

**Testimony of Rachel Rintelmann
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**Before the Committee on Human Services and the Committee on Housing and
Neighborhood Revitalization
Council of the District of Columbia**

Performance Oversight Hearing Regarding Department of Human Services

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The Legal Aid Society of the District of Columbia¹ submits the following testimony regarding the Department of Human Services (“DHS”) and specifically, its administration of the Rapid Rehousing Program. Rapid Rehousing has become the primary program through which the District exits families from shelter, offering them a time-limited voucher to try to place in the District’s increasingly expensive housing market. As we have consistently testified previously, the time-limited nature of Rapid Rehousing vouchers too often leaves families in crisis when the subsidy expires, obligating them to pay rents that they simply cannot afford.

As we will discuss below, DHS’s own data – while incomplete – demonstrates that Rapid Rehousing sets families up to fail, placing them at risk of another cycle of homelessness and advancing the District’s crushing wave of displacement. Despite the mounting data showing the perils of the program for the families it is supposed to serve, DHS continues to increase its reliance on it. The agency reports that it is currently serving just under 2,300 families through Rapid Rehousing, up from about 1,800 in December 2018.² Making matters worse, the agency steadfastly refuses to scale back its reliance on the program, or to even consider making much-needed changes to it.

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.” Legal Aid is the oldest and largest general civil legal services program in the District of Columbia. Over the last 88 years, Legal Aid staff and volunteers have been making justice real – in individual and systemic ways – for tens of thousands of persons living in poverty in the District. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal justice system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org, and our blog, www.MakingJusticeReal.org.

² DHS FY19-FY20 Performance Oversight Responses, Q94, DHS FY18-FY19 Performance Oversight Responses, Q72.

We renew our call for the Council to address DHS’s ever-increasing overuse of Rapid Rehousing, and urge the Council to instead invest resources in well-tested and effective subsidy programs. Our testimony today discusses why the program is so deeply problematic for families struggling to exit homelessness, and also, our disappointment with DHS’s recently-completed taskforce on Rapid Rehousing, whose recommendations will, unfortunately, not address the fundamental problems of the program.

Time-Limited Subsidies Set Families Up to Fail

Legal Aid has long expressed concern that imposing time limitations upon recipients of Rapid Rehousing is wholly counterproductive and far more likely to cycle families back into homelessness than to result in permanent and stable housing. DHS data supports what Legal Aid has seen in practice for many years: time-limited subsidy programs do not lead to permanent and stable housing.

The data on families participating in Rapid Rehousing have long painted a discouraging picture of the program, and this year’s oversight responses from DHS are no different. Overall, the numbers suggests that families are being forced in to rental arrangements that they cannot afford, and do not experience anywhere near the meaningful income growth that they would need in order to pay high (and rising) District rents.

Families Cannot Afford the Rents They Sign Up For, Either at the Time They Enter the Program or at the Time of Exit

The theory behind Rapid Rehousing has always been that participants will be able to sufficiently increase their incomes while in the program to be able to take over the payment of rent and remain stably housed after their exit from the program. It is a reasonable theory that might become a reality for an otherwise high-wage earning family experiencing truly short-term financial hardship, or for a family in a lower-rent jurisdiction. However, the numbers show that families referred to Rapid Rehousing in the District are far from being able to afford their housing when they begin their time in the program and, for the most part, do not experience the substantial gains in income that it would take to afford their housing at the end. For families served by Rapid Rehousing in FY2019, the average monthly income at entry was \$929.75.³ At exit, in FY2019, families had an average income of \$1006.37, a mere \$76.62 higher than the average entry income.⁴ Over the course of FY2019, 93% of families participating in Rapid Rehousing saw no increase in their income.⁵

³ DHS FY19-FY20 Performance Oversight Responses, Q99.

⁴ Families that have exited in FY20 to date had an average income of \$1023.60, so somewhat higher, but not meaningfully so. *Id.*

⁵ *Id.*

Meanwhile, the average monthly rent for a two-bedroom apartment was \$1,534, higher than the average income at both entry and exit.⁶ The sizeable gap between average income and average rent does not meaningfully close during the time that families participate in the program. Even if a family could somehow devote 100% of their income to rent, they *still* could not afford their housing after the subsidy ends. Simply put, the program places families in housing that is unaffordable from start to finish, and average income gains do not make up the difference.

Families Face Eviction After They Leave Rapid Rehousing

Legal Aid has witnessed all too often what happens to many families who participate in Rapid Rehousing: when they are exited from the program, they are left unable to afford their rent. Then, they face an impossible choice: they must either leave their housing — usually with nowhere to go — or wait and be sued for eviction, were we see them in the course of our eviction defense work at DC Superior Court. For the first time this past year, DHS conducted a limited data match of families who exited the program with eviction court records. Of the 882 families who consented to participate in the data match, **almost half were sued in DC Superior Court for eviction after leaving the program.**⁷

That number is stunning. And, it is likely artificially low, because it does not include families that vacated their homes under threat of eviction prior to being sued in order to avoid damaging their rental history. Moreover, the surveyed sample is necessarily the result of some degree of selection bias; the families sampled were only those families DHS was able to reach for consent, which means that all families were both reliably reachable by telephone and willing to speak with DHS after their exit from the Rapid Rehousing Program. Many of the families most devastated after being exited from the program will not fall into those categories.

We must not lose sight of what the eviction number means. These families are our friends and neighbors. They are DC residents. They are families with children. The consequences of eviction for low-income families are nothing short of devastating. Experts have detailed the range of damaging effects of eviction, from splitting up families, to endangering employment, to launching (and re-launching) families into cycles of homelessness.⁸ Because a prior eviction in a person's rental history can make it harder for that person to rent again,⁹ eviction can also

⁶ *Id.* at Q94. Average rents escalated from there as housing sizes increased.

⁷ DC Department of Human Services, *Taskforce Presentation: Overview of the Family Re-Housing and Stabilization Program (FRSP)* at 21 (Program Data Analysis – Eviction). *See, also*, DHS FY19-FY20 Performance Oversight Responses, Q104.

⁸ Matthew Desmond, *Eviction and the Reproduction of Urban Poverty*, 118 *Am. J. Soc.* 88, 91 (2012). Available at:

<https://scholar.harvard.edu/mdesmond/files/desmond.evictionpoverty.ajs2012.pdf>

⁹ *Id.*

contribute to a pattern of housing instability,¹⁰ which is itself associated with increased health risks for both low-income tenants and their children.¹¹ There are numerous, compounding, and long-term consequences to being evicted. Rather than interrupting this devastating cycle, Rapid Rehousing is setting up at least half of its families to be evicted again.

Rapid Rehousing Families Struggle With Unsafe and Unhealthy Housing, As Well As Inflated Rents

The agony of the brief and often traumatic cycle of a Rapid Rehousing tenancy is often compounded by unsafe housing and predatory landlords. In our experience, many of the few landlords willing to incur the risk of renting to a family with a short-term subsidy tend to be slumlords, relying on the family's desperation to find housing as they exit shelter, and counting on their willingness to endure deplorable conditions as an alternative to homelessness. We have met Rapid Rehousing participants who are living with bedbugs, roaches, rats and sewage leaks, in units somehow approved by the subsidy provider prior to move-in.

There is a thriving sub-market for Rapid Rehousing rentals, with landlords accepting District dollars to rent uninhabitable units to unsuspecting tenants. And, this is largely a successful model for such landlords because by the time the family complains or pursues legal remedies, the subsidy has ended, and the landlord can evict the family for nonpayment of rent without consequence or need to make repairs. Remarkably, because subsidy payment standards are high, landlords can often rent units to Rapid Rehousing tenants at rates higher than they would be able to get on the private rental market. Once the subsidy ends, families are left struggling to afford inflated rents on substandard units they'd rather not have occupied in the first place.

DHS has made clear, over and over again, that it does not view long-term, sustainable (or even safe) housing as a goal of the Rapid Rehousing Program. And indeed, face with a recent opportunity to address Rapid Rehousing's serious shortcomings, it instead, chose to double down on its existing approach.

The Rapid Rehousing Task Force Led to Little or No Meaningful Change

Legal Aid is grateful to have been invited to participate in the task force convened by DHS in late 2019 for the purposes of evaluating and improving the Rapid Rehousing Program. We were heartened at the initial Task Force meeting to hear what we believed to be a genuine willingness on the part of DHS to hear critical feedback on the program, and to meaningfully engage with the task of creating a new and improved program tailored to better address the needs of the families it serves.

¹⁰ See, e.g., *id.* at 118-119.

¹¹ Megan Sandel, et. al., *Unstable Housing and Caregiver and Child Health in Renter Families*, 141 *Pediatrics* 1, 2, 4-6 (2018). Available at: <http://pediatrics.aappublications.org/content/pediatrics/early/2018/01/18/peds.2017-2199.full.pdf>.

But, our optimism quickly proved to have been misplaced. The Task Force operated under strict constraints imposed by DHS, and the agency chose to focus on its goal of efficiency — prioritizing fast exits from shelter and the continued growth of the Rapid Rehousing Program over successful exits into long-term safe and affordable housing.¹² When members of the legal services community pressed for further discussion of how to ensure housing sustainability for families at the end of the Program, they were informed that such discussions were outside of the scope of the Task Force. Further, the agency controlled not only the topics for discussion, but also the manner in which the Task Force participants interacted. Productive conversations were cut short, conversations were steered away from valid concerns, and when Legal Aid did not vote to advance initiatives it viewed as contrary to the interests of families referred to the program, rather than grapple with those criticisms, the moderator simply changed the method of voting to allow the conversation to advance without addressing those concerns.

Ultimately, the Task Force’s final report recommends essentially the existing Rapid Rehousing Program, cementing the exact same policies that make it so problematic for families. We are disappointed that DHS had an opportunity to hear and engage with the critical feedback that we have been raising for years, and instead, used that opportunity to impose false parameters, tightly control discussion, override opposition, and ultimately, leave the District’s Rapid Rehousing fundamentally unchanged.

The Task Force’s Proposed Two-Track Model Does not Solve the Fundamental Problems with the Rapid Rehousing Program

The two-track model proposed in the draft Task Force Recommendations essentially formalizes the existing practice of Rapid Rehousing providers to funnel some families into Targeted Affordable Housing (“TAH”) and Permanent Supportive Housing (“PSH”), in a process now referred to as the “Bridge Model.” All other families will proceed toward program exits without a long-term subsidy, with that track now referred to as the “TANF Model.”¹³ This system, far from improving Rapid Rehousing, adopts some of the worst aspects of the current program, and makes other aspects still worse.

Rapid Rehousing is not a “One-Size Fits All” Solution

The Task Force proposal cements DHS’s reliance on Rapid Rehousing as the primary mechanism for exiting families from shelter, including those families for whom TAH or PSH would plainly be more appropriate from the outset. Many families, including those whose income is entirely Supplemental Security Income, will not see an increase in income in the short term, and so should not be placed in a time-limited subsidy program in the first place. This

¹² DC Department of Human Services, *Taskforce Presentation: Overview of the Family Re-Housing and Stabilization Program (FRSP)* at 9 (Task Force Members Expectation).

¹³ Though Task Force members voted on aspects of the final proposal, no vote has been held on the complete draft proposal, and it is not clear whether such a vote will occur.

matters not only because of the administrative hurdles associated with transitioning from one subsidy program to another, but also because tenants with long-term subsidies have a wider range of available housing options, and are less likely to be forced into the housing submarkets often associated with Rapid Rehousing. There is no practical reason to require all families to begin in Rapid Rehousing before transitioning into a permanent subsidy program.

Moreover, by funneling all families through Rapid Rehousing, DHS continues to ignore the needs of the large portion of Rapid Rehousing participant families who fully comply with all program rules, succeed in securing full-time employment, and still cannot afford their rent. Legal Aid has met with numerous tenants who meet that description. As an initial matter, the comprehensive services offered to these families by Rapid Rehousing are heavy-handed, and perhaps more importantly, expensive. Assuming no major change in program structure, of the almost \$27,000 budgeted per participant family in FY2020,¹⁴ over \$8000, or just under 30%, will be spent not on rent, but on case management services.¹⁵ For many families, that money would be better spent on rent. Families with employed heads of household may not need these services; job placement, for example, is not terribly useful for a tenant who is already employed full-time.

Put frankly, some families just need the rent assistance and not all of the other intensive (and expensive) services that Rapid Rehousing provides. But, under the new model, if such families opt out of receiving unnecessary services, they are penalized: participants receiving no services are capped at 12 months of program participation. Far from improving efficiency and cost-savings, this model creates a system of perverse incentives, encouraging participants to seek services they do not need — at a substantial cost to the District — when that money would be better spent on long-term subsidies for those families.

And, looking beyond the high economic cost of the Rapid Rehousing program itself, we remain concerned about the human cost as even those families who succeed in securing fulltime employment nevertheless continue to face housing insecurity. Rather than really grapple with this issue, DHS continues to force those families over the program cliff, declaring them successes and abandoning them with rents they cannot afford. The *Washington Post* recently ran a powerful story featuring Karmaletha Johnson, a former Rapid Rehousing participant who was exited from the program after she got a job cleaning at the Smithsonian's National Portrait Gallery for \$14.71 an hour.¹⁶ Shortly after her exit from the program, Ms. Johnson was forced to relocate her family to Maryland, uprooting her children from school and exponentially

¹⁴ DHS FY19-FY20 Performance Oversight Responses, Q94.

¹⁵ DC Department of Human Services, *Taskforce Presentation: Overview of the Family Re-Housing and Stabilization Program (FRSP)* at 17 (Annual FRSP Investments).

¹⁶Jessica Contrera, *An 11-year-old uprooted from a gentrifying city: 'Sometimes, moms can't afford things.'* WASHINGTON POST (January 14, 2020) available at https://www.washingtonpost.com/local/an-11-year-old-uprooted-from-a-gentrifying-city-sometimes-moms-cant-afford-things/2020/01/13/d5219068-32f6-11ea-91fd-82d4e04a3fac_story.html.

lengthening her daily commute, because she simply could not afford market rent without assistance. Stories like Ms. Johnson’s are far too common. Displacement from the District should not be considered “success” for a program designed to assist District residents.

We are also concerned because one major change from the existing system is that TAH – which previously had no published eligibility criteria and was used as a catch-all for a range of family types facing the Rapid Rehousing “cliff” – will now be limited to families with a disabled household member. This means the removal of a safety net previously available to families who, despite compliance with program rules, still cannot afford rent when their subsidies expire. And, because DHS will not commit to funding TAH vouchers at a level consistent with anticipated need, even families found to be eligible for TAH and PSH may ultimately be exited from Rapid Rehousing without long-term subsidies if none are available.¹⁷

Rent Levels Are Too High to be Affordable, and the Proposed “TANF Model” Only Brings the Cliff Closer

The proposed model provides that Rapid Rehousing participants will pay 30% of their income toward rent until the last six months of their participation in the program, when as part of a “step-down” phase, the tenant portion of the rent for “TANF Model” families will be pro-rated to increase from the subsidized level to full rent payment.¹⁸ There is also no allowance for utility costs if those are not included with the monthly rent, in contrast to federal and local subsidies such as those administered by the DC Housing Authority, which include allowances to offset the cost of utilities in the amount of between \$241 and \$324 for a two-bedroom unit.¹⁹ **To be clear: this means that at every stage of participation in the Rapid Rehousing Program, the rents paid by program participants will be unaffordable under the federal definition, and that as families in the “TANF model” are stepped down, the problem only gets worse.**²⁰ The step-down period, which is apparently intended to help families prepare for paying unaffordable rent by forcing them to pay increasingly unaffordable rent, serves no practical purpose other than to bring the cliff at the end of the Rapid Rehousing program closer.

¹⁷ This is actually the result of a last-minute change to the “Bridge Model” made by DHS. After a “feasibility study” conducted by DHS just before the Taskforce’s final meeting, it was determined that families in the Bridge Model would only be referred to TAH and PSH “if available.” So, depending on the availability of TAH vouchers, a family placed in the “Bridge Model” may not in fact be bridged into a permanent subsidy program.

¹⁸ FRSP Task Force Draft Report Recommendations

¹⁹ DCHA Utility Calculator, available at <http://www.dchousing.org/utility/default.aspx>

²⁰ According to the U.S. Department of Housing and Urban Development, “[f]amilies who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.” https://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/

Moreover, the “TANF Model” imposes for the first time a hard 30-month cap on participation in the program. According to DHS data, in FY19, families remained in the program for as long as 79 months.²¹ Imposing this cap will have the effect of removing discretion for providers to extend assistance for families in need, and will in fact force families off the Rapid Rehousing cliff even sooner.

The “TANF Model” is Inconsistent With the District’s TANF Reforms

The Task Force report’s recommended “TANF Model” exits families from Rapid Rehousing after a maximum of 30 months (including the 6-month step-down period, during which the family pays a dramatically increasing portion of the rent). While the name of the model would suggest otherwise, this approach is wholly inconsistent with the current model for TANF in the District.

In April, 2018, DHS fully implemented the repeal of a 60-month lifetime limit on TANF participation. This decision was, at least in part, informed by a 2016 working group that looked specifically at the barriers that limit or prevent families’ participation in employment and/or educational and training programs. Data gathered by DHS about families who were, at the time, scheduled to be cut off from TANF due to the 60-month “TANF Cliff,” highlighted that families face a range of barriers to activities might grow their incomes, including physical or mental health challenges, limited access to childcare, and a lack of sufficient prior education or employment experience.²² While these obstacles are not necessarily insurmountable, overcoming them takes time, as well as program flexibility to account for the fact that even as they make progress, families do suffer emergencies, setbacks, and cycles in and out of employment. This is a primary reason why the TANF working group – and ultimately, the Council and the Bowser Administration – **rejected the use of any time limit in TANF**, instead embracing a “2-generation” approach that protects children and families from the damaging effects of cut-offs and excessive sanctions.

We know that two-thirds of Rapid Rehousing participants also participate in TANF,²³ working to overcome the very barriers that were identified in support of removing the time limit from that program. It is both philosophically and practically inconsistent to tell these families that, although they will have as much time as they need in the TANF program to work through barriers to raising their incomes, they will ultimately be cut off from their housing subsidy after a maximum of 30 months (the last 6 of which will be spent paying drastically escalating rents as they are stepped down). Losing their housing means these that families, who have already lived

²¹ DHS FY19-FY20 Performance Oversight Responses, Q94.

²² Barbara Poppe and Associates, *Recommendations for Development of a TANF Hardship Extension Policy for Washington, DC* at 17-28, available at: <https://dhs.dc.gov/sites/default/files/dc/sites/dhs/publication/attachments/TANF%20Hardship%20Report.pdf>

²³ DHS FY19-FY20 Performance Oversight Responses, Q95.

through periods of homelessness, will have to start all over again – struggling to find a home and to maintain whatever progress they made before the disruption. If the District is really committed to providing a pathway to stable housing and meaningful economic mobility for families struggling with homelessness, this is not the way to do it.

Conclusion

We do not believe that Rapid Rehousing is the right solution for the homelessness crisis in the District of Columbia, which – despite its treatment as a separate issue by the Department of Human Services – is inextricably intertwined with the housing affordability crisis. Indeed, the Rapid Rehousing Program does not even purport to try to ensure that participants are left with sustainable housing at the conclusion of their subsidy. Rather than continuing to invest in an expensive, services-heavy, time-limited program that funnels nearly half of its participants into eviction proceedings, Legal Aid believes that Council should invest in long-term subsidies with a proven track record of success. If DHS continues to insist upon using Rapid Rehousing as its primary method for exiting families from shelter, then it should be required to screen families early and often for long-term subsidy options which would actually help them to attain housing stability, and the District should prioritize funding such subsidies. To do otherwise is to perpetuate cycles of homelessness and poverty, which is contrary to the very purpose of the assistance DHS should be providing.