

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 7-24: LANDLORD-TENANT RELATIONS – TENANT PROTECTION AND NOTIFICATION

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 7-24 will have a positive impact on racial equity and social justice (RESJ) in the County. Black and Latinx community members will disproportionately benefit from expanded protections for tenants that could help improve outcomes during emergency situations.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social inequities that have caused racial and social disparities.²

PURPOSE OF BILL 7-24

Landlord-tenant relations are governed by county and state laws as well as lease agreements that outline each party's rights and responsibilities.³ Local jurisdictions can pass laws to provide tenants with additional protections and specify additional requirements for landlords.⁴

According to the introduction staff report for Bill 7-24, tenants in the County have raised concerns about the lack of transparency and poor communication between management and tenants during emergency situations in their buildings.⁵

The purpose of Bill 7-24 is to enhance communications and expand protections for tenants during emergency situations. If enacted, the Bill would:⁶

- Expand the contents required in a lease agreement, such as insurance-related disclosures, the existence of an automatic sprinkler system, and a building's emergency safety plan;
- Require landlords to post the contact information of a building representative that is reachable 24/7;
- Require 24/7 availability of a building representative for emergency air conditioning temperature control;
- Require landlords to notify tenants at least seven days prior to a planned interruption of essential services or within 24 hours of an unscheduled interruption of essential services in a rental building; and
- Require multifamily buildings to develop an emergency safety plan approved by the Department of Housing and Community Affairs (DHCA).

The County Council introduced Bill 7-24, Landlord-Tenant Relations – Tenant Protection and Notification on March 5, 2024.

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In October 2023, OLO published a RESJIS for Expedited Bill 38-23, Tenant Displacement – Right of First Refusal to Buy Rental Housing – Amendments.⁷ Please refer to this RESJIS for more context on segregation and the racial wealth divide. This RESJIS also builds on the Climate Assessment for Bill 7-23 published on March 19, 2024.⁸

HOUSING QUALITY AND RACIAL EQUITY

According to the 2021 American Housing Survey, nearly seven million households throughout the U.S. live in inadequate housing.⁹ As described by the Joint Center for Housing Studies (JCHS) of Harvard University, the U.S. Department of Housing and Urban Development (HUD) defines inadequate housing as follows:¹⁰

“HUD classifies housing units as moderately inadequate if they have three or four significant structural problems such as water leaks, large open cracks in the unit, or holes in the floor. Units are considered severely inadequate if they have at least five significant structural problems, an electrical problem such as exposed electrical wiring, or lack features such as hot and cold running water, a shower, a flush toilet, or electricity.”

Historically, housing segregation and the racial wealth divide – established over centuries by government policies and practices such as exclusionary zoning, the exclusion of Black, Indigenous and Other People of Color (BIPOC) from federal homeownership programs, and racial restrictive covenants –¹¹ concentrated BIPOC into redlined communities that have historically been denied the resources they need to maintain quality housing.¹² Today, this has resulted in BIPOC being most impacted by substandard housing conditions. According to JCHS’s analysis of 2021 American Housing Survey data:¹³

- 6 percent of Black homeowners and 5 percent of Latinx homeowners lived in inadequate housing, compared to 3 percent of White homeowners and 2 percent of Asian homeowners; and
- 10 percent of Black and Latinx renters lived in inadequate housing, compared to 7 percent of White renters and 6 percent of Asian renters.

While substandard housing is often attributed more broadly to households with lower incomes, JCHS found that racial disparities in housing quality persist even when accounting for income. Among households in the bottom third of incomes, 10 percent of Black and Latinx households lived in inadequate housing, compared to 6 percent of White households.¹⁴

Substandard housing conditions undermine the health and well-being of BIPOC in many ways.¹⁵ It also places BIPOC at a higher risk of experiencing building emergencies such as fires. A systematic review of research on residential building fires found that features commonly associated with substandard housing – including older buildings, buildings in a state of disrepair and buildings with unsafe electrical systems – were key building-related risk factors for residential fires and injuries.¹⁶ This likely contributes to higher rates of injury and death from residential fires among BIPOC. Nationally, Black people die from fires at nearly twice the overall rate of all Americans and experience injuries from fires at more than twice the overall rate.¹⁷

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 7-24 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who are the primary beneficiaries of this bill?

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- What racial and social inequities could passage of this bill weaken or strengthen?

For the first question, OLO considered the demographics of renters since they would benefit from expanded protections during emergency situations. Census data summarized in Table 1 suggests Black and Latinx people are overrepresented among renter households. While Black and Latinx households respectively account for 18 percent and 15 percent of all households in the County, they account for 30 percent and 19 percent of renter households. White people, and to a lesser extent Asian people, are underrepresented among renter households, while Native American and Pacific Islander people are proportionately represented.

Table 1: Percent of Renter-Occupied Households by Race and Ethnicity, Montgomery County, MD

Race and ethnicity	Renter-Occupied Households	All Households
Asian	12.3	14.6
Black	30.0	18.3
Native American	0.3	0.3
Pacific Islander	0.1	0.1
White	38.9	53.0
Latinx	19.1	14.7

Source: Table S2502, 2022 American Community Survey 5-Year Estimates, Census Bureau.

For the second question, OLO considered how Bill 7-24 could impact racial inequities and disparities in housing quality. Bill 7-24 does not address factors that would directly improve the quality of housing among BIPOC community members. However, the proposed protections for tenants – including emergency air conditioning control and emergency safety plans for multifamily buildings – could help mitigate the consequences of emergencies that residents living in substandard housing are more vulnerable to. As evaluated in the Climate Assessment for Bill 7-24, the actions proposed in the Bill “would likely improve emergency responses and overall community climate resilience.”¹⁸

OLO anticipates Bill 7-24 will have a positive impact on RESJ in the County. Black and Latinx community members will disproportionately benefit from expanded protections for tenants that could help improve outcomes during emergency situations.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.¹⁹ OLO anticipates Bill 7-24 will have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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¹ Definition of racial equity and social justice adopted from “Applying a Racial Equity Lens into Federal Nutrition Programs” by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. <https://www.racialequitytools.org/glossary>

² Ibid.

³ [Landlord - Tenant Handbook](#), Montgomery County, MD Department of Housing and Community Affairs, January 2024.

⁴ ["Housing - Local Laws"](#), The People’s Law Library of Maryland, Accessed March 7, 2024.

⁵ [Introduction Staff Report for Bill 7-24](#), Montgomery County Council, Introduced March 5, 2024.

⁶ Ibid.

⁷ [RESJIS for Bill 38-23E](#), Office of Legislative Oversight, October 13, 2023.

⁸ Kaitlyn Simmons, [Climate Assessment for Bill 7-24](#), Office of Legislative Oversight, March 19, 2024.

⁹ Sophia Wedeen, [“Greater Assistance is Needed to Combat the Persistence of Substandard Housing,”](#) Joint Center for Housing Studies, Harvard University, August 1, 2023.

¹⁰ Ibid.

¹¹ RESJIS for Bill 38-23E citing [The Color of Wealth in the Nation’s Capital](#), Urban Institute, November 1, 2016 and Richard Rothstein, *The Color of Law* (Liveright, 2017).

¹² Margery Austin Turner and Solomon Greene, [Causes and Consequences of Separate and Unequal Neighborhoods](#), Urban Institute.

¹³ Wedeen

¹⁴ Ibid.

¹⁵ [Quality of Housing](#), Healthy People 2030, U.S. Department of Health and Human Services.

¹⁶ Shokouhi, et. al., [“Preventive Measures for Fire-Related Injuries and Their Risk Factors in Residential Buildings: A Systematic Review,”](#) Journal of Injury and Violence Research, January 2019.

¹⁷ [2017-2019 Residential Fire Loss Estimates](#), U.S. Consumer Product Safety Commission, October 2022, pg. 5.

¹⁸ Simmons

¹⁹ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council