Transcript
FedTalk: Evictions and the Rental Market, Now and after the Pandemic
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Presentation

Introduction
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Panelists:

- Hal Martin, policy economist, Program on Economic Inclusion, Federal Reserve Bank of Cleveland
- Davin Reed, community development economic advisor, Federal Reserve Bank of Philadelphia
- Dimitrios G. Hatzifotinos, managing partner, Willis Law Firm
- Abigail C. Staudt, managing attorney, Housing Group, Legal Aid Society of Cleveland

Dionissi Aliprantis: Hello, I'm **Dionissi Aliprantis**, director of the Cleveland Fed's Program on Economic Inclusion. Welcome to today's *FedTalk*. The *FedTalk* is a Cleveland Fed public speaker series and launched in 2019. This is a vehicle through which we share research relevant to our community and ask you to join us for discussions. Past events have covered such subjects as the opioid epidemic, the racial wealth gap, and the PPP [Paycheck Protection Program]. All of our events can be found on the Cleveland Fed's YouTube page, should you be interested in such past events.

Now today's *FedTalk* is sponsored by the Cleveland Fed's Program on Economic Inclusion [PEI]. I've been serving as the director of the PEI since June, and we are ramping up our programming to understand barriers to economic inclusion and what approaches have been successful in overcoming those barriers. In addition to today's event, we also recently held a discussion on the racial wealth gap and access to opportunity neighborhoods and are planning a November discussion on urban planning and freeways.

These PEI events can also be found on YouTube and the Cleveland Fed's website and are just the start so please keep your eyes open for PEI-sponsored *FedTalk*s.

Now we are excited to have you join us for this special program today, which will cover information we've learned through our research. Our program today, "Evictions in the Rental Market, Now and after the Pandemic," will allow us the opportunity to discuss how the pandemic has had outsized impacts on the rental market, and renters who have lost work have faced serious risk of eviction but have also been buoyed by a patchwork of programs and policies. Some of the burden of supporting tenants has fallen to landlords, who suffer cashflow constraints when tenants are unable to pay their rent.

As the CDC moratorium on evictions has ended, we're going to look to the researchers and practitioners with us today to understand what has happened, and what comes next for tenants, landlords, and the rental market. What are the risks that remain? Are current policies managing these risks effectively? And what lessons can we carry forward to ensure rental housing needs are met? This is but a small preview as to what we'll be discussing today.

I hope you enjoy today's program, and to get us started, I'm going to pass the mic to my colleague, **Hal Martin**, policy economist in the Program on Economic Inclusion at the Federal Reserve Bank of Cleveland. He will be presenting some of his findings and then moderating our discussion with our panelists. Hal?

Hal Martin: Thank you, Dionissi. As Dionissi mentioned, today we'll be talking about evictions and the impacts of the pandemic on the rental market. I'm going to start by introducing our panelists, and along the way in our conversation, we're going to turn to a few slides and incorporate that data into our discussion.

We have joining us today, **Davin Reed**, who is a community development economic advisor at the Federal Reserve Bank of Philadelphia. His research uses tools from urban and labor economics to understand how urban areas are changing and how these changes affect urban residents.

His current projects address questions surrounding gentrification, evictions, housing affordability, and geographic mobility. He completed his PhD in public policy at New York University in 2018. Before that, he was a research associate at the Public Policy Institute of California and at Mathematica Policy Research.

We're also joined by **Dimitri Hatzifotinos**, pardon me, Dimitri. He is the managing partner of his firm. He graduated magna cum laude from Capital University Law School in 2004, and since that time he's exclusively represented the multifamily community in every legal area of need. He's closed various deals, draft leases, engaged in advocacy at the federal, state, and local levels. He's litigated countless fair housing construction and liability lawsuits, and he represents landlords in thousands of eviction proceedings. In addition, Dimitri was the chair of the Grandview Board of Zoning Appeals for nine years. And he is currently general counsel for the Columbus and Ohio Apartment Associations.

Dimitri has been a board member of the Grandview Heights/Marble Cliff Education Foundation for almost six years. And he routinely spends time with his sons, aged 8 and 12, and his wife, who is the owner and operator of Basic Biscuits, Kindness & Coffee in Grandview.

Finally, we're joined by **Abby Staudt**. Abby leads the housing group at the Legal Aid Society of Cleveland. She joined Legal Aid in 2006 as a staff attorney and was previously a supervising attorney before being named managing attorney of the housing practice group in 2015. Her experience includes representing tenants at risk of losing access to their subsidized and private housing, advocating for systemic change, and improving housing policies. Abby is the cochair of the advisory board to the Office of Homeless Services.

She has served as the president of the board of directors of Cogswell Hall, an organization in the Detroit Shoreway [neighborhood] that provides quality low-income housing and supportive services to people with disabilities and people who were formerly homeless.

Abby received her law degree from Chicago-Kent College of Law. While in law school, she worked at Cabrini Green Legal Aid and was president of the Kent Justice Foundation, which funded grants for law students to intern at public interest agencies. Prior to going to law school, Abby served as a Peace Corps volunteer in Ethiopia and Madagascar and as a caseworker at a women's shelter and a subsidized housing provider. She has a BS in anthropology and a minor in women's studies from Santa Clara University.

And I suppose last but not least, I should mention my name is Hal Martin. I'm a policy economist with the Program on Economic Inclusion here at the Cleveland Fed, and it's my pleasure to moderate the conversation that we're going to have today. So welcome to you all.

I want to start by getting a sense of what it looks like. We have a variety of people in the audience. So let's begin by thinking about what the landscape looks like for tenants and landlords, who have to navigate issues like unpaid rent and other causes of eviction in normal times. So we're going to rewind a little bit and think about how this worked before the pandemic began.

And Davin, I'd like to turn to you first. You're a researcher with some expertise in housing policy and renter outcomes. What are some of the findings from you and fellow researchers about the causes and consequences of eviction?

Davin Reed: Great, thank you, Hal. Thanks for the introduction. So in some of the research I've done with coauthors at various places, we looked really with administrative data from Chicago and New York City, to kind of tease apart various sources of disadvantaged outcomes for renters who end up in housing court.

And I would say that the main takeaways from that results are kind of twofold. The first is that we find, so poor households who end up in eviction court facing eviction, those who are evicted, it seems that eviction does have a negative impact on many outcomes that researchers tend to focus on.

So it increases the probability that they end up in a homeless shelter within the next year or two, by quite a bit. And it increases the probability that they're hospitalized for some reason, and it decreases their earnings over the next couple of years as well. So all that is to say, it seems that eviction has this causal impact, negative impact, on these outcomes.

And the other takeaway though, at the same side, while those are undoubtedly very important impacts, we also find that leading up to appearing in housing court, a lot of these tenants are experiencing negative outcomes that lead them to end up in court.

So we see this beginning up to two years before households even arrive in court, they're experiencing losses of employment and earnings, credit scores are declining, and they're kind of moving out more than usual. So all that is to say there's kind of two sides of the story. It seems it's important obviously to help households who are already in housing court, but at the same time, not to lose sight of the fact that a lot of these, it's not just being in housing court for otherwise stable tenants, right? A lot of these tenants are already kind of on these downward trajectories. And so addressing problems of housing instability and evictions is going to require more than just finding people after they're in court, right? We really want to think about how do we find households who are kind of on that path to ending up in court, so maybe we can stave off some of these outcomes once they're there?

Hal Martin: Really helpful to hear, Davin, because I think there's certainly this sense in that in the public policy space that eviction's an impactful thing. But it's helpful to keep sight of kind of the systems that interact in order to get people where they are, and the overlapping impacts they might have.

We're really interested in evictions today in particular because when we think about people being included in the economy, it seems that stable housing is one of those factors that enables people to participate effectively. So what I'm hearing you say is that there's both reason to suspect that stable housing is important for that goal, but also that we should be looking upstream a little bit as we think about the reasons that people are finding themselves in trouble in the first place. Is that fair to say?

Davin Reed: Yeah, I think that's absolutely right. You know, so just stabilizing housing is obviously important, but it's going to be difficult when so much of housing instability is driven by instability in incomes, in family situation, in other things as well. So while it can backstop a lot of things, I think it's one smaller part of this more general problem that you mentioned, of just sort of economic instability.

Hal Martin: That's really helpful. Dimitri, I'd like to turn to you as we think about the parts of the market that interact here. So you have the perspective of landlords in who you primarily represent. And I'm wondering if you could expound a little bit on how does landlords approach the situation of unpaid rents and the other causes of eviction that they find? Thinking back again, thinking 2019 pre-pandemic, you know, when have they typically pursued evictions? What are their other channels? What are the other avenues they might pursue? How does the landlord think about that?

Dimitrios Hatzifotinos: Thanks, Hal. Thank you for the opportunity today to speak to everyone. To give you a little bit of background of my experience, I represent about 175,000 residential rental units around the state of Ohio. And many of my multifamily clients are around the country. So I do get a flavor of what their practice is around the country. And I also do some policy advocacy on behalf of Ohio at the national level. So I feel like I have somewhat of a pulse of how the multifamily community deals with evictions and just non-payment in general.

From the landlord's perspective, non-payment of rent begins on the second of the month, or sometimes the fifth of the month depending on what a lease would require as a grace period for payment. Typically you're looking at around 5 percent of the population of renters that is affected directly by evictions. That statistic goes up or down depending on what part of the country you're in. But in Ohio, in Columbus where I practice, it's about four-and-a-half percent.

What happens practically in a landlord/tenant setting is that a much higher percentage of people are potentially not paying their rent on time on the first of every month. So if 5 percent of people potentially are subject to eviction, perhaps 10 to 15 percent may be delinquent in their rent. So somewhere between the 1st and the 10th of every month, a landlord before the pandemic would have presented either a notice of default, or a notice of a late payment, or some kind of notice to the tenant that didn't pay their rent to say, "Hey, we need to figure out a way to get this rent paid."

Typically a late fee would assess at that time as well. And then after that, if the landlord did not hear from the tenant, or there wasn't a way to work out the payment, the landlord would proceed to the next step, which is typically an eviction notice, and then subsequently the filing of an eviction in court.

The cycle of an eviction, generally speaking in my practice in my experience, is somewhere between 45 and 75 days from start to finish. So that would be from the day of default being day one, so the second of the month, to, you know, the 45th day or the 15th day of the next month at the earliest, or perhaps two-and-a-half months down the road at the late end, depending on what state laws require.

So at every point in that 45 to 75 days, a landlord as a business practice is doing everything they possibly can to try to get a tenant to pay either some or all of the rent. And for the most part, right now I'm talking about non-payment of rent cases, because I think that's where we're focused. So setting aside the minority, the very, very small percentage of cases that might have something to do with conduct of a tenant, we're talking about non-payment cases. With those cases, a landlord will do everything possible to try to attach to whatever money can be had at that time, stop the default, and hopefully, at least the way we do business, stop future late fees and other kinds of fees from assessing, so that the tenant can get back on track.

When we end up in an eviction hearing, or we end up in a set out, our experience before the pandemic was either because we're not able to get a tenant to pay within that 45-to-75-day period, or because, and in most cases in my experience, the tenant was just not part of the process. So we would call that in the legal world, a default, or a situation where the landlord has proceeded through that process and not gotten responsiveness.

So I think what you'll find in the landlord markets is before the pandemic, the landlord was waiting until about the 15th of the month trying to negotiate payment before eviction. And then the process would start, and the negotiation would still happen, but there would be an eviction process at that time.

Hal Martin: That's very interesting. And that's helpful context. I think the timeframe is particularly useful to hear, because what you're describing, I think, is that landlords are generally pursuing the cases in the first month that a tenant is late. And it sounds like eviction is something that gets filed with the hope that there'll be a continuation in negotiation and looking for that rent.

But that ultimately I'm hearing you say that ... would you say a large portion of tenants ended up falling out of that process in one way or another and not even making it to court, or something that happens that results in that default judgment? Like if you had to put a percentage on the number of defaults that you see, what would that be when we're looking back to 2019 and earlier?

Dimitrios Hatzifotinos: We know that in Columbus, Ohio, that percentage of defaults that goes to actual set out is 10 to 15 percent, so a very small percentage. The number of eviction judgments may be a little bit higher than that, but less than 50 percent, so maybe 30 to 40 percent. I would say that it is a small percentage from before the pandemic, and certainly since the pandemic it's become much, much smaller for lots of reasons that I'm sure we'll talk about.

Hal Martin: Certainly. Yeah, yeah, that's very helpful.

All right, Abby, I'd like to turn to you. Your organization of course works with the tenants who are navigating these situations. Among your clients what is their typical circumstance, and what were their outcomes like before the pandemic?

Abigail Staudt: Sure. Thanks Hal, and thanks for having me here today. In 2017 we actually worked with Case Western [Reserve] University, because we were looking to see what is the impact of eviction on households throughout their lives. So they produced a report, "The Downstream Impacts of Evictions," and they found a lot of the things that Davin has already mentioned, that there is this sort of ongoing negative impact. There's increased school absenteeism. There's higher cases of lead poisoning, and fewer children who are actually tested.

There's a tendency to actually move to a neighborhood that has fewer resources. And there's a likelihood of being evicted again in the future. So all negative consequences. We also found that of those in Cleveland who were being evicted, over 75 percent were African American, over 75 percent were women, and over 50 percent had at least one child in the household. And the majority of them were working households.

We also found that a typical eviction hearing for a tenant where the tenant actually defaults, lasts less than two minutes. Where a tenant actually shows up and appears for their hearing, it lasts around four to five minutes. And if a tenant is represented and in the pool of people that were observed during the study, it was only two people who were represented, the hearing lasted upwards of seven minutes. So it's a very fast hearing once it actually happens.

Set outs usually occur seven to 10 days, but sort of as Dimitri mentioned, many times a family is already in the process of moving, and the landlord doesn't have to actually proceed with the set-out process.

Most tenants who are facing eviction are facing eviction for non-payment of rent for various reasons. And many of them are very low income, usually less than 200 percent of the federal poverty guidelines. I think about 20 percent are above that level, so very low-income families.

And then we also found that only in Cleveland, and this is pretty consistent throughout the nation, only about 2 percent of tenants have representation. And those tenants who do have representation fare far better than those who do not have representation.

And then finally to the question of how many tenants actually show up, we found in Cleveland that it was more like 40 percent of tenants actually appeared for their hearing, and around 60 percent were going to default. And there's a lot of reasons for that, but I think typically people feel that it's hopeless, and they don't have the back rent. They are unable to pay their landlords.

And there's also, you know, in Ohio, there is no affirmative defense of being able to pay your back rent, or your landlord what you owe. There's a few communities who passed Pay to Stay ordinances. These are ordinances that allow a tenant to rehabilitate their tenancy, all the way up until move out, by paying the rent that they owe, the late fees that they owe, and if an eviction has been filed, the court costs that have been paid.

So many people I think just give up hope. And they've had experiences, or they know people who've had experiences in eviction court in the past, and they just don't want to have to go through that experience.

Hal Martin: Understood. That's really helpful context. I want to come back to the outcomes that you mentioned. So two things: One is, where do people typically go after they've been evicted? And I'm going to ask this [as] a two-part question. You've mentioned that those who have representation fare better. Of course, your organization is key in offering that representation to a large number of people who receive it. And so I'm wondering what does better look like, versus the typical outcomes that they faced? Again, thinking pre-pandemic.

Abigail Staudt: So pre-pandemic, what I saw, more from the work on the Cuyahoga County Office of Homeless [Services] Advisory Board, that I would say maybe 15 percent of people go from eviction to shelter. It's usually a series of, if they're able to locate another place to move to, that's the best-case scenario. But more often, people have some sort of intermediary time where they're staying at a family member or a friend's house. Sometimes that lasts only so long, and they moved to another family member's house before they're able to find housing. And then sometimes folks are using hotels to have a place to stay before ultimately moving on to a shelter if they're unable to locate affordable housing.

And in terms of better, pre-pandemic, we really had very few resources that we could allot to the defense of tenants who were facing eviction. And so we took cases where there was usually a subsidy in place that we were trying to protect, and we could identify some sort of defense.

Pre-pandemic there were only a few resources for rent assistance, and many of those have been difficult to access. And we wanted to make sure that those who have a subsidy were not having sort of a double whammy of losing their subsidy and their housing and also being a very low-income person.

So better outcomes usually meant we were either able to overcome the eviction, and the family could stay there, or that we were able to negotiate an agreement with the landlord, so that there was a much larger time in order to move out. And we usually consider 45 days to 60 days what we were looking for in terms of a better outcome. That provides somebody the time to actually find a new house, lease up. If they have a subsidy like the Housing Choice Voucher, go through all the process to get the house passed by the inspections and all of that and move into the new place.

Hal Martin: All right. Yeah. That's very helpful and I think that's a great segue to think a little bit more about what actually unfolded during the pandemic. So, I'm going to share a few slides with all of you right now. Please give me just a moment to find them here. Are we seeing slides? Excellent. So I'm going to show just a few views of data that we managed to collect during the pandemic about how the rental market was impacted. There's this big question, especially in the press and certainly in policy circles, as we began the pandemic, will there be a wave of evictions? What will be the consequence of an intentional shutdown of parts of the economy that seemed like it was going to hit the service sector, manufacturing, lower-wage workers in some places and that they might be disproportionately likely to be renters.

And so there was a lot of concern as we went into the pandemic about that, and it was a little bit difficult to get data in order to paint a full picture. So, I'm going to show you a few slices of that data that we have, and then I'm going to turn to you and see if you can help me make sense of it. First, I'm going to share the series that the Cleveland Fed has produced. And we made an effort here to simply track eviction filing, as it turns out, this is a very fractious system. Local courts are the places where these filings exist. And so aggregating them in some way that they can make sense of what's happening across the nation turned out to be non-trivial, and we're one of a couple of shops that made an effort to do so.

And so what I'm sharing with you here is filing trends that we saw across 55 to 60 or so jurisdictions. We've had a few come and a few go as we've done the data tracking, and everything below the zero line indicates something that was below trend from 2019. So, we're normalizing this data to put it into perspective of how much worse or how much better are we in terms of filing activity compared to 2019 in the same time of year. And I will say that going back to Dimitri, Dimitri's point about how the eviction process unfolds. Of course, the eviction filing's the first step. He described to us a process where that may not necessarily result in an actual executed eviction. This happens to be the data that we simply can't track. So that's a little bit of an imperfect view of what's actually going on out there.

The things that stand out to me here, we show you a couple of things. There were a lot of policies put in place, local policies and state policies that temporarily put on hold eviction actions. They were some sort of a moratorium either on filings or hearings. I mean, I'm showing you here is jurisdictions at times that they either have such a local policy in place or not. Those moratoriums are not necessarily complete so when you see the red line here—that is the bands being in effect—that doesn't mean a complete ban on eviction by the way. But what we generally see in this data is that we remained throughout the pandemic, with the exception of a handful of weeks, below trend from the same week in 2019 in eviction filings. And that has continued up through the latest data, which is from the end of September.

So, that is the first few I want to share. The second view that I'm going to share is data from the Census post-survey. This is a survey that began during the pandemic to try to understand various parts of how households and businesses were managing the pandemics effects. And so there were a couple of questions that relate to whether or not renters are experiencing distress. And the red line indicates the questions that were being asked about whether or not you paid on time and earlier versions it was about being caught up on payments. And then the blue line indicates the expectation of being able to pay on time in the coming month. And so this series bounces around a little bit, but the thing that stands out here to me is that that red line stays pretty well in the 80 to 85 percent range, meaning that 80 or 85 percent of renters are saying that they successfully paid on time in the previous month.

That leaves a question mark about what's happening to the other 15 percent. Of course, this question's about on-time payments. And then the expectation to pay on time in the coming month is noticeably lower for these tenants. And so that's a divergence. When we think about where you are, if you're thinking about looking forward to making the payment, you're not as sure it turns out, it seems, that renters were able to get the table with rent on time, more often than they expected to somewhat persistently throughout the pandemic. The third view I want to show you is from the landlord side, this is a landlord rent rolls that are being reported by the National Multifamily Housing Council over time. I'm showing you the series all the way back to April of 2019. And what this indicates is that tenants were making at least partial payments, that is in the red line, partial payments by the end of the month at rates around 95, 96 percent before the pandemic occurred. We saw some deterioration in that by a couple of percentage points in renters making at least partial payments by the end of the month.

And then the blue line tracks payments, at least partial payments, that have been made by the sixth of the month. So that first week of the month where rent is really due, obviously that one's a little lower and that indicates that some renters are struggling to get their rent in on time. But we noticed that that struggle extends back to before the pandemic. So when we're looking at these series and thinking about what they mean, we see that there's been some deterioration of that as we come into the spring of 2020 and remains kind of persistently a little bit lower than the pre-pandemic average. So those are a few data views that I wanted to share. And I'm going to turn first, since we talked about landlords, Dimitri, I'm hoping you can talk to us about how the pandemic unfolded from the landlord side.

I certainly remember seeing the tail cases, what I think maybe tail cases, but you can tell me if that's the case, landlords who were facing extreme liquidity problems, having no one pay rent and needing to sell units in order to stay afloat. I'd like to understand how common was that situation for landlords? How did they manage the cash crunch as they had tenants not pay either in places where they faced a moratorium on filing for eviction, or even in places that they did not, perhaps. Could you comment on that a little bit?

Dimitrios Hatzifotinos: Absolutely. Well, first of all, the pandemic seems like in some sense it's still ongoing. But I think for landlords, it was definitely compartmentalized into sections. So, as we all know from about March 15, 2020, until I will say July 4, there was just almost about a complete shutdown at just about everything and that included the landlord tenant markets. And so, there were delinquencies there, there was from my experience a very, very long leash in payment in terms of whether or not payment was even being requested timely at that point, there were some landlords that were forgiving rent, everything sort of stalled in terms of the normal processes that we would have been expecting in the past. The courts in Columbus, Ohio, opened back up in June and July of last year. And as the courts opened up, also a great deal of relief assistance became available through the CARES Act [Coronavirus Aid, Relief, and Economic Security Act] in order to assist tenants that didn't pay their rent.

That was a fundamental policy shift for landlords. It was the first time that I can remember in 20 years of doing this, that there was assistance available for people that needed it. And I think that in the end for landlords, that's probably the single most important and best thing that will come from the pandemic is the availability of assistance. I imagine that's also the case for tenants, but at least from the landlord side, the availability of assistance allows us to bridge that gap in exceptionally good way. Unfortunately, for landlords at the beginning of the pandemic, that assistance was only available in an eviction at eviction court. So you really had to be evicted, or at least at the point of being evicted before you could get assistance. And that became very difficult because assistance was taking and still does take quite a long time to get to the people that need it.

So the cash crunch that you're talking about, particularly with landlords that are small or illiquid, I had clients that were \$80,000 to \$100,000 in, I won't call it in debt, but waiting for those kinds of dollars from assistance organizations because they had some tenants that they were working with and they weren't able to pay their own mortgages because they couldn't get the assistance that was already approved. Some of that has now cleared up, I think, because we've been in this process now for so long and because the process of eviction has normalized to some extent based on the difference between pre-pandemic and post-pandemic. What we see now is that there are less long, huge balances from tenants. And in my experience now, we're focusing more on people that are just not paying their rent after a month or two, rather than people that haven't paid their rent for six to 10 months, because the people that were affected by the pandemic that didn't pay their rent for a long time have kind of processed through the system and gotten assistance or ultimately been evicted.

And so now this third phase that we're in is a little bit more systematic, it's more closely related to what we experienced before the pandemic, where there's a small percentage of people that are ultimately getting evicted, but now there's this huge pot of assistance that's really helping landlords and tenants to keep people housed. And so the conversations that we have in eviction court these days are more about getting the assistance payments to cover the past due rent and having the landlord and the tenant work out a way to keep going in the future and continue to build together instead of having a turnover where we would have in the past.

Hal Martin: That's really helpful to hear. And you mentioned a couple of things in there that I want to turn to Abby and get your perspective on the tenant side of this as well. First, just how things changed for tenants once they began facing eviction during the pandemic versus pre-pandemic, what changed in your practice and, as well, what changed in the experience of your tenants?

Abigail Staudt: Sure. So, what we found when the pandemic initially hit, and we were monitoring all of the courts in our jurisdiction to see what they were going to do with respect to proceeding with the evictions. Ohio does not have a unified court system. And so every single municipal court has its own set of rules and procedures. They're all like little fiefdoms. And so each individual court on its own made its decision as to whether they were closing down or not. So, in the largest city that we operate in, in Cleveland, they did stop taking filings until June 15. During that time, we put all of our energy to getting people hooked up with the little bit of rent assistance that was available. Folks did not at that point have to have an eviction, but they just needed to get hooked up, and part of it is just letting people know that there is rent assistance out there.

So we had a couple of organizations that had some money that they could start putting toward back rent. At the same time, by coincidence and quite great for clients, our tenants, Cleveland had passed an ordinance for a right to counsel for some tenants. It had passed in October 2019 and was effective as of July 1, 2020. It meant that any tenant who was being evicted, who had one child at least in the household, and who was at a certain financial level, would be entitled to an attorney. So, we had also been preparing to launch that pre-pandemic and had to sort of adjust, pivot, in order to be able to launch that mostly in this new world of virtual hearings and greater amounts of people at risk because of the economic downturn. So, as of July 1, we started putting into place procedures to make sure we were trying to catch as many people as we could who were being evicted.

We saw a little jump in the number of evictions filed right when the court started accepting filings on June 15, but it didn't last more than a week. Generally, evictions tended to stay down pretty low. And so the experience for tenants in Cleveland really drastically changed because first of all, because the hearings were conducted virtually. And so that presented the court had never done that before so they needed to work out how to actually administrate their court in a virtual setting. And they also had to figure out how to communicate, how to do that to tenants and landlords who were in the eviction process, and then deal with all of the technological problems that arose. So you can imagine, I'm sure many of you had technology issues that arose initially when we were all moving over to a virtual world of meetings. These were people who were had to face whether or not they'd be able to continue living in their housing, trying to get onto virtual Zoom hearings for their court hearing.

So it drastically changed. As that was happening, as Dimitri mentioned, a whole lot of rental assistance became available. Cleveland was able to pretty quickly figure out the system to connect tenants to that rent assistance because of some of the other rent assistance programs they already had in place. This meant that we were trying to catch people who were both showing up at court and then CHN [Cleveland Housing Network] Housing Partners was also trying to catch people who had evictions filed against them who were applying for rent assistance as sort of a cross referral. So, that led to us being able to really help a lot of people avoid the eviction and get that rent assistance that's available. And I think that also kept the number of people being faced with eviction a lot lower.

Hal Martin: That's really helpful context. And I think what I'm hearing you say is there were a number of programs that kind of came online, some of which fortuitously, that sort of helped catch some of this challenge and maybe made some things a little bit easier for some folks, but I'm also hearing some struggles in there. And I think I'm going to ask in a little bit, we're going to break down and talk about the mechanics of some of these programs and kind of, I want to get your perspective as both on how that both you and Dimitri, about the mechanics and how things worked there. Were there any differences? Before we do that I wanted to get a sense, were there any differences in the composition of folks that were coming to you certainly you had this organizational change, right. So there's a little bit of a mandate change, where before you had different funding sources and now you have this right to counsel program. But beyond that, or including that, I'm wondering if you could speak to who it is who's actually showing up. Are these basically the same profile of tenant that you're seeing, or are you seeing a new profile of tenant during the pandemic compared to pre-pandemic times?

Abigail Staudt: So, I think that it was actually nice to see some of the data that you presented in terms of how many people were able to still pay their rent going on throughout the pandemic because I think that does correspond with what we saw on the ground. It tended to be most of the people who were struggling to pay their rent were lower income and were working, but we're in those industries that largely shutdown and have taken a long time to get back on their feet. So we're talking about people who worked in restaurants, Uber drivers, people who worked at the airports, all of the hotels, lots of security jobs, people who work security at places that were no longer open for quite a while. All of those jobs, some of which our clients would have multiple jobs at the same time.

All of those industries just basically shutdown. So, it was generally the same population that we normally serve. There were a few outliers though. Suddenly, there were some people who became one of the income that had previously had a pretty decent, steady income, but they were not able to work any longer and they didn't have the savings to cover that rent in that period of time. So what we did see was some of these people that came in with rent amounts that were more over $2,000 a month, as opposed to what we normally see, which is around $600 to $1,200 a month.

Hal Martin: Got you. That makes some sense. And it's helpful to hear about both those segments of kind of the renter distress because I think we can parse that out a little bit in the sense that we know there's going to be unless other things in the economy were to change. There are going to be people who continue to kind of experience what Dimitri was describing that 5 percent from his perspective, right. It's people who have some sort of income volatility that's there, whether we're in kind of boom or bust periods. But then what you're saying is some portion, at least of the folks that you're aware of, were folks who were definitely new to the experience, perhaps, of facing this kind of housing distress. I'm hoping, Davin, I want to talk to you for a minute about how to weigh all the data and the anecdotes we've just heard from Dmitri and Abby, as we're thinking about there's some things in the data that puzzle me a little bit. We were concerned early on, hey, maybe there's going to be a really big impact in the rental market.

And then of course there were some supportive policies that came in and were put in place. And then we see this data, which is imperfect, in some ways, it suggests that some of those stresses didn't seem to have a large impact on some of the indicators you might look at, right. That people are paying their rents similarly on time to pre-pandemic, that the eviction filings are actually low compared to pre-pandemic times. How do you think about that as a researcher? If somebody were to ask you has there been an unobserved or a hidden component to this that we're not accounting for? Or is this something that you would tend to lean on and say, "no, there's good reason to suspect that this data tells the story," at least in terms of the aggregate impact of the pandemic on the rental markets stability.

Davin Reed: Yeah. So, there are a couple of things that I keep in mind when discussing these things. So, in addition to the kind of evictions specific policies that Dimitri and Abby were describing, we shouldn't also forget that we had very robust unemployment insurance policies and economic stimulus policies, right, that went out and they were available to many more people than they typically would be. And for example, the typical person who lost a job during the pandemic received unemployment insurance benefits that typically replaced all of the income that they lost from that job, right. And so, then one great thing is we can kind of look at these data and say, those seem to have been really successful, right. And in some research I've done with colleagues at the Philadelphia Fed, we've tried to kind of tease out the contribution of each of these policies to kind of tamping down the amount of rental debt that would have accrued without these policies.

And by far unemployment insurance and economic stimulus payments are the major thing that was keeping people out of falling into rental debt during these times. Obviously, they didn't get to everyone which is why we need supplementary policies like eviction specific things to kind of backstop those people who may fall through the cracks from these other programs. But I've gone back and looked a little in data we have from a few cities at what happened during the Great Recession. When we often didn't have eviction-specific policies because it just wasn't on the radar of policymakers the way it is now. And even then we didn't really see this rise of evictions the way you might kind of expect if you didn't keep in mind that that was also kind of accompanied by very expensive UI and other policies designed exactly to replace lost income.

So, those policies are doing a great job. I mean, the other thing I like to keep in mind is that I feel, it goes without saying, but a recession, like all these dynamics between tenants and landlords and their interactions, I feel are just very different during a recession than during a normal time, which is what people, I think a lot often focus on when we're worried about evictions and things. It's worried about pressures associated with like a really strong rental market, right. And that's creating additional housing unaffordability and that's contributing to falling behind on rent and all these other things. And as I kind of mentioned before, all these other things that lead tenants to show up in housing court that are going on their lives. Whereas I feel like during a recession, like the one we just experienced now and also during the Great Recession, a lot of the tenants who may be losing income they're probably otherwise were doing reasonably well, right. Maybe making on-time payments. And so then they have maybe also better relationship potentially with their landlord, right. So, therefore, maybe the set of households now losing income at risk of eviction are just better able to either work out other arrangements either with their landlord or with friends and family to get temporary support and all these other things. So it's just, I think, a very different population at risk.

And then at the same time from the landlord side, right, they'll have very different incentives in a strong versus a weak rental market, right? So, if your alternative as a landlord is to let your unit sit vacant for six months or a year, you may be less in a rush to try to say evict a tenant for not being able to pay. Or if you, up to now had a really great relationship with your landlord or with your tenant, you may be more likely to try to figure out a way to work that out.

And we've seen in some survey evidence in surveys we fielded with the Philadelphia Fed there is this other margin. We do see that a lot of tenants who fell behind report that they worked out some sort of either formal or informal agreement with their landlord to pay later, right? So that sort of cooperation may be more likely during a recession than in a non-recession.

Hal Martin: Yeah, that's very interesting to hear. I think that's in some part the way that we thought about it as we were looking at our data and trying to rationalize and understand, what do you expect to be going on here? Particularly as we ... if I want to ... I'm going to take a moment to pivot back and think about the policy landscape that was going on as we moved through the phases of the pandemic.

At first, it's all of these local moratoria that are in place, not universally. We did some tracking within the jurisdictions that we were looking at and of the cities and counties that were in our data set about three quarters of the population fell under some sort of moratorium at the beginning of that period. And now we're down to 25 percent or so that still have some sort of protection. And that protection is typically not as strong as it was at the local level in the say March to June period.

And so the thing that stood out to me at the time was even as we came out from under those moratoriums—I don't have a graph to throw up here—but we had a report here where we did an event study. As the jurisdictions that came off of those moratoriums, we looked at what the excess evictions looked like, the "impulse response" to lifting those moratoriums. What we saw was that these things typically lasted, the strong ones lasted for a couple of months. And we saw maybe a week or two of elevated evictions to maybe 150 percent of normal. And then things really stabilized again.

And so that to me suggested how we might expect some of those extreme policies ... I don't mean extreme in terms of whether they should be done or not, but extreme in terms of degree, the shutdown of certain courts and things like that, how they played out. That suggests that there were some patience, some working out that might have happened in the interim.

And I think that's what I'm hearing from you in part is that we should expect behavior to be different when circumstances are different. Finding another tenant in a recession might be a more expensive search, right, than it is in a hot market. I think that's what you're alluding to there.

So on balance, I'm wondering Abby or Dimitri, do you have any reaction response to the way that Davin and I are thinking about how to evaluate this partial evidence? The question before us is adding the policies that were put in place combined with the distress that we saw, did we come out much worse, a little bit better than we might during normal times in terms of the impact to landlords and to tenants?

Dimitrios Hatzifotinos: From my perspective, certainly we have come out better than we would in normal times for both landlords and tenants. The availability ... So Davin said something that was really interesting. He said that evictions were never really a policy discussion in the bust in 2008, and they've become a policy discussion now. I agree with that. I have been saying since 2008, because I went through that as well, that from a financial perspective and a statistical perspective, I did not think that eviction statistics would change very much in the pandemic because they didn't change very much in the bust. So my thought process was that we would stay pretty stable.

Because evictions became a policy discussion and because there was obviously a public health crisis, I think both landlords and tenants got very creative in trying to figure out how to get around things that maybe were an impediment before. So, for example, the availability of rental assistance gave landlords and tenants the ability to negotiate fees like I've never seen before. Wave fees. Get rid of fees. Don't worry about it.

So much so that some landlords now have an every paycheck app on a phone that a tenant can get to that allows them to pay their rent paycheck by paycheck, which is for low-income tenants way, way easier than once a month. It just seems to work better if they get to take a little bit out of their paycheck every month. And it just goes directly to the landlord out of their paycheck. And it's an app for that.

Before the pandemic, I had never seen anything like that before. And now I have clients that won't even take the rent anymore without making that app the useful thing to do, because then it regulates the payment for everybody. And you don't have to worry about it anymore.

So I definitely think good things. I think that right now, as a policy discussion, at least where I am, we're talking a lot about how to get money to people upstream before they default. And that is number one goal for landlords right now coming out of the pandemic.

Hal Martin: That's really helpful. Abby, is that consistent with the way you've seen it? At least anecdotally in the clients that you've seen, have they been relatively well buoyed? Are their outcomes on average better during the pandemic keeping in mind, of course, that we have a lot of supportive policy in place that we didn't have during the pre-pandemic period?

Abigail Staudt: Yeah, we really think that three things from a policy perspective that changed really helped people, a lot of people, a lot more than we've seen in the past be helped during this period of time and should be considered as ongoing. Two of them should be considered as ongoing.

Those three things were the CDC moratorium, which was not recognized in many different jurisdictions. But in Cleveland, for example, it was recognized and adhered to. So a lot of people were able to have their eviction stayed during the time that the moratorium was in place. This allowed the time for them to seek rent assistance. That's the second big policy change. The amount of resources that we put into rent assistance in order to keep people in place really changed how cases proceeded and how many people were able to avoid having to move.

And I think that is coupled with a greater compassion and understanding and awareness because we were in this public health crisis. People for a while, we weren't supposed to be leaving our homes for anything except for essential tasks. I think that many, many landlords were great, used grace and understanding with the plight of their tenants. And I think that also contributed to a lower number of people being evicted eventually.

And then, in Cleveland and really Cuyahoga County, the third policy change was the introduction then implementation of a right to counsel. That has meant that there is an attorney on every single Cleveland Municipal Court docket representing usually multiple people. We were able to screen people who showed up for their hearings in order to see if they would be entitled to an attorney. And the courts would grant a continuance in order for us to do the complete intake and begin our representation.

We heard anecdotally from the landlord bar that oftentimes they liked it when they saw that a tenant was represented because we had close ties with the organizations that are providing rent assistance, and we were able to get our cases prioritized. And so it was a much quicker process to get landlords the backward rent that they were owed. So we saw that in a number of different cases.

So in some ways I think it's leading to a change of perspective on how we approach evictions, that there can be … it's not a great situation for a landlord to have an empty unit. It requires the turnover of that unit, advertising for that unit. You don't know who your next tenant is really going to be. There's all kinds of additional costs. So the efforts that we can put into keeping people housed and not see the collateral consequences from eviction, it really benefits both landlords and tenants.

Hal Martin: That's very interesting. I think there's a couple of things you mentioned I want to pick up on. One a little bit later and one right now. In just a little bit I want to talk about the CDC moratorium in specific and unpack that a little bit because I think that's been one of the great mysteries. How has that operated and what is the consequence of that being lifted? As it was I think on August 26 was the last day that it was in effect.

Before we do that, though, I want to take a pause here with the rent assistance programs. Some of these other policies, we've mentioned some of these policies explicitly. A couple of the ones that we haven't mentioned explicitly that occur to me, there's a handful of jurisdictions that have put a mediation requirement in place along with the program to support it. And this is something that requires both the tenant and the landlord to participate in, and the landlord can't proceed with the eviction until they've done so.

Some of what you've described ... we don't have one of those, as to my knowledge, anywhere in Ohio, not in your jurisdictions I don't think. It is in Philadelphia, I think, that's one of the handful of cities that it is.

I'm wondering, is it fair to say that some of what you're describing to me sounds like informal mediation of a sort where there's been an increased effort, even without a formal policy in place to encourage it, to help tenants get to the table, figure out their options, find the assistance? Of course, when assistance is not available as it wasn't as readily available in pre-pandemic times, such a policy might not be as impactful. But it sounds like some of the attorneys on the opposing sides of these cases might be helping fulfill that function even informally in some cases. Is that an accurate way to describe what's happening in the jurisdictions that you two work in right now?

Dimitrios Hatzifotinos: Yes, actually in Akron, Ohio, mediation is now mandatory as of two weeks ago. In Columbus, we have a potpourri of services at eviction court including legal representation from Legal Aid in Columbus and mediation services. I think that landlords have had every incentive to obtain payment and be flexible since I started doing this.

I think the pandemic is definitely symptomatic or at least the cause of a lot more flexibility for all sorts of reasons. But I don't know that mandatory mediation is beneficial to the eviction process because I tend to look at the eviction process as the problem not the cause. So we're not ... evictions are the end not the beginning. The beginning is the lease, and the parties should be talking to each other immediately before a default would happen. So the best time for a tenant to talk to a landlord is day minus 10; 10 days before they can't pay their rent. And in my experience, over about 1,200 evictions a month for the last 20 years, very few tenants who talk to their landlords 10 days before they're in default are in eviction court 40 days later. And so we tend to talk about, from a policy perspective, the things that we can have an effect on. So courts can have an effect on things before them. But really our focus should be on things much farther up the stream.

Hal Martin: I think that's really helpful to hear. And I think as easy as it sounds to suggest, it really does need to be communicated to some extent, right? Because these two sides don't fully understand one another and their motivations and the factors that they face. So I think that's an encouraging thing to think about promoting simply talk before you get to court. It's less expensive, right? That's a relatively good recommendation, I think.

I want to dip in a little bit and think about the rental assistance plans or rental assistance policies that have been in place for a while now. Of course, we had I think about $5 billion of CARES Act money that percolated through the system in the summer and fall of 2020. And then, of course, since that time starting early this year, we saw about $45 billion roll out nationally dedicated to these rental assistance pools.

We've had some conflicting reports across the country about how they've been playing out. Of course, some jurisdictions seem to be working through their money effectively and taking applications and processing them. Other jurisdictions seem to be lagging in that effort for what is reported as a couple of different reasons, perhaps some standing up of program issues and things like that.

I'm wondering if ... I want to turn first to Davin and hear from you about the rent debt, specifically, the rent debt estimates that you conducted. You mentioned them a little bit earlier. Are we at this stage, from those estimates that you have, are you concerned about large rent debt that lingers or is there a good reason to think that maybe these programs, if they can be reached by tenants, can address any remaining rent debts they have from what's now a long-running pandemic?

Davin Reed: Yeah, I think it's important to make a distinction. And we've tried to do this in some of our research and others have as well. It can be difficult given limitations of data available before and during the pandemic, which I think we'll talk a little bit more about later. But so in our research on rental debt estimates, we really tried to focus in on rental debt accruing because of job loss during the pandemic, right?

So we're completely setting aside the sort of background, typical income stability, and thus risk of evictions that are there even in normal times, which we know is substantial, right? And policies should absolutely, things like mandatory legal aid and other things, can help address. And then, as Abby mentioned, were already being put into place before the pandemic, right? Because there's this big problem that's there.

However, given just the sort of acute crisis associated with this pandemic, we really wanted to zero in on what additional rental debt might be out there and additional risk of eviction might there be because of job losses during this pandemic, right? So our answer to that question is we kind of came up with using various methods, by August of this year, we estimated that about since households who had lost jobs between March of 2020 and August 2021, there were about 2 million renter households with some rental debt.

And we estimated there are about $15 billion of outstanding rental debt for those households, right? And that comes out to almost $8,000 per household. And we find that that's specifically accruing to household who for whatever reason didn't get unemployment insurance, right? So, as I mentioned, that was very protective for households that received it. Many households did not. And so this is the kind of rental that we think is probably still up there.

So if that's the number, right, if it's 15 billion and we know 45 billion or so went out, obviously not every dollar that goes out gets to the end of the line, but it's probably in the ballpark again for addressing this rental debt accruing to this specific set of households who are already working and then lost jobs, right? And so then I think now it gives me some hope that hopefully that money's been slow to get out. We all know. But as it continues to get out, gives me some hope that the worst of this is maybe behind us at some point soon.

And then I think is really an interesting time to try to pivot back toward these broader problems, right, that existed even before a pandemic. And so how do we think about housing instability? How do we think about preventing people from even showing up in court? I think the Abby and Dimitri have been mentioning how all those things play a role. It's greater representation to triage and figure out who are the households that I think should be able to pay back and stay. And so let's make sure that they're represented and so that they have the rights and so that they can work out a good agreement for them.

If other households probably won't be able to stay because maybe they lost jobs or something else permanently changed their situation. How do we kind of smooth their transition to another place, right? Give them more time, things like that? And as Dimitri was mentioning, how do we get landlords and tenants to talk to each other before they're missing these payments?

There've been policies in Philadelphia about mediation before you can even go to housing court. Those I think are still being tested, but I think that's a promising approach. So yes, we've done some work. It was for a very specific population. And now I think the pivot is toward there's this bigger problem that's kind of always been there that we're just starting to address. I think a lot of promising things are on the table. And I think it's going to be one of those where it's just, yes, let's try everything. And hopefully all together they yield some lasting benefits.

Q&A

Hal Martin: So I want to pick up on a thread of a couple of questions that have come in on the chat so far that relate to this getting through the process and the tools that are available and how this mediation formal or otherwise works. And I also want to encourage anyone who's interested and has a question feel free to drop it in the chat of the meeting. And we will see if we can work it in where we have space.

So speaking of, first of all, I think to, I agree with you Davin, I think that it looks like there should be money available. $45 billion is a higher number than $15 billion. And so that's encouraging to think that the program is at least right size to deal with what might be outstanding there. Of course, again, not everybody is coming to the table figuring out how to get that money.

I'm going to set that question aside for just a moment about the process of ... well, no, let's do this in the opposite way. I've got a question from the audience I want to pick up in just a moment. Let's stay with the eviction or let's say with the rental assistance programs for just a minute.

So we we've heard that there's this potential rent debt that's still out there. I'm wondering Dimitri and Abby, from your experiences what's working well in these programs at this moment? They've had these startup frustrations in some cases. Are things working well in Columbus and in Cleveland right now? Are there any hiccups that we should be aware of? And, if there's anything that's not working well, how do you diagnose that? What do you think about as the needed to solution for that?

Abigail Staudt: I'll speak to Cleveland and Cuyahoga County. There were some systems that were already in place to process rent assistance applications prior to the pandemic that were handled by CHN Housing Partners. So the dollars that came to Cleveland and to Cuyahoga County, many went to, were contracted to be administered by CHN Housing Partners. And so they had already a system, but they were quickly overwhelmed with how many people were applying for it.

There was some lag time in the month of July for them to build the system even bigger and make it more accessible. And I think what they came up with was it has been for the most part very effective. They ended up needing to hire a total of 60 people to take those applications and process them. So that, that was a long experience, a long process.

What they were aiming to do was get their lag time down from application to money in the landlord's hand down 30 days or less. Prior to the pandemic, we had been able to access a check with the rent assistance application in the few cases that we were applying for it in as short as a week. So they were really trying to minimize the time. And they got there I think in May and have been steady keeping at that 30 days or less with a complete application.

So that has worked except for the fact that in our eviction systems, the process by which and the laws by which we have to adhere to evictions can move very fast. And so, depending on when a tenant becomes aware that rent assistance is available, depending on the court that they're in front of, they may or may not be allowed the time to then go and access that rent assistance. And this speaks to Dimitri's point that oftentimes at eviction it's too late.

I think our experience has largely been that landlords are very willing to work with a tenant who is able to access rent assistance, whether that tenant is represented or not. Because I think from a financial standpoint, it's a much better situation to be able to get that back rent, but it still does take some time. I think some issues have been simply the problems that rent assistance had been plagued with in the past, which that was landlord's experience, that was tenant's experience. So even upon hearing that rent assistance may be available, they might think, "well, it takes three-and-a-half months to get it and it's only $750. It's not going to cover it." So those stigmas need to be overcome so that people are more willing to participate in those programs. Then also just outreach. We are coming more into a world where we're going to community events, but for a long time, people were very isolated in their homes, not going to places where they might come in contact with information about rent assistance and despite efforts to actually make that information available from billboards to radio spots, to TV spots, to mailers in actual summons. There's still a lot of people that are not aware of it.

Dimitrios Hatzifotinos: Do you mind if I chime in for a second?

Hal Martin: Yeah, I was going to say, Dimitri it would be great if you can tell us your perspective on those programs, particularly what you see in Columbus but any place really.

Dimitrios. Hatzifotinos: Yeah. Our office practice is in 38 counties and so we've seen eviction courts in 38 different places through the pandemic. The smaller jurisdictions in my experience do a much better job at getting assistance out in a timely manner. They don't have to wait for eviction court, so obviously that is a product of having less to do. In Columbus, where there is lots to do, we have had a very cumbersome process through this pandemic, and the reason is verification. If the tenant can't get to the provider until the day of the eviction, or even 20 days after they're in default and it takes 20 to 40 days to verify, the landlord doesn't really have assurances that they're actually going to get at the check until 40 days out. The getting of the check is actually not an issue at all. No one that I know is adverse to waiting to get paid. They just want to know that they're going to get paid.

The parties then are left to negotiate this contingency about whether or not the payment is actually going to happen. That's the reason why things like diversion programs and mediation programs and things like that at the court, in my opinion and of course, it's just my opinion, are not money well spent because if the money that we have out there could be used, and here's what I will politic for since we're talking about policy, to create an app or some kind of online platform that would put landlords and tenants together before default or way before court process, in order to mediate with the ability to obtain assistance money in that platform. Since low-income households are disproportionately not in the ability to necessarily have broadband, if it could be cell phone available, it would actually be a much better use of money that were using right now, ERA [Emergency Rental Assistance] money, to try to keep evictions from happening, because what would happen if you did that, is that you would actually have a lot less fees and costs associated with default on the landlord side.

For example, if a tenant owes $1,000 in rent, and in order to pay off that tenant's debt at an eviction, you have to pay $1,600 because of late fees and court costs and all that stuff. If you could just get that platform done and get the landlord that $1,000 within five days of when it's due, then you just saved $600 that you can pay somebody else with that might not be able to pay their rent. Your money goes a lot farther. Since the policy discussions that I've heard have really surrounded what happens once you're in court, none of that is useful to really assuage the economic issue that we're facing because while the consequences of eviction are non-economic, the start of the process is an economic issue. The biggest way to fix that is to get money to people who need it faster.

Hal Martin: That really harkens back to what Davin, you were describing that a lot of the cases that wind up in eviction clearly there's been some sort of deterioration in the economic picture up front. The other thing that stands out to me from your perspective on this Dimitri, is that the solution you're recommending really is to try to remove some frictions from the system, right? We've identified that there are some frictions that definitely get in people's way of receiving aid that they ultimately might be eligible for, of being in communication that could resolve some of these disputes and finding common ground. On that front, I want to turn briefly to a couple of questions that have come in and just get your perspective on this one. There's just a point of clarification I'm embarrassed I don't know myself. It is, does Ohio law require written lease or establish a default lease with standardized terms and payment schedules? If one does not exist?

Dimitrios Hatzifotinos: No. The short answer is no, it does not.

Hal Martin: OK. The way I'm translating that is, and then our questioner is mentioning that Virginia does require such terms. And that's the sort of thing that whenever a tenant and landlord are in conversation, obviously the lease is the beginning of that conversation, right? I presume that's the kind of thing that if we had that ... tell me, react. Is that something that you think would improve the terms of the conversation when things start to go bad between tenant and landlord? Or is that something that in your view is more of a minor factor in terms of what aids people in sorting out what's happening as they're not able to pay rent end up in eviction court?

Abigail Staudt: That seems to put in place an assumption that the parties will attempt to work it out. There's a payment plan that is recommended. I think there's even the perspective of people going into that is different than I think a lot of landlords are done with waiting for the tenant to pay their rent by the time they get to eviction. They're not as willing to mediate. That's why the Philadelphia program is going to be really interesting to watch because the way it works is if it's a case for non-payment of rent, the tenant or the landlord can begin the rent application. As a prerequisite to actually filing the eviction, if the rent application process fails for some reason, then the parties are then required to go to mediation. If the mediation then fails for some reason, then the landlord can then file the case. It allows the initial parties to work out the rent problem with the rent assistance agency on their own and then brings in a mediator if that doesn't work out. And only then can the landlord proceed with an eviction, which does start the process a lot earlier. I think it gets the money into landlord's hands prior to having to spend money on fees and court costs.

Hal Martin: That's a helpful description of that program. It strikes me what you're just describing the order is first resources, then conversation, and then court in that order. This will be our closing moment on the topic of mediation, but there's a question that really relates to that, a question to Dimitri. In Columbus and in Cleveland, we don't have that mediation or eviction diversion program here. There's a question in the chat about whether or not the right to counsel program that ensures counsel for these tenants who are in eviction court once they arrive. Dimitri, I think Abby mentioned she finds it helpful; she's heard from landlords that have found it helpful, do you generally agree with that, that having a landlord there, sorry, having an attorney there for the tenant is helpful at that point, or do they really need to be engaged? Not the attorney necessarily, but we need mediation. We need intervention earlier in the process. Is that something that's helpful on the margin to resolving these cases where there's not a diversion program in place? Oh. You're on mute, Dimitri.

Dimitrios Hatzifotinos: Sorry. In my experience, and we've had counsel available in Columbus, not right to counsel, but they literally are in eviction court soliciting tenants to represent for about five years. Counsel in a landlord tenant setting on behalf of the tenant does not change the outcomes unless there's a contested legal issue that needs to be fought. The context of the conversation that we're having right now is how landlords and tenants can better work together to avoid eviction. In that context, I don't think that a right to counsel is beneficial to a tenant because I think it takes away financial resources from the tenant that the tenant could otherwise have to pay rent because it's really an economic issue. It's not a legal issue. In the event that there is a legal issue that needs to be adjudicated, which again, I can only speak in my experience, but that is less than half of 1 percent of the time, then yes, it is very helpful to a tenant to have legal representation. But in the context of can the tenant pay their rent, has the tenant paid their rent, when can the tenant pay their rent, and how much are they going to pay? That's a typical conversation that happens in eviction court in over 95 percent of cases. The right to counsel is not effective to make that easier, in my experience.

Hal Martin: Those are not the only outcomes, of course. I think Abby mentioned earlier that there're some outcomes like arranging for it to be easier for tenants to move out when that is the ultimate outcome that occurs, negotiating the timeframe and the soft landing. From your experience, Abby, is that the benefit the tenants experience from receiving a right to counsel?

Abigail Staudt: I think there's a multitude of different benefits of having counsel. One, as you can imagine, tenants aren't experts of the law. They don't know how to look at a notice to vacate and see whether there're deficiencies in it that should prevent a or landlord from proceeding to eviction. Those are the types of things that we can look for and we can often find. Second, we are able to better connect them with rent assistance that's available because we are working directly with those rent assistance programs. Again, that's right. That's not a legal problem that we're solving. It is an economic one, but we've gotten to the point where a tenant is facing eviction, it's helpful to have that connection. Then you're right in terms of different outcomes. We don't necessarily prevail in every case where we're representing a tenant.

We find that there are some better benefits to having a better outcome for those tenants who are represented. In part, it is because they have an attorney speaking for them against another attorney, instead of standing as a tenant before another attorney trying to state their case. Their voices are actually heard more. Those cases are longer in front of the magistrates because they take more time to litigate because there is a lawyer representing that tenant. We don't stand up there and plead for mercy. We're actually presenting resolutions and defenses and opportunities to resolve the case in other ways than a tenant being out in seven to 10 days. Whether it is the landlord relationship with the tenant has completely broken down and that tenant actually doesn't want to live there, the landlord doesn't want the tenant living there, then we're usually able to at least work out more time, so it isn't a crisis in that family or household event.

Hal Martin: I appreciate both of your perspectives on this. I want to pivot just a little bit, because we're coming to the close of our program soon. But there are a couple of other things I want to do. One is to jump into the current moment that we're in. The CDC moratorium had a lot of press, and we saw a lot of stories saying when this expires or is struck down, we should experience a definite wave of evictions. We should expect something to change substantially in the way that the rental market is conducting itself in housing court. Of course the CDC moratorium was struck down about a month ago and here we are in this moment. So I guess what I'm wondering is what has changed since the CDC moratorium has come down? Should we have expected the CDC moratorium to have had a large impact?

Should we expect to see a large change in the coming months as we emerge into this new normal? Then the third thing that I'll invite anyone to respond to, and not everyone needs to respond to every part of this, is what lessons we can take away and carry forward from all of the new things that we have tried and seen done during the pandemic to help renters be stable. I'm going to turn to Davin first and you might focus a little bit on CDC moratorium disappears. You're looking at the data here that I'm looking at. You might be thinking about this in an economic way. What should we expect going forward now that the CDC moratorium is off? What's your perspective on that?

Davin Reed: Yeah. I wouldn't say I'm skeptical of an eviction tsunami. Some people say, well, maybe it'll still show up. It could. I think more likely is just a lot of this stuff as we've been discussing, it's been a year and a half. It's definitely been a year and a half since most of the people who lost jobs, a lot of that happened quite early. Just a year and a half for these things to work themselves out in other ways, right. With potentially the moratorium in place to allow them time to work these things out. But for all these reasons, either working things out with the landlord to pay less but stay, to agreeing to leave, hopefully, with plenty of time to find a place that is better matched to your current economic situation, eventually paying things back on one's own.

We see a lot of that in surveys. We feel that as well. People fell behind and they've caught up on their own or are catching up now because of these other programs. Again, during the Great Recession, which was a big shock. It was a housing shock. It was also an employment shock. And we know that it hit lower-income households more than others who obviously tend to be renters, more likely to be renters. And we didn't really see a tsunami in those data either. Again, I just feel there's a lot more going on and people are quite resourceful and good at figuring out other ways to deal with a lot of these crisis that come up. Again, because the dynamics during a recession are so different and when the rental market is weak and again, we just had a year and a half.

I think that's good, right? We should hope that the eviction tsunami isn't showing up soon. Of course that's only potentially true because again, we had all these generous things put into place and maybe this moratorium as well, allotted people time. It also just changed the incentives for landlords and tenants, too, to work things out. Right. Not just a weak rental market but knowing that you can't take someone to court as a landlord could just change your incentives for trying something out. Right. It isn't to say that those policies weren't necessary or didn't help. I think they all did. I think that's why I'm just cautiously optimistic that we're through the worst of it. And that tsunami won't be showing up in the data.

Hal Martin: Understood. Of course we're not in the business of forecasting on this. I certainly wouldn't be confident offering a forecast, but I appreciate your perspective on that. I think the take home point for me from that is that a lot of these supportive policies do exist at this time and that's going to give us a pivot to in the last two minutes that we have, I'd like to hear just a minute from each Dimitri and Abby.

If you could share something that you're hoping will carry forward from all of the policy work that has been done into whatever we call our new normal. We still are clearly in the recovery process right now. We are still obviously in a pandemic. As we think for the long term, what do you think we should carry forward policy wise from this in order to help make the rental market a more stable market for low-income tenants in particular? Dimitri, if you'd start.

Dimitrios Hatzifotinos: Yeah. From my perspective, first of all, I don't think the CDC moratorium had much of an effect. I think that the CARES Act moratorium had a huge effect. After the CARES Act moratorium ended in July 2020, there was an uptick in evictions specifically in September 2020 that normalized by October in my experience. I thought that the CDC moratorium, we filed a lawsuit against the Department of Health and Human Services to challenge that in September 2020 and we qualified it and it went away. And the reason it went away, and what I hope for the future, is that there is just an abundance of rental assistance to help everyone. The rental assistance that was in place from the fall of 2020 until now has superseded, circumvented, and made irrelevant any legal issues that have come up between any parties that have a non-payment of rent issue, in my opinion. The number one goal of my team at court or anybody on the advocate side is get as much money as you can for the tenants and keep them in there because that's what's best for everybody. If we could get that done earlier and get the cost of that to go down and devote more resources to that going forward, I think that's a great policy outcome here.

Hal Martin: Thanks for that, Dimitri. Abby, I want to give you the last word on this. What are the things you'd like to see carried forward from what we've learned in the pandemic?

Abigail Staudt: Thank you, Hal. I'm going to echo some of what Dimitri has said. Rent assistance has been hugely valuable in order to keep people in their units, to help people when they have some sort of interruption to their financial situation, whether it's a pandemic or it's a car repair that they need to make in order to get to work. We should see this as a way to keep people out of shelters, out of hospitals, out of jails, and kids in school, and really stabilizing communities. Also, right to counsel has been sprouting up across the country in many different places. More tenants are being represented by lawyers, I and think that is also a very useful tool in policy initiative that has come out of this. Then the third thing I would just say is this is something that has been true well, well before the pandemic hit and continues to be true. We have a shortage of decent affordable housing, and we need to make that available. If we keep our minimum wage as low as it is, we cannot expect people who work full time to be able to pay a rent that is where it is at this point in an affordable and decent home.

Hal Martin: Thanks very much, Abby. On that note, we're going to close the program. I thank you all for your joining us on the panel today. I'm so glad you could come and share your insights. Thanks to my fellow organizers at the Cleveland Fed and the Program for Economic Inclusion. In that program, we're going to be trying to address and understand some of these issues, these barriers to economic inclusion that have come up during the program today.

One of my takeaways is that clearly some of the distress that leads to eviction are issues upstream in people's lives that threaten their ability to be stably housed. We hope to explore that in future months in our program. Thanks also to our audience. Have a good day, all.