



House Housing Sub Committee Testimony 4-25-24

Michigan Coalition Against Homelessness- Lisa Chapman

Good morning and thank you Subcommittee Chair Grant, and Committee members for the opportunity to speak with you today.

My name is Lisa Chapman, and I am the Director of Public Policy for the Michigan Coalition Against Homelessness, a 30+ year old statewide nonprofit and membership organization. We also are a collaborative partner in the Campaign to End Homelessness, which was founded in 2006 and is a coalition of stakeholders across Michigan working collectively to ensure that homelessness is rare, brief, and one-time. The campaign firmly believes in housing as the most effective solution to end homelessness, and recommended the state adopt RTC statewide in its 2022/23 policy and budget priorities letter to the Governor.

The lack of legal counsel and representation for tenants is a widespread and urgent problem facing Michigan renters. According to UM Poverty solutions, in Michigan less than 5% of tenants are represented in eviction proceedings compared with 83% of landlords. It is crucial that this disparity is addressed by establishing and funding a guaranteed right to counsel for tenants in eviction cases and eviction diversion programs (EDPs) in every district court. We can't discuss the issue of right to counsel without also talking about

eviction, its detrimental effects and the impact it has on families and communities.

An eviction filing against a tenant makes it exponentially harder, if not impossible, for them to qualify for future housing.

According to the National Coalition for a Civil Right to Counsel, even a filing of eviction, regardless of the outcome, reduces housing opportunities and can remain on a tenant's record for years. Michigan has several cities in the top percentile of eviction including Warren (at #9 with over 8% eviction rate) and Detroit (at #36 with over a 5% eviction rate). The UM Poverty Solutions 2020 report stated that the MI eviction filing rate was double the estimated national filing rate, 16.6 evictions were filed for every 100 renters. Eviction is also a racial justice issue, as Black female renters face eviction twice as often as white tenants.

Federal emergency rental assistance, eviction moratoriums, and funding for legal aid representation kept people housed during the pandemic and demonstrated the immense value of those interventions for preventing the harm that evictions cause.

In 2020 the Eviction Diversion Program cases where legal aid provided extensive services, 97% of tenants avoided eviction. During the pandemic, evictions fell by 37% in Michigan in large part due to rental assistance and funding for legal aid, according to the Campaign to End Homelessness. As these supports expired in 2022, eviction filings rose across Michigan, back to pre-pandemic levels.

Stout LLC, a financial analysis company that has produced extensive right to counsel reports for numerous cities, has consistently found that a right to counsel leads to more than 90% of tenants avoiding disruptive displacement. Stout estimated in 2023 that Connecticut RTC realized fiscal benefits of between \$17.6 million and \$21.4 in 22 months. These benefits ranged from decreased incarceration, unemployment, foster care, Medicaid healthcare spending and homeless response costs to increases in educational attainment, employment and economic stability.

17 cities including Detroit, 1 county and 4 states have enacted right to counsel for tenants facing eviction in just the last 4 years.

National League of Cities reports that the results coming out of right to counsel jurisdictions are stunning: In New York City, 86 percent of represented tenants remain in their homes. In San Francisco, 67 percent did. And in Cleveland, 93 percent of represented tenants avoided eviction or an involuntary move.

In situations where tenants cannot remain in their home, lawyers can effectively negotiate for more time, a smaller rent judgment and a graceful exit so that the eviction will not be on the tenant's record. Represented tenants who vacate their homes are far more likely to obtain new housing and avoid the "Scarlet E" of eviction.

A tenant's right to counsel ensures that they have a fair chance to access legal protection and to keep them in their homes. RTC helps to protect

tenant's rights, helps informed decision making and has wide ranging benefits for tenant stability and maintaining communities. In a time when rents are rising and incomes are not keeping pace, more Michiganders in rental housing are at risk of evictions- at levels likely back to pre-pandemic or higher levels. RTC is an investment in MI that far outweighs the cost. We strongly encourage favorable approval of this legislation and appreciate the committee taking up this important topic.