



**Community Development Advocates of
Detroit**

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Comment in Support of House Bill 5237

Thank you for this opportunity to comment in support of House Bill 5237. I am Ruth Johnson, Public Policy Director for Community Development Advocates of Detroit. CDAD is a member of the Detroit Right to Counsel Coalition. The Detroit Right to Counsel Coalition is a broad-based group of community and neighborhood organizations, faith based organizations, nonprofit legal services organizations, housing services providers, and tenant organizers. CDAD is a membership-centered, 501c3 nonprofit organization with more than 200 members. For over twenty-five years, CDAD members have built, managed, rehabbed, and preserved owner-occupied and rental homes; have provided temporary and transitional homes; and have helped keep people in their homes.

As CDAD's Public Policy Director and a Detroit Right to Counsel Coalition member, I support the creation of a statewide right to counsel law for two primary reasons:

1. A statewide law would be an *important tool* in our toolbox to address the housing and eviction crises facing Michigan and Detroit tenants, landlords, and communities; and,
2. Based upon the experiences and preliminary results of the Detroit Right to Counsel Law, a statewide law would be an *effective tool* to reduce unnecessary and illegal evictions and would help keep Michiganders and Detroiters in their homes.

Michigan has had a long-standing housing crisis due in part to an insufficient supply of affordable housing. Over the last few years, rental rates have been rising. Across the state, there is a shortage of rental homes affordable to low income households. Many of these households are cost burdened spending more than 30% of their income on housing and many are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions according to a National Low Income Housing Coalition report.

Michigan has also had a long-standing eviction crisis. Annually, landlords file nearly 200,000

eviction cases in Michigan and around 40,000 Michigan households lose their homes as a result of court-ordered evictions, according to a 2020 University of Michigan Poverty Solutions report. Eviction case filing rates in our state is significantly higher than in surrounding states. In Michigan, tenants face frequent threats of eviction. In 2018 more than 191,500 eviction cases were filed — the equivalent of 1 eviction case for every 6 rental units (17%). While 13 cities and counties with the highest eviction filing rates were concentrated in southeast Michigan and Michigan's urban areas, 32 Michigan counties (or about 37% of counties) had eviction filing rates of over 9.5% — the equivalent of 1 eviction case for every 10 rental units.

During the COVID pandemic, there was a decline in eviction case filings and a decrease in defaults and eviction rates (the percentage of cases in which the court issues an eviction order). These declines were due to interventions such as the state's COVID Emergency Rental Assistance (CERA) program, federal and state eviction moratoria, and measures the Michigan Supreme Court took. But those numbers have been creeping back towards pre-pandemic levels.

Even before the pandemic, the City of Detroit was facing an eviction crisis of epidemic proportions. Over 31,000 eviction cases were filed annually in the local district court. Thirty percent of eviction cases, or nearly 10,000 households, were forcibly evicted by the district court's bailiffs. Prior to 2018, only 4-5% of tenants were able to obtain legal representation to defend against these evictions. Comparatively, 85-90% of landlords were represented by legal counsel.

In 2015, according to the US Census, Detroit became a majority renter-occupied city. For the first time in 50 years, 53% of Detroit's population were tenants. These percentages must be viewed against the fact that Detroit once held the highest rate of Black homeownership in the nation. Also, in 2015, 24,793 properties were lost to foreclosure — the highest number of annual foreclosures in the decade, pushing these former homeowners into rentals.

The Detroit Right to Counsel Coalition worked with the Duggan Administration, Detroit City Council, and community stakeholders to pass the Detroit Right to Counsel Law in 2022. From March-December 2023, 59% of tenants who appeared and were eligible, received full legal representation. Right to counsel allowed more occupants to retain possession. Detroit's law preserved the right for future subsidized housing for 100% of the tenants and none lost the subsidy due to court action.

Let's work together to create a statewide right to counsel law. Let's work together to provide legal representation for tenants like Ms. Robinson, the school teacher; legal consultation for landlords like the many CDAD members who provide affordable and accessible housing; and legal education and community outreach for your constituents. Let's join the growing number of cities and states were taking steps to reduce evictions because of the research showing that such interventions have the potential to reduce homelessness, boost school attendance, support employment, and significantly reduce government spending on shelter and other related costs. Let's keep more people in their homes. Let's get it done.