Comments of the Michigan Poverty Law Program in support of HB 5237

Michigan has a long-standing eviction problem. Eviction case filing rates here significantly exceed those in surrounding jurisdictions and weigh most heavily on our most vulnerable populations (and most heavily on single black women with kids).¹

During the COVID pandemic, there was a decline in eviction case filings and a decrease in default and eviction rates (the percentage of cases in which an eviction order is issued), due to interventions such as the state's Emergency Rental Assistance (CERA) program and measures our Supreme Court took. But the case filing and eviction rate numbers have been creeping back towards pre-pandemic levels.²

The devastating effects of eviction are indisputable. They increase homelessness and have detrimental financial and health effects (among others) on evicted families. Evictions aren't only a result of poverty, they cause poverty. Evictions also impose significant financial costs and other harms on communities and state and local governments.³

Evictions underscore the power disparity between landlords and tenants.⁴ A profound reflection of that disparity is the rates at which landlords and tenants are represented by attorneys in eviction court cases. More than 80% of landlords are represented; fewer than 5 % of tenants are. ⁵

Creating a statewide right to counsel (RTC) in housing cases would reduce that disparity and reduce the eviction rate here. While RTC in housing cases programs are still fairly new, the early data shows that they have been effective. The data for New York's RTC program show that tenants with lawyers through that program have better outcomes: they're less likely to have eviction (possession) judgments and eviction orders entered (and enforced) against them, and the amount of their possession judgments (the amount a tenant must pay to avoid eviction) is lower.⁶ The beneficial effects are larger for tenants in poorer areas with higher shares of non-white residents.

The statewide RTC program that HB 5237 would create would be beneficial on several levels. It would reduce evictions, and the huge financial and other harms they impose on families, communities and state and local government. It would advance the goal of access to justice by enabling tenants to better understand and assert their rights. It would assist courts in managing eviction cases. It wouldn't thwart the filing of eviction cases or prevent landlords from getting possession judgments, or solve our affordable housing crisis, but it would make the eviction case process more sound, sensible, and fair, and less costly in many ways.

¹ See "<u>Michigan Evictions</u>: Trends, Data Sources, and Neighborhood Determinants." University of Michigan Poverty Solutions, May 2000.

² See Michigan Courts, "Evictions and Landlord Tenant" – <u>new filings</u> and <u>eviction rate</u>

³ See "Eviction and Poverty in American Cities", The Quarterly Journal of Economics, February 2024

⁴ See "<u>Tenant Protections</u> Can Restore Power Balance in Landlord-Tenant Relationships", Citizens Research Council of Michigan, April 2023

⁵ See "Michigan Evictions", above.

⁶"<u>The Effect of Legal Representation</u> on Tenant Outcomes in Housing Court; Evidence from New York City's Universal Access Program", Journal of Public Economics, March 2022.