Evictions 2020: National Crisis, Local Effect

Welcome and Introductions

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The Economic Impact of COVID-19 on Low-Income Tenants Facing Eviction

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Data Analysis – COVID-19 Impact

- Stout analyzed the most recent U.S. Census Bureau's Household Pulse Survey results (as of August 31) and found that:

  <u>For the United States</u>

  - As many as 15 million renter households are at risk of falling behind on their monthly rent payments. This represents 37% of all renter households in the country.

  - Without sufficient assistance and protections for American renter households, this could result in as many as 10 million eviction filings in the country by January when the limited CDC eviction moratorium protections are set to expire.

Data Analysis – COVID-19 Impact

- <u>For the State of Michigan</u>
    - Between 294,000 and 403,000 renter households are at risk of falling behind on their monthly rent payments. This represents close to 30% to 40% of all renter households in the state.

    - Without sufficient assistance and protections for Michigan renter households, this could result in as many as 199,000 to 272,000 eviction filings by January when the limited CDC eviction moratorium protections are set to expire.

Data Analysis – COVID-19 Impact

- For the City of Detroit
    - Between 51,000 and 65,000 renter households are at risk of falling behind on their monthly rent payments. This represents between 41% and 52% of all renter households in the city.
        - In <u>Metro Detroit</u>, many more White renter households (nearly 50%) have high confidence in the ability to pay rent than Black and Hispanic households (only 30%).

    - Without sufficient assistance and protections for Michigan renter households, this could result in as many as 35,000 to 44,000 eviction filings by January when the limited CDC eviction moratorium protections are set to expire.
        - This would be more than the City of Detroit experiences in an entire typical year (30,000 filings).

Findings from the Census Bureau's Household Pulse Survey (HPS)

- For Detroit's low-income* tenants, the HPS Reports that:

  - 40% of renter households with less than $50,000 annual household income had no or only slight confidence in their ability to pay next month's rent; while 25% of those same renter households had moderate confidence.

  - Only 35% of Detroit Metro's renter households with less than $50,000 annual household income were highly confident that they would be able to pay next month's rent.

  - This translates to as many as 34,000 low-income renter households just in the City of Detroit that may be facing eviction filings after the end of the year. This represents 30% of all low-income renters in Detroit.

* (less than $50,000 annual household income)

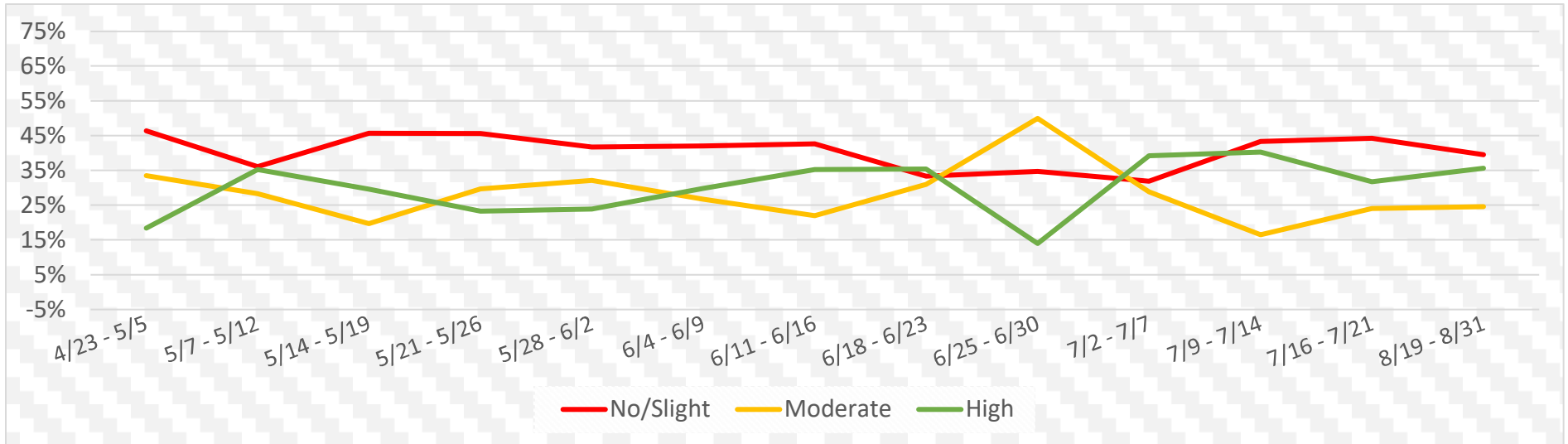# Findings from the Census Bureau's Household Pulse Survey (HPS)

- For Michigan's low-income renters:

  - 19% of respondents with less than $50,000 annual household income said that their household was not caught up on rent payments.

  - 30% of respondents with less than $50,000 annual household income, who were behind on rent payments, said that it was very likely they would be leaving their home due to eviction in the next two months (Responses prior to CDC moratorium order on September 4).

- For America's low-income renters:

  - 18% of respondents with less than $50,000 annual household income said that their household was not caught up on rent payments.

  - 18% of respondents with less than $50,000 annual household income, who were behind on rent payments, said that it was very likely they would be leaving their home due to eviction in the next two months (Responses prior to CDC moratorium order on September 4).

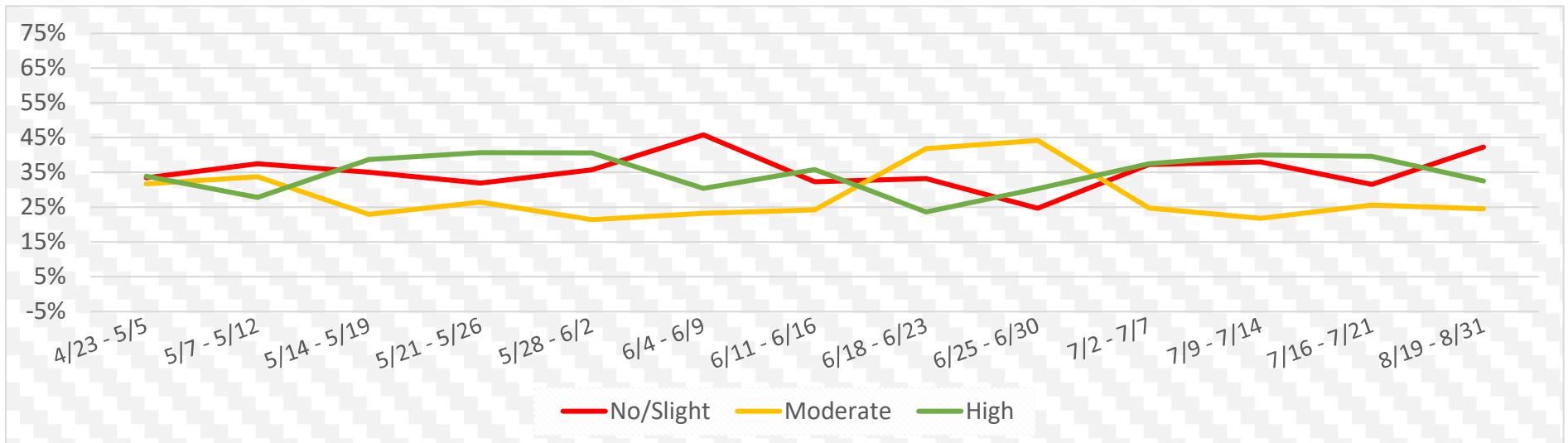# Findings from the Census Bureau's Household Pulse Survey (HPS)

- Continued findings for Detroit's low-income renters:

  - 20% of respondents from the City of Detroit with less than $50,000 in annual household income said that their household was not current on their prior rent payments.

  - 51% of respondents with less than $50,000 annual household income, who were behind on rent payments, said that it was very likely they would be leaving their home due to eviction in the next two months (Responses prior to CDC moratorium order on September 4).

    - This is consistent with the rate of black respondents who were behind on rent payments and said that it was very likely they would be leaving their home due to eviction in the next two months in Detroit and Michigan as compared with a rate of 22% of White respondents who were behind on rent payments.

Change in Confidence in Ability to Pay Rent
of Low-Income Renters

Detroit Metro Area

Legend: —— No/Slight —— Moderate —— High

X-axis: 4/23 - 5/5, 5/7 - 5/12, 5/14 - 5/19, 5/21 - 5/26, 5/28 - 6/2, 6/4 - 6/9, 6/11 - 6/16, 6/18 - 6/23, 6/25 - 6/30, 7/2 - 7/7, 7/9 - 7/14, 7/16 - 7/21, 8/19 - 8/31

Michigan

Legend: —— No/Slight —— Moderate —— High

X-axis: 4/23 - 5/5, 5/7 - 5/12, 5/14 - 5/19, 5/21 - 5/26, 5/28 - 6/2, 6/4 - 6/9, 6/11 - 6/16, 6/18 - 6/23, 6/25 - 6/30, 7/2 - 7/7, 7/9 - 7/14, 7/16 - 7/21, 8/19 - 8/31

Data Analysis – COVID-19 Impact

- Other recent studies:

University of Michigan - Michigan Evictions: Trends, Data Sources, and Neighborhood Determinants

- The University of Michigan's Poverty Solutions initiative recently published a study that found that Michigan renters face frequent threats of eviction with a rate of 1 eviction filing for every 6 Michigan renter household in 2018.

- The study also found that in the five-year period from 2014-2018, across all of Michigan, only 4.8% of renters facing eviction had representation by an attorney. By contrast, landlords had representation in 83% of cases.

  - An analysis conducted by Stout of more than 30,000 eviction cases filed in 2017 found that Tenants were represented in 1,348 of these cases (4.4%) while Plaintiffs / Landlords were represented in 25,597 of these cases (83%).

  - Nearly 90% of all tenants who were represented, were represented by just 10 lawyers

Data Analysis – COVID-19 Impact

- Other recent studies:

    - The Eviction Lab out of Princeton University together with Wake Forest University Law School's Professor Emily Benfer have released a COVID-19 Housing Policy Scorecard (last updated in July 2020) designed to distill the contents of thousands of emergency orders, declarations, and legislation into a clear set of critical measures included in, and left out of, state-level pandemic responses related to eviction and housing. While Michigan ranks 23rd in the country for its scorecard, it received a rating of only 0.58/5.00.

Additional Unique Factors in Detroit

- Lack of adequate resources for families facing housing instability
- Lack of adequate shelter system
- Deplorable housing conditions throughout the city
- Community impacts from blight and tax foreclosure epidemic
- Landlords not registering rental units / lack of city resources to inspect all units
- Shortage of affordable housing
- Significant impacts on City of Detroit school system
- Increasing rents due to gentrification

The Impacts of Eviction

- Known impacts from the eviction process, disruptive displacement and housing instability include:
  - Shelter entry and emergency housing assistance
  - Physical and mental health deterioration
    - Increase rates of suicide
  - Foster care
  - Community instability
  - Employment disruption
  - Poor educational outcomes for children
  - Erosion of safe, affordable housing stock
  - Increased violent crime and community deterioration
  - Administrative court time

- Recent reports and news articles from Hawaii, Chicago, Maine, Minnesota, Iowa, Denver, Washington State, Seattle, Wisconsin, San Francisco, Massachusetts, Kansas City, Baltimore, Michigan, Newark, Cincinnati, Cleveland, Virginia, Durham, and Greensboro support the impacts and costs of eviction as well as the benefits derived from eviction prevention and representation programs.

The Impact and Effectiveness of Eviction Representation

- Based on our preliminary analyses of docket data in Detroit, we found that when tenants were unrepresented, 78% had a high likelihood of experiencing disruptive displacement.

- Other jurisdictions that we are working with and studies from around the country indicate similar disruption measures, usually ranging from about 80%-90% of unrepresented tenants having a high likelihood of experiencing disruptive displacement.

- New York City, which is the only city in nation to provide a right to counsel to low-income tenants, found that in the first year of implementation, **84% of represented tenants were able to remain in their homes**.

- In Minnesota, **represented tenants win or settle their cases 96% of the time and are twice as likely to stay in their homes compared to unrepresented tenants**.

- In Columbus, Ohio, **only 1.1% of cases resulted in a judgment against the tenant when represented**.

- In Denver, 79% of unrepresented tenants are displaced due to an eviction. **Represented tenants are able to avoid displacement in 80%-90% of cases**.

- In Philadelphia, **when tenants were represented, only 5% had a high likelihood of experiencing disruptive displacement**, meaning that 95% of represented tenants likely avoided disruptive displacement.

- In Philadelphia, on average, represented tenants have approximately 50 days to vacate compared to 35 days for unrepresented tenants.

The Role of the Bar in Supporting Detroit RTC

- Leadership
  - Consistent, professional leadership

- Coordination
  - Assistance with planning, convening and facilitating meetings

- Engagement
  - Business Community
  - Legal Community
  - City agencies and elected officials
  - Judicial engagement

Stout's Eviction Right to Counsel Resource Center

- A compilation of resources related to the eviction process, housing instability, racial bias, the impacts and economic costs of eviction, and legislation and other resources related to a right to counsel for tenants facing eviction.

- More information available here:

  - https://www.stout.com/en/services/transformative-change-consulting/eviction-right-to-counsel-resources