

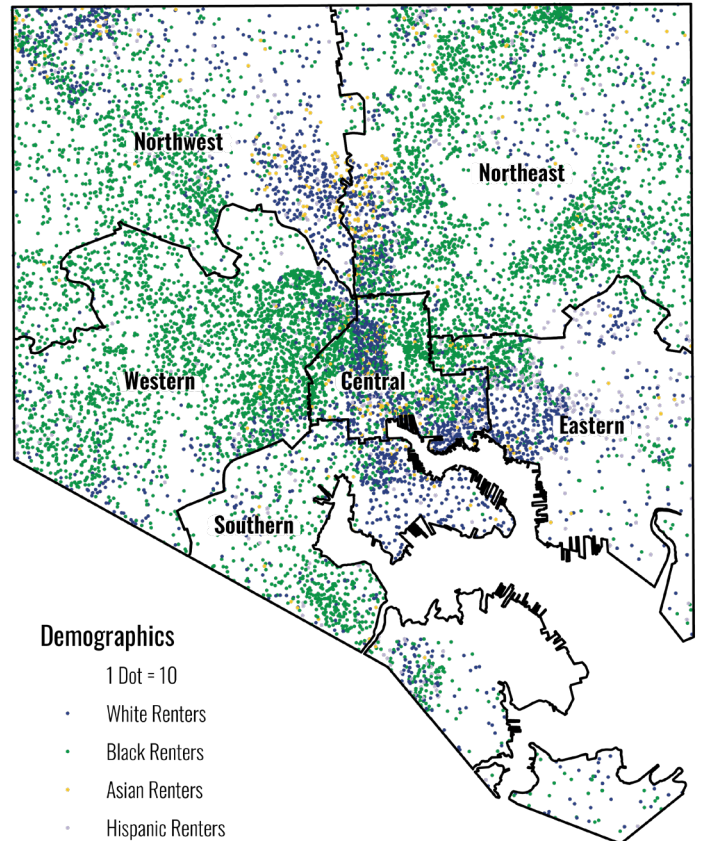
Introduction

Baltimore is particularly vulnerable to the economic impacts of COVID-19, given its large population of low-income renters. With an estimated 20 thousand low-income jobs lost and an unknown number of wage hours cut back since March, many tenants will find it difficult or impossible to pay rent in the coming months.¹ In an effort to stem the flood of eviction filings once the statewide moratorium lapses in late July, Baltimore has introduced Temporary Rental Support (TRS) as part of a multi-pronged approach to divert tenants from the eviction pipeline. TRS distinguishes itself from most other local rent relief programs by its goal to help all eligible applicants, by calculating the subsidy on a case-by-case basis, and by its position within a larger suite of eviction and homelessness diversion strategies.

Rental Landscape

Over half of Baltimore City residents are renters. Tenants are largely segregated along racial lines with Black renters living primarily in northeast and western Baltimore and white renters living in central, eastern and southern Baltimore (Figure 1). Renter median household income hovers around \$33,000, which is just over half of median household income for homeowners (Figure 2, below). Given the relatively low incomes among Baltimore tenants, rent burden is a pervasive issue, with over half of renters paying more than 30% of their income towards rent in the average census tract. This problem is particularly pronounced in the city’s northeast and western sections.

Renter Race & Ethnicity



Source: 2018 5-Year ACS Estimates

Figure 1: Baltimore rental demographics demonstrate how the City’s “White L” bisects the “Black Butterfly.”

Footnotes

1) <https://www.urban.org/features/where-low-income-jobs-are-being-lost-covid-19>

While data from the U.S. Census Bureau Household Pulse Survey is not available for Baltimore City, statewide data suggests that Baltimore renters are being severely impacted by the economic fallout from COVID-19. Maryland Pulse data from the week of June 25, 2020 indicate that about 80% of renters earning between \$25 and \$35 thousand per year paid last month's rent. Looking at households making less than \$25 thousand, the share of households that paid rent falls below 50%. Confidence in paying next month's rent among these lower-income tenants is similarly low (Figure 3, below). With many of Baltimore's renters falling into these income brackets, it is clear that COVID-19 is creating financial and housing insecurity for many.

Most Baltimore rental units are located in structures with fewer than four units, reflecting that most landlords are mom and pop businesses.² While these small businesses may help keep rent relatively affordable, their limited resources and capacity means that Baltimore's aging rental stock is not always well-kept. Lack of financial resources on both the tenant and landlord side leads to conflicts and eviction proceedings in Baltimore's Rent Court. According to a 2015 study from the Public Justice Center, Baltimore landlords evict 1 in 17 tenants, meaning Baltimore has one of the highest eviction filing rates in the U.S., second only to Detroit.³

The City estimates that only 1 in 200 of such filings lead to an actual eviction, suggesting that landlords often use eviction filing as a tool to collect rent. Based on an op-ed published by the Baltimore Sun, many landlords rent their properties to avoid their own foreclosure. Threatening eviction may be a way for landlords to receive the payments that keep them financially afloat, transferring the burden of their unstable financial situations onto tenants.⁴

Rental Relief Program

Baltimore anticipates a tidal wave of eviction filings as the backlog of eviction cases are processed in Rent Court following the lapse of the eviction moratorium on July 25th. To forestall this wave, the City is developing a multi-pronged eviction diversion program. This program is an interagency effort led by the Department of Housing and Community Development (DHCD), the Mayor's Office of Homeless Services (MOHS) and Community Action Partnership (CAP) Centers to divert households from the eviction pipeline through rental assistance, legal aid, and rapid rehousing. Working with budget of \$16 million, DHCD is the key agency leading Temporary Rent Support (TRS). DHCD has leveraged in-house city capacity to administer the program, conduct outreach, and review applications. TRS' application was open from July 1 to July 19th with applications being reviewed as they were submitted.

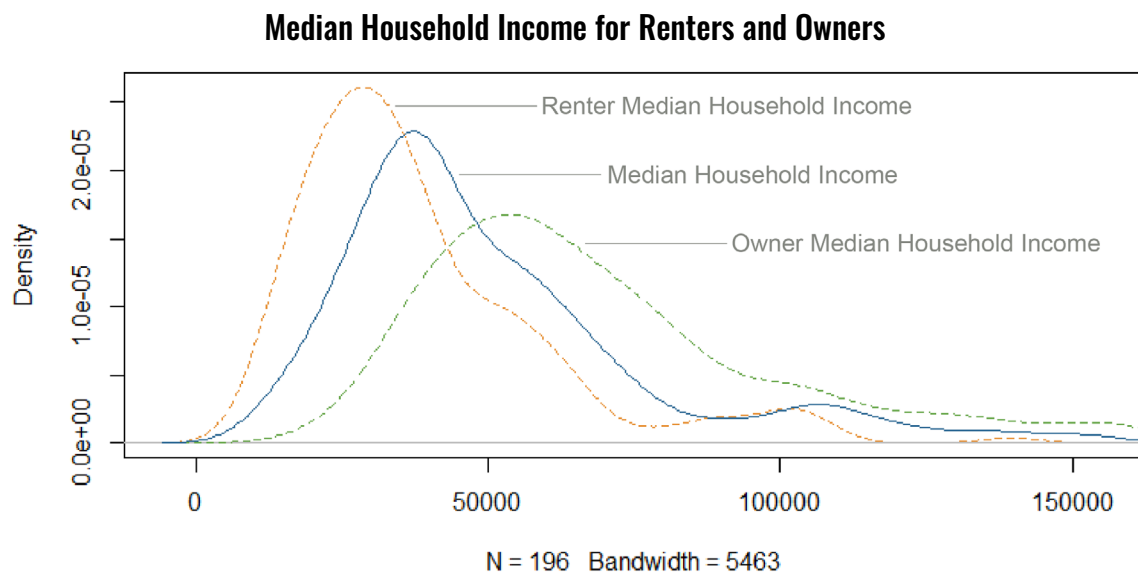


Figure 2: On average, Baltimore renters' annual median household income is about half that of Baltimore homeowners, making the former population more vulnerable to the economic fallout of COVID-19. Source: 2018 5-year ACS Estimates.

MD: Confidence in Ability to Pay Next Month's Rent (7/9-7/14)

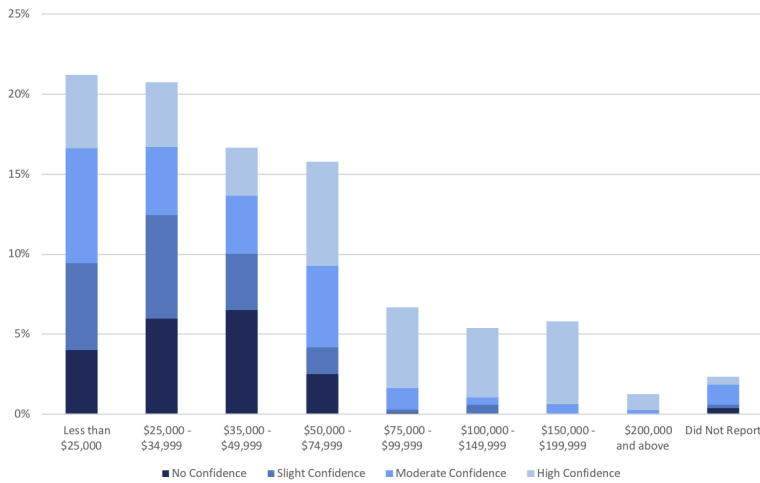


Figure 3: Unsurprisingly, confidence in the ability to pay rent increases with income in Maryland. Given that annual median household income for Baltimore renters is about \$33,000, many tenants do not expect to be able to make this payment. Source: US Census Bureau Household Survey, Week 11.

TRS' goal is to provide a subsidy to 100% of eligible applicants. It plans to achieve this reach by enforcing program eligibility requirements and limiting the subsidy amount to cover a portion of rent that was unpaid during April, May, and June 2020. In terms of eligibility, applicants must earn less than 50% AMI, experience a loss of income due to the pandemic, and not owe any back rent prior to April 2020. Landlords must also agree to forgive any additional back rent or fees, forego filing evictions through August, and confirm the rental unit is registered with the City. Given the limited nature of the subsidy, TRS is meant to act more as a pop-up shop for relief than a long-term rental assistance effort.

A unique element of TRS is that the program subsidy is calculated on a case-by-case basis. Tenants agree to pay a third of any unemployment benefits received over the three-month period, while TRS pays the landlord 80% of the tenant's contract rent. Though early application review suggests that the average subsidy payout will be less than anticipated per household, the process of reviewing and calculating this amount increases burden on the city agencies reviewing applicants. Another distinct feature of TRS is its conception as part of a larger, multi-program eviction and homelessness diversion strategy.

While the eligibility criteria are fairly stringent, the program is not designed to capture the entire universe of tenants who are behind on rent and at risk of losing housing. Rather, it is a targeted effort to minimize the flood of eviction cases moving through Baltimore's Rent Court and the subsequent homeless households that will further rely on city services.

To date, Baltimore has received substantially fewer applications for rental assistance than expected. It is possible that tenants felt less urgency because the program's application period coincided with the receipt of unemployment benefits or because they anticipated that summer evictions would not be processed for months due to the backlog in Rent Court. Another possibility is that the many requirements and lengthy online application deterred tenants from submitting applications. The fact that public computers and internet are largely unavailable due to COVID-19 restrictions may play into the low application numbers. Regardless of the reason, the low engagement suggests that Baltimore's legal aid and rapid rehousing programs must be prepared to absorb a larger caseload than initially expected.

Key Takeaways

- » Baltimore has rolled out Temporary Rental Support (TRS) as part of a multi-pronged eviction and homeless diversion strategy.
- » Baltimore has timed TRS to roll out before the eviction moratorium lapses in late July with the intention of minimizing the number of households from entering the eviction pipeline.
- » With the goal of serving 100% of eligible applicants, the program offers a relatively shallow subsidy to limited group of tenants needing aid that were economically impacted by the COVID-19 pandemic.
- » The number of applications for rental assistance have fallen far short of City expectations. While the reason for this is unclear, it suggests that other prongs of Baltimore's eviction diversion strategy should expect to serve a larger pool of residents than initially thought.

Footnotes

- 2, 4) <https://www.baltimoresun.com/opinion/editorial/bs-ed-0507-rent-ban-20200506-svfbqe2xgveandg46nu47thw6y-story.html>
- 3) http://www.publicjustice.org/wp-content/uploads/2019/09/JUSTICE_DIVERTED_PJC_DEC15.pdf

Appendix

This appendix includes a series of visuals and tables that provide data and information pertinent to understanding the context of rental assistance in Baltimore.

A. Rental Assistance

COVID-19 Rental Assistance Timeline: Baltimore

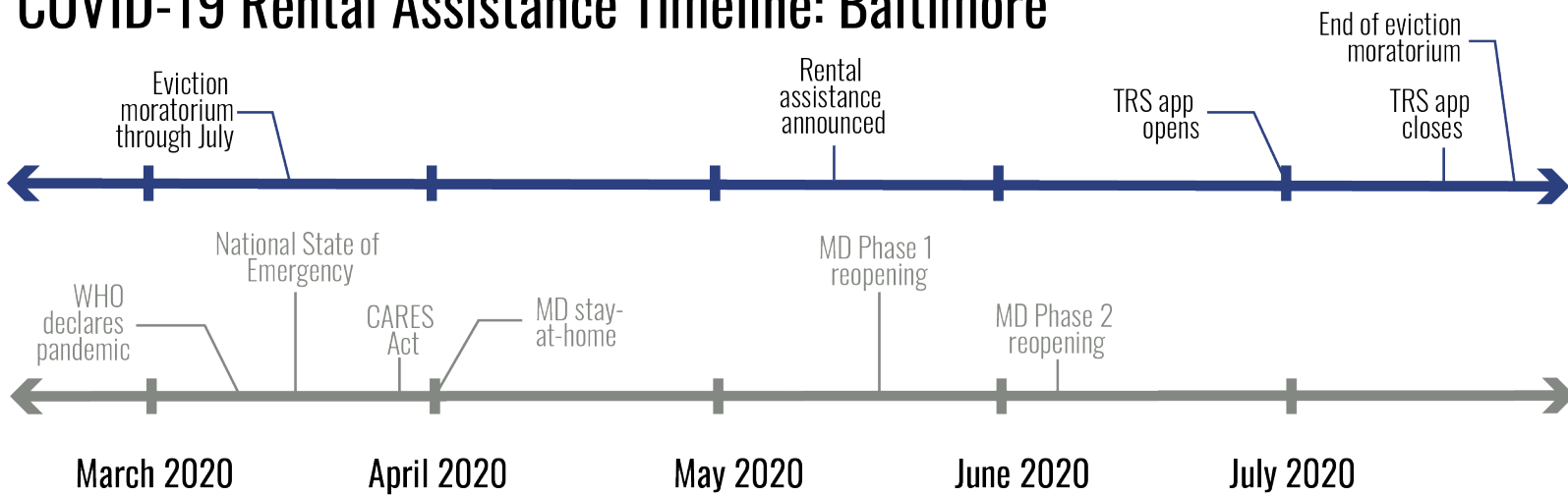


Figure 4: The above graphic displays the progression of rental relief programs and policies in Baltimore and the United States between March and July 2020.

B. COVID-19 Data

COVID-19 Cases & Deaths	City of Baltimore
Total Population	614,700
Confirmed Cases	9841
Cases per 1000 residents	16
Cases by Race (Percent)*	
Black	45%
White	13%
Asian	1%
Hispanic or Latinx	NA
Unknown	28%
Other	13%
Total Deaths	371
Deaths by Race (Percent)	
Black	63%
White	19%
Asian	NA
Hispanic or Latinx	NA
Unknown	12%
Other	0%

Table 1: The above table includes COVID-19 case and death data as of July 24, 2020. Source: <https://coronavirus.baltimorecity.gov/>

C. Pulse Data

	Maryland	USA
Ability to Pay Rent		
Occupying Unit Without Rent	3.1%	4.5%
Did Not Pay Rent Last Month	27.7%	17.5%
Deferred Rent	3.3%	1.8%
Renter Confidence to Pay Next Month's Rent:		
No Confidence	19.1%	13.1%
Slight Confidence	18.6%	19.9%
Moderate Confidence	24.0%	24.9%
High Confidence	33.2%	36.2%
Income & Employment		
Lost Income Since March 13th	50.9%	10.3%
Expecting to Lose Income in the Next 4 Weeks	48.2%	--
Currently Unemployed	38.9%	15.1%
Use of Stimulus Check		
Expenses	59.2%	63.3%
Debt	10.8%	12.0%
Added to Savings	11.1%	9.5%
No Stimulus Expected or Received	17.8%	14.3%
Rent	25.0%	24.5%
Food Sufficiency		
Enough of the Types of Food Wanted	59.6%	62.4%
Enough food, but not always the types wanted	23.8%	27.0%
Sometimes Not Enough to Eat	10.6%	8.9%
Often Not Enough to Eat	2.8%	1.5%

	Maryland	USA
Remote Learning		
Average Hours Spent on Online Learning		
Teaching Children at Home	4.9	6.3
Live Virtual Education	1.8	4
Children Learning Alone	4.5	7.8
Device Availability for Online Learning		
Always Available	62.0%	60.8%
Usually Available	21.8%	21.4%
Sometimes Available	11.2%	10.3%
Rarely Available	2.7%	3.5%
Never Available	1.4%	2.6%
Mental Health		
Anxiety		
Not At All Anxious	30.7%	28.6%
Anxious Several Days	32.3%	31.6%
Anxious More than Half the Days	12.0%	13.5%
Anxious Nearly Everyday	13.7%	17.3%
Uncontrolled Worrying		
Not At All Worried	37.1%	35.7%
Worried Several Days	31.1%	29.8%
Worried More than Half the Days	11.6%	11.8%
Worried Nearly Everyday	8.9%	13.7%

Table 2: The above table displays data from the 2020 Household Pulse Survey, as of July 9-14.

D. Census Data

	2010	2018	Percent Change
Demographic Characteristics			
Householder Age			
15 to 24 (%)	9.6	5.8	-39.7
25 to 34 (%)	25.5	28.0	9.6
35 to 44 (%)	19.5	17.8	-8.9
45 to 54 (%)	18.1	16.2	-10.3
55 to 64 (%)	12.8	16.4	28.0
65+ (%)	14.5	15.9	9.6
Race			
Asian (%)	3.3	3.3	0.5
Black (%)	60.4	66.1	9.3
Hispanic or Latino (%)	3.3	4.4	33.6
White (%)	23.2	24.2	4.1
Household Characteristics			
Average Household Size	2.3	2.4	3.0
Rentership (%)	52.3	52.7	0.6
Household Composition			
Single Occupancy (%)	44.3	45.0	1.6
Nonfamily (%)	10.6	12.4	16.1
Family (%)	45.0	42.6	-5.4
Households with Children (%)	30.0	26.5	-11.7
Overcrowded (%)	2.7	3.1	12.8
Economic Characteristics			
Median Household Income (2018 \$)	30574	33180	8.5
Median Gross Rent (2018 \$)	990	1051	6.2
Monthly Rent			
1 Bedroom (\$)	--	860	--
2 Bedroom (\$)	--	1096	--
Rent Burden (%)	56.1	52.0	-7.2
Households Below Poverty (%)	19.0	19.5	2.5

	2010	2018	Percent Change
Housing Unit Characteristics			
Units			
Single-Family	48391	51832	7.1
2 to 4	21930	22266	1.5
5 to 19	24474	23809	-2.7
20+	24752	27453	10.9
Mobile	135	97	-28.1
Total Units	130740	125539	-4.0
Median Year Built			
Year Built	1953	1952	-0.1
Year Built			
Before 1930 (%)	32.9	37.0	12.6
1940s (%)	11.9	10.0	-15.7
1950s (%)	15.2	12.8	-15.6
1960s (%)	13.0	11.6	-10.2
1970s (%)	10.8	9.2	-15.0
1980s (%)	7.0	6.3	-10.0
1990s (%)	4.6	6.0	30.0
2000s (%)	4.6	3.8	-16.7
2010s (%)	--	3.1	--
Vacancy			
Vacancy (%)	15.8	19.0	20.8
For Rent (%)	24.3	19.8	-18.3
For Sale (%)	9.6	8.8	-8.2
Rented or Sold (%)	5.4	5.8	7.1
Technology			
Internet Access (%)	--	77.9	--

Table 3: The above table contains data from the 2018 ACS 5-year estimates. The data offers an overview of Baltimore in terms of its economic, demographic, and housing landscapes.