



District of Columbia *Flexible Rent Subsidy Pilot Program (DC Flex)*

National Alliance to End Homelessness, July 2019

**Dena Hasan,
Department of Human Services,
Director, Office of Policy and Program Support**

Key Context

- ❖ Shallow vs. Deep Subsidies
 - Deep: Client pays 30% of income; program pays the rest
 - Shallow: Program pays fixed amount; clients pays the rest

- ❖ Shallow Subsidies vs. Rapid Re-Housing
 - Rapid Re-Housing subsidies may be deep or shallow

Why DC Flex?

- ❖ Part of our overall systems change work under Homeward DC.
 - DC is a Right to Shelter jurisdiction
 - We have scaled Rapid Re-Housing for families, but...
 - Significant resistance against RRH remains
 - Getting connected (or re-connected) to employment and housing isn't always enough to stabilize households; income levels among RRH participants remain very low.
- ❖ Reforming your homeless services (crisis response) system and investing in affordable housing are interrelated but different goals.
 - Rapid Re-Housing is not a replacement for investments in affordable housing.
 - DC Flex is another tool in our affordable housing toolbox.

Background (cont.)



- ❖ Vouchers are in short supply & targeted to our most vulnerable households.
 - Accordingly, we needed a housing resource for households on the other end of the continuum – i.e., households that are working but not earning enough to survive.
- ❖ District Council included \$1M in in DHS’s FY 2017 budget to pilot a flexible shallow subsidy for families “receiving or eligible to receive Continuum of Care services.”
- ❖ Pilot funds are recurring for four years.
- ❖ Ultimate goal is to increase long-term housing stability.
 - Targeting households most likely to enter shelter without the assistance.
 - We wanted to be careful not to force people to enter shelter to get the help they need.

Design Framework: Program Benefits

- ❖ Households will receive a \$7,200 annual benefit (average of \$600/month)
- ❖ Funds can be used flexibly throughout the year, but will have a monthly cap equivalent to their total rent payment.
 - Participant could use the fund to pay their entire rent, a portion of the rent, or save it for future months as they determine appropriate.
- ❖ The funds can only be used for rent (i.e., the landlord listed on the lease agreement is the only payee).
- ❖ Benefit will last as long as the pilot lasts (and as long as participant remains eligible); our hope is that program will be continued/expanded.
- ❖ No supportive services component (except referrals & light financial coaching).

Design Framework: Incentive To Budget

Money remaining at end of Year 1, Year 2 or Year 3?

- ❖ Any remaining funds roll over for use in the next program year cycle, or
- ❖ Withdraw up to \$500 of remaining funds for other household expenses & apply the remaining funds for use in next program year cycle.
 - Household must pass recertification & not owe rental arrears on their unit

Money remaining at end of pilot?

- ❖ Households must use the funds to pay rent /rental arrears



Design Framework: Program Eligibility

Eligible households are those who:

- ❖ Reside in DC
- ❖ Are at risk of homelessness at the time of application
 - Previous application for at least one emergency or temporary DC administered government-funded housing or rental assistance program
 - Are at or below 30% of Area Median Income (AMI)
- ❖ Are headed by a person age 21 years or older who:
 - Has physical custody of one or more minor children;
 - Is currently employed or has recent history of employment;
 - Is the leaseholder for a rental unit.



Design Framework: Targeting

- ❖ Pilot funds approximately 125 households.
- ❖ Analyzed ERAP, HPP, FRSP and DCHA waitlist data to inform targeting.
- ❖ To increase awareness and ascertain level of interest amongst families, DHS conducted outreach via letters and text messages
- ❖ Interested families submitted a brief survey to DHS
- ❖ Due to the limited number of slots available, DHS used a lottery to randomly determine which families will be offered enrollment.
 - Lottery increases probability that cohort of enrolled families has similar characteristics to non-enrolled families and allows us to get an good estimate of the effect of the pilot.

Program Outreach

- DHS in collaboration with the Lab@DC reached out to more than 9,000 households via mail and text messages.
- A total of **3,626** applicants accessed the online application, where **1,664** applications were complete.
 - From this pool, **125** families selected for the program

Design Framework: Recertification

To remain eligible, households must:

- ❖ Be headed by a person age 21 years or older who:
 - Has physical custody of one or more minor children;
 - Is currently employed or has recent history of employment; and
 - Is the leaseholder for a rental unit
 - In good standing with all explicit obligations of their rental agreement
 - No subject to sanction, suspension and / or disciplinary action by their landlord

- ❖ Not have accessed other forms of emergency, temporary, or permanent government-funded rental assistance while in DC Flex program---
 - Before exhausting DC Flex funds and any remaining DC Flex funds from the previous year; or
 - More than once during the previous year.

Design Framework: Program Admin

- ❖ DHS selected Capital Area Asset Builders (CAAB) to administer the program
- ❖ CAAB responsibilities:
 - Coordinate program orientation and budgeting/financial management training;
 - Set up an escrow account on behalf of household for annual fund allotment & joint checking account with the household for monthly rent funds;
 - Assist household with securing checks/debit card linked to checking account;
 - Update/verify landlord information (if household moves);
 - Monitor households' monthly activity (payments) and reconcile;
 - Manage annual recertification process; and
 - Assist with program evaluation.

Program Evaluation: What We Intend to Learn- Quantitative

- ❖ **The Lab@DC** (team of research scientists within DC Gov): Randomized Controlled Trial, using administrative data on homelessness, housing stability, and economic well-being.
- ❖ Will use administrative data to understand:
 - Homelessness: Are families returning to shelter?
 - Housing Stability
 - Eviction proceedings
 - Applications for the The Low Income Home Energy Assistance Program (LIHEAP)
 - Financial Health
 - Employment
 - Income
 - Reduced reliance on TANF and SNAP

Program Evaluation: What We've Learned So Far– Qualitative

- ❖ **Urban InSTITUTE:** Process study, a qualitative evaluation through interviews, surveys & focus groups
- ❖ Initial household surveys revealed---
 - most enrollees work full-time (59%)
 - like the financial coaching provided (95%)
 - have a plan to pay rent after DC Flex funds have exhausted (80%), &
 - are 'Very Satisfied' with program overall (80%)
- ❖ Online access to account balance does not increase frequency of checking on it
- ❖ Re-framing minds around different focus of program is challenging (shallow vs. deep housing subsidy; crisis response to homelessness vs. long term affordable housing)

Thank you!