

**Testimony of Amanda Korber
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**Before the Committee on Human Services
Council of the District of Columbia**

Budget Oversight Hearing Regarding the Department of Human Services

April 12, 2018

The Legal Aid Society of the District of Columbia¹ submits this testimony to share our serious concerns with the Mayor’s FY19 budget proposal for the Department of Human Services’ housing programs. Ever-increasing rents are forcing low- and no-income tenants out of their homes, feeding the District’s homelessness crisis. The Mayor’s proposed budget as a whole,² and her proposed DHS budget in particular, does not do enough to stop this trend. Indeed, DHS’s proposed budget will only speed up the process of displacing families, particularly families experiencing homelessness.

The Mayor’s proposal for DHS increases spending on Rapid Rehousing – a fatally-flawed program that leaves families worse off at exit – more than any other DHS housing program. This overinvestment in a program that harms families comes at the expense of investments in Permanent Supportive Housing (PSH), Targeted Affordable Housing (TAH), and the Local Rent Supplement Program (LRSP). Each of these three interventions more effectively address the biggest driver of family homelessness in the District: a lack of affordable housing. Legal Aid continues to believe that the Committee should begin the process of phasing out Rapid Rehousing and transitioning families to permanent housing supports. However, for FY19, the Committee should, at the very least, re-allocate \$9.7 million of proposed Rapid Rehousing funding to PSH and TAH. This would begin to reverse DHS’s runaway use of Rapid Rehousing and re-align its investments with the Mayor’s own Homeward DC plan to end homelessness.

We are also disturbed by the Mayor’s proposal to slash the Emergency Rental Assistance Program (ERAP) budget by \$1.765 million. ERAP keeps District tenants in their homes, is well-known and utilized in the community, and is already so underfunded that it runs out of money partway through each fiscal year. The Committee should not accept the Administration’s

¹ The Legal Aid Society of the District of Columbia was formed in 1932 to “provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs.” For more than 80 years, Legal Aid attorneys and volunteers have served tens of thousands of the District’s neediest residents. Legal Aid currently works in the areas of housing, family, public benefits, consumer, and appellate law. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org, and our blog, www.MakingJusticeReal.org.

² Legal Aid will be testifying about the Mayor’s under-investment in tenant-based LRSP at D.C. Housing Authority Budget Oversight Hearing.

continued efforts to starve a housing intervention that works. Instead, it should raise funding for ERAP to meet community need.

THE COMMITTEE SHOULD DEFUND THE RAPID REHOUSING PROGRAM AND REINVEST IN PERMANENT HOUSING SUBSIDIES

Tenants and advocates have repeatedly testified about the Rapid Rehousing Program's flaws. Too often, this program leaves families worse off than they were when they entered it and cycles them back into homelessness or chronic housing instability. At this Committee's Rapid Rehousing Roundtable on December 14, 2017, DHS Director Laura Zeilinger said: "[I]t is the minority of families, who through assistance in the [RRH] program, are able to fully afford their rent at the conclusion of the subsidy." This sad reality is borne out by DHS's own data. According to DHS's oversight responses, in FY17, the average family's income at the time of exit from the RRH program was \$541 per month.³ Yet, the average rent for a family in the program living in a two-bedroom apartment in that same year was \$1,712.10.⁴ Therefore, it is unsurprising that of all the families that exited RRH in FY17, only 11% (or 83 families) did so because they could afford market rent.⁵ As we noted in December, and again at DHS's performance oversight hearing, it is no mystery what happens to families who cannot afford market rent once they are pushed out of the program: they are being evicted, and they are being displaced.

Despite these statistics and regular testimony from families who have been harmed by this broken program, the Mayor inexplicably continues to invest in it, proposing to increase the Rapid Rehousing budget by \$6.6 million in FY19. This is especially troubling because it means that, in comparison to the Mayor's Homeward DC plan to end homelessness, the District would be overinvesting in RRH by more than 400 slots, while under-delivering on its promised investments in longer-term assistance (PSH and TAH) by more than a combined 500 slots.⁶

Our experiences with clients and the realities of the District's rental market tell us that RRH is a bad fit for our homeless services system in general. Therefore, the best course of action would be to phase it out entirely. However, even using the Mayor's own homeless services reform plan as a guide, DHS's reliance on RRH exceeds what this Administration has promised, at the expense of programs like TAH and PSH that actually end families' homelessness. This Committee should not continue to support runaway spending on Rapid Rehousing. Instead, the Council should defund Rapid Rehousing and use all of the money currently allocated to it for long-term housing subsidies, such as TAH and LRSP, which keep families stably and safely housed.

³ Department of Human Services, Performance Oversight Questions, at 78.

⁴ *Id.* at 72.

⁵ *Id.* at 82-83.

⁶ Letter to Councilmember Nadeau from Bread for the City, Children's Law Center, DC Law Students in Court, Legal Aid Society of the District of Columbia, and Washington Legal Clinic for the Homeless, dated April 11, 2018.

But if the Council is unwilling to do this, at a minimum, it should reallocate \$9.7 million of proposed RRH funding – the proposed FY19 increase, plus the amount that DHS is already overspending on the program – to TAH and PSH. This would re-align DHS’s budget allocations with Homeward DC. More importantly, it would provide permanent housing for more than 500 families who are experiencing homelessness.

CUTTING THE ERAP BUDGET BY \$1.765 MILLION WOULD DEVASTATE LOW AND NO-INCOME TENANTS IN THE DISTRICT

The Mayor is proposing to decrease ERAP’s budget by \$1.765 million.⁷ When you account for a similar cut to the ERAP budget last year,⁸ this means that there will be over \$3 million fewer dollars available to prevent families from being evicted than there were two years ago. This is unacceptable. As attorneys who work with District residents facing eviction, we see first-hand that ERAP is perhaps the District’s most effective eviction-prevention tool. Yet, even at current funding levels, the program runs out of money and shuts down partway through each fiscal year because it is woefully underfunded. The Mayor’s proposed budget will take an effective program that is already facing a serious budgetary shortfall and make things worse.

ERAP’s eligibility requirements mean that it is only available to tenants who are already seriously struggling. In order to qualify for ERAP, a family must be at or below 125% of the federal poverty line. This means that if a family of three makes more than \$25,975, it does not qualify for assistance. Families with children or an elderly person can qualify for up to \$4,250 to pay off back rent. Families with a household member living with a disability, or with seven or more children, can qualify for up to \$6,000 in assistance. However, even if a family qualifies, getting assistance is a challenge. Tenants must be willing to call ERAP providers relentlessly (sometimes over 100 times in a row) in order to get an appointment. Then, each year around July, ERAP providers start running out of funds. By September of each year, most, if not all, providers are completely out of money, and no longer scheduling appointments. This has been the case for many years, and will only be made worse by the new budget.

Legal Aid attorneys work with dozens of tenants each month in landlord and tenant court who need ERAP assistance in order pay their back rent and remain in their homes. These are families that often have to choose between paying their rent and paying for childcare, food, or medical care. Because ERAP regularly runs out of money in the second half of each fiscal year, the reality is that whether a family is going to be evicted for nonpayment of rent often depends on what month that family is sued for eviction. This should not be the case. Further cuts to ERAP would only exacerbate this situation leaving some of the most vulnerable families with no way of saving their homes. DHS makes not effort to track the families who are unable to apply for assistance after the program runs out of funds, so it cannot even fully assess the impact of this reduction in funds.

⁷ This includes both the expiration of one-time funding from FY18, as well as \$1 million in further cuts.

⁸ See, DC Fiscal Policy Institute, FY19 Budget Toolkit, available at <https://www.dcfpi.org/wp-content/uploads/2017/08/Homeless-Services-Toolkit-FY-2018-Approved.pdf>

Legal Aid understands that the Mayor and DHS are justifying decreasing the ERAP budget by arguing 1) that the Homeless Prevention Programs will serve some applicants; and 2) that tenants with subsidies generally should not be receiving ERAP.⁹ This is misleading and misguided. First, tenants facing eviction for nonpayment of rent do not need the case management services that Homeless Prevention Programs offer; these families need money to pay off their balances. Second, families with subsidies experience emergencies the same way that non-subsidized households do. For example, Legal Aid assisted one client who was experiencing debilitating depression and anxiety and could not leave her apartment to report her job loss to her subsidized landlord. This led to her accruing a back balance. Without ERAP, she would have been evicted. By suggesting that some families who have received ERAP in the past should not have is to suggest that the lowest income families in the District are somehow receiving too much assistance from their government. That is an absurd premise that this Council should not endorse by accepting the administration's proposed decreases to the ERAP budget.

During budget season, policymakers often target programs that are ineffective or underutilized for budget cuts. However, ERAP is neither of these things. To be clear: Over multiple budget cycles, the Mayor has chosen to continually target a program that keeps very low-income District residents in their homes and is already funded below what is necessary to address community need. The Committee should use this budget cycle to make clear that this is unacceptable. The Committee should fund ERAP at a level that will prevent future funding shortfalls.

CONCLUSION

Thank you for considering our recommendations for the FY19 budget for DHS's housing programs. We urge you to move more families into stable and affordable housing by funding permanent housing subsidies instead of Rapid Rehousing, and to protect tenants from eviction by funding ERAP at a level consistent with community need.

⁹ See DC Fiscal Policy Institute, FY19 Budget Toolkit, available at <https://www.dcfpi.org/all/whats-in-the-proposed-fiscal-year-2019-budget-for-homeless-services/>