Know thy tenant: Philadelphia's eviction diversion model keeps tenants in their homes. Landlords get paid, too.

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Philadelphia landlord Moshe Attas abides by one rule: know thy tenant.

That wasn't always the case. The 62-year-old once wouldn't have hesitated to file for eviction if a tenant was behind on their rent. Then the COVID-19 pandemic arrived and city officials began requiring him and other landlords in Philadelphia to work with their tenants before they could file for eviction.

"This gives you an option. You talk to the person, you understand what they are going through," said Attas.

As communities across the nation prepare for a tsunami of eviction filings with the recent end of the federal COVID-19 eviction protections program, Philadelphia’s evictions reform program is providing a model for both a more humane and more effective way of getting both landlords and tenants financial help. Landlords cannot file for eviction without first applying for rental assistance and participating in mediation programs. The effort has helped keep thousands of families in their homes and helped local landlords secure federal emergency rental assistance money more quickly than other cities and states.

Philadelphia had 20,000 eviction filings a year before the pandemic. Of those, roughly 5,000 ended in eviction. Under the reforms program, in 92% of cases, tenants worked out an agreement. People stayed in their homes. Landlords got paid.

"I think this system should replace the tenant-landlord court," said Attas, who emigrated from Israel in 2013.

Landlords file 3.7 million eviction cases in a typical year in the United States. Starting in March 2020, the U.S. Centers for Disease Control and Prevention moratoria prevented
landlords from forcing out tenants who couldn't pay their rent. The program saw eviction filings drop by 1.5 million, according to Princeton University's Eviction Lab in New Jersey.

Since the end of the moratorium in August, U.S. cities have seen an increase in eviction filings — anywhere from 20% to 120% compared with their historical average — an issue further complicated by the uneven distribution of rental assistance across the country.

John Pollock, coordinator of the Baltimore-based National Coalition for a Civil Right to Counsel, said other cities should be taking note of Philadelphia's model.

"Philly is an incredible example of what comprehensive reform can do," said Pollock, "You have to take a multi-faceted approach if you want to transform the way evictions happen."

**How Philadelphia keeps tenants out of court**

Shortly after the onset of the pandemic, Philadelphia's City Council was among the first in the country to pass a series of reforms to help struggling renters under its Emergency Housing Protections Act. The set of ordinances waived late fees, forbade illegal lockouts and created nine-month repayment programs for back rent.

Another key difference that set Philadelphia's diversion program apart is that the city's Municipal Court began requiring landlords in April to apply for rental assistance and then wait 45 days.

When a landlord applies for rental assistance, they are automatically enrolled in the diversion program that will include mediation with the tenant. The goal is that both parties will reach an agreement out of court and funds will be disbursed to the landlord before the time is up.

"Were it not for the court mandating landlords to apply for funds, tenants wouldn't have been able to pay, they would get evicted or abandon the unit," said Anabeth Rosado, a housing counselor with United Communities Southeast Philadelphia, a non-profit that provides services to low-income homebuyers and renters.

That was the case for John Mitchell, 37, a restaurant worker who was laid off during the series of shelter-in-place orders that shut down restaurants in Philadelphia last year.

He used his unemployment and stimulus checks toward food and rent. But every time he went back to work, his hours would get cut or a new shutdown would be enacted.
Mitchell fell behind on rent. Again. When his landlord moved to evict him, Mitchell learned he was protected under the city eviction program. He owed over $3,700.

"I would be homeless right now without the diversion program," Mitchell said.

With his rent soon to be taken care of by the city, he's focused on getting out of waiting tables and landing his dream job with the U.S. Postal Service.

"Instead of focusing on applying for this job, I'd be applying to the shelter up the street," Mitchell said. "It would have been awful."

Philadelphia has gone from being the fourth-largest eviction city in the nation to keeping the number of eviction filings below 4,500, said Councilwoman Helen Gym, who spearheaded the passage of the Emergency Housing Protections Act.

"If the poorest large city in the nation can do this, any city can—it’s just a matter of will," Gym said.

**Landlords not getting emergency rental assistance**

Philadelphia's multifaceted program has allowed the city to disburse emergency rental assistance money more quickly than other cities and states that are not getting much-needed funding out the door.

As of this week, the U.S.Treasury Department reported only $8.4 billion of the $25 billion of emergency rental assistance enacted by Congress earlier this year had been spent nationwide. That means in many cases tenants can't get funds fast enough to stay an eviction.

Philadelphia leads in the county with the most aid distributed nationwide at 96.9%, according to data from publicly available dashboards.

The region is followed by Davidson County, Tennessee, at 90%, Cook County, Illinois, at 85.8%, Pima County, Arizona, at 85.1% and Benton County, Alabama, at 79.7%.

Current eviction filing rates in these areas are significantly lower than in places that have been slow to distribute aid, said Peter Hepburn, a professor of sociology at Rutgers University in New Jersey.

Large states like Florida, Ohio, Georgia, Indiana and Tennessee have a lot of need but aren't getting the money out.
Besides a lack of coordination among local governments, lengthy processing times and municipalities not advertising the program, the other issue is there are no incentives or mandates requiring landlords to apply.

"There are likely landlords who don’t know about the ERA programs or don’t have faith that the funds will ever make it to them," said Hepburn.

For landlords to say they don’t want government funds "is maddening," said Pollock, of National Coalition for a Civil Right to Counsel.

He added: "So many people fought to make this rental assistance happen, which just puts money in landlords' pockets."

As a way to counteract the growing number of eviction filings nationwide, progressive lawmakers introduced legislation this week that would give the Department of Health and Human Services the authority to create federal eviction moratoriums. The bill is sponsored by U.S. Rep. Cori Bush, D-Mo., and Sen. Elizabeth Warren, D-Mass.

In Philadelphia, Attas said the program has its kinks. There's a lot of paperwork and he's had to submit proof of hardship. Sometimes payment from ERA funds takes more than 45 days.

Attas owns three units and manages 57 others with his partners, some of which are paid by federal low-income housing vouchers commonly referred to as Section 8.

When the virus first broke out, it was the tenants that didn't have government aid — about a dozen — who got behind, their back rent tallying up to $20,000.

"There's power in mediation," said Attas. "You walk in as enemies and walk out as friends."

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