



# THE BEST OF TIMES FOR SOME, THE WORST OF TIMES FOR MOST:

## Budgeting to Reduce Income Inequality

### Mission

The Fair Budget Coalition advocates for budget and public policy initiatives that address poverty and human needs in the District of Columbia.

*“An imbalance between rich and poor is the oldest and most fatal ailment of all republics.”*

*Plutarch, ancient Greek biographer (c. 46 – 120 CE)*

Charles Dickens’ “A Tale of Two Cities” begins with a list of dichotomies: “It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way.”

Much the same could be said about DC today. DC was recently ranked, for the fourth time in a row, the most literate city in the country, based on bookstores, library resources, and newspaper circulation, among other measures. At the same time, nearly a fifth of DC residents over the age of 16 are functionally illiterate. Roughly 60 cranes dot the city skyline, representing booming economic development, yet in 2010 the affordable housing stock had slipped to half of its 2000 level. The restaurant industry in DC is flourishing, employing almost 53,000 people last year, while the city has the second highest rate of food insecurity among children.

These disparities have become a common story in the U.S. According to a 2013 Organization for Economic Cooperation and Development study, the United States has more income inequality than any other rich nation and the fourth highest rate of income inequality among all nations, behind only Chile, Mexico, and Turkey. Tragically, this is not a new pattern. The incomes of the top fifth of earners have been steadily climbing for the past 40 years, while those of the bottom fifth have consistently fallen. Since 1979, the bottom 80% of households have seen a decrease in their share of income, but the top 1% has seen its share more than double. Today, the top 10% of earners make nearly 75% of the nation’s income.

While DC is not alone in its experience of income inequality, it can be said to be hyper-representative. The District has the third highest income inequality of the 50 largest cities in the country. The average income of the top fifth of earners in DC is 29 times that of the bottom fifth. It is an imbalance that cannot stand.

Fortunately, through the budget process, the Mayor and City Council can make commitments to bridging the gap between the rich and the poor, the haves and the have-nots. The Fair Budget Coalition believes that the following measures can help guide us toward a more equitable DC:

## Members

## Tax and Revenue

***A tax system that doesn't unduly burden those with the lowest incomes while privileging those with the highest is a key component of reducing income inequality. Likewise, an adequate tax base is necessary to ensure that the city brings in sufficient revenue to meet the needs of all of its residents.***

- 1) Make DC's tax system more progressive by reducing taxes paid by low-income residents and increasing taxes for DC's highest income residents. This can be accomplished through changes to DC's income tax and by creating a sales tax credit for lower-income residents.** Our tax system is largely regressive. Above a family income of around \$50,000, taxes as a share of income decline as income rises. The top 1% of earners, averaging \$2.4 million in income, pay 6.2% of their income in DC taxes, lower than for any other income group. Families in the middle spend about 11% of their income in taxes, one of the highest middle-income tax liabilities in the nation.
  - a)** FBC supports the Mayor's proposal to create a new middle-income tax bracket for those making between \$40,000 and \$60,000 with a lower marginal tax rate. This would provide much needed relief for those families that currently bear the heaviest tax burden. We also support the recommendations of the DC Tax Revision Commission (TRC) to raise the standard deduction and personal exemption to match the federal levels, and to expand the Earned Income Tax Credit (EITC) for workers without children in the home.
  - b)** Maintain the Mayor's proposal to keep the current income tax rate at 8.95% for taxable income above \$350,000. Making this tax rate permanent is an important step to move DC's unfair tax system toward a more fair and progressive structure. It is important to note that "taxable income" reflects total income minus exemptions and deductions. Thus, a family with taxable income of \$150,000 or \$350,000 is likely to have total income well above those levels.
  - c)** FBC also recommends creating a sales tax credit, based on income and family size, to offset the impact of the highly regressive sales tax on low- and moderate-income families.
  - d)** The TRC recommends raising the threshold of the DC estate tax to federal levels, which would further reduce the progressivity of the tax code and deprive us of needed revenues. FBC proposes maintaining the DC estate tax threshold at the present level (\$1 million). Keeping the estate tax at its current rate will preserve \$15.8 million in the budget, which would be needed in order to provide tax relief for those who most need it.
- 2) Eliminate the current exemptions for professional services organizations and thus requiring more businesses operating in the District to pay income taxes.** In the typical state, all businesses pay taxes on their earnings. Corporations pay the corporate income tax. Other businesses, such as sole proprietors or

<p>Concerned Black Men, DC</p> <p>Cornerstone</p> <p>Covenant House Washington</p> <p>DC Advocates for the Arts</p> <p>DC Alliance of Youth Advocates</p> <p>DC Catholic Conference</p> <p>DC Central Kitchen</p> <p>DC Coalition Against Domestic Violence</p> <p>DC Coalition of Providers for Persons with Intellectual and Other Disabilities</p> <p>DC Community Coalition</p> <p>DC For Democracy</p> <p>DC Hunger Solutions</p> <p>DC Jobs Council</p> <p>DC Jobs with Justice</p> <p>DC Law Students in Court</p> <p>DC Primary Care Association</p> <p>DC Public Banking Center</p> <p>DC Rape Crisis Center</p> <p>DC Senior Advisory Coalition</p>	<p>partnerships, pay taxes through the individual income tax. Because the District cannot tax the income of sole proprietors or partners if they do not live in the city, the city has an unincorporated business tax that applies to many of these groups. However, DC’s unincorporated business tax was written to exclude professional services businesses, including lawyers, doctors, lobbyists and accountants, professions which are among the highest paid in the city. This means that a substantial amount of business income earned in DC by non-residents is not taxed by the city as it would be in other jurisdictions. Instead, this income earned in DC is taxed by Maryland, Virginia, and other jurisdictions.</p> <p><b>3) Generate \$65 million by Broadening Business Tax Base.</b> Business taxes are currently assessed on only a portion of the local economy. The non-profit sector, including universities and hospitals which are a major share of the local economy, is not subject to income taxes, and often not to property taxes. As noted above, law firms and other professional services companies also do not pay DC income taxes unless partners are DC residents. FBC supports the Tax Revision Commission’s recommendations to levy a local services fee on all businesses. Additionally, many businesses headquartered in other jurisdictions have substantial sales in DC. FBC supports the mayor’s FY 2015 budget provision decision to require multi-state corporations to apportion their profits to DC based on a single weighted sales formula. This would implement a Tax Revision Commission’s recommendation.</p> <p style="text-align: center;"><b><i>Good Jobs, Workforce Development and Income Supports</i></b></p> <p><b><i>The gap between the rich and poor will only widen if workers on the lower end of the income scale aren’t paid adequate wages and if those who want to work can’t access the education and skills training necessary to join the workforce. Suitable income supports are also critical to closing the gap.</i></b></p> <p><b>1) Implement and strengthen enforcement of worker protection laws with an additional investment of at least \$1,265,000.</b></p> <p><b>a) Invest \$591,000 to implement the Wage Theft Prevention Act of 2014 and other wage and hour laws.</b> This will strengthen enforcement and adjudication of wage theft claims. This money will also fund additional OAH administrative law judges and DOES compliance staff, such as wage violation investigators.</p> <p><b>b) Invest an additional \$130,000 to fund a public education campaign by DOES about the new sick leave law, so that businesses and workers know about the expanded protections now offered.</b> This is the amount that the CFO’s Fiscal Impact Statement would be needed in the law’s first year.</p> <p><b>c) Invest \$161,000 to implement the Unemployed Anti-Discrimination Amendment Act of 2012.</b> In order to help DC residents obtain jobs, the DC Council passed the Unemployed Anti-Discrimination Act in 2012, which prohibits employers from discriminating against job candidates because of a</p>
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<p>DC Statehood Green Party</p> <p>DC Tenants' Advocacy Coalition</p> <p>DC Voice</p> <p>District Alliance for Safe Housing</p> <p>Emmaus Services for the Aging, Inc.</p> <p>Employment Justice Center</p> <p>Empower DC</p> <p>Foster &amp; Adoptive Parent Advocacy Center</p> <p>Gray Panthers</p> <p>Healthy Families Thriving Communities Collaborative Council</p> <p>Homeless Children's Playtime Project</p> <p>Iona Senior Services</p> <p>Jews United for Justice</p> <p>Jubilee Housing</p> <p>Jubilee Jobs</p> <p>La Clínica del Pueblo</p> <p>Latin American Youth Center</p> <p>League of Women Voters</p> <p>Legal Aid Society of DC</p>	<p>period of unemployment in their job history. However, in order to go into effect, the law requires \$161,000 of funding to pay for two Office of Human Rights staff members to process and mediate claims. More than 100,000 District residents who are unemployed or have had extensive periods of unemployment that may be used as reasons not to hire them would benefit from enhanced protection against discrimination.</p> <p><b>d) Invest \$383,000 to implement the reporting requirement for Minimum Wage Amendment Act of 2013.</b> This will allow restaurants to certify that they are complying with the proper tip credit procedures through an online process to be designed by DOES.</p> <p><b>2) Maintain at least the \$150,000 proposed in the Mayor's budget for staff to investigate and process claims under the Earned Sick and Safe Leave Amendment Act.</b> On January 2, Mayor Gray signed the Earned Sick and Safe Leave Amendment Act, which amends the original law to include tipped restaurant workers, along with anyone who has been working for less than a year, and provides enhanced remedies and a claims process for workers who are forced to work sick or denied paid leave. We need to fund implementation of this law so that it can take effect as soon as possible.</p> <p><b>3) Increase the minimum wage for tipped workers.</b> In DC, 74 percent of tipped restaurant workers don't earn a living wage, and 50 percent live in poverty in Wards 7 and 8. Eliminating the tipped minimum wage not only leads to pay equity but also provides a long-term solution to dealing with our income inequality. Councilmember Mary Cheh has introduced a bill to increase the tipped minimum to 50 percent of the regular minimum wage. We applaud this effort but encourage the Council to eliminate the tipped credit for employers and raise the tipped minimum wage to 100% of the general minimum wage.</p> <p><b>4) Provide an intra-district transfer of \$4.1 million from DOES to OSSE Adult and Family Education to provide the literacy services adults need in order to gain the basic reading and math skills required for DOES job training.</b> By 2018, 71% of DC jobs will require some postsecondary education, yet 20% of DC adults do not have even a high school education. Even more adults who have the credential lack the 8<sup>th</sup> grade reading and math skills that qualify them for career technical training. Without education, adults cannot get jobs that pay family-sustaining wages and their children are far less likely to complete their own education. This critical investment should be part of the city's baseline budget for adult literacy services rather than something that is dependent on the changing priorities of another agency's leaders or on the projection of a budget surplus. A recent report from CLASP shows that 85,382 workers (25-64) have limited skills or English language proficiency. Yet District resources allow providers (OSSE AFE, DCPS and DCPCS combined) to serve only about 8,000 adult learners each year. These funds will serve an additional 1,400 District residents in FY 2015.</p>
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<p>LIFT-DC</p> <p>Local Initiatives Support Corporation</p> <p>Many Languages, One Voice</p> <p>Mary’s Center for Maternal &amp; Child Care</p> <p>Miriam’s Kitchen</p> <p>Mothers’ Outreach Network</p> <p>Northwest Settlement House</p> <p>ONE DC</p> <p>People for Fairness Coalition</p> <p>Perry School Community Services Center</p> <p>Positive Force DC</p> <p>Quality Trust for Individuals with Disabilities</p> <p>RCM of Washington</p> <p>Sasha Bruce Youthwork</p> <p>So Others Might Eat</p> <p>Southeast Ministry</p> <p>Tenant Action Network</p> <p>The Arc of DC</p> <p>The Nonprofit Roundtable of Greater Washington</p>	<p><b>5) Create a cross-agency task force to develop, implement and report on a strategic plan for improving adult literacy in the District of Columbia. Allocate funds for staff to carry forward the work of the taskforce (\$175,000 for one FTE and technical consultants).</b> The District lacks a cross-agency strategy for driving and coordinating its investments in adult literacy. Without a common goal and strategy and without the means to share data, including outcome and performance measurements, the District cannot be sure that it is investing its resources effectively. The effects of low literacy touch so many aspects of our community life that a joint, concentrated and comprehensive effort to improve literacy among DC adults will have positive influence on other areas of community growth, such as early childhood and K-12 education, public health, lower recidivism among people returning to our community from jail and prisons, and economic development through closing the skills gap and filling more DC jobs with DC residents.</p> <p><b>6) Invest at least \$11 million to increase TANF benefits by at least 15% plus a cost-of-living adjustment (COLA) in FY15 and by a COLA in subsequent years. A parent with two children, who currently receives just \$428 per month, would see these benefits rise to at least \$492 per month.</b> The deep poverty that TANF families experience threatens the success of the District’s welfare-to-work effort. DC has invested a great deal of time and energy to improve employment services for TANF parents. But it is very difficult for parents to focus fully on job preparation activities if they are worried about how to meet their kids’ most basic needs. This deep poverty also threatens the ability of the District’s children to succeed. A substantial body of research has found that children in poverty: score lower on tests of cognitive skills; have more behavior problems; are more likely to have a child at a young age; are more likely to drop out of high school; if they do graduate from high school, are less likely to start or graduate from college; and are more likely to be poor as adults. DC currently ranks 26<sup>th</sup> in the nation in terms of benefit levels. Even with the proposed increase, DC’s benefits will remain significantly lower than those in other jurisdictions with high costs-of-living. For similarly situated urban markets, the maximum benefit for a family of three is \$618 in Boston, \$638 in Los Angeles, and \$789 in New York City. Maryland has a maximum monthly benefit of \$574 for a family of three.</p> <p><b>7) Invest \$2.6 million to offer a one-time 12-month exemption (from the 60-month time limit) to TANF parents caring for a child under 12 months old.</b> Zero to Three, a national organization devoted to improving the lives of infants and toddlers, finds that “infants and toddlers, particularly those at risk, need dedicated time with their parents to form the critical relationships that are the foundation for healthy social, emotional, and cognitive development.” Parents caring for infants under 12 months old are exempt from engaging in work preparation activities, but their TANF time clock continues to run during this period and they can experience time-limit-related benefit cuts. By matching works requirements and time limits—having the time clock run only when a</p>
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The Women’s Collective

UDC David A. Clarke  
School of Law

University Legal Services

Washington Interfaith  
Network

Washington Legal Clinic  
for the Homeless

We Are Family Senior  
Outreach Network

Wider Opportunities for  
Women

parent is expected to be in training or looking for work—the District can give families the time they need to transition into self-sufficiency.

**8) Expand Interim Disability Assistance by \$3.9 million to reach 1,200 more residents in need.** Interim Disability Assistance provides a modest \$270 per month. In FY 2009, the IDA program was fully funded at \$6.2 million, providing benefits for 2,759 residents in need. During the Great Recession, local funding for IDA was slashed and the caseload fell dramatically. In FY 2014, IDA will receive just \$2 million in local funding and serve only 979 residents. Lacking any income, these residents are unable to access the regular medical care they need. Instead, they rely on DC’s emergency medical services, which leads to poorer health outcomes, a greater strain on our 911 system, and a greater cost to our government.

**9) Invest \$580,000 to provide application assistance to Interim Disability Assistance recipients.** Currently, DC offers no application help to SSI applicants, despite the difficulty of the process. Applicants must prove not only that they have severe medical conditions, but also that those medical conditions prevent them from functioning in work settings. Applicants often have to undergo special medical and psychological evaluations. Many applicants struggle to collect medical records and doctor’s appointments while having little or no income to pay for the bus or for phone calls. The process is particularly difficult for homeless residents who may not receive notices in a timely way. If an applicant doesn’t reply to a notice, their case is closed. An application assistance program can help residents organize records, secure needed appointments, and serve as a stable address for IDA recipients. IDA is partially funded by federal reimbursement of IDA benefits paid to applicants who are later awarded SSI. Application assistance can lead to quicker determinations and higher acceptance rates, reducing the number of months a recipient receives IDA and increasing the amount DC receives in federal reimbursement.

**10) Invest \$5 million to reconnect 1,000 16-24-year-old “Opportunity Youth,” currently disconnected from school and employment, who need specialized programs to reconnect them to school, training and employment as well as mentors to help with their transition to productive adulthood.** There are 9,910 youth between the ages of 16-24 who are not in school and/or employed but not in the justice system. They are at highest risk of becoming unable to lead self-sufficient lives and/or to support families. There is currently a lack of resources aimed at increasing their chances of staying in school, reconnecting to school and/or training, and becoming employed. Funds spent to support these young people successfully will result in savings to the city from spending to incarcerate, rehabilitate and house adults without the skills to function productively on their own. The savings would include funds for TANF and health care costs as well.

*“Any city, however small, is in fact divided into two, one the city of the poor, the other of the rich; these are at war with one another.”*

*Plato  
Greek philosopher  
(427-347 B.C.)*

## Nutrition and Health

***Income inequality is a prime driver of bad health and a lower quality of life for the whole community. Helping meet the health and nutrition needs of seniors on fixed incomes will help ameliorate their financial burden.***

**Invest \$1.3 million in local funds to address senior hunger and provide an additional \$15 per month in SNAP benefits to those receiving less than \$30 per month.** More than 12,000 District seniors benefit from the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), widely considered the nation's number one defense against hunger. With an average monthly allotment of \$122 for seniors living alone, SNAP is a particularly effective tool for addressing senior hunger. However, thousands of eligible older residents are not enrolled in SNAP and thousands of seniors only receive the minimum monthly benefit which just decreased from \$16 to \$15 this November because of federal law. While seniors are grateful for the food assistance the minimum benefit provides, \$15 per month is woefully inadequate for many seniors who live on fixed incomes and must contend with the rising costs of DC living. DC has the highest rate of seniors living in poverty compared with the 50 states. More than 15,000 seniors, approximately 15% of the senior population in DC, are living in poverty, and thousands more struggle to cover housing costs and medical care and still pay for food on a meager income.

To support senior nutrition, the city should increase the minimum monthly SNAP benefit to \$30 by allocating local funds to supplement the benefit amount for those receiving less than \$30. Raising the minimum SNAP benefit will increase program participation and draw in more federal dollars to DC. The investment in SNAP will stimulate the economy. Every dollar of SNAP benefits generates about \$1.79 in the local economy. SNAP pumped \$246 million into the DC economy in 2012, resulting in an estimated \$440.3 million of economic activity in the region, benefitting the District's grocers and small businesses.

## Public Safety

***Domestic violence and sexual assault affect men and women at every income level. However, victims lacking financial resources and often battling food and housing insecurity face significant additional barriers to justice and healing. Appropriate victim services support is vital to addressing these difficult challenges.***

**Enhance the Mayor's FY15 proposed Office of Victim Services (OVS) budget with an additional \$1.8 million in local funds to fully fund the new District-wide domestic violence hotline, Sexual Assault Victim's Rights Amendment Act ("SAVRAA") legislation, and other new initiatives without cutting into existing core services for victims of domestic and sexual violence.** Local funding available to support service providers and implement recent legislation has not increased. Without additional local funding for OVS in FY15, core services to victims may be

*"We can either have democracy in this country or we can have great wealth concentrated in the hands of a few, but we can't have both."*

*Louis Brandeis  
U.S. Supreme Court  
Justice  
(1856-1941)*

*“The disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition is the great and most universal cause of the corruption of our moral sentiments”*

*Adam Smith  
political economist  
(1723-1790)*

reduced due to the fiscal impact of legislation and other new initiatives in FY15. Domestic violence nonprofits served over 30,000 victims of domestic violence and their families in 2012. Over 420 survivors of sexual assault went to the hospital for SANE kits in 2012. While the homicide rate has decreased, D.C. needs therapeutic nonprofits to be prepared to respond to mass casualty events like the Navy Yard shooting.

Generally, OVS services realize savings in other public safety agencies like MPD and FEMS, due to the decrease in need for emergency criminal justice responses. Similarly, the impact of these crimes often increases the demand on human services like homeless services, CFSA, and emergency rooms/Medicaid and Alliance. Specifically, fully funding the domestic violence hotline and SAVRAA legislation will decrease the impact on those emergency responses and will decrease demand for later DC-funded mental health and trauma responses by allowing the experts to work directly with survivors of sexual assault.

### **Children and Youth**

***Children born to the poorest fifth of families in the nation are ten times more likely to remain in that quintile as an adult than in the highest income. Addressing the wealth gap is a key means to help protect their futures.***

**Invest an additional \$2.4 million and maintain the \$3 million allocated by the Mayor to expand the School-based Mental Health Program to a total of 118 schools. (The Mayor included an initial investment of \$3 million in his FY2015 budget and included \$1.9 million as #7 on his Additional Revenue Priority List. The total investment necessary for FY2015 is \$5.4 million.)** These funds would enable the program to reach 60% of the District’s 200 schools. The South Capitol Street Memorial Amendment Act of 2012 requires that mental health services be provided at 75 % of D.C. schools in the 2014-15 school year and 100% by 2015-16. These services will provide prevention, early intervention and clinical services to children and youth of all ages. Most young people attend schools and they are an ideal location to identify mental health needs and assure services are provided.

### **Housing & Homelessness**

***Harvard researchers have found that areas with the greatest economic opportunities also have the highest cost of living, driving low-wage workers to areas with fewer options and exacerbating income inequality. Housing supports for the low-income and homeless can help shift this imbalance.***

- 1) Better track outcomes from the Rapid Rehousing and Emergency Rental Assistance Programs in order to determine appropriate future levels of funding and identify the most appropriate populations to targets with these program funds. Rapid Rehousing (“RRH”) and the Emergency Rental Assistance Program (“ERAP”) are key tools to prevent and end homelessness in the District.**



*“So distribution should  
undo excess, and each  
man have enough.”  
[King Lear, Act 4, Scene 1]*

*William Shakespeare  
playwright  
(1564-1616)*

Currently, the District does not track turnaways from the ERAP or RRH programs, nor does it use performance outcomes measurements to determine whether 6 months or 12 months after assistance is given or ends, the household remains stably housed. This information is necessary for government officials and stakeholders to make public policy decisions and recommendations regarding the appropriate funding levels and target populations for each of these programs.

- 2) **Better meet the needs of single adults who are homeless by creating a Coordinated Entry System and by expanding the Rapid Re-Housing program being piloted this year.**
  - a) **Invest \$250,000 in Coordinated Entry to assess homeless individuals.** On a given night in 2013, 3,696 individuals were homeless. There is currently no systematic and simple way for single adults who are homeless to access the housing and services are needed to end their homelessness. Coordinated Entry is a process that streamlines access to homeless assistance services (such as prevention, rapid re-housing, and permanent supportive housing) by assessing client needs to determine which programs are the best fit and by screening applicants for eligibility for these programs. The federal HEARTH Act requires that all jurisdictions develop a coordinated entry system for individuals and families. Coordinated entry makes a system that is simpler for consumers and allows the right people to connect to the right assistance more quickly.
  - b) **Invest \$1.5 million of one-time funding in Rapid Re-housing.** Of the 3,700 individuals who are homeless in DC, about 1,700 have been homeless for years, have a disability, and need permanent supportive housing. However, a large percentage of single adults need short-term assistance, like Rapid Re-housing, to move out of homelessness. A small pilot of rapid re-housing for individuals was funded in the FY 14 budget and will launch soon. Additional funding is needed to ensure we have Rapid Re-Housing resources for individuals assessed through the Coordinated Entry System.
- 3) **Dedicate \$5.4 million in Permanent Supportive Housing to house chronically homeless residents.** Fund the Department of Human Services Permanent Supportive Housing (PSH) program to meet the goals laid out in the Interagency Council on Homelessness Production Plan and implement best practices. Nearly 1,800 individuals and families living on the street or in shelter have been doing so for years and are "chronically homeless," meaning they suffer from life-threatening health conditions and/or severe mental illness. The US Interagency Council on Homelessness reports PSH ends chronic homelessness and is also cost effective, reducing reliance on more expensive crisis-related services like emergency rooms, psychiatric hospitals, and jail.

Recognizing these benefits, the DC Interagency Council on Homelessness has come up with a seven-year plan to end chronic homelessness in DC through newly constructed as well as leased units managed through the Department of Human Services. FBC is specifically focusing on leased units as they are available

immediately. Last year, we made some progress but to meet the FY 2015 goal, we need to expand the DHS program to reach 282 more residents. Additionally, we need to implement a few policy best practices to ensure that all of our PSH resources, constructed and leased, are being used most effectively. First, we must dedicate units to residents who are chronically homeless and prioritize those who are the most vulnerable, as PSH is most cost-effective when it is targeted to those who need it the most. Second, it is necessary to ensure that that PSH remains low-barrier, meaning it is available without requirements like sobriety or participation in health or mental health treatment. *The Way Home*, a community-wide campaign to end chronic homelessness, was launched in January, indicating the strong public will to address this issue.

- 4) **Invest \$1.5 million in FY 2015 and \$17.2 million in FY 2016 to meet the goals of Helping Families Home: A Roadmap for the District.** DC families belong in homes and deserve a homeless services system that supports them. For several years, homeless families in DC have had to contend with a homeless services system that is not equipped to serve families year-round with sufficient case-management and services to help them quickly find a safe and stable place to call home. DC needs a family homeless system that quickly connects families with the right services and thus limits their stay in shelter. DC must also provide safe and adequate emergency shelter for families when they need it. Finally, DC needs a robust set of tools to meet the unique needs of each homeless family and to create more affordable housing for families. Investing \$1.5 million in FY 2015 and \$17.2 million in FY 2016 will help meet those goals.
- 5) **Provide year-round access to shelter for DC “priority one” homeless families (i.e., those without a safe place to stay).** This winter, there has an increase of over 30% in the demand for shelter by families. Currently, there is only a right to shelter in the District when the actual or forecasted temperature, including wind chill, falls below 32 degrees. For the most part, single people can access shelter beds even when it is not hypothermic, but the front door to shelter is closed to families outside of freezing weather. The District is not saving money by closing the front door to family shelter for half of the year. Rather, by ignoring families’ needs for services when they first become homeless, it is incurring greater costs by serving these same families in the winter, when it does not have enough resources to meet the demand and when the obstacles the families face to regaining housing have been compounded by their long-term homelessness. Spreading out the demand over a year will allow DHS to better assess families who come in, divert those that it can, and move families through the system and into housing more efficiently, thus creating space for additional families and enabling the District to avoid long-term costly motel placements.
- 6) **Invest \$10 million to provide approximately 667 affordable housing units for very low-income families through the Local Rent Supplement Program.** The local rent supplement program’s tenant vouchers can help provide affordable housing opportunities quickly to DC residents in need, and in particular to homeless families. Tenant vouchers are the fastest way to create affordable

*The causes which destroyed the ancient republics were numerous; but in Rome, one principal cause was the vast inequality of fortunes.*

Noah Webster  
editor and writer  
(1758-1843)

*“The greatest country, the richest country, is not that which has the most capitalists, monopolists, immense grabbings, vast fortunes, with its sad, sad soil of extreme, degrading, damning poverty, but the land in which there are the most homesteads, freeholds — where wealth does not show such contrasts high and low, where all men have enough — a modest living— and no man is made possessor beyond the sane and beautiful necessities.”*

*Walt Whitman  
poet  
(1819-1892)*

housing because they leverage available, private market housing. This could help some of the District families in shelters move out and could help prevent families that are precariously housed from becoming homeless and having to access much more costly emergency services such as shelter. Quality, affordable housing correlates strongly with success in obtaining and maintaining employment. It has also been shown to lead to improvements in children's educational outcomes, as well as physical and mental health for children and adults.

- 7) **Invest \$10 million and expand the Youth Services Amendment Act to expand emergency and longer-term housing to 150 homeless youth/young Families with and establish a coordinated system of care.** There has been a reduction in homeless services to those under 18 years old this fiscal year, despite a count of homeless youth showing that there was a significant gap in capacity. Fifty percent of all chronically homeless adults report becoming homeless as teenagers. Youth who are homeless are vulnerable on the streets and in all adult shelters and require specialized services aimed at their age and stage.
- 8) **Support the affordable housing production requests made by the Coalition for Non-Profit Housing and Economic Development (CNHED) by committing \$100 million each year to the Housing Production Trust Fund (HPTF), and an additional \$2 million to supplement the \$3 million in funding recommended by the mayor, for a total of \$5 million for project/sponsor-based Local Rent Supplement program funds and other housing for low-income renters.** Production and preservation of affordable housing is critical and the Fair Budget Coalition strongly supports CNHED’s housing production requests for FY15. Producing and preserving affordable housing can help solve the affordable housing crisis and help DC stay on track to becoming a more affordable city.

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