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Testimony Before the District of Columbia Council
Committee on Housing & Neighborhood Revitalization
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FY2020 Budget Oversight Hearing:
DC's Department of Housing and Community Development

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Thank you, Chairperson Bonds and members of the Committee for this opportunity to testify regarding Mayor Bowser's proposed Fiscal Year 2020 budget for DC's Department of Housing and Community Development (DHCD). My name is Anne Cunningham. I am a Senior Policy Attorney with Children's Law Center¹ and a District resident. Children's Law Center fights so every DC child can grow up with a loving family, good health and a quality education. With nearly 100 staff and hundreds of pro bono lawyers, Children's Law Center reaches 1 out of every 9 children in DC's poorest neighborhoods – more than 5,000 children and families each year.

Introduction

My testimony today will focus on resources and opportunities within DHCD for abatement of dangerous and illegal living conditions in DC housing, particularly rental housing. Although I will be speaking mainly to the public health and broader financial benefits of investing in code-compliant, healthy and safe housing, I would be remiss if I did not echo our colleagues' concern that our government is not investing enough in housing that is affordable for low-income families. As you know, physical maintenance of our extant affordable housing units is a critical component of any region's affordable housing strategy.

Children's Law Center has always known that providing children and families with healthy and safe housing is not only legally required but ethically the right thing

to do. Nobody should live in a home where mice bite their infant as she is trying to sleep or that causes their son to develop lifelong asthma because of exposure to mold or permanent cognitive impairment because of exposure to lead. Nor should families live in housing that leads to a child repeatedly missing school or a parent being unable to maintain their job and source of income. In recent years, we have also learned that eliminating unhealthy housing conditions can create great financial value for DC.

We hope this Committee will restore any reductions to DHCD's budget for remediating housing conditions.

Remediating Illegal Housing Conditions Saves the District Money

A key component of Children's Law Center's practice is representing tenant families who live in conditions that are illegal and harming the health of the children living in the home.² Some conditions we regularly see include sewage leaking into a family's living room, floor-to-ceiling mold, building-wide mouse and roach infestations, and severely deteriorating walls as a result of unaddressed leaks. We bring claims against recalcitrant landlords who have failed to remediate these sorts of violations despite repeated requests by their tenants, our clients. Because of our representation, these landlords abate conditions that may have been causing our clients and their children to experience asthma, acute respiratory crises, lead exposure, and other medical ailments.

A few weeks ago you heard my colleague, Kathy Zeisel, testify at the Budget Oversight Hearing for the Office of Victim Services and Justice Grants about the incredible impact our work is having.³ She shared that not only does CLC's housing conditions work result in rapid, visible improvement to a family's day-to-day living conditions, but it also demonstrably improves the health of the children living in the home. A deep, years-long data dive by our in-house evaluation team has shown that for our housing cases where children have asthma, our legal advocacy has resulted in an average per-child Medicaid utilization savings of \$10,000 every 18 months. For the top 10% of those cases, the average Medicaid savings was over \$40,000. In other words, not only does our work keep a child out of the hospital, get them back to school, and enable their parent to maintain their job, but we also save money for DC's Medicaid system.

Upon learning this information, Councilmember Bonds, you requested a meeting with us to learn more about our return on investment data analysis around our housing conditions work. We were delighted by your interest and look forward to scheduling that meeting.

DHCD's Budget should Replace the HUD Lead Grant it Lost with Local Funds

CLC's data analysis focuses on the impact of improved housing conditions on asthma-related Medicaid utilization. However, there is already a great body of research that shows the tragic and costly consequences of childhood lead exposure, including

long-term cognitive impacts which result in adults needing permanent financial, in-home, medical, and employment supports that are financed by DC. At DHCD's performance oversight hearing, I lamented the fact that DHCD had squandered a \$3.75 million federal grant⁴ for lead remediation from 2014-2018, costing DC its eligibility for an additional \$4.1 million beginning in 2018.⁵ In other words, our government threw away nearly \$8 million for protecting children from lead exposure in their rented homes. Had DHCD competently spent this money, not only would it have prevented exposure, but it also would have substantially improved living conditions more generally and aided in the preservation of our affordable housing stock by repairing walls in deteriorating homes. Furthermore, because the grant was designed to incentivize landlords to rent to low-income tenants by offering up to \$17,500 in free renovations if they rented to qualifying tenant families, it could have expanded the availability of affordable housing. Our city cannot afford to squander essentially free opportunities to maintain our affordable housing stock and incentivize affordable housing options for low-income renters.

We were very disappointed that Mayor Bowser's budget did not allocate any local funds to replace the grant her agency lost. Our city has around 104,000 rental units constructed before lead paint was banned in 1978.⁶ The most recently available data show several hundred DC children annually are newly found to have BLLs above five micrograms per deciliter.⁷ There is no shortage of homes requiring immediate attention

and remediation here. We implore this Committee to do what our Mayor failed to do: establish a locally funded grant within DHCD's budget for remediating lead hazards in rental housing occupied by low-income tenants. If Director Donaldson's agency struggled to comply with HUD's grant terms, this is an opportunity to appropriate money with fewer strings attached and allow DHCD to demonstrate its capacity to implement the HUD grant when DC regains eligibility.

This Committee Should Account for Local and Federal Funds Spent in Connection with HUD's Lead-Based Paint Hazard Reduction Grant

During her Oversight testimony, Director Donaldson testified that DHCD spent \$3.35 million of the FY2012 grant.⁸ According to the Director, her agency spent this \$3.35 million after she became Director in 2015. I hope this Committee will request and publish a detailed accounting of how this money was spent, including the number and neighborhoods of homes remediated, the duration of each project, the Community Based Organization that approved each remediation, and whether each remediation was ultimately reimbursed by HUD. This data will enable this Committee to do better oversight related to this grant in the future.

This Committee Should Ensure No Further Reduction in Remediation Spending at DHCD

DHCD officials' ongoing justification for the loss of the lead grant has been that they have other local programs to fill the void left behind by Lead Safe Washington's

failure. Specifically, they cite their Single Family Residential Rehabilitation Program (SFRRP). While the SFRPP is an important grant/loan program, it is only available to DC *homeowners* who occupy their homes to remediate serious health-harming housing issues.⁹ It is not specific to lead remediation and is not available to renters.

However, it also appears the Mayor has cut the SFRRP budget by more than two thirds—reducing it from \$3.44 million in FY19 to \$1.06 million for FY20. I was unable to discern the reason for this reduction and the practical implications this loss would have, given the proposed net increase to the Residential and Community Service Division’s operating budget. I hope this Committee will clarify this reduction and go a step further by ensuring that DHCD has not decreased any of its direct funding for remediating deteriorating housing in any area of its budget.

Conclusion

In conclusion, we hope that this Committee will consider the important role that DHCD should play in ensuring that children remain in safe and healthy housing in DC. DHCD is the only DC agency tasked with funding remediation for homeowners and landlords through grants and loans outside an enforcement process, and these funds are important to ensuring DC’s low-income residents live in safe and healthy housing. Thank you for this opportunity to testify.

¹ Children’s Law Center fights so every child in DC can grow up with a loving family, good health, and a quality education. Judges, pediatricians, and families turn to us to be the voice for children who are abused or neglected, who aren’t learning in school, or who have health problems that can’t be solved by medicine alone. With 100 staff and hundreds of pro bono lawyers, we reach 1 out of every 9 children in DC’s poorest neighborhoods—more than 5,000 children and families each year. And, we multiply this impact by advocating for city-wide solutions that benefit all children.

² These cases are referred to us by our medical partners at Children’s National Health System, Mary’s Center, and Unity Health. Our attorneys are embedded in these pediatric primary care settings throughout the city.

³ Kathy’s testimony is available at <https://www.childrenslawcenter.org/sites/default/files/attachments/testimonies/Zeisel%20Testimony%202019%20Budget%20Judiciary%20and%20Public%20Safety%20Justice%20Grants%20final.pdf>.

⁴ HUD’s Lead-Based Paint Hazard Reduction grant is given to select jurisdictions throughout the US to address lead-based paint hazards in rental housing occupied by low-income tenants. Property owners who rent to low-income tenant families with young children can receive up to \$17,500 toward the cost of remediating lead-based paint hazards in their property. FR-6200-N-12TC, Lead-Based Paint Hazard Reduction Program, Department of Housing and Urban Development. Opportunity Synopsis *available at* <https://www.grants.gov/web/grants/view-opportunity.html?oppId=308148>.

⁵ Anne Cunningham, 2019 Performance Oversight Hearing Testimony: DC’s DHCD, Feb. 26, 2019. *Available at* <https://www.childrenslawcenter.org/testimony/oversight-testimony-dhcd>.

⁶ Morgan Baskin, “D.C. Chronically Failed to Spend Federal Funds to Remediate Lead Paint Hazards, HUD Says,” Feb. 21, 2019. *Available at* <https://www.washingtoncitypaper.com/news/housing-complex/article/21048191/dc-chronically-failed-to-spend-federal-funds-to-remediate-lead-paint>.

⁷ Government of the District of Columbia Department of Energy and Environment Lead and Healthy Housing Division, “District Implements CDC-funded lead screening initiative,” Sept. 2015. *Available at* https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/Lead%20Newsletter.pdf.

⁸ DHCD’s 2019 Agency Oversight Testimony – Questions Portion, beginning at 1:21:00, *available at* http://dc.granicus.com/MediaPlayer.php?view_id=43&clip_id=4910.

⁹ DHCD’s Lead Safe Washington (the program that implemented HUD’s Lead-Based Paint Hazard Reduction grant) was the only DC grant program for remediating lead hazards in *rental* homes occupied by tenants.