

Transcript

*FedTalk*: Making Sense of Eviction Trends during the Pandemic  
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*Presentation*

**Opening Remarks:**

Dionissi Aliprantis, Assistant Vice President, Program on Economic Inclusion, Federal Reserve Bank of Cleveland

**Panelists:**

Dimitri Hatzifotinos, Managing Partner, Willis Law Firm, LLC

Hazel G. Remesch, Managing Attorney, The Legal Aid Society of Cleveland

**Moderator:**

Hal Martin, Policy Economist, Program on Economic Inclusion, Federal Reserve Bank of Cleveland

**Dionissi Aliprantis:**

Thank you for joining us and welcome to today's Fed Talk. I'm Dionissi Aliprantis, the director of the Federal Reserve Bank of Cleveland's Program on Economic Inclusion. It's my pleasure to kick off today's [FedTalk](#) session, "Making Sense of Eviction Trends During the Pandemic." Fed Talk is a Cleveland Fed's speaker series in which we share research that is relevant to our community. Past events have covered such topics as the racial wealth gap, access to the labor market, and financial literacy. All of our events can be found on our website, [clevelandfed.org](http://clevelandfed.org), or on our [YouTube channel](#). I will now pass it off to our moderator, Hal Martin, policy economist at the Program on Economic Inclusion here at the Cleveland Fed.

**Hal Martin:**

Thank you very much, Dionissi, for that introduction, and hello and welcome everyone. As Dionissi said, I am Hal Martin, a policy economist at the Federal Reserve Bank of Cleveland. First, a very few housekeeping things. During the Zoom event, your microphone and camera are disabled, so don't expect to get to us through those. Please instead type and submit your questions to our panelists into the chat box and we'll be monitoring that and we will turn to those questions later in our program. And finally, in case the meeting drops because you have any technical difficulties, please do use the dial-in information provided in the invitation to rejoin us on the call through your telephone.

Today, we have two panelists with us to discuss the state of the rental market and where we are with respect to evictions at this point during the pandemic. First, we are joined by Dimitri Hatzifotinos. Dimitri is a managing partner at the Willis Law Firm in Columbus, Ohio, where he represents the multifamily rental community. Good afternoon, Dmitri.

**Dimitri Hatzifotinos:**

Good afternoon.

**Hal Martin:**

Second, we are joined by Hazel Remesch. Hazel is a managing attorney at the Cleveland's Legal Aid Society in the Housing Practice Group, and she oversees the Right to Counsel Program among other things. She also provides expertise and leadership for Legal Aid's growing housing team. Welcome, Hazel.

**Hazel Remesch:**

Hello, everyone.

**Hal Martin:**

Thanks both of you for joining us. To begin things, I'm going to give a brief overview of a research product I put out earlier this fall looking at the trends that we've seen during the pandemic in various cities across the country and trying to get a handle on how the various things that affect the rental market and affect evictions specifically have correlated with what we've seen in eviction filings. To rewind to the beginning of the pandemic, I'll remind everyone that we didn't know as much as we do today about what's happening in courts across the country.

We knew locally in various capacities what trends were in eviction filings and hearings and outcomes of cases, but we did not have a lot of national monitoring. Here at the Cleveland Fed, we assembled a small team to try to remedy this, and a few additional resources are out there as well who are now monitoring and tracking eviction filings more broadly. In the meantime, the policy environment has changed a lot throughout the pandemic.

At the beginning, you might recall we had locally driven moratoria on filings and hearings. Those gave way early on, they were relatively temporary policies, to a more federal stance where we had the CDC Moratorium. And then finally in 2021, we began to see substantial rental assistance come online that came from the federal government. Along the way, we also saw rents take off in the middle of 2021, and they rose by as much as 30 to 40 percent in some places in a very short amount of time.

That trend was not uniform by the way. Some places saw much more modest increases. And then there are places like San Francisco that we've seen in the news, that have not yet seen their rents return to pre-pandemic levels. So we've seen a lot of forces change during the pandemic that

affects the rental market, and one of the outcomes that we might expect is that this could correlate with what happens in eviction filings.

And so, I took a look at what we see in eviction filings in the jurisdictions that we track as it relates to some of the trends that I just described, and I found a couple of interesting facts. First, we see that in a broad sense, eviction filings have largely returned to their pre-pandemic levels by this point in time in the middle of 2022. Localities in my sample that substantially restricted their filings early in the pandemic though, they saw an average drop in the filing rate of 62 percent, compared to pre-pandemic times during the time those restrictions were in enforced.

So that's the first major finding, is that if you restrict eviction filings, eviction filings go down. That perhaps shouldn't be surprising, except that these restrictions were not complete. They were not total. So that's why it's not a hundred percent decline in eviction filings during the time that those policies were in effect.

Second, we saw that there was a lot of variation in the release of the rental assistance that was federally provided, but locally administered. And so, it rolled out at different times and with different intensities across the country. Federal dollars were made available early in 2021, but in some places, they did not get dispersed very quickly. And anecdotally, we know that there were various challenges in setting up those local outlets to distribute those funds. I'm hoping that we will learn more from our panelists as we get into the discussion about how those funds have evolved and what's going on with them today. What I see in the data when I look backwards is that there was a modest decrease in eviction filing trends following the disbursement of a batch of rental assistance in a particular locality. But that decrease is not large and it was not long lasting.

Finally, and perhaps most interestingly, the rise in the rents over time in different places is correlated with an increase in eviction filings. I find that a 1 percent increase in rents over the previous three months is associated with about a two percentage-point increase in eviction filings relative to pre-pandemic times. That suggests that as rents are rising in places, that eviction filings are going up in relation to those increases in rents.

Those are some of the major findings I found in the research that I conducted. And with that, I'd like to turn to our panelists and invite you to do a couple of things. We're going to come back to some of those trends perhaps in our discussion, but I'd like to invite you also just to tell us a little bit about your work and what you're seeing in this moment, given your seat in this market, in the place that you represent. Dimitri, if we can turn to you first and hear from you. Dimitri, if you could come off. You got it.

**Dimitri Hatzifotinos:**

I'm muted. Thanks, Hal. I appreciate the introduction. Thanks for letting me be a part of this today. My name is Dimitri Hatzifotinos and I'm an attorney in Columbus, Ohio. I am a partner in a law firm that specializes in representing the multifamily community. Over the course of the last 20 years, we have been involved in evictions and landlord tenant work throughout Ohio.

Currently, we represent about 175,000 residential rental units in 44 counties in eviction work in Ohio, which is everywhere south of Cleveland. No offense to Cleveland, of course.

We also do all sorts of policy work for the National Apartment Association, Columbus Apartment Association, the Dayton Apartment Association, and the Ohio Apartment Association. In that work, I have both been in eviction court every day just about since the pandemic began and before that, and also have worked with the State of Ohio to implement and administer the Emergency Rental Assistance that has come from the federal government throughout the pandemic. I have been a part of many discussions and conversations locally about different policy changes and how to administer money today.

The pandemic obviously affected evictions by stopping them for a period of time and by affecting the rates significantly for a period of time. And from our point of view, based on what we do for a living, we are largely returning to normal. What we would expect here in Columbus and Franklin County, Ohio, is about four and a half evictions per 100 renters, which is from the Princeton Matthew Desmond Group that tracks evictions nationally. What we saw was about a two percentage-point decrease during the pandemic, or a little bit more than that at certain times of the pandemic.

And now, I think what I see, both because of the rate going back to where it was and the amount of rent owed by tenants today versus what was owed a year ago, the trends are really going back to what we would expect, which is about a 45- to 60-day delinquency, which results in an eviction, versus during the pandemic, which was maybe six months of delinquency. And so, those delinquencies show me en masse 1,000 or 1,500 evictions per month, scale that we're moving on from what was a backlog or whatever it was considered during the pandemic to some semblance of what it has been since evictions have been tracked. Hazel, I'll let you give your side of this as well.

### **Hazel Remesch:**

Thanks, Dimitri, and thanks, Hal, for inviting me to be here this afternoon. Just for a little bit of level setting, I am the managing attorney of the Housing Group at Legal Aid. In 2019, the City of Cleveland was among the first cities in the United States to legislate a right to counsel, and actually the first city in the Midwest, which provides legal representation for tenants who are facing eviction, that are low income and who have a child in the household.

This program was initially funded through a public/private partnership, but as private funds begin to sunset, Cleveland has allocated Emergency Rental Assistance and America Rescue Plan funds to continue to sustain the program. And just again for a level setting, at the Legal Aid Society of Cleveland, we actually do work in Northeast Ohio in a five-county area. So we do work in Cuyahoga, Lake Geauga, Ashtabula, and Lorain County.

Right to Counsel, however, is specific to the City of Cleveland, and that program became effective July 2020. So really a critical time for our communities as we were in the very early stages of the pandemic. And as part of the program, we had an independent evaluation completed. And it's an ongoing evaluation. We collect about 200 data points as part of that

evaluation. And what we've seen in the data so far is that because of Right to Counsel, Legal Aid clients are able to prevent an eviction or an involuntary move in 93 percent of the cases where that was the client's goal.

This is incredibly important because Right to Counsel is responsive to an eviction crisis that is disproportionately impacting black- and female-headed households in the City of Cleveland. And we've seen, as Hal mentioned, that throughout the pandemic eviction filings have remained historically low. And that is in part because of the interventions that we're talking about today. We're talking about rent assistance and the CDC order housing evictions throughout the early stages of the pandemic.

But really, it is a combination of rental assistance, legal assistance that has really promoted housing stability over the course of the last two and a half years. And because of Right to Counsel, 83 percent of tenants were able to leverage rent assistance who had that goal. And this is incredibly important also because landlords are able to access rent assistance and stabilize their investments, and tenants have been able to avoid debt over the course of the last two years.

So again, both from our perspective interventions that have truly stabilized households and communities and neighborhoods going forward. And then just as a final point before Right to Counsel, legal representation in Cleveland was about 1 percent, and that's not uncommon throughout the entire country. It's a system that has traditionally been imbalanced. Where most landlords come into court with an attorney, tenants generally do not.

But Right to Counsel has shifted that landscape, and in the last two years, that has shifted to about 20 percent of tenants now are represented by an attorney in court in the City of Cleveland. And as we continue to learn from the evaluation, we're really focusing on targeted community outreach to reach those communities where there are high eviction filings, but low legal representation.

And then just as a final note, we know that preventing the Civil Legal Aid can help tenants avoid negative outcomes. Evictions can lead to homelessness, stress, adverse health outcomes, and a disruption in education and trauma. And so, over the last two years, seeing the increase in both legal assistance, rental assistance, and some of the other interventions we're talking about, we really see that disrupting those negative outcomes. Hal, I hand it back to you.

**Hal Martin:**

Great. Thank you so much, both of you. Now, I'm going to pick up a thread that we laid down here that relates to the broad line trends that I mentioned earlier. But first, I want to get something out on the table that I want to make clear about my research and about some of the other research. The easy thing to track is filings. That's what is most obvious when I look at court systems. It's easiest to pick up on.

But what a lot of you have discussed, particularly you, Hazel, you're thinking about outcomes for tenants. And I'm thinking about the fact that the filing is the middle of the event in some sense. There's some precipitating event that causes a landlord to want to pursue evictions. So the

filing happens. Then there's a number of other steps that happen. I first want to get some level set about what a filing means for a tenant and how that has changed during the pandemic. And so, if I could start, Dimitri, if you might share what is a landlord expecting from filing in a court when they take that step, and then how has that changed during the pandemic from your perspective?

**Dimitri Hatzifotinos:**

Sure thing. Initially, and it's interesting, I just gave a seminar on this to a client yesterday, I always talk about evictions being a 45-day process, from day one being the day rent is due, to day 45 being the actual court hearing, which is about right. And it's important to understand that a landlord is looking to get the money and not evict someone 99 percent of the time. There are always few exceptions for things that are other than nonpayment of rent, but when we're talking about money based evictions, a landlord will expect the rent to be paid by the fifth of the month, probably provide a notice to leave the premises between the sixth and the 10th of the month, and probably wait until the 15th to the 25th of the month to file that eviction.

What that eviction filing means from the landlord's perspective is really just another step in the process to try to get someone to pay. And what we find is that there are three buckets of residents that end up going through the eviction process. One bucket is a resident that's been communicative, that is working with a landlord to try to get payments, and that person's issue is likely resolved with some assistance nowadays or with a payment of money before COVID.

Second bucket is someone who hasn't come to us with the landlord to try to work out a payment plan, who gets the court process, that court filing, and sees it and says, "Oh, wow. I need to do something." And ends up in court. And usually, that is worked out either with assistance these days or some payment plan. And that third group of residents are people that just do not avail themselves of any process, and that ultimately results in eviction.

Nowadays, we see that almost 100 percent of people that are physically present in court are worked out with an agreement to avoid an eviction. So when the eviction is filed, the people that are showing up are not going to an eviction judgment and a set out and having that bad result. And in Columbus, Ohio, there's a way to anonymize the filing of the eviction if the eviction doesn't go through. So those people that are showing up are getting the possibility of also not having it "on their record," which is something that has become ever more important to a tenant who's had an eviction filed against them.

**Hal Martin:**

And you mentioned that they're almost all at this point receiving some sort of workout arrangement. How does that compare to where things were before the pandemic and what are the factors that are contributing to that?

**Dimitri Hatzifotinos:**

Well, certainly the availability of assistance is the overlying number-one factor in working things out today that is beneficial to landlords and tenants. From my experience before the pandemic, a workout was typically a payment plan. I would probably say 75 percent of the time was a payment plan, and it still is today. However, that percentage has gone up to like 95 percent of payment plans, because in Columbus, while we have attorneys that are advocating for tenants, from my perspective, they're secondary. We have four organizations now that are present in our court whose job it is to do nothing but fund rental assistance from ERA money, ERA 2 dollars from the federal government.

These four organizations have people there that are literally processing tenants and getting the rent paid within two weeks to the landlord. And we have a process now in Columbus where we're trying to create an even earlier process to try to prevent evictions from being filed, either with ERA rental assistance or with some kind of an evergreen fund that's established locally after rental assistance from the federal government goes away. So that's the primary reason why I think evictions have different outcomes right now than perhaps they would've before the pandemic.

**Hal Martin:**

Thanks so much. Hazel, I want to turn to you and see, can you give us some context? Are things working similarly in Cleveland? Is there different contexts that gives us different outcomes? And maybe you can give us some insights too into how your organization and Right to Counsel plays into that.

**Hazel Remesch:**

Yeah. Well, I think first, Hal, to respond to the initial question that you had, which was what does an eviction mean from both the landlord and the tenant perspective? Traditionally, an eviction is something that is traumatic, that leads to a lot of stress, a lot of mental health consequences. It can cause a lot of disruption, even just the filing. So whether or not whatever the outcome of that case is, the filing in and of itself is something that will prevent a tenant from getting future housing and it can cause a lot of disruption.

So I just want to start off there in terms of our perspective. It is a process that traditionally, as Dimitri just alluded to, is speedy in nature and generally not, depending on what jurisdiction you're in, not a lot of dignity that goes with that process, which is I think where it's really critical, where Civil Legal Aid plays a role in bringing dignity to that process. Even in jurisdictions such as Columbus and in Cleveland where there is a process to seal the eviction record, that does not mean that that record does not end up on somebody's credit report, for example.

And so, it might, on a very surface level, create where you're clouding it or maybe a landlord won't find that judgment or won't realize that there was an eviction filing at some level, but it might still continue to prevent that person's ability to participate in our economy, in our neighborhoods, and in their ability to earn going forward. We are seeing that a lot of cases are

being—that we can avoid eviction and or displacement. Like I said, our data shows that in about 93 percent of the cases where that was the client’s goal, that was achieved.

One thing to keep in mind though is that depending on the jurisdiction that you’re in, Cleveland in particular, we’re seeing that a lot of tenants are showing up to court with a non-pay, no-right cases. And that was the case before the pandemic for sure. But we’re also seeing that there’s conditions cases that are coming through. About 80 percent of the cases we’re seeing, the tenant reports that they have some sort of condition in their unit, whether it’s mold, lead, an infestation, something that is attributing to the nonpayment. So it’s not a straight-cut nonpayment of rent case. There are other complicated factors that tenants are presenting in court with. And this was true before the pandemic, but we have a lot more information and data now that supports that theory.

**Hal Martin:**

And that information, is that part of what’s coming through from your evaluation of Right to Counsel? Is that where the sample is coming from, that you more about the conditions that people are coming to eviction courts with?

**Hazel Remesch:**

Yeah, it’s a combination of the evaluation, which the link is on the chat, and we’ll be releasing a new evaluation early next year. But then also, just over the course of the last two years, being more out in the community because we’ve increased the number of tenants that we’re interacting with. And so, we have a better sense of what is happening in the neighborhoods.

**Hal Martin:**

Sure. It sounds like a couple of conversations are really coming together in court. One of them is a conversation between landlords and tenants about the condition of the unit, and I don’t want to say bargaining, but essentially negotiating and determining the course of action to cure any defects with the unit. It could be curing a backlog of rent for the tenant. Hovering over all of this is that we have \$48 billion of rental assistance funds that came available from the federal government starting in 2021.

Dimitri, you refer to that as ERA 2. That’s the second tranche of the Emergency Rental Assistance Fund that came from the federal government. Thinking about the difference that has made, Dimitri said many more people are seeing workouts and payment arrangements. That’s coming with those dollars attached to it, I presume. That’s those four organizations that you’re referring to in Columbus. What’s the trajectory of that program from your perspectives in your markets? Is it well funded right now? When does that money expire and what do you expect to happen as we move forward from the era where that money became available? And let’s start with you, Dimitri.

**Dimitri Hatzifotinos:**



Sure. Well, certainly from the administrative standpoint, there have been a lot of logistical issues in getting that money out. And so, especially last year, it was incredibly cumbersome to get funded. And so, there was an incredible backlog of funding and we saw landlords just refuse to take the funding at the beginning of this year. I think this summer, people learned from that experience and the funding has become much more streamlined. And policy participants in Columbus at least are aware of the fact that this is really, from our perspective, the one main way to reduce the rate of eviction filings, because evictions, their outcome is a social issue, but their inception is an economic issue.

And so, the way to create a lower rate of default on a contract or with a tendency is to create more rental assistance earlier. And so, in Columbus now and around this area, we have different groups and organizations working together to streamline payment processing, which is a really big issue, or was a really big issue, how people are getting paid, streamline the way that W-9s and other just perfunctory things are getting from landlord to assistance agency to compliance department.

Those dollars, there was an article in the *Columbus Dispatch* yesterday actually, that we've used I think \$538 million around here of a potential billion that was allocated to Ohio. So there's still a lot of money out there. We lost ERA dollars, we didn't lose them, but they were no longer available at the end of September. So there was some funding that went away. There's a ton of ERA 2 money now that's still available, I believe, until sometime next year, although it could be the end of next year. So I think that right now the transition is get as efficient as possible, get the money out as quickly as possible, and then try to figure out how to fund this in the future because these systems are now in place without the ERA 2 money. And that's where we are, at least around here.

**Hal Martin:**

Sure. Hazel, what's your perspective on Cleveland. Is it a similar situation?

**Hazel Remesch:**

Yeah, I think we're pretty similarly situated. We have been really effective at getting rent assistance out, although in the beginning, just like Columbus, it was burdensome and it continues to be somewhat burdensome, which I think having legal support in the very early stages of the pandemic, the role of the attorney shifted into making sure that people had access, that they were able to benefit from the partnerships that we had built and that rent assistance was getting into the landlord's hands.

And that now has shifted to, yes, we have figured out the system, but making sure that whether or not that's sustainable, I think that that's a question going forward and definitely a concern. The other thing I will say is that I think it's one of the few times that landlord and tenant advocates will agree that we want the rent assistance to continue to be available because it is really an instrumental intervention that can stabilize both the landlord and the tenant going forward. We are in a stage right now of a really heavy push of trying to get rent assistance out

and share some concern around what is going to happen in the first quarter of next year when that has decreased.

**Hal Martin:**

Let me stay with you for just a second because you mentioned you're in a heavy push. What's entailed in that push to get the rental assistance out? Why isn't it flowing smoothly at this point?

**Hazel Remesch:**

My understanding is it's some of the reallocated funds and trying to get those out. We have done a really good job of getting out the funds that were available earlier on. So it's just trying to make sure that we don't lose out on the reallocation.

**Hal Martin:**

Sure. And one thing Dimitri mentioned that I wanted to see if this echoes your experience, the idea that landlords don't necessarily accept the rental payments. Is that an issue in Cleveland at this point? Has it been an issue in the past?

**Hazel Remesch:**

It definitely has been an issue. Some of it comes down from in the early stages of the pandemic, landlords really didn't have a lot of faith in the system. They didn't really have a lot of faith that they were going to have rent available to them and that the process was taking so long that they became anxious and weary of that process. We continue to see some of that still, especially as the pandemic has lingered and debts continue to increase.

But again, this is where having an attorney really makes a difference on both sides because we can negotiate, we can push those applications forward, we can get the landlord and the tenant to the table and use some of those resources that are available. So we are seeing it still, and I think as the pandemic wears on and landlords are worried that rent assistance is going to run out, we're going to continue to see that going forward.

**Hal Martin:**

Sure thing. One question I want to put to both of you again, I'm thinking about the rental assistance is one of the big policy responses that we've seen during the pandemic. Are there other things that you feel that we've learned from the pandemic era that would service us well as we go forward into a new normal, that we might not have learned without the variety of policies that have been tried out? Hazel, I'm going to start with you this time, if that's all right.

**Hazel Remesch:**

Yeah, I definitely think all of the interventions that we've seen in place over the last two years, whether it's pre-eviction filing type of interventions, post-eviction filing, sealing of the records,

obviously rent assistance and how critical that is in ensuring people's ability to participate in their economy, in their neighborhoods, in their communities, to be able to go to work, to be able to get their kids to school, all of those, that has been such a critical intervention and really unprecedented.

I'm hoping that we will continue to build and sustain on some of those eviction system reforms. And then obviously Right to Counsel, many jurisdictions have launched Right to Counsel programs and are using ERPA and ERA funds to do that. So making sure that that is sustainable going forward so that when folks are facing eviction or housing instability and really the last of their most basic need, that they're not doing that and navigating that alone because the legal system isn't meant to be navigated alone. It's not designed that way. So I would say those are some of the interventions that we've seen that we have a really tangible data right now around those interventions.

**Hal Martin:**

Thank you. Dimitri, what would you pick up and carry forward if you were a policy maker thinking about beyond rental assistance you've made an effective case that you favor that? What other lessons would you want to have learned as a policymaker thinking about keeping this space stable?

**Dimitri Hatzifotinos:**

Well, it's interesting. Certainly, I would say that policies became very strict to try to prevent evictions during the pandemic. And now, for the first time since I've been doing this in 20 years, there seems to be a collaboration between local government, local courts, landlords, and tenants even, to try to streamline whatever is out there. So mediation has become a much-earlier-in-the-process idea. Code enforcements involvement with a tenant and a landlord has become earlier in the process in my experience.

The city and the courts, at least at the municipal level in Columbus, are gathering together and coming up with ideas. For example, we are about ready to fund what's called a court navigator, sort of like an airport information desk for eviction court in Columbus, which I have been an advocate of for a long time because I think that Hazel and I can disagree a little bit about whether it's necessary to have legal representation for everybody, but what I will say for sure is that having someone who's a neutral out there that can give anybody, landlord or tenant, information about the process makes it much less anxiety-causing for that person and allows them to participate to try to not get evicted in a much more meaningful way.

Our two questions to a tenant when they're not represented by an attorney are, number one, do you still want to live there? And number two, are you able to make payment? Those are not legal questions. Those are practical questions. And the earlier we can get the parties together to answer those practical questions from a policy perspective, the better off everyone is in the process.

**Hal Martin:**

No, that's really interesting. Hazel, I want to invite you to give some perspective on those two questions actually, because I think you probably deal with tenants who are facing those questions all the time. Do you have any insights about what people are facing when they can't make that payment, or what is it that their outcomes are that are desired that you're helping them navigate to when they're facing an eviction case?

**Hazel Remesch:**

Yeah, it's interesting because those two questions we actually also ask of our clients. We want to know what our clients' goals are. Do they want to stay in that unit and do they have the ability to pay going forward? And the data has actually been surprising when you ask folks about whether they want to stay. A lot of times, their answer is guided in part by whether or not there are conditions in that unit. What is their relationship with the landlord like?

And while I agree with Dimitri in some respects, that that is a practical answer or that is a practical question requiring a practical answer, I do think that it's the role of the attorney to guide and to provide context for how to answer that question. So a tenant might say, "No, I don't want to stay there because there's mold in my unit." Well, can we remedy the mold? "If we can remedy the mold, would you then be willing to stay?" And that's not a practical question, that is a question that might require a legal intervention in order to get to that answer.

So I think that those two questions, while simple and I agree we ask them also, are much more complicated and have a different impact on people depending on the information that they are given. Oftentimes, tenants show up in court and they don't have faith in the system. They are disenfranchised, they don't trust that even showing up in court it's going to make a difference. And so, having an advocate by their side can make that difference and can give them the information and the counsel to then get to that answer.

And then I'll say that the other interesting thing is that we have seen a lot of tenants actually come and say, "Yes, maybe I don't have the rent right now, but here's my plan to pay it going forward." And so, that intervention and how you maneuver the current crisis and then the plan going forward is very critical as well. So I agree, practical questions, practical answers, but you need the context to go with it.

**Hal Martin:**

It's interesting to hear these issues are bubbling up in one of two places. It's either bubbling up in court after the eviction filing has occurred, or as Dimitri mentioned, in some cases the pipeline has changed a bit, so there's more mediation going on in advance of an eviction filing and more potential remedy before you get to that stage is at least on the table, at least available, is what I'm hearing has changed during the pandemic, as some of the institutions that are responsible for managing this segment of the market have figured out how to coordinate effectively. I appreciate that are both part of that system that helps the market work.

I want to turn to thinking about the—we've heard some issues about tenants facing defects in their units. One of the threads that I picked up on early in my work in this space was the idea that

not only are landlords maybe not accepting rental assistance when it rolled out at first, but tenants had some reluctance to participate at various stages. And I think, Dimitri, you alluded to this idea that there are tenants who maybe don't show up in court. Hazel, you gave some sense that tenants are maybe suspicious or have lost faith to some extent in the system.

I'm wondering if you can comment on where tenants are now and where they're coming from in a broad sense about participating in this conversation that often winds up in court, but something has gone wrong in their rental career and it needs to be resolved somehow. What are all of the interventions that we've seen and experienced during COVID, have those changed the way that people are looking at that, given that they've had more outreach and more experience now with the system? What's your take on that? I'll throw that open to anyone who wants to comment.  
Dimitri.

**Dimitri Hatzifotinos:**

Sure. Well, I'll say first and foremost, from the landlord's perspective, making sure a tenant can continue to pay after assistance has become a much bigger issue than it was. We have seen some people in the process get assistance three or four times since November of 2021, for example. And so, there is now a concern that didn't used to exist that is, "Well, are you employed and is there a future ability to pay?" And I think that most tenants are at that point, where they are using this as, what I've begun to call it, which is gap funding.

I'm hopeful that as this continues to translate into enough an evergreen program to try to prevent evictions, what policymakers are saying and what tenants are hearing is, "Hey, this is just a little bit of seed money to help bridge a gap where you have something happen that was not within your control, a health issue or a car issue or a temporary loss of employment or whatever, that gets you right back on track."

Before the pandemic, from the landlord's perspective, we would often talk about trying to catch paychecks. A lot of times the tenants that are in that heat map that are getting evicted are not very, very low income and they're not very, very high income. They're moderate and they have something that happens that affects a paycheck and that creates a situation where, if they just had one more paycheck in the process before they had more bills due, they'd be fine. But they've got to figure out how to get there.

And then there's so many fees being assessed by the landlord or the utility company, whoever they owe that they just can't ever get caught up. So we're hoping that tenants are now getting a new advertisement, I guess I'll say, which is participate in this temporary program to get back to even and then move forward and get ahead.

**Hal Martin:**

Sure. No, that makes sense. Hazel, are you seeing that the tenants have socialized and understand now the aid that's available to them and that that's changed in the process of experiencing some sort of disruption in rent payment or some sort of disagreement that ends up in court?

**Hazel Remesch:**

Yeah. One of the things we do with the Right to Counsel is we put an insert into every summons that tells people, “You might be entitled to an attorney, call Legal Aid.” And then if folks don’t reach out to us before their eviction hearing, we have people on the actual court docket that will screen them and will make a determination of whether they’re eligible for legal representation. And so as part of that, we ask questions like, “Well, why didn’t you call us ahead of time? What could we have done to communicate better? And were you aware of rent assistance?”

And so, we see a high awareness of rent assistance coming through, but where people are in the process varies. Yes, they might be aware of it, they submitted an application, but they have no general ideas to where their application is in the process. So we see that there has been an increase over time, both of people who are aware about Right to Counsel. Rent assistance has traditionally been up there for quite some time now.

So that awareness is there. That education I think has got into people, and now it’s just a matter of—from our perspective, it’s shifting the dialogues around so they know it’s available. What are their goals? Is the goal to get rent assistance or is the goal to move and have that softer landing? And so, talking through that and of putting dignity back in that process has been part of the goal of Right to Counsel as well. But we definitely know that there is an awareness of rent assistance and that has increased over the last two years.

**Hal Martin:**

Thank you. I’m going to put one other economic factor back into the conversation, which is the third finding from my report. It’s about the rent price increases that we’ve seen over the last year or so. It’s been pretty dramatic across the country. I’m wondering if either of you have comment on how rental prices increasing has impacted people who are facing housing instability. Is it something that you’re seeing in each of your respective works? And Hazel, if we can turn to you first.

**Hazel Remesch:**

We are seeing an increase in rents. I think over the course of the pandemic, what we’ve also seen is less units that are available, whereas before, if we were to negotiate a move out with 30 days or 40 days, that was substantial enough to get somebody into a new unit and avoid that disruption that happens from the eviction. And that is no longer the case. Thirty days to move is not a lot of time for tenants who are facing eviction. So we’ve seen both an increase and less units that are available to our client community.

**Hal Martin:**

No, that’s helpful. And I think as an economist, I would say that both of those facts are consistent with the idea that a tight rental market would manifest in a couple of ways. You’d see rents rising, you also might see lower vacancy rates and tighter availability, which I think, again, most people across the country can commiserate about, whether it’s housing prices or the bleed

over that it experiences in the rental market where you see rent prices going up as well. Dimitri, do you have thoughts on this?

**Dimitri Hatzifotinos:**

Yeah, I do. First and foremost, I will say that I think that rent pricing is just a product of inflation and everything. There's an interesting publication by the National Apartment Association that talks about what every dollar of rent is used for and they break it down into taxes and the cost of maintenance and things like that. And it comes out to about 10 percent of a dollar is probably what a landlord could see as a return, give or take, after that dollar is spent in the multifamily markets at a mass scale.

So definitely rent increases have resulted because of inflation. From my point of view, at least in Franklin County, Ohio, the eviction rate has stayed stable since the 1970s, and we haven't gone past where we were. We're 1,200 to 1,300 evictions a month in this county, which is where we've been since 1978, except for the years of the pandemic when it went down. So from my point of view, the correlation is more numbers of renters increasing than it is prices increasing because, as you both just mentioned, your occupancy rates have gotten way better.

And so, you have more renters and you also have a lot more multifamily that has been built and that is being built because it seems to be the most efficient way to get the density that we need, at least around here because there's so much demand for housing. And so, for every bit of multifamily you get, you're going to have more renters. And when you have more renters and you don't have any vacancy, because you have more renters, you will have some percentage of default. It happens. There's no way that that doesn't happen at all in any business, not just this business. And so, ultimately, there will be more evictions, but the rates of eviction would stay constant. That would be my thought.

**Hal Martin:**

Sure. No, that's a helpful complimentary perspective. I will point out that the study I conducted is very short term, meaning that I'm seeing short term increases in eviction rates in response to immediate recent increases in rent. So that relationship seems to hold pretty well in the short term. And I think it's consistent with what we might expect economically in the sense that if rental markets are tightening, that landlords who are evaluating their options, "Do I have someone who's going to be a going concern or not?" They have some increased confidence that they would be able to replace a tenant if their rental market is experiencing rent increases and if the rental market is relatively tight. That is the story that would be consistent with the correlation that I find. Any strong notes to give me a sense that that's the incorrect way to interpret that?

**Dimitri Hatzifotinos:**

Well, from my point of view, eviction filings are not an appropriate measure of economic correlation because the filing itself is just another tick in the process. And I think the most important thing that I've personally taken away from the pandemic in the context of landlord and

tenant is that a landlord needs to be able to give the tenant direct information about assistance as early as possible.

At the beginning of the pandemic, we saw eight organizations who do not typically administer money en masse try to do that and not do it very well. For example, a bank may be a better place to do that because that's what they do for a living. And now, what that's resulted in is landlords in Columbus at least literally taking assistance links, sending them to their tenants, telling their tenants to fill out this form and then the landlord filling out the form for the tenant and then getting assistance. And so, if that would happen regardless of the amount of the rent, it would reduce filings and the outcome would be that tenants don't get displaced, which is I think what everyone's end result should be for both sides.

**Hal Martin:**

Sure. No, and that's very helpful context in terms of how the program has worked and worked effectively. It's interesting to think about the landlord being one of the sources of social support information, the natural one you might think of going to if you aren't going to make any other stops along the way. That's certainly where the information about the need to pay a rent is coming from. So I appreciate hearing the landlords, in your experience, are on board with communicating about that.

I'm going to turn to a couple of audience questions that have come in here. I think the first one is probably actually for me. It is when the Eviction Moratorium was lifted last year, was there an initial surge in evictions? I'm going to comment on that from two perspectives. With respect to the CDC Moratorium, I will say in the data that that was a national lift, meaning it fell away all at once in all the places that it was in place. We did not see anything that was a strong increase.

I did have research in 2020 that looked at the lifting of the Local Moratoria, which were the initial responses. And we did see in that case, after a period of two or three months of an eviction moratoria that's local, we would see a bump in filings of something between 25 and 50 percent. I'm using round figures. The reports online, one can get precise figures from that. That lasted for just a couple of weeks in most cases. And then eviction filings settled down quickly after that.

So the surge that one might have expected, it was very short in duration. And then the second part is during the moratorium, how did landlords and management companies compensate for lost revenue? That's perhaps a question most naturally to Dimitri. Do you have any comment on that? During the moratorium, essentially during the period where they were restrictions on eviction filings and landlords couldn't affect evictions.

**Dimitri Hatzifotinos:**

Well, certainly some of them didn't. The rental assistance programs were a great help at some point. A lot of our smaller operators, people that have 300 or 400 units suffered. They were unable to pay mortgages. We saw some of that. People in the multifamily context that had 5,000 or 10,000 units had the liquidity to get around that. The good news from an economic perspective is that rates were still really low. And so, there were ways to finance out of



difficulties, even though there was less immediate revenue and there were a lot of people relying on rental assistance.

In the summer of 2020, we saw people having upwards of \$120,000 or \$230,000 in rental assistance owed from these agencies. And it wasn't that they were worried that they weren't going to get paid, it was that they couldn't pay their mortgage because they weren't getting paid. And some of that was happening. So certainly, the size mattered in terms of the level of liquidity for landlords, and there were people that definitely got hurt from it.

**Hal Martin:**

Sure. No, and that's a helpful perspective. And keep in mind that the problem of a crisis like this, it's going to show up someplace on somebody's balance sheet. And so, to the extent that renters are protected, it's not a surprise that we had operators who were struggling at that time. That's helpful. The second question, and I have a perspective that might help with this, but I'd like to see if either of you have any, to what extent do zoning restrictions and rising borrowing costs impact this issue?

And so, there's two separate pieces there. Right now, we're going through a period where interest rates are rising, and so borrowing costs are going up. Does that have any impact as we think about beyond perhaps the inflation connection that Dimitri mentioned? Any impact on landlords or tenants as they're thinking about what's going on going forward?

**Dimitri Hatzifotinos:**

Well, certainly from the landlord's perspective, zoning restrictions have become a very difficult item with respect to cost. I think before the pandemic, and I'm certainly not a finance cost analyst, so this is me spit-balling off the top of my head, but price cost was \$150 a foot, and now it's \$250 or more. And not being able to build a density that you could build absent those zoning restrictions is a huge effect on the ability to put that product out. And so, what I think will happen now, because financing costs have also gone up, is that we'll have a lot less building and unfortunately with less built, there's more scarcity, which means prices continue to rise. That's what I would expect.

**Hal Martin:**

Sure. No, thanks for that. Hazel, do you have anything that you want to add on that question?

**Hazel Remesch:**

No, I would agree in that I think what we're seeing with tenants is that a lack of affordability is going to be the biggest burden that they have to carry.

**Hal Martin:**

Understood. No, thank you for that. I'm going to take one more question here. What are the trends in the number of people? This is relating to people who are taking rental assistance and thinking about the outcomes. And so, there's some curiosity about what happens to people who experience eviction, who is ending up homeless, what are the costs associated with that? Thinking about the more dire implications of eviction, just give a sense of how eviction rental assistance has changed the picture for those particular tenants who maybe are facing more dire outcomes. Hazel, if you could answer that.

**Hazel Remesch:**

Yeah, I can comment on some of the second part of that. Part of the study that we released last year looked at the fiscal impact of Cleveland's Right to Counsel, and it was estimated that approximately there was a cost savings of approximately \$4.3 million to \$4.7 million. And that was looking at things like healthcare savings, avoided foster care placements, and just general safety nets, and also a preservation of residency in the City of Cleveland.

It's estimated that that was somewhat of a low figure because we're still looking at things like shelter usage and some of those larger safety nets that folks tend to gravitate towards. So data shows that there is a return on investment, that there is a cost savings to both the city and the county as a result of investing in Right to Counsel. So I think that was going to be my comment with regards to that question.

**Hal Martin:**

No, that's very helpful. Thank you. We're coming close to the end of our program. I just wanted to give each of you a chance to share anything that you feel that policymakers ought to know, that the broader audience would like to know. Anything that you think are lessons learned from the entire episode of going through COVID and having these new programs, but also from your experience. What would you like to have the audience know going forward? And Dimitri, if I can start with you. You're on mute.

**Dimitri Hatzifotinos:**

Sorry. Anything at the local level that anyone in a policy context can do to bring landlords and tenants together as quickly as possible at the time a tenant potentially is going to default on the payment of rent is money well spent, compared to any policy initiative in my experience that is trying to assist a tenant after an eviction is filed or prohibit a landlord from doing something legislatively. Our resources are definitely best spent getting aid money to people so that they never show up in eviction court ever. That would be what I would say is the most effective means of reducing this and making it better.

**Hal Martin:**

That's a helpful perspective. Thank you, Dimitri. Hazel, do you have any last thoughts?

**Hazel Remesch:**

Yeah, I actually agree with Dimitri there. I also think that looking at our system, our eviction system in particular and what reforms have happened over the course of the last two years is critical for us to learn going forward. When I'm thinking about evictions and the speedy nature of them and things like pay-to-stay ordinances and source of income protection, some of the other initiatives that I think have garnered some support because of the pandemic are critical as we begin to think about reform.

And then just to continue to build on what we've learned over the course of the last two years and that this emphasis on housing and how critical it is, I was really critical when there were stay-at-home orders and everybody had to stay at home. But really, it's not just about that. It's really at the crux and at the basic level, the most basic need for folks. So I agree with Dimitri that the earlier, the better, but then also making sure that there are systems in place for when and if an eviction is filed.

**Hal Martin:**

I want to thank both of you for joining me today. This has been a really informative conversation. It builds on work that we did about a year ago. There's [another FedTalk from October of 2021](#), if anyone in the audience is curious, where we were at the time and what we were learning at the time. I think those lessons are really relevant as well. Dimitri was with us at that time, of course. And Hazel, your colleague, Abigail Staudt, was with us at the time.

Today's program will be available through a link and a follow-up email will be sent for anyone who wants to review it. A recording will also be posted online. We thank you so much as an audience for joining us today, and if you're viewing us in the future, thanks for watching. I want to say have a good day, everyone.