The Potential Impact of COVID-19 Related Evictions in New Jersey

Prepared for: Coalition of Housing Advocates in New Jersey

July 23, 2020

STOUT

Table of Contents

Section I

Executive Summary

1. The economic fallout of COVID-19 has financially strained households throughout the country, including those in New Jersey. As is often the case, the most vulnerable populations are negatively impacted the most and face uncertain circumstances around necessities like housing, healthcare, and education. Stout analyzed publicly available data and estimates that:

   - Approximately 40% (450,000 renter households) of all New Jersey renter households will not be able to pay their rent next month.
   - Approximately 42% of non-White New Jersey renter households compared to 18% of White New Jersey renter households will not be able to pay their rent next month. Approximately 49% of all African American New Jersey renter households will not be able to pay their rent next month, the highest in New Jersey among all ethnicities.
   - The unpaid rent from these households over the past several months is estimated to be approximately $687 million and will only continue to increase due to the economic fallout of COVID-19.
   - New Jersey could experience between 304,000 eviction filings in the coming four months, an estimated 600% increase from pre-COVID-19 levels.[1]
   - Any number of evictions, but especially evictions of this magnitude, can have devastating impacts to renter households, the community, the economy, and state and local government budgets.
   - Nationally, more than 75% of all medium multi-family (25-49 units) and large multi-family (50+ units) buildings have a mortgage. About 60 percent of smaller multi-family property (5-24 units) owners report having mortgage debt and approximately 65 percent of 2-4 unit buildings have a mortgage. Landlords of larger buildings will have greater access to capital and the ability to negotiate forbearance with lenders.
   - Under the CARES Act, landlords with 1-4 unit residential buildings can request mortgage forbearance for 180 days and a subsequent 180 days for a maximum of 360 days. Landlords with residential buildings having 5 or more units can request mortgage forbearance for a maximum of 90 days, in three 30-day increments.
   - Smaller landlords are more likely to have the financial flexibility afforded by not having a mortgage. However, greater risk is posed to smaller landlords (with fewer properties) that have significant mortgage debt (not backed by the federal

[1] Stout's methodology for this calculation can be reviewed in the Appendix starting on page 30.

government) associated with their rental properties. Many private lenders have also offered forbearance or mortgage assistance to mitigate the financial challenges faced by landlords.

- If New Jersey renter households face increased housing instability and eviction, they will rely more heavily on expensive social safety net programs, often paid for in part by state and local governments. These social impacts include but are not limited to:
    - Increased need for homeless shelters and alternative housing programs (e.g., Rapid Re-housing, Permanent Supportive Housing, Transitional Housing);
    - Increased Medicaid spending related to physical and mental health issues as well as likely increases in COVID-19 cases due to overcrowded housing arrangements and overcrowded shelters;
    - Increased need for foster care and child welfare services for children who are experiencing homelessness or housing instability;
    - Further disruption to the education system and children's ability to learn; and
    - Long-term trauma to households, families, children, and communities in New Jersey.

- As the New Jersey Legislature recognizes in N.J.S.A. 2A:18-61.1a., the negative impact of housing instability and eviction is significant and far-reaching. Furthermore, Governor Phillip D. Murphy recognizes the public health risks associated with evictions during the pandemic in Executive Order 106, "removals of residents pursuant to evictions or foreclosure proceedings can increase the risk to those residents contracting COVID-19, which in turn increases the risks to the rest of society and endangers public health."

- Stout estimates that the economic impact of housing instability and evictions in New Jersey is likely to be billions of dollars if immediate action is not taken to provide renters the opportunity to repay unpaid rent and remain in their homes.

Section II

Analysis and Research Findings

Introduction

2. Like the rest of the country, New Jersey is facing a public health crisis and an economic crisis that has resulted in significantly increased expenses to curb COVID-19 and provide relief to people in need and drastically decreased revenues from income, sales, and corporate taxes. This budget imbalance comes at a time when New Jersey's most vulnerable populations are most likely to need assistance from government programs. Also like the rest of the country, New Jersey residents who are Black and Brown are disparately impacted not only by COVID-19 but also by the economic fallout of the virus. Black and Brown communities in New Jersey face one of the largest racial wealth gaps in the country. In New Jersey, the median net worth for a White family is $352,000 while the median net worth of Black and Brown families is $6,100 and $7,300, respectively.[2] This divide impacts Black and Brown families' ability to access proper healthcare and to take precautionary measures.

3. In addition to being victims of systemic and institutionally racist policies, a disproportionate number of low-income Black and Brown New Jerseyans are likely to have "essential" jobs that cannot be done remotely and therefore are at a greater risk of contracting COVID-19. Many Black and Brown New Jerseyans working "essential" jobs are also undocumented immigrants, of whom 91% were worried about being able to pay utilities or other bills, 83% were worried about accessing enough food for their families, and 70% were worried about buying medicine for themselves or their families. New Jersey's undocumented immigrant population has largely not sought healthcare, even during the pandemic, over worries related to immigration enforcement or their immigration status. The deep racial disparities in wealth, access to healthcare, and types of jobs already present before the pandemic now combined with COVID-19 will contribute to severe community and economic instability as well as prolong the generational poverty for Black and Brown households in New Jersey if no action is taken.

Estimated New Jersey Households Experiencing Rental Shortfall and Potentially Facing Eviction

4. Using publicly available data, Stout estimates that 450,000 renter households – approximately 40% of all renter households – throughout New Jersey will be unable to pay their rent next month. Stout estimates that these households will have accumulated unpaid rent of $687 million over the last several months – an amount that will continue to grow as these households face ongoing unemployment and hardship resulting from COVID-19. Based on Stout's methodology detailed in the Appendix, Stout estimates that after the lifting of eviction moratoriums, New Jersey could experience 304,000 eviction filings in the coming four months. By comparison, there are an estimated 150,000 evictions

[2] N.J. Inst. for Social Justice, *Erasing New Jersey's Red Lines* 5 (April 2020), *available at* https://d3n8a8pro7vhmx.cloudfront.net/njisj/pages/689/attachments/original/1588358478/Erasing_New_Jersey's_Red_Lines_Final.pdf?1588358478.

filed in New Jersey each year – approximately 12,500 each month. Before COVID-19, more than 15% of all New Jersey renter households had "extremely low-incomes," meaning that they had incomes of less than 30% of the area median income. Nearly 75% of these extremely low-income renter households were also severely rent-burdened, paying more than 50% of their income toward rent. These dire circumstances for the lowest income New Jersey renters, who are disproportionately Black and Brown, have only been made worse by the pandemic.

Confidence in Ability to Pay Next Month's Rent by Household Income

5. Housing burden (i.e., how much a household pays for housing cost relative to its income) is high for New Jersey renters with 52% of these households paying more than 30% of their household income on rent in 2016.[3] For New Jersey homeowners, housing burden is less, with approximately 33% of homeowner households paying more than 30% of their household income on housing costs.[4] Many of these already financially strained households will be facing additional challenges with paying their housing costs amid the COVID-19 pandemic and its economic repercussions.

6. Stout analyzed New Jersey renter households' confidence in the ability to pay next month's rent by household income using survey data recently published by the U.S. Census Bureau. Unsurprisingly, New Jersey renter households in lower income brackets (i.e., brackets with incomes of $49,999 or lower) have the least confidence in their ability to pay next month's rent. The analyses by renter household income bracket are as follows[5]:

For renter households with incomes of less than $25,000

- Approximately 51% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 33% had moderate confidence in their ability to pay next month's rent
- Approximately 11% had high confidence in their ability to pay next month's rent
- Over the past 8 weeks, the confidence level of renter households in this income bracket has generally decreased

For renter households with incomes between $25,000 and $34,999

- Approximately 39% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 43% had moderate confidence in their ability to pay next month's rent
- Approximately 10% had high confidence in their ability to pay next month's rent
- Over the past 8 weeks, the confidence level of renter households in this income bracket has generally decreased

[3] ALICE Report – New Jersey. United Way. October 18, 2018.
[4] Ibid.
[5] Percentages may not equal 100% due to rounding.

For renter households with incomes of between $35,000 and $49,999

- Approximately 12% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 23% had moderate confidence in their ability to pay next month's rent
- Approximately 66% had high confidence in their ability to pay next month's rent
- Over the past 8 weeks, the confidence level of renter households in this income bracket has generally remained consistent. However, confidence levels between July 15 and July 22 changed unusually. This change should be interpreted with caution until additional weekly data is available

For renter households with incomes of between $50,000 and $74,999

- Approximately 19% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 27% had moderate confidence in their ability to pay next month's rent
- Approximately 54% had high confidence in their ability to pay next month's rent
- Over the past 8 weeks, the confidence level of renter households in this income bracket has generally remained consistent

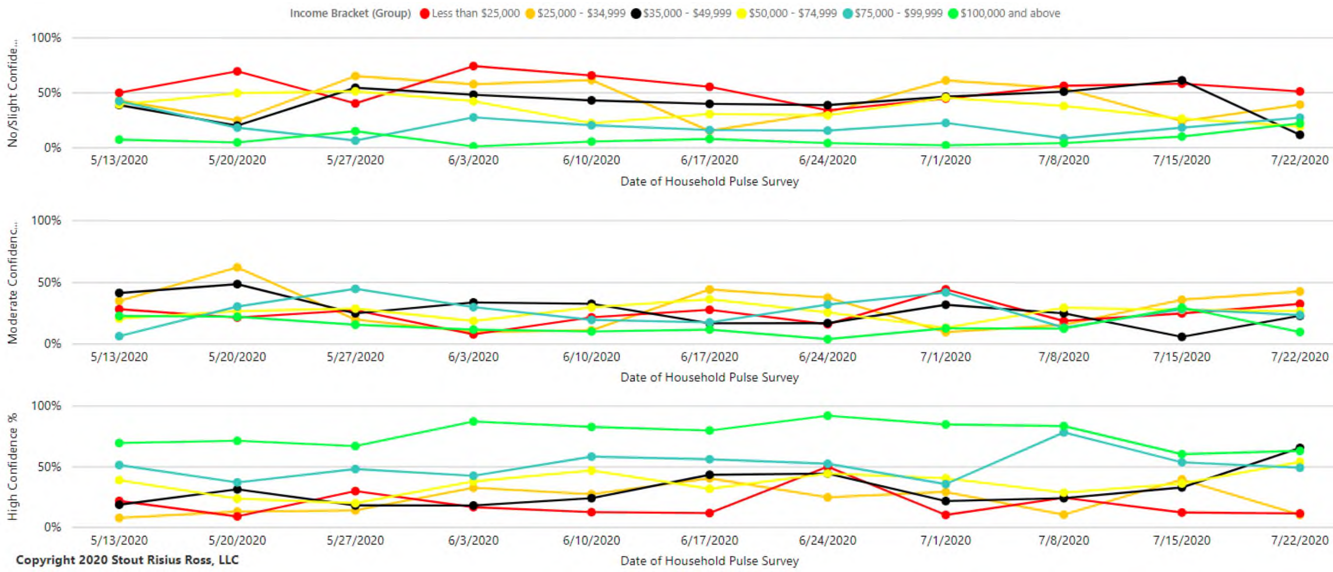
For renter households with incomes of between $75,000 and $99,999

- Approximately 27% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 24% had moderate confidence in their ability to pay next month's rent
- Approximately 49% had high confidence in their ability to pay next month's rent
- Over the past 8 weeks, the confidence level of renter households in this income bracket has generally increased

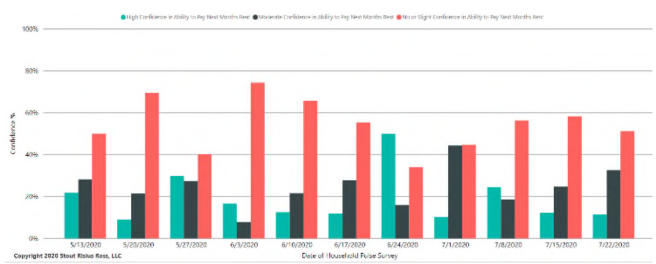
For renter households with incomes of $100,000 or more

- Approximately 22% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 10% had moderate confidence in their ability to pay next month's rent
- Approximately 63% had high confidence in their ability to pay next month's rent
- Over the past 8 weeks, the confidence level of renter households in this income bracket has generally increased

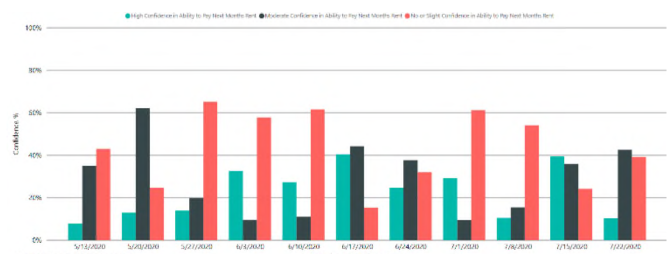
7. The following charts show the weekly trend in renter household confidence regarding the ability to pay next month's rent for renter households in New Jersey for each confidence level and colored lines for each renter household income bracket.



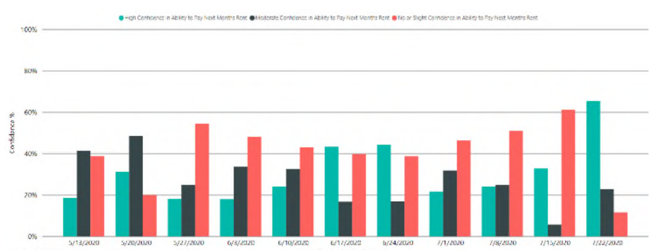
8. Each of the following charts is for an income bracket and shows the weekly trend in renter household confidence regarding the ability to pay next month's rent for renter households in New Jersey. The colored bars are for the three different confidence levels.



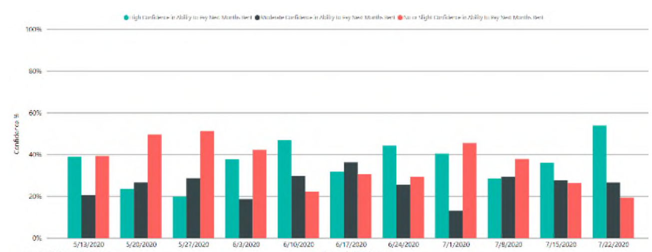
Less than $25,000



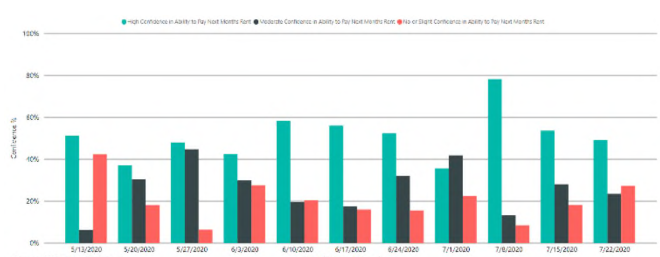
$25,000 - $34,999



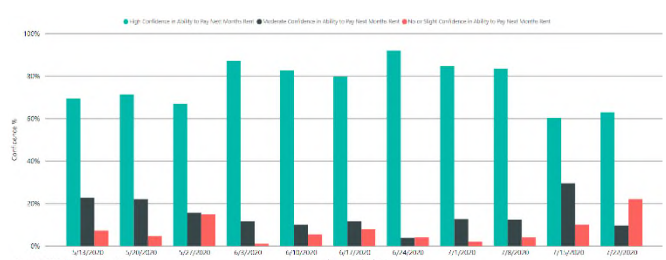
$35,000 - $49,999



$50,000 - $74,999



$75,000 - $99,999



$100,000 and above

Confidence in Ability to Pay Next Month's Rent by Ethnicity

9. Stout also analyzed New Jersey renter households' confidence in ability to pay next month's rent by ethnicity. New Jersey non-White (i.e., African American, Asian, Hispanic, and Latinx) renter households have the least confidence in their ability to pay next month's rent. Because of overt, systemic, and structural racism, tenants are often people of color, particularly Black and Brown. Economic and housing discrimination have resulted in approximately 60% of Black and 64% of Brown households in New Jersey remaining renters, often effectively barred from achieving homeownership.[6] This effect is exacerbated as many wealthier, White households are fleeing New York City for tri-state suburbs given COVID-19. Anecdotally, landlords have indicated that finding new tenants would be difficult and are thus hesitant to evict tenants right now. However, there has been an increase in leases signed in smaller cities and towns outside of New York City since the beginning of COVID-19, further racially segregating housing and cities alike.[7] The non-White renter households that are left behind are often in lower household income brackets. The analyses by renter household ethnicity are as follows[8]:

For African American alone, not Hispanic renter households

- Approximately 49% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 27% had moderate confidence in their ability to pay next month's rent
- Approximately 23% had high confidence in their ability to pay next month's rent

For Asian alone, not Hispanic renter households

- Approximately 13% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 21% had moderate confidence in their ability to pay next month's rent
- Approximately 38% had high confidence in their ability to pay next month's rent

For Hispanic or Latino (may be of any race) renter households

- Approximately 41% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 15% had moderate confidence in their ability to pay next month's rent
- Approximately 42% had high confidence in their ability to pay next month's rent
- Over the past 8 weeks, the confidence level of Asian renter households has declined

For Two or More Races + Other Races, not Hispanic renter households

- Approximately 64% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 3% had moderate confidence in their ability to pay next month's rent

[6] Stirling, Stephen. "Black and Hispanic NJ residents less likely to own homes following housing crisis, US Census reveals." Citing 2010 Census data. March 30, 2019.
[7] Hughes, C.J. "Coronavirus Escape: To the Suburbs." The New York Times. May 8, 2020.
[8] Percentages may not equal 100% due to rounding.

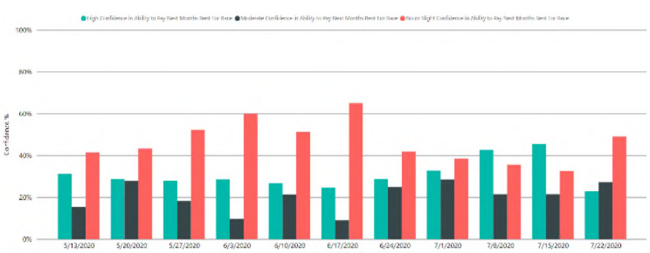
- Approximately 33% had high confidence in their ability to pay next month's rent

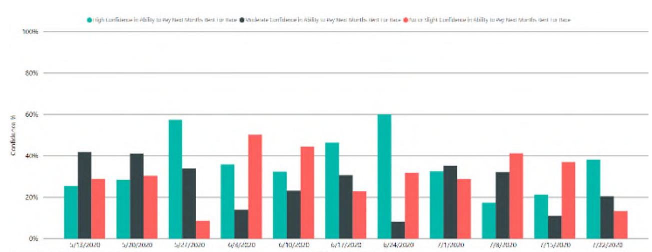
For White alone, not Hispanic renter households

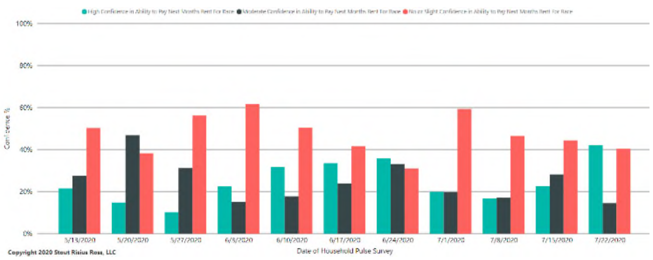
- Approximately 18% had no confidence or slight confidence in their ability to pay next month's rent
- Approximately 43% had moderate confidence in their ability to pay next month's rent
- Approximately 39% had high confidence in their ability to pay next month's rent

10. The following charts show the weekly trend in renter household confidence regarding the ability to pay next month's rent for renter households in New Jersey for each confidence level and colored lines for each renter household ethnicity.

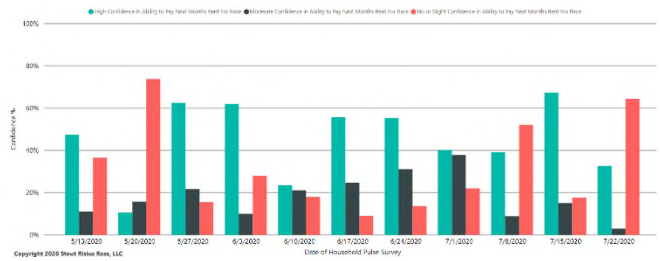
11. Each of the following charts is for an ethnicity and shows the weekly trend in renter household confidence regarding the ability to pay next month's rent for renter households in New Jersey. The colored bars are for the three different confidence levels.


African American alone, not Hispanic

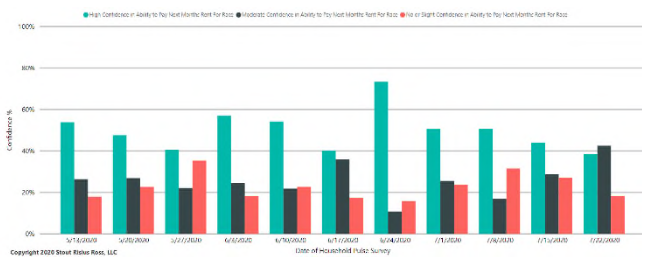

Asian alone, not Hispanic



Hispanic or Latino (may be of any race)



Two or More Races + Other Races, not Hispanic



White alone, not Hispanic

12. Over the past 8 weeks, confidence levels for Asian, Hispanic, and multi-racial renter households in New Jersey have declined. Confidence levels for African American renter households in New Jersey have remained consistent, and confidence levels for White renter households in New Jersey have increased over the past 8 weeks.

Landlord Size and Mortgage Properties

13. While 90 percent of homeowners live in single-family homes, renters live in a variety of housing types, including single-family homes, small multi-family buildings with fewer than five units, and large multi-family buildings with hundreds of units.[9] In response to COVID-19, Fannie Mae, Freddie Mac, and the Federal Housing Administration (FHA) have paused evictions of renters living in properties that they finance, an estimated 28 percent (12.3 million) of the total rental units in the country.[10]

14. Under the CARES Act, landlords with 1-4 unit residential buildings can request mortgage forbearance for 180 days and a subsequent 180 days for a maximum of 360 days. Landlords with residential buildings having 5 or more units can request mortgage forbearance for a maximum of 90 days, in three 30-day increments. Many private lenders are also offering forbearance to struggling landlords.

15. Tenants living in properties financed by federally backed mortgages are protected against eviction notices and proceedings for 120 days following March 27 – that is, until July 25 –

[9] Warnock, Rob and Salviati, Chris. "Missed Housing Payments Continue Piling Up in July." Apartment List. July 8, 2020.
[10] Goodman, Lori et al. "The CARES Act Eviction Moratorium Covers All Federally Financed Rentals – That's One in Four US Rental Units." The Urban Institute. April 2, 2020.

as are federally subsidized tenants and those living in Low Income Tax Credit properties.[11] These protections are extended to renters living in multi-family properties as well as any single family homes or 2-4 unit properties that are financed through federally backed single-family mortgages.[12] In the past, renters in these smaller properties have been excluded from relief as policymakers have viewed this segment of housing stock as owner-occupied even though these properties account for 51 percent of all occupied rentals in the United States.[13]

16. More than 75 percent of all medium multi-family (25-49 units) and large multi-family (50+ units) buildings have a mortgage, while only about 60 percent of smaller multi-family property (5-24 units) owners report having mortgage debt.[14] Approximately 65 percent of 2-4-unit buildings have a mortgage, and only 44 percent of single-family rental buildings have a mortgage.[15]

The Economic Impacts of Eviction

17. The impacts and costs of eviction to states, cities, and municipalities are significant and multi-dimensional. Substantial research and reporting have documented the severe and negative impacts eviction has on individuals, families, businesses, and communities. Many of these impacts are unquantifiable, but clear costs exist. This section details these impacts by topic.

18. *Homelessness– Shelter Entry and the Likelihood of Disruptive Displacement.* [16] While homelessness may not always be experienced immediately following an eviction, eviction is a leading cause of homelessness. According to the 2019 New Jersey Point-in-Time Count, there were 8,864 people experiencing homelessness in New Jersey, of whom 796 (9%) indicated eviction was the cause of their homelessness.[17] An additional 918 people (10%) indicated that job loss or reduction in income was the cause of their experiencing homelessness.[18] A 2018 study of homelessness in Los Angeles County, citing surveys conducted as part of recent homeless counts, stated that 40 percent of unsheltered adults cited unemployment and lack of money, which encompassed inability to pay for shelter, as the reason for experiencing homelessness.[19] This factor was identified more than twice as

[11] Jakabovics, Andrew. "Understanding Relief for Homeowners and Renters Impacted by COVID-19." Enterprise Community. March 27, 2020.
[12] Ibid.
[13] Ibid.
[14] Ibid.
[15] Ibid.
[16] Homelessness can take many forms, including but not limited to: "doubling or tripling up"; "couch surfing"; living in vehicles; and living in motel/hotel rooms occupied by entire households. Additionally, in some circumstances, people experiencing homelessness may need to use public facilities such as bathrooms in supermarkets, libraries, and government buildings, which could increase the risk of contracting COVID-19 or other diseases.
[17] Matthau, David. "Homelessness Declines in NJ but Many Living in Shelters, Encampments." New Jersey 101.5. January 7, 2020.
[18] Ibid.
[19] Flaming, Daniel et al. "Escape Routes: Meta-Analysis of Homelessness in L.A." Economic Roundtable. April 2018.

often any other factor, and eviction or foreclosure was specifically identified as the primary reason for homelessness by 11 percent of unsheltered adults.[20] A 2018 study of shelter use in New York City suggests that evictions: (1) increase the probability of applying for shelter by 14 percentage points compared to a baseline probability of approximately three percent for households not experiencing an eviction; and (2) increase the number of days spent in shelter during the two years after an eviction filing by five percentage points, or about 36 days.[21] The researchers concluded that because the estimated effects persist long-term, avoiding eviction does not simply delay a period of homelessness, it leads to lasting differences in the probability of experiencing homelessness.[22] A 2014 San Francisco study of an eviction defense pilot program, citing a recent survey of families experiencing homelessness, stated that 11 percent of families in San Francisco homeless shelters identified evictions (legal and illegal) as a reason for experiencing homelessness.[23] The Housing and Homeless Division Family and Prevention Services Program Manager in San Francisco has stated that the number of families experiencing homelessness as a result of an eviction is potentially over 50 percent – much higher than 11 percent – when considering the intermediate living arrangements made with friends and family before the families who have been evicted access the shelter system.[24] The 50 percent estimate is supported by the survey of families experiencing homelessness, in which 45 percent of respondents stated that the cause of their homelessness was being asked to move out.[25] Furthermore, a 2013 demographics report of adult shelters in San Francisco found that 36 percent of its population was living with friends or relatives before experiencing homelessness.[26] The Massachusetts Interagency Council on Housing and Homelessness analyzed a variety of reports generated by the state's shelter system to determine that 45 percent of people experiencing homelessness or who are at risk of experiencing homelessness cite eviction as the reason for their housing instability.[27] Similar statistics were observed in Hawai'i where 56 percent of families experiencing homelessness cite inability to afford rent as the reason for their experiencing homelessness.[28] An additional 18 percent of families cited eviction specifically, as the reason for their experiencing homelessness.[29] In Seattle, a survey of tenants who were evicted revealed that nearly 38 percent were living unsheltered and half were living in a shelter, transitional housing, or

[20] Ibid.
[21] Collinson, Robert and Reed, Davin. "The Effects of Evictions on Low-Income Households." New York University Law. December 2018.
[22] Ibid.
[23] San Francisco Right to Civil Counsel Pilot Program Documentation Report. John and Terry Levin Center for Public Service and Public Interest, Stanford Law School. May 2014.
[24] Ibid.
[25] Ibid.
[26] Ibid, citing 2013 Demographics Report – San Francisco Single Adult Shelters.
[27] "Regional Networks to End Homelessness Pilot Final Evaluation Report." Massachusetts Interagency Council on Housing and Homelessness. February 15, 2011.
[28] "Homeless Service Utilization Report." Center on Family at the University of Hawai'i and the Homeless Programs Office of the Hawai'i State Department of Human Services. 2010.
[29] Ibid.

with family and friends.[30] Only 12.5 percent of evicted respondents secured another apartment to move into.[31] The New York City Department of Homeless Services found that eviction was the most common reason for families entering city shelters between 2002 and 2012.[32] Robin Hood, a New York City-based non-profit organization that provides funding to more than 200 programs in New York City, estimates that 25 percent of tenants who are evicted enter homeless shelters.[33]

19. *Homelessness – Shelter and Other Support Costs.* The Massachusetts Housing and Shelter Alliance estimates that a homeless individual residing in Massachusetts creates an additional cost burden for state-supported services (shelter, emergency room visits, incarceration, etc.) that is $9,372 greater per year than an individual who has stable housing.[34] Each time a homeless family enters a state-run emergency shelter, the cost to the state is estimated at $26,620.[35] The Central Florida Commission on Homelessness has reported that the region spends $31,000 per year per homeless person related to law enforcement, jail, emergency room, and hospitalization for medical and psychiatric issues.[36] The City of Boise, Idaho reported that costs associated with chronic homelessness are $53,000 per person experiencing homelessness annually including day shelters, overnight shelters, policing / legal, jail, transportation, emergency medical services and drug and alcohol treatment.[37] In contrast, providing homeless individuals with permanent housing and case managers would cost approximately $10,000 per person annually.[38] By way of comparison, MaineHousing, the state agency providing public and private housing to low and moderate-income tenants in Maine, found that the average annual cost of services per person experiencing homelessness to be $26,986 in the greater Portland area and $18,949 statewide.[39] The services contemplated in the average annual cost were associated with: physical and mental health, emergency room use, ambulance use, incarceration, and law enforcement.[40] Investing in eviction prevention helps a community save valuable resources by stopping homelessness before it starts.[41] A three-year study by RAND Corporation found that providing housing for very sick individuals experiencing homelessness saved taxpayers thousands of dollars by reducing hospitalization and

[30] "Losing Home: The Human Cost of Eviction in Seattle." The Seattle Women's Commission and the Housing Justice Project of the King County Bar Association. September 2018.
[31] Ibid.
[32] "The Rising Number of Homeless Families in NYC, 2002-2012: A Look at Why Families Were Granted Shelter, the Housing They Had Lived in and Where They Came From." New York City Independent Budget Office. 2014.
[33] https://www.robinhood.org/what-we-do/metrics/
[34] Wood-Boyle, Linda. "Facing Eviction: Homelessness Prevention for Low-Income Tenant Households." Federal Reserve Bank of Boston. December 1, 2014.
[35] Ibid.
[36] Santich, Kate. "Cost of homelessness in Central Florida? $31k per person." Orlando Sentinel. May 21, 2014.
[37] Crossgrove Fry, Vanessa. "Reducing Chronic Homeless via Pay for Success, A Feasibility Report for Ada County, Idaho." City of Boise. N.d.
[38] Santich, Kate. "Cost of homelessness in Central Florida? $31k per person." Orlando Sentinel. May 21, 2014.
[39] Acquisto, Alex and Rhoda, Erin. "The $132k idea that could reduce Bangor's eviction problem." Bangor Daily News. September 24, 2018.
[40] Ibid.
[41] Ibid.

emergency room visits.[42] For every dollar invested in the program, the Los Angeles County government saved $1.20 in health care and social service costs.[43] New Jersey does not have a right to shelter for people experiencing homelessness, and therefore does not have a comprehensive shelter or social services system for addressing homelessness.

20. *Employment and Housing Instability.* Eviction can lead to job loss making it more difficult to find housing, further burdening an already struggling family. Matthew Desmond, author of *Evicted: Poverty and Profit in the American City*, describes how job loss and eviction can be interconnected. When an evicted tenant does not know where his or her family will sleep the next night, maintaining steady employment is unlikely. If the evicted tenant is unemployed, securing housing after being evicted may take precedence over securing a job. If the evicted tenant is employed, the instability created by eviction often affects work performance and may lead to absenteeism, causing job loss.[44] The period before an eviction may be characterized by disputes with a landlord or stressful encounters with the court system.[45] These stressors can cause workers to make mistakes as they are preoccupied with non-work matters.[46] After an eviction, workers may need to miss work to search for new housing, and because they now have an eviction record, finding a landlord willing to rent to them may increase the time it takes to secure new housing.[47] Workers may need to live farther from their jobs, increasing the likelihood of tardiness and absenteeism.[48] A recent Harvard University study suggests the likelihood of being laid off to be 11 to 22 percentage points higher for workers who experienced an eviction or other involuntary move compared to workers who did not.[49] A similar analysis in Wisconsin, the Milwaukee Area Renters Study, found that workers who involuntarily lost their housing were approximately 20 percent more likely to subsequently lose their jobs compared to similar workers who did not.[50] Approximately 42 percent of respondents in the Milwaukee Area Renters Study who lost their job in the two years prior to the study also experienced an involuntary move.[51] The impact of job loss and eviction disproportionately affects Black people who face significant discrimination in both the housing and labor markets.[52] Eviction not only adversely affects unemployed and employed tenants' job prospects but also the potential future earnings of children. Robin Hood estimates a child's average future earnings could decrease by 22 percent if the child experienced juvenile delinquency, which can be

[42] Holland, Gale. "Study find L.A. County saves money by housing sick homeless people." Los Angeles Times. December 4, 2017.
[43] Ibid.
[44] Desmond, Matthew and Tolbert Kimbro, Rachel. "Eviction's Fallout: Housing, Hardship, and Health." Social Forces. February 24, 2015.
[45] Desmond, Matthew and Gerhenson, Carl. "Housing and Employment Insecurity among the Working Poor." Harvard University. January 11, 2016.
[46] Ibid.
[47] Ibid.
[48] Ibid.
[49] Ibid.
[50] Desmond, Matthew. "Unaffordable America: Poverty, housing, and eviction." Institute for Research on Poverty. March 2015.
[51] Desmond, Matthew and Gerhenson, Carl. "Housing and Employment Insecurity among the Working Poor." Harvard University. January 11, 2016.
[52] Ibid.

associated with the disruption to families from eviction.[53] When families and children earn less (now or in future periods) the associated financial strains can result in various costs to the cities and communities in which they live. Research has shown that forced moves can perpetuate generational poverty and further evictions.[54] In addition, the reduction in earning capacity for these families can increase the demand on various social services provided by these cities and communities. Further, cities lose the economic benefit of these wages, including the economic stimulus of community spending and potential tax revenue. These impacts – potential earning capacity, generational poverty, and other economic consequences – are long-term and incredibly challenging to reverse.

21. *Ability to Re-Rent and Credit Score.* Tenants with an eviction case brought against them may have the case on their record whether they are ultimately evicted or not. Because of open record laws in many states, this information is easily accessible, free, and used to create tenant blacklists, making it difficult for tenants with eviction records to re-rent and exacerbating housing discrimination.[55] Data aggregation companies are now creating "screening packages" that landlords can use to select their tenants.[56] These packages often include a full credit report, background check, and an eviction history report. Using data and technology to streamline and automate the screening process will only exacerbate the impact of eviction on tenants. One data aggregation company stated the "it is the policy of 99 percent of our [landlord] customers in New York to flat out reject anybody with a landlord-tenant record, no matter what the reason is and no matter what the outcome is…".[57] In cities where there is a right to counsel, the number of eviction filings has declined, indicating that a right to counsel can reduce the harmful effects of being exposed to the eviction process regardless of case outcomes. Many landlords and public housing authorities will not rent to tenants who have been recently evicted. Therefore, renters with an eviction on their record will often be forced to find housing in less desirable neighborhoods that lack adequate access to public transportation, are farther from their jobs, have limited or no options for child care, and lack grocery stores.[58] A University of North Carolina Greensboro study found that 45 percent of tenants who were evicted had

[53] https://www.robinhood.org/what-we-do/metrics/

[54] Lundberg, Ian and Donnelly, Louis. "A Research Note on the Prevalence of Housing Eviction among Children Born in U.S. Cities." Princeton University, Woodrow Wilson School of Public and International Affairs, Center for Research on Child Wellbeing. 2019.

[55] Desmond, Matthew. "Unaffordable America: Poverty, housing, and eviction." Institute for Research on Poverty. March 2015.

[56] Greene, Kimberly. "Online screening process gives landlords peace of mind." Mortgage Professional America. November 12, 2019.

[57] Kleysteuber, Rudy. "Tenant Screening Thirty Years Later: A Statutory Proposal To Protect Public Records." The Yale Law Journal. 2007. Referencing Rogers, Teri Karush. "Only the Strongest Survive." The New York Times. November 26, 2006 (quoting Jake Harrington, founder of On-Site.com). While the inclination to reject tenant applicants regardless of the outcome of their prior eviction case might appear to nullify the impact of providing representation, system representation may cause a deterrent effect in terms of landlords' decisions of whether to file an eviction in the first place. New York City and San Francisco, which are the only cities where a right to counsel has existed long enough to have data, have both experienced significant declines in their respective eviction filing rates. See: "Press Release: Supervisor Dean Preston Holds Hearing on Implementation for Right to Counsel Law." February 24, 2020. & "New York City Residential Eviction Filings Decline." NYU Furman Center. November 18, 2019.

[58] Desmond, Matthew and Tolbert Kimbro, Rachel. "Eviction's Fallout: Housing, Hardship, and Health." Social Forces. February 24, 2015.

difficulty obtaining decent, affordable housing after their evictions.[59] Additionally, evictions can have a detrimental impact on tenants receiving federal housing assistance, such as Section 8 vouchers. In some cases, court-ordered evictions may cause revocation of Section 8 vouchers or render the tenant ineligible for future federal housing assistance.[60] Landlords often view a potential tenant's credit score as a key factor in determining whether they want to rent to the potential tenant or not. A low credit score brought about by a past eviction can make it difficult for renters to obtain suitable housing.[61] A tenant who was interviewed in the University of North Carolina Greensboro study stated, "it [eviction] affected my credit and it is hard to get an apartment…three landlords have turned me away."[62] Damage to a renter's credit score from an eviction can also make other necessities more expensive since credit scores are often considered to determine the size of initial deposit to purchase a cell phone, cable and internet, and other basic utilities.[63] Another tenant from the University of North Carolina Greensboro study stated, "I have applied for at least three different places and was turned down because of the recent eviction. The only people I can rent from now are slumlords who neglect their properties. The ones that don't even care to do any kind of record check."[64] In Milwaukee, tenants who experienced an involuntary move were 25 percent more likely to have long-term housing instability compared to other low-income tenants.[65] A 2018 survey of tenants who had been evicted in Seattle found that 80 percent of survey respondents were denied access to new housing because of a previous eviction, and one-third of respondents were not able to re-rent because of a monetary judgment from a previous eviction.[66] In 2019, a Massachusetts bill was introduced in the state legislature that would require courts to automatically seal eviction filings unless and until there was a final eviction judgment and automatically seal all eviction judgments after three years while allowing tenants to move to seal a prior eviction for good cause.[67] These actions would hinder landlords' ability to discriminate against tenants for prior eviction filings.

[59] Sills, Stephen J. et al. "Greensboro's Eviction Crisis." The University of North Carolina Greensboro Center for Housing and Community Studies. N.d.

[60] Desmond, Matthew and Tolbert Kimbro, Rachel. "Eviction's Fallout: Housing, Hardship, and Health." Social Forces. February 24, 2015.

[61] An eviction itself is not reported to credit bureaus even if the landlord is successful in court, although money judgments are reported. The effects of the eviction may appear on a credit report if the tenant failed to pay rent and the landlord sent the delinquency to a collection agency. While there is not a set timeframe for when this information appears on a credit report, the item is treated like any other delinquent debt. It will remain there for seven years from the date of delinquency, even if it is paid off. There are also screening reports that landlords use that report eviction data, criminal records, etc. See https://aaacreditguide.com/eviction-credit-report/.

[62] Sills, Stephen J. et al. "Greensboro's Eviction Crisis." The University of North Carolina Greensboro Center for Housing and Community Studies. N.d.

[63] https://www.investopedia.com/terms/c/credit_score.asp.

[64] Sills, Stephen J. et al. "Greensboro's Eviction Crisis." The University of North Carolina Greensboro Center for Housing and Community Studies. N.d.

[65] Desmond, Matthew. "Evicted: Poverty and Profit in the American City." 2016.

[66] "Losing Home: The Human Cost of Eviction in Seattle." The Seattle Women's Commission and the Housing Justice Project of the King County Bar Association. September 2018.

[67] Beiers, Sophie et al. "Clearing the Record: How Eviction Sealing Laws Can Advance Housing Access for Women of Color." ACLU Report. January 2020.

22. *Unpaid Utility Bills and Property Taxes.* A recent study of the costs of eviction in Seattle connected income instability and having unpaid utility or property tax bills to possible eviction.[68] After an income disruption (i.e., job loss, health emergency, unexpected expenses), financially insecure households are three times more likely to miss a utility payment and 14 times more likely to be evicted than financially secure households.[69] Additionally, missed rent payments can result in landlords missing property tax payments, which are a primary source of revenue for local governments.[70]

23. *Health Impacts – Mental and Physical.* As COVID-19 continues to spread throughout communities, the importance of having safe, clean housing is imperative to renter households' health. Research from early in the pandemic has shown increased COVID-19 death rates in cities with overcrowded housing compared to cities without overcrowded housing.[71] If renter households lose their housing and need to enter crowded homeless shelters, they will not be able to maintain social distancing as recommended by the Centers for Disease Control or practice sufficient personal hygiene.[72] At least one confirmed outbreak of COVID-19 at a shelter in San Francisco resulted in more than 70 sick residents and staff.[73] This is becoming a deeper concern as recent evidence has shown the potential for aerosol transmission of COVID-19. There is also a growing body of research documenting the impact of housing instability on health beyond COVID-19. Researchers at Boston Medical Center have found that housing instability can affect the mental and physical health of family members of all ages.[74] Their study revealed that caregivers of young children in low-income unstable housing are two times more likely than those in stable housing to be in fair or poor health, and almost three times more likely to report symptoms of depression. Children aged four and under in these families had almost a 20 percent higher risk of hospitalization, and more than a 25 percent higher risk of developmental delays.[75] A recent study published by the American Academy of Pediatrics examining the effects of homelessness on pediatric health found that the stress of both prenatal and postnatal homelessness was associated with increased negative health outcomes compared to children who never experienced homelessness.[76] Black mothers who are experiencing homelessness have worse birth outcomes than other mothers who

[68] Elliot, Diana and Kalish, Emma. "The Cost of Eviction and Unpaid Bills of Financially Insecure Families for City Budget." Urban Institute. January 2017.
[69] Ibid.
[70] Ibid.
[71] Ryan, Andrew and Lazar, Kay. "A new analysis: Coronavirus death rate surged in Massachusetts locations that already faced challenges." Boston Globe. May 9, 2020.
[72] Layser, Michelle D. et al. "Mitigating Housing Instability During a Pandemic." SSRN. June 15, 2020.
[73] Ibid.
[74] Butera, Candace. "The Burden of a Late Rent Check Can Harm the Health of Both Parents and Kids." Pacific Standard. January 23, 2018.
[75] Ibid.
[76] Sandel, Megan, et. al. "Timing and Duration of Pre- and Postnatal Homelessness and the Health of Young Children." The American Academy of Pediatrics. September 2018.

are experiencing homelessness – a reflection of the disparate health outcomes experienced by the general Black population.[77]

24. Families who are evicted often relocate to neighborhoods with higher levels of poverty and violent crime.[78] Researchers at Boston Medical Center and Children's Hospital found that homes with vermin infestation, mold, inadequate heating, lead, and in violent areas were connected to increased prevalence of respiratory disease, injuries, and lead poisoning in children.[79] Living in a distressed neighborhood can negatively influence a family's wellbeing.[80] Moreover, families experiencing eviction who are desperate to find housing often accept substandard living conditions that can bring about significant health problems.[81] Data from the Third National Health and Nutrition Examination Survey estimated that 40 percent of children living with asthma are so because of their housing environments.[82] An Associate Professor of Pediatrics at Drexel University College of Medicine testified at a Philadelphia City Council hearing that, "science has shown that children who live in stressful environments, such as substandard housing, the threat of eviction, homelessness and poverty, have changes in their neurological system that affects their ability to learn, to focus, and to resolve conflicts." [83] The Associate Professor also stated that this "toxic stress" affects many of the body's critical organ systems resulting in an increased prevalence of behavioral issues, diabetes, weight issues, and cardiovascular disease.[84] Furthermore, major life stressors have been found to increase rates of domestic violence.[85] According to a nationwide survey of domestic violence shelters and programs, approximately 41 percent of respondents indicated evictions and home foreclosures as a driver of increased demand for domestic violence services.[86] In Seattle, approximately 38 percent of survey respondents who had experienced eviction reported feeling stressed, eight percent experienced increased or new depression, anxiety, or insomnia, and five percent developed a heart condition they believed to be connected to their housing instability.[87] Among respondents who had school-age children, approximately 56 percent indicated that their children's health suffered "very much" as a result of eviction, and

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[77] Gay Dawes, Elizabeth. "Housing Instability Is an Important (Yet Overlooked) Factor in the Maternal Health Crisis." Rewire.News. April 12, 2018.
[78] Desmond, Matthew and Tolbert Kimbro, Rachel. "Eviction's Fallout: Housing, Hardship, and Health." Social Forces. February 24, 2015.
[79] "Not Safe at Home: How America's Housing Crisis Threatens the Health of Its Children." The Doc4Kids Project, Boston Medical Center and Children's Hospital. 1998.
[80] Desmond, Matthew and Tolbert Kimbro, Rachel. "Eviction's Fallout: Housing, Hardship, and Health." Social Forces. February 24, 2015.
[81] Ibid.
[82] Sandel, Megan and Desmond, Matthew. "Investing in Housing for Health Improves Both Mission and Margin." The Journal of the American Medical Association. 2017.
[83] Taylor, Daniel R. Testimony Presented to City Council Committee on Licenses and Inspections and the Committee on Public Health and Human Services Regarding Resolution 160988. March 20, 2017.
[84] Ibid.
[85] Makepeace, J. "Life Events Stress and Courtship Violence." Family Relations. January 1983.
[86] "Homeless Service Utilization Report." Center on Family at the University of Hawai'i and the Homeless Programs Office of the Hawai'i State Department of Human Services. 2010. Referencing "Domestic Violence Counts 2009: A 24-Hour Census of Domestic Violence Shelters and Services." National Network to End Domestic Violence. 2009.
[87] "Losing Home: The Human Cost of Eviction in Seattle." The Seattle Women's Commission and the Housing Justice Project of the King County Bar Association. September 2018.

approximately 33 percent indicated that their children's health suffered "somewhat" for a total of 89 percent of respondents' children experiencing a negative health impact because of eviction.[88] A recent study by Case Western University found that approximately 21 percent of interviewed tenants facing eviction self-reported that they were experiencing poor health.[89] Forty-five percent of interviewed tenants reported that they had been mentally or emotionally impacted by the eviction process and that their children were also mentally or emotionally impacted.[90]

25. A survey of approximately 2,700 low-income mothers from 20 cities across the country who experienced an eviction consistently reported worse health for themselves and their children, including increased depression and parental stress.[91] These effects were persistent. Two years after experiencing eviction, mothers still had higher rates of material hardship and depression than mothers who had not experienced eviction.[92] In a study of the effects of forced dislocation in Boston's West End, approximately 46 percent of women and 38 percent of men expressed feelings of grief or other depressive reactions when asked how they felt about their displacement.[93] A study on the effects of eviction in Middlesex County, Connecticut included interviews with individuals who had experienced an eviction. In almost every case, interviewees expressed that their eviction negatively impacted their physical and mental health.[94] Approximately two-thirds of interviewees reported feeling more anxious, depressed, or hopeless during the eviction process.[95] Individuals who had previously struggled with mental health issues reported that the stress from the eviction exacerbated their conditions, with three interviewees reporting hospitalization for mental health issues following their evictions.[96] Inadequate sleep, malnourishment, physical pain, and increased use of drugs and alcohol were also cited by the interviewees.[97]

26. As with many of the negative impacts of eviction, both physical and mental health issues can be long-term, difficult to reverse, and extremely costly to treat. A study of Medicaid beneficiaries in New Jersey found that health care spending for Medicaid beneficiaries who were experiencing homelessness was between 10 and 27 percent higher than for Medicaid beneficiaries who were stably housed, all else equal.[98] The 10 to 27 percent increase in

[88] Ibid.
[89] "The Cleveland Eviction Study: Observations in Eviction Court and the Stories of People Facing Eviction." Center on Urban Poverty and Community Development, Case Western University. October 2019.
[90] Ibid.
[91] Desmond, Matthew and Tolbert Kimbro, Rachel. "Eviction's Fallout: Housing, Hardship, and Health." Social Forces. February 24, 2015.
[92] Ibid.
[93] Fried, Marc. "Grieving for a Lost Home: Psychological Costs of Relocation." The MIT Press. 1966.
[94] Babajide, Rilwan, et. al. "Effects of Eviction on Individuals and Communities in Middlesex County." The Middlesex County Coalition on Housing and Homelessness. May 12, 2016.
[95] Ibid.
[96] Ibid.
[97] Ibid.
[98] Cantor, Joel C. et al. "Medicaid Utilization and Spending among Homeless Adults in New Jersey: Implications for Medicaid-Funded Tenancy Support Services." The Milbank Quarterly. January 22, 2020.

Medicaid spending for beneficiaries experiencing homelessness equates to an additional $1,362 to $5,727, of which at least 75 percent is attributed to inpatient hospital and emergency department services.[99] A study of cohort families in Michigan found that Medicaid spending for adults experiencing homelessness was 78 percent higher than the statewide average and 26 percent higher for children experiencing homelessness than the statewide average.[100]

- The connection between housing stability and a household's mental and physical health is evident. Having a safe, habitable home can provide solace, especially in times of crisis when mental and physical health issues may become exacerbated. During the global pandemic of COVID-19, numerous cities and states throughout the country instituted eviction moratoriums, recognizing the crucial role housing plays in public health and safety.

27. *Suicide.* In 2015, the American Journal of Public Health published the first comprehensive study of housing instability as a risk factor for suicide.[101] Researchers identified 929 eviction- or foreclosure-related suicides, which accounted for one to two percent of all suicides and 10 percent to 16 percent of all financial-related suicides from 2005 to 2010.[102] In 2005, prior to the "housing bubble" bursting, there were 58 eviction-related suicides.[103] At the peak of the housing crisis in 2009, there were 94 eviction-related suicides, an increase of 62 percent from 2005.[104] These statistically significant increases were observed by researchers relative to the frequency of all other suicides during the same period and relative to suicides associated with general financial hardships, suggesting that the increase in eviction- or foreclosure-related suicides was not only a part of a general increase in the number of suicides.[105] After the housing crisis, eviction-related suicides began to revert to pre-crisis levels. Approximately 79 percent of suicides occurred before the actual loss of housing, and 39 percent of people dying as a result of suicide had experienced an eviction- or foreclosure-related crisis (e.g., eviction notice, court hearing, vacate date) within two weeks of the suicide.[106] Researchers in Seattle seeking to examine the most extreme consequences of eviction conducted a detailed review of 1,218 eviction cases in Seattle, finding four individuals with eviction cases died by suicide.[107] In a Middlesex County, Connecticut report, a tenant experiencing eviction had shared with the

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[99] Ibid.
[100] Spellman, Brooke, et. al. "Costs Associated With First-Time Homelessness for Families and Individuals." U.S. Department of Housing and Urban Development, Office of Policy Development and Research. March 2010.
[101] Fowler, Katherine A. et al. "Increase in Suicides Associated With Home Eviction and Foreclosure During the US Housing Crisis: Findings From 16 National Violent Death Reporting System States, 2005-2010." American Journal of Public Health. February 2015.
[102] Ibid.
[103] Ibid.
[104] Ibid.
[105] Ibid.
[106] Ibid.
[107] "Losing Home: The Human Cost of Eviction in Seattle." The Seattle Women's Commission and the Housing Justice Project of the King County Bar Association. September 2018.

interviewer that she "ended up having a breakdown, and I ended up in the hospital and I had a suicide attempt."[108]

28. *Impacts on Children.* In New Jersey, approximately 36 percent of children are living in households with a high housing cost burden, which could indicate housing instability and potentially eviction.[109] When families are evicted, children experience a variety of disruptions that can negatively impact their education and behavior. Data from The National Assessment of Education Progress, known as "the Nation's Report Card," suggests that children who frequently change schools (i.e., more than twice in the preceding 18 months) are half as likely to be proficient in reading as their stable peers.[110] A study of third grade students who frequently changed schools found that mobile students were approximately twice as likely to perform below grade level in math compared to non-mobile students.[111] Not only do mobile students perform worse in reading and math than their stable peers, they are also nearly three times more likely to repeat a grade, and the likelihood that they will graduate is reduced by more than 50 percent.[112] In Seattle, approximately 88 percent of survey respondents with school-aged children reported their children's school performance suffered "very much" because of the eviction the family experienced, and approximately 86 percent of respondents reported their children had to move schools after the eviction.[113] A University of Michigan study of the role of housing instability in school attendance found that 40 percent of students experiencing homelessness were chronically absent (i.e., missing 10 percent or more of school days) in the 2016-2017 school year.[114] Students experiencing homelessness were chronically absent more than two-and-a-half times more frequently than students who were housed and more than four times as often as higher income students.[115] In Atlanta, there is an ongoing program that embeds housing attorneys and community advocates in high schools in neighborhoods where many residents are experiencing housing instability.[116] As a result of the program, the enrollment turnover rate decreased by 25 to 51 percent in certain schools, and attorneys stopped 20 evictions and assisted with 81 other housing-related cases.[117]

[108] Babajide, Rilwan et al. "Effects of Eviction on Individuals and Communities in Middlesex County." The Middlesex County Coalition on Housing and Homelessness. May 12, 2016.
[109] 2020 Data Center. Kids Count. New Jersey Metrics.
[110] Isaacs, Julia and Lovell, Phillip. "The Impact of the Mortgage Crisis on Children and Their Education." First Focus. May 1, 2008., citing Rumberger, Russell. "The Causes and Consequences of Student Mobility." Journal of Negro Education. 2003.
[111] Isaacs, Julia and Lovell, Phillip. "The Impact of the Mortgage Crisis on Children and Their Education." First Focus. May 1, 2008., citing "Elementary School Children: Many Change Schools Frequently, Harming Their Education." United States General Accounting Office Report. 1994.
[112] Ibid. And Isaacs, Julia and Lovell, Phillip. "The Impact of the Mortgage Crisis on Children and Their Education." First Focus. May 1, 2008., citing Rumberger, 1993.
[113] Losing Home: The Human Cost of Eviction in Seattle." The Seattle Women's Commission and the Housing Justice Project of the King County Bar Association. September 2018.
[114] Erb-Downward, Jennifer and Watt, Payton. "Missing School, Missing A Home: The Link Between Chronic Absenteeism, Economic Instability and Homelessness in Michigan." University of Michigan Poverty Solutions. November 2018.
[115] Ibid.
[116] Starnes, Ashleigh and King, Katie. "Standing with Our Neighbors Featured on CBS This Morning." Atlanta Volunteer Lawyers Foundation. March 23, 2018.
[117] Ibid.

Children who frequently move are also more likely to experience behavioral issues. Researchers analyzed survey data from the Mothers and Newborns Study, a longitudinal birth cohort maintained by the Columbia Center for Children's Environmental Health, to ascertain certain characteristics of children born to approximately 500 mothers.[118] Researchers found that children who experienced housing instability were approximately twice as likely to have thought-related behavioral issues and were approximately one-and-a-half times more likely to have attention-related behavioral health issues than children who were stably housed.[119]

29. New Jersey also has the sixth most segregated public school system in the United States with respect to Black and White students and seventh most segregated public school system with respect to Latinx students.[120] There are approximately 53,000 Black students in New Jersey attending public schools that are more than 99% non-White, and approximately 53,400 Latinx students in New Jersey attending public schools that are at least 99% non-white.[121] This school segregation is often accompanied by housing segregation, which perpetuates poverty by excluding poor children of color from integrated education and housing.

30. *Family Instability – Child Welfare and Foster Care Systems.* Poverty, housing instability, and child welfare/foster care system involvement are connected. Low-income children of parents who are experiencing homelessness are four times more likely to become involved with the child welfare system than low-income, stably housed children.[122] Homelessness not only increases the likelihood that a child will be placed in foster care, but also creates barriers to family reunification once a child is placed in foster care or with other family members.[123] According to U.S. Department of Health and Human Services, approximately 10 percent of children are removed from their homes because of housing issues.[124] California spends approximately $167 million annually in federal funds on foster care and services for children separated because of housing instability, but the state could save approximately $72 million if it could use those funds to ensure housing was readily available when parents are eligible for reunification.[125] This family separation is a lesser-known consequence of the affordable housing crisis throughout the country. In a survey of 77 families living in Worcester, Massachusetts shelters, approximately 19 percent of their children were placed in foster care compared to 8 percent of low-income, housed children

118 "Housing Instability Is Linked to Adverse Childhood Behavior." Urban Institute. May 8, 2019. Referencing Gaylord, Abigail et al. "Impact of Housing Instability on Child Behavior at Age 7 Years." International Public Health Journal. July 1, 2018.
119 Ibid.
120 Orfield, Gary. "New Jersey's Segregated Schools: Trends and Paths Forward." UCLA Civil Rights Project. 2017.
121 Ibid.
122 Ibid.
123 "Keeping Families Together." New Mexico Appleseed. 2013.
124 "The AFCARS Report." U.S. Department of Health and Human Services, Administration for Children and Families. October 20, 2017.
125 Ibid.

in Worcester.[126] Findings from a similar survey of families experiencing homelessness in New York City indicated that 35 percent of families had an open child welfare case and 20 percent had one or more children in foster care.[127] A study of approximately 23,000 mothers living in Philadelphia found that approximately 37 percent of mothers experiencing homelessness became involved with child welfare services within the first five years of a child's birth compared to approximately 9 percent of mothers living in low-income neighborhoods and 4 percent of other mothers.[128] The risk of child welfare services involvement at birth is nearly seven times higher for mothers who have ever experienced homelessness compared to mothers who have neither experienced homelessness nor are in the lowest 20 percent bracket of income.[129] Children born into families that have experienced homelessness were placed into foster care in approximately 62 percent of cases compared to approximately 40 percent of cases involving low-income families.[130]

- A first of its kind study in Sweden recently examined to what extent children from evicted households were separated from their families and placed in foster care. The study found that approximately four percent of evicted children were placed in foster care compared to 0.3 percent of non-evicted children.[131] An American study, using a nationally representative longitudinal data set, explored the prevalence of inadequate housing among families under investigation by child welfare agencies.[132] Findings indicated that inadequate housing contributed to 16 percent of foster care placements among families under investigation by child protective services.[133]

- Physical and psychological aggression toward children has also been connected to housing instability.[134] Mothers experiencing homelessness and mothers living "doubled-up" (i.e., with family and/or friends) reported higher levels of physically aggressive behaviors toward a child compared to other low-income, housed mothers – 29 percent, 18 percent, and 13 percent, respectively.[135] Approximately 39 percent of mothers experiencing homelessness or mothers living "doubled-up"

[126] Bassuk, E.L., et al. "Homelessness in Female Headed Families: Childhood and Adult Risk and Protective Factors." American Journal of Public Health. 1997.
[127] Nunez, R.D. "Hopes, Dreams, and Promise: The Future of Homeless Children in America." Institute for Children and Poverty, Homes for the Homeless Inc. 1994.
[128] Culhane, Jennifer, et. al. "Prevalence of Child Welfare Services Involvement among Homeless and Low-Income Mothers: A Five-year Birth Cohort Study." Journal of Sociology and Social Welfare. 2003.
[129] Ibid.
[130] Ibid.
[131] Berg, Lisa. "Evicted children and subsequent placement in out-of-home care: A cohort study." Centre for Health Equity Studies, Department of Public Health Sciences, Stockholm University. April 18, 2018.
[132] Fowler, PJ, et. al. "Inadequate housing among families under investigation for child abuse and neglect: prevalence from aa national probability sample." American Journal of Community Psychology. 2013.
[133] Ibid.
[134] Park, Jung Min et al. "Physical and Psychological Aggression towards a Child among Homeless, Doubled-up, and Other Low-Income Families." Journal of Social Service Research. March 31, 2015.
[135] Ibid. The federal government includes people living in "doubled up" environments in its definition of homeless.

reported psychologically aggressive behaviors toward a child compared to 22 percent of other low-income, housed mothers.[136] Mothers who had experienced homelessness were approximately twice as likely to engage in a physical aggression toward a child compared to other low-income, housed mothers.[137]

31. *Community Instability.* Researchers have investigated how high eviction rates unravel the social fabric of communities. When evictions take place on a large scale, the effects are felt beyond the family being evicted; a social problem that destabilizes communities occurs.[138] More than middle- and upper-income households, low-income households rely heavily on their neighbors. For example, individuals in low-income communities depend on each other for childcare, elder care, transportation, and security because they cannot afford to pay for these services independently. Matthew Desmond has indicated through his work that eviction can account for high residential instability rates in neighborhoods with high levels of poverty, holding all other factors equal.[139]

32. New Jersey renter households – particularly those that are low-income and households of color – are facing an extraordinarily unstable housing environment spurred by COVID-19. Approximately 40% of all renter households in New Jersey are unable to pay their rent, and an estimated 304,000 evictions could be filed in the next four months. On average, approximately 34% of New Jersey renter households with incomes less than $50,000 have no or slight confidence in their ability to pay next month's rent. Furthermore, an average of 42% of non-White New Jersey renter households have no or slight confidence in their ability to pay next month's rent, while only 18% of White New Jersey renter households have no or slight confidence in their ability to pay next month's rent. Approximately 49% of African American renter households have no or slight confidence in their ability pay next month's rent, the highest among all ethnicities. Disparities like these are also prevalent in COVID-19 deaths for New Jersey where Black and Brown people are dying at disproportionately higher rates relative to their proportion of the population. New Jersey's immigrant population, the third largest in the country, is experiencing significant challenges related to accessing healthcare due to fears of immigration enforcement and the impact on immigration status. Many small business owners in New Jersey are immigrants who have had their livelihoods disappear as their businesses have been shut down during the pandemic. This, in combination with numerous other negative impacts of the pandemic, has left countless families with financial instability and subsequent housing instability.

[136] Ibid.
[137] Ibid.
[138] Blumgart, Jake. "To reduce unfair evictions tenants need lawyers." Plan Philly. March 16, 2017
[139] Johns-Wolfe, Elaina. "You are being asked to leave the premises: A Study of Eviction in Cincinnati and Hamilton County, Ohio, 2014-2017." The Cincinnati Project. June 2018. Referencing Desmond, Matthew. "Community in Crisis: Understanding Housing Insecurity. "Northern Kentucky University. 2018.

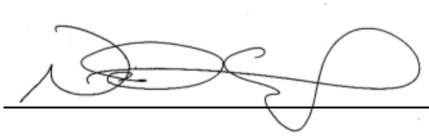
33. The potential negative impact of eviction not only on tenants but also on states, cities, and communities is staggering. Research has shown that people facing eviction and people actually evicted have higher likelihoods of experiencing homelessness, mental and physical health challenges, employment loss, challenges re-renting, challenges in school for their children, and interactions with child welfare services and the foster care systems. These impacts often trigger a social safety net response (e.g., use of homeless shelters, Medicaid spending for increased instances of physical and mental health challenges, payment of unemployment benefits for employment loss, transportation to school of origin for children experiencing homelessness, and out-of-home placements for children interactive with the foster care system) that is extremely expensive for states and cities. Furthermore, these impacts are likely to be significantly worse when coupled with COVID-19. The virus's community transmission could worsen its already detrimental effects, including contributing to an increase in COVD-19 cases, particularly among vulnerable populations. If this were to happen, generational poverty in New Jersey, especially for Black and Brown renter household would undoubtedly be exacerbated.

34. If New Jersey renter households facing eviction because of the economic fallout of COVID-19 are subjected to the standard eviction process, hundreds of thousands of people will likely experience the negative impacts of eviction, including but not limited to homelessness and further economic hardship. However, if New Jersey renter households are provided a sufficient time period over which to repay unpaid rent, some level of financial and societal stability could be achieved, and the most detrimental impacts could be avoided.

Assumptions and Limiting Conditions

35. Stout's analyses are based on information reviewed to date. Stout reserves the right to change these analyses should additional information become available.

36. Stout's review, research, and analyses were conducted on an independent basis. No one who worked on this report has any known material interest in the outcome of the analyses.



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APPENDIX

Statement of Methodology and Considerations in Developing the Estimates

Provided below is information to assist in understanding the methodology used in the development of the estimates of households experiencing rental shortfall and potentially facing evictions and the relief needed to stabilize those households, as well as other information considered in the development of these calculations.

- Household data by income level by rent burden is based on the U.S. Census Bureau table B25074 for each State from its 2018 American Community Survey.
    - This dataset reflects the 2018 1-year estimates and was initially released on September 26, 2019 and has been supplemented periodically, with the most recent update occurring on January 30, 2020.
    - The Census Bureau uses a 90% confidence level to determine the margins of error in the B25074 table.
- Rent payment confidence data is based on U.S. Census Bureau Household Pulse data for Week 5 (May 28 - June 2) – Table 2b: Confidence in Ability to Make Next Month's Payment for Renter Occupied Housing Units, by Select Characteristics for each State.
    - The U.S. Census Bureau explains that, "sample sizes for the Household Pulse Survey were determined such that a two-percentage point detectable difference in weekly estimates for an estimate of 40 percent of the population would be detectable with a 90% confidence interval within each sample area. The overall sample sizes within the sampling areas were adjusted for an anticipated response rate of five percent."
    - Between Weeks 3 and 9 of the Household Pulse survey rent occupied households have demonstrated a consistent concern that they will be unable to make the next month's rent. This is particularly the case for the lowest income categories with approximately two-thirds of respondents only moderately confident or less.
        - In recent weeks, renter confidence in states experiencing significant increases in COVID infection rates has decreased. There appears to be a strong inverse correlation between COVID infection rates and renter confidence, likely caused by the economic and employment response by business and government to rising COVID infection rates.
    - Rent payment confidence does not include responses to the survey indicating "Payment is or will be deferred" or "No response". The number of these

respondents is relatively small. They are included in the denominator of our calculations but are not separately identified as households potentially facing a rent shortfall.

  - Household Pulse data is reported based on the number of respondents (individuals). U.S. Census Table B25074 is a measure of households. We have used the proportion of respondents in the Household Pulse data as a reasonable proxy of the number of households to apply to the numbers provided in Table B25074.
  - Household Pulse income categories are based on the 2019 annual income levels reported by the respondents. The economic impact of COVID-19 has likely reduced that income in 2020 for many households.
  - We have not included renter occupied households with non-cash rent or occupied without rent.

- Household Pulse income categories are slightly different than the income categories used in table B25074. The lowest reported income category in table B25074 is "Less than $20,000". The lowest reported income category for the Household Pulse data is "Less than $25,000". The second income category in table B25074 is "$20,000 - $34,999". Th second income category in the Household Pulse data is $25,000 - $34,999". Household income categories greater than $100,000 are combined into a single category. All other income categories are aligned. For purposes of this analysis we have used the income categories in table B25074 and have assumed that the proportions indicated in the Household Pulse data for the lowest two income categories would reasonably align with the income categories in B25074.
- We have assumed that all renter households estimated to have No or Slight confidence in the ability to make next month's rent will need some degree of relief.
- We have assumed that 50% of all renter households estimated to have Moderate confidence in the ability to make next month's rent will need some degree of relief.
  - It is possible that the proportion of respondents who indicated they have a Moderate confidence in paying next month's rent that would need rental relief could vary based on income levels or rent burden. That is, respondents at higher income levels or lower rent burden who responded with Moderate confidence may have a lesser likelihood of needing rent relief. The inclusion of 50% of the respondents with Moderate confidence is intended to consider that certain incomes and rent burden may have a higher or lower likelihood of needing relief. A more refined analysis of this variation could cause the total estimated relief to be different (possibly higher or lower).

- We have estimated the average monthly rent using the midpoint income level and rent burden for each row. For the lowest income and rent burden levels we have estimated a reasonable average income and expected rent for these households.
- For purposes of this analysis, we have assumed that each household that will need some degree of relief will need an average amount of relief consistent with 50% of their monthly rent. One would expect that some households would require more and some household may require less.
    - A recent survey by Gracie Hill found that "12% of renters did not expect to pay rent at all during May; 15% expected to pay partial rent in May; 21% said they didn't know what they would be able to pay during May". These ratios suggest that for those that do not expect to be able to pay their rent (relative proportion), 25% do not expect to pay anything and up to 69% may only be able to pay a portion of their rent.
- Based on analysis of the Public Use Files of the Household Pulse survey data, we have assumed that 60% of households were able to make last month's rent but do not expect to make next month's rent. We then assume that 20% of households unable to make next month's rent also did not pay rent last month (2-month of rental arrears), 10% are 3 months in arrears and 10% are 4 months in arrears.
    - This is consistent with the methodology described below regarding our estimation of the number of potential eviction filings that may result from these rental shortfalls.
- We have assumed that only 80% of the estimated number of households that the Household Pulse data indicates would require relief in the two lowest income brackets would require actual rental assistance. We assume, based on the ratio of subsidized units to the total number of renter households in the United States for those income levels, that 20% of those households that may require relief are in subsidized units for whom other forms of relief or rental adjustment may be available. We have excluded these households from the calculation.
    - When collecting information about rent burden the U.S Census Bureau instructions direct the respondent to, "report the rent agreed to or contracted for, even if the rent for your home, apartment, or mobile home is unpaid or paid by someone else. Do not include any subsidy amount which may be paid by a local housing authority or other agency."
        - The U.S. Census Bureau published a survey indicating that for this question, 25% of respondents are likely answering the question as it was intended to be answered; 71% are reporting rent amounts that are less than the contract amount (they are reporting net of subsidy); and 4% are reporting an amount higher than the contract amount.

        - This is relevant to consider when assessing rent burden reported, particularly by low-income levels that may be receiving rental subsidies.

- We have assumed that households with the greatest rent burden would be most likely to respond to the survey indicating they would not be able to make next month's rent. As such, we have measured the amount of relief necessary for renter households with the greatest rent burden first. We then apply this to successive levels of lower rent burden until the total number of expected households requiring relief has been included (for No/Slight Confidence and Moderate Confidence separately). While it would certainly be expected that employment disruption and rental confidence has been impacted across all rent burden levels for all income categories, it is also reasonable to expect that the greatest risk would be faced by those with the highest rent burden especially at lower income levels. Therefore, certain of the income-level/rent burden cohorts in the model are displayed as having no impacted households due to the assumed application of need at the highest rent burden levels first. Modifying this assumption to distribute the impacted population across all rent burdens would reduce the estimate of needed relief (as the distribution of monthly rent relief needed for lower rent burdens would be modified) but would not change the overall number of households likely to experience a rent shortfall.
- We have not included consideration of other funding or relief that may be available to renter households, including CARES or unemployment compensation.
    - Based on the timing of the survey results, it would be reasonable to expect that the survey responses have been informed by the receipt of CARES stimulus funding as well as unemployment benefits for most households.
- We have not considered the status of any specific moratoriums in any specific state. Rather, the estimated number of evictions should be considered based on the status of local moratoriums and would apply after those moratoriums are lifted.
- The calculations do not adjust for or otherwise consider the number of households that are facing a pending eviction case. Households that indicated they will not be able to pay next month's rent may already be facing a pending eviction filing.
- In order to estimate the number of eviction filings that may occur over the next four months resulting from this rent shortfall, we first applied the percentage of respondents to the U.S. Census Household Pulse Survey who said that they were both unable to meet last month's rent and had No or Slight confidence in the ability to make next month's rent, to the total number of estimated renter households that will experience a shortfall this month, resulting in the number of renter households that are estimated to be one-month in arrears. We then stratified the remaining households into two-, three-, and four-months in arrears cohorts, with twice as many two-months in arrears households as three- and four-months households which we assumed to be equal.

- Additionally, we have assumed that, in each subsequent month, half of each cohort of renter households in arrears (current month behind, 2 months behind, etc.) will remain in their same cohort (representing payment of one month's rent that is most delinquent), and half of the households will fall one month further behind in rent payments.
- When estimating the number of monthly eviction filings, we have assumed that in the current economic climate landlords will (on average) file an eviction notice after a tenant falls three months behind in rent payments. Therefore, in each subsequent month, we assumed that any households which have fallen three or more months into arrears on rent payments will receive an eviction notice. We remove from the population the household that are estimated to receive an eviction notice for purposes of calculating the next month's estimates.

- Finally, we calculated the average estimated number of eviction filings that could be filed over the next two months and over the two months after that (months 3 and 4), separately.

Additional Data Sources and Considerations

- A recent national online survey by the website Property Nest found that roughly 39 percent of respondents said that they would be unable to pay rent if they lost their job during the coronavirus pandemic.
- The NAR estimates that 42% of households across the country would struggle to pay for housing solely with unemployment benefits. Parsed further, the organization says that 31% of renters have monthly housing costs that are higher than the amount they can pay with unemployment benefits.
- An analysis of the Household Pulse Survey Public Use File (PUF) data files for Weeks 1 to 5 shows that about half of those respondents who indicated they have No/Slight confidence in making next month's rent also indicated they were unable to pay last month's rent as well.
- At a time of historically low unemployment in 2019, the Fed reported that 38% of Americans did not have the resources to pay an unexpected expenditure of $400.
- A pre-COVID analysis of eviction filings in Rochester, NY indicates that 47% of evictions were filed based on less than 1.5 months of rent. 65% involved 2 months of rent. 77% involved 2.5 months.
- The Rochester (NY) Metro Area Poverty Initiative published data recently showing that over 30% of respondents indicate that they are unable to pay their rent, haven't paid their rent, don't know how they will pay their rent or has a landlord that is trying to evict them.

- The NMHC and Entrata reported at the end of April that:
  - New York State had one of the lowest overall percentages in the country of units that made a rent payment as of April 22 (89.8%) and one of the highest percentages of uncollected rent.
  - This same report indicated a significant increase (nationwide) in payments being made by credit card in April and in repayment plans negotiated with tenants (note: this report has not yet been updated for May).
- A recent survey by Gracie Hill indicated "The evolution in sentiment may continue to reflect the timing of stimulus payments from the federal government. When our survey closed in mid-May, the portion of residents who said they would ask landlords to defer their rent was set to be 30%, compared to 40% in April. Sixty-eight percent reported receiving stimulus assistance, and of those 38% said it helped them feel more financially secure, whereas 49% said it made no difference. Fourteen percent of residents reported they believed they would be more financially secure in three to six months compared to how they were before COVID-19. Forty-eight percent anticipated they would be somewhat (28%) or significantly (20%) less secure financially 3-6 months from now than they were before COVID-19."
  - This is an early indicator or the possibility of modest short-term improvement in the ability to pay rent – but also the expectation of longer-term instability as well.
- The Furman Center reports that, "About 20 percent of New York City renters live in 2-4 unit buildings. Across the nation, 34 percent of renters live in single-family homes, with an additional 17 percent in 2-4 unit buildings. Rental arrears may pose particular problems for owners of smaller buildings, placing those owners at risk of maintaining mortgage payments."
  - A pre-COVID analysis of eviction filings in Rochester, NY indicates that 69.2% of all eviction filings in Rochester involved buildings with 4 units or less (65.1% of all rental units are in buildings with 4 units or less).
- Another Furman Center study, based on an examination of unemployment insurance claims in New York State, estimates that, "1.1 million renter households in New York State have at least one member who has lost their job due to COVID-19," and that the related rental assistance required would amount to $391 million for low-income households and $743 million for all renter households in New York State.
  - While this Furman Center analysis uses a different calculation methodology, its estimates of the number of rent insecure households and the rent relief funding needed is consistent with the results of the Stout model, as described above.
- A recent survey conducted by the website Apartment List (in partnership with SurveyMonkey) found that in June 2020, 32% of American rental households missed their

rent payments, of which, about two-thirds missed their full payment and one-third made only a partial payment.

  - The survey determined that delayed payments in one month was a strong predictor for missed payments in the next month with 70% of respondents who were late making May's payment also making no or partial payment for June and 91% of respondents who made no payment for May making no or partial payment for June, more than half of which made no payment.
  - The survey showed that over one-third of renters are at least somewhat concerned that they will be served an eviction notice in the next six months with that figure climbing to 56% among those households who did not pay their full rent for the month of June.
  - The survey also reported that a majority of households that missed their rent payment at the beginning of the month were able to close the gap with late payments in the following weeks, with only about 10% of households remaining delinquent by the end of the month.

- A new study of American renter households' income, savings, and housing cost burdens by the COVID-19 Eviction Defense Project (CEDP) states that between 19 million and 23 million Americans are at risk of eviction by the end of September 2020, assuming between 25% and 30% renter unemployment.
- An article published in March by Multi-Housing News (MHN) reported that a recent study found that of the average, "$22 billion in monthly rent collected by apartment landlords, renters may require between $7 billion and $12 billion in temporary assistance over the next three to six months," due to the economic freeze caused by the coronavirus. The article also states that between 15% and 26% of U.S. renters will likely be affected by COVID-19 related business closures resulting in the reported rent shortfall and required assistance funding.
- In May, the Amherst Group reported on the disparity between renter and homeowner households and the impact of COVID-19 on these households. The report notes, "that only 39% of U.S. households have received government housing relief, leaving tens of millions of renters at risk of eviction or foreclosure in the event of a prolonged downturn." The report also found that roughly 28 million renter households are estimated to be at greatest risk of eviction – 23% of all households whose homes are not owned or financed through government vehicles. The report highlights that approximately 25% of all renters spend more than 50% of their incomes on rent vs. only 11% of homeowners with a mortgage and renters who live in properties not within the government supported infrastructure are not receiving any targeted housing relief programs at the national level. As a result, the Amherst analysis indicates that, "absent

additional intervention, there is a risk America will experience evictions and foreclosures in excess of the levels we saw in the wake of the Great Recession."

- In a brief published in June summarizing their findings on the level of assistance needed to support renters through the COVID-19 crisis, the Urban Institute estimated that it will cost $5.5 billion a month - without state unemployment insurance and the CARES Act financial support - to bring renter households back to their pre-coronavirus rent-to income levels, and $1.8 billion a month with state and federal supplemental support. Further, the brief estimated that, "in order to alleviate housing cost burdens for the nearly half of renters who were spending more than 30 percent of their income on rent before the crisis in addition to the renters who lost income due to the COVID crisis, rental assistance of $15.5 billion a month [without the state unemployment insurance and the CARES Act $600 weekly supplement] would be required."
- An analysis by ApartmentList.com published on July 8, 2020 indicates:
  - "32 percent of Americans did not make a full on-time housing payment in July, up slightly from 30 percent in June.
  - Missed payments continue to concentrate among renters, young and low-income households, and residents of dense urban areas.
  - Compared to last month more Americans are concerned about evictions and foreclosures, even as federal and certain local displacement protections are extended.
  - For the fourth straight month, a historically high number of renters and homeowners were unable to pay their full housing bill."
  - In early April, the percentage of Americans unable to make a full on-time housing payment jumped to 24 percent, then rose to 31 percent in May. This missed payment rate has since stabilized, dipping slightly to 30 percent in June before ticking back up to 32 percent in July. During the first week of this month, 19 percent of Americans had made no housing payment, while an additional 13 percent paid only a portion of their monthly bill.
  - While eviction protections today vary dramatically from place to place, our survey shows widespread and growing concern about housing insecurity. From June to July, the share of renters who are either "very" or "extremely" concerned about being evicted rose from 18 percent to over 21."