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Testimony before the DC Council Committee on Human Services Oversight Hearing on the DC Department of Human Services (DHS) Presented by Max Tipping April 12, 2018

Good morning Councilmember Nadeau and members of the Committee on Human Services. My name is Max Tipping and I am a Spitzer Fellow at the Washington Legal Clinic for the Homeless. The Legal Clinic envisions – and since 1987 has worked towards – a just and inclusive community for all residents of the District of Columbia, where housing is a human right and where every individual and family has equal access to the resources they need to thrive.

Rightsizing Rapid Re-Housing

Last year, the Council considered a number of possible statutory reforms to Rapid Re-Housing. Councilmembers heard from dozens of families in the program as well as hundreds of other DC residents who wanted to see a legislative solution to the many problems with Rapid Re-Housing. Above all, these families and their allies sought an end to the financial cliff that program participants face when their temporary housing subsidies expire and they become legally responsible for rent that they cannot possibly afford. Unfortunately, the Council narrowly rejected this effort to moderate the worst effects of the Rapid Re-Housing's flawed structure, with many Councilmembers expressing that the real solution to these problems was budgetary rather than statutory.

Since then, the Administration has continued to double down on this program, proposing an additional \$6.6 million of funding for FY 2019. To my knowledge the Mayor's budget does not fund this Committee's amendments to the HSRA that sought to collect additional information on families' outcomes after exiting Rapid Re-Housing as well as providing additional supportive services. So under the Mayor's proposed budget, the program will continue to grow even without this Committee's improvements going into effect.







It is now clear that the Administration has no interest in reforming Rapid Re-Housing to address the fundamental problem of the program – that families are set up for failure in apartments that they cannot afford. As a result, the time has come for the Council to follow through on the statements made last year and start the process of adjusting the budget to rely less on Rapid Re-Housing and more on long-term housing resources to resolve family homelessness.

Any objective analysis of the data on Rapid Re-Housing would support the idea that the majority of families do not have enough income to pay their rent when the program ends. No amount of obfuscation can hide this simple fact. When these families are exited with less income than the market rent, they are set up for instability, debt, eviction, and homelessness. The District can and must do better by these families.

That is why organizations that continue to see the collateral damage of DC's overreliance on Rapid Re-Housing are asking this Committee to take the lead in rebalancing the family homeless services system. Yesterday Bread for the City, Children's Law Center, DC Law Students in Court, Legal Aid Society of DC, and the Washington Legal Clinic for the Homeless submitted the attached letter to you, Councilmember Nadeau. That letter outlines our proposal to rightsize Rapid Re-Housing by shifting funding to programs that better support families experiencing homelessness. More specifically, we propose that the Committee on Human Services:

- 1. Reallocate the \$6.6 million increase that the Mayor is seeking for Rapid Re-Housing in FY 2019 towards TAH and PSH for families in Rapid Re-Housing and shelter.
- 2. Reallocate an additional \$3.1 million of Rapid Re-Housing funds towards TAH and PSH for families in Rapid Re-Housing and shelter.

Our proposal represents a re-alignment of existing resources, with the District's strategic plan to guide our first step. Relative to the plan laid out in Homeward DC, the District has over-invested in temporary housing subsidies through Rapid Re-Housing while under-investing in long-term housing resources for families experiencing homelessness. Our proposed budgetary shifts would fully fund the long-term housing resources for families contemplated in the Homeward DC plan for FY 2019.

I would like to emphasize that this re-alignment of resources in FY 2019 is just a first step. Given the many problems with Rapid Re-Housing that have come to light since Homeward DC was released, further budget adjustments will be necessary. With that in mind, our letter makes clear that we support the additional TAH and PSH resources that the Fair Budget Coalition is seeking in order to end family homelessness, and the Fair Budget Coalition supports our proposal to start the process of rebalancing the District's existing resources for homeless families.

"Enhancing" ERAP

The Legal Clinic has a number of concerns about proposed changes to ERAP. In particular, the Mayor's budget cuts funding to ERAP for the second year in a row while DHS has indicated that it

plans to make several policy changes – "enhancements" according to the agency – that would narrow the eligibility criteria for the program starting this fall. The Mayor's proposed budget represents a cut of 24 percent from this fiscal year, and a cut of 43 percent from FY 2016. The Legal Clinic strongly believes that ERAP is a program that addresses a hugely important need in the community and is in dire need of more funding, not less. Furthermore, the Legal Clinic does not support any policy changes that would further constrict access to this critical resource.

The agency seeks to justify its proposed "enhancements" in part based on the idea that the Homeless Prevention Program, or HPP, meets the same needs as ERAP but does so more cheaply. However, there is an important distinction between the two programs: ERAP prevents evictions and keeps families in their homes, while, by and large, HPP prevents families from entering shelter after they have already lost their home. Indeed, HPP's name is somewhat of a misnomer, as its primary focus is shelter diversion not homeless prevention. While that is still a worthy goal, it is not a substitute for ERAP.

The limited data released by the agency on this program does not support the conclusion that the ERAP eligibility criteria need to be revised. For example, DHS asserts that there is a "high demand for repeat applications" for assistance.³ In fact, the data suggests that over a five-year period a vanishingly small portion of households – perhaps as few as 1 percent – received assistance every year. And even assuming that the data suggested otherwise, any proposal to limit access to ERAP in such situations misses the bigger issue: ERAP is a means-tested program with a low threshold for eligibility. Anyone using ERAP in successive years is doing so because they need to. They are not abusing the system so much as relying on a necessary resource that allows them to keep their housing. More than anything else, the agency's data supports the idea that the program is doing exactly what it was designed to do, and certainly does not justify reducing the budget.

It is similarly concerning that the agency intends to shorten the timeline for families to bring back supporting documents for their applications in order to show that "it truly is an emergency." Such "enhancements" appear to betray a deep-rooted mistrust of the people that this program serves, without any recognition of the complicated and difficult positions these households often face. Continuing to seek ways to squeeze families that are already on the edge is not an enhancement. And if DHS does not recognize that ERAP is a program worthy of funding perhaps it is not the proper agency to be administering these funds.

Finally, the agency has proposed drawing funds from unspent LRSP dollars to pay for application fees and security deposits. Unfortunately, unspent LRSP dollars are currently allocated for public

¹ <u>ERAP Regulations – Proposed Enhancements</u>, DC Department of Human Services, April 2018, page 3, presentation to DC Interagency Council of Homelessness Housing Solutions Committee.

² Id. at 10.

³ <u>Id</u>. at 6.

 $^{^{4}}$ $\overline{\text{Id}}$. at 9.

housing repairs, another critical need. A better solution would be to increase the funding for ERAP, which can already pay for security deposits, and modify the regulations to allow the program to pay for application fees. This accomplishes the same goal without further starving public housing of needed funding, and would be an actual "enhancement" of a critically important program.

Homeless Prevention for Individuals

The Mayor's budget also provides funding for a new homeless prevention program for individuals. While we support additional resources for this population, we continue to have reservations about the lack of transparency associated with several such newly proliferating programs. In particular, we believe that there needs to be clear, publically available eligibility criteria for programs like TAH, HPP and rapid re-housing for individuals. Furthermore, as any prevention program for individuals is implemented, it is important to keep in mind that the success of such programs must always be measured in terms of the stability and safety of the household that is being assisted. Preventing a shelter stay is a laudable goal, but only insofar as the household instead has safe and stable alternative housing arrangements. This principle is sometimes lost, as HPP providers are graded on whether they successfully keep the family out of shelter, and as a result our office sees families that have been effectively trapped in unsafe situations, or end up putting their friends and relatives at risk of eviction for allowing unauthorized occupants.

Singles Shelter Redevelopment

In regard to the capital dollars budgeted for the redevelopment of several shelters for individuals, there has been relatively little information shared on the plans for these projects. We will continue to seek to work with the Administration to ensure that any redevelopment at these sites carefully considers the safety and stated needs of the individuals staying at these shelters and on the street.

Permanent Supportive Housing

This Committee should take note that the Mayor's budget does not provide any project/sponsor based LRSP dollars to match the \$100 million allocation to the Housing Production Trust Fund. This lack of operating funds means that the Trust Fund will almost certainly continue to fail to meet its statutory obligation to produce housing for households making 0-30% of AMI, and, of relevance to this Committee, that it will be exceedingly difficult to use the Trust Fund to build new Permanent Supportive Housing units.

Daytime Services

The Legal Clinic supports the proposed funding for improved daytime services. The limited availability of such services, particularly centrally located services, has been one of the primary issues our clients have raised for many years, and we look forward to working with the Administration to ensure that this new funding meets our clients' needs.

DC General Replacement

It is not clear if there are funds in the Mayor's proposed budget to account for the increased cost of placing families in motels that will likely result as the DC General family shelter is closed before the replacement shelters are operational. We would also hope that other contingencies are considered in the budget, such as the possible increased costs if the replacement shelters open later than currently expected, to ensure that there are adequate funds to serve every family in need of shelter in FY 2019.

Ending Family and Chronic Homelessness

The Legal Clinic is a Member of the Way Home Campaign, a campaign to end chronic homelessness in DC that is supported by 96 partner organizations and over 5,000 individual supporters. Together, we are calling on the DC Council to invest an additional \$30.7 million above what the Mayor has allocated to end chronic homelessness for 1,200 individuals and to provide 259 more families with PSH. We strongly encourage the DC Council to invest less than one half of one percent of DC's overall budget to get us back on track to end chronic homelessness. In a city as prosperous as ours, nobody should live or die without the dignity of a home.

The Legal Clinic also fully supports the budget requests of the Fair Budget Coalition, including the housing resources outlined in the tables below, as well as the efforts of Councilmembers Allen and Grosso to raise revenue for crucial services such as these by adjusting the estate tax and closing the carried interest loophole, respectively.

End Chronic Homelessness⁵

	FBC Request	Mayor's Proposal	Gap for Council
PSH (units/cost)	820/\$19.6m	250/\$6m	570/\$13.6m
TAH (units/cost)	400/\$6.9m	70/\$1.3m	330/\$5.6m
RRH (slots/cost)	400/\$4.3m	100/\$1m	300/\$3.3m
TOTAL	1,620/\$32m	420/\$8.3m	1200/\$22.5m

End Family Homelessness⁶

	FBC Request	Mayor's Proposal	Gap for Council
PSH (units/cost)	309/\$9.7m	50/\$1.6m	259/\$8.1m
TAH (units/cost)	866/\$17.72m	100/\$2m	766/\$15.72m
RRH (slots/cost)	0	$(100/\$6.6\text{m})^7$	0
TOTAL	1,195/\$27.42m	150/\$3.6m	925/\$23.82m

Thank you for the opportunity to testify today.

⁵ The Way Home campaign has the same recommendation for ending chronic homelessness.

⁶ The Way Home campaign has the same recommendation for PSH for families.

⁷ This money is for both 100 new slots of RRH and increased costs of supporting existing capacity.