



Fiscal Impact of the Eviction Crisis

Eviction isn't a symptom of poverty, it's a cause.

This analysis attempts to associate financial costs with various outcomes of evictions. Unfortunately, based upon a comprehensive review of academic literature, many of the negative impacts of an eviction have yet to be quantified either due to a lack of research or an inability to do so.

Obviously, the most disastrous impact of an eviction is the loss of one's home. This loss can have near catastrophic implications resulting in an exponential number of negative consequences including diminished physical and mental health, increased engagement in risky behavior among adolescents, household instability, food insecurity, and educational underperformance.

Eviction outcomes can generally be grouped into two different buckets: entrance into the homelessness system and self-resolution. Though both outcomes share a body of costs such as court and associated fees, negative credit score outcomes, and greatly diminished ability to secure stable housing, entrance into the homelessness system carries additional costs that must be borne by federal, state, and local government funding as well as the philanthropic community.

Shared costs among eviction outcomes can be further subdivided into costs that can be assigned a quantitative measure and those that cannot.

Quantitative Costs:

Court and associated costs:

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| Sheriff cost to administer an unlawful detainer (It is estimated that City of Richmond Sheriff's office administers 2,688 unlawful detainers annually equaling \$370,944.) | \$138¹ |
| Attorney fees | ~\$196 |
| Filing and Servicing Fees for Writ of Possession | \$56 |

Moving Expenses (for 5 rooms of furniture²) **\$1,500**

Potential Job Loss/Missed Work:

Tenants must miss work for court as well as to search for new housing and moving. There is no research which indicates the average time that a tenant will miss work due to court nor for housing search and move. However, it can be reasonably be assumed that this would account for a minimum of two full days of lost wages. It's estimated 8 hours work at median wage (\$19.13³) for 2 days equals: **\$306.08**

Potential loss of subsidies including housing assistance, food stamps, Medicaid benefits:

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| Estimated average monthly SNAP benefit for a family of 4 | \$465⁴ |
| Estimated Medicaid spending per Enrollee (full or partial benefit) | \$6,909⁵ |
| Estimated loss of housing subsidy. Through the housing choice voucher program, HUD pays up to 70% of the rent for voucher households: Median gross rent = (\$942 times 0.70) = \$659.40. This is not simply a onetime loss but rather a financial loss that will negatively impact the tenant for years to come. | \$659.40 |

Security Deposit:

This would typically include the loss of existing security deposit as well as the deposit necessary to secure new housing. The Median gross rent in Richmond is \$942. Thus, the loss and replacement cost can be reasonably estimated to approximate \$1,884 per eviction.⁶ **\$1,884**

Loss of Rental Income:

Landlords typically lose between 2-3 months' rent during the eviction process: average of 2.5 months times \$942 (median gross rent) equals: **\$2,355**

¹ Virginia's Judicial System. Circuit Court Civil Fee Filing Calculator. Unlawful Detainer - \$0.01 - \$49,999. http://webdev.courts.state.va.us/cgi-bin/DJIT/ef_djs_ccfees_calc.cgi#ID_CALC_FRM

² As per the Uniform Relocation Act.

³ Bureau of Labor Statistics. May 2017 State Occupational Employment and Wage Estimates – Virginia. https://www.bls.gov/oes/2017/may/oes_va.htm#00-0000 (\$19.13 approximates an annual salary of \$39,790; roughly half of the Richmond Area Median Income).

⁴ Center on Budget and Policy Priorities. A Quick Guide to SNAP Eligibility and Benefits. <https://www.cbpp.org/research/food-assistance/a-quick-guide-to-snap-eligibility-and-benefits>

⁵ Henry J. Kaiser Family Foundation. Medicaid Spending per Enrollee (Full or Partial Benefit) 2014.

⁶ US Census Bureau. American Community Survey. 2013-2017, five-year estimates. Table B25064. Median Gross Rent (Dollars).

Non-Quantitative Costs:



Household Instability

The potential loss of benefits, school relocation for children, and the loss of neighbors and a support network from the established rental neighborhood is an important cost of eviction.



Mental and Physical Health

A body of literature exists that confirms the negative outcomes of evictions upon households. Low-income urban women with children are most at risk of eviction. Mothers that have been evicted within the previous year experience heightened economic hardship, higher rates of depression, and reported worse health outcomes for themselves and their children.⁷



Court/Credit Record

Negative impacts on future rental outcomes: Evictions negatively impact a tenant's credit score making it nearly impossible to find quality, affordable housing.



Replacement/Repossession of Possessions

Household goods lost in an eviction will inevitably become an expense in the long term as the tenant establishes a new residence.

Additional Costs of Evictions Resulting in Entrance to the Homelessness System

Due to the availability of existing data, the cost of an eviction resulting in entrance into the homelessness system is somewhat easier to quantify. Homeward conducts a homeless Point in Time (PIT) count across the greater Richmond region two times per year. The most recent PIT count for which data is available occurred in the summer of 2018. This PIT found that 26.7% (n=104) of people indicated that they had been evicted in the past three years. Of those, 40.4% indicated that the eviction resulted in them living in an unsheltered location, 26% with family and friends, 14.4% in a hotel/motel, 12.5% in a shelter, 4.8% in their own housing, and 1.9% in an institution.

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| Permanent Supportive Housing Cost | \$15,209⁸ |
| Rapid Rehousing Cost | \$3,005⁹ |
| National Average Shelter Cost (per stay per family) | \$16,829¹⁰ |
| Transportation provided through McKinney-Vento Act estimated to be \$60 per student per day plus mileage | \$60 |

⁷ Desmond, Matthew and Kimbro, Rachel. *Eviction's Fallout: Housing, Hardship, and Health*. Oxford University Press on behalf of the University of North Carolina at Chapel Hill. 2015.

⁸ GRCOC Performance Measures

⁹ Ibid.

¹⁰ National Alliance to End Homelessness 2017

