Forecasting Homelessness in Arizona During the COVID-19 Crisis

Update – February 2020

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TPCH Membership Meeting - February 11th 2021
The Situation has Changed Dramatically

- Unusually high financial strain is being met with unusually generous amounts of financial supports.
- Previously, a major question of concern was “how many people are likely to experience a housing disruption and potentially homelessness on a short timeline following the expiration of eviction moratoria?”
- Now, the question has become “how many people are likely to experience a housing disruption and potentially homelessness steadily over time despite eviction moratoria?”
  - How many will fall through the cracks of current protections and supports?
- Do we have the luxury of thinking about big structural changes again?
U.S. recessions are shaded; the most recent end date is undecided.

Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org
Scope of the Problem – AUGUST 2020 - February 2021

Over 2 in 10 Arizona renters are not caught up on rent payments. Oct 28 - Nov 9th

Source: Census Household Pulse Survey -Week 13-23
The coronavirus crisis is different

Job growth (or loss) since each recession began, based on weekly earnings

1990 recession

2001 recession

2008 recession

Coronavirus crisis

Notes: Based on a three-month average to show the trend in volatile data.
Source: Labor Department via IPUMS, with methodology assistance from Ernie Tedeschi of Evercore ISI
THE WASHINGTON POST
Confidence in Ability to Pay Next Month's Rent
August 2020 - February 2021

Source: Census Household Pulse Survey Weeks 13 – 23
This question is only asked of the **12.6%** of all Arizona Renters Not Caught Up on Rent: Jan 20th – Feb 1st

Source: Census Household Pulse Survey Week 23
## Rent Payment Tracker: Full Month Results

**Data collected from between 11.1 - 11.6 million apartment units each month**

<table>
<thead>
<tr>
<th>Month</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug</td>
<td>95.8%</td>
<td>94.5%</td>
<td>94.5%</td>
</tr>
<tr>
<td>Sept</td>
<td>95.5%</td>
<td>94.6%</td>
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</tr>
<tr>
<td>Oct</td>
<td>96.5%</td>
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</tr>
<tr>
<td>Nov</td>
<td>95.2%</td>
<td>93.6%</td>
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</tr>
<tr>
<td>Dec</td>
<td>95.9%</td>
<td>93.8%</td>
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</tr>
<tr>
<td>Jan</td>
<td>95.8%</td>
<td>93.2%</td>
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**Percentage of Rent Payments Made**

**Week Ending:**
- 6th*
- 20th
- End of Month

Source: National Multifamily Housing Council Rent Payment Tracker
Other Indicators of the Scope of the Problem – AUGUST 2020 - FEBRUARY 2021

Percentage of Arizona Mortgage Holders Who Are Not Currently Caught Up on Payments

Homeownership Rate in 2018 in Arizona

Source: Census Household Pulse Survey – Week 13 - 23
Stout Risius Ross is a global investment bank and advisory firm that has developed a model predicting likely displacement and potential evictions at the state level.
Stout Provides A Wide Range of Estimates, Depending on Who is Considered at Risk

Confidence in Ability to Pay Next Month’s Rent
Arizona Renters - Nov 11 - Nov 23

Confidence in Ability to Pay Next Month’s Rent
Arizona Renters - Nov 11 - Nov 23

Confidence in Ability to Pay Next Month’s Rent
Arizona Renters - Nov 11 - Nov 23
At Risk Population: No Confidence No Confidence + Slight Confidence No Confidence + Slight Confidence + Portion of those with Moderate Confidence

| Est. Range of Current Rental Households at Risk of Eviction | 61,000 – 95,000 | 97,000 – 220,000 | 128,000 – 250,000 |
| Est. Range of Current Rent Shortfall | $99 - $145 million | $143 - $291 million | $190 - $329 million |
| Est. Range of Households Facing Housing Disruption or Eviction Filings by Jan. 2021 With Lifting of CDC Moratorium | 21,300 – 33,200 | 34,000 – 77,000 | 44,700 – 87,600 |
| Est. Range of Current Rent Shortfall by Jan 2021 | $123 - $182 million | $180 - $365 million | $234 - $406 million |

Source: Stout Risius Ross, LLC – Based on Nov 11- Nov 23 HPS Census Data for AZ

These estimates do not include the impacts of rental assistance and other income supports coming through recent legislation.
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<th>At Risk Population: ARIZONA</th>
<th>No Confidence</th>
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Source: Stout Risius Ross, LLC – Based on Nov 11- Nov 23 Census Data
In December 2020, Moody’s Analytics predicted $70 billion in unpaid rent nationally by January 2021.

-Long, Heather *Washington Post* Dec 7 2020
These Stout Risius Ross estimates suggest that between **27,000 and 56,000 renter households** could be at risk of displacement or an eviction filing by Jan 1st 2021.

927,771 Renter-Occupied Housing Units in Arizona in 2019*

12.6% of all AZ renter households were not current on their rent payments as of late-January.

12.6% of 927,771 = **116,899 renter households**

22.1% of 116,899 = **25,835 AZ renter households** think it is “very likely” that they will be evicted in the next two months.

37.0% of 116,899 = **43,253 AZ renter households** think it is either “somewhat likely” or “very likely” that they will be evicted in the next two months.

*Source: Census ACS 1-Year Estimate 2019
### Back of the Envelope Estimates of Implications – ARIZONA

*Based on Nov 11 - Nov 23rd 2020 Census Survey*

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<th>At Risk Pop</th>
<th>Midpoint of Range of Households Facing Housing Disruption or Eviction Filings by Jan. 2021 With Lifting of CDC Moratorium</th>
<th>Adjustment (not all filings result in displacement) Number of Households</th>
<th>Number of People Average HH Size in AZ = 2.69 (# X 2.69)</th>
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Source: Census Household Pulse Survey Week 23 – Jan 20 - Feb 1st
Filings and hearings do not indicate actual enforced evictions, but some households self-evict in response to a filing and some judgements continue to be enforced.

* Filings in the last week may be undercounted as a result of processing delays. These counts will be revised in the following week.
Back of the Envelope Estimates of Implications – **ARIZONA**

*Based on Nov 11 - Nov 23rd 2020 Census Survey*

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Looking Forward

• **Urgent Concern:** How do we reach and provide support for the those households (disproportionally low-income and people of color) who will continue to be displaced despite forthcoming assistance, especially in the very short term.

• **Hope** (what is this feeling again?): Can we mitigate this lower boil strain, AND work towards larger structural changes to reduce homelessness?
  • Eviction prevention court
  • Substantial investments in low barrier permanent housing
Questions/Discussion

Please feel free to contact us for information sharing or questions:

-keithb@arizona.edu