



Local Rent Supplement Program: Preventing Homelessness and Displacement of DC Residents

About Rent Supplements

LRSP is a tool used to provide housing for District residents who have extremely low-incomes (including those with special needs), by preserving and producing affordable housing and providing direct rental assistance in the form of vouchers. A rent supplement is a payment made by a government agency to a landlord to make up the difference between what a tenant can afford to pay for housing (30 percent of their income) and a negotiated or 'fair market' rent. The rent supplement program is designed to assist renters who have incomes at or below 30 percent of area median income, including those with special needs.

30% of AMI is currently:

\$ 32,250	\$ 29,025	\$ 25,800	\$ 22,575
for a family of four	for a family of three	for a family of two	for a single person

Why a Rent Supplement Program is Needed

Thousands of extremely low income DC tenants have a severe housing cost burden and more than 40,000 households are on the DC Housing Authority waiting list.

More than 47,500 households in the District of Columbia pay more than 50 percent of their income for rent. This is considered by the U.S. Department of Housing and Urban Development to be a "severe housing cost burden" because the household has insufficient funds left after paying for housing to meet other basic needs. They need their rent payments "supplemented" in order to find a decent, affordable place to live. The District does not have a Continuum of Housing strategy for residents at all income levels if this tool is not available.

Even nonprofit developers can't build and operate housing affordable to very low income working residents without a rent supplement.

Residents earning the minimum wage in the District, making less than \$17,160 per year, can afford to pay only about \$429 per month for rent and utilities. Yet it costs even the most efficient housing providers \$500-\$600 per month to cover maintenance, insurance, and other minimum costs of operating a rental building.

The District can't rely on the federal government's Section 8 rent subsidy program to meet the need.

The federal government has reneged on its responsibility to provide affordable housing for those most in need by cutting back on funding for the federal section 8 program. As a result, the DC Housing Authority's federal funding is insufficient to even hold constant the number of Section 8 vouchers it supports year to year. In addition, the number of homeless families needing shelter has skyrocketed past the capacity of the DC shelter system. If the District government does not step up, efforts to "end homelessness" will continue to prove futile. Housing the currently homeless while not preventing new homelessness is ill conceived public policy – and it clearly hasn't been working. **There are currently over 400 families sheltered in hotels and at DC General.**

Solving the problem

A combination of short and long term housing options with supportive services is the effective way to permanently move people out of homelessness. Instead of using those tools, the District is relying on the costly approach of housing families who are homeless in hotels and at DC General. To address the need for a long term solution:

- Add \$2 million to the Local Rent Supplement Program for production of permanent housing with supportive services for **200 families and individuals** not currently served.
- Add \$4 million for tenant based LRSP to move **250 homeless families** out of emergency housing, which can be fortified as needed by funding for supportive services through DHS.