



*An Affiliate of the
Center on Budget and Policy Priorities*
820 First Street NE, Suite 460
Washington, DC 20002
(202) 408-1080 Fax (202) 408-8173
www.dcfpi.org

TESTIMONY OF KATE COVENTRY, POLICY ANALYST
At the Public Hearing on
The FY 2014 Budget Support Act of 2013
District of Columbia Committee of the Whole
May 3, 2013

Chairman Mendelson and other members of the Council, thank you for the opportunity to testify today. My name is Kate Coventry, and I am a policy analyst with the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on how policies impact low-and-moderate income families.

I am here today to testify on the proposed Homeless Services Reform Act (HSRA) amendments in the fiscal year (FY) 2014 Budget Support Act. These amendments would make significant changes to a law that affects some of the District's most vulnerable residents. Many of these changes, which were first announced as part of the budget, have raised several questions and concerns among advocates and providers. As such, the changes deserve careful consideration and stakeholder input through the normal legislative process.

DCFPI believes that the HSRA amendments should be removed from the Budget Support Act and introduced as separate legislation. The fiscal impact statement provided by the Office of the Chief Financial Officer states the proposal does not have a fiscal impact and therefore does not have to be passed as part of the budget.

The Department of Human Services states that the HSRA changes are needed to move to a homeless services system that serves families with children year-round and that minimizes the length of stay in emergency shelter, goals that we strongly support. We therefore also encourage the Council to consider separate HSRA legislation expeditiously. We understand that Councilmember Graham, chairman of the Human Services Committee, has committed to adopting new legislation before the start of FY 2014.

The HSRA is the law governing the District's homeless services system, outlining the rights and responsibilities of homeless residents, service providers, and government agencies. It was originally drafted through a deliberative community process involving government officials, service providers, advocates, and homeless individuals. This process examined the District's past practices as well as best practices from other jurisdictions.

This is the kind of process that should be used to consider the changes proposed by Mayor Gray. It will allow for a legislative hearing and the participation of those affected by these changes. It also will allow the Interagency Council of Homelessness (ICH), time for careful review. The ICH is the group of government officials, service providers, advocates and homeless/formerly homeless residents tasked with guiding the District's strategies and policies for meeting the needs of homeless individuals and families. There is no doubt that the rules will be improved through this input and that this is the best way to address concerns that have been raised.

DCFPI wholeheartedly supports DHS's intended goals of moving families out of shelter as quickly as possible and providing emergency shelter year-round, rather than only serving families when mandated by hypothermic conditions. Accomplishing these goals will require several steps over the next year, beyond amending the HSRA. Some of these changes are currently underway — but not yet finalized — and some of which can be accomplished in the FY 2014 budget.

We urge the DC Council to embrace a strategy and plan this budget season to serve homeless families better, minimize time in shelter, and reduce homelessness. We believe such a plan needs to include the following steps.

- 1) **Finalize regulations for rapid re-housing to ensure program follows best practices and includes protections for vulnerable families.** The Family Re-Housing and Stabilization Program (FRSP) moves families out of shelter quickly and into housing with supportive services for a year or more, and it is a central part of efforts to minimize placement of families in shelters. The regulations for this program are published but not yet complete. DHS recently held a stakeholder meeting to get feedback on the regulations and will have another meeting in May to move forward on completing the process. We look forward having the program rules finalized.

Because this is a relatively new program, ongoing training and guidance for providers is needed to ensure all rapid re-housing programs are operating under the same best practices. Moreover, the District should track outcomes to ensure families' needs are being met and to identify any areas of the program that may need to be modified in order to ensure vulnerable families are protected. The FY 2014 budget should include new outcome reporting requirements.

- 2) **Fund new Permanent Supportive Housing slots.** Eight to ten percent of families in shelter have been identified as in need of Permanent Supportive Housing (PSH) — a program that provides housing assistance and services to chronically homeless individuals and families. Yet local funding for PSH remains flat in FY 2014. The Interagency Council on Homelessness has come up with a seven year plan to end chronic homelessness in DC — it starts with \$4.3 million investment in the FY 2014 budget to begin to move families and individuals into permanent supportive housing.
- 3) **Fund new tenant-based Local Rent Supplement slots.** The Local Rent Supplement Program provides rental assistance to very low-income families and the tenant-based portion of the program helps move families into housing quickly by giving them a rental housing voucher they can use in the private market. While Rapid Re-Housing is key to moving families out of shelter, it is not an affordable housing program. Efforts to minimize family homelessness in DC must include an affordable housing component to address the wide gap between low-wage work in DC and the costs of housing. LRSP is one of the main tools to make housing affordable to DC's lowest-income families. Yet there is no increase in tenant based LRSP in the FY 2014 budget. Investing \$7.5 million into tenant-based LRSP would help make 500 homes affordable to very low-income families and would be an important start on efforts to expand affordable housing. These families would be pulled from the DC Housing Authority waitlist that has a preference for homeless families (which is broader than just families in DC General Shelter) and will help reduce the need for shelter by providing more affordable housing options.

- 4) **Improve Emergency Rental Assistance.** Emergency Rental Assistance is a key tool for preventing homelessness but the program could be modified to ensure it is targeting those most at risk as well as better connect residents to services. We hope to work with stakeholders this year to discuss how to make improvements to the program.
- 5) **Open access to shelter year round.** Opening up shelter for families year round is critical. With the significant increase in homeless families, DC has stopped opening emergency shelter year round and opened just during hypothermia season. This has led to a significant crush of families seeking shelter at once which has led to tremendous pressures on programs and services to assist them. Additionally families are in worse shape by the time they are able to access shelter, having lived unstably for months, often incurring debts from stays in motels or rental cars. By taking the above steps, DC can reduce pressure on the shelter system and open up access to families year round.

DC should also take steps to address individual homelessness.

DC's current efforts to address individual homelessness are primarily focused on providing emergency services, including shelter, transportation, and meals. While these are important, life-saving services, they do not prevent homelessness and are not designed to help individuals transition out of homelessness. To address individual homelessness, the District needs to provide a full spectrum of targeted services, like those being developed to help families.

- 1) **Centralized system to assess individuals and refer to appropriate program** (like we have in the family system). Research has found that centralized intake is key to preventing homelessness and helping individuals leave homelessness.¹ It enhances the quality of client assessment and ensures that clients are provided with the services they need.
- 2) **Expand eligibility for Emergency Rental Assistance.** Emergency Rental Assistance is a key tool for preventing homelessness, but the program individuals are eligible only if they are seniors or have a disability. DC could pilot an ERAP expansion to cover low-income singles who are not elderly and without a disability but are at risk for homelessness.
- 3) **Restart rapid re-housing for individuals.** Rapid Re-Housing moves people out of shelter quickly and into housing with supportive services. With federal funding, DC was able to serve individuals through the program during part of the Recession. But little or no federal funding will be available in FY 2014, leaving individuals un-served. Other cities have implemented rapid re-housing programs for individuals with success. DHS has expressed interest in restarting the rapid re-housing program for individuals. We urge DHS to create this program and help move individuals out of shelter quickly.
- 4) **Fund new slots for Permanent Supportive Housing.** The Interagency Council on Homeless estimates that 2,562 individuals need Permanent Supportive Housing (PSH) — a program that provides housing and services to chronically homeless individuals and families. Yet local funding for PSH remains flat in FY 2014. The Interagency Council on Homelessness has come up with a seven-year plan to end chronic homelessness in DC, and

¹ U.S. Interagency Council On Homelessness. Centralized Intake for Helping People Experiencing Homelessness: Overview, Community Profiles, and Resources. hudhre.info/documents/HPRP_CentralizedIntake.pdf

it starts with \$4.3 million investment in the FY 2014 budget to begin to move families and individuals into permanent supportive housing.

- 5) **Expand tenant-based Local Rent Supplement for individuals.** The Local Rent Supplement Program provides rental assistance to very low-income families and individuals. The tenant-based portion of the program helps move residents into housing quickly by giving them a rental housing voucher they can use in the private market. Currently, all tenant-based LRSP is prioritized for homeless families. By designating some portion of the program to homeless individuals (the definition of homeless is broader than someone living in shelter) DC could also provide affordable housing to low-income single residents experiencing homelessness and reduce demand for shelter by increasing housing options.

And finally, DC should take steps to address youth homelessness.

The District's current efforts to address unaccompanied youth who are homelessness are not meeting the need. Nearly 300 youth seeking emergency shelter were turned away in February 2013. Homelessness as a youth can lead to chronic homelessness as an adult, so reducing youth homelessness can have long-term payoffs. Additionally, when youth must focus on finding a safe place to sleep, they cannot focus on school, training, or employment, the keys to future success. Youth need developmentally appropriate services, targeted to their specific needs.

- 1) **Create a youth-friendly referral and intake process.** A specialized referral and intake process can provide age-appropriate assessments and connect youth to appropriate housing and services. This process will include quickly reconnecting youth with the public or charter school system, if applicable.
- 2) **Invest \$5.1 million to increase capacity in youth system.** This will create 125 emergency shelter and Independent Living beds. Shelter beds meet emergency needs while Independent Living beds provide longer term housing and the support services youth need to transition to adulthood.
- 3) **Provide family stabilization and reunification services.** These services are critical in preventing a youth from becoming homeless and reducing the length of shelter stay for youth who become homeless.

In addition to these steps, the District must remain committed to, at the same time, increasing and preserving the supply of affordable housing in DC which will help address family, individual and youth homelessness. The FY 2014 budget makes significant investments into the production of affordable housing, largely through the Housing Production Trust Fund and Project and Sponsor Based LRSP. These investments would need to continue going forward if DC wants to reach the goal set by the Mayor of 10,000 net new units and 8,000 preserved units by 2020.

Thank you for the opportunity to testify, and I'm happy to answer any questions.