

Boston Housing Court Eviction Report

An initiative of Project Hope in partnership
with the City of Boston Department of Neighborhood Development
and The Paul and Phyllis Fireman Charitable Foundation



Introduction

Current housing challenges facing low-income families in Boston are daunting. The fair market rent for a two-bedroom apartment in Boston is \$1,444.00 per month or \$17,328 per year. A single head of household minimum wage worker earns \$17,000 per year. Even without basic necessities factored in, it's impossible to afford market rates without some financial assistance. Currently, Section 8 housing subsidies require a family to contribute at least 30% of their income toward rent.

For the minimum wage single parent 30% of their income equals just over five thousand dollars, which leaves approximately \$12,000 for all other family expenses *for the year*. Even with other forms of assistance such as food stamps and child care vouchers, it is difficult to stretch \$1,000 per month for food, clothing, transportation, school supplies, and unreimbursed health care expenses. As a result, many families—including those with housing subsidies—fall behind on their rent. Once behind in rent, getting caught up is so difficult that some never manage to catch up. This rent arrearage typically results in the landlord or property manager issuing a Notice to Quit, the first step in the court-ordered eviction process.

In 2011 there were a total of 2,970 cases brought before the Boston Housing Court involving families with housing subsidies. Over a thousand of these cases, or one third, resulted in evictions. (See Figure 1).

Figure 1	2011 Boston Housing Court Data
Total number of cases brought before the Boston Housing Court (BHC)	5,197
Number of cases brought before the BHC involving subsidized tenancies	2,970
Number of subsidized tenancy cases that resulted in the execution of eviction	1,075

Source: Project Hope Housing Court Data Collection Project

In 2011, tenants with subsidies were on average three months behind on rent when their eviction cases were brought to court. They owed an average of \$1,600 in overdue rent. In Massachusetts the rules state that a family receiving a subsidy that is evicted due to non-payment of rent is not eligible for emergency shelter services *for three years*. Often, these families are thrust into homelessness with no options for assistance until the three years is up.

There are no winners when a subsidized family is evicted from their home. The human costs to young children and their parents are evident. The future economic and social costs in responding to these consequences are immense.

Evictions also carry a significant cost to landlords, owners and management companies. A Cost-Benefit Analysis of evictions for non-payment according to the HomeStart Court Intervention Project estimated a cost to the Boston Housing Authority of over \$10,000 per eviction. These costs included: BHA staff time, court filing fees, constable services, forced move-out and storage, lost rent due to unit vacancy, preparing the unit for re-occupancy and new tenant selection. Compare these costs to the average rent arrearage of \$1,600 according to the Boston Housing Court data, and it's clear that evictions can be prevented for 20% of the cost of an eviction.

Stopping the flow of court ordered evictions for non-payment of rent for families with subsidies is a humane and cost effective solution. Our Homelessness Prevention Strategy needs to be focused on keeping families housed.

The City of Boston and the Leadership Council on Homelessness identified this strategic goal in Bringing Boston Home, an Action Plan to House Boston's Homeless 2013-2016. It embraces a goal that targets eviction prevention as a strategy to address family homelessness: "To reduce by 25% the number of families with housing subsidies who are evicted solely for rent arrearages by the end of 2016."

In response to this goal, the City of Boston's Department of Neighborhood Development is launching a major collaborative effort among landlords, owners, management companies, and providers to work toward implementing the goal of "keeping families housed."

Background

In pursuit of our goal of ending family homelessness, Project Hope is continuously looking to identify causes of and permanent solutions to the issue. We have learned from our homelessness prevention work that many families, even after receiving a housing subsidy or a unit in public housing, still struggle to maintain their tenancies. Evictions of subsidized tenants can unnecessarily create new incidents of homelessness for both individuals and families. In an effort to think strategically about how we can best prevent families who are successfully housed from becoming homeless, Project Hope saw the need for additional data to establish a clearer picture of the eviction challenges families face.

Even with deep rental subsidies, extremely low income households struggle, sometimes unsuccessfully, to make their required contributions to rent. A worker earning minimum wage in Massachusetts, working 40 hours per week, has gross income of approximately \$17,000 per year. Paying 30% of income for rent and utilities would leave this family with just over \$1,000 per month to pay for food, clothing, transportation, school supplies, diapers and unreimbursed health care expenses, and other household expenses. Any substantial unexpected cost, such as an uninsured medical cost, could result in a rent default. SNAP benefits, child care vouchers and other forms of public benefits can help, but for various reasons not all families are able to access such benefits long-term. Families relying on TAFDC as their primary source of income have even less flexibility, as they try to stretch benefits of about \$500 per month to pay household costs other than rent and utilities.

During the summer of 2007, Project Hope collected and analyzed the entire 2006 caseload from the Boston Housing Court (BHC). Based on findings from this initial research, early warning eviction prevention efforts were initiated in a limited number of public and subsidized housing developments. In 2011 Project Hope reinvestigated the landscape of eviction cases in the BHC to see how evictions changed between 2006 and 2010. Between 2006 and 2010, the housing market and larger economy took a major hit. Foreclosures and evictions plagued our cities and neighborhoods. Despite the dismal economic times, the total number of evictions in the BHC only increased by 6% between 2006 and 2010. Homelessness prevention programs, neighborhood stabilization efforts, and the adjustability of income-based subsidies prevented what could have been disastrous increases in evictions between 2006 and 2010.

This updated report examines eviction cases from the Boston Housing Court in 2011. This report focuses primarily on eviction cases involving subsidized tenancies and further explores how tenancies can be preserved once an eviction case has been filed. The comparison between 2006, 2010 and 2011 data show relative stability in the rate of evictions. It is important to note, however, that during this time period low-income tenants had the opportunity to access the Homelessness Prevention and Rapid Re-Housing Program (HPRP). HPRP was a federal program

within the American Recovery and Reinvestment Act that targeted \$1.5 billion dollars toward eviction prevention and re-housing efforts in Boston and across the country. HPRP prevented homelessness for 1.2 million Americans between 2009 and 2012. In Boston 1,320 households were provided with HPRP resources through funds administered by the City of Boston. Additional households were served through HPRP funding administered by the Department of Housing and Community Development (DHCD) but those numbers were not available at the time of publication of this report. HPRP was used in Boston to stabilize housing for tenants in the legal eviction process with incomes at or below 50% of area median income. While this report is not an evaluation of HPRP nor does it track evictions prevented by HPRP, it is an important note of context for the time period analyzed by this report. The role of HPRP—a temporary subsidy that is no longer available—in preventing evictions between 2009 and 2012 must be taken into account in assessing the likelihood that the rate of evictions will remain stable in 2013 and beyond.

Comparisons between Housing Court Cases in 2006, 2010, & 2011				
	2006 Boston Housing Court Data	2010 Boston Housing Court Data	2011 Boston Housing Court Data	Percent Change from 2006 to 2011
Total number of cases brought before the BHC	4,597	5,259	5,197	13%
Total number of cases that resulted in the execution of eviction	2,009	2,127	2,068	3%
Number of cases brought before the BHC involving subsidized tenancies	2,855	3,193	2,970	4%
Number of subsidized cases that resulted in the execution of eviction	1,009	1,188	1,075	7%

Evictions of Subsidized Tenants in Boston Housing Court

In order to maintain focus on tenants more likely to become homeless or “housing insecure” as a result of eviction, we have focused our Boston Housing Court analysis on eviction cases that involved subsidized tenancies. This report uses the term “subsidized tenancies” to describe households who have their rents subsidized either through project-based subsidies such as public housing or project-based Section 8 and tenant-based subsidies such as Section 8 vouchers. These households are more likely to become homeless as a result of eviction and, given their extremely low incomes, will likely have a harder time finding safe alternative housing after eviction.

Subsidized and Unsubsidized Tenancies Resulting in Execution of Eviction

While there was a 4% increase in the number of subsidized cases brought to the Housing Court between 2006 and 2011, there was a **decrease** in the rate of execution of eviction for subsidized tenancies. This may indicate that interventions implemented at the court level between 2006 and 2011 were modestly successful at achieving agreements and avoiding the execution of an eviction.

Rate of Executions 2006, 2010, & 2011			
	2006	2010	2011
Rate of Execution of Eviction in Subsidized Tenancy Cases	35%	37%	26%

Landlord Types Involved in Subsidized Cases

A comparison between subsidized cases brought to the BHC in 2006 and 2011 shows a decrease in the involvement of management companies over time and a simultaneous increase in private landlords bringing eviction action. Between 2006 and 2011 significant city, state and community-based efforts were made to work with property management companies to implement early warning eviction prevention programs. Project Hope implemented an Early Prevention Project with Maloney Properties. Similar eviction prevention efforts by HomeStart were made within the Boston Housing Authority’s housing developments. The Early Prevention Project was a targeted intervention to keep at-risk families in their homes, preserve their tenancies, and promote cost-savings for property owners. The project was successful, in part, because Project Hope and HomeStart built strong working relationships with property managers and received referrals for tenants who were at the Notice to Quit stage so the

evictions could be prevented before the eviction action progressed and became costly for all parties.

Flexible funding allowed both agencies to prevent a total of 173 evictions between 2008 and 2011. Private landlords have not yet been the target of a substantive eviction prevention strategy, yet they are increasingly involved in eviction cases involving subsidized tenancies. However, management companies and the Boston Housing Authority still make up the overwhelming majority of parties bringing eviction actions in Housing Court and have a vested financial interest in working together with households and providers to reduce the rate of eviction. Evictions are costly for landlords; according to HomeStart’s Court Intervention Project cost-benefit analysis in collaboration with the Boston Housing Authority, in 2010 it cost the BHA approximately \$10,000 to force an eviction for non-payment of rent, while it only cost the Court Intervention Project \$1,570 per tenant to prevent an eviction. Recognizing the cost-saving benefit of eviction prevention, the BHA has made an on-going financial commitment to sustain the Court Intervention Project. Successful collaborations between eviction prevention programs and property management companies could be replicated to serve private landlords and address the increase in private landlord involvement in these cases.

Landlord Types Involved in Subsidized Cases			
Landlord Types	2006	2010	2011
Management Companies	76%	69%	65%
Private Landlords	8%	14%	23%
Housing Authority	15%	16%	12%
Other	1%	1%	0%

As expected, the largest property management companies in the city also brought the most eviction actions. The 5 landlords with the most evictions (4 property management companies and the Boston Housing Authority) brought 43% of all subsidized eviction cases. The concentration of evictions among this handful of landlords offers an opportunity for targeted eviction prevention efforts. By expanding existing prevention programs with these landlords and the Boston Housing Authority, non-profit eviction prevention programs could have a significant impact on the number of eviction actions and executions.

Reasons for Evictions in Subsidized Cases

Between the years of 2006 and 2011 there was no change in the reported reasons for eviction cases. Across the years, non-payment of rent was the stated reason for eviction in approximately 85% of subsidized cases. For the 2011 analysis, we further explored the other 15% of subsidized eviction cases. There are several reoccurring reasons, other than non-payment, including:

- Foreclosure
- Failure to properly file subsidy certification paperwork
- Drug-related activities
- Violent behavior
- Unauthorized individual living on the premises

The abovementioned factors may also play a role in eviction cases filed for non-payment of rent. Even if half of the non-payment cases involve unacceptable behavior in addition to payment issues, there are still a significant number of cases resulting in eviction for a relatively low dollar amount. Evictions brought for the reasons mentioned above will require a different type of eviction prevention effort, than those cases brought for non-payment of rent.

Amount Owed in Subsidized Eviction Cases

Between 2006 and 2011, most of the cases that resulted in execution of eviction involved relatively low arrearage amounts, although the average and median arrearage amounts did increase by approximately 20% between 2006 and 2011. The relatively low arrearage amount owed for subsidized tenants highlights the cost benefit of preventing these evictions from moving forward. Preventing these evictions is far less costly than assisting these households in emergency shelter if they were to become homeless. The average subsidized arrearage in 2011 was just \$1,647, which is equal to the cost of about 2 weeks in family shelter; most families stay in emergency shelter for 7 months with an average cost of \$3,000 per family per month, for a total shelter cost of roughly \$21,000 per family, making prevention a much more cost-effective alternative.

Arrearages for Subsidized Evictions				
	2006	2010	2011	Percent Increase from 2006-2011
Average Arrearage Amount	\$1,394	\$1,552	\$1,647	20%
Median Arrearage Amount	\$849	\$990	\$1,025	21%

Moreover, even if all of these evictions do not result in homelessness, avoiding the costly eviction process presents financial benefits to landlords as well as tenants. Preserving these vulnerable tenancies is economically beneficial for households and landlords, whether public or private.

Tenants in subsidized cases were on average three full months behind on rent when the eviction cases were brought to court. This indicates there is a three month window in which to intervene to support a tenant whose tenancy is at risk before the landlord moves to eviction. This window is important for establishing an early warning system so that financial or behavioral interventions can be made before the case is brought to court.

Agreements to Avoid Execution of Eviction

In addition to the comparison of eviction data over time, in the 2011 study we further analyzed subsidized eviction cases to learn more about what can be done to prevent the execution of eviction and ultimately prevent the removal of the household from the home. Frequently agreements for judgment are used to resolve an eviction case before an eviction is executed. In 2011, 52% of cases went into agreement in an effort to resolve the issue and avoid the removal of the household from the home. Agreements offer an opportunity for landlords and tenants to resolve payment or behavior issues. Agreements are most effective when issued prior to an execution order; only 3% of agreements were reached after the original execution was issued.

Repayment agreements are the most common agreements reached (74%), but agreements to vacate (14%) also offer an important benefit to both landlords and tenants. Agreements to vacate allow the tenant to move out of the unit without an eviction appearing on their credit history or in their rental history. Additionally, if the tenant has a tenant-based rental subsidy it may allow them to keep their subsidy and apply it to another housing unit. Such agreements to vacate sometimes involve a neutral reference from the landlord which can help the tenant in securing a new housing unit. Agreements present a great opportunity for both landlords and

tenants, and in 65% of subsidized cases where agreements are reached, eviction execution is avoided.

For these agreements to be successful, it is important that the repayment agreement and/or other terms of the agreement are achievable for the tenants. A key element of a successful repayment agreement is a realistic payment plan. Unsuccessful agreements have 20% higher arrearage amounts but are otherwise similar to successful agreements in terms of landlord type and reasons for eviction. In cases where arrearages are large, either increased forgiveness or a longer term for repayment would create a greater chance of success by creating a realistic payment plan, leading to better outcomes for all.

New Developments

Between 2006 and 2011, the housing market and larger economy faced a significant downturn. Foreclosures and evictions have greatly impacted our community. Due in part to the challenging economic times, the total number of evictions in the BHC increased by 13% between 2006 and 2011. The availability of tenancy preservation programs including HPRP, HomeBASE, Residential Assistance for Families in Transition (RAFT) and Tenancy Preservation Program (TPP) have prevented what could have been significantly higher increases in evictions and executions between 2006 and 2011.

New community plans and innovative programming will have an impact on reducing family homelessness and keeping tenants housed in 2013 and beyond. Affordable housing owners are partnering with social service providers, the state of Massachusetts and HUD to test a new approach to house homeless families and preventing eviction through the new program, New Lease for Homeless Families.

New Lease for Homeless Families is a not-for-profit corporation with a mission of reducing family homelessness by providing apartments in affordable rental communities that match the needs of the families. New Lease brings together private and non-profit property owners to work collaboratively with social service providers and state agencies to accomplish this mission.

In addition to providing housing units for families transitioning out of homelessness, New Lease prioritizes housing stability and eviction prevention for these households. New Lease will utilize its Family Emergency Housing Fund to support families who are struggling to maintain their tenancies for up to two years after their move-in date. The goal of the fund will be to provide a critical resource, and to preserve tenancies that have arrearages due to family emergencies and hardships.

Conclusion

The City of Boston has set a goal of reducing the number of subsidized evictions of families for non-payment of rent by 25% in the next year. This research combined with the learning from New Lease and the City of Boston's new plan to end homelessness can guide the Commonwealth in implementing policies and practices that will reduce eviction, prevent homelessness and stabilize communities.

In order to achieve this goal Project Hope recommends that eviction prevention programs focus on securing achievable and realistic repayment agreements or vacate agreements that will allow the household to avoid the execution of the eviction and either stay in permanent housing or move to new but still subsidized housing. Tenants moving to new units may need budgeting assistance, job training, or other mainstream programs or services in order to prevent them from falling behind again on rent.

Stabilizing the housing of low-income tenants in subsidized housing can have a tremendous impact on reducing family homelessness. Focusing efforts on the front door of the family shelter system is particularly important given that there are 4,000 families in the shelter system, and that the Commonwealth is prioritizing those families for scarce resources such as the Massachusetts Rental Voucher Program (MRVP). Additionally, HomeBASE Rental Assistance is expiring for many households which could increase the number of families that re-enter the shelter system, though some will remain housed for at least several additional months with HomeBASE Household Assistance and RAFT funds. These factors, confounded by escalating rent levels, will increase the number of families seeking shelter. The system must respond by prioritizing eviction prevention and shelter diversion whenever possible.

