


Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** September 20, 2017

**SUBJECT:** Fiscal Impact Statement – Homeless Services Reform Amendment Act of 2017

**REFERENCE:** Bill 22-293, Draft Committee Print sent to the Office of Revenue Analysis on September 19, 2017

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**Conclusion**

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

**Background**

The bill updates<sup>1</sup> the laws governing the city's services for individuals and families that are homeless or at risk of homelessness. These services comprise the "Continuum of Care" and are provided by the Department of Human Services (DHS).

Below we outline the changes the bill makes.

Definition updates

The bill updates the definition of several terms, such as "homeless," "at risk of homelessness," and "chronically homeless," in order to align the definitions with guidance from the U.S. Department of Housing and Urban Development.

Changes to residency requirements

The bill changes the proof of residency requirements for people seeking Continuum of Care services from DHS.<sup>2</sup> Currently, a person must prove they are a D.C. resident, and therefore eligible for

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<sup>1</sup> By amending the Homeless Services Reform Act of 2005, effective October 22, 2005 (D.C. Law 16-35; D.C. Official Code § 4-751.01 et seq.).

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services, by providing one of the following: a mailing address in the District valid within the past two years; evidence that the person or their family has applied for or is receiving public assistance from the District; evidence that the person or a family member attends school in the District; or written verification by a third party that the person is a District resident. Under the bill, people can prove they are District residents by showing they receive public assistance from the District or by providing two pieces of evidence from a list of 13. One of these pieces of evidence can be written verification from a third party.

The bill allows the Mayor to waive proof of residency for asylum seekers or refugees. She can already do this for victims of domestic violence, sexual assault, and human trafficking.

#### Re-determining eligibility and exiting clients

The bill allows the Mayor to re-determine eligibility for Continuum of Care services if she receives new or relevant information regarding a person's eligibility. It also allows providers of housing or shelter programs to exit clients when a client is no longer eligible for services, has achieved program goals, or has reached the program's time limit. The client can appeal an exit by requesting a fair hearing.

#### Clarifications about services

The bill makes several clarifications about the goals of different services and which populations the services are intended for, such as:

- Which families will be served by Permanent Supportive Housing and which will be served by Targeted Affordable Housing;
- How Rapid Re-housing fits within the Continuum of Care and is distinguishable from permanent housing; and
- Medical respite beds are reserved only for people with medical needs and are not to be used when a person no longer requires medical care. Discharges from medical respite beds are exempt from the due process requirements for Continuum of Care services.

#### Client rights

The bill gives additional rights to clients in permanent housing programs, and clarifies that it is the lease agreement, not participation in services, which dictates the client's right to stay in their unit. The bill requires that permanent housing units be inspected before a client moves into a unit, and a copy of the inspection report must be placed in the client's case file.

#### Other changes

Other changes the bill makes include:

- Clarifying the membership, appointment, process, roles, and responsibilities of the Interagency Council on Homelessness;
- Allowing Continuum of Care clients the right to associate and assemble peacefully;
- Requiring a provider of temporary shelter or transitional housing to provide 15 days' written notice before transferring or terminating an individual or family who has been absent for more than 4 consecutive days;
- Authorizing providers to transfer an individual or family when the provider is unable to continue operating due to loss of funding or loss of control of the facility; and

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<sup>2</sup> Most homeless services from DHS require that a person prove they are a District resident, though entry into a low-barrier shelter does not require proof of District residency.

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- Authorizing providers to make an emergency transfer of a client in the case of a loss of a unit arising from circumstances beyond the control of the provider or the DHS.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

Many of the bill's provisions do not have a fiscal impact. Some provisions clarify the D.C. Code to align it with DHS's current practice. Other provisions give providers or clients rights that will not significantly change the services DHS provides through its Continuum of Care.

A few of the bill's provisions could result in savings for DHS, but the savings are uncertain. For example, allowing the Mayor to re-determine eligibility for Continuum of Care Services and allowing providers to more easily exit some clients could result in lower expenditures on motel rooms and housing units. However, since these new policies have not yet been put into practice, it is unclear how they will affect the shelter and housing system, and any potential savings could be offset by unforeseen increases in the Continuum of Care population.

It is unclear how the new residency requirements will impact the number of people entering the Continuum of Care system. Under the bill, people receiving public assistance will still qualify as residents, as they do now. People not receiving public assistance will need to show one more document than they currently need to show, but the list of acceptable documents will be much broader.

DHS believes the new residency requirements would not result in a reduction of the population it serves, so we are not quantifying any savings for the new requirements. The agency believes it's even possible that the expanded list of eligible documents for proving residency might result in an increase in the population it serves, which would result in higher costs. However, since the bill requires some applicants to submit more documentation, not less, we assume there will not be a sizeable population increase, and therefore no fiscal impact.