

**Testimony of Matthew Boucher
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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

June 14, 2021

The Legal Aid Society of the District of Columbia¹ submits the following testimony regarding the Mayor’s proposed FY22 budget for the Department of Human Services (DHS), specifically the Rapid Rehousing Program (RRH) and the Emergency Rental Assistance Program (ERAP).

The services provided by DHS are more critical than ever, as COVID-19 has exposed and exacerbated long-standing racial and economic inequalities in our community. The decisions that the Mayor and this Council make will be crucial to determining how the District recovers from the pandemic, and will play a significant role in deciding whether those inequalities will be permitted to continue to worsen. Through its administration of the homeless services system, DHS has a unique opportunity to ensure a more equitable recovery for District residents.

As we have previously noted, research shows that the best and single most cost-effective poverty reduction tool is the provision of stable and affordable housing.² By continuing to rely heavily on the Rapid Rehousing Program to serve families who are experiencing homelessness and working toward stable housing, the Mayor’s proposed budget for DHS fails to ensure that more District residents have access to stable and affordable housing at a time when so many desperately need it. Overuse of Rapid Rehousing only adds to the number of residents who are already standing on the benefit cliff, and at risk of losing their housing. The proposed budget

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 89 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 See, e.g., The Nation Low Income Housing Coalition, *Explore Issues: The Problem* available at <https://nlihc.org/explore-issues/why-we-care/problem>.

also contains a massive cut to the Emergency Rental Assistance Program (ERAP) that will make it more difficult for those who currently have stable and affordable housing, to keep it.

The Council should not allow DHS to continue its overuse of Rapid Rehousing and should not cut the ERAP budget following the COVID-19 pandemic. Instead, the Council should begin the process of reallocating funding for Rapid Rehousing to more effective long-term vouchers and should fully fund the Emergency Rental Assistance Program for FY22.

The COVID-19 Pandemic has made Rapid Rehousing an even worse fit for DC

Legal Aid has long advocated for the Council to end DHS's overuse of Rapid Rehousing and maintained that these funds should instead be used on other tools that are more efficient and effective in reducing homelessness. Specifically, Legal Aid has advocated that these funds could be better spent on long-term rental subsidies that keep participant families stably housed. We again oppose any increase in funding for the Rapid Rehousing Program.

The theory behind the Rapid Rehousing Program has always been that once a participant has temporary housing, they will quickly be able to earn more income due to the increased stability and support that comes with it. Under the program guidelines, when new participants enter the program, they are generally required to pay 40% of their income in rent, but after 12 months they are expected to be able to pay their entire rent themselves. This graduated subsidy makes sense in theory and may even be successful in parts of the country with available affordable housing and few barriers to employment. It may even be a reasonable option for an otherwise high-income family that experiences an unexpected short-term financial hardship.

Unfortunately, Rapid Rehousing has never been effective in the District. For families served in FY20, the average monthly income at entry was \$952.³ At exit, families had an average monthly income of \$992, an increase of only \$40 per month after completing the program.⁴ Only 9.3% of households increased their income.⁵ Meanwhile, the average rent for a two-bedroom apartment for a program apartment is \$1,546.34.⁶ These numbers mean that upon completion of the Rapid Rehousing Program, the average participant family must pay 155% of their income in rent, or face eviction. The numbers from FY20 are not an anomaly. In FY19, the last year before the COVID-19 pandemic, the average monthly income at entry was \$929.75, and \$1006.37 at exit.⁷ Only 7% of families experienced an increase in income.⁸

³ DHS FY20-FY21 Performance Oversight Responses, Q62.

⁴ Id.

⁵ Id.

⁶ DHS FY20-FY21 Performance Oversight Responses, Q59.

⁷ DHS FY19-FY20 Performance Oversight Responses, Q99.

⁸ Id.

These numbers demonstrate just how ineffective Rapid Rehousing Program has been in helping participants secure stable, affordable housing prior to the pandemic. Legal Aid has watched year after year as participants struggle with the decision that this program forces most families to make, which is choosing between leaving their homes with nowhere to go or facing an eviction case in Landlord Tenant Court. It borders on the absurd to suggest that the program is more likely to meet its' stated goals in a post-pandemic economy, where jobs are even more scarce, and barriers to employment for low-income District residents are even higher. In order for a participant family to be able to "afford"⁹ the full rent for the average two-bedroom apartment in the program, participants would suddenly need to more than quadruple their average household income in the wake of a global pandemic, and in the face of a continuing affordable housing crisis. This outcome is unimaginable and demonstrates that continued investment in Rapid Rehousing is extremely unlikely to achieve the goals that DHS has set. This Council should not continue to allocate any new resources to this program.

The District Must Transition Resources Away from the Rapid Rehousing Program

Despite our position that no new families should be entered into this failed program, the Council still has a responsibility to ensure that current program participants remain stably housed during the economic recovery. The COVID-19 pandemic has wrought long-term economic harm on the more than 3,000 participants in the Rapid Rehousing Program. The benefit cliff they face is no steeper than it is under ordinary circumstances; but it is now even more difficult to avoid, and there are more people approaching it. As a result, DHS must ensure that all participants' subsidies are extended at least until the end of the calendar year, in order to ensure that its own program does not immediately contribute to the eviction and homelessness crisis that is likely to follow the end of the Public Health Emergency and the tenant protections passed by this body.

While we believe that a minimum six-month extension of these subsidies is necessary, the economic damage done to many program participants will last for years, so an extension should only be viewed as a starting point in meeting the long-term need for many participant families. Legal Aid also believes that no family should be exited unless they can afford their monthly rent without a subsidy (based on the federal definition of affordability); that families who cannot afford the rent without a subsidy should be exited into permanent subsidy programs; and that the District should begin the process of transitioning its resources away from this failed short-term subsidy program in favor of proven permanent subsidy programs.

In the long term, DHS should plan to reallocate the funds currently devoted to Rapid Rehousing to programs that lead to permanent and stable housing. Specifically, the Council should use this funding to increase spending on the Local Rent Supplement Program (LRSP), Targeted Affordable Housing (TAH), and Permanent Supportive Housing (PSH), with sufficient funds allocated to LRSP and/or TAH to house families who do not meet the strict eligibility criteria for PSH and do not need the services associated with this program. Each of these three interventions

⁹ The Department of Housing and Urban Development defines affordable housing as that which costs no more than 30% of household income.

– intended to meet different needs within the population of families struggling to escape homelessness – has been shown to more effectively address family homelessness in the District.

The District Should Not Cut Funding for the Emergency Rental Assistance Program

The federal infusion of Emergency Rental Assistance funds is a significant step towards preventing displacement of DC residents in the immediate aftermath of the pandemic. Legal Aid is also keenly aware of the significant hurdles that both tenants and landlords face when applying for assistance through that program and urges DHS to ensure that assistance through the STAY DC program is available to as many tenants as quickly as possible.

The temporary availability of this federal money should not be used as an excuse to reduce funding for the District’s own Emergency Rental Assistance Program (ERAP). ERAP is the most well-known rental assistance program in the District and has been one of the most effective tools the District has to keep individuals and families stably housed. Demand for ERAP is so high that it runs out of money each year. This year, providers stopped accepting applications in April. Every year it is clear that there is more demand for assistance through this program than there are resources to assist. That should not be the case this year.

Despite the availability of the STAY DC program, Legal Aid has already dealt with cases where landlords have refused to participate in the application process. ERAP must be available to these tenants whose landlords refuse to cooperate. In addition, Legal Aid also currently represents a number of tenants in pending eviction cases where the rent balance pre-dates April 2020, the earliest month for which they can receive assistance from the STAY DC program. Without ERAP to cover the pre-April 2020 balance, these tenants could receive assistance from STAY DC and still be evicted for even a small amount of unpaid rent from prior to the pandemic. Simply put, we know there is a need for rental assistance separate from the STAY DC program. The District should not cut the funding for its best-known rental assistance program, while claiming to ensure an equitable recovery from a global pandemic. The Council should at the very least maintain the prior year’s funding level to ensure that all tenants who are unable to receive assistance through the STAY DC program, for one reason or another, are able to receive rental assistance and have a fair shot at participating in the economic recovery.

Conclusion

Existing structural inequities, paired with the COVID-19 pandemic, have wrought devastation on Black and brown District residents over the past year. The reallocation of resources away from Rapid Rehousing in favor of permanent housing subsidies, and continued investment in emergency rental assistance are practical solutions to avoid the economic and social cost of evictions, housing instability, and homelessness.

We appreciate the opportunity to testify before this Committee on DHS’s budget, as well as the work this Committee has done throughout the COVID-19 pandemic to protect District residents. We look forward to continuing to work with this Committee to ensure that the FY 22 budget provides a path to recovery for all District residents.