**Eviction Changes: Coming to a City Near You!**

Evictions are an awful side of the rental housing business that causes pain for both tenants who need a place to live and landlords who have to run a business. What everybody in the rental world needs to know is, there's a book that came out called Evicted: Poverty and Profit in the American City by Matthew Desmond. It is based on stories and studies that were done in Milwaukee, Wisconsin. Desmond is a sociologist who went and met with individuals and followed them over a couple of years. His main point is one that is contrary to common experience: that evictions after the 2008 economic crash were less a consequence than a cause of poverty.

Now groups around the country are using the book as a rallying point to erode property rights. Studies are being performed in various cities, drawing local headlines about the eviction issue, while ignoring key aspects of the issue: the first and foremost is one that Desmond ignored repeatedly in his review: if the residents would have paid their rent rather than spending limited financial resources on drugs and alcohol, they would not have been evicted.

With limited affordable housing – a term re-defined in every market to fit the local cause – available due to over regulation in the new housing and multi-family markets, such that it costs too much to build work-force niche housing, there is upward pressure on rents and housing costs. Simply put, when the basic economic laws of Supply & Demand are altered by governmental regulation, the people will pay the price, and often it is the poorest or those with the fewest options who are most harmed by the unintended consequences.

A few ideas that are suggested and regurgitated by local “studies” are the following:

Just Cause Eviction: the idea that a property owner who once offers an apartment or house for lease has given over their rights to the primacy of ownership, in that they cannot take it back short of a very limited and specific set of circumstances. Unintended Consequence: If residents are more difficult to move out, property owners will raise their standards such that those on the margins will have fewer options, and less housing choice.

Right-to-Counsel: Everyone has a right to legal counsel for criminal issues. This effort suggests that every person up for eviction has the right to an attorney. Let’s call this the Full-Attorney-Employment Act, because that’s what it is really about. Resident education and rent assistance through counselors could stabilize far more families than tying up the courts, families and property owners in court for months at a time would ever resolve. Unintended Consequence: someone has to pay the legal fees, look for the costs of evictions to increase or other fees to be put in place – thereby increasing the overall cost of housing in the area. The cost of housing is usually one of the things advocates will claim is exactly the problem…out of the other side of their mouth.

Pay-to-Stay: This idea eliminates the contractual language of the lease and requires property owners to accept partial payments for rent. How long and how much is always up for debate – but as long as the resident is paying they should be allowed to stay. Unintended Consequence: Whatever limits are imposed, will be the *new* extent of payment delay. Basically the local government will take over the rules of collection even beyond the Fair Debt Collection Act! All rental property turns into a daily, weekly, by-weekly pay as you go program. Rental contracts should be as sacrosanct as mortgages, local governments should not interfere in the private contractual agreements.

Ownership / Management Disclosure: The most frequent comment I hear from local government officials is, “We don’t know who owns this property.” What they mean is, they are too lazy to push through the legal barriers established for Limited Liability Companies or even ask the resident where they send the rent check, and to whom. If the rent is being paid – you can find the property owner! The protections of LLCs are in place for good reason – beyond standard legal liability protections, if I have to evict the female resident for abetting drug use, I really don’t want the drug-dealing boyfriend showing up at my house, threatening or harming my family. And the fact is, the community and municipality *want* me to evict in that situation! Having made that point, municipalities do have good reasons for needing to contact property owners or their representative, whether for emergency and safety requirements or simplification of notifications about ongoing issues at or near the property. Working out a compromise with the municipality that is not costly or full of bureaucratic red tape can benefit both sides and lead to a stronger and safer community over all.

Rental Assistance: Evictions would all but dry up if the rent was paid. Yes, there are those who allow drug use or violate noise and community standards, but the majority of evictions are because the rent wasn’t paid. In situations of difficulty, whether job transition (loss), medical issues, or often times as not, a vehicle problem, families on the margins do not have the resources to weather the storms of life. When living paycheck to paycheck a mother of two may need help on occasion. There are programs in place to help in these situations with counselors and financial and mobility resources. These organizations are often a good option as a charitable organization for rental associations to support! Contrary to the perception that this is just throwing money at the problem, it actually addresses the critical pressure point of families at a breaking point, thereby stabilizing the household and minimizing school-hopping for kids.

In summary, there are solutions to help stabilize communities and most property owners who rent in low-income communities, especially small owners already adapted to necessary flexibility of working with individuals and families living paycheck to paycheck, and they don’t need the increased cost and expense of more government red tape to drive them out of the market because that unintended consequence is even more dire for those needing housing! Be ready for this discussion to come to a community near you!

RE Journal September 2018