







April 11, 2018

Honorable Brianne K. Nadeau Council of the District of Columbia John A. Wilson Building 1350 Pennsylvania Avenue NW, Suite 102 Washington, DC 20004

Dear Councilmember Nadeau:

We, the undersigned organizations, are writing regarding Rapid Re-Housing, a District program that provides temporary rental subsidies to homeless families with children. We are deeply concerned that Mayor Bowser's proposed FY 2019 budget continues to invest substantial resources in Rapid Re-Housing despite the many well-documented problems caused by DC's overreliance on the program. As the chair of the Committee on Human Services, we ask that you lead the way in starting to rightsize Rapid Re-Housing, and re-investing those resources in programs that provide long-term, stable housing to families experiencing homelessness.

Rightsizing Rapid Re-Housing

In May 2017, we wrote to you that "our organizations have witnessed the pain and trauma caused by this deeply flawed program." We wrote that our attorneys have worked with scores of families in Rapid Re-Housing, and that the program "cycles many of them through short-term, and often substandard housing, before sending them right back into homelessness." Now, nearly one year after that letter and the release of the Washington Legal Clinic for the Homeless' *Set up to fail* report, our attorneys continue to see far too many families struggling with substandard housing in the program. They continue to see far too many families facing eviction after being "exited" from Rapid Re-Housing without enough income to cover the rent. And they continue to see far too many families who end up worse off after participating in the program, having damaged their credit and rental history.

The Department of Human Services' aggregate data on the program are consistent with what our attorneys see on a daily basis. In FY 2017, 1,184 families exited the program, but only 83 of those families exited because they could afford the full rent. This is hardly surprising given that families exited Rapid Re-Housing with an average monthly income of just \$541, while the average rent for a two-bedroom apartment among program participants was \$1,712. This math will never add up for families.

There has been some disagreement about how many families are "successful" in Rapid Re-Housing. For our part, we recognize that the program works for a small number of families. However, given the above figures, the undeniable reality is that most families are exited from the program even though they cannot pay their rent, putting them on a path to debt, eviction, instability, and, far too often, a return to homelessness. As much as this Administration may wish it to be otherwise, this program simply does not make sense for the majority of families experiencing homelessness in DC. Since we last wrote to you, the Council considered a number of policy proposals that would have reformed Rapid Re-Housing and resolved many of the issues facing our clients. By and large, these proposals were rejected, often based on the idea that the proper solutions to the problems with Rapid Re-Housing were budgetary, not statutory. Since the Council decided not to reform Rapid Re-Housing, we believe it is now time to begin decreasing the District's overreliance on the program and scaling up other programs that more humanely address family homelessness in DC. The time has come to rightsize Rapid Re-Housing.

Re-aligning the Budget with Homeward DC

There is a growing recognition that the District has over-invested in temporary subsidies for families at the expense of long-term housing supports. This idea is mostly clearly seen by comparing the Mayor's proposed budget to the Mayor's strategic plan to end homelessness, Homeward DC.

According to Homeward DC, FY 2019 should see a District with:¹

- 1,293 locally-funded units of Permanent Supportive Housing (PSH) for families,
- 903 locally-funded units of Targeted Affordable Housing (TAH) for families,² and
- 884 locally-funded Rapid Re-Housing slots for families.

In contrast, the Mayor's proposed budget would result in a total of:³

- 1,077 locally-funded units of PSH, a gap of 216 relative to Homeward DC,
- 762 locally-funded units of TAH, a gap of 141 relative to Homeward DC, and
- 1,322 locally-funded slots for Rapid Re-Housing, 438 *more* than contemplated in Homeward DC.

The vision of Homeward DC is not out of reach. If the Council were to strategically redirect a portion of the funds that have been over-invested in Rapid Re-Housing, the District would be back on track with the Homeward DC plan for scaling up PSH and TAH for families.

Investing in Long-term, Stable Housing

Rather than continuing to increase investments in a deeply flawed program, we propose that the Council start the process of rightsizing Rapid Re-Housing and rebalancing the homeless services system for families. More specifically, we propose that the Committee on Human Services:

¹ <u>Homeward DC Strategic Plan 2015-2020</u>, DC Interagency Council on Homelessness, 2015, pages 81-84, available at https://ich.dc.gov/sites/default/files/dc/sites/ich/page_content/attachments/ICH-StratPlan2.9-Web.pdf.

² This figure was calculated using a baseline inventory of 315 TAH units for families (as reported in the FY19 DHS Proposed Budget Summary, see note 3 below) plus annual increases of 147 TAH units each fiscal year (as described in Appendix 9 of Homeward DC, see note 1 above).

³ <u>FY19 DHS Proposed Budget Summary</u>, DC Department of Human Services, April 2018, page 11, available at https://dhs.dc.gov/sites/default/files/dc/sites/dhs/publication/attachments/FY19%20DHS%20Budget%20Overview.p df

- 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.

These budgetary shifts would allow the District to fully fund the long-term housing resources for families contemplated in the Homeward DC plan for FY 2019 while also starting to scale down Rapid Re-Housing, also in line with Homeward DC. In fact, by leveraging just a 9 percent reduction in the overall budget for Rapid Re-Housing, this proposal would add more than 500 units of permanent housing for families.

It is crucial to note that we view these proposed course corrections for the FY 2019 budget as a part of a longer-term realignment of housing resources for families. Given the many problems of Rapid Re-Housing, we think that further adjustments to the program's budget will be necessary, as are additional investments in TAH and PSH. As such, we support the Fair Budget Coalition's request for additional TAH and PSH resources for homeless families, and the Fair Budget Coalition supports our proposal to realign a portion of the Rapid Re-Housing budget. While our proposal will not end family homelessness, it is a critical first step in a broader shift towards long-term housing assistance for families, one that will at least start to bring the District back in line with its own strategic plan.

This reallocation would also support the Administration's stated goal of running the system based on a "progressive engagement" model, with families in need of more support being transitioned from Rapid Re-Housing to TAH or PSH. This model only works if there are sufficient TAH and PSH resources available at the time families' Rapid Re-Housing subsidies expire, and our proposed budget changes would provide a safety net to hundreds of families who stand little chance of remaining in stable housing after being exited from Rapid Re-Housing. Without these changes, the District would continue to set up these families for continued instability and homelessness.

The proposal outlined above would start the process of rebalancing the homeless assistance system for families by rightsizing Rapid Re-Housing, more closely aligning the budget with Homeward DC and providing 500 families with a safe, stable place to call home. We would very much like to meet with you to discuss this proposal. Please contact Max Tipping at max.tipping@legalclinic.org or (202) 328-5514 with any questions relating to these requests. Thank you for your continued dedication to DC's homeless and nearly homeless families.

Sincerely,

Bread for the City Children's Law Center DC Law Students in Court Legal Aid Society of the District of Columbia Washington Legal Clinic for the Homeless cc:

Honorable Phil Mendelson, Chairman, Council of the District of Columbia Honorable Anita Bonds, Council of the District of Columbia Honorable David Grosso, Council of the District of Columbia Honorable Elissa Silverman, Council of the District of Columbia Honorable Robert White, Jr., Council of the District of Columbia Honorable Jack Evans, Council of the District of Columbia Honorable Mary M. Cheh, Council of the District of Columbia Honorable Brandon T. Todd, Council of the District of Columbia Honorable Kenyan McDuffie, Council of the District of Columbia Honorable Charles Allen, Council of the District of Columbia Honorable Vincent C. Gray, Council of the District of Columbia Honorable Trayon White, Sr., Council of the District of Columbia

Honorable Muriel Bowser, Mayor of the District of Columbia Laura Zeilinger, Director, Department of Human Services