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THE JUSTICE COLLABORATIVE INSTITUTE

AN EVICTION CLIFF YEARS IN THE MAKING AND THE NEED FOR COMPREHENSIVE ACTION

Kathryn Howell *Associate professor at Virginia Commonwealth University and Co-director of the RVA Eviction Lab*
Vincent J. Reina *Assistant Professor at the University of Pennsylvania and Faculty Director of the Housing Initiative at Penn*

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EXECUTIVE SUMMARY

On July 25, a moratorium that has protected millions of renters in federally-sponsored housing from eviction will expire. State and local moratoria that have protected all renters across the country were also established in response to the pandemic, but many of these have begun to expire as well. Without additional government action at the national and local level, this is expected to trigger a massive wave of evictions in coming months. Further compounding the crisis is the potential expiration of CARES Act enhanced unemployment benefits at the end of July. The combined result will be a lack of housing or lower-quality housing options for the millions who are evicted, heightening health risks and deepening suffering during a pandemic. Eviction, and the consequences that follow, while widespread, also disproportionately affect communities and individuals of color.

The challenges around eviction and housing affordability predate the pandemic, which means the response must also extend well beyond it to protect renters now and from ongoing housing instability going forward. While COVID-19 is pushing tens of millions of people over the eviction cliff, the staggering lack of affordable housing, particularly for the lowest income households, has made that cliff especially high. Prior to COVID-19, nearly 90 percent of renters with income below $20,000 were housing cost burdened, as were nearly half of all renters. The pandemic has exposed and exacerbated the limitations of our affordable housing infrastructure and failures in the social safety net.

In a new national poll conducted by Data for Progress, large majorities of voters across party affiliations expressed support for measures to prevent eviction, including rent forgiveness and city, state, and federal funding to compensate landlords and lenders.

- 75 percent of likely voters support the federal government setting aside funds to help cities and states compensate landlords and lenders in order to forgive rent and mortgages.
- 62 percent of likely voters support forgiving rent during the coronavirus emergency, with their city and state governments compensating landlords for lost rent.
- 71 percent of likely voters support prioritizing smaller landlords, often economically vulnerable themselves, in any rent forgiveness system and repayment programs their city or state governments establish.
- 65 percent of likely voters support forgiving all rent and requiring landlords to agree to a set of practices in order to participate in any rent repayment program.
- 62 percent of likely voters support rent support programs stretching back to the beginning of the current crisis.

INTRODUCTION

Nearly one million households experience eviction in any given year. This statistic may only get worse in the coming weeks due to COVID-19, as local, state, and federal moratoria on eviction expire. Over the past decade, eviction has been brought to the forefront of our national housing policy conversation with the release of research and eviction datasets, local initiatives, and significant news coverage, as well as Matthew Desmond's Pulitzer Prize winning book Evicted. This has moved what was a historically "hidden" housing problem, all too well known to those with the fewest resources, to the center of national housing debates.

The scale and nature of eviction highlights the racial inequality in our housing markets, the decades of declining governmental support for affordable housing, and the weakening of renter protections over time. It also serves as a sign of an unhealthy housing market, one that is now further ravaged by the health and economic impact of COVID-19.

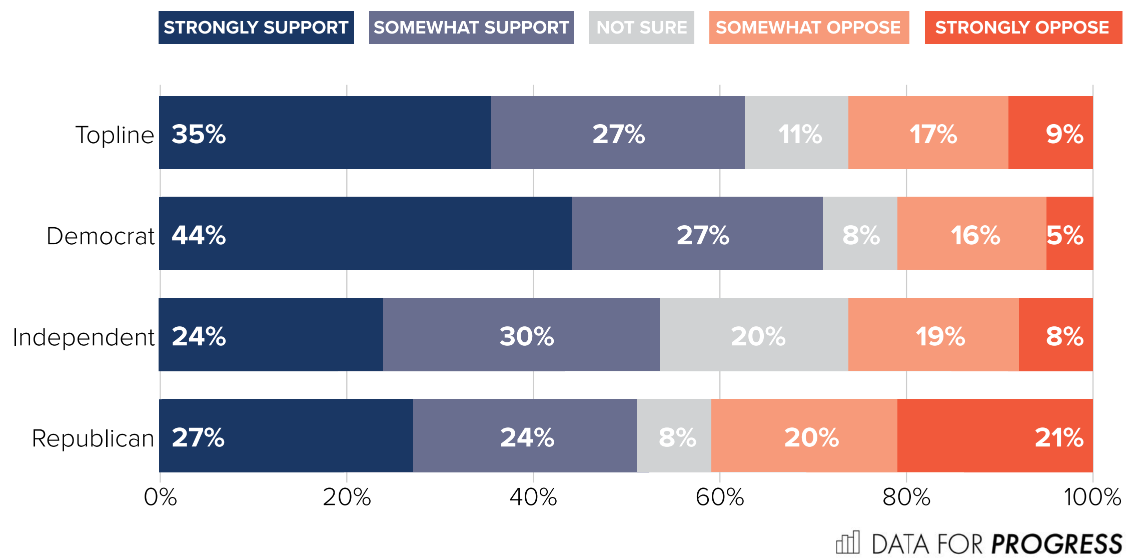
The federal moratorium on evictions is due to expire in stages, starting July 25. At the same time, many local eviction moratoriums, which often reach a larger share of rental units than the federal moratorium, have expired, while some have been extended. Finally, enhanced unemployment benefits through the CARES Act, which provide an important source of income to pay rent, are currently set to expire by July 31.Even with these benefits, many of the most vulnerable households in our country face significant financial and housing uncertainty. This means that tens of millions of people—disproportionately households of color—are likely to face eviction. The magnitude of the problem, and the failures at all levels of government that contribute to it, is impossible to overstate.

At the same time there are many possible solutions, although most reflect the fundamental truth that our response to housing needs during COVID-19 must address longstanding structural issues and extend well beyond the pandemic.

PUBLIC SUPPORT FOR PROTECTIONS

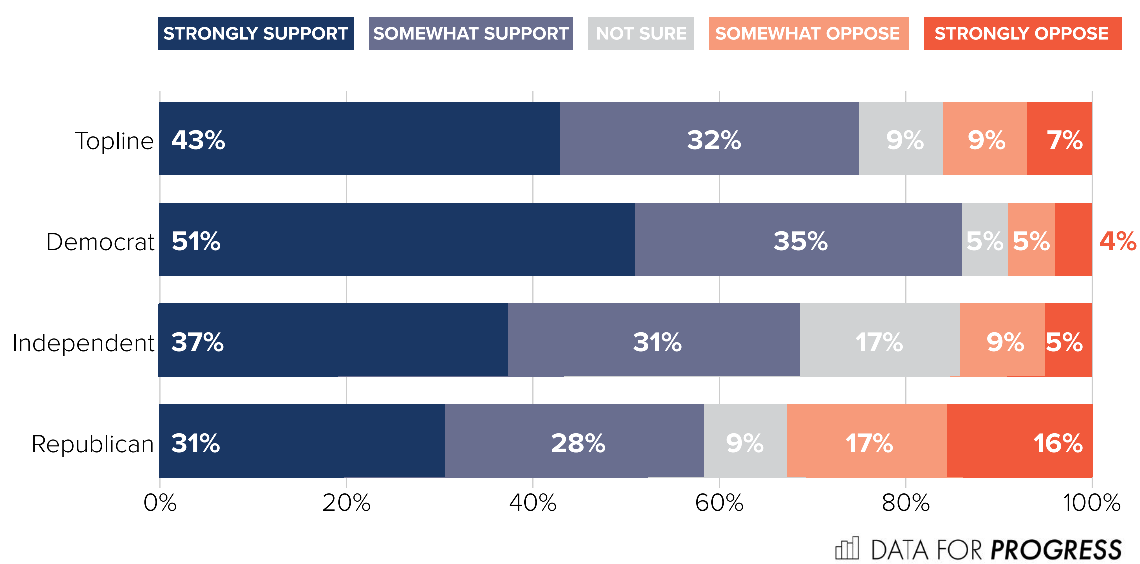
A new national poll from Data for Progress shows there is broad, bipartisan support among voters for local, state, and federal action to protect renters from eviction during the current crisis and support property owners. Nearly two-thirds of respondents (62 percent), including a majority of Republicans (51 percent) and Independents (54 percent), support forgiving rent during the coronavirus emergency, with their city and state governments compensating landlords for lost rent. Only a quarter of respondents (26 percent) oppose such a measure.

Do you support or oppose your city forgiving all rent during the coronavirus emergency, with your city and state governments compensating landlords for lost rent?



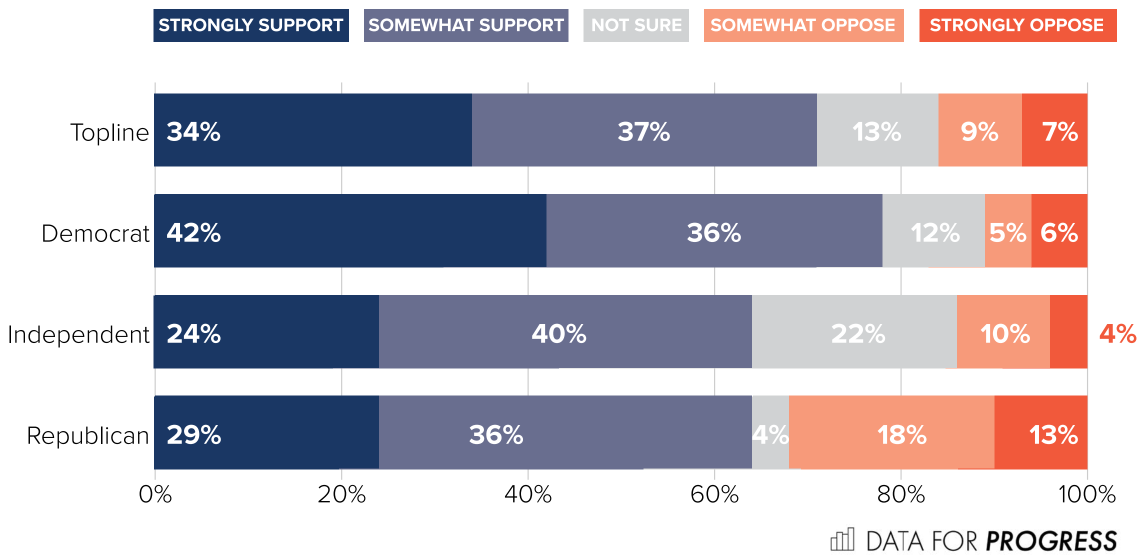
Three-quarters of respondents support the federal government setting aside funds to help cities and states compensate landlords and lenders in order to forgive rent and mortgages.

Do you support or oppose the federal government setting aside funds to help cities and states compensate landlords and lenders in order to forgive rent and mortgages?



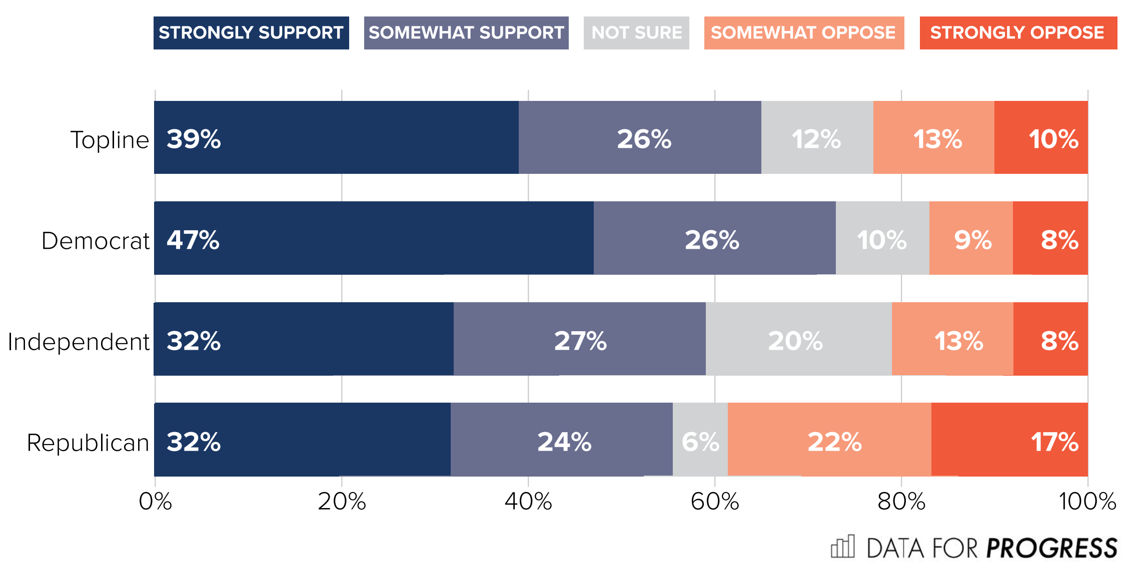
Voters across party affiliations also support other measures to prevent evictions and support landlords. Seventy-one percent of respondents support prioritizing smaller landlords, often economically vulnerable themselves, in any rent forgiveness system and repayment programs their city or state governments establish.

Do you support or oppose your city prioritizing smaller landlords in any rent forgiveness system and repayment programs your city or state governments establish?



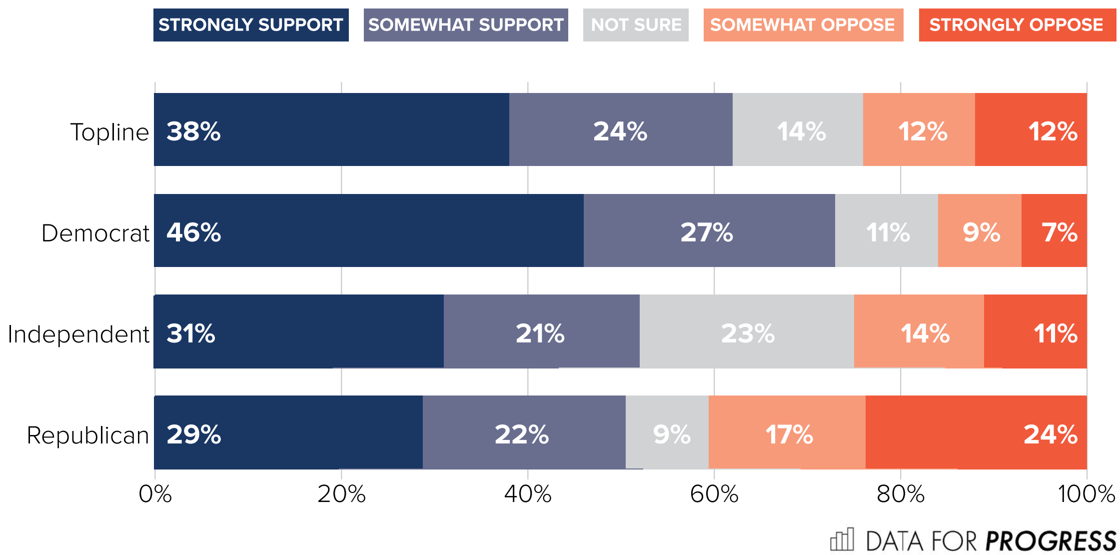
A majority of voters also support the idea that such benefits to owners should be directly tied to rent forgiveness and protections for the tenants in their properties. Two-thirds of voters (65 percent) support forgiving all rent and requiring landlords to agree to a set of practices in order to participate in any rent repayment program. These practices include halting rent increases, stopping evictions without just cause, and banning discrimination against renters who use government housing vouchers for some or all of their rent.

Do you support or oppose your city forgiving all rent and requiring landlords to agree to a set of practices in order to participate in any rent repayment program? These practices include halting rent increases, stopping evictions without just cause and banning discrimination against renters who use government housing vouchers for some or all of their rent?



A majority of voters across party lines also, notably, support programs that are retroactive. Sixty-two percent of respondents support rent forgiveness stretching back to the beginning of the current crisis.

Do you support or oppose your city making rent forgiveness programs retroactive, meaning rent would be forgiven going back to the start of the emergency?



HOW EVICTION EXPOSES AND EXACERBATES INEQUALITY

Research demonstrates that eviction disproportionately impacts communities and individuals of color even when controlling for other factors such as income and property value. It is rooted in historic inequalities in employment, housing, healthcare, and the built environment. Further, there is overwhelming evidence suggesting that eviction exposes and exacerbates existing inequality and reproduces precarity for low- and moderate-income households of color. Evictions both force a move and limit future housing options because owners may reject applications for apartments based on their past eviction record. As a result, families typically move into lower quality housing due to both the crisis nature of the move, and the lack of available options, which has negative implications for all household outcomes, particularly the future outcomes for children.

There is a clear link between eviction and race, as well as COVID-19 exposure and race, that is driven by the same racism that has plagued housing policy and perpetuates economic and spatial inequality. Research shows that Black households face higher rates of eviction. COVID-19 has also disproportionately affected households of color, a truth shown in various mapping projects and explicitly stated on the CDC website. Moreover, due to the impact of COVID-19 on employment in the service sector and informal economy, minority communities are further affected by the economic fallout of the pandemic. These factors help explain why Black and Latino households currently face more challenges paying rent.

Moreover, the prevalence of informal evictions—or those outside the legal process—suggests that we continue to undercount housing instability due to evictions. In Richmond, Virginia, for example, a quarter of homeless individuals counted in the annual point in time survey had been evicted in the previous year. Of those, 35% were evicted without a formal process. In states where eviction is more difficult or costly (in Virginia, evictions cost landlords $58) or where high demand allows for rent increases, researchers and organizers have found significantly higher rates than those recorded through the courts.

THE NEED FOR ACTION

The crisis of housing affordability and stability predated COVID-19, but the pandemic made it all the more clear and prompted some federal response. The federal CARES Act (Coronavirus Aid, Relief and Economic Security Act) placed a moratorium on eviction filings for nonpayment of rent on certain housing units—specifically, any unit that receives federal funds, including affordable housing programs like HOME, the Low Income Housing Tax Credit, Public Housing or Section 8 place-based projects and those with federally-backed mortgages from the Government Sponsored Enterprises (GSE) Fannie Mae and Freddie Mac. These units translate to almost 30% of all rental housing in the United States. Given the ongoing unemployment—particularly acute for Black and Brown households—the expiration of this moratorium poses a significant risk to housing stability in the coming weeks. Though the Federal Housing Finance Agency extended the moratorium to August 31 for all single family homes with Fannie Mae or Freddie Mac-backed mortgages, this will primarily help single-family homeownership avoid foreclosure. For other units, the moratorium is set to expire July 25.

The need for extending moratoria is not just at the federal level: Many states and localities instituted their own moratoria on evictions during the start of the pandemic which created a range of timelines, beginning in June, for the resumption of eviction proceedings in the courts. In many localities the vast majority of renters are protected by these local moratoria rather than the federal one. In Virginia, for example, courts reopened June 29, while neighboring Washington, DC, will continue until October 9. The statewide moratorium in Pennsylvania, adopted in March, was recently extended by Governor Tom Wolf. Tracking and understanding who these changes apply to, what expiration dates control, and the odds of any protections being extended is confounding for a lawyer, no less someone without a law degree facing income loss or the deadly threat of COVID-19.

Needless to say, a period of economic uncertainty combined with national policy uncertainty is reckless. While states like Michigan have provided clear guidance that requires verification of compliance with the CARES Act in any eviction filing, such guidance is not universal. Further, in spite of these moratoria, there have been reports, including from Texas and Richmond, Virginia, of eviction filings by properties covered by the CARES Act. Unfortunately, there is still no way of knowing the magnitude of the problem and exactly how many households have been subject to informal eviction across all housing units and have no access to recourse.

Almost 13 million (17%) renters across the US reported trouble paying rent last month, while 31% report having slight or no confidence they will be able to pay rent next month. Almost half of all households have experienced reductions in income since March (Census Housing Pulse Survey, June 25-30). These numbers will only increase as expanded unemployment benefits are currently set to expire at the end of the month. And while there are various estimates of how many people will face eviction in the coming months, the general conclusion is that the numbers will be massive.

While COVID-19 is pushing tens of millions of people over the eviction cliff, it is essential to acknowledge that the staggering lack of affordable housing, particularly for the lowest income households, has made that cliff especially high. Prior to COVID-19, nearly 90 percent of renters with income below $20,000 were housing cost burdened, as were nearly half of all renters, according to the American Community Survey.

The exact drivers of our current affordability challenges take on different forms in different markets. In places like Los Angeles, the miniscule number of units being developed relative to demand have contributed to dramatic price increases across the housing spectrum. In places like Philadelphia, the preservation of both the quality and affordability of existing housing is one of the primary drivers of existing affordability challenges. And across all of these localities, structural inequality leading to compounding poverty coupled with largely insufficient public support for both housing production and tenant-based assistance has only made realities worse. Studies show that there are as many as four eligible low income households for every rental subsidy. In Los Angeles there were over 500,000 households who qualified for a rental voucher, and only 20,000 of the 170,00 who actually applied through their recent voucher lottery actually received a place on the waitlist. Research also shows that fewer than 50 percent of those households who are fortunate to be called off that waiting list in the next five years will then actually be able to use the subsidy.

The lack of support to help households in any moment of economic precarity, no less a systemic shock, is clear. Budget shocks have already been found to be a clear proximate driver of eviction; families are rent burdened to begin with and "one bad day"—a car repair, medical bill, etc.—can derail their ability to pay for their housing. The pandemic and concurrent global economic shock has put these already at-risk households collectively in an unsustainable position. While some localities are developing important protections like a right to counsel during eviction proceedings, local housing vouchers, and affordable housing preservation policies, these pieces of affordable housing infrastructure are spotty with limited support from federal programs. Thus, like eviction itself, COVID-19 has exposed and exacerbated existing limits to our affordable housing infrastructure and failures in the social safety net.

SOLUTIONS

These long standing challenges around eviction and housing affordability show that the current response to housing insecurity due to COVID-19 should be grounded in a much broader and long-term, investment in housing. Extending eviction moratoria is important, but additional actions like freezing rents, prohibiting late fees, and requiring mediation around items like payment of overdue rent are just as important. Owners also deserve support, which means mortgage forbearance, no interest loans, and products that allow property owners to write down some of their debt are critical inputs that help reduce the need for owners to evict tenants. Moreover, rent relief programs that enable low-income households to pay their rent are being developed across the country, but are often small relative to the need and short-term due to the nature of the funding. Such programs should be expanded and supported well into 2021. These programs highlight the need for longer term rent relief, or renter insurance, programs to protect renters during both idiosyncratic and systemic periods of financial insecurity. Evidence has also shown that tenants who are represented in court have better outcomes, but most tenants still lack such representation. A national right to counsel would equalize the power balance within the eviction process.

However, such programs do not replace the need to reduce longstanding regulatory barriers and restrictive zoning practices that limit the amount, and location of housing that is produced despite the clear demand for it. Local, state and federal governments must take action to ensure access to stable affordable housing. One such approach is the creation and preservation of affordable housing through robust tools such as Housing Trust Funds and Community Land Trusts. In addition, making the Section 8 voucher program accessible to anyone who is income eligible for it, as opposed to rationing it to the select few who are randomly selected for it is an immediate option. This is more than just a moral imperative; it is also an economic one. The mounting evidence of the direct and indirect cost of housing instability on households' personal and economic well being, their health, and the future outcomes of kids are clear and represent direct cost to individuals and society that multiply across time and space.

One thing needed across all of these recommendations is an investment in the organizations that do this work. Cities across the country are being asked to develop rent relief programs as they are also being told to cut their staff and budgets. These programs require support and outreach from legal aid organizations and housing counseling agencies that do not even exist in some cities and are understaffed and underfunded in others. And such actions build off the trust, community building, and resources developed through community based organizations that federal capacity building programs, and philanthropy, have reduced or moved on from. We have been relying on dwindling capacity for some time and need to acknowledge that investments in institutions are vital to our investments in people and the preservation, and production or affordable housing regardless of a pandemic.

POLLING METHODOLOGY

From 7/2/2020 to 7/4/2020 Data for Progress conducted a survey of 892 likely voters in forty large metro areas using web panel respondents. The sample was weighted to be representative of likely voters by age, gender, education, race, and voting history. The survey was conducted in English. The margin of error is +/- 3.3 percent.

COVER PHOTO
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