November 10, 2021

The Honorable Mayor Muriel Bowser 1350 Pennsylvania Avenue NW Washington, DC 20004

Dear Mayor Bowser,

We, the undersigned 33 organizations are writing to ask you to use reserves, underspending from government agencies, and/or other funds not dedicated to help DC residents living on low incomes meet basic needs (including but not limited to affordable housing efforts) to provide eviction prevention funding. The stakes are too high to shut down our eviction prevention efforts now. We estimate the unmet need for rental arrears is approximately \$74.9 million¹, and we ask you to identify at least this much funding to meet this need as well as the need for utility arrears which we are not able to estimate.

We urge you to act quickly to tap existing resources for STAY DC or the Emergency Rental Assistance Program via the STAY DC portal.

Without additional funding for eviction prevention, tens of thousands of DC households could face eviction. (Approximately 13,900 DC households report being behind on rent from September 1st to October 11th according to data provided by us from the Center on Budget and Policy Priorities.²) With those evictions, DC residents will experience trauma, education and employment disruption, and decreased health outcomes. DC will also likely experience a surge in homelessness, including an increase in encampments and family homelessness, interfering with the progress DC has made towards its goals of ending homelessness.

Housing is healthcare. Every day individuals experiencing homelessness die from preventable and manageable diseases. The connection between housing and healthcare is even more evident during the pandemic when one of the keys to staying healthy is staying at home. Preventing evictions is a key component to preventing community spread of COVID. Eviction prevention is also an issue of racial equity as people of color, especially Black people, and immigrants, have faced higher risk of coronavirus infection, unemployment, and eviction during the pandemic.

DC has obligated 95 percent of the \$352 million dedicated to the STAY DC program, demonstrating great capacity for delivering assistance. The District should not wait for federal funds to arrive before it takes further action to protect DC renters because it is not yet clear when those funds will arrive. Renters need assistance now.

We urge you to use reserves, agency underspending or other sources of funds not dedicated to helping residents living on low incomes meet basic needs.

¹ DC Fiscal Policy Institute analysis of data provided by the Center on Budget and Policy Priorities and Department of Human Services Office of the Director, "Biweekly Report on COVID-19 Metrics." October 29, 2021.

² Center on Budget and Policy Priorities analysis of the <u>U.S. Census Bureau Pulse Survey September 1 through October 11th</u>

If the District uses reserves, it is possible that you will be able to replenish them with additional federal Emergency Rental Assistance (ERA) funds or other federal funding. The U.S. Department of the Treasury has indicated that other federal funds might be a possibility.

If the District does not receive federal funds or if the federal funding is inadequate to meet the need, the District has a local funding option to replenish reserves. The District could use the half of the FY 2021 surplus that will be dedicated to the Pay-As-You-GO (PAYGO) Capital Account. While the total amount of surplus will not be identified until the Office of Chief Financial Officer completes the Comprehensive Annual Financial Report (CAFR) in February, the recent revenue forecast demonstrates that the District is projected to have at least \$311 million in revenue surplus for FY 2021, in addition to an unknown amount of underspending for that fiscal year. By law, half of the fiscal year 2021 surplus will go to PAYGO capital and half to the Housing Production Trust Fund. We recommend redirecting part or all of the portion of the surplus that will go to PAYGO capital to eviction prevention. PAYGO is intended to offset long-term bond borrowing costs for capital projects but given continued low interest rates, this should not be a priority right now.

If not using reserves, the District could reprogram agency underspending from FY 2021 as you have recently asked the Council to allow for security costs that exceeded federal reimbursement.

Finally, you could identify other sources of funding.

We ask that any funding identified for eviction prevention not be diverted from other affordable housing efforts or vital socioeconomic supports and programs. Eviction prevention efforts are essential and lifesaving, but they do not meet residents' need for permanent affordable housing. Redirecting funds from other affordable housing purposes will only undermine this critical goal.

We make these recommendations without knowing the true extent of the need, particularly for utility arrears assistance. At a minimum, we urge you to keep the STAY DC portal open so the District can track the need and make reliable projections on the funding necessary to address those needs.

By funding eviction prevention, DC can begin to undo some of the deep damage of longtime systemic racism as well as the racial harm from COVID.

Sincerely,
Bread for the City
Everyone Home DC
Coalition for the Homeless
Community of Hope
DC Bar Pro Bono Center

DC Behavioral Health Association

DC Coalition Against Domestic Violence

DC Doors

DC Environmental Network

DC Fiscal Policy Institute

³ Office of the Chief Financial Officer. <u>September 2021 Revised Revenue Estimates for FY 2022 – 2025</u>. September 30, 2021.

D.C. Hunger Solutions

DC Jobs with Justice

DC SAFE

DC Statehood Green Party

District of Columbia Primary Care Association

Elaine Ellis Center of Health

Empower DC

Foundry United Methodist Church

Friendship Place

Homeless Children's Playtime Project

Jews United for Justice

Legal Aid Society of the District of Columbia

Many Languages One Voice

Mary's Center

MetroHealth DC

Network for Victim Recovery

Pathways to Housing DC

Positive Force DC

Sasha Bruce Youthwork

SMYAL (Supporting and Mentoring Youth Advocates and Leaders)

TENAC (DC Tenants Advocacy Coalition)

Unity Health Care

University Legal Services

We are Family Senior Outreach Network

cc: Kevin Donahue, City Administrator

Jenny Reed, Director, Office of Budget and Performance Management

Laura Zeilinger, Director, Department of Human Services

Chairman Phil Mendelson

Councilmember Brianne Nadeau

Councilmember Brooke Pinto

Councilmember Mary Cheh

Councilmember Janeese Lewis George

Councilmember Kenyan McDuffie

Councilmember Charles Allen

Councilmember Vince Gray

Councilmember Trayon White

Councilmember Anita Bonds

Councilmember Christina Henderson

Councilmember Elissa Silverman

Councilmember Robert White