

United States Senate

November 5, 2021

The Honorable Kenneth Holt
Department of Housing & Community Development
7800 Harkins Road, Lanham, MD 20706

Dear Secretary Holt,

We are writing to strongly urge you to immediately increase the disbursement of the Emergency Rental Assistance (ERA) funds allocated to the state of Maryland to avoid having these funds revoked by the Treasury Department beginning on November 15th, leaving tens of thousands of vulnerable Marylanders needlessly at risk of losing their homes.

As you know, in December 2020 Congress passed the *Consolidated Appropriations Act, 2021*, which provided \$25 billion for the delivery of emergency rental assistance (ERA) to households facing unemployment or other financial hardship due to the COVID-19 pandemic. The state of Maryland directly received \$258.1 million to help families stay in their homes by providing them with financial relief in the form of rent payments, utilities and arrearages.

Despite having received its funding by early February, according to public data released by the U.S. Treasury Department, as of September 30th Maryland has only spent 26% of its allocated funds. During the same period, the national average of ERA funds spent by all state and local grantees was significantly higher, at 46%. Neighboring jurisdictions —Virginia (80%), Washington D.C. (99%), and Pennsylvania (36%) — have all spent a greater portion of their funding at this point relative to Maryland, as have *all* local government grantees within Maryland, particularly Anne Arundel County (74%), the City of Baltimore (85%), Frederick County (71%), and Prince George's County (88%).

The consequences of not ramping up assistance to households are serious and imminent. The protections of Maryland's eviction moratorium expired on August 15th, making rent relief through the ERA many renters' last hope for staying in their homes. And according to recent data from the National Equity Atlas¹, there were 101,000 Maryland households behind on rent, and 119,000 children in these households as of September. Maintaining housing stability for these families and particularly children must be a top priority.

Adding to this urgency is the fact that on October 4, 2021, Treasury Deputy Secretary Adeyemo sent a letter to all ERA grantees to outline the process for reallocating unobligated ERA funds, in line with the legislation passed by Congress, in order to maximize the amount of assistance delivered and the number of households served by the program. Per this guidance, a state that does not spend at least 30%, or obligate 65%, of its funding by September 30th will be considered to have excess funds unless it is able to certify by November 15th that it has met those requirements, and submits a Program Improvement Plan to the Treasury Department. We have since been notified by the Treasury Department that unless Maryland takes further action, state funding may be revoked and reallocated because it did not meet the expenditure or obligation requirements set out above.

In light of these developments, we urge you to expedite the use of these funds to eligible households as soon as possible, and ask that you provide us with an update on the steps that the

¹ Based on Census Household Pulse Survey Data from August 18 through September 13th.

Department is taking to submit the required Program Improvement Plan, meet continuing minimum expenditure ratios set by the Treasury Department, and ensure that Marylanders are able to receive the assistance they need from this program to stay in their homes. Please let us know if we can be of assistance, and thank you for your attention to this important issue.

Sincerely,



Chris Van Hollen
United States Senator



Benjamin L. Cardin
United States Senator

cc: The Honorable Larry Hogan, Governor