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Combating Rising Evictions in the District of Columbia with Housing Subsidies

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Since the onset of the pandemic, local leaders have used several policy tools, including eviction moratoria, new court processes, and emergency rental assistance to prevent evictions. The District of Columbia made use of federal emergency rental assistance resources through the STAY DC program, deploying $404 million in rental assistance between 2020 and 2021 that helped keep residents housed.[1] But with the eviction moratoria long ended and federal resources nearly all expended, tenants remain unable to afford their rent. An estimated 14 percent of renter households reported that they are not caught up on their rent payments.[2] Property owners anecdotally report that rental delinquency rates are rising in DC, even for tenants and properties with rental subsidies, and the number of evictions executed in 2024 is on pace to reach prepandemic levels. This creates hardship for affordable housing property owners, putting affordable housing at risk.

To address these challenges, DC renters need both deep and shallow housing subsidies, along with emergency rental assistance, to afford their rent and stay stably housed. In this brief, we estimate the resources needed to support renters with very low incomes and find that housing assistance funding in DC must substantially increase to fully meet their needs. We estimate the need for an additional $380 million a year for deep subsidies, an additional $153 million a year for shallow subsidies, and $76 million to $108 million for the Emergency Rental Assistance Program (ERAP). However, ERAP's funding needs would likely decrease over time with this level of deep and shallow subsidy funding. Deep subsidies, shallow subsidies, and ERAP should work together to right-size support for renters and help keep DC residents stably housed.

Background

For many in Washington, DC, housing is unaffordable: DC only has 33 affordable and available rental homes for every 100 renter households with extremely low incomes (Aurand et al. 2023). An estimated 58,800 households with very low incomes cannot afford their rent in DC, which largely stems from structural barriers including decades of underinvestment in construction and preservation of public and affordable housing; low wages that have not increased at the same rate as inflation, affecting the costs of housing, food, and other necessities; and a long history of structural racism that has led to housing instability, homelessness, and evictions (Aurand et al. 2023; Kijikazi et al. 2016). Young people, Black and Latino residents, households with children, and residents in Wards 7 and 8 disproportionately experience higher levels of housing insecurity in DC, with unaffordability being the most common reason for the insecurity.[3] The lack of affordable housing results in households with very low and extremely low incomes competing to access subsidized affordable housing and the limited unsubsidized affordable housing stock (Turner et al. 2019). The DC Housing Authority's voucher waitlist has been closed since 2013 and still has 37,000 households remaining as of January 2023.[4]

Housing instability disrupts and harms the health, education, and well-being of children and families.[5] Cost-burdened households with low incomes—defined as those that spend 30 percent or more of their incomes on rent—are often forced to make trade-offs with other basic needs to afford housing. On average, these households spend 40 percent less on health care (77 percent less if severely cost burdened, defined as paying 50 percent or more of household income toward rent), and families with children only have, on average, $310 to spend on food each month (State of the Nation's Housing 2019). Research also shows that when more people are cost burdened, homelessness increases faster within the community (Glynn et al. 2021). Long- and short-term housing affordability stress—defined as having a high cost burden—negatively affects mental health related to social, emotional, and mental function (Baker et al. 2020). People with unstable housing are more likely to have had a recent anxiety attack, and people who experience an eviction are more likely to meet depression criteria (Kim and Burgard 2022). On the other hand, affordable housing has demonstrated benefits for individuals and families. People receiving housing subsidies are less likely to be food insecure compared with people who need a subsidy but do not receive one (Denary et al. 2023). Rental assistance also helps mitigate the problem of people forgoing necessities to stay housed.

The community and local economy more broadly also benefit from all households living in housing they can afford, given the circular relationship between economic insecurity and housing instability. Housing insecurity affects people's ability to find and maintain employment, while earning lower wages or experiencing unemployment makes it more difficult for people to find and remain in stable housing (Desmond and Gershenson 2016). High housing costs deter new workers with low to middle incomes and displace lower-paid workers, negatively affecting the labor market. Although higher-cost regions often have higher wages, workers with lower wages do not see this benefit after factoring in the high cost of housing (Glaeser 2006). Furthermore, a higher share of cost-burdened households negatively affects regional economic markets (Anthony 2022).

Without affordable housing or strong rent stabilization policies, the market dictates rent prices in ways that exclude households with the lowest incomes. In line with national trends, DC has seen historically high rent increases in the past few years, with rent increasing by 12.5 percent from 2021 to 2022 and steadily increasing since, by 1.1 percent from 2022 to 2023 and 8.6 perfect from 2023 to 2024.[6] Rent increases often displace households with low incomes from their homes and neighborhoods, especially in high-opportunity neighborhoods, whether due to eviction, financial burden, or informal pressure to move (Dorazio 2022). Displacement has multiple severe consequences, including decreased access to jobs, health care, and schools and the loss of community, culture, and connectivity (Deola and Patal 2015; Goetz et al. 2019). Furthermore, evictions and the threat of eviction can cause immense trauma for tenants and their families, likely negatively affecting their mental and physical health (Hugo et al. 2017). Preventing housing insecurity, evictions, and displacement through more permanent housing solutions would establish housing as a dignified right and create a foundation for residents' well-being and healthier communities.

With a staggering gap between households who cannot afford their rent and the number of available housing subsidies, such as vouchers and public housing, DC's ERAP has become the only viable option for residents in unaffordable housing to stay housed—even though the program aims to provide short-term relief to renters facing emergency situations. In fiscal year 2024, applications for assistance open quarterly; in the second quarter, the 3,500 available slots were filled in less than five hours, indicating high demand for this assistance. The program was not designed or intended to provide long-term assistance, and increased demand for ERAP has led some to claim it is being misused.[7] But the reality is that without increased funding for all forms of housing assistance, tenants who cannot afford their rent must make the best use of the resources available to them. Households rely on programs like ERAP, especially when they face a choice between paying for other essentials and paying rent. Without fully funded deep subsidies, shallow subsidies, and ERAP, evictions, displacement, and homelessness—which increased by 14 percent from 2023 to 2024 (MWCOG 2024)—will likely continue to rise in DC.

This brief examines three types of rental assistance in DC—deep subsidies, shallow subsidies, and emergency rental assistance—that serve households with incomes below 50 percent of the area median income (AMI). These three types of assistance are intended to address different levels of housing need, from a long-term subsidy to households with the lowest incomes to smaller, emergency funds to cover one to five months of rent when a household is experiencing high health care costs, cuts in work hours, or other financial emergencies. We define the three types of rental assistance as follows:

- **Deep subsidies** cover the gap between the cost of rent and what households with the lowest incomes (30 percent of AMI and below) can afford to pay, which is defined as 30 percent of the household's income. These subsidies stay with the household long term if they continue to qualify.
- **Shallow subsidies** provide a level of rental assistance that help households between 30 and 50 percent of AMI afford their rent, but they may not cover the whole gap between monthly

income and the cost of rent. These subsidies also end after a certain time period, such as five years in the case of DC's FLEX program.

- **Emergency rental assistance**, as defined in DC, helps cover a few months of rent once a year for households with incomes 40 percent of AMI and below who are facing a financial emergency and the threat of eviction or homelessness.

Fully funded programs that effectively work together can provide a more comprehensive housing support system that would keep DC households with low incomes stably housed, help prevent further displacement, and ensure that households receive the appropriate type of assistance based on their needs. With this in mind, and to guide future funding discussions, we estimate how many more eligible households could be served by vouchers, shallow subsidies, and rental assistance in DC.

This analysis was inspired by discussions with the DC Eviction Prevention Co-Leaders Group, which Urban co-convenes with the Greater Washington Community Foundation and the DC Bar Foundation. Since June 2021, the Co-Leaders Group has actively worked to devise and implement collaborative strategies to help tenants and reduce evictions, particularly those related to nonpayment of rent (box 1).

BOX 1

DC Eviction Prevention Co-Leaders Group

The DC Eviction Prevention Co-Leaders Group, comprising representatives from DC government agencies, the DC Superior Court, and local housing counseling and legal services providers, meets weekly to establish a cross-sector collaborative approach to prevent evictions and displacement of tenants with low incomes and stabilize their housing for the future. The Co-Leaders Group established the Collaborative Framework for Eviction Prevention, with key action areas listed below. The framework's goal is to provide tenants with access to housing supports and emergency financial resources.

- **Outreach to tenants:** Tenants will be given information to help them understand their rights and obtain appropriate resources to remain stably housed.
- **Access to emergency financial resources:** Tenants will be able to receive funds that help them with short-term financial shortfalls.
- **Access to eviction defense:** Tenants will have access to legal advice and representation both before and during the eviction process.
- **Court processes:** The eviction process at the DC Superior Court will be structured appropriately for different cases, and tenants will have access to supportive services such as mediation and housing counseling as part of court procedures.
- **Access to broader housing supports:** Tenants will receive support in retaining housing subsidies, finding stable housing, and addressing broader housing conditions and challenges.
- **Access to community resources:** Tenants will receive assistance with obtaining nonhousing supports that can help them remain in stable and safe housing.
- **Data to support effective collaboration and tracking results:** The Co-Leaders Group and other entities working to prevent evictions will engage in robust data sharing that can drive improved collaboration and better outcomes for tenants.

Source: Noah Abraham, Elizabeth Burton, Leah Hendey, Lori Leibowitz, Rebecca Lindhurst, Beth Mellen, Marian Siegel, and Peter A. Tatian, "A Collaborative Framework for Eviction Prevention in DC" (Washington, DC: Urban Institute, 2023).

The Need for Affordable Housing in DC

Among the 74,300 renter households in DC with very low incomes, the vast majority—58,800 households, or 79 percent—are housing cost burdened, meaning they spend 30 percent or more of their incomes on rent (table 1). An estimated 51,200 renter households in DC have extremely low incomes (at or below 30 percent of AMI), which is $42,700 or less for a family of four and $29,900 or less for a single-person household. By comparison, the annual income for an individual working a full-time, minimum wage job in DC is around $35,000.[8] About 42,100 renter households with extremely low incomes are cost burdened, while 35,200 of these households (69 percent) are considered severely cost burdened, paying 50 percent or more of their incomes toward rent.

TABLE 1

Renter Cost Burden by Area Median Income Levels, 2018–2022

AMI level	Total	Number of severely cost-burdened households	Percentage severely cost-burdened	Number of cost-burdened households	Percentage cost-burdened
Below 30% of AMI	51,200	35,200	69%	42,100	82%
30–40% of AMI	12,600	4,800	38%	9,800	78%
40–50% of AMI	10,500	1,600	15%	6,900	66%
Total <50% AMI households	**74,300**	**41,600**	**56%**	**58,800**	**79%**

Source: American Community Survey Public Use Microdata Sample, 2018–2022.
Notes: AMI = area median income. Severe cost burden is paying 50 percent or more of income in rent. Cost burden is paying 30 percent or more.

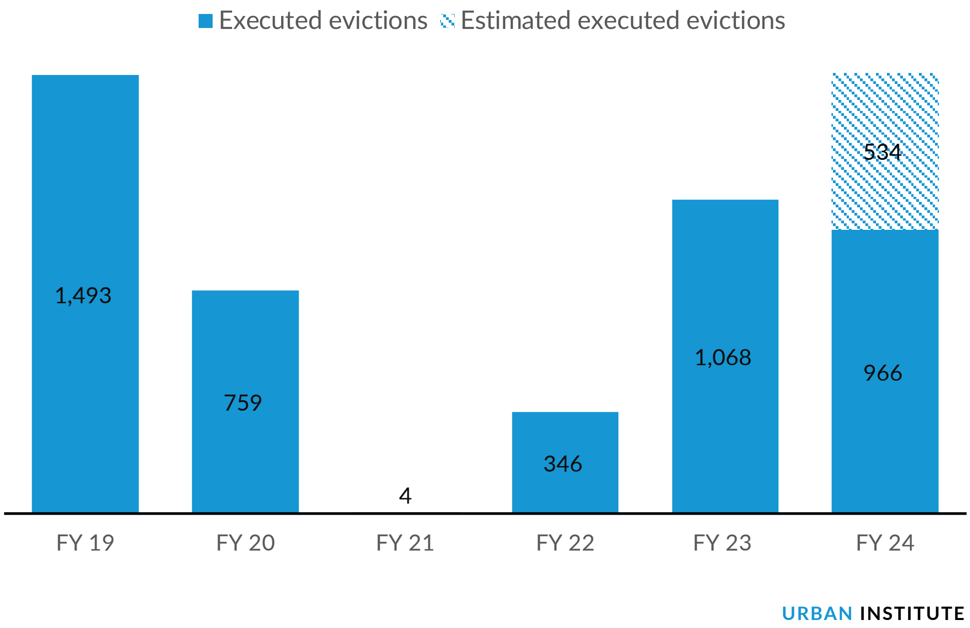
The high rates of cost burden relate directly to the lack of housing affordable to households at these income levels. For instance, the affordable rent for a four-person household at 30 percent of AMI is $1,130 per month, less than half the current DC three-bedroom fair market rent of $2,299.[9] A single-person household with an income of around $29,900 would only be able to afford rent of $725 a month, compared with the current studio apartment fair market rent of $1,589 and the current median cost of one-bedrooms rentals on the market of $2,149.[10]

Even households with somewhat higher incomes face serious affordability challenges. An estimated 23,100 renter households have incomes between 30 and 50 percent of AMI, amounting to $39,880 to $49,850 for a one-person household or $56,920 to $71,150 for a four-person household.[11] Child care workers in DC make, on average, around 30 to 50 percent of AMI for a one-person household, while teachers with a bachelor's degree in DC supporting a family of four earn around 30 to 50 percent of AMI.[12] An estimated 9,800 households between 30 and 40 percent of AMI and 6,900 households between 40 and 50 percent of AMI are cost burdened, and of these households, 6,400 are considered severely cost burdened.

For some residents, high housing cost burdens may eventually lead to physical evictions and the loss of their housing. While eviction moratoria and large amounts of federal emergency rental assistance kept evictions artificially low during the pandemic, at the current pace of executed evictions (those carried out by the US Marshals Service), we estimate that FY 2024 will likely see around 1,500 evictions (figure 1). This figure is close to the prepandemic number of executed evictions in FY 2019 (1,493), when much less ERAP funding was available. Furthermore, it should be noted that the eviction process may lead to tenants leaving their homes without an executed eviction taking place. With the number of evictions on the rise, there is an urgent need for greater rental assistance to prevent homelessness and displacement of DC residents.

FIGURE 1

Executed Evictions in DC Are Rising to Prepandemic Numbers



Source: Office of the Tenant Advocate Executed Evictions, FY 2019 to FY 2024.
Note: The fiscal year (FY) is October through September. FY 2024 actual data are from October 2023 to April 2024; the diagonally shaded portion represents authors' estimates of future evictions.

The lack of affordable housing options in DC is one of the key reasons for higher cost burdens among households with incomes between 30 and 50 percent of AMI. Nationally, there is a shortage of 7.3 million affordable rental homes for households with extremely low incomes (Aurand et al. 2023). Although DC has relatively more affordable housing for households in this income range compared with those at or below 30 percent of AMI, many households with higher incomes occupy these units since not all of them are income restricted (Turner et al. 2019). As a result, households with lower incomes are forced to look elsewhere and may have to rent housing that is not affordable. Without adequate funding for all types of housing assistance, the risk of instability, displacement, eviction, and homelessness will continue to increase.

DC's Rental Assistance Programs

Currently, multiple programs provide housing assistance and help residents with low incomes in DC live in stable, affordable housing. Below, we describe programs at both the federal and local level that provide deep subsidies, shallow subsidies, and emergency rental assistance.

Deep Subsidies

DC residents access multiple federal housing subsidies, including the Housing Choice Voucher (HCV) Program, project-based vouchers, and public housing. In each of these programs, recipients contribute 30 percent of their household income toward housing costs, with the subsidy covering the rest. We refer to these as “deep subsidies,” because they are available to households with the lowest incomes and cover the gap between what a household can afford to pay (based on the 30 percent of income standard) and their actual rent. Below, we describe the various programs that provide deep subsidies. When describing our estimates in the following section, “deep subsidies” refer to all these programs, unless otherwise noted.

There are several types of housing vouchers providing deep subsidies. The most prevalent are HCVs, which recipients can use to rent eligible housing units from private landlords. HCVs are portable subsidies, meaning that if they move, tenants can take their voucher with them to another eligible unit. Federal project-based vouchers are similar to HCVs but are attached to specific units in buildings where the DC Housing Authority (DCHA) has long-term contracts. Project-based vouchers are not portable, meaning they can be used only in their designated units. Other smaller voucher programs also exist, often for specific populations, such as US Department of Housing and Urban Development–Veterans Affairs Supportive Housing (HUD–VASH); nonelderly vouchers for a person with a disability who is not elderly; the Family Unification Program, which helps keep children with their families or supports young people leaving foster care; and the Housing Opportunities for Persons with AIDS program. The largest of these programs in DC is HUD–VASH, which assists around 993 households.[13]

In addition to these federal vouchers, DCHA also owns and manages 56 public housing properties located throughout DC that provide homes at reduced rents for families, seniors, and people with disabilities who meet income and other eligibility requirements. HUD directly administers other programs that provide subsidized units, such as Section 8 project-based rental assistance, the Mod-Rehab program, Section 202 project rental assistance contracts (202/PRAC) for elderly people, and Section 811 project rental assistance contracts for people with disabilities. In 2023, 8,584 households occupied a Section 8 project-based rental assistance unit, while other programs serve fewer households (e.g., 389 households occupied a 202/PRAC unit).[14]

In total, an estimated 26,600 households in 2023 received a voucher or lived in public housing or another subsidized unit in DC, despite 51,200 households in DC having incomes below 30 percent of AMI.[15] Households receiving these types of housing assistance had an average income equivalent to 16 percent of AMI in 2023, or $17,400 for a one-person household and $24,800 for a four-person family. Two-thirds of these households had annual incomes of less than $20,000.

Along with federal subsidies, DC funds its own voucher program, the Local Rent Supplement Program (LRSP), where residents contribute 30 percent of their household income to rent and the locally funded subsidy covers the remainder. In FY 2023, 7,121 households in DC received an LRSP subsidy. DCHA also operates this program through the centralized waitlist and application, which remains closed. Similar to federal vouchers, LRSP has both tenant-based and project-based vouchers.

LRSP is often provided to households living in units built with the Housing Production Trust Fund (HPTF), alongside project- and sponsor-based vouchers and permanent supportive housing (Housing First) (DC FPI 2016).

The HPTF also supports building and preserving housing that is affordable to households with incomes below 30 percent of AMI. From 2006 to 2022, 2,009 units were newly constructed or preserved at 30 percent of AMI or below with HPTF dollars.[16] The trust also often works with LRSP and project-based Section 8 funding to reduce rents to reach households at 30 percent of AMI.

In FY 2023, DCHA received $249 million from HUD to administer the HCV program, an estimated $19,830 per voucher holder. In FY 2022, HUD allocated $53 million in operating funds and $24 million in capital funds to DCHA for public housing units (HUD 2022). We could not locate clear fiscal year budgets for other HUD–subsidized units in DC. Locally, the DC Council and the mayor's office allocated $169 million in FY 2023 for LRSP vouchers, or an estimated $23,760 per voucher holder.[17]

Shallow Subsidies

We define a "shallow subsidy" as providing a level of rental assistance that helps households between 30 and 50 percent of AMI afford their rent, though the amount may not cover the whole gap between monthly income and the cost of rent. DC Flex, a more recent demonstration program administered by the DC Department of Human Services (DHS), provides households with $8,400 each year in flexible funds to be used for rent payments for up to five years. Households receiving DC Flex remove the amount of money needed each month from their account, without always spending their entire allocation. Currently, households at 40 percent of AMI or below who find employment within a year and are exiting the Family Rehousing Stabilization Program (also known as Rapid Rehousing) or Rapid Rehousing for Individuals—which bring households out of homelessness through permanent housing—qualify for DC Flex. One hundred eighty-four households were enrolled in DC Flex in FY 2023.

Shallow subsidies like DC Flex are an important complement to other deep subsidy programs because, as noted, even households above 30 percent of AMI face affordability challenges in DC. An initial evaluation of DC Flex found that it reduced the use of local homelessness assistance programs, such as rapid rehousing (Leopold et al. 2021). By providing more funding for shallow subsidies like DC Flex, DC can increase housing stability and reduce the need for these households to access emergency rental assistance.

Emergency Assistance

Emergency rental assistance provides smaller amounts of timely funding to help tenants stay housed. DC's ERAP was established as a pilot program in FY 2007 and provides funding for overdue rent, as well as security deposits and first month's rent if a qualified household is facing eviction or another emergency.[18] DC residents with incomes at or below 40 percent of AMI who are 30 days behind on rent or facing homelessness and who have not applied for and received ERAP in the past 12 months are eligible to apply. Starting in 2020, with the onset of the pandemic, DC made an online application available through a DHS–administered portal. In FY 2024, the portal will open every quarter and accept a set number of applications (3,500 in quarters 1 and 2, 8,000 in quarter 3, and an estimated 4,000 in quarter 4). Six community-based organizations review and make decisions on the applications, following DHS guidance, and issue payments to landlords.[19] ERAP may provide up to five times HUD's rent reasonableness guideline for the ZIP code and bedroom size. Landlords must provide a rent ledger and other required documents to receive payments.

In FY 2023, 8,477 households received ERAP, 2,007 of whom had a voucher, lived in public housing, or received another deep subsidy (DHS 2023). The program helps households with emergencies stay housed and keep their subsidies. At least some households use ERAP annually, and although DHS's new data system is not yet able to track the number of households who recurringly use ERAP, reports of repeated use from ERAP providers demonstrate the need for an ongoing housing subsidy to alleviate unaffordable housing costs. ERAP's budget was $49.7 million in FY 2023, which represents an average of $5,864 per recipient (the average disbursement to landlords was an estimated $5,331) (DHS 2023). The total ERAP budget for FY 2024 is $63 million, after DC added $20.6 million to the approved $42.5 million in early 2024.[20] The DC Council proposed $26.9 million for ERAP in the FY 2025 budget, after the mayor's initial budget allocated just $20 million to the program.[21]

What Housing Assistance Levels Does DC Need?

Below, we estimate the scope of need for housing assistance and the level of funding required to successfully support residents in DC who cannot afford their rent. We have estimated how much additional funding is needed for deep subsidies, shallow subsidies, and emergency rental assistance to ensure that DC households with very low incomes—those at 50 percent of AMI and below—can remain stably housed. Although such estimates are imperfect and make several assumptions, our hope is that they will lead to a more informed discussion about how to fund different types of assistance at levels that will address residents' needs.

Deep Subsidies

An estimated 51,200 households in DC have incomes at or below 30 percent of AMI, and from 2018 to 2022, an average of 4,426 households experienced homelessness.[22] Given DC's high cost of housing, these households are eligible for deep subsidies that would allow them to be stably housed. This estimate does not include households that may already be doubled up with another household. Currently, 29,455 households in DC with incomes below 30 percent of AMI receive a federal or locally funded voucher or live in public housing or another HUD–subsidized unit.[23] To support households with incomes of 30 percent of AMI or below who are not able to access these subsidies already, we estimate 26,171 additional deep subsidies (table 2).

To estimate the funding needed for the 26,171 additional deep subsidies, we assume an average cost of $14,534 for each additional voucher—federal or local—based on the gap between rents and what these households can afford to pay, amounting to $380 million per year for all the additional vouchers needed (table 2). In total, DC would need $549 million to locally fund these vouchers along with the currently funded vouchers through LRSP. The cost of fully funding both the additionally needed vouchers and current ones at the federal level through the HCV program would be $701 million. However, with federal advocacy efforts, an increased number of federally funded vouchers could lower local funding needs.

TABLE 2

Calculating the Annual Need for Deep Subsidies

Calculation	Estimates	Assumptions
Number of additional deep subsidies	51,200 households at 30% of AMI and below	
	29,455 total deep subsidies for households at 30% of AMI and below	17,336 (Housing Choice Vouchers, Family Unification Program, HUD–VASH, Nonelderly Disabled Vouchers, Mainstream Vouchers [DCHA and Community Connections], and LRSP vouchers) + 12,119 (HUD units)
	26,171 additionally needed vouchers	51,200 (households 30% of AMI and below) + 4,426 (average number of households experiencing homelessness from 2018–2022) – 29,455 (deep subsidies)
Cost for additional deep subsidies	$14,534 estimated per voucher cost for additionally needed vouchers	Weighted average of households at 30% of AMI and below monthly rent – monthly household income * 12 (annual amount) + $133.85 (administrative rate)
	$380 million estimated additional voucher funding	26,171 (additional vouchers needed) * $14,534 (estimated cost per voucher)
Total deep subsidy cost	$800 million estimated total needed to fund current and additionally needed vouchers	$169 million (FY 2023 LRSP budget) + $249 million (FY 2023 Housing Choice Voucher program budget) + $380 million (estimated additional funding)
	$380 million gap, which could be filled federally, locally, or in combination	

Source: Urban–Greater DC calculations using the American Community Survey 2018–2022 Public Use Microdata Sample (PUMS), 2022 HUD income limits for the DC metropolitan region, 2018–2022 Point-in-Time Counts, and HUD 2023 Housing Choice Voucher administrative fee rates. We used HUD's administrative fee rates for the Housing Choice Voucher program for calendar year 2023, "HCV Guidance and Notices," US Department of Housing and Urban Development, accessed April 22, 2024. https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidance_and_notices.
Notes: We filtered out households who need less than $1,000 a year to no longer be rent burdened when calculating the estimated cost per voucher.

As of 2023, only 68 percent of DC's 7,379 public housing units are occupied,[24] in part because many public housing units currently suffer from uninhabitable living conditions. Capital improvements to public housing to bring vacant units online would increase deep subsidies available to households with low incomes and reduce the need for additional vouchers.

Shallow Subsidies

To understand where a shallow rental subsidy would fit in DC's housing assistance system, we estimated the number of households between 30 and 50 percent of AMI who are cost burdened. Sixteen thousand seven hundred households—9,800 between 30 and 40 percent of AMI and 6,900 between 40 and 50 percent of AMI—are currently cost burdened and would benefit from receiving the annual DC Flex subsidy of $8,400. If potential households spent all their allocated DC Flex subsidy, 10,800 of the 16,700 households would no longer be cost burdened if they received a shallow housing subsidy.[25] Most of the 5,900 households who would remain cost burdened have incomes between 30 and 40 percent of AMI. On average, these households would need a $15,200 subsidy to no longer be cost burdened, but the $8,400 would help cover more than half of their housing affordability gap. To fully support households that need a shallow housing subsidy, DC would need an estimated $153 million to fund these additional 10,800 shallow subsidies, including administrative costs.[26] This estimated amount would cover one year of funding, but DC Flex currently provides the subsidy to each household for five years.

The above would represent a major expansion of the DC Flex program. Currently, DC Flex eligibility is restricted to households at 40 percent of AMI or below who are exiting the Family Rehousing Stabilization Program or Rapid Rehousing for Individuals. DC enrolled 141 new Flex recipients in FY 2022, with 184 total active recipients in both FY 2022 and FY 2023 (DHS 2023).

TABLE 3

Calculating the Annual Need for Shallow Subsidies

Estimates	Assumptions
16,700 households at 30–50% of AMI with cost burden; 10,800 households at 30–50% of AMI would not be cost burdened with a $8,400 subsidy	Paying more than 30% of household monthly income compared with monthly gross rent. Gross monthly rent – $8,400 (current Flex amount) / 12 (monthly amount)
$153 million estimated additional shallow subsidy funding	$8,400 (subsidy amount) * 16,700 (households) * 1.09 (9% estimated administrative cost)

Source: Urban–Greater DC calculations using American Community Survey 2018–2022 Public Use Microdata Sample (PUMS) data, 2022 HUD income limits for the DC metropolitan region, and 2023 DC Council Performance Oversight Housing Committee.

Notes: We did not have data on administrative costs for DC Flex. The DC Department of Human Services has a 9 percent administrative cost for the Emergency Rental Assistance Program, which we used as an estimate for DC Flex.

Emergency Assistance

To estimate the need for emergency rental assistance in the current housing system—that is, the current set of programs, funding levels, and eligibility requirements—we used data from the US Census Household Pulse survey collected between April 2023 and April 2024. During this period, 10 percent of renter households in DC at a point in time, or 18,500 households, responded that they were behind on their rent payments and had incomes at 40 percent of AMI or below, the current ERAP income requirement (table 4).[27] Seven percent of renter households in DC at a point in time, or 12,950 households, responded that they were one month or more behind on rent or responded that they were "very likely" or "somewhat likely" to face an eviction in the next two months and had incomes at 40 percent of AMI or below.[28] Based on these figures, we estimate that a range of about 12,950 households to 18,500 households would likely need emergency rental assistance each year. To meet these needs, ERAP would cost an estimated $76 million to $108 million annually, but even at this level of funding, the program would not cover residents' full housing needs.

TABLE 4

Calculating the Annual Need for Emergency Assistance

Estimates	Assumptions
An estimated 18,500 renters are behind on rent and have very low incomes.	10% of renters responded that they are currently behind on rent and have very low incomes. 10% * 184,920 (total renter households in DC 2018–2022)
An estimated 12,950 renters are one month or more behind on rent or very likely or somewhat likely to be evicted and have very low incomes.	7% of renters responded that they are one month or more behind on rent or very likely or somewhat likely to be evicted in the next two months and have very low incomes. 7% * 184,920 (total renter households in DC 2018–2022)
Estimated ERAP budget: $76 million to $108 million. However, this level of ERAP funding would not solve housing instability for residents with very low incomes.	12,950 (households) * $5,864 (average ERAP cost per recipient in FY 2023) 18,500 (households) * $5,864 (average ERAP cost per recipient in FY 2023)

Sources: Urban–Greater DC's calculations of the US Census Bureau's Household Pulse Survey Public Use Files, weeks 57–63 (2023) and cycles 1–4 (2024). 2024 HUD income limits for the DC metropolitan region, 2023 DC Council Performance Oversight Housing Committee, and American Community Survey 2018–2022.

Note: Only respondents who indicated that they are currently behind on rent were asked the eviction likelihood question in the Pulse survey.

This estimate is based on current ERAP regulations and eligibility. ERAP requires households to be at least a month behind on rent or facing a threat of homelessness and only allows households to access ERAP once a year. This restriction means that some households facing eviction are unable to access ERAP because they owe more back rent than the program can cover or require emergency assistance multiple times a year. If DC met all residents' needs through ERAP without the restriction of current regulations and eligibility, the annual cost would far exceed the top end of our range ($108 million).

After addressing housing instability through deep subsidies and shallow subsidies, our ERAP estimate would likely decrease. However, households with subsidies will still need to access ERAP. In FY 2023, around 2,000 households receiving a deep subsidy (24 percent of ERAP recipients) received ERAP, showing the continued need to robustly fund the program alongside deep and shallow subsidies, as well as ensure that income recertifications are timely. Furthermore, residents with and without subsidies who become unemployed, face decreased wages, or receive unexpected health care bills would continue to face emergencies and need to access ERAP. Our $76 to $108 million estimate for ERAP funding would help households currently eligible for the program to stay housed at least temporarily, but many DC residents would remain in a precarious housing situation because the funding does not meet all their housing assistance needs. As noted earlier, we expect executed evictions in FY 2024 to exceed prepandemic levels, despite more robust ERAP funding. Fully funding deep and shallow subsidies for DC residents with very low incomes, as described above, would promote longer-term housing stability.

Conclusion

An estimated 58,800 renter households with very low incomes in DC have higher housing costs than what they can afford to pay. DC needs significant funding increases for housing assistance programs to prevent increased housing instability, evictions, homelessness, and displacement. Although this brief does not focus on the impact of higher rates of rental delinquency on housing providers, we heard from some affordable housing providers that this has limited their ability to fund services and implement capital improvements that benefit the residents they serve and financially sustain the operations of their properties, putting many affordable housing properties at risk of foreclosure or forced sales and exacerbating existing affordability challenges in DC.

Residents' housing instability and the limited affordable housing stock in DC can be addressed by adequately funding different types of housing assistance programs, which are meant to serve tenants with varying degrees of need. Without any additional federally funded vouchers or public housing units, we estimate the need for $549 million to locally fund LRSP vouchers, which is an increase of $380 million per year. Furthermore, funding a more robust shallow housing subsidy for 16,700 households between 30 and 50 percent of AMI would cost an estimated $153 million. Under the current housing system, ERAP would need between $76 million and $108 million to prevent evictions among those eligible for the program. However, we note that even with this level of funding, thousands of residents would remain unstably housed.

These programs require an immense increase in funding and the political will to reform the housing system, but our estimates align with DC's goals of ending homelessness and preventing further displacement.[29] DC is not alone in having a large gap between housing needs and available subsidies. In the latest *Worst Case Housing Needs* report (Alvarez and Steffen 2023), the authors note that "the number of very low-income families with worst case housing needs in 2021 [which included those paying half or more of their incomes toward housing] exceeded previous record levels resulting from the Great Recession of 2007–2009." We recognize DC is facing budget constraints, but raising revenue through an equitable tax code could benefit housing assistance programs that reach residents with the lowest incomes. Furthermore, the cost of failing to address housing instability has other short- and long-term funding impacts, including direct eviction costs and funding for mental and physical health, schools, and homelessness services.[30] Supporting DC's housing assistance system would make strides toward racial equity, improve families' and individuals' well-being, strengthen the local economy, and generate a city where all residents can thrive.

Notes

[1] "Performance Oversight 2023," Council of the District of Columbia, accessed May 1, 2024, https://dccouncil.gov/performance-oversight-2023/.

[2] US Census Household Pulse survey data collected between April 2023 and April 2024.

[3] Housing insecurity accounts for several dimensions, including housing inadequacy, unaffordability, frequent or unwanted moves, predicted instability, and involuntary temporary status. See Solari et al. (2023).

[4] "Performance Oversight 2023," Council of the District of Columbia. DCHA started a process of contacting people on the voucher waitlist to determine if they are still eligible for assistance. The housing authority has funding for additional vouchers it can award to those eligible, but this will aid only a small portion of the households on this list.

[5] Emily A. Benfer, "US Eviction Policy is Harming Children: The Case for Sustainable Eviction Prevention to Promote Health Equity," *Bill of Health* (blog), Harvard Law School, November 2, 2022, https://blog.petrieflom.law.harvard.edu/2022/11/02/pandemic-eviction-policy-children/.

[6] Tim Ellis, "Rental Market Tracker: Typical US Asking Rent Surpassed $2,000 for First Time in May," Redfin News, June 9, 2022, https://www.redfin.com/news/redfin-rental-report-may-2022/; Lily Katz, "Rental Market Tracker: US Rents Post First Annual Decline in Three Years," Redfin News, April 14, 2023, https://www.redfin.com/news/redfin-rental-report-march-2023/; Lily Katz, "The Sun Belt Is Seeing Some of the Biggest Rent Declines in America," Redfin News, May 17, 2024, https://www.redfin.com/news/redfin-rental-report-april-2024/.

[7] Colbert I. King, "Many DC Renters Need Help. But Can the City Just Take Their Word for It?" *Washington Post*, April 12, 2024, https://www.washingtonpost.com/opinions/2024/04/12/dc-renters-bowser-budget-program-cut-proposed/

[8] "Out of Reach: The High Cost of Housing, District of Columbia State Facts," National Low Income Housing Coalition, accessed April 18, 2024, https://nlihc.org/oor/state/dc.

[9] "Out of Reach: The High Cost of Housing, District of Columbia State Facts," National Low Income Housing Coalition.

[10] "Out of Reach: The High Cost of Housing, District of Columbia State Facts," National Low Income Housing Coalition; "Apartment List National Rent Report," Apartment List, accessed May 31, 2024, https://www.apartmentlist.com/research/national-rent-data.

[11] 12,600 households between 30 and 40 percent of AMI and 10,500 households between 40 and 50 percent of AMI.

[12] "May 2023 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates," US Bureau of Labor Statistics, updated April 3, 2024, https://www.bls.gov/oes/current/oes_47900.htm; "Washington Teacher's Union ET-15 Salary Schedule," DC Public Schools, updated October 13, 2019, https://dcps.dc.gov/sites/default/files/dc/sites/dcps/page_content/attachments/WTU%20FY20-FY23.pdf.

[13] "2023 Housing Choice Voucher (HCV) Data Dashboard," US Department of Housing and Urban Development, accessed May 31, 2024, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard.

[14] "2023 Picture of Subsidized Households," US Department of Housing and Urban Development, accessed May 31, 2024, https://www.huduser.gov/portal/datasets/assthsg.html.

[15] This figure includes Housing Choice Voucher program recipients and occupied units in public housing, project-based Section 8, Mod Rehab, 202/PRAC, and 811/PRAC.

[16] Urban–Greater DC calculations from "Project Pipeline Database (PPD)–Public Access Dashboard," DC Office of the Deputy Mayor for Planning and Economic Development, accessed July 2022, https://octo.quickbase.com/db/bgk8b4c4n.

[17] $169,194,000 (FY 2023 LRSP budget) / 7,121 (number of LRSP vouchers in FY 2023) = $23,760 per voucher holder.

[18] "29-75 Emergency Rental Assistance Program," District of Columbia Municipal Regulations and District of Columbia Register, Office of Documents, August 5, 2022, https://www.dcregs.dc.gov/Common/DCMR/SectionList.aspx?SectionNumber=29-7500.

[19] ERAP providers include Housing Counseling Services, Latino Economic Development Center, Catholic Charities, Salvation Army, the Greater Washington Urban League, and CORE DC.

[20] Annemarie Cuccia, "D.C. Puts More Money Toward Rental Assistance After Months Of Debate Between Bowser and D.C. Council," DCist, January 23, 2024, https://dcist.com/story/24/01/23/dc-erap-2024-funding-housing-help/; "Approved FY 2024 Budget and Financial Plan," Council of the District of Columbia," accessed May 17, 2024, https://www.dccouncilbudget.com/fy-2024-budget.

[21] "FY 2025 Budget and Financial Plan," Council of the District of Columbia, accessed May 17, 2024, https://www.dccouncilbudget.com/fy-2025-budget; Meagan Flynn, "DC Council chair's budget proposal further hikes taxes, staves off cuts," *Washington Post*, May 28, 2024, https://www.washingtonpost.com/dc-md-va/2024/05/28/dc-budget-proposal-council/.

[22] American Community Survey 2018–2022 Public Use Microdata Sample (PUMS) and 2022 HUD income limits for the DC metropolitan region.

[23] Vouchers include the HCV program, FUP, HUD-VASH, NED, Mainstream Vouchers (DCHA and Community Connections), and LRSP vouchers. Occupied units from project-based Section 8, Mod Rehab, 202/PRAC, and 811/PRAC. See "2023 Picture of Subsidized Households," US Department of Housing and Urban Development; DHS (2023); and "2023 Housing Choice Voucher (HCV) Data Dashboard," US Department of Housing and Urban Development.

[24] "2023 Picture of Subsidized Households," US Department of Housing and Urban Development.

[25] Ninety-two percent of the estimated 6,000 households who would remain cost burdened with a $8,400 subsidy are severely rent burdened, and most have incomes between 30 and 40 percent of AMI. On average, households would need a $15,200 subsidy to no longer be cost burdened, similar to a deep subsidy.

[26] We did not have data on administrative costs for DC Flex. The DC Department of Human Services has a 9 percent administrative cost for ERAP, and we estimate similarly for DC Flex.

[27] Household Pulse Survey public use file, weeks 57–63 (2023) and cycles 1–4 (2024).

[28] The majority of households who responded that they are "very likely" or "somewhat likely" to be evicted are also two or more months behind on rent. Only respondents in the survey who answered that they were behind on rent saw the response.

[29] "Homeward DC 2.0: ICH Strategic Plan FY2021–FY2025," District of Columbia Interagency Council on Homelessness, accessed April 18, 2024, https://ich.dc.gov/page/homeward-dc-20-ich-strategic-plan-fy2021-fy2025; DC Office of Planning (2021).

[30] Samantha Batko and Amy Rogin, "The End of the National Eviction Moratorium Will Be Costly for Everyone," *Urban Wire* (blog), Urban Institute, June 24, 2021, https://www.urban.org/urban-wire/end-national-eviction-moratorium-will-be-costly-everyone.

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Errata

This brief was corrected on June 21, 2024. On page 8, the name of the District of Columbia's voucher program is the Local Rent Supplement Program; a previous version referred to it as the Local Rent Subsidy Program.

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