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### Testimony Before the District of Columbia Council Committee on Human Services October 30, 2025

Public Hearing: Flexible Rent Subsidy Program Amendment Act of 2025 (B26-0366)

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#### Introduction

Good morning, Chairperson Frumin and members of the Committee. My name is Makenna Osborn. I am a Senior Policy Attorney at Children's Law Center and a resident of the District. Children's Law Center believes every child should grow up with a strong foundation of family, health and education and live in a world free from poverty, trauma, racism and other forms of oppression. Our more than 100 staff – together with DC children and families, community partners and pro bono attorneys – use the law to solve children's urgent problems today and improve the systems that will affect their lives tomorrow. Since our founding in 1996, we have reached more than 50,000 children and families directly and multiplied our impact by advocating for city-wide solutions that benefit hundreds of thousands more.

Thank you for the opportunity to testify today regarding the Flexible Rent Subsidy

Program Amendment Act of 2025 (Act). Housing security —having a safe, healthy, and
stable place to call home— has a profound impact on a child's health, development, and
ability to learn.¹ Each year Children's Law Center works with hundreds of DC families
who utilize homelessness prevention programs implemented by the Department of
Human Services (DHS) while they seek to access and maintain housing security for their
children.² In our experience, families experience housing instability under differing
circumstances and degrees of vulnerability. We believe ensuring DHS has a spectrum of
homelessness prevention tools offering differentiated levels and forms of support

responsive to families' varying needs is essential for the long-term success of families and the efficient use of District resources.

One of the newest programs in DHS's spectrum of homelessness prevention tools is the District's Flexible Rent Subsidy Program (DC Flex). DC Flex provides enrolled families with a "flexible shallow subsidy" for up to five years. Families receive a set amount of DC Flex funds at the start of each year in the program and choose how much of their funds to spend on rent each month (up to their total rent amount) until their yearly allotment is exhausted. DC Flex was created to offer an alternative "duration and depth of assistance" from the District's permanent rental subsidies, like Permanent Supportive Housing (PSH), and time-limited but still resource-intensive programs, like the Family Re-Housing Stabilization Program (FRSP, more commonly known as Rapid Re-Housing).<sup>3</sup> Based on the experiences of our clients, Children's Law Center appreciates that DC Flex offers families steady rental assistance for multiple years —giving families more reliability than hoping to receive limited Emergency Rental Assistance Program (ERAP) funds and more time to meaningfully grow their income before taking on market rent than Rapid Re-Housing.

Therefore, Children's Law Center supports the Act's goal of making DC Flex, currently a pilot program for which authorization expires on September 30, 2026, a permanent program within the DHS's Continuum of Care for families experiencing or at risk of homelessness.<sup>4</sup> Additionally, as the District funded 460 new DC Flex slots for

families in Fiscal Year 2026, it is important for the Council to act in order to maintain continuity of rental assistance for newly enrolled participants beyond September 2026.<sup>5</sup>

Children's Law Center, however, also wants to ensure that the permanent version of DC Flex can succeed in its goal to "support households that are [experiencing or] at risk of experiencing homelessness to achieve stability in permanent housing" with a subsidy that is "less expensive" for the District than existing programs. We are concerned that the Act, as drafted, will not achieve that. To that end, my testimony will detail the following recommendations to strengthen the Act and the permanent DC Flex program:

- Revise the Act after the Committee and stakeholders have had a chance to review and incorporate the results of the forthcoming evaluation of the full DC Flex pilot;
- 2) Tailor the amount of rental assistance participant families can receive each year to the actual and changing needs of eligible families; and
- 3) Add provisions to the Act requiring data collection and reporting so DHS and the Council can continue to meaningfully evaluate the DC Flex program moving forward.

With these steps, Children's Law Center believes the Committee will be able to structure DC Flex in a way that invests District resources effectively by ensuring families enrolled in DC Flex can successfully maintain housing stability for up to five years while developing the capacity to independently afford market rent.

# The Legislation Establishing a Permanent Version of DC Flex Should Be Informed by a Comprehensive Evaluation of the Full Pilot

While Children's Law Center appreciates the Council's urgency to pass legislation to make DC Flex permanent before the pilot program expires at the end of September 2026, we are deeply concerned that the proposed Act would set parameters for what the permanent DC Flex program should look like before the Committee has received or reviewed a comprehensive evaluation of the full pilot. A pilot program is a helpful tool for testing a new policy and is intended to give decisionmakers and stakeholders meaningful insights to inform whether to expand a program and how to modify it to maximize efficiency. To Children's Law Center's knowledge, the only formal evaluation of the DC Flex pilot available at the time this Act was drafted was limited to the first year of the pilot, October 2018 – September 2019.<sup>7</sup> An evaluation of one year of what is designed to be a five-year program is simply not sufficient to inform the thoughtful, evidence-based policy making the Council strives for.

The initial DC Flex pilot was proposed after a collaboration by DHS, the Interagency Council on Homelessness (ICH), the Department of Housing and Community Development (DHCD), and The Lab @ DC, an applied research and design team embedded in the District government.<sup>8</sup> The Lab @ DC designed the program in a way that would allow them to test "if a more flexible shallow subsidy [can] improve[] [household] housing stability and allow[] the District to serve more families" and partnered with Urban Institute to "rigorously assess[] the effects of the program on

homelessness and housing stability in its pilot period." In 2020, researchers from Urban Institute and The Lab @ DC published a formal evaluation of the first year of the DC Flex pilot. While that evaluation led to some helpful preliminary observations about the promise of DC Flex, the authors specifically acknowledged that the policy guidance that could be drawn from their assessment was limited, going as far as to state that "[one] year's worth of data on a limited number of outcomes [] is not enough to determine whether the program was effective." 10

The evaluators of the first year of the DC Flex pilot emphasized that to fully "assess[] the cost-effectiveness of [DC Flex]," they would need to "examine additional housing stability and economic indicators, including evictions, applications to other rental assistance programs, and employment outcomes, [and t]he comparative costs of achieving the outcomes associated with DC Flex relative to the outcomes for other housing assistance programs."11 It is Children's Law Center's understanding that The Lab @ DC has been conducting such an evaluation and intends to publish its findings in early 2026.12 We strongly encourage the Committee to review that report before making amendments to the Act and moving it through to the full Council. If The Lab @ DC publishes its report in January 2026 and the Committee prioritizes markup of the Act soon after the report's release, there should be time to pass and enact the legislation before there could be any disruption in rental assistance for families in DC Flex. Even if The Lab @ DC cannot commit to issuing its official report early enough for the Committee's needs,

the Committee should at least request updated data from The Lab @ DC and/or DHS on participant outcomes during and after the full pilot. Children's Law Center would be very happy to help the Committee put together a list of metrics it would be helpful to review before establishing a permanent version of DC Flex.

To Successfully Connect Enrolled Families with Long-Term Housing Stability in a Cost-Effective Manner, Annual DC Flex Rental Assistance Amounts Should be Tailored and Responsive to the Needs of Eligible Families

As currently operated, all families in DC Flex receive a flat amount of \$8,400/year (an average of \$700/month) to put toward their rent for up to five years; the level of assistance does not change based on household income, family size, or rent cost.<sup>13</sup> Based on our work with families in the District's homelessness prevention programs and assessment of the limited data that is publicly available on the DC Flex pilot, Children's Law Center believes \$8,400/year is not sufficient for many families enrolled in DC Flex to maintain housing stability for their five years in the program, let alone set them up for a long-term housing stability at the end of their time in DC Flex. We appreciate that the Act would increase the amount of DC Flex funds participant families receive to a *minimum* of \$9,600/year for families that enter before October 2027 and \$11,300/year for families that enter after October 2027.14 However, even with those increased minimum amounts, given that the Act retains a one-size-fits-all approach to DC Flex funds —mandating that "[a]ll families awarded a subsidy in the same fiscal year shall receive the same subsidy amount" – and eligibility requirements that, in reality, target families with starting

incomes of \$9,372-\$15,792/year, <sup>15</sup> Children's Law Center believes there is still a significant risk that DC Flex will become another version of the long-failing Rapid Re-Housing program. We are deeply concerned about the prospect of DC Flex operating in the same way as Rapid Re-Housing, merely pausing housing instability and eventually churning many families back to homelessness, which is harmful to families and not an effective use of the District's resources. <sup>16</sup> We urge the Committee to use data and lessons learned from the full DC Flex pilot to set the parameters for DC Flex eligibility and annual rental assistance amounts in a way that carefully balances the District's interest in keeping DC Flex costs per family lower than other programs with the goal of ensuring families enrolled in DC Flex are set up to attain and maintain housing stability for their five years in the program and beyond.

The Current Level of DC Flex Funds is Too Low to Support Long-Term Housing Stability for Most Families Who are Eligible for the Program

If the amount of DC Flex funds a participant family receives in a year is too far below the difference between market rent and what a family can contribute to rent with their income, DC Flex alone will not effectively support housing stability for that family. This was the case for a number of families during the first year of the DC Flex pilot. The Lab @ DC and Urban Institute's report on the first year found that one-third of participating families had exhausted their assistance for the entire year (then \$7,200/year) by just eight months and many of these families reported not having the means to pay their rent for the remaining four months, placing them at risk of eviction. 17 Pilot program

administrators were so concerned that there could be "widespread program terminations, evictions, and returns to homelessness" due to the DC Flex subsidy amount not being enough to keep some participant families housed each year, that they changed the program rules to allow participants to apply for additional assistance each year through ERAP. While 80% of participant families who expected to use all of their annual DC Flex allotment before the end of the first year reported that they "had a plan for paying rent" the remainder of the year, the pilot evaluators noted that some of these households indicated that their "plan" involved shifting resources from other household expenses to rent. If a family pays their rent at the expense of having their electricity shut off, they are not really experiencing the housing stability DC Flex is intended to provide.

After the first year, DHS also increased the annual rental assistance amount for families to \$8,400/year but families have still been exhausting their DC Flex funds within an average of eight months and we do not have data on how many families in DC Flex have relied on ERAP to maintain housing and participation in the program. To mitigate these problems moving forward, the Committee should ensure the legislation establishing a permanent DC Flex program appropriately calibrates the amount of annual assistance participant families can receive with the economic realities of the eligible population.

First, on the eligible population, under the regulations currently governing the DC Flex pilot, to enroll in DC Flex families must:

- have applied for or received "emergency or temporary housing or rental assistance" administered by the District within the last four years; and
- have a total income less than or equal to 40% of the Area Median Income (AMI).<sup>20</sup> While the head of a family's household needs to be currently or recently (within 30 days) employed to recertify and stay in the program each year, there are no employment-related eligibility requirements to enroll in DC Flex.<sup>21</sup> Under these eligibility requirements the *maximum* income a family entering DC Flex can have is \$59,004 for a family of three (the average household size for families in DC Flex) but the average income for families that meet the first eligibility criterion, recent application or use of District housing assistance, is far below that maximum.<sup>22</sup>

To more accurately understand the economic realities and needs of families who are likely to be enrolled in DC Flex, we need to look at the income levels of families that meet that first criterion. It is most beneficial to look specifically at the incomes of families in Rapid Re-Housing and Short-Term Family Housing as DHS reported to the Committee that it predominantly plans to use DC Flex as an "exit pathway" from those two programs.<sup>23</sup> According to the most recent data shared by DHS, the average monthly income for families in Short-Term Family Housing and Rapid Re-Housing is approximately \$781/month (\$9,372/year) and \$1,316/month, (\$15,792/year) respectively.<sup>24</sup> Years of evidence from the Rapid Re-Housing program shows that it is unrealistic for most DC families in these circumstances to meaningfully grow their income over 12

months.<sup>25</sup> Therefore, we can reasonably assume that families enrolling in DC Flex under the current eligibility requirements and implementation plan will have monthly incomes around \$781 to \$1,316 during their first year in the program. Given that Fair Market Rent for a two-bedroom apartment in DC is currently \$2,314,<sup>26</sup> even if a family in these circumstances put 100% of their monthly income toward rent<sup>27</sup> during their first year in DC Flex, they would still need a minimum of \$11,976-\$18,396 in rental assistance that year to maintain housing stability, which is thousands of dollars more than the current annual DC Flex fund limit of \$8,400/year.<sup>28</sup>

The Narrower Eligibility Requirements and Increased Annual Assistance Levels Proposed by the Act Are Unlikely to Address the Problems Identified in the DC Flex Pilot

Children's Law Center appreciates that the Act attempts to address this issue from both ends by increasing the minimum level of annual DC Flex funds and adding an eligibility requirement that a family be found by DHS "to have sufficient income, or the potential to grow income, such that enrollment in [DC Flex] would end or prevent an episode of homelessness." However, based on the publicly available data from the first year of the DC Flex pilot and our years of experience working with DHS and families in Rapid Re-Housing, we believe these requirements are not sufficient to make DC Flex a cost-effective program for the District with successful outcomes for DC families moving forward.

First, the proposed increase to the minimum assistance amounts is not large enough to even cover the increased cost of living since the start of the DC Flex pilot and

therefore is unlikely to meaningfully alleviate the concerns raised by "participants and stakeholders [during the first year of the pilot] that the value of the subsidy . . . was too low for many households with extremely low incomes to afford rent in Washington, DC."30 Since the first year of the DC Flex program (October 2018 – September 2019), Fair Market Rent for a two-bedroom unit in DC has increased by approximately 39%.<sup>31</sup> Costs for other necessities like food, utilities, and childcare, have experienced similar spikes over the same period while wages have not. 32 As a result, many DC families are under far greater spending pressures now than they were in 2019. For example, in 2019, 62% of extremely low-income renter households in DC —the target population for participants in DC Flex—were spending over half of their monthly income on housing costs; by 2023 that number had increased to 80%.33 In this context, the increased assistance level proposed in the Act, which is only 33% higher than the original 2019 amount, will make little to no material difference and families currently enrolling in the program will continue to face the same struggles identified during the first year of the pilot. To have a positive impact on the experiences and outcomes of families in DC Flex, the Committee should at a minimum set the floor for annual rental assistance amounts more than 39% above the original \$7,200.

Second, Children's Law Center believes the new eligibility requirement is too vague to be a meaningful implementation of the recommendation identified by "[m]any participants and some program staff [during the first year of DC Flex] that . . . the

program should be targeted to households with slightly higher incomes."34 As noted above, the average income for the pool of families from which DHS plans to select most new DC Flex participants in Fiscal Year 2026 is just \$9,372 to \$15,792/year. Children's Law Center has not seen any assessment of how many families in this population could reasonably meet the Act's new eligibility requirement to have "sufficient income, or potential to grow income," such that they could afford market rent with just DC Flex. We are skeptical that DHS would be able to identify many families that truly meet the eligibility requirements both for experiencing or being at risk of homelessness and having sufficient income or potential to support stable housing at market rent with just DC Flex (at an amount as shallow as that proposed by the Act). There may be families in this population that have the potential to grow their income sufficiently over the span of five years to support market rent with a shallow subsidy but they are not entering the program at that level. The way DC Flex fund allotments are currently structured, it will be difficult even for a family with income growth potential to make it past the first year in the program because if they accrue rental arrears and do not receive any of the limited ERAP assistance available each year to pay them, they will be terminated from the program and cycled back to acute housing instability.

Further, these two proposed changes do nothing to address the other potential problems identified during the evaluation of the first year of the DC Flex pilot. For example, the first-year evaluation illustrated that employing a static, one-size-fits-all

assistance standard 1) significantly limits DC Flex's utility for larger families, even those with relatively stable housing and 2) may limit cost-effectiveness because the program does not adapt to families' different levels of need at different times in the program.

To Better Promote Stability for Families and Cost-Effectiveness for the District, the Committee Should Consider Restructuring the Program to Ensure Annual Allotments of DC Flex Funds are Responsive to the Needs of Participant Families

While Children's Law Center strongly believes any amendments to the Act and decisions about permanent changes to the design and operation of DC Flex should be informed by the evidence gathered over the full pilot period, we recommend that in the meantime the Committee consider alternative ways to set annual DC Flex fund amounts so they are more tailored and responsive to family needs. In particular, the Committee should consider whether requiring DHS to provide all families enrolled in DC Flex in a given year with a fixed amount of rental assistance —regardless of their income, rent, or amount of time in the program— undermines the Council's goals of a cost-effective program. For example, under the Act, a two-person family with an income of 50% AMI<sup>35</sup> during their third year in the program would receive the same amount of rental assistance in a given year as a four-person family with an income of 20% AMI who just exited family shelter. The first family may not need all of their allotted assistance, while the second family goes through their allotted amount in just 5 months, ends up being evicted when they cannot make up the difference to pay their rent in the following months, and is back in acute housing insecurity or homelessness before the end of the year. If DHS had the

flexibility to adjust the annual DC Flex assistance amount to each family based on their size, rent, and/or income, they could have ensured that each family received the level of assistance they needed to maintain housing stability that year, which is a more effective use of District funds in the long run<sup>36</sup>

To ameliorate the issues and inefficiencies posed by a flat, fixed assistance rate, Children's Law Center strongly encourages the Committee to 1) structure DC Flex annual assistance amounts around a fixed percentage that will account for differences in family circumstances rather than a flat amount and 2) allow flexibility for DHS to increase assistance beyond the fixed percentage when necessary to keep a family housed. For example, the annual assistance amount could be a percentage of a family's rent or a percentage of the area Fair Market Rent for the relevant unit size. This change would be consistent with similar programs in other jurisdictions.

In Philadelphia's Shallow Rent Program, participants receive the difference between their rent and 30% of gross household income, up to a monthly and yearly maximum.<sup>37</sup> This approach allows tailoring to a particular family's level of need with a cap that prevents the subsidy from becoming as deep and expensive as a permanent housing voucher. As detailed above, for DC Flex the cap would likely need to be higher than the \$9,600 minimum proposed by the Act to be an effective program for the families DC Flex is intended to help.<sup>38</sup>

In Los Angeles the amount of annual assistance provided to participants in the Shallow Subsidy Program is set between 35-45% of a household's monthly rent, depending on the household's income and fixed expenses.<sup>39</sup> The Los Angeles operates in a similar fashion to how DHS appears to envision using DC Flex moving forward, as an exit pathway from a deeper but shorter-term subsidy like Rapid Re-Housing and could be a good comparative program for DC to consider. Importantly, the Los Angeles Shallow Subsidy Program also includes flexibility for the program administrators to increase the amount of assistance to help a participant family pay arrears accrued during their time and the program and pay up to 100% of a participant's rent if that is necessary for a family to maintain housing. 40 Thus, Los Angeles is able to temporarily increase the level of support to help families absorb financial shocks and stay stably housed during their full time in the program so they are more likely to have a successful long-term outcome.

Children's Law Center welcomes the opportunity to work with the Committee to assess the variety of options available for setting the annual rental assistance amounts for families in DC Flex and identify an approach that will empower more families to access and maintain long-term housing stability, be administrable by DHS, and maintain DC Flex's goal of being a lower-cost alternative to existing permanent and/or deep subsidies.

# The Committee Should Add Data Collection and Reporting Requirements to the Act to Ensure that DHS and the Council Can Meaningfully Assess the Efficacy of DC Flex

Children's Law Center agrees with Chairperson Frumin's observation in the introduction to the Act that "there is more to learn about the long-term efficacy of DC Flex."41 In addition to the anticipated full DC Flex pilot analysis from The Lab @ DC, Children's Law Center believes DHS and the Council should continue to meaningfully assess DC Flex moving forward. The families that enrolled in the DC Flex pilot started receiving assistance in October 2018 and were eligible to continue receiving it for up to five years.<sup>42</sup> Due to the COVID-19 pandemic those were an extraordinarily atypical five years to assess a homelessness prevention program. For example, many families lost stable income but received economic stimulus checks from the federal government, the District implemented an eviction moratorium for over a year, and unprecedented numbers of DC families received emergency rental assistance thanks to an influx of federal funding.<sup>43</sup> Additionally, as detailed above, the cost of housing and other necessities has increased significantly for DC families since 2018. The economic circumstances of most families entering the DC Flex in Fiscal Year 2026 are different than those of the families that entered the pilot in Fiscal Year 2019 and their five-year trajectory in the program will vary greatly from that of the original pilot cohort. The unique conditions during the DC Flex pilot may mean that even when the Council receives the

final evaluation of the full pilot, some important evaluation questions will not be answered and not all lessons learned will be applicable to the program moving forward.

Therefore, Children's Law Center believes it is vital for the District government to continue assessing DC Flex and evaluate the efficacy of the program design outside of the pandemic-era. To ensure the necessary information is available to conduct this assessment, Children's Law Center urges the Committee to supplement the current Act with legislative requirements for data collection and reporting. Specifically, we recommend requiring DHS to supply the Council with the following information on a quarterly basis:

- Rental Burdens and Assistance Use
  - Average monthly rent cost for participant families;
  - Average amount of DC Flex assistance drawn down by participant families each month;
  - Average amount of annual DC Flex assistance remaining;
- Housing Stability Outcomes
  - Number and percentage of participant families that are behind on rent and the average amount owed;
  - Number and percentage of participant families that applied for ERAP;
  - Number and percentage of participant families that received ERAP, with amount;

- Number and percentage of participant families with an eviction action filed against them;
- o Number and percentage of exits from the program broken down by reason;
- Number and percentage of families that return to the Continuum of Care
   after exit from DC Flex and average time between exit and return.

Children's Law Center would be happy to discuss the suggested data reporting requirements with DHS and the Committee to ensure the most useful information is being collected without unduly burdening the agency.

#### Conclusion

Finally, Children's Law Center wants to highlight that some of the provisions of the Act contradict the current regulations governing DHS's implementation of DC Flex. Notably, the Act does not include current or recent employment as a requirement for annual recertification to remain in DC Flex and increases the maximum income level a participant family can have at recertification and remain in the program from 40% to 60% AMI.<sup>44</sup> To the extent that the Committee intends for these provisions to supersede the existing regulations, we recommend that the Committee amend Section 2 of the Act to include a specific date by which the Mayor shall issue rules conforming with the changes made in the Act.<sup>45</sup> This will ensure the expeditious implementation of the intended changes to the program and avoid confusion for providers and participants.

Thank you again for the opportunity to testify today. Children's Law Center supports the Council's commitment to establishing DC Flex as a permanent option within DHS's homelessness programs but is concerned that without 1) higher and more flexible rental assistance amounts tailored to meet the needs of eligible families and 2) reporting requirements to support thoughtful assessment of the program, families in DC Flex will face the same problems of those in the Family Re-Housing Stabilization Program (FRSP)—being set up for eviction and a cycle of housing instability. We welcome the opportunity to work with the Committee as it marks up the Act to effectively address these concerns and ensure DC Flex can operate as a viable and cost-effective homelessness prevention tool for DC families.

<sup>&</sup>lt;sup>1</sup> See Sonya Acosta, "Stable Housing is Foundational to Children's Well-Being," Center on Budget and Policy Priorities (Feb. 15 2022), available at: <a href="https://www.cbpp.org/blog/stable-housing-is-foundational-to-childrens-well-being">https://www.cbpp.org/blog/stable-housing-is-foundational-to-childrens-well-being</a>; Megan Sandel et al., "Housing as a Healthcare Investment," Children's Health Watch (Mar. 2016), available at: <a href="https://childrenshealthwatch.org/wp-content/uploads/Housing-as-a-Health-Care-Investment.pdf">https://childrenshealthwatch.org/wp-content/uploads/Housing-as-a-Health-Care-Investment.pdf</a>.

<sup>&</sup>lt;sup>2</sup> Through our innovative medical-legal partnership, Healthy Together, Children's Law Center partners with primary pediatric care clinic throughout the District to receive referrals from providers for families that need assistance with non-medical barriers to a child's health and well-being. *See* Children's Law Center, *available at*: <a href="https://childrenslawcenter.org/our-impact/health/">https://childrenslawcenter.org/our-impact/health/</a>. These families are often current or past participants in DHS housing programs or seeking assistance through a DHS program to access long-term housing stability.

<sup>&</sup>lt;sup>3</sup> Josh Leopold et al., *DC Flexible Rent Subsidy Program: Findings from the Program's First Year*, Urban Institute & The Lab @ DC (October 2020), p. vi, available at: <a href="https://www.huduser.gov/Portal/publications/DC-Flexible-Rent-2020.html">https://www.huduser.gov/Portal/publications/DC-Flexible-Rent-2020.html</a> [Hereinafter First Year Report].

<sup>&</sup>lt;sup>4</sup> B26-0366, *Flexible Rent Subsidy Program Amendment Act of* 2025, Introduction letter from Councilmember Matthew Frumin, *available at*: <a href="https://lims.dccouncil.gov/Legislation/B26-0366">https://lims.dccouncil.gov/Legislation/B26-0366</a>.

<sup>&</sup>lt;sup>5</sup> Department of Human Services Fiscal Year 2026 Budget Oversight Hearing, *Pre-Hearing Questions and Responses to Council* (June 2025), response to Q23, available at: <a href="https://lims.dccouncil.gov/">https://lims.dccouncil.gov/</a> Hearings/hearings/907.

<sup>&</sup>lt;sup>6</sup> B26-0366, Flexible Rent Subsidy Program Amendment Act of 2025, Sec. 2, lines 40-42; see also D.C. Mun. Regs. tit. 29, § 7900.1 (2024).

https://childrenslawcenter.org/resources/2024-25-performance-oversight-testimony-department-of-human-services/.

<sup>&</sup>lt;sup>7</sup> See First Year Report, supra note 3; Can a Shallow, Flexible Rent Subsidy Prevent Homelessness?, The Lab @ DC, <a href="https://thelabprojects.dc.gov/flexible-rent-subsidy">https://thelabprojects.dc.gov/flexible-rent-subsidy</a> (noting that a public report of The Lab's analyses past the first year of the program is expected in early 2026).

<sup>8</sup> Id.

<sup>&</sup>lt;sup>9</sup> First Year Report, *supra* note 3, at viii; *Can a Shallow, Flexible Rent Subsidy Prevent Homelessness?*, The Lab @ DC, <a href="https://thelabprojects.dc.gov/flexible-rent-subsidy">https://thelabprojects.dc.gov/flexible-rent-subsidy</a>

<sup>&</sup>lt;sup>10</sup> First Year Report, *supra* note 3, at xii.

<sup>&</sup>lt;sup>11</sup> *Id.* at 39.

<sup>&</sup>lt;sup>12</sup> Department of Human Services 2025 Performance Oversight Hearing, *Post-Hearing Follow Up Questions: FSA* (March 2025), response to Q9(d)-(3), available at: <a href="https://lims.dccouncil.gov/Hearings/hearings/707">https://lims.dccouncil.gov/Hearings/hearings/707</a>. In March of 2025 DHS reported to the Committee on Human Services that it was expecting the final research results from The Lab @ DC in September 2025 and a final report with those results and The Lab's evaluation in December 2025. *Can a Shallow, Flexible Rent Subsidy Prevent Homelessness?*, The Lab @ DC, <a href="https://thelabprojects.dc.gov/flexible-rent-subsidy">https://thelabprojects.dc.gov/flexible-rent-subsidy</a> (noting that a public report of The Lab's analyses past the first year of the program is expected in early 2026).

<sup>&</sup>lt;sup>13</sup> DC Flex One-Pager, Department of Human Services (2022), available at: <a href="https://dhs.dc.gov/sites/default/files/dc/sites/dhs/page">https://dhs.dc.gov/sites/default/files/dc/sites/dhs/page</a> content/attachments/DC%20Flex%20One-Pager 2022.pdf; D.C. Mun. Regs. tit. 29, § 7905.8 (2024).

<sup>&</sup>lt;sup>14</sup> B26-0366, Flexible Rent Subsidy Program Amendment Act of 2025, Sec. 2, lines 51-56.

<sup>&</sup>lt;sup>15</sup> B26-0366, Flexible Rent Subsidy Program Amendment Act of 2025, Sec. 2, lines 48-50. According to the Performance Oversight responses that DHS provided to the Committee on Human Services in March 2025, the median income for families in Short-Term Family Housing (family shelter) and Rapid Re-Housing during the start of Fiscal Year 2025 was \$781/months (\$9,372/year) and \$1,316/month (\$15,792/year). Department of Human Services 2025 Performance Oversight Hearing, Pre-Hearing Questions (DHS POH QXNS 1-189 Combined) (March 2025), responses to Qs 95 and 109(f), available at: https://lims.dccouncil.gov/Hearings/hearings/707.

<sup>&</sup>lt;sup>16</sup> For discussions of how Rapid Re-Housing has failed to assist the families placed in it and meet its programmatic goals, *see* Max Tipping, *Set Up to Fail: Rapid Re-Housing in the District of Columbia*, Washington Legal Clinic for the Homeless (May 2017), <a href="https://www.legalclinic.org/wp-content/uploads/2025/06/Set-up-to-fail-2nd-edition.pdf">https://www.legalclinic.org/wp-content/uploads/2025/06/Set-up-to-fail-2nd-edition.pdf</a>; Kathy Zeisel, Testimony Before the District of Columbia Council Committee on Human Services (October 20, 2022), *available at:* <a href="https://childrenslawcenter.org/resources/testimony-the-rapid-rehousing-reform-amendment-act-of-2022-and-the-migrant-services-and-supports-act-of-2022/">https://childrenslawcenter.org/resources/2024-25-performance-oversight-testimony-department-of-performance-oversight-testimony-department-of-

<sup>&</sup>lt;sup>17</sup> First Year Report, *supra* note 3.

<sup>&</sup>lt;sup>18</sup> *Id.* at 24.

<sup>19</sup> Id. at 30-31.

<sup>&</sup>lt;sup>20</sup> D.C. Mun. Regs. tit. 29, § 7905.1(b) (2024).

<sup>&</sup>lt;sup>21</sup> Id. at 7906.3(c).

<sup>&</sup>lt;sup>22</sup> DHS also uses an income limit of at or below 40% AMI for ERAP and according to the published ERAP income limits for Fiscal Year 2025, 40% of AMI for a household of 3 in DC is currently \$59,004. *ERAP*: *Frequently Asked Questions*, DC ERAP – DHS, <a href="https://erap.dhs.dc.gov/FAQs">https://erap.dhs.dc.gov/FAQs</a>.

<sup>&</sup>lt;sup>23</sup> Department of Human Services Fiscal Year 2026 Budget Oversight Hearing, *Pre-Hearing Questions and Responses to Council* (June 2025), response to Q25, available at: <a href="https://lims.dccouncil.gov/">https://lims.dccouncil.gov/</a>

<u>Hearings/hearings/907</u> ("The FY26 proposed budget includes 460 new slots for families as an exit pathway from FRSP and from Short-term Family Housing as an alternative pathway to FRSP.... The proposed budget would provide DC Flex slots to approximately 25% of families exiting Short-term Family Housing and 20% of families exiting FRSP.").

- <sup>24</sup> Department of Human Services 2025 Performance Oversight Hearing, *Pre-Hearing Questions (DHS POH QXNS 1-189 Combined)* (March 2025), responses to Qs 95 and 109(f), available at: <a href="https://lims.dccouncil.gov/Hearings/hearings/707">https://lims.dccouncil.gov/Hearings/hearings/707</a>.
- <sup>25</sup> See Max Tipping, Set Up to Fail: Rapid Re-Housing in the District of Columbia, Washington Legal Clinic for the Homeless (May 2017), <a href="https://www.legalclinic.org/wp-content/uploads/2025/06/Set-up-to-fail-2nd-edition.pdf">https://www.legalclinic.org/wp-content/uploads/2025/06/Set-up-to-fail-2nd-edition.pdf</a>; Kathy Zeisel, Testimony Before the District of Columbia Council Committee on Human Services (October 20, 2022), <a href="https://childrenslawcenter.org/resources/testimony-the-rapid-rehousing-reform-amendment-act-of-2022-and-the-migrant-services-and-supports-act-of-2022/">https://childrenslawcenter.org/resources/testimony-the-rapid-rehousing-reform-amendment-act-of-2022-and-the-migrant-services-and-supports-act-of-2022/</a>; Makenna Osborn, Testimony Before the District of Columbia Council Committee on Human Services, Children's Law Center (March 5, 2025), p. 2-12, <a href="https://childrenslawcenter.org/resources/2024-25-performance-oversight-testimony-department-of-human-services/">https://childrenslawcenter.org/resources/2024-25-performance-oversight-testimony-department-of-human-services/</a>
- <sup>26</sup> FY 2025 Fair Market Rent Documentation System: The FY 2025 Wasington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area FMRs for All Bedroom Sizes, HUD User, <a href="https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2025">https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2025</a> code/2025summary.odn?cbsasub=METRO47 900M47900&year=2025&fmrtype=Final&dallas sa override=TRUE.
- <sup>27</sup> Meaning they would be *severely* cost-burdened and not have money for other necessities like food, medicine, and transportation. Households are considered severely cost-burdened when they are spending more than 50% of their income on rent and utilities and 100% would be well above that threshold. *See About the Gap Report*, National Low Income Housing Coalition (NLIHC), <a href="https://nlihc.org/gap/about">https://nlihc.org/gap/about</a>.
- <sup>28</sup> At \$2,314/month, the yearly cost of Fair Market Rent for a two-bedroom in DC is approximately \$27,768. The difference between average yearly income for families in STFH (\$9,372) and RRH (\$15,792) and that yearly cost is \$18,396 and \$11,796, respectively.
- <sup>29</sup> B26-0366, Flexible Rent Subsidy Program Amendment Act of 2025, Sec. 2, lines 64-65.
- <sup>30</sup> First Year Report, *supra* note 3, at 30.
- <sup>31</sup> In 2019, the FMR for a two-bedroom apartment in the DC region was \$1,665 and in 2025 it is \$2,314. *Compare* FY 2019 Fair Market Rent Documentation System: The FY 2019 Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area FMRs for All Bedroom Sizes, HUD User, <a href="https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019">https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019</a> code/2019summary.odn?cbsasub=METRO47 900M47900&year=2019&fmrtype=Final&dallas sa override=TRUE with FY 2025 Fair Market Rent Documentation System: The FY 2025 Wasington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area FMRs for All Bedroom Sizes, HUD User, <a href="https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2025">https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2025</a> code/2025summary.odn?cbsasub=METRO47900M47900&year=2025&fmrtype=Final&dallas sa o verride=TRUE.
- <sup>32</sup> See Scott Horsely, Grocery Prices Have Jumped Up, and There's No Relief in Sight, NPR (September 29, 2025), <a href="https://www.npr.org/2025/09/19/nx-s1-5539547/grocery-prices-tariffs-food-inflation">https://www.npr.org/2025/09/19/nx-s1-5539547/grocery-prices-tariffs-food-inflation</a> (Nationwide, grocery prices increased by 29% between February 2020 and September 2025); Daniel de Vise, USA Today (October 18, 2025), <a href="https://www.usatoday.com/story/money/2025/10/18/electric-bills-rising-utilities-inflation-ai/86751445007/">https://www.usatoday.com/story/money/2025/10/18/electric-bills-rising-utilities-inflation-ai/86751445007/</a> (Nationwide, household utility costs have increased an average of 41% between 2020 and 2025); <a href="https://www.childcareaware.org/price-landscape24/#PriceofCare">https://www.childcareaware.org/price-landscape24/#PriceofCare</a> (cost of child care increased 29% from 2020 to 2024). DC families are now forced to spend a higher percentage of their income on rent than they were pre-pandemic. \*Compare\*\*

Burton, Elizabeth, et.al., *Combating Rising Evictions in the District of Columbia with Housing Subsidies*, Urban Institute, (June 21, 2024), *available at*: https://www.urban.org/sites/default/files/2024-06/Combating\_Rising\_Evictions\_with\_Housing\_Subsidies\_0.pdf, *with District of Columbia*, National Low Income Housing Coalition (NLIHC), (2024), *available at*: https://nlihc.org/gap/state/dc.

- <sup>33</sup> See District of Columbia, *The Gap*, National Low Income Housing Coalition (2023), <a href="https://nlihc.org/gap/state/dc">https://nlihc.org/gap/state/dc</a> (accessed May 28, 2025).
- <sup>34</sup> First Year Report, *supra* note 3, at 30.
- <sup>35</sup> Note that the Act would amend the eligibility for recertification to up to 60% AMI to allow for more income growth while in the program. B26-0366, *Flexible Rent Subsidy Program Amendment Act of* 2025, Sec. 2, lines 78-79.
- <sup>36</sup> Numerous studies have shown that investments in eviction and homelessness prevention generate larger savings across other budget areas and benefits to communities. See William N. Evans et al., The Impact of Homelessness Prevention Programs on Homelessness, 353 Science 694 (August 12, 2016), available at: https://nlihc.org/sites/default/files/Impact-of-homelessness-prevention.pdf (Study on temporary financial assistance to those at risk of homelessness in Chicago found average cost of assistance was \$10,300 and average estimated societal benefits was \$20,548); EY, CommonBond Communities: Social Impact Measurement of CommonBond's Eviction Prevention Activities, (Aug. 2018), available at: https://commonbond.org/wpcontent/uploads/2018/08/CommonBond-Social-impact-report-Final.pdf (Study of eviction prevention programs in Minnesota, Iowa, and Wisconsin found that for every \$1 spent on eviction prevention, the states realized an average \$4 social return on investment); Stout, Cost-Benefit Analysis for Philadelphia Right to Counsel for Low Income Tenants Facing Eviction, https://www.stout.com/en/experience/cost-benefitanalysis-for-philadelphia-right-to-counsel (Study found that the City of Philadelphia would receive a benefit of over \$12 for every \$1 spent on providing legal representation to low-income tenants facing eviction). See also Dan Threet, Mackenzie Pish et al., Costs of Covid-19 Evictions, Nat'l Low Income Hous. Coal. & Univ. Ariz. James E. Rogers Coll. L. (Nov. 19, 2020), available at: https://nlihc.org/sites/default/files/costs-of-covid19-evictions.pdf.
- nttps://minc.org/sites/defauit/mes/costs-of-covid19-evictions.pdf.
- <sup>37</sup> Shallow Rent: FAQs, Philadelphia Housing Development Corporation, <a href="https://phdcphila.org/residents-and-landlords/shallow-rent/">https://phdcphila.org/residents-and-landlords/shallow-rent/</a>; Shallow Rent Subsidy Program, Philadelphia Association of Community Development Associations, <a href="https://pacdc.org/shallow-rent/">https://pacdc.org/shallow-rent/</a>.
- <sup>38</sup> Notably, the monthly maximum in Philadelphia's program —\$500/month or \$6,000/year— is significantly lower than that in DC Flex but that is because unlike DC Flex, Philadelphia's shallow rent subsidy is only available to households in an income-restricted unit. *Id.*
- <sup>39</sup> Shallow Subsidy Rental Assistance Flyer, Los Angeles Homeless Services Authority, available at: <a href="https://www.lahsa.org/documents?id=4538-shallow-subsidy-program-flyer.pdf">https://www.lahsa.org/documents?id=4538-shallow-subsidy-program-flyer.pdf</a>; FY2025-2026 Shallow Subsidy Program Scope of Required Services, Los Angeles Homeless Services Authority, p. 1, 24, 36, available at: <a href="https://www.lahsa.org/documents?id=9257-fy-25-26-shallow-subsidies.pdf">https://www.lahsa.org/documents?id=9257-fy-25-26-shallow-subsidies.pdf</a> (note that it appears beginning in Fiscal Year 2025 LAHSA increased the scale for assistance to up to 70% of a family's rent).

  <sup>40</sup> See FY2025-2026 Shallow Subsidy Program Scope of Required Services, Los Angeles Homeless Services Authority, p. 36 (15.1, 15.3), available at: <a href="https://www.lahsa.org/documents?id=9257-fy-25-26-shallow-subsidies.pdf">https://www.lahsa.org/documents?id=9257-fy-25-26-shallow-subsidies.pdf</a>.
- <sup>41</sup> B26-0366, *Flexible Rent Subsidy Program Amendment Act of* 2025, Introduction letter from Councilmember Matthew Frumin, *available at*: <a href="https://lims.dccouncil.gov/Legislation/B26-0366">https://lims.dccouncil.gov/Legislation/B26-0366</a>.
- <sup>42</sup> First Year Report, *supra* note 3, at 9 (For the pilot, participating families were enrolled and started receiving assistance on October 1, 2018. If they maintained eligibility for five years in the program, they would have exited the program at the end of September 2023.).

<sup>&</sup>lt;sup>43</sup> *See* Pandemic Assistance Stabilized Thousands of DC Families But Has Now Ended, Uniting People with Opportunities (UPO) (July 2024), <a href="https://upo.org/wp-content/uploads/2024/10/Publications-Policy-Paper-Pandemic-Aid-in-DC-2024.pdf">https://upo.org/wp-content/uploads/2024/10/Publications-Policy-Paper-Pandemic-Aid-in-DC-2024.pdf</a>.

<sup>&</sup>lt;sup>44</sup> On eligibility to recertify, *compare* B26-0366, *Flexible Rent Subsidy Program Amendment Act of* 2025, Sec. 2, lines 74-79 *with* D.C. Mun. Regs. tit. 29, § 7906.1-3 (2024). On household income, compare B26-0366, *Flexible Rent Subsidy Program Amendment Act of* 2025, Sec. 2, lines 78-79 with D.C. Mun. Regs. tit. 29, § 7906.3(a) (2024).

<sup>&</sup>lt;sup>45</sup> B26-0366, Flexible Rent Subsidy Program Amendment Act of 2025, Sec. 2, lines 91-94.