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**Testimony before the DC Council Committee of the Whole** Bill 24-275, "Fiscal Year 2022 Local Budget Act of 2021 Bill 24-276, "Fiscal Year 2022 Federal Portion Budget Request Act of 2021 Bill 24-285, "Fiscal Year 2022 Budget Support Act of 2021 Amber W. Harding and Brittany K. Ruffin June 25, 2021

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. We fully support the FY22 budget asks of both the Fair Budget Coalition and the Way Home Campaign.

COVID-19 has exacerbated existing community needs and the impact of housing instability. Black and indigenous communities have been devastatingly affected by this pandemic. In DC, seventy-five percent (75%) of COVID-19 deaths thus far have been of Black residents. 544 people who are homeless have contracted COVID-19, and the mortality rate amongst people who are homeless is twice that of the general population. Eighty-eight percent (88%) of those experiencing homelessness in DC are Black—a pre-COVID-19 statistic. Housing literally saves lives—and the effects of COVID-19 and DC's underinvestment in deeply affordable housing will undoubtedly further racial inequity.

We ask that you work towards racial equity not just by talking about it, not by just claiming its mantle, but by funding the types of housing and programs that allow Black residents, as well as other people of color, to live safely and securely in DC. We support the tax platform of the Fair Budget Coalition and the Just Recovery DC campaign as a means to that end. 1 It is unacceptable to allow homelessness, eviction, and deteriorating public housing to continue to exist because the Council cannot figure out how to either redistribute or grow the fiscal pie.

Ending Chronic Homelessness: Permanent Supportive Housing

We asked Mayor Bowser to make strong strides in ending chronic homelessness by investing in Permanent Supportive Housing (PSH) for 2761 individuals (\$79.82 million (M)) and 432

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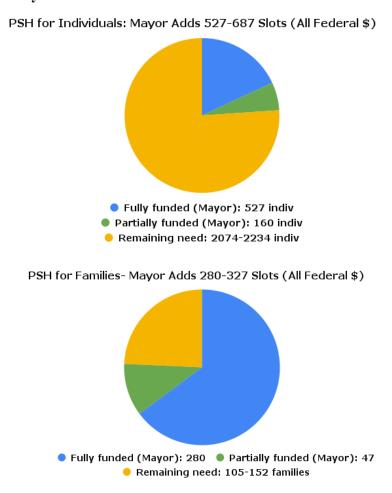
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families (\$16.31M). Mayor Bowser did not invest any local dollars in PSH, but did direct federal emergency housing vouchers and federal unrestricted funds to provide Permanent Supportive Housing vouchers to 527-687 individuals (19-25% of our ask) and 280-327 families (65-76% of our ask). (The Mayor included some site-based PSH and some partially funded PSH slots in her total. We have excluded the site-based PSH and included the partially funded slots in our total, as the top end of the range.) While this investment is welcome, you can see that the unmet need is daunting. We ask the Council to fully fund these asks.



# Ending Family Homelessness: Targeted Affordable Housing

How DC ends family homelessness matters as much as the goal itself. We posit that permanent affordable housing is the only thing that ends family homelessness, and that the Mayor's budget proposal has nowhere near enough vouchers to prevent a major explosion in family homelessness post-public health emergency.

We ask the Council to reform family shelter eligibility to create a low barrier system that prioritizes the safety of families and honors family judgment in deciding when shelter is a necessary intervention.

For the first time since the inception of rapid re-housing, DHS stopped its arbitrary time limit policy during the pandemic—the policy that cuts housing benefits off regardless of the family's ability to pay rent. That decision undoubtedly saved hundreds if not thousands of families from housing instability during the pandemic. But now, DHS has ended the reprieve. Starting August 1, DHS plans to provide begin issuing notices to terminate housing assistance to some of the over 3000 families in rapid re-housing right now.

The stated objective of rapid re-housing is "to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in permanent housing such that recipients may remain in the housing when assistance ends." D.C. Code 4-751.01(31A). The program is failing at meeting this objective. According to DHS, only 17% of families were exited from rapid re-housing because they could afford housing without assistance. That's an 83% failure rate. The families, though, are the only ones bearing the consequences of the government's failure.

# We ask you to either reform the rapid re-housing program to prohibit arbitrary time limit terminations or convert the funding into permanent housing subsidies.

As the authors of the recent Georgetown eviction study concluded: "While the Rapid Rehousing Program aids households to exit shelters more quickly, it may be contributing to eviction rates in the District. More long-term solutions like permanently affordable housing can be more effective at achieving housing stability." We agree, and that is why we asked for \$23.34 million for Targeted Affordable Housing (TAH) for 928 homeless families, along with the ask for PSH for families.

Mayor Bowser did not fund a single new TAH voucher. DHS has stated that they are not getting rid of the TAH program, but that all homeless families require services to stay in housing, and those who do not need intensive supportive services can be placed in what they are calling "PSH-lite." We do not support this shift because:

- 1. The vast majority of families do not, by law, qualify for PSH. PSH is limited to those who are "chronically homeless," which means that the head of household have a qualifying disability. The ICH has estimated that only about 10-15% of homeless families qualify for PSH.
- 2. Even if the Council changed the eligibility standard for PSH, there is not enough PSH to serve all the families who currently qualify, much less all the families who qualify for PSH and TAH.
- 3. It is inefficient to fund services for people who do not need or want services, not to mention that being unable to afford housing in DC does not mean that a person requires social or supportive services. DHS has presented no data to support its claim that families in TAH need or want supportive services. In 2017, the Bowser Administration stated: "It is important to note that PSH is the most expensive housing program within the Continuum of Care, and accordingly, it must be targeted appropriately...Therefore, it's important not to use PSH for households that do not need or want services. This is the reason we developed the TAH program -- to be judicious in how we use resources and to ensure we have interventions that appropriately meet different households' needs."

4. PSH is a program that has national best practices standards and is meant for a specific population. Cramming all housing subsidies into the PSH program will dilute the intent and design of PSH.

At its core, TAH is just a tenant voucher for DHS controls referrals and placements, meaning it can go to families in homeless services programs rather than to those families on the DC Housing Authority waitlist. (Because the waitlist has been closed for eight years, the majority of families in shelters and rapid re-housing are likely not on the waitlist.) If DHS no longer supports this program as it is intended to be used, there is a simple solution—fund a significant increase in tenant vouchers, re-open the DCHA waitlist, and develop eligibility criteria that serves both homeless families in homeless services programs and homeless families on the waiting list. Families do not need to go through DHS to get a tenant voucher and DC Housing Authority is perfectly capable of administering a homeless preference, as this is what it has been doing for years.

### **Tenant Vouchers**

For another year, the Mayor made no investment in tenant-based LRSP funds to pull families from the voucher waitlist of over 40,000 households. Extremely low-income residents need subsidies to be able to live in DC. The lack of funding for tenant-based vouchers that are not attached to services is problematic and perpetuates an ideology that pathologizes poverty while dismissing the real challenges and inequities of systemic racism and capitalism. Every person in need of stable permanent housing does not need intensive services. We ask the Council to invest \$17.33M in tenant-based LRSP vouchers for 800 households experiencing homelessness.

# Ending Homelessness—budget ask summary

	PSH-\$	PSH-HH	TAH-\$	TAH-	LRSP-\$	LRSP-	Total-\$	Total-
				HH		HH		НН
Families	\$6.35M	152	\$23.34M	928			\$29.69M	1080
Individuals	\$59.03M	2162					\$59.03M	2162
Either					\$17.33M	800	\$17.33M	800
Total	\$65.38M	2314	\$23.34M	928	\$17.33M	800	\$106.05	4042

## "Local Rent Supplement Program Enhancement 352 Amendment Act of 2021"

The "Local Rent Supplement Program Enhancement 352 Amendment Act of 2021" must be amended. We support the addition of reporting requirements to improve accountability, but we ask that similar reporting requirements be placed on DHCD and DHS, not just DCHA. It makes sense to convert LRSP dollars into non-lapsing funds. We also support the movement of project/sponsor-based LRSP to DHCD.

We do not support the other changes in the subtitle, including moving all new tenant vouchers to DHS and narrowing the eligibility for tenant vouchers significantly. First, we believe that the stated justification for moving tenant vouchers to DHS is greater efficiency. But the subtitle actually adds a significant level of bureaucracy to tenant vouchers. DHS will not be actually administering the funds—they will receive the funds and then dole them out to DCHA to then administer. DCHA will still need to process eligibility, do inspections and lease-ups, make payments to landlords, recertify participants, etc. DHS holding the purse strings only slows down the money moving out the door.

There are some issues with voucher efficiency, but both agencies seem to have figured out some fixes in the last few months without this change and by all accounts things have improved—meaning this change is both unnecessary and potentially harmful.

The subtitle also narrows eligibility for tenant vouchers to only those who are in or qualify for PSH. While the Mayor only funded one type of voucher—PSH—in her budget proposal, we fully expect the Council to fund LRSP tenant vouchers and TAH vouchers for homeless families. The impact of this subtitle, though, will be to say only families and individuals who meet the statutory definition of chronic homelessness can access a housing voucher in DC. Critically—that will either bottleneck the family homelessness system or result in perpetuating the cycle of homelessness for homeless families.

We recommend amending this subtitle to add reporting requirements to DHCD and DHS, leave tenant vouchers at DCHA, and undo the eligibility restrictions for tenant vouchers.

# Removing Tenant Barriers to Housing

When people are lucky enough to get the vouchers that are available, they are often facing landlords who deny them housing based on eviction or rental history, credit history, or for using a voucher. To create a fair standard for renters that gives them a chance, the Council has introduced and held two hearings on the Fair Tenant Screening Act and the Eviction Record Sealing Authority Act. (Of course, large portions of the Eviction Record Sealing Authority Act are already in effect.) If those bills are going to complete the legislative process soon, funding must be reserved for implementation so they can go into effect as soon as possible. We urge you to set aside \$1M for the Office of Human Rights to enforce these bills.<sup>2</sup>

## **Preventing Evictions**

We are disappointed to see that, once again, Mayor Bowser has cut the Emergency Rental Assistance Program (ERAP), this time by \$5.5M. (DHS will claim they only removed one-time funds, but reduced funding in the program from FY21 to FY22 is a cut.) While we understand that there is significant federal money devoted to eviction prevention and utilities, we do not believe that the federal money will meet the full scope or range of needs, hence our ask for \$100M in local money. Even the Mayor's own Rental Housing Strike Force recommended an increase in local eviction prevention funds, stating that: "Federal emergency rental assistance should be supplemented with local resources, if needed, to serve non-traditional workers, other populations who may not be eligible for federal emergency rental assistance, and tenants who require additional rent relief to sufficiently address rent arrears." We ask you to restore the cut to ERAP and increase funding to meet any need for eviction prevention or security deposits that will not be met by STAY DC.

# **Reentry Housing Pilot**

We requested \$1.8M for the second year of the Reentry Housing Pilot, providing housing and services for 50 returning citizens. We have had conflicting reports of whether the money is in the budget for FY22, but believe \$1M is in the budget. **We ask the Council to invest an additional \$.8M.** 

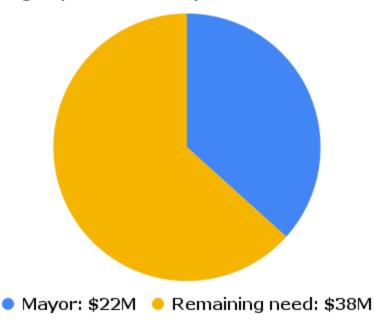
<sup>&</sup>lt;sup>2</sup> Our testimony supporting both bills can be found here: <a href="https://www.legalclinic.org/wp-content/uploads/2021/06/Testimony-WLCH-Fair-Tenant-Screening-and-Eviction-Sealing-5-20-21.pdf">https://dbcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/SRH%20Strike%20Force%20Report%205-21-2021%20Final 0.pdf</a>

# Preserve and Repair Public Housing

We asked for \$60M per year to allow the DC Housing Authority to repair and preserve public housing. There was already \$15M in the fund for FY22. The Mayor added \$7M, bringing the total fund to \$22M for next year. She added \$20M in FY23 and \$15M in FY 24. The FY22 funding is only enough to repair three properties. We ask the Council to add \$38M to FY22 for public housing repairs, and to bring future years up to \$60M. We also urge the Council to add language from the "Public Housing Preservation and Tenant Protection Amendment Act of 2020" to the BSA.

A lack of funding means fewer improvements for those who have had to tolerate substandard housing conditions for far too long. The public housing population is nearly all Black, and over half are seniors and/or those with disabilities. Buildings are currently in need of new roofing, bathrooms, kitchens, and furnaces. Entire units need renovation and lead abatements. Too many properties require replacement elevators, piping, generators, and HVAC systems. However, these are not *just* buildings, units, and properties. These are the homes of thousands of DC residents--real families that have no choice in continuing to live in unsafe conditions. We, along with our Fair Budget Coalition partners, urge the Council to find the money to fill these gaps.

# Public Housing Repairs FY22- Mayor Adds \$7M to reach \$22M



### Build Deeply Affordable Housing

We asked the Mayor to maintain a minimum of \$52M for deeply affordable housing in the Housing Production Trust Fund (meaning a total investment of \$104M). This is the only one of our asks that the Mayor met and in fact, drastically surpassed. Mayor Bowser devoted \$250M in FY22 to the trust fund, meaning \$125M should be reserved for building deeply affordable housing for households whose income is between 0 and 30% of Area Median Income (AMI).

DHCD has never met its statutory minimum to build housing for the lowest income residents. We believe the project/sponsor-based Local Rent Supplement Program funding is probably sufficient to meet this goal in FY22. Strong Council oversight is necessary to ensure that DHCD meets this goal. We ask the Council to 1) separate out the HPTF for 0-30% AMI and put guardrails around it so it must be used for this income level and 2) include language from the Housing Production Trust Fund Transparency Amendment Act in the BSA.

The \$50M in the budget for acquisition and renovation of hotels for shelter and affordable housing is an excellent step forward. The Council and the Mayor should also **revisit shelter redevelopment plans** with an aim to increase privacy and dignity in emergency shelters. **We also ask the Council to ensure there are local or federal funds to extend the current hotel program throughout FY22**, until newer more humane options are up and running.

#### Summary

We ask the Council to prioritize the following:

# Funding Increases:

- PSH: \$6.35M for 152 families, \$59.03M for 2162 individuals;
- TAH: \$23.34M for 928 families;
- LRSP tenant vouchers: \$17.33M for 800 households:
- ERAP: restore \$5.5M cut, add enough additional money to ensure no eligible person gets evicted;
- Reentry housing pilot: \$.8M;
- Office of Human Rights enforcement of Fair Tenant Screening Act and Eviction Record Sealing Authority Act: reserve \$1M; and
- Public housing: \$38M for FY22, for a total of \$60M.

## Budget Support Act or policy changes:

- Create low barrier family emergency shelter access;
- Reform rapid re-housing (no arbitrary time limits) or convert funding into TAH;
- Reopen DC Housing Authority waitlist to people who are homeless;
- Amend "Local Rent Supplement Program Enhancement 352 Amendment Act of 2021" to add reporting requirements to DHCD and DHS, leave tenant vouchers at DCHA, and undo the eligibility restrictions for tenant vouchers;
- Add language from the "Public Housing Preservation and Tenant Protection Amendment Act of 2020" to the BSA;
- Separate out the HPTF for 0-30% AMI and put guardrails around it so it must be used for this income level;
- Include language from the "Housing Production Trust Fund Transparency Amendment Act" in the BSA; and
- Revisit shelter redevelopment plans with an aim to increase privacy and dignity in emergency shelters.