

***MEPFA POLICY ANALYSIS:* Maryland's Need for Eviction Prevention Funds (EPF) and the Estimated Fiscal Impact of EPF**



Eviction Prevention Funds stop the devastating impact of homelessness on families and communities and save Maryland money on social safety net costs.

By investing \$15 million in FY 25, *Maryland can stop eviction for 5,620 families* at the highest risk of disruptive eviction & homelessness. *Every dollar spent on eviction prevention saves the State \$2.39* — \$92 million in savings on full implementation.

Main Conclusions *(Click to Navigate)*

- Prevent Homelessness – Shelter for All Maryland Families
- Stable Housing = Stable Kids & Education Achievement
- Eviction Prevention Helps Right Past Racial Wrongs
- Eviction Prevention Provides Stability, Averts Crisis, and Prevents Harm
- Policy Recommendations for Best Practices



Eviction Prevention Funds Stop Families from Becoming Homeless and Save Maryland Money on the Social Safety Net

As a first phase of implementation, Maryland should invest \$15 million in FY 25 to stop the evictions of 5,620 families at the highest risk of displacement. Maryland should also pass legislation in 2024 focused on preventing eviction for families in community schools as part of the Blueprint for Maryland's Future.

Preventing evictions is a critical part of creating a Maryland where all families can have safe, stable, affordable housing. Eviction prevention funds pay 1-3 months of past due rent for families facing a short-term crisis – ensuring a missed month's rent doesn't become a catalyst for homelessness.

- Approximately 56% of families are unable to cover a \$1,000 emergency.¹
- With rapidly rising rents, far too many families are living too close to the edge.
- Eviction prevention funds help ensure that a short-term setback such as a missed month of work does not escalate into a long-term crisis of homelessness that impacts the entire community.



Maryland needs an estimated \$40 million annually to stop the eviction of 15,000 families at the highest risk of displacement through a program that incorporates best practices identified by Maryland stakeholders and national research. This recommendation is based on a 2023 study conducted by Stout Risius & Ross with the Maryland Center on Economic Policy and members of the Maryland Eviction Prevention Funds Alliance (MEPFA Study).²

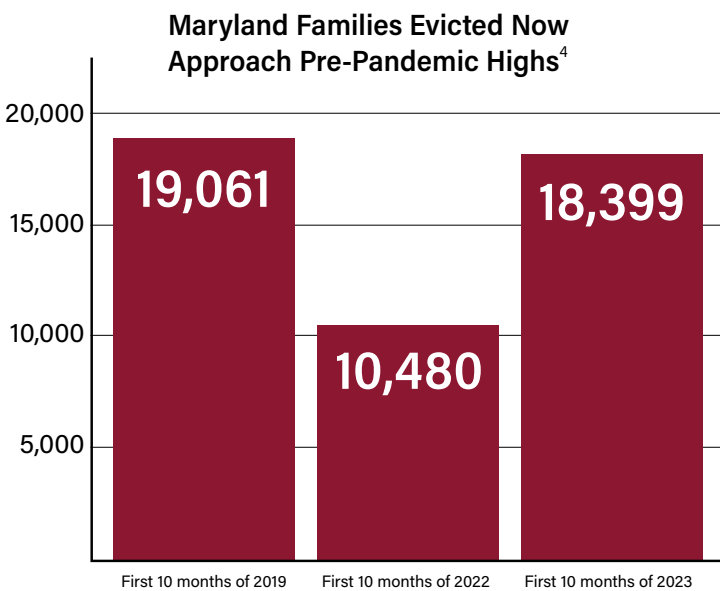
For every dollar invested, Maryland would save an estimated \$2.39 in costs. This is consistent with other research showing eviction prevention causes:

- A 75% decrease in the number of families living in shelters or unsheltered
- A 40% decrease in the average number of moves over 5 years
- A significant reduction in children placed in out-of-home foster care
- Increased consistent school attendance for children.³

- Even a narrowly tailored program focused on preventing homelessness or supporting families whose children are enrolled in a community school generates exponential benefits for Black and Brown children in poverty.
- This \$40 million investment in eviction prevention would yield approximately \$92 million in cost savings or avoidance by reducing homelessness and state-funded safety net costs related to shelter, educating students experiencing homelessness, health care, foster care, decreased incarceration, and the economic impacts of increased employment and income stability.

Prevent Homelessness – Shelter for All Maryland Families

An ounce of eviction prevention is far less costly to the state than the cost of homelessness. Helping a family with the first missed payment can prevent much more severe consequences, and according to Stout, it saves Maryland \$23.5 million in social safety net costs.

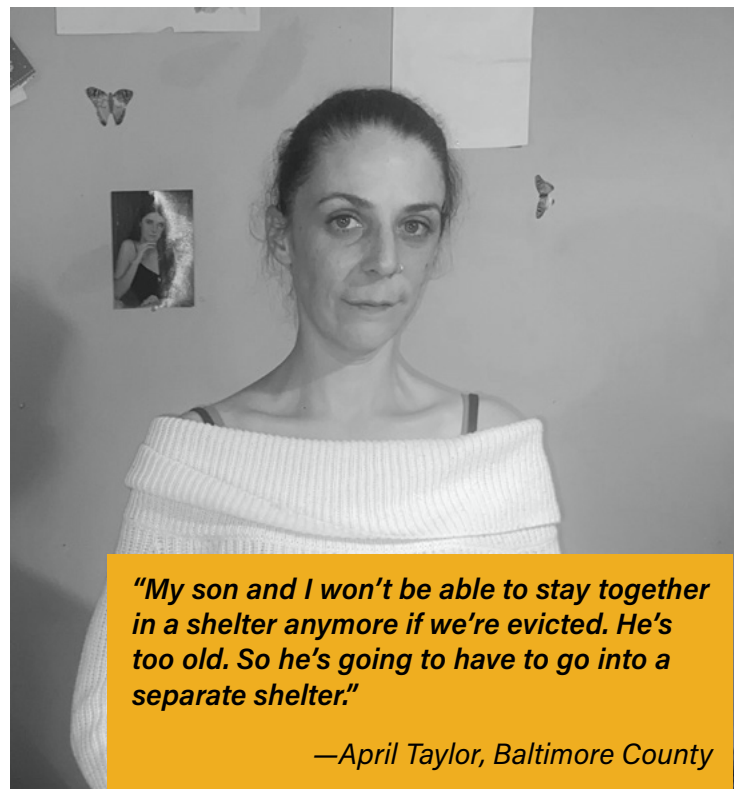


April's Story

April Taylor lives with her 16-year-old son in Baltimore County. With representation from Legal Aid, she won her first two eviction cases, but now she faces a new eviction and few choices: "I was in a homeless shelter with my son before I found my current apartment. A couple months ago, the hours at my job at McDonald's were cut, and I fell behind on the rent. I'm now working double shifts. I can pay the rent going forward, but I can't get out of the hole without help. I also have to focus on meeting the needs of my son who has not been doing well at school. Because of the eviction threat, my son doesn't want to go out with his friends. We just need a little help. Some of us don't have friends and family to rely on. I sure don't. If we're evicted, my son and I won't be able to stay together in a shelter anymore. He's too old. So he's going to have to go into a separate shelter. And then we'd lose everything that we've built over the past two years."

Key Findings

- Stout found that about **15% to 25% of families who are evicted likely become homeless.**
- A study by the Federal Reserve of Bank of Philadelphia shows that an eviction order **increases homelessness, reduced earnings, durable consumption, and access to credit.**⁵
- Left: MD Families Evicted Now Approach Pre-Pandemic Highs.** Record rent increases and economic uncertainty have pushed families to the edge of the eviction cliff such that any new setback pushes them over.
 - 19,061 evictions in first 10 months of 2019
 - 10,480 evictions in first 10 months of 2022
 - 18,399 evictions in first 10 months of 2023⁶
- Evictions Snapshot — October 2023: 35,904 eviction cases filed; 11,347 warrants issued; 2,074 families evicted.⁷
- 30,000 individuals experience homelessness each year in Maryland.**⁸



"My son and I won't be able to stay together in a shelter anymore if we're evicted. He's too old. So he's going to have to go into a separate shelter."

—April Taylor, Baltimore County

Stable Housing = Stable Kids & Greater Educational Achievement

Preventing evictions stabilizes the family, the school, and the community. Families cannot thrive *without* safe, stable housing. Schools cannot thrive *with* a student body forced to live in unstable and deplorable conditions.

Magdalena's Story

Magdalena Escobar, her husband, and three children have resided in their Greenbelt apartment for the past five years. Ms. Escobar had to leave her job as a cook in a local restaurant to take care of the significant, emerging medical needs of her son. At the same time, her husband lost hours at his job. They quickly fell behind on the rent and faced an eviction filing. They applied for eviction prevention funds from Prince George's County to help pay the back-due rent, and retained an attorney from CASA to negotiate a lower rent. They received the eviction prevention funds in September 2023, and it changed their lives: "Eviction prevention funds were a huge relief. I had an eviction scheduled for the next week, and after so many calls and help from CASA, the funds came through. My kids didn't want to go to school because they were worried they were going to come home and our things would be on the street. My son and daughter were already struggling at school, and the pending eviction made it so much worse. When we told the kids the rent had been paid, they were so happy that they started shouting and yelling. Now they smile more and worry much less. Also, my lawyer learned that I was being charged the wrong amount of rent, so the landlord lowered the rent, making it more affordable. My husband is getting more hours at work, and we intend to stay in our neighborhood for the long term. I needed these funds, they really helped me, but I see lots of neighbors who still need this money. I got this help when I needed it, and I hope that others get this help when they need it to keep their families housed."

Key Findings

- Maryland is investing \$3.8 billion a year to implement the Blueprint for Maryland's Future. Unfortunately, *the wrap-around services based in community schools do not include housing stability support.*
- Eviction prevention funds ensure that families do not lose access to community school services. And, according to Stout, *such a program would provide \$23.75 million in benefits to the state* through better education outcomes for students and an increase in federal funds.
- *Students facing eviction are 6 times more likely to be chronically absent and 4 times more likely to not complete high school,⁹ and students who experienced housing insecurity were more likely to have a lower GPA as well as poorer mental health outcomes.¹⁰*
- The National Center on Family Homelessness estimates that the *graduation rate of children experiencing homelessness is less than 25%.¹¹*



"When we told the kids that the rent had been paid, they were so happy that they started shouting and yelling. Now they smile more and worry less."

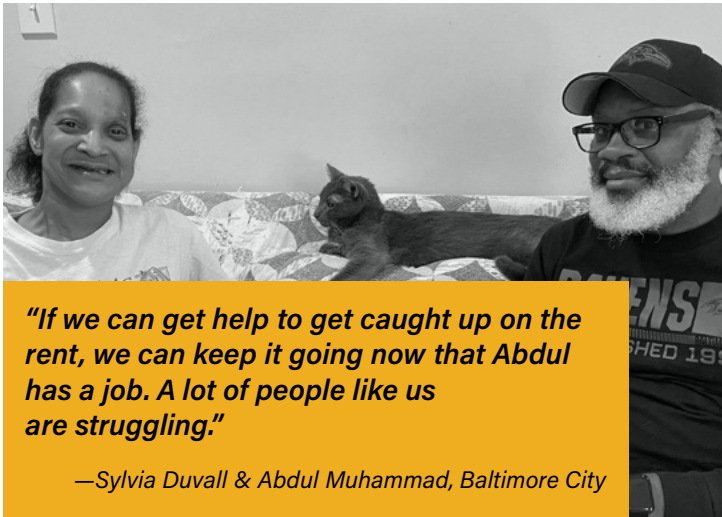
—Magdalena Escobar, Prince George's County

Eviction Prevention Helps Right Past Racial Wrongs

Maryland's long history of housing segregation and other discriminatory policies mean that Black and Brown Marylanders are much more likely to be at risk of eviction. Ensuring that Black and Brown families have access to the vital lifeline of eviction prevention funds and avoid the poverty, job loss, and poor education and health outcomes that result from eviction will help right the wrongs of the past and expand opportunity.

Key Findings

- Maryland's pandemic eviction prevention program helped over 100,000 households. **73% of those households identified as Black; 71% identified as being female-led.**
- Because of structural housing racism, **one in four Black children in rental households face the threat of eviction in a typical year.**¹²



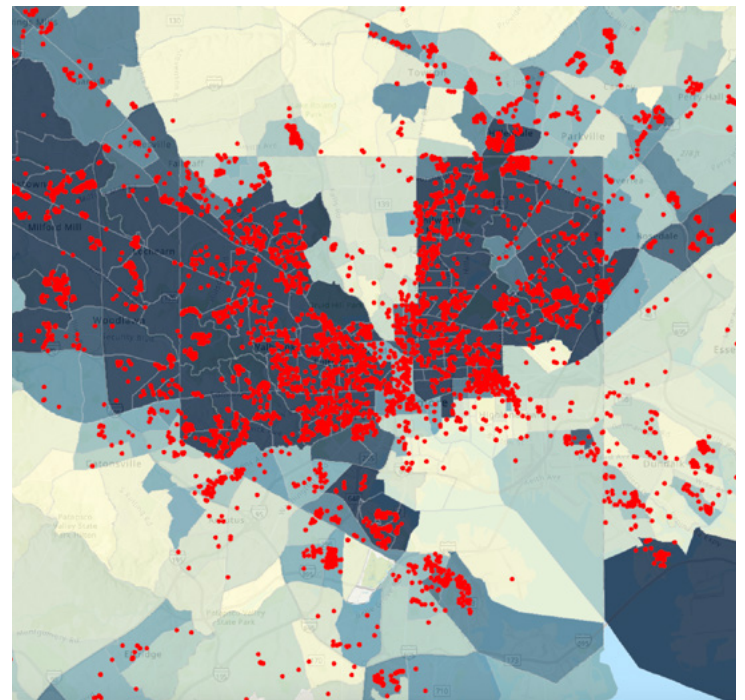
"If we can get help to get caught up on the rent, we can keep it going now that Abdul has a job. A lot of people like us are struggling."

—Sylvia Duvall & Abdul Muhammad, Baltimore City

Sylvia and Abdul's Story

Sylvia Duvall is a mother of three children. She lives with her partner Abdul Muhammad in West Baltimore. They have an application pending for eviction prevention funds with United Way and are facing threats of eviction: "We've had to deal with lots of problems in the property like repeated flooding and a collapsing ceiling. Then Abdul's car was stolen, and he lost his job. We didn't have much income for over a month. I want to work, but I can't find a job because of my disability and my need to use an oxygen tank. We fell behind on the rent, and the landlord filed for eviction. This has been very stressful. Abdul has lost almost 20 pounds. Abdul has a job again, but we still need help. Everyone doesn't have a 401K. Keeping people in their homes is better for the neighborhood too. If this house becomes vacant, it's just going to make the neighborhood even worse."

Evictions in the Greater Baltimore City Area—January to August 2023



Evictions,
January to
August 2023

Census Tracts
by % Black
Population



[View full map of January to August evictions across Maryland here.](#)

Eviction Prevention Provides Stability, Averts Crisis, and Prevents Harm

Stout concluded that a targeted investment in eviction prevention funds (EPF) for families who are most likely to experience a disruptive eviction would provide \$36-\$56 million in cost savings/financial benefits due to better health care, foster care and employment outcomes, as well as decreased incarceration costs for homeless persons, and fewer people leaving Maryland.

Keep Families Together

- Housing instability is also at the root of many family separations and foster care placements, which can further exacerbate physical and mental health challenges as children are separated from their parents.
- According to David Wanger, attorney with the Maryland Office of the Public Defender: "Housing instability through eviction, homelessness or severe conditions of disrepair is the root cause of many family separations. Maryland then pays tens of thousands of dollars on foster parents, attorneys for all parties, social workers, and health care costs – when the state could have paid significantly less just to keep people in stable housing. We have to do better."

Keep Families Financially Stable

- According to Matthew Desmond, working renters who lose their homes are 11% to 22% more likely to lose their jobs. Precarious low-wage or "gig" work with little paid leave and few protections from termination often does not provide workers with the time needed to deal with housing instability.¹³
- Keeping renters in their homes increases their ability to keep their jobs and stay away from the spiral into deeper poverty.
- Stout observed that the economic impact of EPF extends as well to small rental property owners who use EPF to avoid foreclosure and ensure that there is safe and stable housing available in the Maryland rental market for low-income families.

Keep Families Housed

Stout found that EPF "enables [rental property owners] 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."

- Stable housing is critical for maintaining stable employment. People who are uprooted from their communities may suddenly be facing much longer commutes to their jobs or face other barriers to keeping or finding work.
- Reducing poverty for children, such as preventing hunger and housing instability, helps them do better in school and leads to more stability and higher wages as adults.¹⁴

Keep Families Healthy

Numerous studies reinforce that housing is health care, particularly for children: "[E]viction exposure was associated with various adverse pediatric health outcomes, including preterm birth, low birthweight, lower neuropsychological scores, and worse parent-rated child health."¹⁵

- The stress of the eviction process or not knowing where you're going to sleep tomorrow can lead to a wide range of health problems, particularly for children.¹⁶
- "Residential instability is associated with health problems among youth, including increased risks of teen pregnancy, early drug use, and depression."
- People who are facing the threat of eviction are also less likely to get needed health care, or purchase nutritious food.
- As Dr. Craig Pollack, MD, professor at the Johns Hopkins Bloomberg School of Public Health,¹⁷ explains: "When our patients face eviction or homelessness, they are often unable to take prescribed medicines, follow up on care and keep medical appointments. They spend extremely limited funds on housing instead of medicine. Rates of depression and anxiety are high. Their entire family suffers."

Policy Recommendations for Best Practices

Maryland is not alone in facing the challenge of rising evictions.

Stout and MDCEP researched national best practices and engaged Maryland stakeholders on lessons learned from the pandemic-era emergency rental assistance program. Recommendations from that research include:

- Create a low-barrier, efficient application processes
- Enable transparency during the application process, including better communication of tenant and rental property owner responsibilities during the application process.
- Distribute payments efficiently
- Engage and collaborate with local stakeholders, including rental property owners and property managers
- Collect and analyze data to iteratively refine rent assistance programs
- Leverage state investment in Access to Counsel in Evictions to pair EPF with legal representation when possible, to achieve best outcomes and ensure that Maryland habitability laws are enforced, i.e., ensure that landlords are held accountable for providing safe, stable housing.
- Provide case management and complementary services for tenants with additional social needs

Why Implement these Best Practices?

Completes Maryland's Housing Stability Plan: The Governor's transition team report and State DHCD's 10-Year Plan recognize that EPF is urgently needed for a comprehensive housing stability plan, however there are no substantial funds for this purpose. A diverse housing toolbox is needed that goes beyond increasing housing supply.

Other States are Leading on Eviction Prevention and Housing Stability: Illinois, Minnesota, Pennsylvania, New Jersey, Massachusetts, New York, Connecticut, Oregon, Washington, California, Vermont, and the District of Columbia are investing in Eviction Prevention Funds in 2023 and 2024.¹⁸ Maryland cannot be a national leader in ending childhood poverty, righting the racial wrongs of the past, and ensuring shelter for all without investing in eviction prevention funds.

Final Takeaway

Safe, stable housing is a critical foundation for the health and well-being of Maryland families, strong schools, and thriving communities. State investment in a targeted EPF program will not only stop the evictions of 15,000 families most at risk of disruptive eviction, but also save the state money in terms of reduced spending and other fiscal benefits related to homelessness, education, health outcomes, foster care dispositions, job stability, and decreased rates of incarceration—not to mention the economic benefits to small rental property owners in avoiding foreclosure. Eviction is a racial justice issue linked to centuries of discriminatory housing policy by all levels of government. With 1 in 4 Black children in renter households facing eviction, the state cannot maintain a serious commitment to righting the wrongs of the past without an investment in EPF.

- In the first phase of implementation, Maryland should invest \$15 million in FY 25 to stop the evictions of 5,620 families at the highest risk of disruptive eviction and homelessness.
- Maryland should pass legislation in 2024 focused on preventing eviction for families in community schools as part of the Blueprint for Maryland's Future.
- Eviction Prevention Funds are a critical missing component of Maryland's housing stability plan that we urge the Governor and General Assembly to address as quickly as possible.



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Citations

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¹⁷ This personal statement is not intended to represent the view of Johns Hopkins University.

¹⁸ Database of eviction prevention programs and funding maintained by National Low Income Housing Coalition