

# **The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**

Prepared for: Phoenix IDA

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## Section I-Stout Profile and Qualifications



Stout Risius Ross, LLC (Stout) is a global investment bank and advisory firm specializing in corporate finance, valuation, financial disputes, and investigations. In addition to these services, Stout's professionals have expertise in strategy consulting involving a variety of socioeconomic issues, including issues of or related to access to justice and the needs of low-income individuals and communities. Under the direction of Neil Steinkamp, who leads Stout's Transformative Change Consulting practice, Stout is a recognized leader in the civil legal services community and offers the following services:

- Economic impact assessments and policy research for civil legal services initiatives
- Strategy consulting and action plan development for issues relating to access to justice
- Non-profit budget development, review, and recommendations
- Cost-benefit and impact analyses for non-profit initiatives and activities
- Data-driven program evaluation and implementation
- Dispute consulting and damages analyses for low-income individuals.

Neil Steinkamp is a Managing Director at Stout and a well-recognized expert and consultant on a range of strategic, corporate, and financial issues for businesses, non-profit organizations, and community leaders and their advisors. Neil has extensive experience in the development of strategic plans, impact analyses, data evaluation, and organizational change. His work often includes assessments of data reporting, data collection processes, the interpretation or understanding of structured and unstructured data, the review of documents and databases, the development of iterative process improvement strategies, the creation of data monitoring platforms to facilitate sustained incremental change toward a particular outcome and creating collaborative environments. Mr. Steinkamp also has experience with housing related issues, including eviction. He has authored numerous economic impact studies on providing low-income tenants with attorneys in eviction proceedings, one of which assisted in the passing of New York City's historic right to counsel law. Mr. Steinkamp also currently serves as the court-appointed Independent Data Analyst in *Baez v. New York City Housing Authority*, overseeing NYCHA's compliance with the timely remediation of mold and leak work orders.

Samantha DiDomenico is a Director at Stout and is based in Central Ohio. Samantha has 10 years of experience providing consulting services to for-profit and non-profit clients in a variety of industries. She has expertise in understanding large, complex systems and data sets and their intersection with business and social issues. Samantha's work often includes conducting economic impact assessments and program evaluations, conducting independent research, interpreting and analyzing voluminous data sets, and developing transformative change strategies for her clients. She has extensive experience related to social issues, court system operations, and governmental agency operations. Samantha also has experience leading collaborative settings such as focus groups and multi-stakeholder meetings, which are often a key element of her engagements. Through these interactions, she is able to create an environment where her clients can share their expertise and experiences, which informs her

approach to her engagements and ultimately results in the transformative change her clients are seeking.

In mid-2020, Stout developed innovative analyses of tenant household instability caused by the COVID-19 pandemic, the estimated rental debt owed, and estimated how that instability could result in an unprecedented number of eviction filings in states throughout the country. Stout's research and analyses have been cited in local and national publications, including, but not limited to, *The New York Times*, *The Washington Post*, *CNBC*, *Reuters*, *Forbes*, *Politico*, and *Bloomberg*, and was referenced in the Centers for Disease Control and Prevention (CDC) September 4, 2020 Order enacting a nationwide eviction moratorium. Stout also maintains an [Eviction Right to Counsel Resource Center](#) which includes Stout's eviction cost-benefit analyses as well as a compilation of resources related to the eviction process, housing instability, racial bias, the impacts and economic costs of eviction, and draft and enacted legislation.

Stout was engaged by a recipient of the National Low Income Housing Coalition's "ERASE" (End Rental Arrears to Stop Evictions) grant to assist it in estimating what financial commitment would be required to sustain emergency rental assistance. Stout completed a similar analysis in Maryland in December 2023. In Stout's pre- and post-legislation evaluations, Stout is collecting data to determine how frequently tenants seeking legal representation have already applied for emergency rental assistance, the amount of back-rent owed, whether they were approved, what amount of assistance they received, and whether the rental property owners accepted the funds.

Stout has been engaged by more than 50 non-profit organizations serving low-income communities across the United States. These engagements often included program or public policy evaluations, return on investment analyses, and strategic action planning. Following the release of Stout's reports in Baltimore, Cleveland, Columbus, Detroit, Los Angeles, New York City, and Philadelphia eviction right to counsel legislation was enacted. In these engagements, Stout worked closely with funders/potential funders, legal services organizations, rental property owners, academics studying housing and eviction, government agencies and the continuum of care, non-profits serving low-income residents, community organizers, and impacted residents. The table below lists jurisdictions where Stout is serving or has served as the independent evaluator of eviction right or access to counsel programs and has completed fiscal impact or cost analyses of eviction right or access to counsel programs.

Independent Evaluations	Fiscal Impact or Cost Analysis
Atlanta	Baltimore
Chicago	Broward County
Cincinnati	Chattanooga
Cleveland	Chicago
Connecticut	Cleveland
Davidson County (Nashville)	Columbus
Dayton	Connecticut
Maryland	Davidson County (Nashville)
Milwaukee	Delaware
Oklahoma and Tulsa Counties	Detroit
Oakland County (Michigan)	Los Angeles
	Maryland
	Miami-Dade County
	Milwaukee
	New York (outside of New York City)
	New York City
	Newark
	Oklahoma and Tulsa Counties
	Pennsylvania
	Philadelphia
	South Carolina

Stout also currently serves as the evaluator for the National Center for State Court’s Eviction Diversion Initiative (EDI). The court-based EDI includes 22 distinct jurisdictions that vary in size, court process, program design, and data collection sophistication. Stout has effectively worked with each jurisdiction (and its court system) to create data collection tools that meet their local needs and will enable the NCSC to evaluate the impact of the program using a data-informed approach to program implementation across the 22 jurisdictions.

In addition to Stout’s deep experience and expertise related to eviction right to counsel, access to counsel, diversion, prevention, and rent assistance programs, Stout also has significant experience consulting on eviction ecosystem elements, such as mediation (pre- and post-filing) coordinated / centralized intake, screening and referral mechanisms, and reasonable attorney caseloads. In 2023, Stout was appointed to a working group by then-acting Chief Judge Anthony Cannataro to assist with developing guidelines for the time required for attorneys to effectively and efficiently represent tenants in accordance with New York City’s Eviction Right to Counsel legislation. This included a combination of iterative quantitative and qualitative information and research regarding the steps required for effective representation of tenants, the frequency of certain activities, the range of expected time required for each activity, practical limitations and barriers to greater efficiency, and consideration of organizational culture and staffing that served as the basis for recommendations by the working group. In 2024, Stout completed a similar analysis for the Washington State Office of Civil Legal Aid, which administers Washington’s Eviction Right to Counsel program.

## Section II-Executive Summary

Stout was engaged by Organized Power in Numbers to analyze the cost and potential fiscal benefits associated with an eviction right to counsel<sup>1</sup> for income-eligible tenants in eviction proceedings in Phoenix (the City).<sup>2</sup>

Stout conservatively estimates potential fiscal benefits to Phoenix of \$2.58 for every \$1.00 invested in a fully implemented eviction right to counsel in the City. The estimated cost of implementing an eviction right to counsel in Phoenix was developed using an implementation period of 5 years. At full implementation in year 5, Stout estimates an annual cost of approximately \$24.8 million to fully and sustainably implement an eviction right to counsel in the City, which could result in an estimated potential \$64.1 million in fiscal benefits to Phoenix.

### Key Findings

With an annual investment of approximately \$24.8 million<sup>3</sup> in an eviction right to counsel, Phoenix may recognize fiscal benefits of at least an estimated \$64.1 million. For every dollar the City invests in providing free legal representation to eligible tenants through an eviction right to counsel, the City may reduce social safety net responses associated with the disruptive displacement of tenants of \$2.58. Stout's analysis estimates at full implementation approximately 16,044 income eligible tenant households (approximately 42% of all households receiving an eviction filing) would be fully assisted by legal counsel annually through an eviction right to counsel in Phoenix.<sup>4</sup>

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<sup>1</sup> It is important to appreciate that eviction "right to counsel" or "access to counsel" programs differ from "right to counsel" in criminal proceedings. In criminal proceedings, attorneys are often court-appointed or assigned – a judge or magistrate is assigning an attorney to represent the defendant at no cost to the defendant. In eviction "right to counsel" or "access to counsel" programs throughout the country, judges and magistrates are generally not expected to assign or appoint attorneys to represent tenants. Instead, attorneys in eviction "right to counsel" or "access to counsel" jurisdictions are expected to represent all tenants who are interested, connect with the attorneys, and meet any eligibility requirements.

<sup>2</sup> Stout also relied upon the experience and expertise of Community Legal Services and the Morris Institute for Justice in developing its cost and benefit calculations.

<sup>3</sup> The actual cost of an eviction right to counsel in Phoenix could vary based on a variety of factors including but not limited to: eviction filing trends, eligibility requirements, default / non-appearance rate trends, the availability of sustained rent assistance and other complementary programs, rental housing market and economic factors, legal services attorney salaries, and changes in other program expenses.

<sup>4</sup> At full implementation, Stout estimated there would be 37,817 eviction filings in Phoenix. Given that the program is expected to assist those at 80% or below of the Area Median Income (AMI), an estimated 91% of tenants with an eviction filing would be expected to be eligible for an eviction right to counsel. Of those tenants who would be eligible, an estimated 26% would likely lose their case by default, and 25% of the remaining 74% would resolve the case independently with their landlord. Of the remaining tenants, an estimated 84% would be expected to seek and receive free legal representation / assistance. The estimated 16,044 tenants expected to seek and receive free legal representation / assistance constitutes approximately 42% of estimated eviction filings. That is, an estimated 42% of all tenants in eviction proceedings are expected to be fully assisted through an eviction right to counsel in Phoenix.

Stout uses the phrase “disruptive displacement” to capture outcomes of cases beyond “winning” and “losing” and “evicted” or “not evicted.” For example, there may be circumstances where tenants have experienced disruption in their lives because of the eviction filing and/or eviction proceeding but did not have a formal eviction writ of restitution executed against them and therefore were not displaced. There may also be circumstances where a tenant needs to move but access to legal counsel and representation by a lawyer during the eviction proceeding minimizes the disruption that the move may have had on the tenant’s household. Stout has found the phrase “disruptive displacement” to be helpful in demonstrating the variety of circumstances tenants experience and the impact of counsel in assisting with navigating a complex, high-stakes legal proceeding. Local advocates may use alternative terminology to describe the outcomes of cases and the impacts to tenants.

In addition to fiscal benefits likely realized by Phoenix, Maricopa County may also realize fiscal benefits associated with social safety net responses to disruptive displacement funded by Maricopa County that are used by Phoenix residents. Stout expects if an eviction right to counsel were implemented in Phoenix there would be social safety net fiscal benefits realized by Maricopa County. Maricopa County’s social safety net fiscal benefits would be realized without additional investment and would be in addition to the amounts calculated herein. For example, Stout’s cost-benefit analysis of an eviction right to counsel in Baltimore quantified potential fiscal benefits for Baltimore and Maryland. Stout’s estimated return per dollar invested in an eviction right to counsel in Baltimore was at least \$3.06, and the return per dollar invested to Maryland was at least \$3.18 for a total return per dollar invested of at least \$6.24. Given the comparability of returns on investment, it would be reasonable to expect that Maricopa County, which funds certain social safety net responses to disruptive displacement, would realize a similar return per dollar invested.

In circumstances where tenants are facing eviction, avoiding disruptive displacement often requires that the tenant remain in their home or be connected to services that can assist with finding alternative safe, stable housing – both of which can often be achieved through legal representation provided in an eviction right to counsel. In the face of financial challenges for municipalities, an investment in an eviction right to counsel can result in significant economic benefits or cost savings relative to the significant costs that may be incurred by the City to support Phoenix residents enduring the potential trauma of the eviction process (including homelessness) without the assistance of an attorney.

### [The Estimated Annual Cost to Implement an Eviction Right to Counsel](#)

Stout estimates the cost of a fully implemented eviction right to counsel in Phoenix to be approximately \$24.8 million annually.<sup>5</sup> This includes personnel costs for hiring staff attorneys,

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<sup>5</sup> Organized Power in Numbers and Community Legal Services are contemplating a multi-year phased implementation of the potential eviction right to counsel over 5 years. The phased implementation allows for capacity building and the development of systems and processes for sustainable implementation an eviction



supervising attorneys, paralegals, and intake specialists. This estimate also includes costs for facilities, technology, equipment, training, outreach, and other costs necessary to provide representation under an eviction right to counsel.<sup>6</sup>

Stout's analysis estimates, at full implementation, approximately 16,044 income eligible tenant households would be represented annually through an eviction right to counsel in Phoenix, with an estimated cost per case of approximately \$1,547 for those cases for which representation is provided. Stout's estimated cost calculation for an eviction right to counsel is based on publicly available data from the Maricopa County Justice Courts and on information provided by Organized Power in Numbers, Community Legal Services (CLS), the Morris Institute for Justice (MIJ) and includes only non-default<sup>7</sup> cases without an independent resolution where the tenant is income eligible and seeks and accepts the offer of representation.

### **The Estimated Potential Fiscal Benefits of an Eviction Right to Counsel**

With an annual investment of approximately \$24.8 million, the City could expect to realize potential fiscal benefits of at least \$64.1 million annually. The estimated potential fiscal benefits are related to:

- Housing social safety net programs
- Medicaid-funded health care
- Increased employment stability
- Increased educational attainment for children
- Retained federal and state funding for City of Phoenix School Districts
- Retained economic value through decreased out-migration
- Decreased frequency of criminalizing people experiencing homelessness
- Decrease in crimes associated with housing instability
- Decrease in the number of people experiencing unsheltered homelessness who are hospitalized for heat exposure.

Additionally, data collected by civil legal services providers throughout the country indicates many people who seek and receive legal assistance or legal representation in eviction proceedings are facing homelessness or have acute vulnerabilities that may require additional publicly funded social safety net responses. In its evaluations and cost-benefit analyses (pre- and post-legislation) of eviction right to counsel programs throughout the country, Stout has found the estimated return on investment of an eviction right to counsel has generally ranged

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right to counsel program. Actual implementation timeline may vary based on the implementation plan and strategy as well as the time required for hiring staff.

<sup>6</sup> Since 2020, Phoenix and Maricopa County have allocated federal American Rescue Plan Act, CARES Act, and Community Development Block Grant funds to the provision of providing legal assistance and representation, mediation, and education to eligible Phoenix and Maricopa County residents.

<sup>7</sup> Cases where the tenant appears for their hearing and does not lose the case by default.

from at least \$2.50 to \$4.84, consistent with the estimated return on investment the City would likely realize of \$2.58 for every dollar invested.<sup>8</sup>

**Stout’s estimate of the annual fiscal benefits is likely significantly understated.** Included in the calculation are estimated potential benefits of an eviction right to counsel that are reasonably quantifiable with currently available data. However, if tenants experienced more stable housing, the City may realize many benefits that are not at this time reliably quantifiable and therefore are not included in Stout’s calculations. The additional potential fiscal benefits Phoenix may realize include, but are not limited to:

- The education costs, juvenile justice costs, and child welfare costs associated with children experiencing homelessness
- The negative impact of an eviction on tenants’ credit score, tenants’ ability to re-rent, and the potential loss of a subsidized housing voucher
- The cost of family, community, and neighborhood instability
- Preservation of financial and personal assets
- A reduction, over time, of the number of eviction cases filed resulting in improved use of Maricopa County Justice Court resources

Additionally, while Stout’s analyses did not include a quantification for the ongoing need for rent assistance in Phoenix, the availability of sustained rent assistance would likely help prevent and resolve certain eviction cases more efficiently and effectively – particularly where there are no substantive legal issues, and the only issue is the non-payment of rent.

### Local Stakeholder Engagement, Including Feedback from Landlord Counsel

Throughout 2024 and early 2025, Stout engaged with a variety of Phoenix and Maricopa County stakeholders with experience and expertise interacting with the local rental housing and eviction ecosystem or serving clients or residents who may have interacted with the eviction ecosystem. The purpose of these meetings was to learn from local stakeholders who have different perspectives and experiences with the eviction process or who have observed the impact of evictions on City residents and rental property owners. Stout met with:

- Attorneys representing tenants
- Attorneys representing rental property owners
- Representatives from the court system
- Representatives from the domestic violence shelter system
- Consultants who work with Phoenix and Maricopa County social safety net systems

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<sup>8</sup> Stout’s pre- and post-legislation cost-benefit analyses and program evaluations include the following estimated returns on investment: Chattanooga / Hamilton County - \$4.84 (2024); Los Angeles County - \$4.80 (2019); Milwaukee County - \$4.66 (2025); Oklahoma and Tulsa Counties - \$4.21 (2024); Columbus - \$4.00 (2024); Detroit - \$3.52 (2022); City of Los Angeles - \$3.48 (2019); Chicago - \$2.75 to \$3.35 (2024); Cleveland - \$2.62 to \$3.11 (2024); Baltimore - \$3.06 (2020); Maryland - \$3.04 (2024); South Carolina - \$2.92 (2022); Delaware - \$2.76 (2021); Connecticut - \$2.64 (2024); and Davidson County \$2.50 (2024) .



- Representatives from the City of Phoenix Department of Human Services
- Academics studying heat-related hospitalizations and deaths in Arizona
- Academics and consultants studying evictions in Phoenix and Arizona

Many of the stakeholders discussed the importance of early interventions and assistance for tenants both during and before the eviction process. Social services providers and non-profit organizations shared examples of responses and consequences that can be required and experienced after a household is displaced, which included emergency shelter, stays in hotels or motels or living unsheltered, physical and mental health care (which is frequently uncompensated), and challenges associated with securing stable housing after experiencing an eviction. Stakeholders from domestic violence shelters highlighted the intersection between domestic violence and eviction and how legal representation can be crucial for survivors of domestic violence staying safely and stably housed.

Stout also sought feedback from attorneys representing rental property owners to learn from their experiences. The feedback centered on several key themes:

- Plaintiff counsel appreciated there is a role for and value in having tenant legal representation, and that tenant legal representation should be complementary to other existing programs.
- Tenant attorneys can make the negotiation process more efficient and effective because plaintiff attorneys are communicating with someone who understands landlord-tenant law and legal processes, which can result in more settlement agreements rather than judgments against tenants.
  - Plaintiff counsel also shared that tenant attorneys can “delay” the process by “arguing about things that are not relevant to the case” which, from their perspective, can lead to animosity between the parties and could be a barrier to entering mutually beneficial settlement agreements.
- Rent assistance, when it was widely available, was crucial to efficiently resolving cases where the only issue was non-payment of rent.

Stout also engaged with and received feedback from a precinct judge in Maricopa County presiding over eviction proceedings. They shared that hearings and trials are more efficient when tenants are represented compared to when parties (particularly tenants) are unrepresented because attorneys understand the law and legal processes / procedures. They also indicated there are often fewer cases requiring a hearing or trial when tenants are represented due to attorneys being able to negotiate an agreement, avoiding the necessity of the case being litigated.

In early 2025, Stout also observed a virtual eviction docket in the Maricopa County Justice Courts. In the cases Stout observed, all tenants were unrepresented, and all cases resulted in a judgment for the landlord or dismissal. In the cases that were dismissed, the tenant was not present in court, indicating there was an out of court settlement or the tenant vacated.

## Section III-Estimated Cost to Implement an Eviction Right to Counsel in Phoenix

To estimate the cost of providing an eviction right to counsel to eligible tenants in Phoenix, a variety of factors must be considered, including but not limited to – the expected annual number of eviction case filings, the percentage of tenants who lose their case by default, the rate at which tenants are aware of and accept the offer of free legal representation, the average number of hours required to effectively represent a tenant, and the cost of attorneys (e.g., salary, benefits, office supplies, technology, and other overhead) and supporting staff. Stout worked closely with Organized Power in Numbers, CLS, and MIJ to develop a deeper understanding of the possible costs of an eviction right to counsel and to incorporate their expertise and experience in the calculations.

Stout’s estimate of the cost to fully implement an eviction right to counsel in Phoenix considers a 5-year implementation period. Organized Power in Numbers and CLS considered the 5-year implementation period to be reasonable and sustainable given the number of staff that would need to be hired to fully implement an eviction right to counsel and the systems, practices, and infrastructure that would need to be developed to create a scaled, sustainable eviction right to counsel.

### Eviction Filings in Phoenix

Based on data collected by the Maricopa County Justice Courts there were approximately 37,000 eviction cases filed in Phoenix in 2024. Organized Power in Numbers requested Stout also include in its analysis an estimated 4,000 annual eviction filings where the tenant lived outside of Phoenix city limits, but the household received water services from the City of Phoenix.<sup>9</sup> In total, Stout estimated approximately 41,000 eviction cases would be filed within the geography where the tenant would be eligible for an eviction right to counsel. For purposes of this analysis, Stout used the number of eviction case filings in 2024 as a reasonable baseline from which to estimate the potential costs of an eviction right to counsel in Phoenix. Phoenix stakeholders expect eviction case filing volumes in future years will likely be consistent with 2024 filing volumes.

If an eviction right to counsel were fully implemented in Phoenix, the annual number of eviction case filings would reasonably be expected to decrease.<sup>10</sup> New York City and San Francisco are the only jurisdictions that passed and implemented an eviction right to counsel before the pandemic and that have had eviction right to counsel implemented for a period long enough to see its potential impact on eviction filings and the default rate. Since New York City’s increased investment in legal services for tenants in 2013, the New York City Office of Civil Justice has reported a 40% decrease in residential evictions. Evictions have declined by more

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<sup>9</sup> Organized Power in Numbers communicated to Stout that households receiving water services from the City of Phoenix and meeting the eligibility criteria would be eligible for an eviction right to counsel. Stout used geolocation data to estimate the expected number of households eligible for an eviction right to counsel in Phoenix who reside outside the city limits.

<sup>10</sup> “Press Release: Supervisor Dean Preston Holds Hearing on Implementation for Right to Counsel Law.” February 24, 2020. & “New York City Residential Eviction Filings Decline.” NYU Furman Center. November 18, 2019.

than 30% in zip codes with a right to counsel since implementation of the right to counsel in New York City.<sup>11</sup> In San Francisco, there was a 10% decrease in total eviction filings from 2018 to 2019.<sup>12</sup>

In several jurisdictions where Stout is conducting independent evaluations of eviction right to counsel, the number of annual eviction filings has decreased after an eviction right to counsel was implemented, for example:

- Since an eviction right to counsel was implemented in Cleveland, eviction filings have decreased approximately 25%.
- Over the past several years, Delaware has been implementing a right to representation program, and during this period, eviction filings have decreased approximately 22%.
- Since an eviction right to counsel was implemented in Connecticut, eviction filings have decreased approximately 11%.
- Over the past 2 years of expanded tenant representation in Milwaukee County, eviction filings have decreased approximately 8%.

It is important to appreciate that there are many factors impacting changes in annual eviction filing volumes. Advocates in these jurisdictions have indicated an eviction right to counsel is likely a contributing factor but not the only one. Other factors identified by advocates across the country include, but are not limited to:

- Potential decreases in the total number of rental housing units available (i.e., rental units coming off the market);
- Changes in filing behaviors of large landlords, including public housing authorities;
- Changes in local laws, filing fees, and court processes; and
- Lingering effects of pandemic-era renter protections, including the availability of sustained rent assistance.

Stout estimated the City could experience an annual decrease in eviction case filings of approximately 2% per year. Accounting for this annual expected decrease in eviction case filings, Stout estimated at full implementation, there would be approximately 37,817 eviction filings in Phoenix.

### Income Eligibility

As with other civil legal services in Phoenix, it is Stout's understanding that eligibility for free legal representation under an eviction right to counsel would be determined by a tenant's income. Stout estimated the cost of an eviction right to counsel in Phoenix for tenants facing

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<sup>11</sup> Universal Access to Legal Services: A Report on Year Two of Implementation in New York City." Office of Civil Justice, New York City Human Resources Administration. Fall 2019.

<sup>12</sup> "Press Release: Supervisor Dean Preston Holds Hearing on Implementation for Right to Counsel Law." February 24, 2020.

eviction with household incomes at or below 80% of the Area Median Income (AMI), based on feedback from Organized Power in Numbers, CLS, and MIJ. At this income eligibility level, Stout estimated approximately 91% of tenants with an eviction case filing in Phoenix would be income eligible.<sup>13</sup> Applying the 91% estimate to the estimated 37,817 eviction case filings expected at full implementation of an eviction right to counsel results in approximately 34,414 tenants who would be income eligible for an eviction right to counsel in Phoenix.

### Default Rate, Independent Resolutions, and Expected Number of Non-Default Cases Eligible for and Seeking and Accepting Representation

Based on its analysis of Phoenix eviction case filing data and the experience and expertise of local stakeholders, Stout estimated approximately 26% of Phoenix tenants in eviction proceedings lose their case by default.<sup>14</sup> Since tenants in eviction cases have the option to appear virtually, the percentage of tenants who lose their case by default or do not appear is lower than what Stout has observed in other jurisdictions. Additionally, due to the option to appear virtually, local stakeholders do not expect a decrease in the percentage of tenants who lose their case by default over the 5-year implementation period of an eviction right to counsel.

Stout estimated approximately 25% of income-eligible tenants in Phoenix who do not default will resolve their case with their rental property owner independently and without legal representation and therefore will not have a hearing. These cases may involve relatively simple non-payment of rent issues (without other substantive legal issues or defenses) that are cured by the tenant or for which payment and relocation plans are independently negotiated out of court between the rental property owner and tenant. As such resolutions are reached out of court and may be difficult to identify in court docket records, Stout developed an estimate to account for these resolutions using its experience evaluating eviction right to counsel and access to counsel programs and working with civil legal services organizations throughout the country.

After incorporating the estimate for the percentage of cases lost by default and cases resolved outside of court, Stout estimates 19,100 eligible tenants would not default and seek representation at full implementation.

Of the estimated 19,100 tenants who do not lose their case by default and are income eligible, Stout estimated approximately 84% would seek and accept the offer of free legal representation

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<sup>13</sup> Stout developed this independent estimate using publicly available research and reports relating to the incomes of tenants experiencing eviction and tenants appearing in housing courts across the country. See: "Housing Court, Evictions and Homelessness: The Costs and Benefits of Establishing a Right to Counsel." Community Training and Resource Center and City-wide Task Force on Housing Court, Inc. 1993. Kenichi, Kira and Shaefer-McDaniel, Nicole. "Results From Three Surveys in New York City Housing Courts." Center for Human Environments, Graduate Center of the City University of New York. 2007. Desmond, Matthew. "Who gets evicted? Assessing individual, neighborhood, and network factors." Social Science Research. 2016. "ALICE Research Methodology." United for ALICE. 2020.

<sup>14</sup> This estimate is for the percentage of default judgments and does not include cases that settle outside of the court.

at full implementation of an eviction right to counsel.<sup>15</sup> In year 1 of a 5 year implementation, Stout estimated approximately 80% of tenants who did not default, were income eligible, and did not resolve their case independently would seek and accept the offer of free representation. In years 2 through 5, Stout incorporated a 1 percentage point annual increase in the percentage of tenants expected to seek and accept the offer of free representation (84%). Tenants may have reasons for declining the offer of representation. They may not think there is a benefit to having representation, they may not trust the legal profession, or they may simply feel they can represent themselves. Therefore, Stout's cost calculation for an eviction right to counsel includes only cases where the tenant does not lose their case by default, is income eligible, and accepts the offer of representation – approximately 16,044 cases.<sup>16</sup>

### Expected Total Cases and Estimated Cost of an Eviction Right to Counsel in Phoenix

If an eviction right to counsel were fully implemented in Phoenix, Stout estimates there would be approximately 16,044 tenant households receiving free legal representation annually. Stout estimates that providing free legal representation to these 16,044 tenant households would cost approximately \$24.8 million annually. Stout's estimated cost of an eviction right to counsel does not consider existing funding for legal services for eviction defense. That is, Stout's calculation of the estimated cost of an eviction right to counsel represents the estimated potential total cost, excluding any existing funding.

Of the estimated approximately \$24.8 million annual cost of a fully implemented eviction right to counsel in Phoenix, approximately \$20.8 million would be for direct personnel costs to hire 122 staff attorneys, 21 supervising attorney, 31 paralegals, and 7 intake specialists.<sup>17</sup> The remaining estimated annual costs would be for non-personnel costs necessary for service delivery including, but not limited to, office rent, utilities, technology and equipment, office supplies, insurance, and training.

CLS estimated providing full representation in an eviction right to counsel would likely require 9 hours per case. This estimate includes considerations for case type (e.g., non-payment, breach

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<sup>15</sup> The expected representation acceptance rate was developed based on the experience and expertise of Legal Aid and discussions Stout has had with housing advocates across the country.

<sup>16</sup> These 16,044 cases represent approximately 42% of all eviction filings, approximately 47% of tenants who are expected to be income eligible, and approximately 84% of tenants who are expected to be income eligible and not lose their case by default. Given the availability of rental assistance, eviction prevention programs, and increased outreach through the pandemic, it is possible that more tenants seek representation in the future. The combination of resources available and awareness of them over the past 4 years may create an increased awareness of future services, and therefore, it is possible that more eligible tenants seek representation than would have previously.

<sup>17</sup> In December 2024, the Arizona Supreme Court authorized Legal Services Authorized Community Justice Workers (LSACJW), who are "non-lawyer[s] in Arizona who [are] trained and supervised by an Arizona LSC grantee to provide limited, authorized legal assistance to LSC clients..." (See AZ Administrative Order No. 2024-250). LSACJW are authorized to provide legal assistance in housing cases and may be able to assist with certain activities related to eviction right to counsel cases.



of lease), type of housing (e.g., private market, subsidized, public), the availability of defenses, and the variety of circumstances that tenants seeking representation may be experiencing.

Organized Power in Numbers and CLS reviewed and confirmed Stout's estimates for each of these costs based on their experience and expertise providing legal representation and assistance in eviction proceedings. For direct personnel costs, Stout worked with CLS to develop estimates for the average salary of a staff attorney, supervising attorney, paralegal, and intake specialist as well as fringe benefits as a percentage of their salaries. For non-personnel costs (approximately 16% of total estimated program costs), Stout and CLS used the costs of CLS's tenant representation program in 2024 as benchmarks. At a total cost of approximately \$24.8 million, providing an eviction right to counsel to approximately 16,044 eligible tenant households in Phoenix equates to approximately \$1,547 per case for which representation is provided.

## Section IV-Fiscal Benefits of an Eviction Right to Counsel in Phoenix



## Estimated Incremental Number of Tenants Avoiding Disruptive Displacement

Stout analyzed eviction case filings in Phoenix filed in 2024 to estimate how many income-eligible tenants would have a high likelihood of avoiding disruptive displacement if an eviction right to counsel were implemented.<sup>18</sup> If an eviction right to counsel were fully implemented in Phoenix, an estimated 16,044 tenant households would be eligible for representation and would likely accept the offer of representation at full implementation.

Based on Stout’s analysis of court-entered case dispositions and the feedback and experience of CLS attorneys and other local stakeholders, represented tenant households in Phoenix likely avoid the high likelihood of disruptive displacement in an estimated 76% cases<sup>19</sup>, and unrepresented tenant households avoid the high likelihood of disruptive displacement in an estimated 15% percent of cases. Figure 1 shows the difference in likelihood of experiencing disruptive displacement based on whether a tenant household is represented or unrepresented.

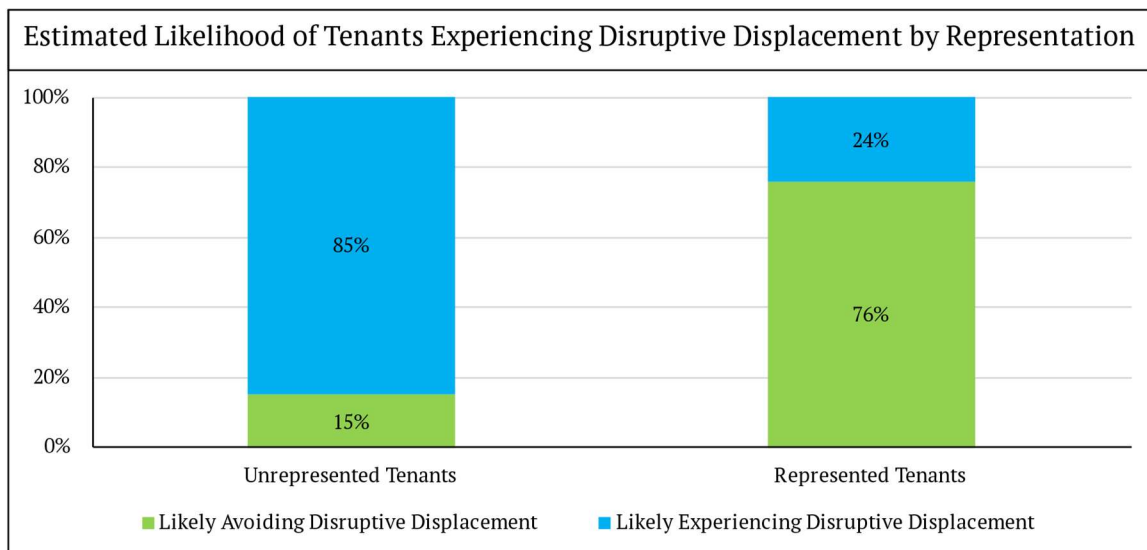


Figure 1

It is important to appreciate that not every tenant who receives an eviction filing will seek legal assistance or legal representation. However, many people who do seek and receive legal services in eviction proceedings are facing homelessness or have acute vulnerabilities that can make experiencing disruptive displacement particularly challenging. Comparing the approximately 76% of represented tenant households avoiding the high likelihood of disruptive displacement to the approximately 15% of unrepresented tenant households avoiding the high likelihood of disruptive displacement results in an estimated 10,364 additional tenant households that would

<sup>18</sup> Stout was informed that eligibility for an eviction right to counsel would not be solely limited to those living in the City of Phoenix, but to any tenant who received water services from the City of Phoenix. Stout’s estimate of tenant households eligible for representation at full implementation includes these households, who are located outside of the boundaries of the City of Phoenix but receive water through the City.

<sup>19</sup> This metric is based on housing case outcome data provided to Stout by CLS.

avoid the high likelihood of disruptive displacement and the potential for the negative impacts of disruptive displacement if an eviction right to counsel were implemented. Based on the average household size of 2.7 people in Phoenix,<sup>20</sup> Stout estimates approximately 27,569 people are likely to avoid the high likelihood of disruptive displacement each year once eviction right to counsel is fully implemented.<sup>21</sup>

The impact of an eviction right to counsel and the number of income eligible households and people avoiding the likelihood of disruptive displacement could be higher or lower based on the facts of any individual case. How an eviction right to counsel is implemented and communicated to tenants as well as how supportive policymakers and the judiciary are of an eviction right to counsel can also affect the impact. In some cases, tenants may experience disruptive displacement with or without an eviction right to counsel. However, an eviction right to counsel can ensure tenants' rights are exercised, reasonable judgment terms are negotiated, and enough time is given to tenants if they need to find new living arrangements. One of the impacts of an eviction right to counsel in these circumstances is less disruption to tenants' lives and therefore fewer social safety net costs to the City.

### **Estimated Annual Fiscal Benefits of an Eviction Right to Counsel in Phoenix**

Stout estimates that a fully implemented, sustainable eviction right to counsel program could result in approximately \$64.1 million annually in potential fiscal benefits to Phoenix. See **Exhibit A** for a summary of the estimated annual fiscal benefits to the City and the potential return per dollar invested in an eviction right to counsel.

### ***Estimated Annual Housing Social Safety Net Fiscal Impacts***

While homelessness may not always be experienced immediately following an eviction, eviction remains a leading cause of homelessness. According to the 2024 Maricopa County Point-in-Time data, there were 9,435 Maricopa County residents experiencing homelessness in January 2024, and of the residents experiencing homelessness 5,359 were living in emergency shelter or transitional housing.<sup>22</sup>

Because eviction has been linked to homelessness, avoiding disruptive displacement through an eviction right to counsel could reduce costs associated with housing social safety net responses such as emergency shelter, rapid rehousing, and hotel stays. When people experience homelessness, research has shown a portion of them will experience homelessness again even after exiting a housing program. Stout estimated the average annual housing social safety net fiscal impacts to Phoenix for an initial interaction with the housing social safety net system and the first subsequent re-entry to these systems.

Stout estimates that 9,950 households in Phoenix have a high likelihood of avoiding disruptive displacement and will remain residents of Phoenix if an eviction right to counsel were

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<sup>20</sup> U.S. Census Bureau 2023 American Community Survey.

<sup>21</sup> U.S. Census Bureau. American Community Survey 5-Year Estimates. 2018.

<sup>22</sup> Maricopa Association of Governments 2024 Point-in-Time Count.

implemented.<sup>23</sup> Without an eviction right to counsel, approximately 14.5% of these households would likely enter emergency shelter.<sup>24</sup> The eviction process (for some people but not all) creates a degree of housing instability that requires costly intervention to return people to stable housing. Data from Stout's evaluations of eviction right to counsel programs in Connecticut, Cleveland, Nashville, Oklahoma, Maryland, and Milwaukee, indicates between 15% and 30% of clients indicated they would experience homelessness in some form if they were forced to move.

Cities and states have demonstrated their dedication to returning people to stable housing through a variety of housing programs/interventions funded with public dollars. Stout's estimate of shelter entry as a result of disruptive displacement is a directional estimate based on the quantitative data available and qualitative feedback from legal aid providers and other stakeholders. Applying the findings from its independent research and considering the experience and feedback of legal aid providers and housing case managers, Stout conservatively estimates that while 18.2% of households experiencing the eviction process may apply for shelter, approximately 14.5% of households experiencing the eviction process are likely to enter emergency shelter. Using this metric, Stout estimated 1,458 households represented through an eviction right to counsel in Phoenix will likely experience homelessness and need to access a housing social safety net program but for an eviction right to counsel.

Using publicly available data from the United States Department of Housing and Urban Development, Stout estimated the annual cost of emergency shelter per household is approximately \$18,160 in Phoenix. Because there are many ways individuals experience homelessness, particularly after an eviction when re-renting can be challenging, there are a variety of possible outcomes. For a portion of individuals and households, there may be short shelter stays, attempts to move in with family or friends, and re-entry into shelter. Others may experience longer shelter stays or rapid re-housing. Each of these scenarios has different (but significant) cost implications. Stout used the estimated annual cost of emergency shelter per household as a proxy for the cost of a housing social safety net response because the response is likely necessary for people experiencing homelessness and likely incurred by the City over time.

Applying the average annual cost of housing social safety net programs in Phoenix of approximately \$18,160 per household to the 1,443 households in the City that would likely experience homelessness and require a housing social safety net response but for an eviction right to counsel results in a fiscal impact of approximately \$26.2 million to Phoenix annually.

A portion of the 1,443 households that may require a housing social safety net response would likely require a second housing social safety net response. Data from Maricopa County

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<sup>23</sup> See page 23 for details on estimated households that would have likely migrated out of Phoenix but for an eviction right to counsel program.

<sup>24</sup> Rolston, Howard et al. "Evaluation of the Homebase Community Prevention Program." Abt Associates. June 2013.

Association of Governments indicates approximately 17% of all households exiting shelter returned to shelter.<sup>25</sup> Applying the 17% metric to the 1,443 households that would have likely required a first housing social safety net response results in 245 households who would have likely experienced homelessness a second time and requiring a subsequent housing social safety net response. At an average cost of \$18,160 per household per year for a housing social safety net response, the estimated cost of 245 households requiring a second housing social safety net response would be approximately \$4.5 million annually.

The total estimated annual fiscal impact to Phoenix related to people experiencing homelessness because of disruptive displacement who would likely require a housing social safety net program is \$30.7 million annually. Of the total \$30.7 million, approximately \$26.2 million is related to the first housing social safety net response, and approximately \$4.5 million is related to the second housing social safety net response that a portion of households would likely require.

Emergency shelter costs are one form of a social safety net response to the need for shelter, even in jurisdictions without a right to shelter and jurisdictions with people experiencing homelessness who are living unsheltered. Emergency shelter costs provide a proxy for costs jurisdictions bear (or are willing to bear) in response to severe housing instability. Furthermore, the incremental nature of shelter beds (i.e., the number of shelter beds increasing as the number of people experiencing homelessness increases) does not restrict the application of these costs to the households that are experiencing disruptive displacement because the costs may manifest in other ways, particularly if households are unable to enter emergency shelter and must use other Phoenix services to achieve housing stability. Regardless of actual emergency shelter entry by households experiencing disruptive displacement, housing social safety net program costs can be a proxy for the other costs necessary to achieve housing stability for these households. Thus, the \$30.7 million cost of providing housing social safety net programs to people experiencing disruptive displacement is not a direct cost saving to Phoenix. Rather, the \$30.7 million represents a fiscal impact related to homelessness because of disruptive displacement, which will include some cost savings to the City from decreased use of housing social safety net responses.

See **Exhibit B** for Stout's detailed calculation of estimated annual fiscal impacts related to housing social safety net responses in Phoenix.

### *Retained Economic Value by Minimizing Out-Migration*

Stout estimates 4% of households who experience disruptive displacement would migrate out of Phoenix.<sup>26</sup> Phoenix's housing inventory has not been able to match the increase in

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<sup>25</sup> Maricopa County Association of Governments Homelessness Continuum of Care System Performance Measures. <https://azmag.gov/Programs/Homelessness/Data/System-Performance-Measures>.

<sup>26</sup> Stout observed between 2% and 4% of households indicate they would have to move out of their jurisdiction in its evaluations of eviction right to counsel programs in Cleveland, Milwaukee, Nashville and Oklahoma. Stout selected the upper bound (4%) for this metric due to significant housing inventory shortages in Phoenix, which

population, resulting in households being forced to leave the City for more affordable parts of Arizona.<sup>27</sup> Additionally, there has been a notable decrease in the affordable housing stock in Phoenix, such as the redevelopment of low-income or senior communities.<sup>28</sup> Applying the 4% to the 10,364 households who would have a high likelihood of avoiding disruptive displacement results in 415 households and 1,103 individuals that would likely remain in Phoenix if an eviction right to counsel were implemented. Using this metric and an estimated \$12,000 in economic value (e.g., federal funding, state and local tax revenue, dollars spent in state and local economies) per person,<sup>29</sup> Stout estimates Phoenix would retain approximately \$13.2 million in economic value if an eviction right to counsel were implemented. See Exhibit C.

### *Estimated Annual Fiscal Impacts of Responding to Crimes*

Stout estimated the criminal justice fiscal impacts associated with a reduction in crime associated with fewer evictions. Research has demonstrated how higher rates of eviction correspond to higher rates of homicide, robbery, and burglary.<sup>30</sup> As previously described, Stout estimates 9,950 households in Phoenix have a high likelihood of avoiding disruptive displacement and will remain residents of the City if an eviction right to counsel were implemented. Researchers have found a correlation between eviction and crimes associated with procuring shelter, forcible entry, and vehicle theft.<sup>31</sup> Using these findings, Stout estimates Phoenix could experience approximately 806 fewer forcible entries and 149 vehicle thefts annually.

There is a breadth of research estimating the cost of crime, from which a range of cost per crime calculations have been made. While there is no agreed upon methodology for cost of crime calculations,<sup>32</sup> numerous studies have grouped cost of crime into four categories: victim costs, criminal justice costs, crime career costs, and intangible costs.<sup>33</sup> Stout utilized the most recent scholarship that evaluates prior studies as well as government reports to determine the criminal justice cost per forcible entry and vehicle theft. Stout only considers the public criminal justice

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could result in additional households migrating out of Phoenix if they had to move. It is important to note that, for example, if a 1,000 people migrate out of Phoenix as a result of disruptive displacement, and an estimated 2,000 people migrate into Phoenix, the fiscal impact of the 1,000 people migrating out of Phoenix remains as there would have been 3,000 Phoenix residents rather than 2,000 Phoenix residents.

<sup>27</sup> Robustelli, Tim et al. "Housing Loss in Maricopa County, Arizona." New America. September 2020.

<sup>28</sup> Ibid.

<sup>29</sup> Estimated by Stout using data from: (1) Aguilar, Louis. "Detroit population continues to decline, according to Census estimate." Bridge Michigan. May 2020. (2) "State and Local Expenditures." Urban Institute. 2018. Referencing State & Local Government Finance Data Query System and Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Volume 4. 2020. (3) Present value of investments that cities and states have been willing to make to attract new residents.

<sup>30</sup> Semenza, D. C., Stansfield, R., Grosholz, J. M., & Link, N. W. "Eviction and Crime: A Neighborhood Analysis in Philadelphia." Crime & Delinquency. August 2022.

<sup>31</sup> Falcone, Stefano. "Forcing Out, Breaking In: Do Evictions Increase Crime." July 2022. See Table B.1.

<sup>32</sup> Bureau of Justice Statistics. <https://bjs.ojp.gov/costs-crime>.

<sup>33</sup> McCollister KE, French MT, Fang H. The Cost of Crime to Society: New Crime-Specific Estimates for Policy and Program Evaluation. Drug Alcohol Depend. April 2010.



costs, which represent direct fiscal impacts to Phoenix, in its calculation. The criminal justice cost of a single vehicle theft was calculated to be approximately \$5,700 and a burglary to be approximately \$6,000.<sup>34</sup> Applying these criminal justice fiscal impacts to the avoided forcible entries and vehicle thefts, Phoenix could realize fiscal impacts of approximately \$5.7 million in criminal justice fiscal impacts if an eviction right to counsel were implemented. See Exhibit D.

While Stout only calculated the fiscal impacts of responding to forcible entries and vehicle thefts, the actual criminal justice fiscal impact is likely higher. Research has shown that eviction is associated with a number of other crimes<sup>35</sup> and gun violence<sup>36</sup>, each of which has its own criminal justice fiscal. However, these studies relating to other crimes associated with eviction do not currently include quantifications of cost.

### *Estimated Annual Economic Benefits Related to Increased Educational Attainment*

School-aged children who experience homelessness face significant mental and physical health challenges that prevent students from focusing on their education.<sup>37</sup> These challenges can result in students who are experiencing homelessness becoming chronically absent from school.<sup>38</sup> Even after just one year of chronic absenteeism, students are significantly less likely to complete high school.<sup>39</sup>

Stout estimates 9,950 households in Phoenix would avoid the high likelihood of disruptive displacement and remain in Phoenix if an eviction right to counsel were implemented. Research indicates approximately 62% of households receiving an eviction filing have children, and there are approximately two children per household,<sup>40</sup> resulting in an estimated 12,338 children who would have likely remained in Phoenix if they were not evicted.

Stout estimates approximately 25% of individuals will likely experience homelessness as a result of disruptive displacement<sup>41</sup> and approximately 31% of school aged youth are in high

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<sup>34</sup> McCollister KE, French MT, Fang H. The Cost of Crime to Society: New Crime-Specific Estimates for Policy and Program Evaluation. Drug Alcohol Depend. April 2010. Current research only calculates the cost of burglary, however for a crime to be considered a burglary, there must be forcible entry. Federal Bureau of Investigation. Uniform Crime Report, Burglary.

<sup>35</sup> Semenza, D. C., Stansfield, R., Grosholz, J. M., & Link, N. W. "Eviction and Crime: A Neighborhood Analysis in Philadelphia." Crime & Delinquency. August 2022.

<sup>36</sup> Gaston, Melanie. "The Impact of Eviction on Neighborhood Gun Violence." Rutgers, State University of New Jersey. May 2021.

<sup>37</sup> Bishop, Joseph. "Our Children Can't Wait: The Urgency of Reinventing Education Policy in America"

<sup>38</sup> "Chronic Absenteeism Among Students Experiencing Homelessness in America." National Center for Homeless Education. 2022.

<sup>39</sup> "Research Brief: Chronic Absenteeism." University of Utah, Utah Education Policy Center. 2012.

<sup>40</sup> Desmond, Matthew et al. "Evicting Children." Social Forces. 2013. And "Families with Children Under 18." U.S. Census Bureau, Bureau of Labor Statistics. November 2021. This is also supported by data collected by Stout for right to counsel programs across the country.

<sup>41</sup> Based on metrics developed Robin Hood, a New York City based non-profit organization that provides funding to more than 200 programs across New York City.

school.<sup>42</sup> Students experiencing homelessness are at an increased risk of not completing high school.<sup>43</sup> In Arizona, approximately 49% of students who experienced homelessness did not complete high school in the 2019-2020 school year.<sup>44</sup> This results in an estimated 469 children in Phoenix completing high school who otherwise would not have if an eviction right to counsel were implemented. Research has demonstrated not completing high school has a significant impact on an individual's future income.<sup>45</sup> Additionally, the relationship between higher levels of education and lower likelihood of welfare program utilization have also been identified.<sup>46</sup> Completion of high school and college has been shown to significantly decrease the likelihood of the future need for cash and housing assistance,<sup>47</sup> applying for and utilizing Supplemental Nutrition Assistance Program (SNAP) benefits,<sup>48</sup> and being enrolled in Medicaid.<sup>49</sup>

Stout estimates increased educational attainment could result in approximately \$9,486 less social safety net spending per year per individual who would have not completed high school but for an eviction right to counsel.<sup>50</sup> Applying this to the estimated 469 children who likely would have not completed high school but for an eviction right to counsel results in \$4.4 million in reduced social safety net expenditures in Phoenix annually. See **Exhibit E**.

### *Estimated Annual Additional Medicaid Spending on Health Care*

Stout quantified Medicaid spending on health care by Phoenix that may be avoided if an eviction right to counsel were implemented. The two categories of care that could reasonably be quantified are in-patient care and emergency room care.

Stout estimates 26,467 individuals in Phoenix could avoid the high likelihood of disruptive displacement and remain residents of Phoenix if an eviction right to counsel were implemented. Of the 26,467 individuals that will avoid the high likelihood of disruptive displacement and remain in the City, approximately 25% will likely experience homelessness as a result of disruptive displacement but for an eviction right to counsel.<sup>51</sup> Stout used the 25% metric instead of the 14.5% metric from the Abt Study as a reasonable proxy for experiencing homelessness.

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<sup>42</sup> National Center for Education Statistics.

<sup>43</sup> "Graduation Rates of Students who Experience Homelessness in America." National Center for Homeless Education.

<sup>44</sup> Ibid.

<sup>45</sup> Tamborini, et al. "Education and Lifetime Earnings in the United States." Demography. 2016.

<sup>46</sup> Cliff, Aiden. "The Relationship Between Education and Welfare Dependency." The Brown Journal of Philosophy, Politics & Economics.

<sup>47</sup> Waldfogel, J, et al. "Public Assistance Programs: How Much Could be Saved with Improved Education?" Working Paper for Education Symposium, Teacher's College, Columbia University. 2005.

<sup>48</sup> Rank, M and Hirschl, T. "The Likelihood of Using Food Stamps During the Adult Years." Journal of Nutrition and Behavior. 2005.

<sup>49</sup> Muennig, P. "Health Returns to Educational Interventions." Columbia University. 2005.

<sup>50</sup> Stout estimated per household social safety net benefits expenditures for individuals who do not complete high school in Phoenix using per household state and federal welfare expenditures by level of educational attainment.

<sup>51</sup> Based on metrics developed Robin Hood, a New York City based non-profit organization that provides funding to more than 200 programs across New York City.

The Abt Study metric reflects entering shelter, which a subset of people experiencing homelessness will do. Stout used the 25% metric for people experiencing homelessness to capture instances of homelessness where people do not enter shelter but are nonetheless experiencing homelessness.<sup>52</sup> Applying the 25% metric to the population of 26,467 individuals results in approximately 6,617 individuals who will likely experience homelessness as a result of disruptive displacement. Of these 6,617 individuals who will likely experience homelessness, Stout estimates approximately 23% will likely utilize in-patient care, and approximately 32% will utilize emergency room care, resulting in an estimated 1,522 and 2,117 individuals experiencing homelessness utilizing in-patient care and emergency room care, respectively.<sup>53</sup>

Research indicates individuals experiencing homelessness utilize in-patient care and emergency room care more frequently than people who are not experiencing homelessness.<sup>54</sup> Approximately 80% of people experiencing homelessness and accessing in-patient care are utilizing this type of care solely because of their experiencing homelessness.<sup>55</sup> For emergency room care, this metric is 75%. Furthermore, approximately 84% of people experiencing homelessness and utilizing either type of care will be enrolled in Medicaid.<sup>56</sup>

Research indicates the average cost to treat people experiencing homelessness utilizing in-patient care and the emergency room is approximately \$5,600 per person and \$18,500 per person, respectively.<sup>57</sup> Applying individual costs to the portion of individuals who will experience homelessness as a result of disruptive displacement, will utilize each type of care, and will be enrolled in Medicaid and then adjusting for the portion of Medicaid expenditures paid by local jurisdictions results in an estimated fiscal impact to Phoenix of approximately \$600,000 for in-patient care and approximately \$2.5 million in emergency room care.<sup>58</sup> The total

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<sup>52</sup> Data from Stout's evaluations of eviction right to counsel programs in Cleveland, Connecticut, Maryland, Milwaukee, Nashville, and Oklahoma indicates between 15% and 30% of clients indicated they would experience homelessness in some form if they were forced to move.

<sup>53</sup> Kushel, Margot, et. al. "Factors Associated With the Health Care Utilization of Homeless Persons." The Journal of the American Medical Association. January 10, 2001.

<sup>54</sup> Kushel, Margot, et. al. "Factors Associated With the Health Care Utilization of Homeless Persons." The Journal of the American Medical Association. January 10, 2001. and Kushel, Margot, et. al. "Emergency Department Use Among the Homeless and Marginally Housed: Results From a Community-Based Study." The American Journal of Public Health. May 2002.

<sup>55</sup> Ibid.

<sup>56</sup> DiPietro, Barbara et al. "Early Impacts of the Medicaid Expansion for the Homeless Population." The Kaiser Commission on Medicaid and the Underinsured. November 2014.

<sup>57</sup> Salit, Sharon, et al. "Hospitalization costs associated with homelessness in New York City." National Library of Medicine. 1998. And "The Cost of Homelessness Facts." Green Doors. N.d.

<sup>58</sup> Stout's calculation incorporates a utilization rate for in-patient and emergency room care based on the utilization rate of these services by people experiencing homelessness. While the starting populations for these calculations are the same, the utilization rates for people experiencing homelessness vary based on the type of care. According to the Kaiser Family Foundation, approximately 68% of Arizona's Medicaid program is paid for by the federal government, and approximately 32% is paid for by Arizona and local governments. A 2024 report from Urban Institute found that, in 2021, of the health and hospital expenditures paid by Arizona and local



estimated Medicaid fiscal impact to Phoenix would be approximately \$3.1 million. See **Exhibit F**.

### *Estimated Annual Economic Benefits Related to Increased Employment Stability*

Stout estimated social safety net costs related to job loss that would likely be avoided if Phoenix were to implement an eviction right to counsel. As described previously, Stout estimates that 10,053 households in Phoenix have a high likelihood of avoiding disruptive displacement and will remain in Phoenix if an eviction right to counsel were implemented.

Research has demonstrated the impact of eviction on employment stability, particularly the increased likelihood of a person experiencing job loss after being evicted.<sup>59</sup> Of the 9,950 estimated households that will avoid the high likelihood of disruptive displacement and remain in Phoenix, Stout estimates approximately 15% would likely have an individual experiencing job loss because of disruptive displacement if an eviction right to counsel were not implemented. This results in an estimated 1,517 individuals experiencing job loss because of disruptive displacement.

Stout estimated the reduction in social safety net expenditures due to decreased job loss associated with eviction that Phoenix could expect with an eviction right to counsel. Stout estimates the average low-income household whose head-of-household experiences unemployment receives \$2,000 in social safety net benefits during the period of unemployment.<sup>60</sup> This results in a fiscal impacts of approximately \$3 million in decreased social safety net spending in Phoenix as a result of an eviction right to counsel. See **Exhibit G**.

### *Estimated Annual Federal and State Funding Retained for Phoenix City School Districts*

Stout quantified the potential federal and state funding retained for Phoenix public school districts by avoiding student migration out of Phoenix as a result of disruptive displacement. In 2023, there were approximately 1,133 children under 18 years old experiencing homelessness in the Maricopa County.<sup>61</sup> In addition to experiencing homelessness, a portion of students in Phoenix public school districts are also chronically absent from school, missing 10% or more of school days. Research shows that students experiencing homelessness are chronically absent at least twice as frequently as stably housed students.<sup>62</sup>

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governments, approximately 62% is paid for by local governments. Using these two metrics, Stout estimates local governments pay for approximately 10% of Medicaid expenditure in Arizona.

<sup>59</sup> Desmond, Matthew and Gerhenson, Carl. "Housing and Employment Insecurity among the Working Poor." Harvard University. January 11, 2016.

<sup>60</sup> Stout's methodology for calculating the estimated fiscal benefits of increased employment stability is based on estimates of annual social safety net expenditures in Arizona such as TANF, SNAP, housing assistance, and Medicaid for people experiencing employment instability.

<sup>61</sup> Maricopa Association of Governments 2024 Point-in-Time Count.

<sup>62</sup> National Center for Homeless Education, "In School Every Day: Addressing Chronic Absenteeism Among Students Experiencing Homelessness."

Stout estimates 10,364 households in Phoenix would avoid the high likelihood of disruptive displacement if an eviction right to counsel were implemented in the City. Without an eviction right to counsel, Stout estimates 4% of these households will likely migrate out of Phoenix as a result of disruptive displacement.<sup>63</sup> Research indicates approximately 62% of households receiving an eviction filing have children, and there are approximately two children per household,<sup>64</sup> resulting in an estimated 514 children who would have likely migrated out of Phoenix if they experienced disruptive displacement.<sup>65</sup>

Phoenix school districts receive approximately \$1,325 in federal funding and approximately \$2,950 in state funding per student enrolled for a total of approximately \$4,275 in federal and state funding per student enrolled.<sup>66</sup> Applying the 514 estimated children who would have remained in Phoenix public school districts due to an eviction right to counsel results in approximately \$2.2 million in retained funding for Phoenix public school districts. See **Exhibit H**.

### *Estimated Annual Fiscal Impact of Incarcerating People Experiencing Homelessness*

Stout estimated the annual fiscal impacts of incarcerating individuals experiencing homelessness who would have avoided homelessness as a result of an eviction right to counsel. Stout estimates 14,276 adult individuals in Phoenix have a high likelihood of avoiding disruptive displacement and will remain in Phoenix if an eviction right to counsel were implemented. Of the 14,276 individuals that would avoid the high likelihood of disruptive displacement and remain in Phoenix, approximately 25% would have experienced homelessness as a result of disruptive displacement but for an eviction right to counsel.<sup>67</sup> This results in an estimated 3,569 adult individuals in the City who would avoid experiencing homelessness due to an eviction right to counsel.

Individuals experiencing homelessness are more likely to interact with police, be fined for quality-of-life crimes, and be arrested relative to housed individuals.<sup>68</sup> A study of homelessness in Minnesota found 12% of adults experiencing homelessness had been incarcerated within the

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<sup>63</sup> Based on Stout's findings in its independent evaluations of eviction right to counsel programs in Cleveland, Connecticut, Maryland, Milwaukee, Nashville, and Oklahoma.

<sup>64</sup> Desmond, Matthew et al. "Evicting Children." Social Forces. 2013. And "Families with Children Under 18." U.S. Census Bureau, Bureau of Labor Statistics. November 2021.

<sup>65</sup> See footnote 26.

<sup>66</sup> Calculated using U.S. Census Fiscal Year 2019 Annual Survey of School System Finances.

<sup>67</sup> Based on metrics developed Robin Hood, a New York City based non-profit organization that provides funding to more than 200 programs across New York City.

<sup>68</sup> Speigman, Richard, Green, Rex S. "Homeless and Non-Homeless Arrestees: Distinctions in Prevalence and in Sociodemographic, Drug Use, and Arrest Characteristics Across DUF Sites." National Institute of Justice. 1999. See also, Herring, Chris. "Complaint-Oriented Policing: Regulating Homelessness in Public Space." American Sociological Association. 2019; Bailey, Madeline, Crew, Erica, Reeve, Madz. "No Access to Justice: Breaking the Cycle of Homelessness and Jail." Vera Institute of Justice. 2020; Zakrison, Tanya, Hamel, Paul, Hwang, Stephen. "Homeless People's Trust and Interactions with Police and Paramedics." Journal of Urban Health. 2004.

past year.<sup>69</sup> A similar study conducted in New York City found 23% of emergency shelter residents had been incarcerated within the past 2 years.<sup>70</sup> Stout used the 12% metric identified in the Minnesota study, given that it is on an annual basis, to estimate that approximately 12% of individuals who would have experienced homelessness would have also experienced incarceration. Applying the 12% to the 3,569 individuals who would avoid homelessness due to an eviction right to counsel results in 428 individuals who would avoid incarceration.

An individual detained for a misdemeanor in Phoenix spends 26 days<sup>71</sup> incarcerated at an estimated cost of \$138 per day.<sup>72</sup> Applying these metrics to the 428 estimated individuals who would have experienced homelessness and who would have also experienced incarceration but for an eviction right to counsel in Phoenix results in estimated annual fiscal impact of approximately \$1.5 million. See Exhibit I.

### *Estimated Annual Out-of-Home Foster Care Fiscal Impacts*

Stout quantified potential out-of-home foster fiscal impacts related to children who may be placed in out-of-home foster care if their household experiences disruptive displacement.

Stout estimates 9,950 households in Phoenix would avoid the high likelihood of disruptive displacement and remain in the City if an eviction right to counsel were implemented. An estimated 62% of households experiencing an eviction filing have children and the average number of children per household with children is two.<sup>73</sup> Approximately 4% of children from evicted families are placed in foster care and are likely living in foster care for at least 1 year.<sup>74</sup> This results in an estimated 494 children who may be placed in foster care as a result of disruptive displacement each year. As of September 2022, there were 12,358 children in foster care in Arizona.<sup>75</sup>

Based on cost data published by the Child Welfare Agency and the Child Welfare League of America, Stout estimates an average annual cost of \$26,363 per child in out-of-home care.<sup>76</sup> Applying the \$26,363 annual cost to the estimated 494 children in Phoenix who would likely enter out-of-home foster care each year because of disruptive displacement results in a total cost of approximately \$13 million. Of the estimated \$13 million in annual out-of-home foster

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<sup>69</sup> "Overview of Homelessness in Minnesota 2006." Wilder Research. 2007.

<sup>70</sup> Metraux, Stephen, Caterina, Roman, Cho, Richard. "Incarceration and Homelessness." US Department of Veterans Affairs. 2008.

<sup>71</sup> Arizona Indicators, Morrison Institute of Public Policy. <https://www.arizonaindicators.org/inmate-count-2/#:~:text=The%20average%20length%20of%20stay,it%20is%20about%206%20days>.

<sup>72</sup> Maricopa County Final Jail Per Diem Billing Rates for FY2025.

<sup>73</sup> Desmond, Matthew et al. "Evicting Children." Social Forces. 2013. And "Families with Children Under 18." U.S. Census Bureau, Bureau of Labor Statistics. November 2021.

<sup>74</sup> Berg, Lisa and Brannstrom, Lars. "Evicted children and subsequent placement in out-of-home care: a cohort study." Public Library of Science. April 18. 2018.

<sup>75</sup> U.S. Department of Health & Human Services, Administration for Children and Families.

<sup>76</sup> Child Welfare League of America, Arizona Fact Sheet 2022. "Child Welfare Spending in Arizona in SFY 2020." Child Trends.

care cost for children living in foster care because of disruptive displacement, approximately 1% is funded by local government.<sup>77</sup> Phoenix may realize approximately \$180,000 annually in fiscal benefits related to out-of-home foster care placements due to disruptive displacement if an eviction right to counsel were implemented.

The potential fiscal impact related to out-of-home foster care placements for Phoenix are likely significantly understated. There are many additional services offered to children who are living in foster care that accompany foster care. The cost of social workers, case managers, maintenance payments, and monitoring the well-being of children placed with families, for example, are not included in Stout's analyses as reliable, publicly available data to estimate these costs was limited. There may also be fiscal impacts related to children who are living in foster care for reasons not related to housing but who cannot return home because their family is facing a housing instability issue that could be addressed by eviction right to counsel. See Exhibit J.

### *Estimated Annual Fiscal Impact of Heat-Related Health Services for People Experiencing Homelessness*

Phoenix is one of the hottest major metropolitan areas in the United States. During the summer of 2024, the daily high temperature was more than 100 degrees for 113 consecutive days.<sup>78</sup> The significant heat in Phoenix<sup>79</sup> results in thousands of heat-related hospitalizations each year.<sup>80</sup> In 2023, more than 4,000 heat-related hospitalizations occurred, of which 827 were people experiencing homelessness.<sup>81</sup>

Stout quantified the fiscal impacts from services available to people experiencing homelessness who are hospitalized due to heat-related illness. As mentioned previously, while an estimated 25% of households that experience disruptive displacement would experience homelessness, an estimated 14.5% of these households would apply for and enter emergency shelter. The remaining 10% of households would likely experience unsheltered homelessness following disruptive displacement. This is consistent with data from Stout's evaluations of eviction right to counsel programs in Cleveland, Connecticut, Maryland, Milwaukee, Nashville, and Oklahoma, where data collected by legal services providers indicates between 4% and 22% of eviction right to counsel clients affirmatively communicated they would experience unsheltered homelessness if they were forced to move.

Applying the 10% metric to the estimated 14,276 individuals in Phoenix with a high likelihood of avoiding disruptive displacement and will remain in Phoenix if an eviction right to counsel were implemented results in 1,428 individuals who would have likely experienced unsheltered

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<sup>77</sup> "Child Welfare Spending in Arizona in SFY 2020." Child Trends.

<sup>78</sup> "Phoenix Ends Its Streak of 100-Degree Days at 113 Consecutive Days." Associated Press. September 17, 2024.

<sup>79</sup> Ibid. The night temperatures remained above 90-degrees over this period, which does not allow the core body temperature to decrease.

<sup>80</sup> Ibid.

<sup>81</sup> Data received by Stout from the Maricopa County Department of Public Health.

homelessness and been at risk of experiencing a heat-related hospitalization.<sup>82</sup> Based on data Stout received from the Maricopa County Department of Public Health and the 2024 Maricopa County Point-in-Time Count, approximately 9% of individuals experiencing unsheltered homelessness will experience a heat-related hospitalization annually.<sup>83</sup> Applying this to the 1,428 adults who would experience unsheltered homelessness results in approximately 127 heat-related hospitalizations avoided.

When a person experiencing unsheltered homelessness is hospitalized for a heat-related illness, medical providers often seek to avoid discharging the person into an unsheltered situation and instead contact homelessness service providers to assist in providing care and connecting the person to resources.<sup>84</sup> These resources often include connections to outpatient and respite care centers, a health navigator, and a shelter.<sup>85</sup> Stout estimates the average per-person cost of these services is approximately \$5,000, of which approximately 25% is funded through local, state, and federal government grants.<sup>86</sup> Using these estimates and inputs, Stout estimates an eviction right to counsel could have an annual fiscal impact of approximately \$150,000 related to avoiding heat-related hospitalizations. See **Exhibit K**.

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<sup>82</sup> Anderson, Mary-Catherine et al. "The Ecology of Unsheltered Homelessness: Environmental and Social-Network Predictors of Well-Being among an Unsheltered Homeless Population." *International Journal of Environmental Research and Public Health*. July 2021.

<sup>83</sup> See Maricopa Association of Governments 2024 Point-in-Time Count for the number of individuals experiencing homeless on one night in 2024.

<sup>84</sup> Loya, Adriana. "Record-Breaking Heat Means Longer Hospital Stays for People Who are Homeless." *12news.com*. August 7, 2023.

<sup>85</sup> Circle the City, 2023 Annual Impact Report.

<sup>86</sup> Ibid. Circle the City, 2023 990 Form.

## Section V-Conclusion



Stout quantified the estimated potential annual cost of fully implementing an eviction right to counsel in Phoenix, the fiscal impacts of an eviction to counsel, and the estimated return per dollar invested in an eviction right to counsel in the City. Fully implementing an eviction right to counsel program in Phoenix would cost approximately \$24.8 annually. The estimated potential annual fiscal benefits to Phoenix from an eviction right to counsel is approximately \$64.1 million. The quantifiable estimated annual fiscal benefits to the City include:

- \$30.7 million in housing social safety net responses
- \$13.2 million in retained economic value by minimizing out-migration
- \$5.7 million responding to forcible entry and vehicle theft crimes
- \$4.4 million related to increased educational attainment
- \$3.1 million in additional Medicaid spending on health care
- \$3 million related to increased employment stability
- \$2.2 million in federal and state funding retained for Phoenix Public Schools
- \$1.5 million related to incarcerating people experiencing homelessness
- \$180,000 related to out-of-home foster care
- \$150,000 related to heat-related health services for people experiencing homelessness

For every dollar invested in an eviction right to counsel, Stout conservatively estimates a fiscal benefit to Phoenix of \$2.58.

Stout's estimate of potential annual fiscal impacts to Phoenix is likely significantly understated. Included in Stout's calculations are fiscal impacts of an eviction right to counsel program that are quantifiable and reasonably reliable with available data. However, if tenants experienced more stable housing, Phoenix would enjoy many benefits that are not at this time reliably quantifiable and therefore are not included in Stout's calculations. These fiscal impacts and benefits include, but are not limited to:

- The education costs, juvenile justice costs, and child welfare costs associated with children experiencing homelessness
- The effects of stabilized employment and income and the economic and tax benefits to the state associated with consumer spending
- The negative impact of eviction on tenants' credit score and ability to re-rent
- Certain additional costs associated with homelessness, such as additional law enforcement and incarceration costs
- The cost of family, community, and neighborhood instability
- Preservation of financial assets and personal belongings
- A reduction, over time, of the number of eviction cases filed resulting in improved use of the Maricopa County Justice Courts.

While Stout's analyses did not include a quantification for the ongoing need for rent assistance in Phoenix, the availability of sustained rent assistance would likely help prevent and resolve

certain eviction cases more efficiently and effectively – particularly where there are no substantive legal issues, and the only issue is the non-payment of rent.

Stout's conclusions are based on information received to date. Stout reserves the right to change those conclusions should additional information be provided. Stout's review, research, and analysis was conducted on an independent basis. No Stout employee who worked on this engagement has any known material interest in the outcome of the analysis.



## Estimated Fiscal Impact Exhibits A-K

**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit A - Summary of the Estimated Annual Fiscal Impacts of an Eviction Right to Counsel in Phoenix**

	<b>Fiscal Impact (Rounded)</b>	<b>Exhibit</b>
1 Estimated annual housing social safety net responses	\$30,700,000	B
2 Estimated annual retained economic value by minimizing out-migration	\$13,200,000	C
3 Estimated annual fiscal impacts of responding to forcible entry and vehicle theft crimes	\$5,700,000	D
4 Estimated annual economic benefits related to increased educational attainment	\$4,400,000	E
5 Estimated annual additional Medicaid spending on health care	\$3,100,000	F
6 Estimated annual economic benefits related to increased employment stability	\$3,000,000	G
7 Estimated annual federal and state funding retained for Phoenix Public Schools	\$2,200,000	H
8 Estimated annual fiscal impacts of incarcerating people experiencing homelessness	\$1,500,000	I
9 Estimated annual out-of-home foster care fiscal impacts	\$180,000	J
10 Estimated annual fiscal impact of heat-related health services	\$150,000	K
11 <b>Total estimated fiscal impacts realized by Phoenix if an eviction right to counsel were implemented</b>	<b>\$64,100,000</b>	
12 <b>Total estimated annual cost of an eviction right to counsel for eligible tenants</b>	<b>\$24,800,000</b>	
13 <b>Estimated fiscal impact to Phoenix per dollar invested in an eviction right to counsel</b>	<b>\$2.58</b>	

**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit B - Estimated Annual Housing Social Safety Net Fiscal Impacts**

<b>Estimated annual housing social safety net cost - first use of housing social safety net</b>	
1	Estimated number of households with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel [a] 9,950
2	Estimated portion of households that would have likely required a housing social safety net response but for an eviction right to counsel [b] 14.5%
3	Estimated number of households that would have likely required a housing social safety net response but for an eviction right to counsel 1,443
4	Estimated average annual per household cost of a housing social safety net response [c] \$ 18,160
5	<b>Estimated annual cost to provide housing to households that would have likely experienced disruptive displacement without an eviction right to counsel</b> <b>\$ 26,200,000</b>
<b>Estimated annual housing social safety net cost - second use of housing social safety net</b>	
6	Estimated number of households that would have likely required a housing social safety net response but for an eviction right to counsel 1,443
7	Estimated portion of households that would have required a second housing social safety net response but for an eviction right to counsel [d] 17%
8	Estimated number of households that would have required a second housing social safety net response but for an eviction right to counsel 245
9	Estimated average annual per household cost of a housing social safety net response [c] \$ 18,160
10	<b>Estimated annual cost to provide subsequent housing to households that would have likely experienced disruptive displacement without an eviction right to counsel</b> <b>\$ 4,450,000</b>
11	<b>Total estimated annual housing social safety net responses</b> <b>\$ 30,700,000</b>
<a href="#">[a]</a> Stout's calculation of the estimated number of income eligible households with a high likelihood of avoiding disruptive displacement as a result of right to counsel and that would have not migrated out of Phoenix. <a href="#">[b]</a> Rolston, Howard et al. "Evaluation of the Homebase Community Prevention Program." Abt Associates. June 2013. <a href="#">[c]</a> Stout relied on data from the U.S. Department of Urban Development, Maricopa County Association of Governments, and the Common Sense Institute of Arizona to determine the estimated housing social safety response for a family that experiences homelessness. Housing social safety net responses include emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing. See "Homeless Spending Tops \$1 Billion in Arizona." Common Sense Institute of Arizona; HUD 2023 Continuum of Care Housing Inventory Count Report - Phoenix, Mesa/Maricopa County; HUD 2022 Continuum of Care Profile Phoenix, Mesa/Maricopa County; Homeless Trends Report: October - December 2023. Maricopa Regional Continuum of Care. <a href="#">[d]</a> Maricopa County Association of Governments Homelessness Continuum of Care System Performance Measures.	

## The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix

### Exhibit C - Retained Economic Value by Minimizing Out-Migration

1	Estimated number of households likely to avoid the high likelihood of experiencing disruptive displacement [a]	10,364
2	Estimated portion of households that would likely leave the City if forced to move [b]	4%
3	Estimated number of households that would likely leave the City if forced to move	415
4	Estimated number of people per household [c]	3
5	Estimated number of people who would likely leave the City if forced to move	1,103
6	Estimated economic value of a resident [d]	\$ 12,000
7	<b>Estimated economic value retained by minimizing out-migration</b>	<b>\$ 13,200,000</b>

[a] Stout's calculation of the estimated number of households with a high likelihood of avoiding disruptive displacement if an eviction right to counsel were implemented in Phoenix.

[b] Stout observed between 2% and 4% of households indicate they would have to move out of their jurisdiction in its evaluations of eviction right to counsel programs in Cleveland, Milwaukee, Nashville and Oklahoma. Stout selected the upper bound (4%) for this metric due to housing inventory shortages in Phoenix which would likely lead to more households moving outside Phoenix if they had to move.

[c] Based on U.S. Census Population Estimates.

[d] Estimated by Stout using data from: (1) Aguilar, Louis. "Detroit population continues to decline, according to Census estimate." Bridge Michigan. May 2020. (2) "State and Local Expenditures." Urban Institute. 2018. Referencing State & Local Government Finance Data Query System and Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Volume 4. 2020. (3) Present value of

## The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix

### Exhibit D - Estimated Annual Fiscal Impacts of Responding to Forcible Entries and Vehicle Theft

1	Estimated number of households with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel [a]	9,950
2	Estimated frequency of motor vehicle thefts per instance of eviction [b]	1.5%
3	Estimated fewer motor vehicle thefts as a result of an eviction right to counsel	149
4	Estimated public cost per motor vehicle theft [c]	\$ 5,700
5	Estimated fiscal impact of fewer motor vehicle thefts	\$ 900,000
6	Estimated number of households with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel [a]	9,950
7	Estimated frequency of forced entries per instance of eviction [b]	8%
8	Estimated fewer forced entries as a result of an eviction right to counsel	806
9	Estimated public cost per forced entry [c,d]	\$ 6,000
10	Estimated fiscal impact of fewer forced entries	\$ 4,800,000
11	<b>Estimated annual fiscal impacts of responding to forcible entries and vehicle theft</b>	<b>\$ 5,700,000</b>

[a] Stout's calculation of the estimated number of income eligible households with a high likelihood of avoiding disruptive displacement as a result of right to counsel and that would have not migrated out of Phoenix.

[b] Falcone, Stefano. "Forcing Out, Breaking In: Do Evictions Increase Crime." July 2022. See Table B.1.

[c] McCollister KE, French MT, Fang H. The Cost of Crime to Society: New Crime-Specific Estimates for Policy and Program Evaluation. Drug Alcohol Depend. April 2010.

[d] Current research only calculates the cost of burglary, however for a crime to be considered a burglary, there must be forcible entry. For this analysis the estimated cost of burglary is used as a reasonable proxy for the cost of forcible entry.

[e] This estimate is based on currently available research into the direct impacts of evictions on motor-vehicle and forced entry crimes. The actual cost-of-crime savings is likely significantly higher as eviction is shown to have a significant impact on other crimes such as homicide and robbery. Semenza, Daniel & Stansfield, Richard & Grosholz, Jessica & Link, Nathan. "Eviction and Crime: A Neighborhood Analysis in Philadelphia. Crime & Delinquency." August 2021.

**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit E - Estimated Annual Economic Benefits Related to Increased Educational Attainment**

1	Estimated number of households with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel [a]	9,950
2	Estimated percentage of households experiencing an eviction filing with children [b]	62%
3	Estimated number of households experiencing an eviction filing with children	6,169
4	Average number of children per household [c]	2
5	Estimated percentage of individuals who experience homelessness as a result of disruptive displacement [d]	25%
6	Estimated number of children in Phoenix who would likely avoid homelessness as a result of an eviction right to counsel	3,084
7	Estimated percentage of students who are in high school [e]	31%
8	Estimated number of students in high school who likely avoided homelessness	956
9	Estimated percentage of high school students who experience homelessness and do not complete high school [f]	49%
10	Estimated number of students who would likely not complete high school	469
11	Estimated annual per person social safety net responses required when a student does not complete high school [g]	\$ 9,486
12	<b>Estimated annual economic benefits related to increased educational attainment</b>	<b>\$ 4,400,000</b>

[a] Stout's calculation of the estimated number of income eligible households with a high likelihood of avoiding disruptive displacement as a result of right to counsel and that would have not migrated out of Phoenix.

[b] Desmond, Matthew et al. "Evicting Children." Social Forces. 2013.

[c] "Families with Children Under 18." U.S. Census Bureau, Bureau of Labor Statistics. November 2021.

[d] Estimated by Robin Hood. [https://robinhoodorg-production.s3.amazonaws.com/uploads/2017/04/Metrics-Equations-for-Website\\_Sept-2014.pdf](https://robinhoodorg-production.s3.amazonaws.com/uploads/2017/04/Metrics-Equations-for-Website_Sept-2014.pdf).

[e] Estimated using data from National Center for Education Statistics.

[f] "Graduation Rates of Students who Experience Homelessness in America." National Center for Homeless Education.

[g] Stout's methodology for calculating the estimated fiscal benefits of increased educational attainment is based on estimates of annual social safety net expenditures such as TANF, SNAP, housing assistance, and Medicaid for people who do not complete high school.



**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit F - Estimated Annual Additional Medicaid Spending on Health Care**

	Individuals avoiding the high likelihood of disruptive displacement because of an eviction right to counsel [a]	Portion of individuals experiencing homelessness due to disruptive displacement [b]	Individuals experiencing homelessness as a result of disruptive displacement	Utilization rate by people experiencing homelessness [c]	Individuals experiencing homelessness as a result of disruptive displacement utilizing health care services	Portion of individuals experiencing homelessness as a result of disruptive displacement utilizing health care services but for experiencing homelessness [c,d]	Portion of individuals experiencing homelessness as a result of disruptive displacement enrolled in Medicaid [e]	Average cost per individual experiencing homelessness [f,g]	Estimated annual additional health care cost related to individuals experiencing homelessness as a result of disruptive displacement	Estimated portion of Medicaid expenditures funded by localities in Arizona [h,i]	Estimated annual Medicaid fiscal impacts
1	Inpatient care	26,467	25%	23%	1,522	80%	84%	\$ 5,600	\$5,726,947	10%	\$ 600,000
2	Emergency room care	26,467	25%	32%	2,117	75%	84%	\$ 18,500	\$24,677,451	10%	\$ 2,500,000
3	<b>Total</b>										<b>\$ 3,100,000</b>

[a] Estimated number of individuals with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel

[b] Estimated by Robin Hood. [https://robinhoodorg-production.s3.amazonaws.com/uploads/2017/04/Metrics-Equations-for-Website\\_Sept-2014.pdf](https://robinhoodorg-production.s3.amazonaws.com/uploads/2017/04/Metrics-Equations-for-Website_Sept-2014.pdf). See also paragraphs 38-53 of the report.

[c] Kushel, Margot, et al. "Factors Associated With the Health Care Utilization of Homeless Persons." The Journal of the American Medical Association. January 10, 2001.

[d] Kushel, Margot, et al. "Emergency Department Use Among the Homeless and Marginally Housed: Results From a Community-Based Study." The American Journal of Public Health. May 2002.

[e] DiPietro, Barbara, et al. "Early Impacts of the Medicaid Expansion for the Homeless Population." The Kaiser Commission on Medicaid and the Underinsured. November 2014.

[f] Salit, Sharon, et al. "Hospitalization costs associated with homelessness in New York City." National Library of Medicine. 1998. Average cost of \$3,000 adjusted for inflation.

[g] "The Cost of Homelessness Facts." Green Doors. N.d.

[h] "Federal and State Share of Medicaid Spending." Kaiser Family Foundation. 2021. Arizona contributes approximately 16% of Medicaid spending in Arizona.

[i] "State and Local Backgrounds: Health and Hospital Expenditures." Local governments in Arizona contribute approximately 62% of the total health and hospital expenditures.

**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit G - Estimated Annual Economic Benefits Related to Increased Employment Stability**

1	Estimated number of households with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel [a]	9,950
2	Estimated percentage of households that experience job loss because of disruptive displacement [b]	15%
3	Estimated number of households that would have likely experienced job loss because of disruptive displacement	1,517
4	Incremental number of households that likely avoided disruptive displacement and job loss because of an eviction right to counsel	1,517
5	Estimated percentage of Arizona residents who apply for and receive unemployment benefits [c]	17%
6	Estimated average weekly unemployment benefits in Arizona [c]	\$ 314
7	Estimated average number of weeks unemployment insurance benefits are received [c]	14
8	Estimated unemployment benefits not having to be paid to Phoenix residents due to maintaining employment through an eviction right to counsel	\$ 1,116,319
9	Incremental number of households that likely avoided disruptive displacement and job loss because of a right to counsel	1,517
10	Estimated annual cost of social safety net responses to employment instability [d]	\$ 1,260
11	Estimated annual social safety net responses avoided because employment stability realized through an eviction right to counsel	\$ 1,911,863
12	<b>Estimated annual economic benefits related to increased employment stability</b>	<b>\$ 3,000,000</b>
[a] Stout's calculation of the estimated number of income eligible households with a high likelihood of avoiding disruptive displacement as a result of right to counsel and that would have not migrated out of Phoenix. [b] Estimated using Desmond, Matthew and Gerhenson, Carl. "Housing and Employment Insecurity among the Working Poor." Harvard University. January 11, 2016. [c] Unemployment Insurance Data published by the United States Bureau of Labor Statistics. <a href="https://oui.doleta.gov/unemploy/DataDashboard.asp">https://oui.doleta.gov/unemploy/DataDashboard.asp</a> [d] Stout's methodology for calculating the estimated fiscal benefits of increased employment stability is based on estimates of annual social safety net expenditures in Arizona such as TANF, SNAP, housing assistance, and Medicaid for people experiencing employment instability.		

**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit H - Estimated Annual Federal and State Funding Retained for Phoenix Public Schools**

1	Estimated number of households likely to avoid the high likelihood of experiencing disruptive displacement [a]	10,364
2	Estimated portion of households that would likely leave the City if forced to move [b]	4%
3	Estimated number of households that would likely leave the City if forced to move	415
4	Estimated percentage of households with children [c]	62%
5	Estimated number of households with children	257
6	Average number of children per household [d]	2
7	Estimated number of children who would likely leave the City if forced to move	514
8	Estimated federal funding per pupil received by City of Phoenix School Districts [e]	\$ 1,325
9	Estimated state funding per pupil received by City of Phoenix School Districts [e]	\$ 2,950
10	<b>Estimated annual federal and state funding retained for Phoenix City School Districts</b>	<b>\$ 2,200,000</b>

[a] Stout's calculation of the estimated number of households with a high likelihood of avoiding disruptive displacement if an eviction right to counsel were implemented in Phoenix.

[b] Data collected by legal services providers in Cleveland, Connecticut, Milwaukee, and Oklahoma (where Stout has conducted eviction right to counsel evaluations) indicates that approximately 3% of eviction right to counsel clients would leave their jurisdiction if forced to move.

[c] Desmond, Matthew et al. "Evicting Children." Social Forces. 2013.

[d] "Families with Children Under 18." U.S. Census Bureau, Bureau of Labor Statistics. November 2021.

[e] Calculated using U.S. Census Fiscal Year 2019 Annual Survey of School System Finances.

**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit I - Estimated Annual Fiscal Impact of Incarcerating People Experiencing Homelessness**

1	Estimated number of adults with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel [a]	14,276
2	Estimated percentage of individuals who experience homelessness as a result of disruptive displacement [b]	25%
3	Estimated number of adults that would avoid the high likelihood of experiencing disruptive displacement	3,569
4	Estimated percentage of adults experiencing unsheltered homelessness who likely be incarcerated due to their homelessness [c]	12%
5	Estimated number of adults who would likely avoid homelessness and incarceration because of an eviction right to counsel	428
6	Estimated cost per night in jail (booking cost) [d]	\$ 138
7	Estimated average number of nights in jail [e]	26
8	Estimated cost of incarcerating a person experiencing homelessness	\$ 3,581
9	<b>Estimated annual fiscal impact of incarcerating people experiencing homelessness</b>	<b>\$ 1,500,000</b>
[a] Stout's calculation of the estimated number of adults with a high likelihood of avoiding disruptive displacement as a result of an eviction right to counsel. [b] Estimated by Robin Hood. <a href="https://robinhoodorg-production.s3.amazonaws.com/uploads/2017/04/Metrics-Equations-for-Website_Sept-2014.pdf">https://robinhoodorg-production.s3.amazonaws.com/uploads/2017/04/Metrics-Equations-for-Website_Sept-2014.pdf</a> . [c] A Wilder Research study on homelessness in Minnesota in 2006 found that 12% of adults experiencing homelessness had been incarcerated within the past year. Metraux and Culhane found in a 2005 study that 23% of New York city recent shelter occupants had been incarcerated in the past two years. Together, an average 12% of people experiencing homelessness are likely incarcerated each year based on these studies. [d] Maricopa County Final Jail Per Diem Billing Rates for FY2025. [e] Arizona Indicators, Morrison Institute of Public Policy. <a href="https://www.arizonaindicators.org/inmate-count-2/#:~:text=The%20average%20length%20of%20stay,it%20is%20about%206%20days">https://www.arizonaindicators.org/inmate-count-2/#:~:text=The%20average%20length%20of%20stay,it%20is%20about%206%20days</a> .		

**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit J - Estimated Annual Out-of-Home Foster Care Fiscal Impacts**

1	Estimated number of households with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel [a]	9,950
2	Estimated percentage of households experiencing an eviction filing with children [b]	62%
3	Estimated number of households experiencing an eviction filing with children	6,169
4	Average number of children per household [c]	2
5	Estimated percentage of children from evicted families placed in foster care [d]	4%
6	Estimated number of children from evicted families placed in foster care	494
7	Estimated annual out-of-home foster care cost per child in foster care in Phoenix [e, f]	\$26,363
8	Estimated annual out-of-home foster care cost in Phoenix for children living in foster care because of disruptive displacement	\$13,010,663
9	Estimated portion of foster care expenses paid by Phoenix [g]	1%
10	<b>Estimated annual out-of-home foster care fiscal impacts</b>	<b>\$ 180,000</b>
[a] Stout's calculation of the estimated number of income eligible households with a high likelihood of avoiding disruptive displacement as a result of right to counsel and that would have not migrated out of Phoenix. [b] Desmond, Matthew et al. "Evicting Children." Social Forces. 2013. [c] "Families with Children Under 18." U.S. Census Bureau, Bureau of Labor Statistics. November 2021. [d] Berg, Lisa and Brannstrom, Lars. "Evicted children and subsequent placement in out-of-home care: a cohort study." Public Library of Science. April 2018. [e] "Child Welfare Spending in Arizona in SFY 2020." Child Trends. [f] Child Welfare League of America, Arizona Fact Sheet 2022. [g] "Child Welfare Spending in Arizona in SFY 2020." Child Trends.		

**The Estimated Fiscal Impact of an Eviction Right to Counsel in Phoenix**  
**Exhibit K - Estimated Annual Fiscal Impact of Heat-Related Health Services**

1	Estimated number of adults with a high likelihood of avoiding disruptive displacement because of an eviction right to counsel [a]	14,276
2	Estimated percentage of adults that may experience unsheltered homelessness due to disruptive displacement [b]	10%
3	Estimated number of adults that may experience unsheltered homelessness due to disruptive displacement	1,428
4	Estimated percentage of individual experiencing unsheltered homelessness in Maricopa County who experience a heat-related hospitalization [c]	9%
5	Estimated number of individual experiencing unsheltered homelessness in Maricopa County who experience a heat-related hospitalization	122
6	Estimated annual cost of health services available [d]	\$ 5,065
7	Estimated portion of services funded by government grants [d]	25%
8	<b>Estimated annual fiscal impact of heat-related health services</b>	<b>\$ 150,000</b>

[a] Stout's calculation of the estimated number of adults with a high likelihood of avoiding disruptive displacement as a result of right to counsel and that would have not migrated out of Phoenix.

[b] Data collected by legal services providers in Cleveland, Connecticut, Milwaukee, Nashville, Maryland and Oklahoma (where Stout has conducted eviction right to counsel evaluations) indicates that approximately 10% of eviction right to counsel clients would experience unsheltered homelessness if forced to move.

[c] Stout relied on data from the Maricopa County Department of Public Health and the 2024 Maricopa Point-in-time Count Report to determine the likelihood an individual experiencing unsheltered homelessness would experience a heat-related death.

[d] Circle the City 2023 Annual Impact Report. Circle the City provides healthcare and services to individuals experiencing homelessness. Due to extreme heat in summer months in Phoenix, medical providers who treated unhoused people for heat related illness often try to avoid releasing people back into the street and contact Circle the City to assist providing care and connecting the individual to resources.