
Government of the District of Columbia



Office of the Tenant Advocate

Testimony of

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**PROPOSED FISCAL YEAR 2021
BUDGET HEARING**

Committee on Housing and Neighborhood Revitalization
The Honorable Anita Bonds, Chairperson
Council of the District of Columbia

Monday, June 8, 2020
12:00 p.m.

Via Virtual Platform
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good afternoon, Chairperson Bonds and members of the Committee on Housing and Neighborhood Revitalization. I am Johanna Shreve, the Chief Tenant Advocate of the District of Columbia in the Office of the Tenant Advocate. I am here today to present testimony regarding the Mayor's Fiscal Year 2021 proposed operating budget for the agency. I wish to thank the Mayor, the Committee, the Council, and the community for supporting the agency's work.

The FY 2021 budget proposal

The total FY 2021 proposed operating budget for the agency is \$3,894,396. Local Funds account for \$3,351,119 of that total, and Special Purpose Revenue (SPR) Funds account for the remaining \$543,277. The total represents a net reduction of \$289,302 -- or 6.9 percent -- from the approved FY 2020 budget.

The change in the agency's funding level primarily reflects reductions related to (1) the Annual Summit and (2) the rent control database demonstration project. First, there is a \$181,000 decrease in the Case Management (located in the Legal branch) and Administration and Community Outreach program (located in the Education & Outreach branch), which is primarily attributable to reduced funding for the Annual

Summit (see Table CQ0-5). Second, there is an operational reduction of \$129,000 in the Rent Control Housing Clearinghouse demonstration program (see Table CQ0-4). This decrease is due to the FY 2020 sweep of \$462,101 in Special Purpose Revenue Funds, which is included in the Mayor's supplemental budget proposal for this year.

In relevant part, the sweep reduces the database contingency fund from an FY 2020 approved funding level of \$279,002 to an FY 2021 proposed funding level of \$150,000. In order to restore this funding for FY 2021, there would need to be a \$129,000 decrease in the FY 2020 SPR budget sweep from \$462,101 to \$333,099. Another impact of the FY 2020 sweep is that funding for this year's Annual Tenant and Tenant Association Summit, or other education and outreach events, is reduced by \$130,000.

While I understand the fiscal pain that District government is going through due to the pandemic, I am concerned about the impact these reductions in particular would have on these key parts of the agency's statutory mission.

The Coronavirus Aftermath: a looming eviction crisis

As the District's Chief Tenant Advocate, I believe this budget hearing is the right time and place to discuss the eviction crisis that looms once the

public health emergency is over. As we all know, the pandemic has taken an unprecedented toll on our economy as well as our physical and mental well-being. On a daily basis we hear on the news that as many as 40 million Americans have become unemployed due to COVID-19.¹ President Truman once said, “a recession is when your neighbor loses his job; a depression is when you lose yours.” Here in DC, thousands line up in their cars to get food; tenants tell us every day they wonder how they are going to be able to pay their rent; and, as of June 4th, 109,897 of our residents have filed for unemployment compensation. So for many District renters, the public health crisis indeed has made it feel as if we were in a depression.

We thank the Committee, the Council, and the Mayor for your collective interventions to address the hardships that District renters currently face. You have frozen rent increases; imposed a moratorium on evictions; required landlords to offer a deferred rent payment plan to tenants who are experiencing hardships; and, most recently, prohibited the filing of eviction actions. A total of 609 eviction writs were already in the pipeline for execution by the time the public health emergency started.

The US Marshals Service, working with DC Superior Court, has also been

¹ <https://www.wsj.com/articles/how-many-u-s-workers-have-lost-jobs-during-coronavirus-pandemic-there-are-several-ways-to-count-11591176601>

helpful by requiring that landlords start the eviction process anew once the moratorium expires.

At the same time, landlords had already filed over 1000 such actions at Landlord & Tenant Court after the emergency had started but before the Council prohibited such filings. Indeed, many uncertainties cloud the immediate future for tenants who are experiencing rent hardships. For example, how effective a tool will rental payment plans be in meeting their needs? Regardless, we know the Council's emergency measures can only go so far in buying time for renters, particularly for those whose pocketbooks have been impacted the most.

Matthew Desmond -- who authored the book "Eviction" -- expressed it well when he said "***the rent eats first.***" So I am very concerned about the surge of evictions that looms once the District's moratorium on evictions expires. Many more residents are having difficulty paying the rent and will inevitably face eviction. We look forward to continuing to work with the Committee to improve upon the emergency measures to date.

But I also believe that we as a government need to start thinking hard about the post-emergency world. Our challenge is as straightforward as it

is daunting -- how can we prevent as many renters as possible from losing their homes and risking homelessness?

These are significant challenges for our city – challenges that OTA is determined to help address. However, OTA needs the resources to fight the problem. The challenges the crisis has created truly clarify what and where the government’s funding priorities need to be. While I understand that most government agencies have taken a hit in the budget formulation, I believe that by strategically increasing funding in certain areas we can provide a profound return on investment. Fully funding areas of the budget related to our residents’ greatest needs generally, and key parts of the OTA’s budget in particular, would allow District government to address the most dire and potentially the most tragic situations, including the loss of peoples’ homes.

Comprehensive eviction prevention program

As the District transitions from emergency to phased reopening, I believe the District should consider developing and funding a comprehensive eviction prevention program, including a requirement of mediation prior to the filing of an eviction action. There are any number of such best practices and proposals in jurisdictions around the country that

the District should consider. More than ever, tenants will need *pro bono* attorneys; mediation services; and education and outreach about their rights.

Legal Service Provider fund

Until FY 2018, the OTA's Legal Service Provider fund was a source of important funding for attorneys and legal service providers who do yeoman's work at DC Superior Court's Landlord & Tenant court. Consideration should be given to restoring the fund, and also allowing the OTA -- in collaboration with the Mayor, the Council, advocates and stakeholders, and of course the Committee -- to tailor the program to better meet the new realities of our post-emergency world.

Rental assistance programs

From the start of the emergency, the OTA has advocated for the expansion of DHS's Emergency Rental Assistance Program, and an expansion of the eligibility criteria, in order to help address rent hardships caused by the pandemic. While the neediest deserve the most from government, consideration should also be given to the plight of residents who don't quite meet the mark for purposes of traditional rental assistance programs. By sufficiently funding programs intended to meet our

residents' core need – the roof over their heads – we could help stop the hemorrhaging, and help prevent those on the margins of poverty from slipping into the ranks of the neediest.

Small landlord repair fund

As a member of Mayor Bowser's Housing Preservation Strike Force from 2015 to 2016, I had recommended a small housing provider (small businesses) maintenance and repair fund to assist with the capital needs of small landlords, or those properties with 50 or fewer units. The purpose was to help small landlords who are struggling to preserve the quality of their housing accommodations, while also helping to preserve the affordability of those accommodations for current tenants. I was gratified that the Mayor through the preservation program implemented a similar plan. Our understanding is that DHCD's Small Building Fund was funded at \$1 million for the current fiscal year; the first project grants have been awarded; and the Fund will continue to play an important role.

As we move into the post-emergency world, expanding such assistance to small landlords could be a critical part of preserving affordability for our tenants.

Rent Control Clearinghouse Database

I will now provide an update as to the status of the Rent Control Clearinghouse Database. As you are well aware, Chairperson Bonds, the OTA has been charged by statute to (a) complete a demonstration project to establish a user-friendly, internet-accessible, and searchable database for the submission, management, and review of housing provider submissions to DHCD's Rental Accommodations Division; and (b) integrate into the database an online portal for the filing of registration statements and claims of exemption under the Rental Housing Act of 1985.⁵

As we previously apprised the Committee, circumstances beyond the agency's control delayed the vendor selection process, and prevented us from expending FY 2019 appropriations. I am sorry to say so far in FY 2020 the situation has not substantially changed. We are currently awaiting an update from the Office of Contracting and Procurement (OCP) and will apprise the Committee of any progress when that information is available. Regardless, I believe once again we will likely need to revisit the current statutory deadline for completion of the project (December 13, 2020).

⁵ (a) Law 22-0033, the "Fiscal Year 2018 Budget Support Act of 2017," Subtitle J; (b) Law 22-0997, the "Fiscal Year 2019 Budget Support Act of 2018," Subtitle CC, as amended.

Conclusion

In closing I wish to thank you, Chairperson Bonds, and the members of the Committee, for your dedication and commitment to the tenant community, especially our most vulnerable renters. This concludes my testimony and I am happy to answer any questions you may have.
