

## **New Study Finds Right to Counsel in Eviction Cases Would Save Money for NYC**

*Posted on Friday, Apr 8, 2016 - 8:06am by admin6754*

A study done on behalf of the New York City Bar Association's Pro Bono and Legal Services Committee finds that, contrary to analyses by the City's Independent Budget Office (IBO) and City Council's Finance Department, providing free legal counsel to low-income tenants facing eviction would actually save the city hundreds of millions of dollars.

The study, undertaken pro bono by the global financial advisory firm of Stout Risius Ross (SRR), examines Intro 214-A, a bill introduced in 2014 by City Council Members Mark Levine and Vanessa Gibson and joined by a veto-proof majority of other members. The bill would require the city to provide a lawyer to low-income tenants facing eviction. The IBO and the Finance Department predicted that providing counsel to all tenants at 125% or lower of the poverty level would have a net cost of between \$100-\$203 million and \$66 million, respectively. In contrast, the SRR study uses a 200% of poverty income cutoff, meaning more tenants would be eligible, and still concludes that the City would have a net savings of \$320 million annually.

"This study confirms that providing a right to counsel in eviction cases is not only the right thing to do, but the smart and responsible thing to do as well," said New York City Bar Association President Debra L. Raskin.

Over \$251 million in savings would come from reducing shelter use, savings which the SRR study finds are underestimated in both the IBO and Finance Department reports. SRR projects that over 5,200 fewer families and over 1,100 fewer individuals will wind up in homeless shelters due to eviction if provided with counsel.

SRR also identifies another significant area of savings that was unaddressed in the other reports: retaining affordable housing. By preserving an estimated 3,414 units of affordable housing that would otherwise be lost to eviction, the City will save an additional \$250 million. Finally, the SRR study calculates that \$9 million will be saved by avoiding certain City costs when evicted tenants become homeless, such as emergency room care and law enforcement. But even without the affordable housing or hospital/law enforcement savings, the SRR report concludes the City would still save \$52 million a year.

While SRR concluded that the net savings were \$320 million, it observed that "there are many benefits to society of a population that enjoys stable housing that are not easily quantifiable and therefore are not included

in SRR’s calculations.” The study lists such potential savings as reduction in costs for education, juvenile justice and welfare services for homeless children as a result of eviction; welfare when jobs are lost due to eviction; enforcement of rent laws and regulations; and a reduction, over time, of the number of eviction cases brought as a result of providing a right to counsel.

**Table Summarizing Results from the SRR, IBO, and Finance Department Reports**

<b>Description</b>	<b>SRR</b>	<b>IBO</b>	<b>Finance</b>
Cost of providing counsel	(\$259 million)	(\$173 – \$276 million)	(\$117 million)
Offset for amount already spent on counsel by City	\$60 million	\$20 million	didn’t offset
Total savings from reducing shelter use	\$251 million	\$143 million	\$171 million
Fed/state shelter savings not included	n/a	(\$90 million)	(\$120 million)
Savings from avoiding loss of affordable housing units due to eviction	\$259 million	didn’t assess	didn’t assess

Savings from avoiding other homelessness costs (hospitals, law enforcement, etc.)	\$9 million	didn't assess	didn't assess
<b>Total (cost) / benefit of providing counsel</b>	<b>\$320 million</b>	<b>(\$100-\$203 million)</b>	<b>(\$66 million)</b>

The SRR study may be read here: <http://bit.ly/1PRRadO>

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