

RETHINKING RAPID RE-HOUSING: TOWARD SUSTAINABLE HOUSING FOR  
HOMELESS POPULATIONS

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## INTRODUCTION

In recent years, funding for homelessness services has increased at the federal and local levels. At the same time, funding for long-term, subsidized housing has decreased or stagnated. Washington, D.C. (“the District” or “D.C.”), like many other cities, has responded with programs like Rapid Re-Housing,<sup>1</sup> which offers short-term assistance to move individuals from a shelter into an apartment. The assistance ranges from a security deposit and/or first-month’s rent to four to eighteen months of a partial rent subsidy, which decreases over time and eventually disappears.

Rapid Re-Housing is sold as a “Housing First” model.<sup>2</sup> Housing First is “a proven approach in which people experiencing homelessness are provided with permanent housing directly and with few to no treatment preconditions, behavioral contingencies, or barriers.”<sup>3</sup> As this definition makes clear, Housing First is not about temporary housing; it is about placing people in sustainable, permanent housing.

At least in the District, however, Rapid Re-Housing often fails to move people into sustainable housing situations, and thus fails to meet the basic Housing First criteria. Much of the fault lies with the current imbalance between market rents and wages earned by low-wage workers (and income supports received by those unable to work). Indeed, stagnant wages and subsidies in an increasingly expensive rental market make it nearly impossible for Rapid Re-Housing to be an independently viable housing solution for most of the homeless or near-homeless population. For example, a *two-parent* family with both adults working full-time at minimum wage (\$1,750<sup>4</sup> a month each) would not be able to sustainably rent a two-bedroom at \$1,470 (the average fair-market rent in the ten cheapest neighborhoods in D.C.).<sup>5</sup> To be

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<sup>1</sup> Although the critique is primarily focused on the District, it draws upon national trends and proposes a model that is adaptable to different locations. An important source of data beyond the District is a HUD-Commissioned study published in July 2015. See DANIEL GUBITS ET AL., FAMILY OPTIONS STUDY: SHORT-TERM IMPACTS OF HOUSING AND SERVICES INTERVENTIONS FOR HOMELESS FAMILIES (2015) [http://www.huduser.gov/portal/publications/affhs/family\\_options\\_study.html](http://www.huduser.gov/portal/publications/affhs/family_options_study.html) [hereinafter “Family Options Study”].

<sup>2</sup> See, e.g., NATIONAL ALLIANCE TO END HOMELESSNESS, RAPID RE-HOUSING: A HISTORY AND CORE COMPONENTS 2 (Apr. 22, 2014), <http://www.endhomelessness.org/library/entry/rapid-re-housing-a-history-and-core-components> (“A key element of rapid re-housing is the “Housing First” philosophy, which offers housing without preconditions such as employment, income, lack of a criminal background, or sobriety.”) and U.S. DEP’T OF HOUSING & URBAN DEVELOPMENT, HOMELESSNESS PREVENTION & RAPID RE-HOUSING: COMMUNITY PERSPECTIVES 2009 REGIONAL HPRP TRAINING, <https://www.hudexchange.info/resources/documents/DCCCommunityPerspectives.pdf> (the program is “[m]odeled after a nationally recognized prevention program called the TCP Community Care Grant”).

<sup>3</sup> UNITED STATES INTERAGENCY COUNCIL, HOUSING FIRST, <https://www.usich.gov/solutions/housing/housing-first> (last accessed Jan. 26, 2016). The website describes Rapid Re-Housing as a housing first model, and “an intervention designed to help individuals and families quickly exit homelessness and return to permanent housing.”

<sup>4</sup> We assume 40 hours per week, 50 weeks per year at the District’s minimum hourly wage of \$10.50. We assume 50 weeks per year rather than 52 because low-wage workers often have unpaid days due to sickness, family needs, or simply lost shifts.

<sup>5</sup> Note that two adult families among the homeless population are relatively rare—the average is 1.25 adults per family unit. HILARY CHAPMAN, METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, RESULTS AND ANALYSIS FROM THE 2015 POINT-IN-TIME COUNT OF PERSONS EXPERIENCING HOMELESSNESS IN THE METROPOLITAN WASHINGTON REGION, 12, <https://www.mwcog.org/uploads/pub-documents/v15bWlk20150514094353.pdf> [hereinafter “Homelessness in Metropolitan Washington Report”]. The homelessness statistical figures used in this Article are based upon the 2015 Point-in-Time Study. See *infra* Appendix I for detailed information regarding fair-market rent in these ten neighborhoods.

sustainable, as defined by the U.S. Department of Housing and Urban Development (“HUD”), rent should not exceed thirty percent of income. Accordingly, to *sustainably* rent a two-bedroom apartment, a two-parent family with both adults working full-time at minimum wage would need an extra 146 hours of paid labor per month (or a third person working 36.5 hours per week).

A single mother with two kids working *full time* at minimum wage earns \$1,750 per month, and could not possibly afford a \$1,470 a month, two-bedroom apartment in D.C. After paying rent, she would be left only with \$280 a month to cover all other costs. Indeed, to meet the minimum sustainable threshold of thirty percent of income, she would need to nearly triple her earnings to \$4,900 a month. In short, market rents make it highly improbable that someone in a homeless shelter will be able to reach an income level enabling them to sustain the full cost of market rent before the subsidy dries up.

Despite this reality, Rapid Re-Housing is often touted as an affordable solution to an expensive problem. It is politically appealing to help homeless families with a temporary subsidy promising to establish them in a stable housing situation. Rapid Re-Housing purports to keep costs low and to deliver a long-term, low- or no-entitlement solution to a housing crisis that leaves millions of people homeless or at risk of homelessness.

Rapid Re-Housing also offers a quick fix to the visible and upsetting problem of run-down and dangerous homeless shelters overflowing with at-risk populations. Political support for the program has twice followed acute crises in the District. First, legal changes in 2007 necessitated the rapid movement of 150 families out of shelters that no longer met minimum standards.<sup>6</sup> Second, in 2014, a child disappeared from D.C. General, a family homeless shelter, and her disappearance brought attention to the atrocious conditions at the shelter.<sup>7</sup>

Faced with this type of situation, it is easy to assume that it is best to move people out of the shelter as quickly as possible and worry about a permanent solution later. No one wants individuals and families to languish in shelters.<sup>8</sup> Unfortunately, there are a few issues with this quick fix. As a threshold matter, it allows policymakers to avoid implementing more expensive,

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On May 11, 2016, the Metropolitan Washington Council of Governments Released the 2016 Point-in-Time Study. See <http://www.mwcog.org/uploads/pub-documents/015aXVo20160511153522.pdf>. Homelessness in the District, as counted in the point-in-time studies, only increased further between 2015 and 2016, with an approximately 34 percent increase in homeless families (a 14 percent increase in total homeless persons) and an approximately 3.5 percent decrease in homeless single individuals. *Id.* at 62. The decrease in homelessness among single individuals is primarily attributed to decreases in single veteran homelessness, itself at least partially attributed to increased availability of permanent housing vouchers for veterans through the jointly-implemented HUD-Veterans’ Affairs Supportive Housing Program (VASH). *Id.* at 2.

<sup>6</sup> U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, HOMELESSNESS PREVENTION AND RAPID RE-HOUSING: COMMUNITY PERSPECTIVES, 2009 HPRP TRAINING, SLIDE 7 (2009), <https://www.hudexchange.info/resources/documents/DCCommunityPerspectives.pdf>.

<sup>7</sup> Azmat Khan & Lori Jane Gliha, *Are we doing enough to protect homeless children?*, ALJAZEERA AMERICA (Mar. 27, 2014), <http://america.aljazeera.com/watch/shows/america-tonight/articles/2014/3/27/are-we-doing-enoughtoprotecthomelesschildren.html> (discussing the disappearance of eight-year-old Relisha Rudd from a D.C. homeless shelter).

<sup>8</sup> Whether Rapid Re-Housing amounts to a better short-term solution to homelessness (effectively, as a form of shelter) than D.C. General or placement in a motel is a separate question not addressed in this article. The program is sold to policymakers and potential beneficiaries alike as a long-term solution—a connection to stable housing—and analyzed as such in this article. Measuring Rapid Re-Housing as an alternative to shelter alone, *i.e.*, as a short-term solution, would require a connection to some longer-term solution that is not currently part of the program as implemented in the District.

long-term solutions to reduce the size of the sheltered homeless population by relying on a short-term solution pregnant with the promise of a long-term solution.<sup>9</sup> As we discuss below, however, it is a promise on which they are unlikely to be able to deliver.

Moreover, Rapid Re-Housing-related eviction cases in D.C.'s landlord-tenant court suggest that the program is not only failing to provide a long-term solution to many individuals—it is creating new obstacles and problems.<sup>10</sup> A typical case is that of Anne\*, a woman with a child whose only income was Supplemental Security Income (“SSI”), a fixed monthly salary based on her status as an individual with disabilities rendering her unable to work, and food stamps.<sup>11</sup> Although her income (excluding food stamps) was \$733 per month and subject only to minimal changes for inflation, she was placed in a Rapid Re-Housing Program to exit from a homeless shelter. She and her child were housed in an apartment with market rent of \$1,250 and given a subsidy such that she paid forty percent of her income toward rent for the first four months, fifty percent the next four months, and sixty percent for the next four months. At the end of the twelve-month term, the subsidy terminated and she was responsible for the entire \$1,250 rent—*an amount that was nearly double her income*. When she inevitably could not pay market rent, she ended up in eviction court for non-payment of rent.

Many participants face eviction proceedings even before the subsidy ends because they are forced to pay an unsustainable portion of their income toward rent even while receiving the subsidy, as detailed further below.<sup>12</sup> For an individual not yet at the end of the possible subsidy term in eviction proceedings, the option to move with the subsidy could provide a way out of a bad situation. Unfortunately, even if the individual is at risk of homelessness because of a pending eviction proceeding, the individual will likely not be permitted to move with the subsidy through the Rapid Re-Housing program to another property solely to avoid an eviction.<sup>13</sup>

Eviction proceedings entail risks beyond physical eviction for tenants, a consequence many tenants are able to avoid by rapidly vacating the unit. The case becomes part of the tenant's rental history, making it much more difficult and expensive for the individual to rent an apartment in the future. Accordingly, tenants unable to remain permanently housed through Rapid Re-

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<sup>9</sup> Homelessness in Metropolitan Washington, *supra* note 5, at 64 (counting Rapid Re-Housing as permanently housed).

<sup>10</sup> See Beth Mellen Harrison, *Washington Post Articles Highlight Opportunities, Challenges Presented by Rapid Re-Housing Program*, MAKING JUSTICE REAL (Aug. 20, 2013), <http://www.makingjusticereal.org/washington-post-articles-highlight-opportunities-challenges-presented-by-rapid-re-housing-program> (discussing Legal Aid's experience with Rapid Re-Housing evictions).

<sup>11</sup> This example is based on personal experience representing individuals in the D.C. landlord-tenant courts but not any one specific client. More common still is the tenant whose only household income is Temporary Assistance for Needy Families (TANF), often resulting in a household income of only \$441 for a family of three, as detailed more fully *infra* Section V.A.

<sup>12</sup> See *infra* Section III.A. Too often, Rapid Re-Housing tenants also face eviction because the subsidy provider has failed to make its own payments to the tenant's landlord. See Patricia Mullahy Fugere, Testimony Before the D.C. Council Committee of the Whole, Public Oversight Hearing on Contracting for Homeless Services Continuum (Sept. 28, 2015), <http://www.legalclinic.org/wp-content/uploads/2015/11/Testimony-before-the-DC-Council-COW-Hearing-on-TCP-Contract-Renewal-9-28-2015.pdf>.

<sup>13</sup> Although pending eviction proceedings are a basis for issuing an emergency transfer voucher in the federally-subsidized, long-term Housing Choice Voucher Program as administered in the District, they are not grounds for a move with a Rapid Re-Housing subsidy.

Housing can end up worse off than they began in shelter—often substituting a negative rental history for no rental history, after having lost their spot in a shelter and uprooted their family.<sup>14</sup>

These issues with the program are largely obscured by the methodology for measuring the program's success. Success is measured primarily by a lack of return to shelter. This fails to account for the fact that the right to shelter in the District existed only during the winter months for years prior to Autumn of 2015— by the time the subsidy dried up, the individual may have been unable to get a bed at the shelter. Other individuals facing homelessness may choose not to return to shelter, especially given difficult conditions often present in shelters. Either way, the individual who does or did not return to shelter is not counted. The methodology also fails to account for doubling up and other makeshift living situations. Lastly, it does not consider the negative effects on people who stay in the apartment but sacrifice other necessities like food, childcare, and transport in order to pay the rent.

In this article, we evaluate Rapid Re-Housing and suggest that for Rapid Re-Housing to be a true Housing First solution for most of its potential beneficiaries, it must be (1) paired with affordable housing tied to the minimum wage (or other markers more relevant to extremely-low-income families than Area Median Income), (2) used as a bridge until a long-term subsidy becomes available, or (3) otherwise linked to a longer-term solution. This is consistent with evaluations of Rapid Re-Housing that underscore the significantly greater benefits of long-term subsidies as compared to Rapid Re-Housing.

Because Rapid Re-Housing as currently implemented in the District primarily targets individuals and families who are already homeless, we begin by providing an overview of what we know (and what we do not know) about the characteristics of the District's homeless population. We then explore current rental market conditions in the District, finding a severe mismatch between wages and rent (to say nothing of public benefits and rent) that has a profound impact on the likelihood of successfully using Rapid Re-Housing, at least in isolation, to move homeless individuals and, especially, families toward sustainable housing over the long-term. Taking a step back, we then analyze studies available on the results of Rapid Re-Housing programs. Finding that studies fail to identify the most likely beneficiaries of the temporary subsidy, we attempt to fill this gap. By combining data regarding the homeless population and the rental market in the District, we identify the profiles of those individuals most likely to benefit from the *current* Rapid Re-Housing (short-term subsidy) model and propose minor modifications to increase the likelihood that those in the program will be sustainably housed after the short-term subsidy ends. Lastly, and most importantly, we acknowledge that Rapid Re-Housing's short-term subsidy in isolation cannot move most homeless individuals to sustainable, long-term housing absent significant other interventions in the form of long-term subsidies or market interventions to create housing affordable for individuals and families with extremely low incomes.

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<sup>14</sup> See Written Testimony of Shirley Horng, Legal Aid Society of the District of Columbia Before the Committee of the Whole, Committee on Health and Human Services Council of the District of Columbia, Joint Public Oversight Roundtable on Homelessness in the District of Columbia (Jan. 28, 2015), <http://www.legalaiddc.org/wp-content/uploads/2015/02/SHorng1.30.15.pdf>.

## I. A BRIEF OVERVIEW OF THE D.C. HOMELESS POPULATION

HUD defines homeless individuals and families for purposes of eligibility for homeless services programs as those “who lack[] a fixed, regular, and adequate nighttime residence.”<sup>15</sup> Regulations further clarify that homelessness includes living in a place not designed or used for sleeping accommodations, such as cars and parks, residing in emergency shelters, and losing nighttime residence within fourteen days of the application for assistance.<sup>16</sup>

The homeless population so defined is often divided into two primary groups: the chronically homeless and the episodically homeless. The federal government has defined chronic homelessness narrowly to include only families or individuals with disabling conditions who have been continuously homeless for a year or more, or had at least four episodes of homelessness in the last three years adding up to a total of at least twelve months of homelessness.<sup>17</sup> The episodically homeless include all others who are homeless, but do not meet the federal definition of chronically homeless.

Available data reflect a decline in chronic homelessness and a marked increase in episodic, family homelessness. As explained in Section IV.A below, however, the reported decline in chronic homelessness may be largely illusory, and the increase in episodic family homelessness may be even greater than what the available data portray.

### A. Characteristics of D.C.’s Homeless Population Based on the 2015 Point-in-Time Survey

Like many other cities, Washington, D.C. relies on an annual “point-in-time” count to quantify the homeless population and identify basic demographic features of the population. Conducted in a single twenty-four-hour period in late January, point-in-time studies are unduplicated counts of the sheltered and unsheltered homeless population.<sup>18</sup> The District’s 2015 survey counted 7,298 homeless individuals, including 3,821 single-homeless adults and 1,131 homeless families.

Based on the 2015 survey, the median age of single homeless adults is forty-nine years, whereas the median age of a homeless adult with children is twenty-four years (a quarter of adults in homeless families in D.C. were between the ages of eighteen and twenty-four).<sup>19</sup> The demographic distinctions between homeless families and individuals go beyond median age and are often quite dramatic.

**Individuals.** Among single homeless adults, employment income was the most frequently reported source of income. Yet only 19.3 percent of single homeless adults reported

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<sup>15</sup> 24 C.F.R. § 91.5.

<sup>16</sup> *Id.* Certain individuals fleeing domestic violence, youth under age 25, and families including youth under age 25 are also defined as “homeless” under the regulations even if they do not otherwise meet this definition.

<sup>17</sup> 24 C.F.R. § 91.5(iii)(G)(1)(ii). To qualify as chronically homeless under the section of this definition requiring four episodes of homelessness in a three-year period, those episodes must be separated by at least seven nights of staying in places not safe for human habitation or emergency shelters. *See also* § 91.5(iii)(G)(1)(i).

<sup>18</sup> NATIONAL ALLIANCE TO END HOMELESSNESS, FACT SHEET: POINT-IN-TIME COUNTS (Nov. 2010), <http://www.endhomelessness.org/library/entry/fact-sheet-point-in-time-counts>.

<sup>19</sup> Homelessness in Metropolitan Washington Report, *supra* note 5, at 11.

being employed.<sup>20</sup> Nearly sixty-three percent reported no income of any kind.<sup>21</sup> Among single homeless adults, 16.9 percent reported a physical disability, 2.1 percent reported living with HIV/AIDS, 10.3 percent reported other chronic health problems, 7.4 percent self-identified as Limited English Proficient, and 10.3 percent identified as veterans.<sup>22</sup> Only 2.7 percent of single homeless adults reported that domestic violence constituted an immediate cause of their homelessness.<sup>23</sup> Just over 40 percent of single homeless adults were identified as chronically homeless.<sup>24</sup> Only 193 of about 1,100 transition-aged-youth (youth aged eighteen to twenty-four, including those transitioning out of foster care and juvenile detention, among others) were identified as single-homeless adults.<sup>25</sup>

**Families.** The average homeless household included 1.8 children and 1.25 adults,<sup>26</sup> suggesting that the most common family unit is one parent with two kids. Homeless family members accounted for 3,477 individuals, of whom 910 were transition-aged-youth.<sup>27</sup> Although employment rates did not differ dramatically between homeless families and homeless individuals (approximately 25 percent of adults in families reported being employed),<sup>28</sup> the rest of the picture between the two populations was quite distinct. The most commonly reported income source for families was Temporary Assistance for Needy Families (TANF), and only 14.2 percent of adults in families reported having no income of any kind.<sup>29</sup> This means that some sort of government benefit was the primary source of income for most homeless families—a very different set of circumstances from homeless individuals, and a very important factor in considering income and potential income for Rapid Re-Housing purposes.

The reported factors precipitating homelessness are also different between homeless families and single-homeless adults. Domestic violence was a significant factor in family homelessness, with approximately 15 percent of homeless families reporting domestic violence as an immediate cause of their homelessness.<sup>30</sup> In contrast, health and disability appeared to be a less significant factor among homeless families. Among adults in homeless families, 2.9 percent reported a physical disability, 10.1 percent reported severe mental illness or chronic substance abuse, 0.6 percent reported living with HIV, 1.8 percent reported another chronic health problem, 2.7 percent identified as Limited English Proficient, and 1.1 percent were veterans.<sup>31</sup> Perhaps because only individuals with disabilities qualify as chronically homeless, only 66 families were

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<sup>20</sup> *Id.* at 64.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 63.

<sup>24</sup> *Id.* at 64. Out of a total of 3821 single homeless adults, 1,593 were identified as chronically homeless.

<sup>25</sup> *Id.* at 32.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 64.

<sup>29</sup> *Id.*

<sup>30</sup> *See id.* at 64. The 2015 survey identified 1,131 homeless families, including a total of 3,477 people (of whom 1,428 were adults and 2,049 were children). *Id.* at 63.

<sup>31</sup> *Id.* at 64.

classified as chronically homeless.<sup>32</sup>

**Foster youth.** It is worth highlighting the significant number of transition-aged youth reflected in the data (about 25 percent of adults in homeless families in D.C.). According to a sweeping July 2015 HUD study on family homelessness, “[o]f the adult respondents in this study’s sample, 27 percent had lived in foster care, a group home, or some institutional setting as a child. NSHAPC [The National Survey of Homeless Assistance Providers and Clients] showed very similar patterns of childhood housing instability among people who subsequently became homeless, with about 25 percent of the adults in homeless families reporting that they had been in foster care, a group home, or another institutional setting as a child.”<sup>33</sup> This high number makes sense as, according to some studies, 65 percent of foster youth exit the system without a place to live.<sup>34</sup>

The differences between homeless families and individuals as reflected in this data, as well as specific issues faced by foster youth, have implications for paths to sustainable housing, as explored more fully later in this Article.

*B. What Information Is Likely Missing? Critiques of Point-in-Time Surveys as Measures of Homelessness*

Data in recent years reflects a decline in chronically homeless individuals<sup>35</sup> and a steady increase in homeless families in the District.<sup>36</sup> The increase in family homelessness is often attributed to the unavailability of affordable units in a high-rent market, a reduction in federally-subsidized housing—particularly Housing Choice Vouchers—due to sequestration, and a demographic increase in families headed by single adults aged 18-24 with limited income-earning capacity over the short term.<sup>37</sup> The data, however, likely underestimate both long-term and episodic homelessness. Most of the data comes from point-in-time studies conducted to comply with federal funding requirements and follows methodologies prescribed by HUD, with some local additions.<sup>38</sup> Point-in-time studies use HUD definitions, including the HUD definition of chronic homelessness, which requires the presence of at least one person with a disability in the

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<sup>32</sup> *Id.*

<sup>33</sup> Family Options Study, *supra* note 1 at 7 (citing MARTHA R. BURT ET AL., *Helping America’s Homeless: Emergency Shelter or Affordable Housing?*, Washington, DC: Urban Institute Press (2001)).

<sup>34</sup> See, e.g., Inspire Life Skills Training, Inc., *The Problem*, <https://inspirelifefskills.org/the-problem> (last accessed Jan. 25, 2016).

<sup>35</sup> See Homelessness in Metropolitan Washington, *supra* note 5 at 24 (finding a 24 percent decline in chronically homeless adults in D.C. between 2011 and 2015).

<sup>36</sup> *Id.* at 11.

<sup>37</sup> *Id.* at 11-12.

<sup>38</sup> U.S. DEP’T OF HOUSING & URBAN DEVELOPMENT, 2014 POINT-IN-TIME COUNT METHODOLOGY GUIDE, <https://www.hudexchange.info/resources/documents/PIT-Count-Methodology-Guide.pdf> (last modified Sept. 2014). The District’s 2016 Point-in-Time study showed a dramatic increase in homeless families (an approximately 34 percent increase over 2015 figures), in part because changes in District law regarding access to shelter increased the number of homeless families in shelter as compared to unsheltered families, increasing the accuracy of the point-in-time count. See <http://www.washingtoncitypaper.com/news/blog/20780098/yearround-access-to-shelter-means-increase-in-homeless-family-count-and-more-accuracy>.

household.<sup>39</sup>

This narrow definition of chronic homelessness, and particularly its requirement that the chronically homeless *also* have a disability, likely overestimates truly episodic, or short-term, homelessness by classifying the experiences of some long-term homeless individuals and families as episodic simply because of the absence of a disability. It would be valuable to also measure prolonged homelessness exclusively based on the length of time the individual or family has been homeless or the number of homelessness episodes the individual or family has endured over a period of time. For ease of comparison, one might rely on HUD's standard of continuous homelessness for a year or more or at least four episodes of homelessness in a three-year period.<sup>40</sup>

Though some prolonged homelessness may be mischaracterized as episodic, point-in-time surveys still likely undercount the episodically homeless. The survey is conducted in a single 24-hour period, and may therefore miss a large percent of the episodically homeless. The Department of Education and many school systems use more inclusive measures of child homelessness, counting the number of children who report being homeless within an academic year, which is likely a better measure for capturing short-term homelessness.<sup>41</sup> School-based measures of homelessness also employ a broader definition of homelessness itself—capturing children “doubling-up,” or living with friends and relatives, often at imminent risk of homelessness.<sup>42</sup> In contrast, HUD point-in-time studies deliberately do not include doubling-up or couch-surfing in the measure of homelessness, a shortcoming that is particularly likely to underestimate youth and young adult homelessness.<sup>43</sup> Point-in-time studies similarly omit people living in overcrowded housing, which often poses an imminent risk of homelessness.<sup>44</sup> Surveys including individuals doubled up, couch-surfing, in unsustainable housing situations, and in eviction court<sup>45</sup> might provide a more accurate picture of the near-homeless population in the city than the point-in-time surveys can capture.<sup>46</sup>

A further gap in most current studies of homeless populations is that many studies,

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<sup>39</sup> 24 C.F.R. § 91.5.

<sup>40</sup> *Id.*

<sup>41</sup> Homelessness in Metropolitan Washington, *supra* note 5, at 14. See also American Institutes for Research, *America's Youngest Outcasts: A Report Card on Child Homelessness*, (Nov. 2014), 13, <http://www.air.org/sites/default/files/downloads/report/Americas-Youngest-Outcasts-Child-Homelessness-Nov2014.pdf>.

<sup>42</sup> Homelessness in Metropolitan Washington, *supra* note 5, at 14.

<sup>43</sup> *Id.*; See also Howard Balshem *et al.*, U.S. Dep't of Veterans Affairs, A CRITICAL REVIEW OF THE LITERATURE REGARDING HOMELESSNESS AMONG VETERANS, 21-22, (April 2011), <http://www.ncbi.nlm.nih.gov/books/NBK55702/>.

<sup>44</sup> Balshem, *et al.*, *supra* note 43.

<sup>45</sup> For example, approximately 200 cases are heard, in a variety of procedural statuses, in the District's eviction court (Landlord and Tenant Branch) each weekday. See Bread for the City, *Just Another Tuesday @ BFC*, <http://www.breadforthecity.org/tag/dc-superior-courts-landlord-and-tenant-branch> (identifying 250 cases a day). A total of 32,592 cases eviction cases were filed in landlord-tenant court in the District in 2015. See District of Columbia Courts, *Court Cases Online*, <https://www.dccourts.gov/cco/maincase.jsf> (indicating that the last case number filed in 2015 was 2015 LTB 32592). This is an average of approximately 130 eviction filings per business day in the District during calendar year 2015.

<sup>46</sup> Among the nearly homelessness, point-in-time surveys typically only include those within 14 days of losing their housing and with no family or other support on which to rely. 24 C.F.R. § 91.5 (1)-(2).

including point-in-time studies, ask whether individuals are sheltered or unsheltered—*i.e.*, they focus on what happens *after* they became homeless rather than on events that might *have precipitated* the episode of homelessness. For example, both point-in-time studies and common intake tools for homelessness services do not include detailed (or sometimes even any) income and/or employment data.<sup>47</sup>

Without a better understanding of the diversity of the homeless and near-homeless populations and the durations and causes of their homelessness, it is difficult to accurately target services—including programs such as Rapid Re-Housing—to meet people’s needs and capitalize on their potential.

## II. RAPID RE-HOUSING: GOALS, LIMITATIONS AND EXPECTATIONS

Washington D.C.’s Rapid Re-Housing, like many others, was supported by the federal government through the American Recovery Act Homelessness Prevention and Rapid Re-Housing Program (HPRP), which aimed to “provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized.”<sup>48</sup> HUD expected that HPRP resources would target “households that are most in need and that are most likely to achieve stable housing” with the overall goal of achieving housing stability for the participants.<sup>49</sup> In this vein, HUD intends that HPRP programs will “rapidly transition assisted persons to housing stability,” including “affordable market rate housing or subsidized housing, as appropriate.”<sup>50</sup> Local governments were expected to tailor their HPRP programs to meet the distinct needs of their population.<sup>51</sup> The District has done so, and the city continues to support its own Rapid Re-Housing Program through the Family Re-Housing and Stabilization Program (“FRSP”).

In April 2016, regulations for the FRSP Program became final after years of temporary regulations, labeled emergency and proposed rulemaking.<sup>52</sup> “The purpose of the Family Re-Housing and Stabilization Program is to support District residents, who are experiencing homelessness or at imminent risk of experiencing homelessness, to achieve stability in permanent housing through individualized and time-limited assistance.”<sup>53</sup>

<sup>47</sup> For example, a common tool known as the SPDAT does not ask directly about whether an individual or household has any income or any employed adult household members. See OrgCode Consulting, Inc., <http://www.orgcode.com/product/vi-spdatt> (last accessed January 25, 2016).

<sup>48</sup> *Homelessness Prevention and Rapid Re-Housing Program*, U.S. DEP’T OF HOUSING & URBAN DEVELOPMENT, <http://portal.hud.gov/hudportal/HUD?src=/recovery/programs/homelessness>. Federal dollars have decreased for Rapid Re-Housing since 2009, but local dollars continue to fund the program through the Family Re-Housing and Stabilization Program as described below. See Jonathan J. Sheffield, *Homeless Bills of Rights: Moving United States Policy Toward a Human Right to Housing*, 22 GEO. J. ON POVERTY L. & POL’Y 321, 322 n.10 (2015).

<sup>49</sup> Christine Ricciardi, *HUD program keeps 750,000 Americans from homelessness*, HOUSING WIRE (Dec. 6, 2010), <http://www.housingwire.com/articles/print/hud-program-keeps-750000-americans-homelessness>.

<sup>50</sup> *Id.*

<sup>51</sup> *Id.* To that end, the District’s program is integrated into and governed by the Homeless Services Reform Act of 2005 (HSRA), effective October 22, 2005 (D.C. Law 16-35; D.C. Official Code §§ 4-753.01, 4-755.01, 4-756.01 and 4-756.02 (2008 Repl. & 2012 Supp.)).

<sup>52</sup> Department of Human Services, Notice of Final Rulemaking, 63 D.C. Reg. 5273 (April 8, 2016).

<sup>53</sup> 29 D.C.M.R. § 7800.1.

Applicants for the FRSP program are expected to find and take the steps necessary to lease and move into an apartment within approximately 30 days of receiving notice of eligibility.<sup>54</sup> Agencies determine eligibility based on various factors, including that the applicant demonstrate a *reasonable expectation of sustainable housing* at the end of the FRSP support period, based on factors such as current income, expected future income, rental history, employment history, willingness to take steps to increase income, past use of FRSP, and the likelihood of receiving other subsidized housing within twelve months.<sup>55</sup>

The target for exit from financial supports is 12-18 months or less.<sup>56</sup> The initial term of the subsidy, however, is discretionary and provided in the “Notice of Eligibility Determination” to the tenant. Typically the initial term is three or four months.<sup>57</sup> If the assistance provider determines at the three, six, nine, or twelve month review that the participant will likely be unable to sustain housing stability independently at the end of the FRSP assistance period, the provider *may* (1) advise the participant that they can seek an extension of assistance, if funding is available, (2) help identify other, more permanent housing assistance, or (3) consider appropriate shared living circumstances.<sup>58</sup> The regulations make clear that, “FRSP is not an entitlement and the program is not designed to be an indefinite bridge to long-term affordable housing; therefore, length of participation in the program beyond eighteen (18) months may be a valid factor for denial of an extension.”<sup>59</sup>

According to the regulations, “[p]articipants may exit because they no longer require FRSP supports, by program termination, or because they reached the length of time for which their participation was approved (inclusive of applicable program extension).”<sup>60</sup> The discretionary nature of the term of the subsidy is a significant weakness in the program: participants cannot rely on the subsidy, as they will never know what might happen at the conclusion of the next three-month time period. This is also problematic because tenants typically must enter one-year lease terms, but the subsidy is not necessarily provided for that full lease term. This makes the program unattractive to landlords and tenants alike.<sup>61</sup>

Even the amount of rental assistance (the difference between the cost of the apartment and the tenant’s portion of the rent) provided is highly discretionary: the tenant household is required to contribute a minimum of 40 percent and a maximum of 60 percent of its adjusted annual income toward the monthly rent.<sup>62</sup> This 40-60 percent requirement is a significant red flag, suggesting that the program cannot place people in sustainable long-term housing.

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<sup>54</sup> *Id.* at § 7801.4.

<sup>55</sup> *Id.* at § 7803.2.

<sup>56</sup> *Id.* at § 7805.9.

<sup>57</sup> *Id.* at § 7803.5(d).

<sup>58</sup> *Id.* at § 7805.9.

<sup>59</sup> *Id.* at § 7805.10.

<sup>60</sup> *Id.* at § 7807.1.

<sup>61</sup> Although landlords in the District cannot refuse a tenant solely based on their source of income, including a housing subsidy, landlords often express frustration with the program. It is reasonable to believe that at least some landlords attempt to avoid participating in the Rapid Re-Housing program as a result. *See* D.C. Code § 2-1402.21(a).

<sup>62</sup> Fourth Emergency and Proposed Rulemaking, *supra* note 52 at § 7805.11.

A. *The Current Rapid Re-Housing Model Does Not Place Individuals at a Sustainable Rent to Income Ratio, Even During the Program.*

Sustainable housing, as defined by HUD, requires that an individual spend 30 percent or less of their income on rent. According to HUD, “[f]amilies who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.”<sup>63</sup> A severe rent burden is defined as paying more than 50 percent of one’s income on rent.<sup>64</sup> Yet the Rapid Re-Housing subsidy requires that individuals contribute 40-60 percent of their income to rent *while receiving the subsidy*—which ensures that the families are either cost burdened or severely rent burdened even with the subsidy.

Based on its own sustainability goals, and HUD’s standards, the Rapid Re-Housing program must aim to ensure that upon exiting the program, the individual or family will be in a rental situation where they are paying under 30 percent of their income in rent. The 30 percent of income standard is necessary to place the individual in a *stable* housing situation, *i.e.*, the person can arguably afford basic necessities beyond housing, and will not lose her home if she has an emergency, is forced to take unpaid sick or family leave, her car breaks down, or she has to pay for childcare.

Even 30 percent of income may not be sustainable for an extremely low-income household in Washington D.C. A recent Businessweek article quotes Frank Nothaft, chief economist at Freddie Mac, taking issue with HUD’s approach. “If your income is \$500,000 a year, you can pay 40 percent and still have money left. But if your income is \$20,000 a year, it will be hard to make ends meet if you’re paying 30 percent of your income on rent.”<sup>65</sup> This makes sense: a full-time worker paid minimum wage who spends 30 percent of her income in rent is left with approximately \$280 a week to cover all other costs.<sup>66</sup> A person with a disability receiving SSI spending 30 percent of their income is left with approximately \$128 a week to cover all other costs.

While \$280 per week may be enough non-rent spending money in some areas of the country, cities like Washington, D.C. have a relatively high cost-of-living, meaning that this money simply does not go as far.<sup>67</sup> In addition, families with children spend more on clothing, food, and medical bills than do single adults.<sup>68</sup> Nor does the 30 percent account for tradeoffs families make to reduce housing costs, such as long commutes to work (at high cost) or home quality (with, for example, higher utility costs connected to poor quality housing).<sup>69</sup>

Despite evidence that even the 30 percent rent/income ratio is unsustainably high for

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<sup>63</sup> HUD, *Affordable Housing*, [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/) (last accessed January 25, 2016).

<sup>64</sup> HUD User, *Rental Burdens: Rethinking Affordability Measures*, [https://www.huduser.gov/portal/pdredge/pdr\\_edge\\_featd\\_article\\_092214.html](https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html) (last accessed January 25, 2016).

<sup>65</sup> *Id.*

<sup>66</sup> A worker earning full-time minimum wage earns approximately \$21,000 per year. *See infra* Section III.B.2.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

extremely low-income households, the Rapid Re-Housing program—meant to target the most vulnerable, homeless low-income households—requires that households contribute 40-60 percent of household income toward rent while receiving the subsidy. That means that to achieve sustainable housing at the conclusion of the subsidy, whenever that moment may come, the household members would need to find sufficient income not only to replace the subsidy amount but also to reduce the portion of their income they are already spending on rent. As explored more fully below, especially given the gap between wages and rental market prices, Rapid Re-Housing as currently implemented is not designed to enable participants to achieve sustainable housing over the short or long term.

*B. There Is a Glaring Mismatch Between D.C.'s Rental Market and Typical Incomes for Homeless Individuals*

1. Fair Market Rents in D.C.

According to HUD, the proposed Fair Market Rent (FMR) in D.C. as of January 2016 was \$1,292 for an efficiency, \$1,386 for a one-bedroom apartment, \$1,604 for a two-bedroom apartment, and \$2,119 for a three-bedroom apartment. This is a citywide average, and there are less expensive units available in some areas of the city (just as in some areas of the city, one could not find a rental unit consistent with these prices). To look at the rental market that homeless and near-homeless populations are specifically confronting, we use the average FMR in the ten most affordable neighborhoods (of 56 neighborhoods defined by the D.C. Housing Authority) in the District to calculate a reasonable rental expectation. The FMR represents the amount that the District of Columbia Housing Authority (DCHA) is willing to pay for homes of this size in each of these ten neighborhoods, set forth in Table 1, attached hereto as Appendix I.<sup>70</sup> The monthly FMR averages across these ten neighborhoods are approximately \$1005 for an efficiency,<sup>71</sup> \$1150 for a one-bedroom, and \$1470 for a two-bedroom.

We recognize that these averages are imperfect proxies for monthly rental rates, as they represent the maximum rates DCHA is willing to pay per unit by neighborhood and not the actual average rent even within a given neighborhood. Nevertheless, a search on [DChousingsearch.org](http://DChousingsearch.org)<sup>72</sup> suggests that these averages are good estimates of the lowest rent (unsubsidized) apartments available in the District.<sup>73</sup> While there are some less costly units available, there are not enough of

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<sup>70</sup> District of Columbia Housing Authority, *HCVP Rents*, [http://www.dchousing.org/rent\\_hcvp.aspx](http://www.dchousing.org/rent_hcvp.aspx) (last accessed January 26, 2016). Effective March 2, 2016, DCHA increased the FMR, slightly increasing the average FMR for the ten least expensive neighborhoods, as defined by DCHA, in the District. The increases are relatively small, with the average as of March 2, 2016 for an efficiency increasing to \$1039, for a one-bedroom to \$1225, and for a two-bedroom to \$1489.4. See Appendix I. These changes are minimal and would only result in a *greater* rent-income mismatch for low-income residents of the District if incorporated into this analysis.

<sup>71</sup> The District of Columbia has incorporated the International Property Maintenance Code into its housing code regulations. Under the Property Maintenance Code, efficiencies can house up to a maximum of three people and only if the floor area is at least 320 square feet, excluding kitchen and bathroom facilities. IPM Section 404.6.

<sup>72</sup> [DChousingsearch.org](http://DChousingsearch.org) is a website managed by the District's Department of Housing and Community Development providing a free search engine to locate "affordable housing." See <http://dchousingsearch.org/About.html> (last accessed January 27, 2016).

<sup>73</sup> A search on [DChousingsearch.org](http://DChousingsearch.org), excluding senior-only properties and properties with a waitlist, for example, yields 48 properties with units for under \$1000 a month for an efficiency/one-bedroom and 64 one-bedroom

those units to house the 888 families currently in the Rapid Re-Housing program or the 700 families currently in homeless shelters and overflow motel rooms.<sup>74</sup> It is also likely that some units on the market for lower prices would not meet minimum habitability standards. Given the supply-demand imbalance, most families would not be able to get the few decent apartments available at these rates. As a result, the FMR averages that we use (\$1005 for an efficiency, \$1150 for a one-bedroom apartment and \$1470 for a two-bedroom apartment) represent a best-case scenario for low-rent housing in these neighborhoods and a likely underestimation of the actual rental costs for tenants in these areas. For many, rent will be substantially higher than these averages. Regardless, these imperfections are insignificant in the context of our analysis: placing individuals in sustainable housing under the current system would be impossible even if we significantly reduced these low-end figures. To the extent actual rents are higher, the impossibility is only that much more overwhelming.

## 2. Income in D.C.

Minimum wage in the District as of July 1, 2015 is \$10.50 an hour.<sup>75</sup> An individual who is able to work a full 40-hour week for 50 weeks a year (assuming at least 10 unpaid work days in the course of a year for sick or family leave, cancelled shifts, or similar reasons) can be expected to earn \$1750 per month, on average, for an annual pre-tax income of \$21,000.<sup>76</sup> Not all homeless or near-homeless individuals are earning minimum wage. Most earn much less; some may earn more. Nevertheless, minimum wage is a good starting point to optimistically evaluate most of the affected population's "current" and "expected future income," and therefore, their ability to meet the stated goals of Rapid Re-housing.

## 3. The Income-Rent Mismatch

The lowest rents in the city are well over 30 percent of a full-time, minimum-wage earner's monthly income. In a *best-case scenario*, an individual earning \$1750 a month (full-time minimum wage) renting an efficiency unit at \$1005 a month would be spending 57 percent of their income on rent, or roughly twice the sustainable amount. This leaves them in the expensive DC market with \$745 a month or approximately \$165 a week (pre-tax) to cover all their food,

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properties at under \$1200 a month. Many of the properties appear to have just one available unit, and many of the options under \$1000 are shared housing, such as rooms for rent or single-room occupancy buildings, which means they can only accommodate a single adult. In turn, there are 76 properties with two-bedroom units listed at under \$1500 a month in D.C., excluding senior properties and properties with waitlists. These are the lowest cost units in the city.

<sup>74</sup> The Washington Post, *More D.C. families are living in homeless shelters at the start of winter than ever before — and it's by design*, Oct. 31, 2015, [http://www.washingtonpost.com/local/dc-politics/more-dc-families-are-living-in-homeless-shelters-at-the-start-of-winter-than-ever-before—and-its-by-design/2015/10/31/0bcc5e9c-7f44-11e5-b575-d8dcfedb4ea1\\_story.html](http://www.washingtonpost.com/local/dc-politics/more-dc-families-are-living-in-homeless-shelters-at-the-start-of-winter-than-ever-before—and-its-by-design/2015/10/31/0bcc5e9c-7f44-11e5-b575-d8dcfedb4ea1_story.html) (last accessed January 25, 2016).

<sup>75</sup> National Conference of State Legislators, *State Minimum Wage Chart*, <http://www.ncsl.org/research/labor-and-employment/state-minimum-wage-chart.aspx> (last accessed September 7, 2015).

<sup>76</sup> We just use the pre-tax figure. In all likelihood, the family probably earns only slightly more than \$21,000, with the Earned Income Tax Credit (EITC) returning withheld taxes. For a female-headed household of two children, often typical of individuals in emergency homeless shelters, the EITC is \$5460, which means that there is not a significant reduction in taxes. The tax-related reduction in net income will increase, however, as wages increase.

transport, and other costs. For this single adult individual to get to the sustainable amount of 30 percent of income, they would need an apartment that cost \$525 a month. Put another way, for a homeless individual already working full-time at the minimum wage would need a 91 percent *increase* in wages to \$3,350 a month in the course of just one year to meet the 30 percent threshold for a \$1005 efficiency. Some individuals may find relief by searching for single rooms for rent, rather than apartments, which according to DChousingsearch.org are likely available for between \$550 and \$750 per month.<sup>77</sup>

But for a single mother with two kids to sustainably rent a \$1470 a month two-bedroom apartment in D.C., she would need to earn \$4900 a month (or \$58,800 a year) to meet the 30 percent threshold. Put another way, a single mom would need more than a 180 percent increase from a full time minimum wage job (\$10.50 an hour to \$30 an hour) to get to a sustainable 30 percent ratio of salary to rent, the equivalent of a family with the approximate median D.C. household income of \$100,000 a year jumping to \$280,000 a year. This is clearly an unrealistic expectation.<sup>78</sup>

Even a two-person family with both adults working full-time would not be able to afford a two-bedroom unit at \$1470 and cover their necessities.<sup>79</sup> To sustainably afford a two-bedroom apartment at \$1470 a month, a two-parent family with both adults working full-time and earning minimum wage (\$3,360 combined a month) would need an extra 146 hours of paid labor per month (or a third person working 36.5 hours per week).

In short, fair market rent simply does not align with realistic wage expectations for low-wage workers. HUD is well aware of this problem. “An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing. A family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment *anywhere* in the United States.”<sup>80</sup>

#### 4. Significance of the Mismatch for Rapid Re-Housing

The above-described mismatch between the realities for low-income families, even those with full-time workers—to say nothing of families relying solely on Temporary Assistance for Needy Families or Social Security Insurance to survive—has significant implications for Rapid Re-Housing’s vision of the utility of a short-term subsidy moving homeless individuals into sustainable, unsubsidized housing over the long-term. As a threshold matter, the wage-rent mismatch makes it difficult to understand how D.C.’s Rapid Re-Housing program is able to find “eligible” individuals—let alone families—in homeless shelters with a “reasonable expectation” of *sustainable housing* based on factors such as “current income, expected future income, rental

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<sup>77</sup> Rooming houses are often advertised only informally and rooms for rent through such informal networks may be available for less than the formal listings in DChousingsearch.org. However, it is important to note that conditions in such rooming houses are often substandard.

<sup>78</sup> Others have also noted this mismatch as an obstacle to program success. *See* Horng Testimony, *supra* note 14.

<sup>79</sup> Note that two adult families are rare—the average is 1.25 adults per family unit. Homelessness in Metropolitan Washington Report, *supra* note 5, at 32.

<sup>80</sup> U.S. Department of Housing and Urban Development, “Affordable Housing,” [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/) (last accessed January 31, 2016).

history, employment history,” and willingness to take steps to increase income.<sup>81</sup>

Based on the average FMRs for the ten most affordable neighborhoods in the District, a homeless individual already working full-time at the minimum wage would need a 91 percent increase in wages in the course of just one year to meet the 30 percent sustainability threshold for a \$1005 efficiency. Of course, for an individual working less than full time or not earning any income at all (only 19.3 percent of homeless, single individuals reported being employed in the District’s 2015 Point-in-Time Study),<sup>82</sup> the increase would have to be even more dramatic.

The outlook is particularly bleak for families. The majority of the District’s homeless families are made up of children and a single adult (the average number of adults in homeless families counted in 2015 was 1.25 and the average number of children 1.8). A mother of two children *working full-time and earning minimum wage* at the time she begins the Rapid Re-Housing subsidy (a small minority of the homeless population), to sustainably rent a two-bedroom without a subsidy at the conclusion of a one-year subsidy, would need 180 percent increase in her wages in the course of one year. But most of those families report TANF as their only source of income, which for an average three-person family provides \$441 per month.<sup>83</sup>

In addition to the rent-wage mismatch, there is a mismatch between the population the program aims to serve and those it is most likely to help achieve sustainable housing over the medium- or long-term. The stated program goal is to serve the households most in need.<sup>84</sup> But the current rent-wage mismatch insures that those most in need (i.e., families without employment) would need a miracle to achieve stable housing through the stand-alone, short-term subsidy.

In the following sections we attempt to untangle these issues. First, we will consider the current data on Rapid Re-Housing’s effectiveness. Second, we will combine the data about the District’s rental and low-wage worker markets with the data about the District’s homeless community in order to identify any subset(s) of the city’s homeless population that Rapid Re-Housing’s short-term subsidies, standing alone, might help to find sustainable housing. Lastly, we consider how Rapid Re-Housing could be combined with other programs and solutions to maximize its likelihood of helping the most vulnerable and extremely low-income people achieve sustainable housing.

### III. LIMITED DATA IS AVAILABLE REGARDING RAPID RE-HOUSING’S RESULTS AND THE PEOPLE MOST LIKELY TO BENEFIT FROM THE PROGRAM

The dramatic mismatches between rental rates and low-wage incomes and between Rapid Re-Housing’s various goals raise critical questions: Is Rapid Re-Housing “working” and, if so, for whom? As discussed more fully below, data on Rapid Re-Housing’s effectiveness in moving individuals and families into sustainable, affordable housing is sparse. Most program evaluations focus on return to shelter or the lack of physical evictions as the only signs of program failure, rather than counting individuals doubled-up or moving out under quick move-out agreements once an eviction case has been brought against them. Still, program evaluations

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<sup>81</sup> See Catholic Charities, “Family Re-Housing Stabilization Program (FSRP)” at <https://www.catholiccharitiesdc.org/FRSP> and Fourth Emergency and Proposed Rulemaking, *supra* note 52 at § 7803.2.

<sup>82</sup> Homelessness in Metropolitan Washington Report, *supra* note 5, at 64.

<sup>83</sup> See Section II.A, *supra*.

<sup>84</sup> *Id.*

indicate that Rapid Re-Housing could help some individuals, just a narrower and, largely different, population than anticipated. Specifically, although Rapid Re-Housing has often been proposed as a solution for homeless families, the current program is actually best suited to moving single adults—who are sometimes ineligible for assistance—toward independent, affordable, and sustainable housing over the one-year period.

*A. Studies on Rapid Re-Housing's Effectiveness Compared to Other Subsidized Housing and Shelter-Based Programs*

City governments frequently claim Rapid Re-Housing as a success by broadcasting the low numbers of families and individuals they identify as “returning to shelter” after being in the program. In the District specifically, Rapid Re-Housing’s promoters often point to a low number of actual evictions as further success in the program. Yet detailed data about outcomes for families and individuals in Rapid Re-Housing are especially hard to find.

One of the most in-depth examinations of Rapid Re-Housing’s effect on participant families is HUD’s July 2015 “Family Options Study.”<sup>85</sup> The study attempts to measure the effects of four types of housing interventions: (1) permanent housing subsidies; (2) Rapid Re-Housing; (3) project-based transitional housing; and (4) “usual care” (typically a time-limited stay in a homeless shelter).<sup>86</sup> The study included families with at least one child under age 15 who had been in a homeless shelter seven or more days. The study attempted to randomly assign families to the four interventions, but program availability and eligibility requirements made perfect randomization impossible.<sup>87</sup> Data were collected from a baseline survey, tracking surveys at 6 and 12 months post-placement, 18-month follow-up surveys, and additional child assessments.<sup>88</sup> Much like the typical homeless family in the District, “[t]he typical family in the study consisted of an adult woman, 29 years old, living with one or two of her children in an emergency shelter.”<sup>89</sup> Also much like in the District, the majority of families had no employment income at baseline (83 percent), with more than half not working for six months prior to baseline.<sup>90</sup> The most frequently reported source of income was Supplemental Nutrition Assistance (SNAP or food stamps), with approximately 41 percent of families also receiving cash assistance (TANF) at baseline.<sup>91</sup> In addition, 26 percent of families had previously been evicted and 35 percent had no rental history as a leaseholder.<sup>92</sup>

The study looked at 18 measures of program impact, divided into groups by subject area.<sup>93</sup> Measures of housing stability included reporting on (1) night homeless, (2) doubling up,

<sup>85</sup> Family Options Study, *supra* note 1.

<sup>86</sup> *Id.* at xvi.

<sup>87</sup> *Id.* at xvii. (“Of the 2,282 families enrolled in the study, 474 had all four randomization options available, 1,544 families had three randomization options, and 264 families had two randomization options.”)

<sup>88</sup> *Id.* at xviii.

<sup>89</sup> *Id.* at xix.

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> *Id.* at xxv.

(3) shelter stays in the prior 12 months, (4) number of places lived in past six months, and (5) any stay in emergency shelter in months 7-18 after program placement. The study also measured family preservation, adult well-being, child well-being, and self-sufficiency (work for pay, total income and food security).<sup>94</sup>

Compared to “usual care,” Rapid Re-Housing had *no* measurable effect on any of these measures of housing stability.<sup>95</sup> Nor did Rapid Re-Housing appear to coincide with any significant improvement on other measures of wellbeing over a twenty-month period, compared even to remaining in shelter.<sup>96</sup> This result contrasted greatly with receipt of a *permanent housing* subsidy, which dramatically reduced housing instability on all measures and increased well-being.

One thing the Family Options Study does make clear is that a long-term housing subsidy offers a greater benefit to participant families than all other housing programs—including Rapid Re-Housing—on measures of both housing stability and well-being. Moreover, at least in the short-term, Rapid Re-Housing and long-term subsidies, such as Section 8 vouchers, have similar monthly costs.<sup>97</sup>

On the other hand, Rapid Re-Housing programs are less costly than project-based transitional housing and “usual care” (typically involving shelters and some use of project-based transitional housing).<sup>98</sup> Rapid Re-Housing participants also showed greater “work effort” at the twenty-month mark compared to those receiving long-term subsidies. But prior studies indicate that this negative effect on “work effort,” as measured by employment income, may decrease over time while the family continues receiving the long-term subsidy, resulting in increased employment income for families in the long-term subsidy program.<sup>99</sup>

Other studies have found that while families in Rapid Re-Housing may experience low levels of return to homeless shelters, they typically experience high levels of housing instability—in one study, only 25 percent of families remained in the housing in which they received the Rapid Re-Housing subsidy after one year.<sup>100</sup> In the same study, 57 percent of participant families reported struggling to find money to pay rent one year after program exit.<sup>101</sup>

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<sup>94</sup> *Id.*

<sup>95</sup> *Id.* at xxvi. The permanent housing subsidy also led to measurable improvements on other measures, including adult and child well-being. The only area in which Rapid Re-Housing “outperformed” the permanent subsidies was that families receiving Rapid Re-Housing reported more employment income and higher overall income than families receiving the permanent subsidy—at least in the short-term.

<sup>96</sup> *Id.* at 83-88.

<sup>97</sup> *Id.* at 138.

<sup>98</sup> *Id.* at xxx (citing Mills *et. al.*, *The Effects of Housing Vouchers on Welfare Families*, 2006).

<sup>99</sup> *Id.*

<sup>100</sup> Urban Institute, *Rapid Re-housing What the Research Says*, at 17, June 2015, <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000265-Rapid-Re-housing-What-the-Research-Says.pdf> (last accessed January 24, 2016).

<sup>101</sup> *Id.* at 18.

*B. Studies Offer Only Limited Information About Which Populations Are Most Likely to Benefit from Rapid Re-Housing*

Multiple studies have acknowledged an ongoing need for research exploring which families and individuals are most likely to benefit from Rapid Re-Housing short-term subsidy program.<sup>102</sup> The Family Options Study attempted to examine whether certain more vulnerable families would respond differently to different interventions by scoring families on two aggregate measures of vulnerability: psychosocial challenges and barriers to housing.<sup>103</sup> The study concluded that the data did not reflect significant differences in outcomes for families scoring highest on these two measures of vulnerability as compared to other families in any of the programs.<sup>104</sup> It is possible that the use of only two measures obscures the effects of more specific types of vulnerability.

Specifically, the Study uses two aggregate measures of vulnerability, classified as psychosocial factors and barriers to housing, in order to divide participants into groups and compare outcomes. Psychosocial factors include any and all of the following: health and mental health conditions, including substance abuse problems and PTSD, domestic violence, felony conviction, history of foster care/institutionalization as a child, and disability of a family member.<sup>105</sup> Barriers to housing include fifteen factors, among them unemployment, lack of income, family composition, rental history (including history of eviction), and lack of transportation.<sup>106</sup>

Different factors included in these aggregate indices could be expected to affect housing stability and program success in vastly different ways. For example, substance abuse and other health conditions can make it very difficult for an individual to maintain housing outside of the supportive housing context due to difficulties posed by the effects of the health condition for lease compliance and living in close quarters with others. On the other hand, being a recent survivor of domestic violence likely presents short-term housing difficulties (e.g., paying a security deposit and relocating to a safe neighborhood) but would not necessarily be expected to affect a head of household's ability to sustain new housing once located. Domestic violence and mental health conditions are two factors that interplay with housing in sometimes very different ways, but which are lumped together in one vulnerability index. It therefore seems plausible that the indices may have erased the effects of a single type of vulnerability and its relationship to a housing subsidy program and made it impossible to measure the impact of particular vulnerabilities facing homeless families.<sup>107</sup>

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<sup>102</sup> Family Options Study, *supra* note 1 at 19.

<sup>103</sup> *Id.* at xxvii.

<sup>104</sup> *Id.*

<sup>105</sup> *Id.* at 31. The authors of the Family Options Study do note that several of these factors, examined individually, have been connected to residential instability in prior studies. *See id.* (citing Hayes, Maureen A., Megan Zonneville, and Ellen L. Bassuk, *The SHIFT Study: Final Report*. Waltham, MA: The National Center on Family Homelessness (2013)).

<sup>106</sup> *Id.*

<sup>107</sup> The study's authors acknowledge that the small sample size makes it impossible to rule out the possibility that psychosocial factors and/or barriers to housing, even in the aggregate, moderate the impact of various housing programs for homeless families. *Id.* at 132.

#### IV. RAPID RE-HOUSING'S CURRENT MODEL COULD BENEFIT A NARROW SUBSET OF THE HOMELESS POPULATION WITH SOME PROGRAM MODIFICATIONS

In this section, we attempt to fill the gap in understanding of who is most likely to benefit from Rapid Re-Housing's short-term subsidy by returning to the data explored in Section 0 regarding the circumstances of homeless individuals and families and the state of the D.C. rental market. To the extent Rapid Re-Housing remains a short-term subsidy only, we recommend narrowing the program's target population in order to focus its resources on individuals and families most likely to benefit from a short-term subsidy. We also recommend program modifications to make even a short-term subsidy a better, more reliable approach to sustainably housing the homeless and near-homeless populations. In particular, we recommend: (1) extending the length of program to guarantee at least a one-year term; (2) creating enforceable rights, including the right to have the tenant portion of the rent calculated at 30 percent of household income; (3) incorporating safeguards for the unexpected; and (4) non-financial support for participant families.

##### A. Targeting the Right Populations

As described above, there is a dramatic mismatch between rental rates in the District and the incomes earned by individuals with very low incomes in the District—even those working full-time at minimum wage.<sup>108</sup> Some individuals and a very small subset of families, would benefit from Rapid Re-Housing's short-term subsidy, particularly with the program modifications described below. The task is to identify those individuals.

Sadly, we can exclude most homeless families at the outset. The least costly option for families with one adult and two children may be a one-bedroom unit, if that bedroom is at least 150 square feet.<sup>109</sup> As described above in Section 0, a conservative estimate for rent of a one-bedroom apartment in the least costly District neighborhoods is \$1150—requiring a monthly income of \$3833 to be affordable at the 30 percent level. At minimum wage, this requires the head of a single-adult household to work approximately 91 hours per week—a nearly impossible task. And full-time minimum wage is itself a rarity.<sup>110</sup> The most commonly reported source of income for homeless families captured in the point-in-time study is Temporary Assistance for Needy Families, or TANF.<sup>111</sup> For a family with two children and no other income, the average TANF benefit as of October 1, 2015 is \$441—an amount that cannot cover fair-market rent for an apartment of any size in the District.<sup>112</sup>

Given these rental market realities, Rapid Re-Housing's short-term subsidy (in isolation) may only be a viable solution for individuals and families made homeless by genuinely short-term

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<sup>108</sup> See Section III.B.3, *supra*.

<sup>109</sup> International Property Maintenance Code, Section 404.4.1.

<sup>110</sup> See Section II.B.2, *supra*.

<sup>111</sup> See Section II.A, *supra*.

<sup>112</sup> See Ife Floyd and Liz Schott, Center on Budget and Policy Priorities, *TANF Benefits Have Fallen by More Than 20 percent in Most States and Continue to Erode*, at 2, Oct. 1, 2015, <http://www.cbpp.org/research/family-income-support/tanf-cash-benefits-have-fallen-by-more-than-20-percent-in-most-states> (last accessed January 24, 2016).

crises.<sup>113</sup> For example, a victim of domestic violence fleeing her abuser and facing sudden homelessness could benefit from a short-term subsidy and, possibly, not need extensive further housing assistance. As noted above, roughly 15 percent of homeless families identified domestic violence as an immediate cause of their homelessness,<sup>114</sup> so it is possible that targeting survivors of domestic violence as potential Rapid Re-Housing beneficiaries could help a substantial number of people. Similarly, the program could be a good match for (1) families that include an adult worker entering the job market for the first time, (2) households including adults with reasons to believe they could see a rapid increase in wages and/or hours over a roughly one-year period, (3) households including at least one worker enrolled in a training program that leads to a significantly increased expected income in a year, or (4) households facing demonstrably temporary financial crises.

As a result, Rapid Re-Housing's short-term subsidies (at least as currently implemented) may be a better solution for individuals than for families. Among single adults who are homeless and captured in the point-in-time survey, roughly 19 percent of them reported being employed. There are still major limitations. The survey does not provide wage information or specific information about whether individuals reporting employment income are underemployed. Assuming for argument's sake that individuals reporting employment income are fully employed at 40 hours a week, the individual still has only approximately \$583 to spend on housing, if that housing is to be sustainable over the long-term. This is an amount that could pay for a room in a shared house, but would not cover an efficiency. Rapid Re-Housing assistance to move that individual into an efficiency or a one-bedroom around the \$1005 target might be reasonable, but only if they are expected to have a monthly income of roughly \$3,015 (hourly wages of approximately \$18.11 for 40 hours a week or roughly \$15 for 50 hours a week).<sup>115</sup>

Given the small subset of the homeless and near-homeless population with a reasonable likelihood of achieving sustainable, permanent housing through Rapid Re-Housing as currently implemented in the District, it becomes critical to connect with individuals likely to benefit from the program at the earliest possible moment. As shown above, individual adults experiencing short-term financial crises are likely the best candidates for successful Rapid Re-Housing. Effective Rapid Re-Housing programs should accordingly target the episodically homeless and/or

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<sup>113</sup> See Rachel Rintelmann, *City Paper Article Highlights Shortcomings of Rapid Rehousing*, April 3, 2015, <http://www.makingjusticereal.org/city-paper-article-highlights-shortcomings-of-rapid-rehousing> (last accessed January 26, 2016).

<sup>114</sup> Section II.A, *supra*.

<sup>115</sup> On the other hand, it is unlikely that many of the 62 percent of homeless adults who report no income at the point-in-time survey would be able to afford even a room in a shared house without any subsidy within a year (unless the lack of income is clearly temporary). In addition, for individuals with disabilities relying on Social Security Income (\$730 monthly) or Social Security Disability Insurance (likely to be approximately \$962 for a worker with a disability who earned about \$20,000 annually prior to onset of the disability), even single rooms for rent are likely unaffordable under current market conditions once the subsidy terminates. Supplemental Security Income (SSI) is about \$730 monthly and is a program for the persons who are elderly, blind and have disabilities. Social Security Disability Insurance is an income support program for individuals who have worked a minimum number of qualifying quarters but now are unable to work. SSDI's monthly benefit varies but is likely to be approximately \$962 for a worker with a disability who earned about \$20,000 annually prior to onset of the disability. See SOCIAL SECURITY ADMINISTRATION, *Benefits for People with Disabilities*, <https://www.ssa.gov/disability/>; see also <https://www.americanprogress.org/issues/poverty/report/2013/05/30/64681/the-facts-on-social-security-disability-insurance-and-supplemental-security-income-for-workers-with-disabilities/> at 2.

individuals not yet homeless but at risk of homelessness—such as individuals who have just experienced a temporary loss of income. This would require expanding Rapid Re-Housing’s availability to those on the precipice of homelessness.<sup>116</sup>

It would also require looking beyond homeless shelters. Homeless shelters are unlikely to capture the best candidates for Rapid Re-Housing’s temporary subsidy: based on the figures from the 2015 District Survey, relatively few individuals identified in the point-in-time surveys are candidates for genuine success in the current Rapid Re-Housing program. Of course, some individuals and families who may benefit from the program may come through homeless shelters, and they should still be connected with the program.

However, more appropriate intake sites likely include domestic violence service centers and shelters, the Office of Unemployment Compensation, and the District’s Emergency Rental Assistance (ERAP) providers. Emergency Rental Assistance is available to assist individuals with disabilities or families with minor children to pay back-rent up to certain caps. Allowing ERAP providers to make referrals of individuals and families in short-term crises to the Rapid Re-Housing program could also expand the program’s likelihood of including within its ambit individuals most likely to benefit from the program.

#### *B. Length of Short-Term Subsidy*

The length of the subsidy is also likely to be related to the probability of success. As discussed above, Rapid Re-Housing subsidies do not currently guarantee a 12-month subsidy period despite only being available to individuals exiting homelessness—*i.e.*, individuals who must sign a new (almost always 12-month) lease in order to become housed.<sup>117</sup> Under our proposed modification, individuals currently housed but experiencing financial crises placing them at imminent risk of homelessness may be well-served by a renewable three-month subsidy (for example, individuals being referred into the program through the unemployment insurance office, domestic violence intake sites, and emergency rental assistance sites). However, for individuals exiting homelessness and signing new leases in order to be housed, failing to guarantee the subsidy for a twelve-month period places the person at a significant disadvantage in their effort to find stable housing.<sup>118</sup>

In addition, the subsidy should be renewable *especially* in circumstances in which individuals are progressing toward being able to afford the unit. As noted in Section III.B above, for many families affording a two-bedroom apartment requires a 180 percent increase in income. If an individual has increased their hourly wage and/or the hours they are working, but is still unable to afford the unit without the subsidy, cutting off the subsidy would almost certainly send the individual into crisis and possibly return them to homelessness.

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<sup>116</sup> In late 2015, some Rapid Re-Housing providers began making assistance available to families at risk of homelessness, but the focus of the program remains on those already homeless.

<sup>117</sup> See also Section III, *supra*; See Fourth Emergency and Proposed Rulemaking, *supra* note 52 at § 7805.4 (providing for quarterly reviews of eligibility during program participation); see also *id.* at § 7805.9 (stated goal of program is progression out of the assistance within 12 months or less).

<sup>118</sup> Washington City Paper, *A Long Way from Home*, April 2, 2015, <http://www.washingtoncitypaper.com/articles/47035/a-long-way-from-home-this-winter-was-supposed-to/>.

### C. Enforceable Rights

As noted above, another shortcoming in the current Rapid Re-Housing program as implemented in the District is that the regulations purport to make almost everything about the program discretionary—leaving program participants without clear expectations or enforceable rights.<sup>119</sup> The regulations should be modified to clarify expectations for program participants and allow them to understand their rights and obligations as Rapid Re-Housing participants. The term of the program, as described above, should be at least one-year, subject to extensions, unless program participants commit certain violations of program rules.<sup>120</sup> Although extensions beyond the one-year term could remain discretionary, regulations should include clear, enforceable guidelines governing the exercise of that discretion.

In addition, the tenant portion of the rent should be calculated as 30 percent of household income, without any exercise of discretion—this is what HUD and others have determined as a sustainable rent burden and, as discussed above, already represents a significant burden for low-income households.<sup>121</sup> Requiring that extremely low-income households—and, beyond that, households emerging from the crisis of recent homelessness and all the disruption that entails—pay 40-60 percent of their household income in rent is truly unsustainable and results in severely rent-burdened households *even during the subsidy program*. Tenant requirements for reporting changes in income, and their entitlement to a recalculation of the rental subsidy upon such changes, should be modeled on the rules for the federally subsidized Housing Choice Voucher Program codified in the D.C. Code of Municipal Regulations and implemented already by the D.C. Housing Authority.<sup>122</sup>

### D. Safeguards for the Unexpected

Even after discontinuation of the rental subsidy, programs should continue to provide crisis safeguards, including resumption of the rental subsidy, emergency utility assistance if no other assistance is available, financial coaching/counseling if desired by the beneficiary, and referrals to other service providers.<sup>123</sup>

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<sup>119</sup> See Section III, *supra*.

<sup>120</sup> Program rules and consequences (and protections) for alleged violations thereof could be modeled closely on the family obligations for the Housing Choice Voucher Program. See 24 C.F.R. § 982.551.

<sup>121</sup> See Section III.A, *supra*.

<sup>122</sup> See D.C.M.R. 14-5300 *et seq.* Although the choice of organizations to implement the Rapid Re-Housing subsidy program is beyond the scope of this article, it is also worth noting that many argue that the Housing Authority could strengthen the program's subsidy through implementation with its already vast experience in implementing the Housing Choice Voucher Program and/or adoption of guidelines and practices similar to those in the Housing Choice Voucher Program in D.C. See Washington Legal Clinic for the Homeless, *DC Needs a Housing Reality Check*, September 27, 2013, <http://www.legalclinic.org/dc-needs-a-housing-reality-check/> (last accessed January 26, 2016).

<sup>123</sup> Program regulations prescribe a range of other services included within FRSP, including casework, connections with other community resources, housing search assistance, and job placement and workforce development. See *supra* note 52, at § 7805.2.

### E. Other Barriers to Renting

To be successful, the Rapid Re-Housing program must address non-financial barriers to renting as well as financial barriers, especially when providing the subsidy to those who are homeless at the point of entry into the program. This may include referring individuals for sealing of criminal records that present barriers to renting and/or credit counseling or financial coaching/counseling services.

### V. LINKING RAPID RE-HOUSING TO LONG-TERM SOLUTIONS FOR THE RENT-INCOME MISMATCH IN THE DISTRICT COULD EXPAND THE GROUP OF BENEFICIARIES LIKELY TO SUCCEED THROUGH RAPID RE-HOUSING ASSISTANCE

To make D.C.'s Rapid Re-Housing a true Housing First solution for most of its intended beneficiaries, the government would need to (1) pair it with affordable housing tied to minimum wage (or other markers more relevant to very low-income families than Area Median Income), or (2) use it as a bridge until a long-term subsidy becomes available. Whatever the solution, housing costs should not exceed 30 percent of the individual's income.

Below we briefly raise a few options. These are discussion points and do not purport to provide an exclusive or complete solution to homelessness.

#### A. Creating and Preserving Affordable Housing for Very Low-Income Households

As explored in detail in Section III above, the main issue precluding meaningful success of Rapid Re-Housing in cities like D.C. is the disparity between market rent and wages for low-income (and extremely-low-income) individuals. For very low-income families to obtain sustainable housing, the city must address the rent-wage mismatch and the lack of housing to the extremely low-income households.

One way to address the rent-wage mismatch is to increase *genuinely* affordable housing.<sup>124</sup> While D.C. currently provides some affordable housing, it is not nearly enough to meet the demand.<sup>125</sup> As it turns out, even this affordable housing is not sustainable for many families and individuals, as the prices are tied to a percentage of Area Median Income ("AMI"), not to minimum wage. The AMI for the metropolitan D.C. area is \$109,200 for family of four as of 2015. Only a small fraction of D.C.'s affordable housing is available to individuals at below 30 percent of AMI, or roughly \$32,000 a year. Much of the affordable housing is set aside for those at 50 or 60 percent of AMI.<sup>126</sup> Regardless, an assumed income of \$32,000 is still \$11,000 dollars a year more than an individual can earn working full time at minimum wage.<sup>127</sup>

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<sup>124</sup> See *supra* Section III (discussing the District's minimum wage and the number of hours adult household members would need to work to afford even the least expensive, market-rate housing in the District), and Appendix I, illustrating average rent levels in a recent search in the District's least-expensive neighborhoods.

<sup>125</sup> See The District of Columbia Mandatory Inclusionary Zoning Maximum Household Income Limits, 2015, [http://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Inclusionary\\_percent20Zoning\\_percent20Income\\_percent20Limits\\_percent20- percent202015.pdf](http://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Inclusionary_percent20Zoning_percent20Income_percent20Limits_percent20- percent202015.pdf) (last accessed Jan. 27, 2016).

<sup>126</sup> *Id.*

<sup>127</sup> See *supra* Section III.B.2.

In other words, to earn 30 percent of AMI working full-time in the District, a worker needs to earn approximately \$15 per hour.

For those earning minimum wage then, sustainable, affordable housing would need to be available at rents that are roughly 30 percent of an individual's monthly (or annual) salary at minimum wage working 40 hours a week.<sup>128</sup> The city could encourage such units by modifying the tax credits that it currently offers to increase the focus of housing that is affordable for those earning 20 percent of AMI rather than targeting higher-income earning households that are still well below AMI.<sup>129</sup>

A number of organizations and governments are working on creative solutions to building affordable units, and provide some interesting, cooperative solutions to lower unit costs, foster community, and reduce food and other related costs.<sup>130</sup> One example is Community First! Village outside of Austin, which is a 27-acre master-planned community that will provide affordable, sustainable housing and a supportive community for individuals who are chronically homeless and have disabilities in Central Texas. The team is building tiny homes with the support of volunteers, and includes amenities like a community garden, a workshop, and onsite medical care. This could also be paired with creative efforts to preserve and rehabilitate the country's deteriorating subsidized housing stock.<sup>131</sup>

It is also worth considering lower-cost options tailored to certain subsets of the homeless population. For example, providing automatic subsidized (or free) housing to youth exiting the foster system would likely significantly decrease the homeless population.<sup>132</sup> In addition to providing a potentially prophylactic solution, it makes sense to provide a safety net to young people without family supports, to give them time to find work, get an education, learn to manage their finances, and just generally, to find their footing. One option that might be particularly well-suited to young people would be to provide dorm-style housing with common facilities. In some instances, this housing could be tied to educational or vocational training (GED, community college, trades)—whether by partnering with schools, or providing on-site classes and training.

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<sup>128</sup> See *supra* Section III.A.

<sup>129</sup> See Wes Rivers, D.C. Fiscal Policy Institute, *Going, Going, Gone: D.C.'s Vanishing Affordable Housing*, D.C. FISCAL POLICY INSTITUTE, Mar. 12, 2015, <http://www.dcfpi.org/wp-content/uploads/2015/03/Going-Going-Gone-Rent-Burden-Final-3-6-15format-v2-3-10-15.pdf> (last accessed Jan. 30, 2016). Cf. Tax Credit Allocation, DEPT. OF HOUSING AND COMMUNITY DEVELOPMENT, <http://dhcd.dc.gov/service/tax-credit-allocation> (federal tax credits available for those building housing affordable to those at 60 percent of AMI) (last accessed Apr. 24, 2016); Inclusionary Zoning Affordable Housing Program, OFFICE OF TAX AND REVENUE, <http://otr.cfo.dc.gov/service/inclusionary-zoning-affordable-housing-program> (D.C.'s local inclusionary zoning program supports housing deemed affordable at 50 percent or 80 percent of AMI) (last accessed Apr. 24, 2016).

<sup>130</sup> See, e.g., *Community First! Village*, MOBILE LOAVES & FISHES, <http://mlf.org/community-first/>; *Ten Solutions to the Housing Crisis—In Pictures*, THE GUARDIAN, July 6, 2013, <http://www.theguardian.com/artanddesign/gallery/2013/jul/06/architecture-housing-crisis-solutions>; *Creative Solutions to the San Francisco Housing Crisis*, SAN FRANCISCO PUBLIC PRESS, 2014, <https://storify.com/sfpublicpress/creative-solutions-to-the-san-francisco-housing-cr>.

<sup>131</sup> See *Preserving Affordable Rental Housing: A Snapshot of Growing Need, Current Threats, and Innovative Solutions*, HUD USER, Summer 2013, <https://www.huduser.gov/portal/periodicals/em/summer13/highlight1.html> (last accessed January 25, 2016).

<sup>132</sup> See Section II.A, *supra* (showing that roughly 25 percent of the homeless population, in particular adults in families, were previously in the foster system).

Policies and tax credits designed to encourage development of housing affordable to those earning minimum-wage or less (20 percent or less of AMI based on current figures) could increase affordable housing for a number of very low-income families and individuals. It is not a viable solution, however, for individuals or families relying on SSI or temporary cash assistance nor for those receiving SSDI in an amount under \$30,000 annually. These individuals need another solution, and Rapid Re-Housing would work for them only as a bridge to a more fulsome, long-term subsidy.

*B. Rapid Re-Housing as a Bridge Subsidy to Long-Term Subsidized Housing*

Another, potentially complimentary, option is to make Rapid Re-Housing a bridge subsidy to long-term subsidized housing, either through the federally subsidized housing programs (including the Housing Choice Voucher Program, public housing, site-based Section 8) or locally-funded long-term rental subsidies, such as the Local Rent Subsidy Program (LRSP).<sup>133</sup> This would require a dramatic increase in the availability of all types of long-term subsidized housing, and it would require significant reinvestment in those housing programs, including vouchers, public housing, and site-based Section 8 housing.

We acknowledge that using Rapid Re-Housing as a bridge to long-term subsidized housing may incentivize some individuals to not work towards rent independence. Studies show, however, that the frequency and impact of these perverse incentives is often exaggerated.<sup>134</sup> Indeed, a comprehensive review found that any negative impact on earnings from Housing Choice Vouchers disappeared to essentially zero after five years.<sup>135</sup> In addition, voucher-holders' employment hours showed virtually no decline initially, and an increase in hours in the long run.<sup>136</sup> There was also a significant increase in employment and earnings in some populations as a result of permanent housing subsidies.<sup>137</sup> Moreover, Rapid Re-Housing's current focus on purportedly avoiding entitlements creates a number of problems in the other direction.<sup>138</sup> The current regulations allow for termination at 18 months simply because time is up.<sup>139</sup> The resulting uncertainty is detrimental to the family, which is left wondering if they can continue to afford their apartment,<sup>140</sup> and will likely have to leave (voluntarily or involuntarily) once they are back

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<sup>133</sup> See Rivers, *supra* note 123.

<sup>134</sup> See, e.g., D. Carlson et. al., *Long-Term Effects of Public Low-Income Housing Vouchers on Labor Market Outcomes* (Institute for Research on Poverty Discussion, Paper No. 1363-09, Apr. 2009), <http://www.irp.wisc.edu/publications/dps/pdfs/dp136309.pdf>.

<sup>135</sup> *Id.* at 18.

<sup>136</sup> *Id.* at 19-20 ("From the year of voucher receipt to five years post receipt, the average-quarters-worked difference for the entire sample of caseheads goes from a statistically insignificant -.012 in the year of voucher receipt to a marginally significant ( $z = 1.84$ ) +.040 five years after voucher receipt.").

<sup>137</sup> *Id.* at 18. ("[T]raditionally disadvantaged populations—such as minorities or those with limited education—may exhibit positive labor market outcomes as they may be most likely to use a voucher to move to neighborhoods with superior employment or earnings opportunities.").

<sup>138</sup> See Section III, *supra*.

<sup>139</sup> *Id.*

<sup>140</sup> Although in D.C. an individual does not have to re-sign the lease (leases automatically convert to month-to-month tenancies upon expiration of the lease) and cannot be evicted for an expired lease, in other jurisdictions the

to paying market rent. As the Family Options Study discussed above suggests,<sup>141</sup> this affects the well-being of both the adults and the children.

We also recognize that even if long-term subsidized housing were more widely available, there would be individuals for whom basic rental subsidies would not be an adequate solution. Such individuals include people who need supportive services in order to stay housed, often including individuals with significant disabilities, mental illnesses, and long histories of homelessness.<sup>142</sup> Careful attention would also have to be paid to ensure that individuals often excluded from federally-subsidized housing programs, such as individuals with certain types of criminal records or owing debts to a housing authority, have access to affordable housing options.<sup>143</sup>

Of course, making long-term subsidies more widely available will require significant financial expenditures. That said, the per-family, per-month marginal cost of a long-term subsidy compared to Rapid Re-Housing is only \$300—and the return on that investment is likely to be significant.<sup>144</sup> Perhaps the real issue is that a long-term subsidy is exactly what it sounds like: a long-term subsidy that entitles the recipient to a property interest in continued receipt of that subsidy for as long as they remain eligible.<sup>145</sup> Short-term subsidies, such as Rapid Re-Housing, can easily be cancelled when the political will to continue funding disappears. While this may be politically appealing, evidence suggests that these short-term subsidies are less effective and often leave families worse off than they are now. At a certain point, cities with tight rental markets like the District need to be willing to make the necessary investment if they want to claim that a long-term solution to homelessness is available to their residents.

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effects of this uncertainty would be further exacerbated by the need to renew a lease after one year or face eviction.

<sup>141</sup> Section IV.A, *supra*.

<sup>142</sup> *Permanent Supportive Housing*, U.S. INTERAGENCY COUNCIL ON HOMELESSNESS, <https://www.usich.gov/solutions/housing/permanent-supportive-housing> (last accessed Jan. 25, 2016).

<sup>143</sup> These housing limitations are beyond the scope of this article, but we note that they are very problematic. See, e.g., Nadia Pflaum, *An Old Misdemeanor Kept Maurice Alexander From Accessing Housing*, WASHINGTON CITY PAPER, Nov. 13, 2015, <http://www.washingtoncitypaper.com/blogs/housingcomplex/2015/11/13/an-old-misdemeanor-kept-maurice-alexander-from-accessing-housing/> (last accessed Jan. 25, 2016).

<sup>144</sup> Family Options Study, *supra* note 1, at 138. For Fiscal Year 2015, D.C.'s Rapid Re-Housing budget was \$26 million, compared to \$13 million for the D.C. General Family Shelter and \$11.9 million for permanent supportive housing. See Jacob Fenston, *Does D.C.'s Rapid Re-Housing Program Live Up to Its Promise?*, WAMU AMERICAN UNIVERSITY RADIO, Feb. 20, 2015, [http://wamu.org/programs/metro\\_connection/15/02/20/does\\_rapid\\_re\\_housing\\_program\\_live\\_up\\_to\\_its\\_promise](http://wamu.org/programs/metro_connection/15/02/20/does_rapid_re_housing_program_live_up_to_its_promise) (last accessed Jan. 26, 2016).

<sup>145</sup> See *Goldberg v. Kelly*, 397 U.S. 254 (1970).

## APPENDIX I

## Fair Market Rents in Ten Most Affordable Neighborhoods in D.C. (January 2016)\*

Neighborhood	Efficiency per month (w/utilities)	One-bedroom per month (w/utilities)	Two-bedroom per month (w/utilities)
Anacostia	\$1,063	\$1,250	\$1,438
Barry Farm	\$1,063	\$1,250	\$1,438
Brightwood	\$1,163	\$1,277	\$1,747
Chillum	\$1,112	\$1,141	\$1,775
Congress Heights	\$971	\$1,115	\$1,357
Deanwood	\$907	\$1,067	\$1,524
Fort Dupont Park	\$954	\$1,122	\$1,340
Hillcrest	\$1,054	\$1,240	\$1,534
Marshall Heights	\$858	\$983	\$1,283
Randle Heights	\$920	\$1,056	\$1,300
<b>Average Price</b>	<b>\$1006.5</b>	<b>\$1150.1</b>	<b>\$1473.6</b>

\* Data comes from the District of Columbia Housing Authority (DCHA) and was accurate through March 2, 2016. This is the amount DCHA is willing to pay for a unit in each neighborhood. The DCHA Fair Market Rent figures were adjusted effective March 2, 2016 to better conform with market realities. *See* DISTRICT OF COLUMBIA HOUSING AUTHORITY, HCVP RENTS, [http://www.dchousing.org/rent\\_hcvp.aspx](http://www.dchousing.org/rent_hcvp.aspx) (last accessed May 21, 2016). The HCVP-approved rents for all neighborhoods included in this study increased effective March 2, 2016, meaning that the rent mismatch is even more dramatic than the figures relied upon in this Article indicate. In addition, the ten most affordable neighborhoods in the District changed based on the March 2016 FMR standards. Trinidad and Brentwood were added to the list of least expensive neighborhoods as measured by FMR while Chillum and Brightwood were removed.