

# The Pandemic, Recession, and the Movement to Cancel Rents, Mortgages, Utility Fees, and Late Payments

*Seattle City Council  
Sustainability and Renters'  
Rights Committee*

*Councilmember Kshama  
Sawant, Chair*

*September 24, 2020*



*Photo: Toby Scott via Getty Images*

# Nationally, before COVID: 78% of US workers live paycheck-to-paycheck to make ends meet

- **More than half** of minimum wage workers say they have to work more than one job to make ends meet
- **Nearly 3 in 4 workers** say they are in debt today - more than half think they will always be
- **Nearly 3 in 5 renters** could not come up with \$400 in an emergency

<http://press.careerbuilder.com/2017-08-24-Living-Paycheck-to-Paycheck-is-a-Way-of-Life-for-Majority-of-U-S-Workers-According-to-New-CareerBuilder-Survey>

<https://www.theatlantic.com/ideas/archive/2020/05/cancel-rent/611059/>

# Seattle, before COVID: Nearly half of renters are officially rent-burdened

- ***2010-2018: Average rents in Seattle rose 69%, 2X the national average***
- ***December 2019: Average rent in Seattle was \$2,024/month***
  - ***A household would need an income greater than \$81,000/year to avoid being rent-burdened***
- ***More than half of Seattle renters hit with eviction notices owed one month's rent or less***
- ***Nearly 9 out of every 10 tenants who are evicted wind up homeless***
- ***Evictions fall disproportionately on women and people of color***

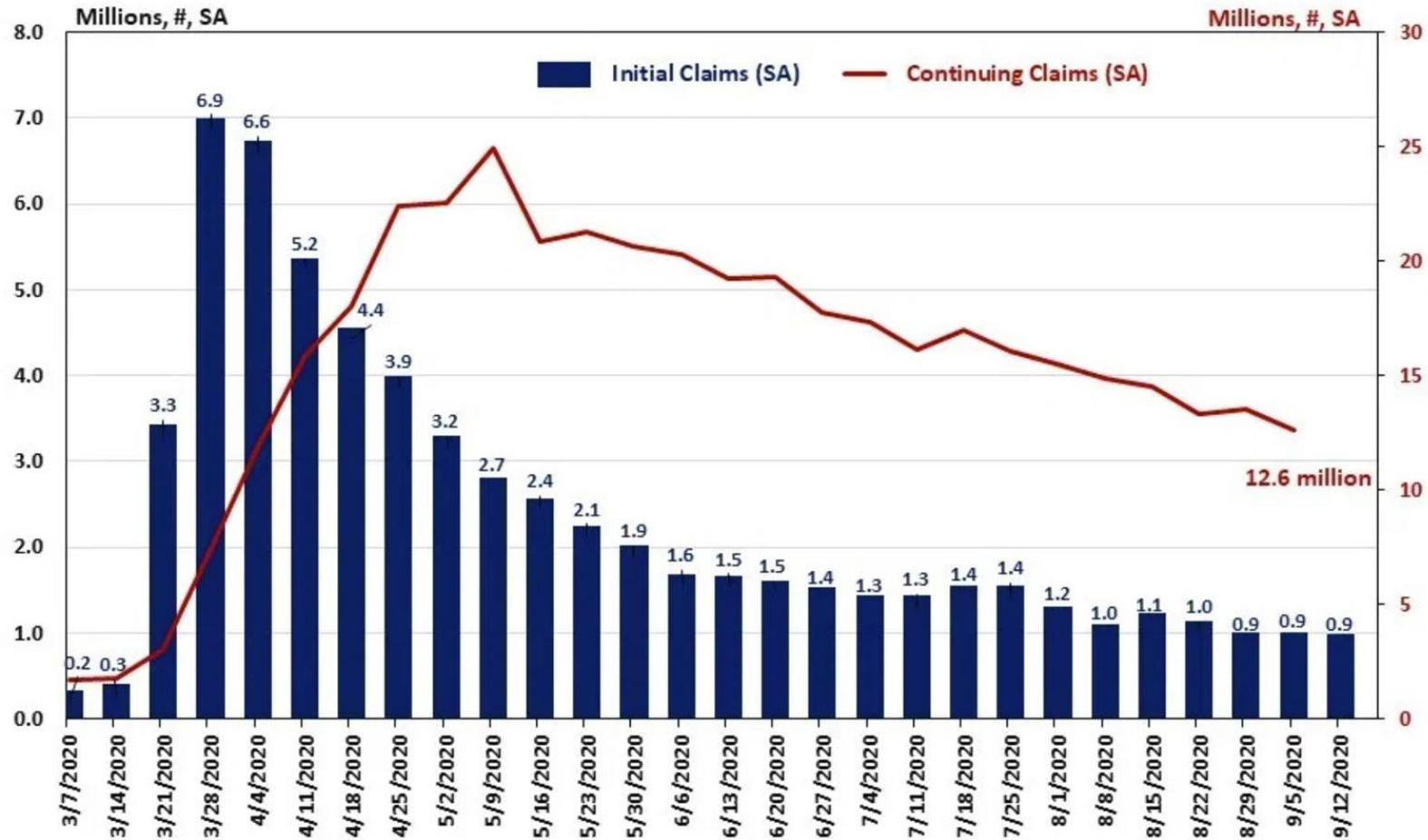
<https://www.seattletimes.com/business/real-estate/hoping-for-seattle-area-rents-to-get-cheap-dont-hold-your-breath/>

<https://seattle.curbed.com/2018/6/25/17501872/seattle-area-housing-cost-burden>

<https://www.rentjungle.com/average-rent-in-seattle-rent-trends/>

[http://www.seattle.gov/Documents/Departments/SeattleWomensCommission/LosingHome\\_9-18-18.pdf](http://www.seattle.gov/Documents/Departments/SeattleWomensCommission/LosingHome_9-18-18.pdf)

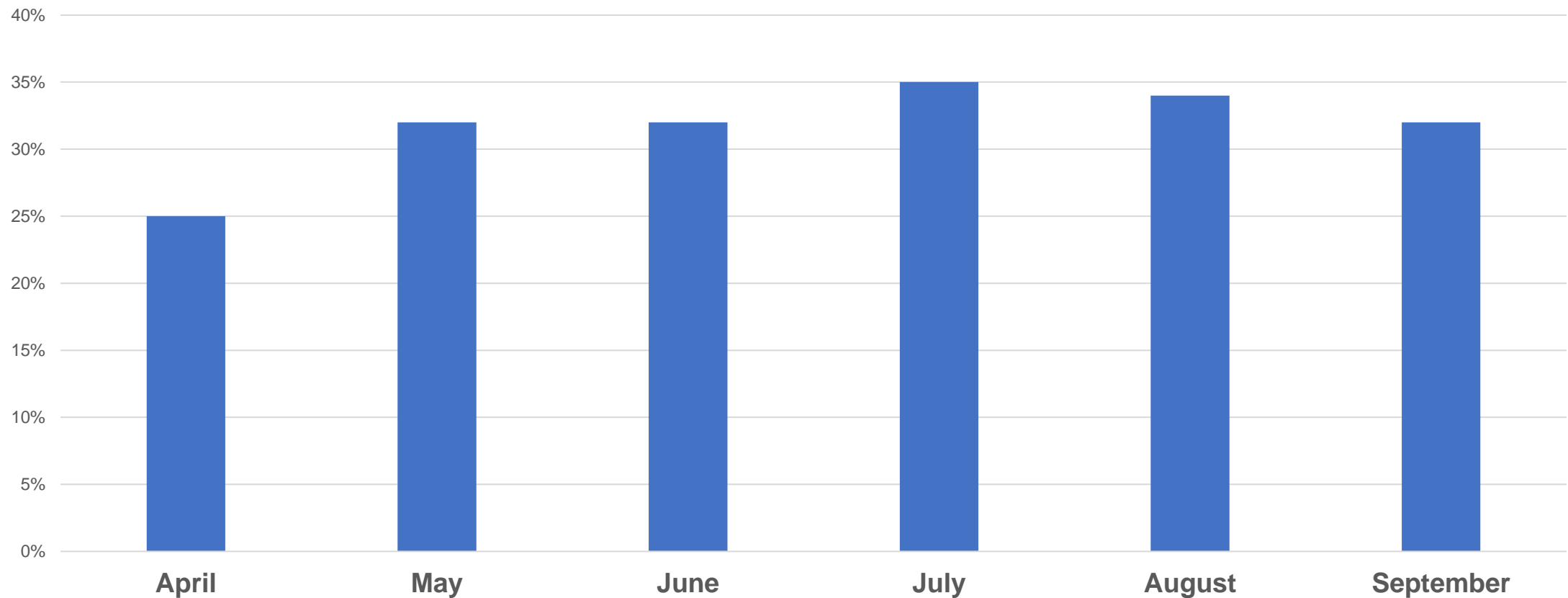
# Record COVID unemployment is leveling off at a staggering 1 million new claims/week



Source: U.S. Department of Labor

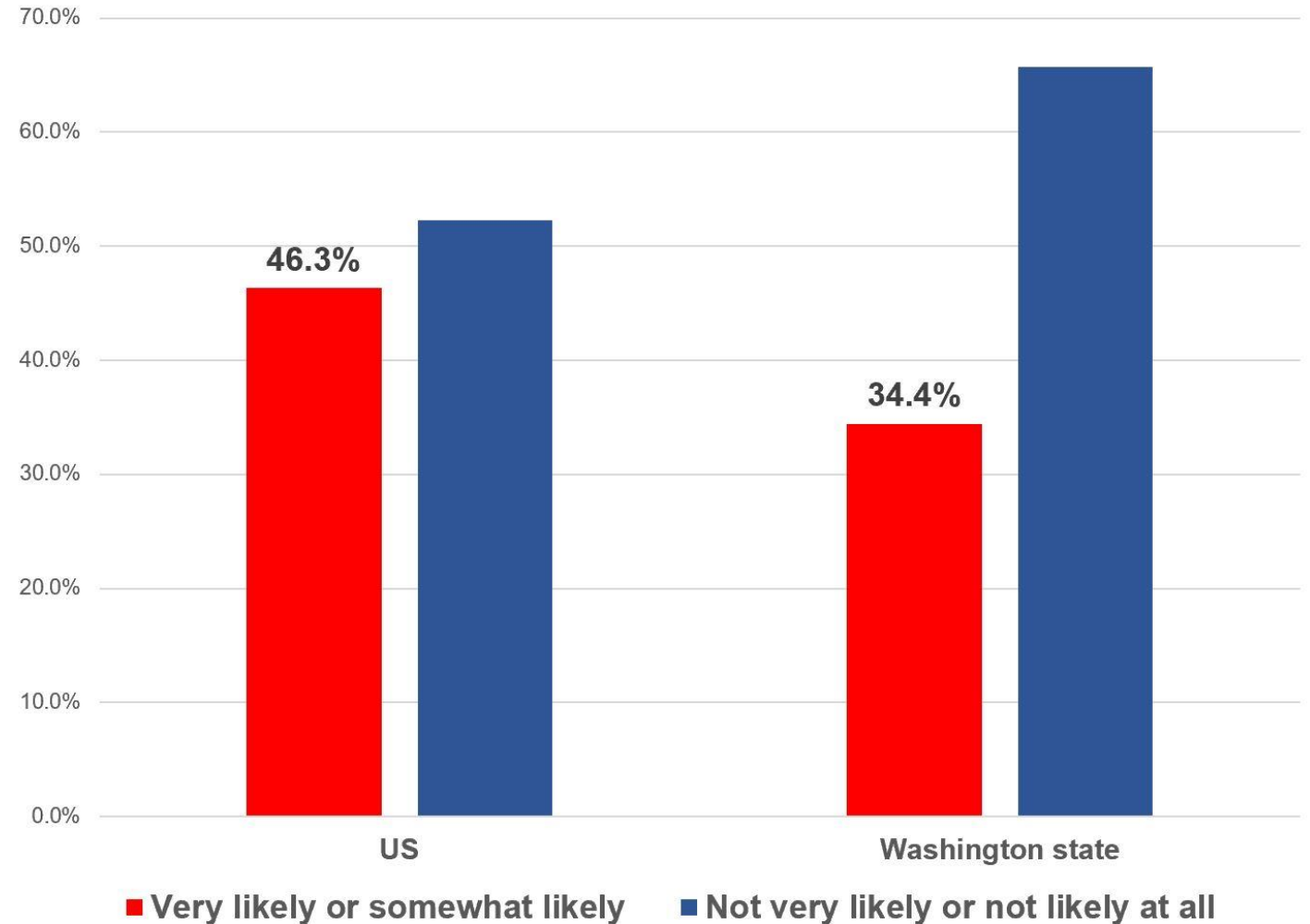
# Around 1/3 of US renters are unable to pay rent on time

Percentage of US renters unable to pay rent on time during COVID crisis



**Housing  
insecurity is  
high, even  
where  
eviction  
moratoriums  
are in place**

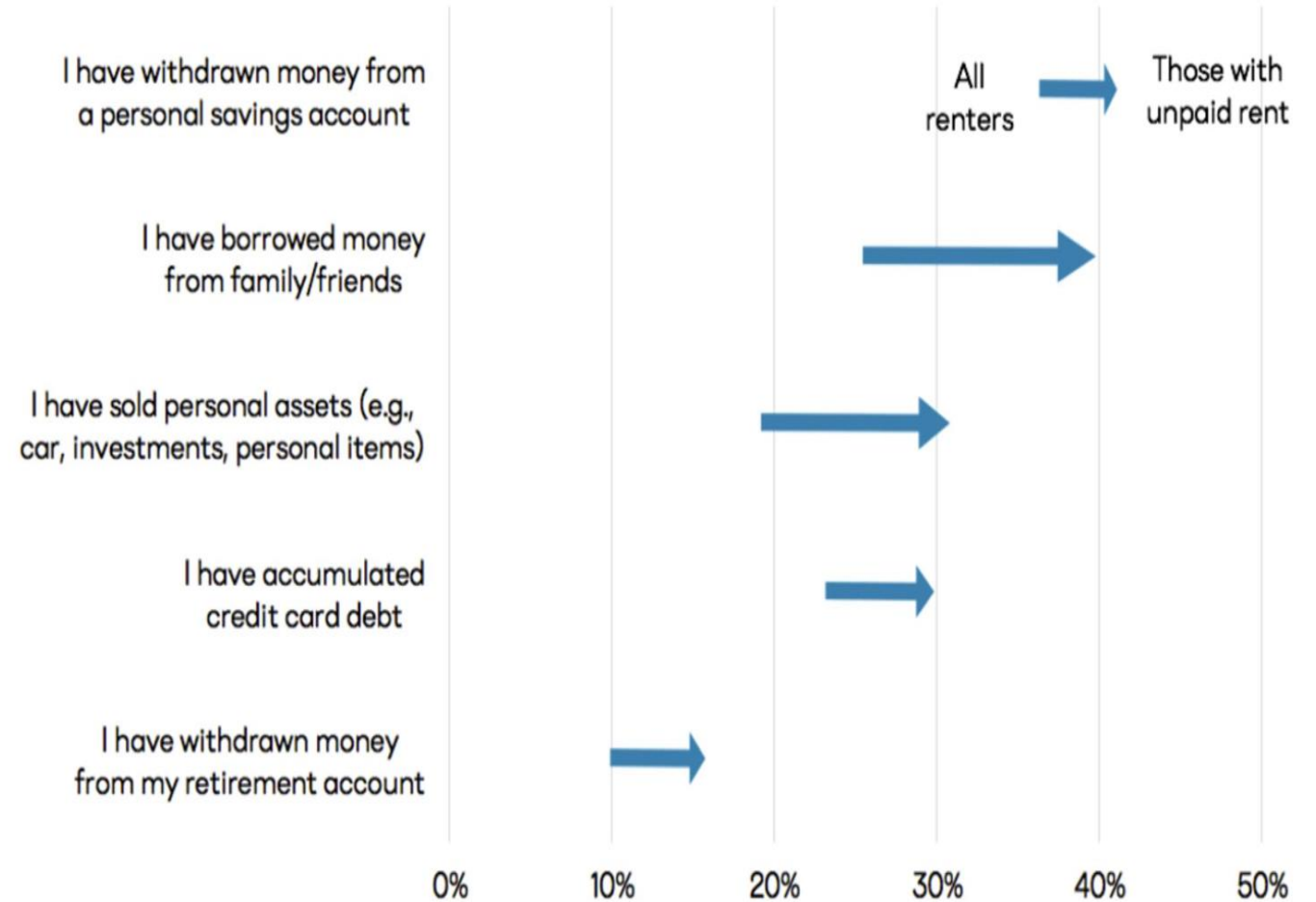
**Nearly half of US renters, and 1/3 of Washington state renters, say it's very likely or somewhat likely they will be evicted in the next two months**



**To pay landlords, renters are spending their meager savings, taking on new debt, and borrowing money**

## Many are making financial sacrifices to keep up with rent payments

Since the start of the COVID-19 pandemic, which of the following are true?



Source: Apartment List Survey Data

Apartment  List

ApartmentList.com Survey Data -

<https://www.apartmentlist.com/research/september-housing-payments>

*Tara Raghuveer, director of the KC Tenants, Kansas City, Missouri, and national Homes Guarantee campaign:*

*'People are being forced into the streets, into their cars, forced to double up. **Every eviction is an act of violence**, always, but especially during a pandemic.*

***Every time we're allowing an eviction to occur, we're putting a landlord's profits above people's lives.'***

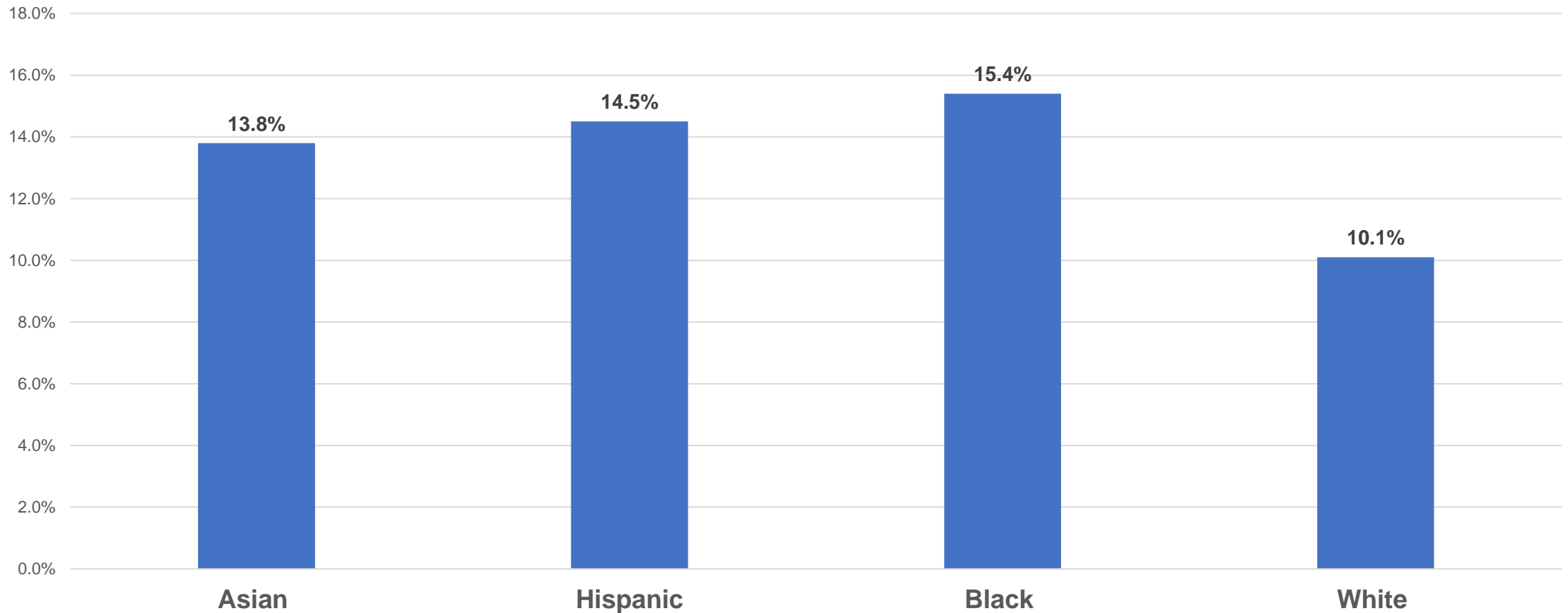
<https://www.thenation.com/article/politics/tara-raghuveer-interview-evictions/>





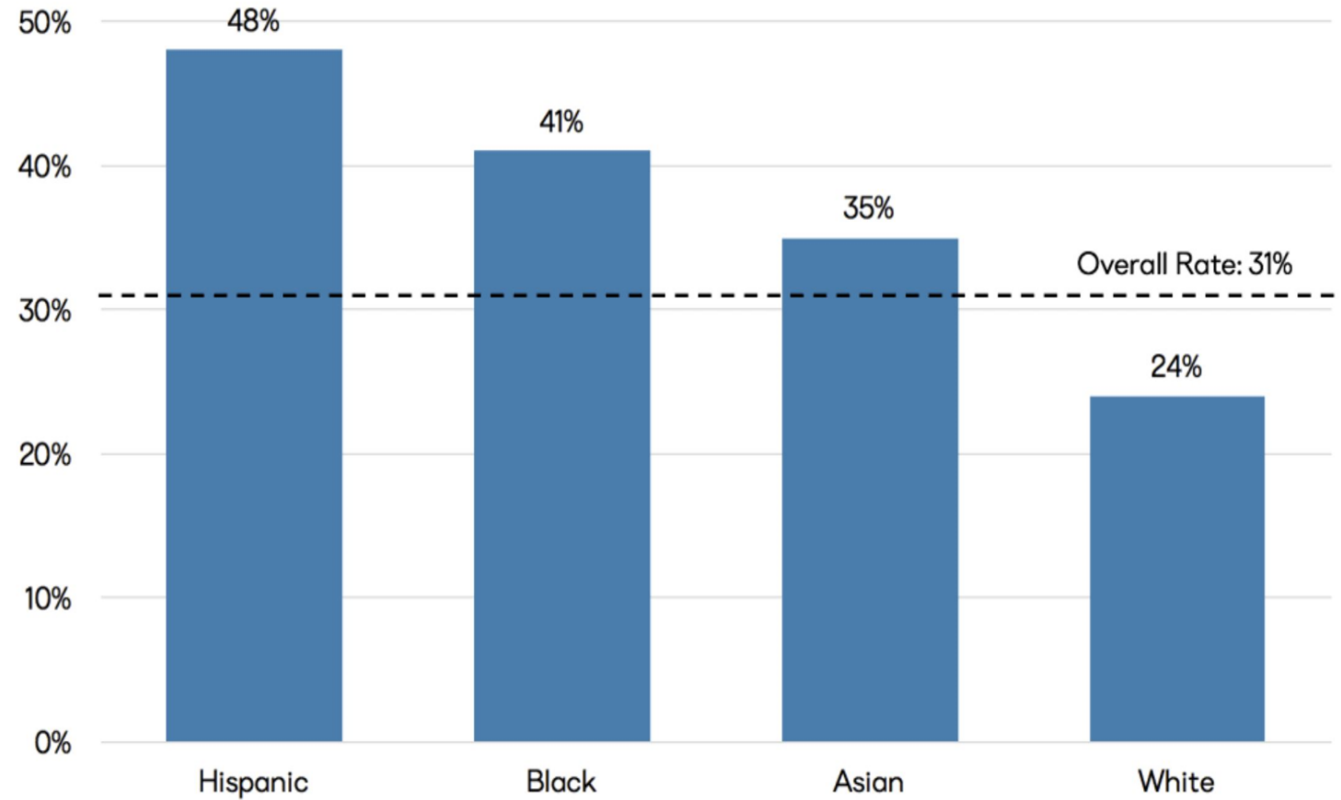
# The COVID unemployment crisis is harming communities of color disproportionately

June 2020 unemployment rates



**The growing rent  
debt crisis is  
disproportionately  
harming  
communities of  
color**

**Minority renters are far more likely to have unpaid rent**  
Share of respondents starting September with unpaid rent from prior months

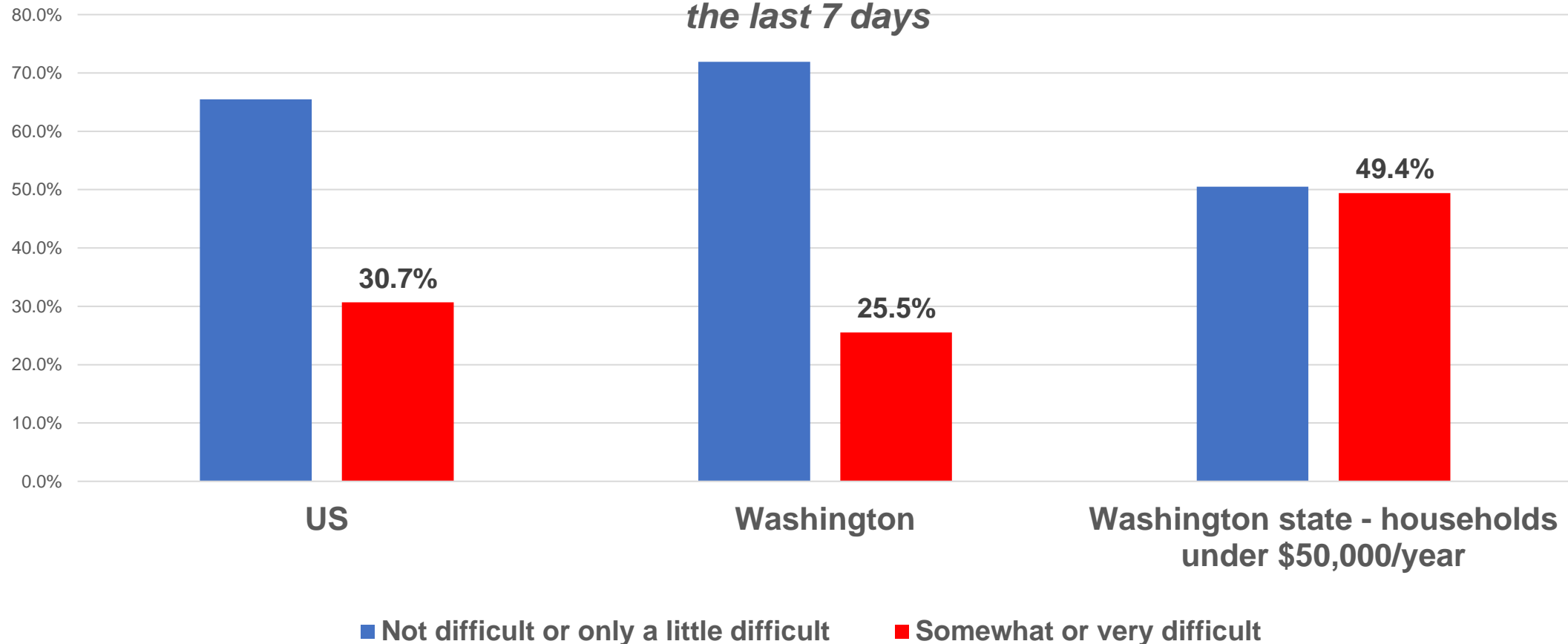


*ApartmentList.com Survey Data -*

<https://www.apartmentlist.com/research/september-housing-payments>

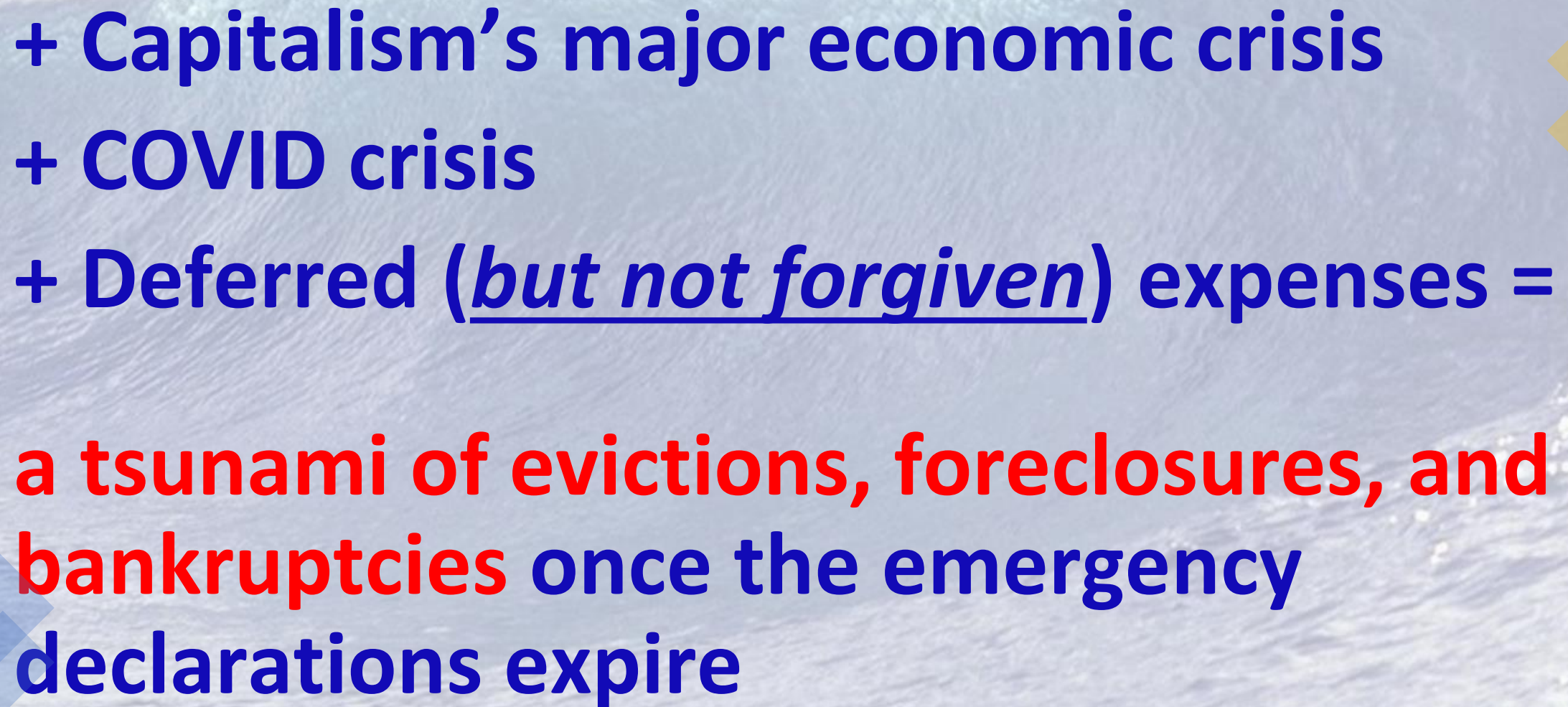
# Working-class households are struggling to keep up with basic expenses

*Households reporting difficulty paying for usual household expenses in the last 7 days*



US Census

<https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>

- 
- + **Capitalism's major economic crisis**
  - + **COVID crisis**
  - + **Deferred (but not forgiven) expenses =**  
**a tsunami of evictions, foreclosures, and**  
**bankruptcies once the emergency**  
**declarations expire**

# The national tsunami



## The COVID-19 Eviction Crisis: an Estimated 30-40 Million People in America Are at Risk

AUGUST 7, 2020 • EMILY BENFER, DAVID BLOOM ROBINSON, STACY

BUTLER, LAVAR EDMONDS, SAM GILMAN, KATHERINE LUCAS

MCKAY, ZACH NEUMANN, LISA OWENS, NEIL STEINKAMP & DIANE YENTEL

**The United States may be facing the most severe housing crisis in its history.** According to the latest analysis of weekly US Census data, as federal, state, and local protections and resources expire and in the absence of robust and swift intervention, **an estimated 30–40 million people in America could be at risk of eviction in the next several months.** Many property owners, who lack the credit or financial ability to cover rental payment arrears, will struggle to pay their mortgages and property taxes and maintain properties. The COVID-19 housing crisis has sharply increased the risk of foreclosure and bankruptcy, especially among small property owners; long-term harm to renter families and individuals; disruption of the affordable housing market; and destabilization of communities across the United States.

<https://www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/>

# The Washington state tsunami



- **649,000 – 789,000 households at risk of eviction once emergency measures expire.**
- **That's 26–34% of all renter households**

<https://www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/>

The rent and mortgage moratoriums that our movement won are important stopgap measures - but they will not solve the mounting debt crisis that renters and working class homeowners face

### Kathryn, Central District:

- ***“A freeze in evictions means nothing if people are faced with 2-18 months of back rent to pay at the end of this crisis. You think homelessness in seattle is bad NOW?”***

### Kurt from Tacoma:

- ***“Even with a moratorium on evictions, **allowing rent debt to accrue during this disaster will ensure that our residents will be economically destabilized far beyond the time period of the work shutdown.** We need to do everything we can to minimize upheaval until the illness and its direct impacts can be brought under control.”***



**State/national movement to cancel all rent, mortgages, utilities, late fees, and housing debt**

- ✓ ***Cover all residential renters who have suffered economically during the COVID crisis.***
- ✓ ***Suspend mortgage payments for homeowners, small landlords (those who are “natural persons” i.e. not corporations), and affordable housing providers who have suffered economically during the COVID crisis.***



# Tenants have organized, fought back, and won!

NEWS

## Seattle City Council votes to limit winter evictions

[Local News](#) | [Local Politics](#) | [Real Estate](#)

## Landlords blocked from raising rents on Seattle apartments with safety violations

Originally published June 6, 2016 at 6:54 pm | Updated June 7, 2016 at 10:40 am

## Sawant Hails Tenants' Win: Fighting Displacement & Securing Affordable Housing in Central District

*"Residents of the Chateau Apartments & the tenants' movement strike blow against gentrification, displacement"*

## Tenants Win Limits on Move-In Fees – Legislation Passes 8-0!

*On December 12, after nearly a 1/2 year of struggle by Washington CAN and tenants' rights advocates, the Seattle City Council passed our move-in fees legislation, 8-0! My remarks motivating the council bill below.*

Kshama Sawant  @cmkshama · Apr 10, 2019

Kenton Apartment residents on Capitol Hill organized as @MilestoneTenant, fought back, & forced their corporate landlord to rescind an outrageous rent increase. It shows how can build renter power against the for-profit housing market! It also shows Seattle needs #RentControl!



# Community panel

- **What are you, your neighbors, and your co-workers experiencing during this COVID crisis?**
- **What must Seattle City Council and state government do to protect tenants from the eviction tsunami?**



*Seattle City Council Sustainability and Renters' Rights Committee  
Councilmember Kshama Sawant, Chair*