

April 25, 2024

Re: Testimony in Support of HB 5237, A bill to provide legal services at public expense for individuals who are parties to civil actions and to landlords of residential premises

To Chair Hoskins, Majority Vice Chair Grant, Minority Vice Chair Tisdel, and members of the Economic Development and Small Business Committee:

Thank you for the opportunity to provide a national perspective on HB 5237, which would provide a right to full representation by counsel for low-income tenants facing eviction. We understand a substitute bill will be submitted during today's hearing that changes the method of legal services delivery, and if so we support the substitute version.

My organization, the National Coalition for a Civil Right to Counsel, has been involved in <u>all twenty</u> three successful eviction right to counsel enactments to date, and we are currently supporting efforts in 80 other cities, counties, and states around the country. By passing this bill, Michigan would become the sixth state to enact a right to counsel for tenants, joining Washington State, Maryland, Connecticut, Minnesota, and Nebraska.

According to Michigan Poverty Solutions, the state of Michigan was seeing nearly 200,000 eviction cases filed per year prior to the pandemic, which translated to 1 eviction case for every 6 rental units. Eviction cases potentially implicate virtually every basic human need a family can have: safety, mental and physical health, child custody, employment, education, and so on. MPS also found that only 4.8% of tenants were represented by an attorney in eviction cases filed between 2014-2018, compared to 83.2% of landlords. This massive representational disparity is echoed in our national data, which shows about 4% of tenants represented compared to 83% of tenants. And this disparity has led to the evictions process becoming a pro forma procedure devoid of due process that nearly always yields the same result regardless of the facts or law. In Baltimore, where only 1% of tenants had representation prior to the passage of a right to counsel, a study found that 80% of tenants had a potential defense to eviction but only 8% successfully did so without representation.

Conversely, where right to counsel has been enacted, tenants have stayed in their homes or otherwise improved their housing stability. New York City, the first to provide such a right and the city with the most evictions in the country, has seen 84% of tenants remaining in their homes while the eviction filing rate dropped by 30% from 2014 to 2019. San Francisco saw a 10% filing rate drop in just one year, and nearly 60% of all represented tenants are staying housed. In Cleveland, 81% of tenants represented by counsel are avoiding eviction or an involuntary move. Michigan has seen similar success: a study of the statewide Eviction Diversion Program found that 97% of tenants receiving full representation avoided eviction.

Even in cases where there are no apparent legal defenses, lawyers take critical action to help tenants secure future housing by obtaining extra time to move (which also helps ensure tenants do not lose their belongings), reducing rent arrears, and negotiating to have the eviction not on the tenant's record. A <u>California study</u> found where tenants had to move, 71% of represented tenants had obtained a new rental unit one year later, compared to only 43% of pro se tenants.

Lastly, the state stands to reap significant financial benefits from providing a right to counsel. Stout, a financial analysis company that has produced extensive right to counsel reports in a number of cities, has <u>consistently found</u> not only that a right to counsel leads to more than 90% of tenants avoiding disruptive displacement, but that **a right to counsel saves millions more than it costs up front.** For instance, in Philadelphia, they found that a \$3.5 million investment in right to counsel would yield \$45 million in savings.

We applaud HB 5237's provision of full legal representation for those tenants who are income eligible, as studies have shown that full representation provides vastly better results. For instance, a <u>California study</u> found that tenants with full representation stayed in their units three times as often as those receiving limited legal assistance or no legal assistance, and none of the full representation tenants paid their landlords anything, compared to over 50% of tenants with limited assistance. When tenants did have to move, the fully represented tenants were given twice as long to do so.

We are happy to answer any questions you may have, as we have done for policymakers in many other jurisdictions. Material we could cover includes cost/funding questions, implementation and scale up, experience in other jurisdictions, and more.

Thank you for your consideration of this important bill.

Sincerely,

John Pollock

Coordinator, NCCRC