

**Testimony of Kate Coventry, Senior Policy Analyst
At the Public Roundtable on
Tenant Protection and Eviction Prevention
DC Council Committee on Housing and Neighborhood Revitalization
September 14, 2020**

Chairperson Bonds and members of the Committee, thank you for the opportunity to testify today. My name is Kate Coventry and I am a Senior Policy Analyst at the DC Fiscal Policy Institute. DCFPI is a nonprofit organization that promotes budget choices to reduce economic and racial inequality and build widespread prosperity in the District of Columbia through independent research and thoughtful policy recommendations.

I am here today to testify on the Emergency Rental Assistance Program (ERAP), which helps residents avoid eviction by paying for overdue rent and related legal costs. Specifically, I will document how:

- Evictions harm children and adults today and in the long term;
- The pandemic is exacerbating the District’s affordable housing crisis; and,
- District funding for ERAP and the current limits on the amount of ERAP each household can receive are inadequate to meet the rising need to protect residents from a looming eviction crisis.

DCFPI encourages the Council to urge the Mayor to dedicate any FY 2020 surplus to ERAP and to find additional funding in the FY 2021 budget. In addition, DCFPI recommends that the Council raise the current limits on the amount of ERAP that households can receive to reflect the greater amounts of back rent that residents owe during the COVID-19 crisis.

Evictions Are Extremely Harmful

Research confirms that evictions are extremely harmful to those who experience them, often leading them into a downward spiral and setting them back for years. As Matthew Desmond documented in his book *Evicted*, eviction often increases material hardship, decreases residential financial security, and brings about prolonged periods of homelessness. Families lose not only their home, school, and neighborhood but also their possessions: furniture, clothes, books. It takes a good amount of money and time to establish a home. Eviction can erase all that.”¹

Evicted residents may also lose identity documents that are necessary for accessing benefits, enrolling in school, and applying for jobs—the steps that will help them move out of hardship.

Evictions also lead to court records that can hurt a resident’s ability to find a new home, as many landlords screen out applicants who have an eviction on their record.² Evictions can also lead to job losses and depression.³ And, “evidence strongly indicates that eviction is not just a condition of poverty, it is a cause of it,” explains Desmond.⁴

¹ Ibid.

² Eviction Lab, “How does an eviction affect someone’s life?” <https://evictionlab.org/why-eviction-matters/#eviction-impact>

³ Ibid.

⁴ Ibid.

COVID-19 Is Exacerbating DC's Affordable Housing Crisis

Prior to the pandemic, nearly 60 percent of the District's lowest income households, those earning less than \$20,000 annually, were severely cost burdened, meaning they spent more than 50 percent of their income on rent.⁵ Nearly a third were cost burdened, spending between 31 percent and 50 percent of their income on rent. Nearly 40 percent of renters earning \$20,000 to \$40,000 are severely cost burdened. This far exceeds the U.S. Department of Housing and Urban Development's recommended 30 percent threshold.⁶

Residents of color are particularly harmed. Nearly 30 percent of Black renters in the District—more than 20,000 households—are severely cost burdened and another 20 percent are cost burdened.⁷ Nearly 50 percent of Latinx renters are cost burdened, compared to about one-third of non-Latino or Hispanic white renters.⁸

Low-income family households who have high housing cost burdens spend less on basic necessities than other low-income households that do not have severe housing burdens, research shows. A study by the Joint Center for Housing Studies showed that severely burdened low-income families spend nearly \$200 less on food and \$54 less on healthcare per month than low-income households that do not face severe housing burdens.⁹ It is likely that the reduced expenditures on these other needs means that families are sacrificing basic necessities in order to pay their rent.

The loss of employment due to COVID-19 has put many of these low-income residents in a more financially strained place. Twenty percent of DC renter households reported in July that they would not be able to pay their August rent.

As Currently Funded and Structured, ERAP Will Not Meet the Need

The Brookings Institute estimates that more than 9,500 DC households earning less than \$40,000 annually will need rental assistance as of July. They estimate that it would cost nearly \$5.5 million *per month* to serve DC households earning less than \$20,000 annually and an additional \$5.1 million *per month* to serve households earning between \$20,001 and \$40,000.¹⁰

Paying for the 6 months of rent arrears that residents have likely accrued since the start of the COVID-19 crisis would cost \$33 million for those earning less than \$20,000 and an additional \$30.6 million for those making between \$20,001 and \$40,000. It is likely the crisis will continue, meaning these are likely underestimates of what households will need.

The FY 2021 ERAP budget is just over \$14 million. This ***will cover less than a month and a half of rental arrears*** for households earning up to \$40,000, according to Brookings' analysis. DCFPI encourages

⁵ Michael Bailey, Eric LaRose, and Jenny Schuetz, "What will it cost to save Washington, D.C.'s renters from COVID-19 eviction?" Brookings Institute, July 2020, <https://www.brookings.edu/research/what-will-it-cost-to-save-washington-d-c-s-renters-from-covid-19-eviction/>

⁶ "Defining Housing Affordability," U.S. Department of Housing and Urban Development, <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-081417.html>

⁷ Bailey, LaRose, and Schuetz.

⁸ Ibid.

⁹ "The State of the Nation's Housing 2017," Joint Center for Housing Studies at Harvard University, 2017, http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2011_housing_challenges.pdf

¹⁰ Bailey, LaRose, and Schuetz.

the Council to urge the Mayor to dedicate any FY 2020 surplus to ERAP and to find additional funding in the FY 2021 budget.

In addition, ERAP currently only pays for up to 5 months of overdue rent or \$4,250, unless the applicant has a disability or seven or more children in which case the program will pay up to \$6,000. Most households will owe more months of rent and need a higher amount of funding. The current limits should be waived during the pandemic.

Thank you, and I am happy to answer any questions.