



OPENING THE DOOR ON CHICAGO EVICTIONS

Most families forced out for
less than \$2,500 back rent

Chicago natives TJ, 43, his wife and two teenage sons moved to Regents Park, a professionally managed high-rise building in Hyde Park, to be close to the Level 1 public high school Kenwood Academy, where one child is enrolled.

He works in admissions at a university downtown, and she works for a cybersecurity company. The rent for their 1,000-square-foot, two-bedroom apartment was \$1,750 plus an “amenities fee” that covered all utilities of \$150 a month. “It was a tight, shoestring budget,” TJ says. “But we knew we could make it work.”

But TJ and his family fell behind on rent after his wife’s insurance company denied what they expected to be a routine short-term disability claim for partial-knee replacement surgery. They received an eviction notice from building management in November 2018 and found themselves in eviction court.

A legal aid organization referred the family to Lawyers’ Committee for Better Housing, which screened them for eligibility in an Eviction Diversion Program, EDP, a pilot created in September of 2018 to help renters in eviction court with short-term rental assistance.

The in-court pilot program creates a process to provide parties in eviction court access to State Homeless Prevention funds up to \$2,500. TJ’s family qualified and payment was made in December directly to the landlord on behalf of the family to pay off the back rent. That allowed them to stay in their home instead of apartment hunting at the holidays, or worse.

“It’s been scary,” TJ says. “Although we are middle-class and white-collar, we are like a lot of people out there – practically no savings, a little 401k. When you think of the potential of someone going homeless, we are not necessarily what you see.”

This is the second of three reports that are available along with eviction data by community area and aldermanic ward on the Chicago Evictions data portal at <http://eviction.lcbh.org>.



Lawyers' Committee
for Better Housing

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Photo by Erick Johnson, courtesy of
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WHAT THE DATA SHOW

EVICTIION AND BACK RENT

Eighty-two percent of eviction cases filed between 2010 and 2017 made claims for back rent, supporting the common belief that most evictions are for non-payment of rent. During the same time, Chicago saw an average of more than 23,000 eviction cases filed each year.

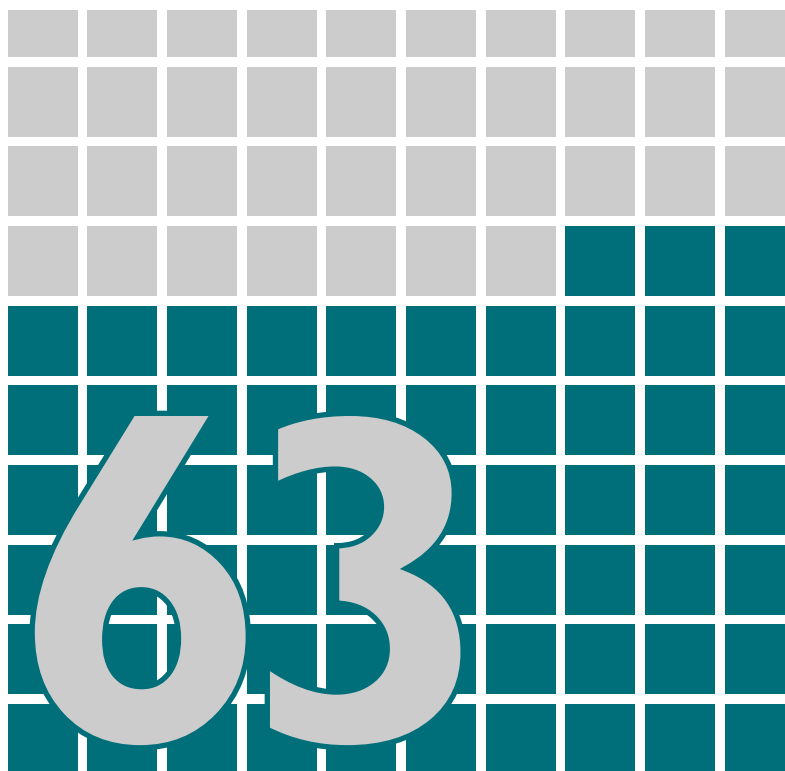
Almost two thirds of the eviction cases claiming back rent were for relatively small amounts of money. In 18% of those cases, the amount owed was less than \$1,000, and an additional 44% were for less than \$2,500.

Eviction case filings do not distinguish between tenants who could not pay their rent and those who legally withheld their rent (for repairs or other allowed reasons). This distinction may only come to light if tenants are able to assert their rights in court.

The remaining 18% of cases filed were for eviction only and did not make claims for back rent. Eviction only cases are normally filed for non-rent related reasons, such as alleged lease infractions or that tenants stayed beyond the end of their lease term, though some landlords who are owed back rent forego their claim and choose to sue for eviction only.

Unfortunately, online court records don't provide the specific reason for the eviction filing. Beyond the existence of a rent claim or not, the court data provide little help for a deeper look into the reasons for eviction.

Analysis is based on Lawyers' Committee for Better Housing's (LCBH) review of Chicago residential eviction court records on cases filed during the calendar years of 2010-2017 with the Circuit Court of Cook County. The data, along with additional analysis and methods, can be accessed on the Chicago Evictions data portal at <http://eviction.lcbh.org>.



63 out of 100 eviction cases claiming back rent were for less than \$2,500.

DISCUSSION

INABILITY TO PAY RENT

A key finding of the National Law Center on Homelessness and Poverty report, *Protect Tenants, Prevent Homelessness*, is that because there are too few affordable housing units for the people who need them, too many low-income renters are cost-burdened and sometimes unable to pay their rent. With little income for other necessities like food, medicine, child care, and transportation, cost-burdened renters are left with no financial cushion against emergencies or sudden interruptions in income from job loss, divorce, or other destabilizing life events.¹ When those unexpected hardships occur, cost-burdened tenants often have no choice but to prioritize other essential expenses above rent payment.

The Federal Reserve's *Report on the Economic Well-Being of U.S. Households in 2017* finds four in 10 adults, if faced with an unexpected expense of \$400, would either not be able to cover it or would cover it by selling something or borrowing money. The report also finds that over one-fifth of adults are not able to pay all of their current month's bills in full.²

Chicago has begun to address low and stagnant wages that leave renters cost-burdened. In 2014, the Chicago City Council passed an ordinance to raise the minimum wage incrementally for Chicago workers to \$13 per hour by 2019. Eviction filing rates have declined in the last few years, partly due to the decrease in evictions related to the foreclosure crisis, but some of the decrease, one hopes, can be attributed to the minimum wage increase. More research is needed.

COSTS OF EVICTION, BENEFITS OF PREVENTION

The effects of being evicted go far beyond simply losing an apartment. The displacement and instability caused by the eviction process can, among other things, exacerbate physical and mental health issues, disrupt children's educations, impact job performance, and ultimately lead to illness, unemployment, and homelessness.

Among the worst of those consequences is homelessness. As the *Protect Tenants, Prevent Homelessness* report states, "Evictions, whether through formal court proceedings or other methods of involuntary displacement from housing, are a direct cause of homelessness—either immediately or after social safety networks are exhausted."³

The costs of homelessness are significant. According to a 2010 study from the U.S. Department of Housing and Urban Development (HUD), the average monthly homeless system cost for the first-time homeless (not people who are chronically homeless) was between \$1,634 and \$2,308 for a one-person household and between \$3,184 and \$17,962 for family households.⁴ Homelessness intervention programs are typically more expensive than rent alone: "In almost all cases, the costs associated with providing housing for individuals and families who are homeless within a program exceeds the Fair Market Rent cost of providing rental assistance without supportive services," the report states.⁵

Non-monetary costs of eviction can be harder to quantify, but are often devastating, especially for children. Matthew Desmond, author of the Pulitzer Prize-winning book *Evicted: Poverty and Profit in the American City*, has documented many of the hardships caused by eviction. In three separate reports Desmond notes:

- Evicted mothers and their children were more likely to suffer from health problems,⁶
- Eviction often leads to homelessness and high rates of residential mobility, which in turn can damage a child's school performance,⁷ and

- Low-wage workers who involuntarily lost their housing were much more likely subsequently to lose their jobs.⁸

Conversely, the positive impact of interventions that allow people to stay in their homes or provide adequate time to find new ones has begun to receive attention. In 2016, economists at the University of Notre Dame used gaps in Chicago's homeless prevention funding as a "natural experiment," allowing them to compare those who applied when funds were available versus those who applied when funds were not. The study found that those who received a grant to remain housed were 76% less likely to move into a shelter within 6 months than those turned away due to unavailability of funds. They found evidence for positive impact of the assistance up to 2 years later.⁹

State Homeless Prevention programs are not adequately funded even though they are shown to alleviate individual hardship and save taxpayer money.¹⁰ In Chicago, State Homeless Prevention funds run out near the end of each fiscal year, typically leaving a gap of a few months where individuals who would otherwise qualify for those funds cannot access them.

LCBH'S EVICTION DIVERSION PROGRAM

The Eviction Diversion Program (EDP) is a new Continuum of Care¹¹ initiative led by LCBH that helps Chicago tenants in eviction court access State Homeless Prevention funds so that they can remain in their homes or afford to rent new housing. The finding from the data that a majority of eviction cases seek less than \$2,500 in back rent was a key factor in garnering support from the Circuit Court of Cook County for the program.

Tenants experiencing a short-term crisis can receive up to \$2,500 to pay back rent arrears, or to cover security deposit and first month's rent for new apartments. EDP applicants also receive short-term, intensive case management services from LCBH aimed at stabilizing their housing situation, addressing the underlying issues that led to the eviction, and educating tenants on resources they can access to prevent a future housing crisis. Not everyone will qualify – for example, it's a requirement that renters be able to show a stable source of income – but for those who do, the positive impact is immediate and substantial.

While the EDP is currently in the pilot stage of its implementation, it already shows great promise in preventing evictions. Circuit Court of Cook County eviction court judges have been enthusiastic about the program. With sufficient funding, the EDP can continue to serve as a powerful resource for landlords, tenants, and attorneys seeking an alternative to eviction.

RECOMMENDATIONS

- 1. Illinois should increase State Homeless Prevention funding so that renters who are in need of assistance and are eligible can access these funds** through various rental assistance programs, including the Eviction Diversion Program, throughout the entire fiscal year. State Homeless Prevention funds should be directed to the areas with higher eviction filing rates. Chicago should shore-up emergency rental assistance program funding as needed.
- 2. Chicago should allocate more resources to affordable housing than currently envisioned.** According to Chicago's recently adopted five-year housing plan, the citywide deficit in affordable rental units is more than 119,000, yet the plan addresses only a quarter of the need, providing for the production (or preservation) of less than 28,000 units.¹²
- 3. Chicago should ensure that minimum wages align with affordable housing costs.** When planning this report, we intended to recommend that Chicago increase the minimum wage to at least \$15 an hour. That was superseded in February, when Governor J.B. Pritzker signed a law raising the state's minimum wage to \$15 an hour by 2025. Our recommendation now is that Chicago should ensure that minimum wages align with affordable housing costs.
- 4. Illinois should lift the ban on rent control and repeal the Rent Control Preemption Act of 1997.** The law is overly broad and has been used to challenge Chicago's Keep Chicago Renting Ordinance. Honest debate on any form of rent stabilization for Chicago is impossible while this ban exists. LCBH has no position on any specific proposal for Chicago, but does believe it's time to let the people talk.
- 5. Chicago and Illinois should change laws to allow more time** for renters to pay back rent before an eviction can be filed (currently 5 days); to allow renters to stop an eviction by paying back rent even after an eviction filing; and to require greater notice periods for rent increases (currently 30 days).

ENDNOTES

- 1 p.7, Protect Tenants, Prevent Homelessness, National Law Center on Homelessness and Poverty, <https://nlchp.org/wp-content/uploads/2018/10/ProtectTenants2018.pdf>. Accessed 4/8/2019.
- 2 p.3, Report on Economic Well-Being in U.S. Households in 2017, <https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf>, accessed 4/18/19.
- 3 Ibid.
- 4 Abt Associates, *Costs Associated with First-Time Homelessness for Families and Individuals*, 2010 https://www.huduser.gov/publications/pdf/Costs_Homeless.pdf, Accessed 4/20/19
- 5 Ibid., p1.
- 6 Desmond, Matthew, and Rachel Tolbert Kimbro. 2015. "Eviction's Fallout: Housing, Hardship, and Health." *Social Forces*. Oxford University Press. <https://scholar.harvard.edu/mdesmond/publications/eviction%E2%80%99s-fallout-housing-hardship-and-health>. Accessed 4/20/19.
- 7 Desmond, Matthew, Weihua An, Richelle Winkler, and Thomas Ferriss. 2013. "Evicting Children." *Social Forces* 92 (1): 303-327. <https://scholar.harvard.edu/mdesmond/publications/evicting-children-0>. Accessed 4/20/19.
- 8 Desmond, Matthew, and Carl Gershenson. 2016. "Housing and Employment Insecurity among the Working Poor." *Social Problems* 63: 46-67. <https://scholar.harvard.edu/mdesmond/publications/housing-and-employment-insecurity-among-working-poor>.
- 9 Evans, William N., James X. Sullivan, & Melanie Wallskog, *Science*, 12 Aug 2016: Vol. 353, Issue 6300, pp. 694-699, <https://science.sciencemag.org/content/353/6300/694.long>. Accessed 4/20/19.
- 10 According to the Chicago Coalition for the Homeless, the fund helped 109,652 Illinois households through mid-2015. <https://www.chicagohomeless.org/science-homeless-prevention-grants-bit-cash-can-keep-someone-off-streets-two-years/> and <https://www.chicagohomeless.org/programs-campaigns/> For more on state homelessness prevention funds, see , <https://capitolfax.com/2016/08/19/no-state-funding-for-a-program-that-works/> and <https://www.catholiccharities.net/tabid/55/ctl/detail/mid/2525/itemid/953/lack-of-state-funding-jeopardizes-future-of-program-that-prevents-homelessness-.aspx>, all accessed 4/8/19.
- 11 The Chicago Continuum of Care is a membership-based group of more than 80 organizations across the city that is dedicated to preventing and ending homelessness.
- 12 For 119,000 see p. 5; for 28,000, see page. 43, One Chicago: Housing Strategies for a Thriving City Five-Year Housing Plan, 2019-23 https://www.chicago.gov/content/dam/city/depts/dcd/Housing%20Programs/20733_37_5_Year_Plan_Report_final_WEB_C.pdf Accessed 4/23/19.

About Lawyers' Committee for Better Housing

Lawyers' Committee for Better Housing (LCBH) is the only legal aid agency in the Chicago area that advocates solely for renters. LCBH represents low- and moderate-income renters. LCBH prevents wrongful eviction, and combats sub-standard living conditions so renters have a safe and decent place to live. LCBH provides free, comprehensive legal representation so that renters have a trusted advocate in court. LCBH programs holistically address both the short-term housing crisis and its underlying causes by combining legal services with education, outreach, supportive services, and policy initiatives, so families can move from a path to homelessness to one of safe and stable housing.

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