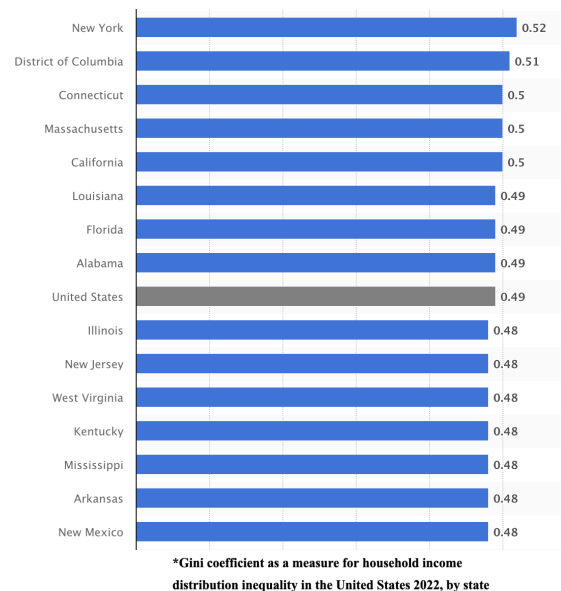


Protecting Renters From Eviction

Introduction

Evictions pose a significant nationwide issue, and with varying budget constraints across state or county. It is important that solutions are not limited by their budgets and instead solutions work universally for the betterment of our society. Since high rates of eviction drain the state budget further, it is a negative for the tax paying population at large. Notably there will be increased spending in police, courts, and healthcare, a solution to this problem must be measured against a good return on investment. Finding this balance can mean a more costly solution up front that will eventually pay itself off. While the solution like legal representation for tenants is known to be effective, some quietly implemented programs have been working well for a significantly lower cost.

This issue disproportionately affects low-income individuals, particularly in cities with the most significant wealth gaps. Notably, from 2010 to 2018, the District of Columbia averaged 33,477 eviction filings despite an average population of approximately 658,947 people (Census, 17). In contrast, New York recorded 48,599 filings during the same period, but its average population stood at 19,572,840 (Eviction Lab, 18). To showcase this disparity further consider their respective Gini coefficients, a measure of household income inequality, for all fifty states (Statista, 16). New York ranked highest with a Gini coefficient of 0.52 and the District of Columbia was in second place with a coefficient of 0.51. This disparity underscores the acute impact eviction has on economically vulnerable individuals.



Current Policy

Currently, more states have a baseline protection for tenants. Most, if not all states, require landlords to provide a notice to quit for most evictable violations. These notices can be anywhere from three days to a month depending on the violation and the state (Nolo, 1). Many states also require licensing to rent property, with only a few exceptions (All Property Management, 2). However, in most states tenants struggle to find the help they need when they need it, and the support available once they are in court is often insufficient. According to a survey by Urban Institute, knowledge of assistance programs is low, and only gets lower among those with the lowest income (Urban Institute, 3). The majority of tenants do not have legal representation. Moreover, many don't understand the legal process and end up missing court (Mass Lawyer Weekly, 4).

Share of Landlords and Tenants Aware of Government-Funded Rental Assistance



Source: Avail February 2021 Landlord and Tenant Survey.

URBAN INSTITUTE

Providing Mediation

*Providing a system for landlords and tenants to come to fair agreements, and to ensure tenants get the assistance they may qualify for, that they are **REQUIRED** to use.*

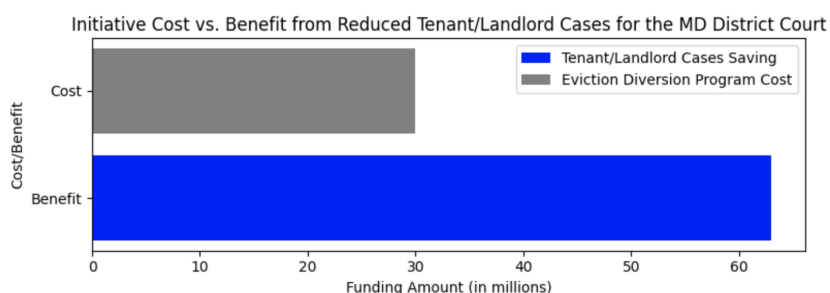
Philadelphia, Pennsylvania implemented an extremely successful eviction diversion program (EDP) in 2020 (Philla.gov, 5). Landlords are required to go through this program in cases of rent non-payment before an eviction can be considered. This program lasts 30 days, in which landlords and tenants may be provided with a neutral third party, but are always required to attempt to reach a resolution out of court. Tenants are assisted with applications to assistance programs, and may receive targeted financial assistance if the situation qualifies. This program results in an out of court resolution 90% of the time, and in doing so lightens the load on the court system, saves landlords money in court fees, and allows tenants to avoid evictions appearing in their history. Pennsylvania is not a particularly wealthy state, #24 in the GDP ranking (World Population Review, 6), but this shows that an effective system does not have to be expensive to work well.

The key to this system is that it is mandatory. It is also part of the eviction filing system, so even if a landlord does not know about it, they will find out when they go to file an eviction. This solves the issues of information and access. Systems that are optional will always deal with some level of lack of use, but with a mandatory implementation the program can maximize its benefit.

Comparing this program to a similar service in Massachusetts, Residential Assistance for Families in Transit (RAFT) (Mass.gov, 7), shows how the mandatory nature of this program makes it one of the most effective variations of eviction diversion that has been implemented in the US. RAFT provides many of the same services as Philadelphia's program (the associated Targeted Financial Assistance (TFA) component), and was even updated in 2020 to include immigrants that may not have SSNs or birth certificates. However, not only is this program optional, landlords can refuse to participate even after the tenant has put in time to prove they qualify. Most of these landlords are independent landlords, as many corporate entities have signed on. This has resulted in lower usage, and weaker numbers backing the continuation of the program. Philadelphia allocated 30 million on TFA for 2023 (Philadelphia Department of Planning and Development, 15), while Massachusetts funded RAFT annually at \$150 million in FY2022 with \$60 million of that underutilized, rolling over into FY2023 (CHAPA, 14).

Due to avoiding the courtroom, eviction diversion programs save money. For example, if Maryland, a state with one of the highest rates of eviction filings, implemented a program like this statewide, it might have the following effects. The MD district court has a 230 million dollar budget. (Maryland.gov, 8) We can estimate from the number of landlord/tenant court cases that 30% of that budget is spent on those cases. If a mediation program was implemented and prevented 90% of those cases from reaching the courtroom, that would save over 60 million dollars of MD's district court budget.

The estimate of costs saved due to tenants acquiring assistance and potentially becoming more financially stable as a result are not concrete. The initiative took under 10 million to



implement in Philadelphia, and extrapolating to the state of Maryland, would cost approximately 30 million. This could bring in at least a net-positive of 30 million dollars for the state, redirecting court resources and time and would additionally result in savings across policing, health care, and emergency shelter as well.

Providing Legal Representation

Provide tenants with guaranteed legal representation in civil court.

While this solution can be costly, it saves more money than it uses and has extremely high rates of success. If a county or state can afford to implement this, it should. Landlords have representation in court 80% of the time, and tenants have representation only 4% of the time (Civil Right to Counsel, 9). This results in tenants losing cases that they could be winning if they had lawyers, and tenants misunderstanding the court system to the point that they may not even show up to court when they need to. This is because lawyers are expensive, the court system is obscure, and tenants facing eviction are often low income.

When tenants are given legal representation, even partial representation, they win their eviction cases 20-30% more often than when they don't. Implementing these policies has shown up to 77% of a reduction in tenant case losses, and while that does not always result in the tenant staying in the home, it does result in lower usage of emergency shelter. This is despite these tenants being informed by their lawyers of these options, and likely because having legal representation results in more time to move out, often double the time the tenant would have otherwise received. Even without lawyers, tenants win their cases 60% of the time, which goes to show that many evictions that are filed are not fair to the tenants in very obvious ways. It's the evictions that are unfair in more subtle ways that programs like these assist with (SRR report 10).

Comparison of SRR's findings with those of the IBO and Finance			
Description	IBO	Finance	SRR
Cost of Providing Counsel	(\$153 - \$256 Million)	(\$117 Million)	(\$199 Million)
Gross Homeless Shelter Cost Savings	\$143 Million	\$171 Million	\$251 Million
Reduction for Non-City Shelter Funding	(\$90 Million)	(\$120 Million)	n/a
Annual Cost of Affordable Housing	n/a	n/a	\$259 Million
Savings From Unsheltered Homeless	n/a	n/a	\$9 Million
Total (Cost) / Benefit of City Council Intro 214-A	(\$100 - \$203 Million)	(\$66 Million)	\$320 Million

These numbers are consistent across the many states and cities that have tested these policies. In Minnesota, their test of this system found that tenants with full representation won 96% of the time, and tenants with limited representation winning 83% of the time. These numbers are a large improvement from the 62% win rate of unrepresented tenants. Settlements made with representation are also better, with tenants being twice as likely to retain their housing with representation. And, not only are tenants often given double the time of an unrepresented tenant to move out when they do have to move out, they

have an 80% chance of leaving the courtroom without an eviction record. Having evictions on your record can impact your ability to secure housing, so this drastic improvement from 6% for unrepresented tenants is very important to the future of their housing stability. This study also notes that 80% of the newly represented tenants were people of color, so these programs increase equity overall as well. (Minn Post, 11)

These numbers hold strong in New York City, which has implemented a policy for legal representation, as well as in Massachusetts, California, and Denver, with some variance but high numbers all around. (NCCRC study compilation, 12) There have been multiple analysis efforts that have shown that the return on investment for these policies is high as well. The financial analysis company Stout predicts that Philadelphia might save 45 million dollars from a 3.5 million dollar policy, which is enough to fund the base of their other tenant protection program. Stout Risus Ross, a financial advising company, was asked to analyze the program that New York City implemented as well. They estimate that NYC would benefit 144 million dollars from their policy, even despite the hefty price tag of 199 million dollars. (Stout, 13)

Conclusion

Investing in protecting tenants can be a budget efficient, yet powerful way for local governments to protect their residents from the consequences eviction can have. Those who are evicted may become homeless, develop health problems both physically and mentally, and may never recover financially from the loss of their job or the hit to their credit. Preventing evictions is a crucial step in preventing poverty, and the fact that many solutions have a net benefit is just a bonus. The solutions we present here solve the problems of tenants and landlords being uninformed by bringing the solutions to them, and remove barriers to access by providing low or no cost assistance. These things cannot be accomplished by simply throwing money at the problem.

References:

1. Nolo, notice to quit for rent non-payment, all AS states
<https://www.nolo.com/legal-encyclopedia/state-laws-on-termination-for-nonpayment-of-rent.html>
2. All Property Management, licencing requirements
<https://www.allpropertymanagement.com/resources/property-management-laws/>
3. Urban Institute, knowledge of government assistance
<https://www.urban.org/urban-wire/landlords-and-tenants-need-more-information-rental-assistance-and-eviction-moratorium-policies>
4. Mass Lawyer Weekly, tenant representation and legal understanding
<https://masslawyersweekly.com/2023/02/10/a-moment-of-truth-for-the-housing-court/>
5. Philla.gov, Philadelphia Eviction Diversion Program <https://eviction-diversion.phila.gov/#/>
6. World Population Review, state GDP rankings
<https://worldpopulationreview.com/state-rankings/gdp-by-state>
7. Mass.gov, RAFT
<https://www.mass.gov/info-details/residential-assistance-for-families-in-transition-raft-program>
8. Maryland.gov, district court budget <https://msa.maryland.gov/msa/mdmanual/32dc/html/dcb.html>
9. Civil Right To Counsel, tenant/landlord representation statistics
http://civilrighttocounsel.org/highlighted_work/organizing_around_right_to_counsel#repstats
10. SRR right to council report,
https://www2.nycbar.org/pdf/report/uploads/SRR_Report_Financial_Cost_and_Benefits_of_Establishing_a_Right_to_Counsel_in_Eviction_Proceedings.pdf
11. Minn Post, eviction right to counsel
<https://www.minnpost.com/wp-content/uploads/2018/11/2018-Eviction-Representation-Results-Study-with-logos.pdf>
12. NCCRC Study compilation, state studies of right to counsel.
<https://www.minnpost.com/wp-content/uploads/2018/11/2018-Eviction-Representation-Results-Study-with-logos.pdf>
13. Stout, financial analysis
<https://www.stout.com/en/services/transformation-change consulting/eviction-right-to-counsel-resources>
14. CHAPA, FY2023 Budget
<https://www.chapa.org/housing-news/legislature-passes-fy2023-budget#:~:text=Residential%20Assistance%20for%20Families%20in,rental%20assistance%20has%20almost%20ended.>
15. Philadelphia Department of Planning and Development, TFA component
<https://www.phila.gov/2023-01-31-eviction-diversion-program-now-includes-targeted-financial-assistance-component/>
16. Statista: Gini coefficient as a measure for household income distribution inequality in the United States 2022, by state
<https://www.statista.com/statistics/227249/greatest-gap-between-rich-and-poor-by-us-state/#:~:text=New%20York%20was%20the%20state,the%20United%20States%20that%20year.https://www.statista.com/statistics/227249/greatest-gap-between-rich-and-poor-by-us-state/#:~:text=New%20York%20was%20the%20state,the%20United%20States%20that%20year.>
17. U.S Census: <https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-total.html>
18. Eviction Lab: <https://eviction-lab-data-downloads.s3.amazonaws.com/index.html>