group where at least 60% of households are at or below 80% of Maricopa County AMI. |
| Denver, CO | Census Tract | New Markets Tax Credit | Applicants are eligible if they live in a "low-income community," as defined by the New Markets Tax Credit guidelines. |

Figure 3

Despite their infrequent use, ERAP administrators using fact-specific proxies indicated that doing so increased program accessibility and equity.[61] Administrators spent less time completing paperwork, collecting documentation, and answering communications to verify

[60] Ibid.
[61] Ibid.

eligibility.[62] The Kentucky Housing Corporation cleared a significant backlog of applications that lacked complete income documentation by approving applications using the fact-specific proxy approach, increasing the total rent assistance disbursed from approximately $9.8 million in September 2021 to $18.3 million in October 2021 – a month-over-month increase of approximately 87%.[63]

ERAP administrators in Multnomah County, Oregon (Portland) shared with NLIHC that they wanted to "pursue every option to reduce the documentation threshold", and an administrator in Phoenix shared that it hoped, by implementing fact-specific proxies, to minimize administrative burdens on renters during a time of crisis.[64] Geographic-based fact-specific proxies can increase equity by reducing documentation barriers frequently experienced by communities that are disproportionately impacted by the intersection of systemic issues such as racism, discrimination, and the racial wealth gap.[65]

Non-geographic proxies, such as categorical eligibility, can also be deployed. The Treasury released guidance indicating that if an applicant's household income has been verified in connection with another local, state, or federal assistance program, ERAP administrators can rely on a determination letter from the agency that verified the applicant's household income for the particular assistance program. Examples of these assistance programs include but are not limited to:

- Medicaid
- Section 8 vouchers or public housing
- Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI)
- Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF)
- Head Start Childhood Education Program

ERAP administrators in Massachusetts entered into data sharing agreements with state social services agencies, such as the state's Department of Transitional Assistance programs (i.e., SNAP and TANF) and MassHealth (i.e., state-based health insurance), to access enrollment status which was used as a fact-specific proxy for verifying income.

It is important to appreciate that there is not a "best" fact-based proxy or data source for developing a proxy. Effective fact-based proxies will apply to a high proportion of eligible applicants and be seamlessly integrated in application processing software. [66]

[62] Ibid.
[63] Ibid.
[64] Ibid.
[65] Ibid.
[66] Ibid.

**Simplifying the application process.** ERAP administrators throughout the country developed strategies for simplifying the application process, making it more user friendly for tenants and rental property owners. A survey of tenants conducted by NLIHC found that:

- Approximately 51% of tenants experienced at least 1 challenge in submitting their application
- Approximately 23% of tenants experienced challenges completing the application (including not knowing who to contact for assistance)
- Approximately 15% of tenants indicated the applications were confusing
- Approximately 10% of tenants indicated the applications were too long
- Approximately 8% of tenants indicated the applications were challenging to locate

The State of Alaska, the City of Anchorage, and 15 agencies representing nearly 150 native tribes collaborated to create a mobile application.[67] The mobile application was segmented into stages that required approximately 3 to 5 minutes each to complete and incorporated texting functionality to make the application process simple and more efficient.[68] The simplified application process and collaborative approach resulted in one-third of Alaskan renters applying for rent assistance, of which approximately 28% identified as Alaska Native/American Indian.[69] In New York City, application forms were simplified to remove unnecessary jargon, and a dedicated support team was available to assist applications throughout the process.

The Treasury, in collaboration with the United States Digital Service prepared guidelines for designing simple applications and applications processes.[70] These guidelines included but were not limited to:

- Using plain language and active voice;
- Clearly indicating when action is needed;
- Using the "one thing per page" principle and design pattern[71];
- Incorporating examples and lists instead of blocks of text; and
- Enabling applications to easily correct errors or navigate to different sections of the application.

[67] https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices/application-process
[68] Ibid.
[69] Ibid.
[70] https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/service-design/application-web-sites
[71] This principle and design pattern splits the application across multiple pages with each page containing one statement, question, or decision. "One thing per page" helps people understand what is being asked of them, enables them to focus on the specific question and its answer, navigate an unfamiliar process, and recover easily from errors. See https://www.gov.uk/service-manual/design/form-structure#start-with-one-thing-per-page

Maryland stakeholders communicated the importance of streamlined application processes for any future rental assistance programs, particularly as it relates to documentation and the ability to process applications and disburse funding efficiently.

### *Enabling Transparency During the Application Process*

Research on challenges and opportunities for ERAPs included the crucial component of transparency during the application process for rental property owners, tenants, and other stakeholders assisting with the application process. These stakeholders shared that extensive application processing times and lack of communication about application statuses was frustrating.[72] To ensure transparency, rent assistance administrators can establish processes, systems, or online portals where rental property owners, tenants, or other stakeholders assisting with the application process can view an application status or if there is missing documentation. This not only eases the anxiety of the applicants and rental property owners who are awaiting payment but also reduces the administrative burden of repeatedly answering status inquiries. By providing a user-friendly online interface, applicants can log in, submit necessary documents, and receive updates about their application status. For example, in San Francisco, the Mayor's Office of Housing and Community Development created an online portal for their ERAP where applicants could check their application status. Similarly, in Los Angeles, the Housing + Community Investment Department had an online system that allows applicants to view their application status, and New York State Office of Temporary and Disability Assistance offered an online tracking system where applicants could monitor the progress of their applications.

Rental property owners throughout the country were frustrated by the lack of communication from ERAP administrators after an application was submitted. These stakeholders shared with NLIHC and The Housing Initiative at Penn that they were "left in the dark" (often for several months) awaiting communication as to whether they would receive funding.[73] Maryland stakeholders shared that any future rental assistance programs would need to include strategies and mechanisms for effective, timely communication and coordination among tenants, rental property owners, rental assistance administrators, and other relevant stakeholders, especially as it relates to application statuses and timing expectations of funding as well as each party's responsibilities during the application process.

ERAP administrators in Harris County and the City of Houston created a collaborative program to disburse ERAP funds. They contracted with BakerRipley, a Houston-based non-profit organization, to manage the application processes and disbursement of funds. Tenants could

[72] See https://www.avail.co/blog/going-into-2021-renters-and-landlords-are-still-hurting-from-covid-consequences

[73] https://nlihc.org/sites/default/files/2023-09/beyond-housing-stability.pdf

apply for ERAP through an online portal that also had functionality to provide application status updates to stakeholders.

### *Distributing Payments Efficiently*

For rent assistance programs to be impactful, payments must be made efficiently. Throughout the pandemic, rental property owners, tenants, and other stakeholders shared feedback that the time required to receive payment was a barrier to participation. Qualitative data from focus groups and quantitative data from surveys indicate significant delays between tenants submitting their applications, programs reviewing those applications, and rental property owners (or tenants) receiving ERAP funding. A survey conducted by the NLIHC found that approximately 40% of the survey respondents waited more than 8 weeks for a determination as to whether they would be approved for funding. Rental property owners, particularly those with a tenant in an eviction proceeding, often communicate the need for efficient processing of rent assistance payments to minimize the accrual of additional months of rent arrears. Feedback from Maryland stakeholders confirmed that, in certain circumstances, additional rent arrears accumulated as rental property owners were awaiting confirmation that tenants' applications were approved.

The Housing Initiative at Penn conducted research revealing that landlords with more than 30 units had a lower participation rate in Philadelphia than those with 1–5 units. As opposed to the City of Los Angeles, where both large- and small-scale landlords participated at comparatively low rates. Only 63.3% and 41.7%, respectively, of large- and small-scale landlords whose tenants applied to the program took part.[74] Many landlords gave their reasons for not participating, citing their lack of experience with government programs and their opinion that the program's limitations were excessively onerous or strict. As a response rent assistance administrators could consider direct-to-tenant payments when rental property owners do not want to participate in the rent assistance application process or are unresponsive to tenants' requests for participation.

Allegheny County, Pennsylvania, and Cameron County, Texas, are examples of jurisdictions implementing direct-to-tenant payment processes. These jurisdictions inform tenants that they will receive their rent assistance payments directly by sending them a notarized document stating the amount the tenant should expect to receive.[75] These payments are disbursed to the tenant via paper check or direct deposit.[76] The document also states that the payment must only be used for eligible costs as identified in the application.[77]. To communicate the availability of direct-to-tenant payments, outreach and rent assistance, websites should clearly communicate

[74] See https://nlihc.org/sites/default/files/Direct-To-Tenant.pdf
[75] See https://nlihc.org/sites/default/files/ERA_Resources-DTT-Allegheny_County.pdf
[76] See https://otda.ny.gov/programs/emergency-rental-assistance/faq.asp
[77] See https://nlihc.org/sites/default/files/1_ERAP_Resources-DTT-Cameron_County_TX.pdf

that direct-to-tenant assistance is available for tenants whose rental property owner is unwilling to participate in the program or application process[78].

### *Engaging and Collaborating with Local Stakeholders, including Rental Property Owners and Property Managers*

During the height of the pandemic, ERAP administrators collaborated with community stakeholders to ensure that rental property owners, tenants, and other local stakeholders were aware of rent assistance. Though some ERA programs have made considerable strides to work with community stakeholders, Stout recommends that ERA programs continue to apply this best practice by increasing engagement and collaborating with local stakeholders, including rental property owners, property managers, and landlords. Surveys conducted by the National Low Income Housing Coalition indicated that rental property owners would participate in rental assistance programs in the future if they could be more involved in the application processes and have more input.[79] To ensure that the percentage of tenants and landlords participating in the ERA Program increases when the next round of funding is distributed, the administrators must consider how the program is advertised to the public. In Stout's experience, one of the most effective strategies for increasing awareness of social programs is to leverage existing relationships with trusted messengers. For example, rental assistance administrators could partner with local community-based organizations, government agencies, civil legal aid providers, rental property owners and their trade organizations, property managers and their trade organizations, local public libraries, the public school system, and the healthcare community to increase awareness and access to rent assistance funds. Maryland stakeholders also shared the importance of leveraging existing investments in the Access to Counsel in Evictions program by pairing any future rental assistance program with legal representation, when possible and appropriate.

Relationships built with the rental property owner and property manager community are crucial to the success of a sustainable rent assistance program. ERAP administrators across the country collaborated with rental property owner associations to understand their perspectives and address barriers that impacted rental property owner participation in ERAP.[80] For example, in Ramsey County, Minnesota ERAP administrators conducted outreach to rental property owners through bi-weekly e-newsletters, reaching nearly 4,000 subscribers and direct mail outreach to more than 8,000 rental property owners. Ramsey County ERAP administrators also requested that all housing authorities share ERAP information with their landlord distribution lists.[81] ERAP administrators in Alachua County, Florida, before the launch of ERAP, convened weekly meetings to solicit feedback from rental property owners and community organizations to

[78] See https://nlihc.org/sites/default/files/Direct-To-Tenant.pdf
[79] See https://nlihc.org/sites/default/files/beyond-housing-stability.pdf
[80] See https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices/landlord-engagement
[81] Ibid.

create an inclusive program planning and implementation process.[82] In the City of Wichita, the ERAP administrators host an annual housing meeting that brings together major stakeholders across the city, including landlords. The meeting addresses a wide range of subjects, including code enforcement, tenant protections, and fair housing legislation. Furthermore, Wichita created and implemented landlord incentives, such as a risk mitigation fund and a lease signing bonus, that were intended for low-income households by utilizing State and Local Fiscal Recovery Funds (SLFRF).[83]

In Clark County, the administrators of the ERA program encouraged 200 new landlords to apply for ERA assistance with their tenants by using its extensive engagement strategies. Clark County created extra incentives for landlords to take part in ERA in addition to weekly landlord meetings. Clark County established both a remediation fund and a landlord incentive fund with proceeds from sales tax.[84] In order to keep ERA beneficiaries from facing eviction and to improve the tenant-landlord relationship, the City of Honolulu employed mediation. In addition to educating the public about mediation, the city's stand-alone webinars on mediation services gave landlords access to information about ERA and the cooperative application process. The likelihood of agreements that allow tenants to remain in their homes and landlords to keep successful tenants has increased thanks to the mediators' skill at identifying solutions that meet the needs of both parties.[85]

### *Collecting and Analyzing Data to Iteratively Refine Rent Assistance Programs*

Considering the variety of new and existing data sources that could be analyzed to inform iterative improvement and evaluation of rent assistance programs, it would be prudent for future rent assistance programs to invest in data collection and analysis tools. In Stout's experience analyzing data from court dockets, civil legal services providers, rent assistance administrators, community-based organizations (e.g., 2-1-1), and publicly available data sets, there is significant potential to create a robust picture of renters' needs by bring together these data sets.

Having common data elements collected across rent assistance programs and creating user-friendly visualizations or dashboards enables data-driven stakeholder collaboration and evaluation that incorporates the ongoing needs of applicants. By collecting data, administrators can develop key performance indicators and statistics statewide, by county, district, or zip code, and across different community demographics and/or geographic areas.[86] Rent assistance administrators could consider publicly available dashboards (excluding any personally

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[82] Ibid.
[83] Ibid.
[84] Ibid.
[85] Ibid.
[86] See https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices/data

identifiable information) that share aggregated metrics as well as internal dashboards to assess total applications received easily, applications in process, applications completed, demographic data of applicants, average and median amounts funded, application processing times, among other performance indicators. ERAP administrators in Charlotte, North Carolina, in collaboration with a non-profit partner, created an internal dashboard that displayed application status in real-time, segmented by demographic and geographic factors as well as key program performance indicators. The Charlotte ERAP administrators indicated that the dashboards made conducting internal audits more efficient and provided information for strategic programmatic decision-making. Data that is in a dynamic platform and easily accessible enables rent assistance administrators to reply to questions from stakeholders, local leaders, and applicants in a timely manner, building greater community trust[87]. Additionally, robust data collection and processes for analyzing the data enable rent assistance administrators and local stakeholders to understand better different segments of the renter population that may be at risk of eviction or in need of rental assistance funds. Rent assistance administrators could develop a more nuanced understanding of the characteristics of renters seeking rent assistance, which could inform program refinement and strategic outreach opportunities.

### *Additional Feedback from Maryland Stakeholder Interviews and Listening Sessions*

Maryland stakeholders also shared the importance of the following when considering future rental assistance programs:

- Targeted outreach to increase awareness of funding;
- Case management and complementary services for tenants with additional social needs;
- Considerations for how funding would be deployed to secure longer-term housing stability; and
- How Maryland's unique eviction process and landlord-tenant laws should be considered during program design and implementation.

[87] See https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices/data

# Section VI-Conclusion

Stout developed two scenario analyses for estimating the potential need for EPF in Maryland – one based on the population of tenant households who are at high risk of disruptive displacement and one based on the population of tenants who are at risk of disruptive displacement. The latter is a directional estimate of the broader need for EPF in Maryland, and the former is a directional estimate using a narrower population of tenant households who have a higher likelihood of experiencing disruptive displacement and requiring a social safety net response.

Using the scenario based on the population of tenants who are likely at highest risk of disruptive displacement and requiring a social safety net response, Stout developed a directional estimate of the fiscal impacts of EPF to Maryland. In total, Stout estimated directional fiscal impacts of $74 million to $111 million if EPF were implemented for tenants who are likely at highest risk of disruptive displacement. The estimated annual funding for EPF for tenants who are likely at highest risk of disruptive displacement is $28 million to $52 million, and the estimated directional return on investment of EPF in Maryland would be approximately $2.14 to $2.64. That is, for every dollar invested in EPF for tenant households likely at highest risk of disruptive displacement, Maryland could potentially realize fiscal benefits of $2.14 to $2.64.

In addition to quantitative analyses, Stout conducted independent research to identify evidence-based practices for program design and implementation. The research included the following considerations when designing and implementing rental assistance programs:

- Creating low-barrier, efficient application processes;
- Enabling transparency during the application process;
- Distributing payments efficiently;
- Engaging and collaborating with local stakeholders, including rental property owners and property managers;
- Leveraging the Access to Counsel in Eviction resource to pair eviction preventions with legal representation when needed for outcomes promoting safe and healthy housing; and
- Collecting and analyzing data to iteratively refine rent assistance programs.

Many of these considerations were shared and emphasized in Maryland stakeholder interviews and listening sessions conducted by MDCEP as an element of qualitative research. The local stakeholders also communicated systemic challenges experienced by tenants, rental assistance program administrators, and rental property owners including but not limited to:

- An overall lack of affordable and habitable housing in Maryland;
- The absence of case management services for tenants experiencing housing instability and at risk of homelessness;
- Financial literacy challenges experienced by tenants;
- Cumbersome, inefficient application processes; and

- Significant delays in receiving rent assistance funds and accumulations of rent arrearages.

*Assumptions and Limiting Conditions*

Stout's conclusions are based on information received to date. Stout reserves the right to change those conclusions should additional information be provided.

Stout's research and analysis was conducted on an independent basis. No Stout employee who worked on this engagement has any known material interest in the outcome of the analysis.

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