

**Testimony of Matthew Boucher
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**Before the Committee on Human Services
Council of the District of Columbia**

Performance Oversight Hearing Regarding the Department of Human Services

February 24, 2022

The Legal Aid Society of the District of Columbia¹ submits the following testimony regarding the Department of Human Services, specifically its administration of the Rapid Rehousing Program. Legal Aid supports an amendment to the Homeless Services Reform Act that would restrict time limit-related program exits from Rapid Rehousing to only those participants who are reasonably likely to be able to maintain housing stability without the subsidy.

Legal Aid has testified repeatedly about the failures of Rapid Rehousing in the District and the cycle of housing instability that it creates for program participants, who are overwhelmingly low-income people of color. Despite this, DHS' reliance on the program has only continued to grow and there are now more 3,400 families in the program.² Recently, this Council allocated historic funding to provide long-term housing subsidies for District residents, and DHS responded by maintaining that it still intended to exit hundreds of families, setting them on a path that is overwhelmingly likely to lead to a return to homelessness or housing instability. It seems that there is no amount of additional funding that can fix Rapid Rehousing as it is currently constituted and utilized by DHS.

In order for Rapid Rehousing to achieve the program's goals, the Council should pass legislation that prevents the Department from exiting families who cannot reasonably be expected to

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 90 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 Testimony of Laura Green Zeilinger, Director of DHS, for the Public Oversight Hearing: Implementation of Historic Housing Investments and Pandemic Recovery Efforts, November 10, 2021.

maintain housing stability without the subsidy provided by the program. While Legal Aid has long advocated for transitioning resources away from Rapid Rehousing entirely, as long as the Council continues to fund the program, we believe that limiting program exits to those who are reasonably likely to maintain housing stability is likely to lead to more families achieving stable, affordable housing.

The Current Iteration of Rapid Rehousing Does Not Lead to Permanent Housing

Rapid Rehousing, with Exits for Overstaying Time Limits, has Never Worked in DC

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 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 to be exited from the program and expected 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 low 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 DC. For families served in FY20, the last year time-based program exits took place,³ the average monthly income at entry was \$952.⁴ At exit, families had an average monthly income of \$992, an increase of only \$40 per month after completing the program.⁵ Only 9.3% of households increased their income at all.⁶ Meanwhile, the average rent for a two-bedroom apartment for a program participant was \$1,546.34.⁷ These numbers mean that upon exit from Rapid Rehousing, 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 full year prior to the covid-19 pandemic, the average monthly income at entry was \$929.75, and \$1,006.37 at exit.⁸ Only 7% of families experienced an

³ As part of a number of pandemic-related protections for District residents, in March 2020, the Administration began extending families' time in Rapid Rehousing, temporarily stopping time-based program exits.

⁴ DHS FY20-FY21 Performance Oversight Responses, Q62.

⁵ Id.

⁶ Id.

⁷ DHS FY20-FY21 Performance Oversight Responses, Q59.

⁸ DHS FY19-FY20 Performance Oversight Responses, Q99.

increase in income.⁹ In order for a participant family to be able to “afford”¹⁰ the full rent for the average two-bedroom apartment in the program, participants would suddenly need to more than quadruple their average household income.

These numbers demonstrate just how ineffective Rapid Rehousing has been in helping participants secure stable housing while DHS has the discretion to exit families based on inflexible time limits. 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. As the Covid-19-related pause on time-limit exits from Rapid Rehousing expires, we expect that this vicious cycle will begin again unless the Council takes action. We also expect that as long as DHS exits participant families from this program utilizing rigid time limits, the vast majority of program participants will eventually become homeless again or be forced into another unstable housing situation.

Exiting Families Based on Time Limits Appears to be a Policy Choice by DHS,
Not a Budget Problem

DHS temporarily extended the length of time program participants were permitted to remain in Rapid Rehousing during the Covid-19 Public Health Emergency.¹¹ In July of 2021, DHS shared a plan to restart program exits and identified more than 500 families whom it intended to exit in the coming months. These families were selected because they had been in the program for more than 18 months. Shortly thereafter, in August of 2021, this Council passed the Homes and Hearts Amendment Act of 2021 which made an unprecedented \$65 million investment in new permanent housing vouchers and housing subsidies in Fiscal Year 2022.¹² The Homes and Hearts Amendment created more than 1,100 new permanent housing subsidies for families.¹³

⁹ Id.

¹⁰ The Department of Housing and Urban Development defines affordable housing as that which costs no more than 30% of household income.

¹¹ Testimony of Laura Green Zeilinger, Director of DHS, for the Public Oversight Hearing: Implementation of Historic Housing Investments and Pandemic Recovery Efforts, November 10, 2021.

¹² DC Council Public Oversight Hearing Notice, The Department of Human Services’ Implementation of Historic Housing Investments and Pandemic Recovery Efforts, November 10, 2021.

¹³ Washington Legal Clinic for the Homeless, “Historic Housing Investments Present Opportunity to Make Real Progress in Ending Homelessness”, (August 13, 2021) *available at* <https://www.legalclinic.org/historic-housing-investments-present-opportunity-to-make-real-progress-in-ending-homelessness/>

Despite this Council funding and creating significantly more permanent housing subsidies than the total number of families DHS originally intended to exit, DHS indicated in November 2021 that it still intended to exit hundreds of families from Rapid Rehousing in the coming months.¹⁴

It appears from this sequence of events that there is no amount of funding that this Council could provide that would prevent DHS from exiting families from overstaying rigid timelines, so long as they are permitted to do so. As Director Zeilinger testified in November, "...it is a program that has limitations given the stark gap between participants' income and the cost of housing." She continued, "FRSP is a time-limited program, and the agency must resume exits." This came several months after the Council voted to provide more than enough permanent housing vouchers to house every participant family that DHS originally planned to exit.

At the February 9, 2022, FRSP Advisory Board Meeting, DHS indicated that it plans to exit an additional 631 families from Rapid Rehousing during the remainder of this fiscal year, bringing the total for FY22 to 913 families.¹⁵ As has always been the case, the vast majority of these families cannot afford to pay their market rent without subsidies, and as described above, are likely to return to homelessness or housing instability. This in a year where the District made a historic investment to create more than 1,000 new permanent housing subsidies.

DHS should not be permitted to continue to exit families from Rapid Rehousing for time limits unless the families in question can afford to pay their rent without a subsidy.

Legal Aid has long advocated that no family should be exited unless they can afford their monthly rent without a subsidy (based on the federal definition of affordability) and that all families who cannot afford the rent without a subsidy should be exited into permanent subsidy programs. Families are not overstaying their time in the program because they want to; they are remaining in the program because they are unable to drastically increase their income in a short period of time, while living in a city that is in the midst of an affordable housing crisis. DHS exiting them from the program before they are able to maintain their housing on their own is not going to change these circumstances, but it is likely to undercut any progress these families have made while in the program and force them back into housing instability. Put simply, exiting families for overstaying a time limit punishes these families for being poor.

Legal Aid was encouraged by the Council's passage of the Homes and Hearts Amendment because it appeared to further the goal of ensuring that no family would need to be exited unless they can afford the rent without a subsidy. By continuing to exit families for staying in Rapid Rehousing too long, despite appearing to have the resources to avoid having to do so, DHS has called the Council back into action.

¹⁴ Morgan Baskin, DCist, "After Pausing For the Pandemic, D.C. Is Set To Terminate 384 Families' Housing Subsidies", (November 24, 2021) *available at* <https://dcist.com/story/21/11/24/pandemic-dc-terminate-rapid-rehousing-subsidies/>

¹⁵ DHS PowerPoint presentation, February 9, 2022.

The Council should pass an amendment to Homeless Services Reform Act that would limit program exits to those families who appear reasonably likely to be able to maintain housing stability without the subsidy. This would help to end the vicious cycle of families returning to housing instability after being exited from the program and ensure that funds spent on Rapid Rehousing actually promote housing stability for low-income DC families.

Conclusion

Legal Aid asks the Council to pass an amendment to Section 22b of the Homeless Services Reform Act of 2005, now codified in DC Code § 4-754.36b. Specifically, Legal Aid asks the Council to create a new subsection (e) to read as follows: “(e) A provider may exit a client pursuant to this section only if the Mayor determines that the client has a reasonable likelihood of sustaining housing stability independently of the rapid re-housing program. Such a determination shall be based on the client’s rent burden at the time of program exit, the client’s job stability and income, and other factors known to cause housing instability.”