Income Growth in the Family Rehousing Stabilization Program

June 18, 2025

An Issue Brief by the Office of the D.C. Auditor

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Income Growth in the Family Rehousing Stabilization Program

In this Issue Brief, we found that a majority of families did not increase their income while in a D.C. program designed to provide housing stability. Over fiscal years 2022-2024, we examined the rates at which incomes changed for participants in the Family Rehousing Stabilization Program (FRSP).

FRSP, administered by the District's Department of Human Services (DHS), provides families with 12 months of rental assistance and case management to help families experiencing homelessness afford dignified and safe housing in the private market.

More than 64% of the families participating in this rapid-rehousing program saw no income growth. Others saw a decline in income, with 90% of the participants having annual incomes less than 30% of the relevant year's Median Family Income (MFI).

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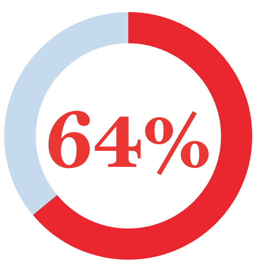
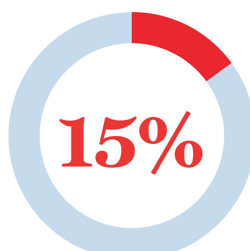
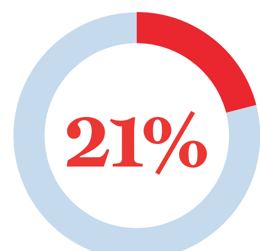
By the numbers: Exiting participants of FRSB



Families whose income stayed the same



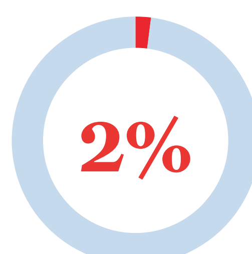
Families whose income declined



Families whose income increased

<$15,470

Income of 50% of families (of four)



Families with income above 50% of Median Family Income (MFI)

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Background

When Mayor Muriel Bowser announced the Homeward DC 2015–2020 strategic plan to make homelessness in the District of Columbia rare, brief, and nonrecurring, the Rapid Rehousing Program (RRP), administered by the Department of Human Services (DHS), was one of the program models in that plan.

RRP, known as the Family Rehousing Stabilization Program or FRSP, provides families with 12 months of rental assistance and case management in an effort to help families experiencing homelessness afford dignified and safe housing in the private market.[1]

According to the Homeward DC plan, FRSP was expected to create a path for up to 73% of residents experiencing homelessness to reach housing stability. According to DHS staff, they have slightly exceeded that projection and approximately 75% of those residents utilize FRSP to exit homelessness.

While in FRSP, families receive a monthly housing subsidy that pays between 40% and 60% of their monthly rent. Each family itself pays a minimum of 30% of its monthly income toward rent. Participant families are assigned case managers who coordinate services that ensure families are making meaningful progress toward increasing earnings and achieving housing stability. This work includes developing a household budget that is monitored and updated regularly.

Participants' case managers work to assist families in applying for assistance such as Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) benefits, and employment assistance through the TANF Employment Program (TEP), which provides coaching and support to help families achieve education and employment goals.

Contracted service providers enroll participants in TEP. Program participants can receive training and make connections with potential employers and receive assistance with developing a strategy for their job search while being held accountable for making the effort.

1 D.C. Code § 4-751.01(31A) generally defines Rapid Rehousing as time-limited rental assistance and 29 DCMR 7808.1 states FRSP assistance is limited to 12 months, subject to a request for additional time. Some participants, however, have remained in the program for additional months or even years. Primarily, this extra time has been due to exits from the program being suspended during the COVID-19 pandemic.

DHS has not identified a measurable target for participant income growth in its contracts with providers, called Human Care Agreements, or in its key performance indicators (KPIs). Nevertheless, participant income is identified in the Homeward DC documents as critical to housing stability and the strategic plan outlines goals for assisting households in growing their income. Additionally, the District of Columbia Municipal Regulations (DCMR) require income to be verified during the 30-day period immediately preceding the date of application to ensure the applicant's income does not exceed program guidelines.[2] The Human Care Agreement with each provider requires it to update each family's income in the Homeless Management Information System (HMIS) every 30 days. Regulations also state that applicants may be denied entry into a program if they are not reasonably likely to sustain housing once their program participation ends.[3]

Objective, Scope, and Methodology

Objective and Scope

The objective of this analysis was to examine the rates at which incomes changed between entry into FRSP and exit from FRSP for participants who exited FRSP between October 1, 2021, and September 30, 2024, encompassing Fiscal Years 2022, 2023, and 2024.

Methodology

To address our objectives, we:

- Reviewed D.C. Code and D.C. Municipal Regulations related to the Rapid Rehousing and Family Rehousing and Stabilization Programs.
- Reviewed DHS's policies and procedures included in the program rules.
- Compared income levels of participants at entry and exit from FRSP during the study period.
- Calculated annual income using total monthly income from all sources and then compared the annual incomes of participants at their exit from FRSP to income levels needed to qualify for affordable housing units funded by the District of Columbia and the federal government, specifically comparing annual incomes to the Median Family Incomes (MFI) for the District. MFI is used as a qualifying factor for affordable housing and other poverty-related programs. We calculated the incomes of participant families in 10% increments of MFI.
- Removed data related to participants who appeared to exit the program during the study period but who were, in fact, extending their participation and changing service providers.

This report was drafted, reviewed, and approved in accordance with the standards outlined in ODCA's Audit Policies and Procedures.

ODCA reviewed the income levels at entry into and exit from FRSP but did not independently verify the income or demographic information provided by DHS. As a result, this analysis is dependent on the accuracy

2 29 DCMR 7603.1(e).

3 29 DCMR 7603.1(g).

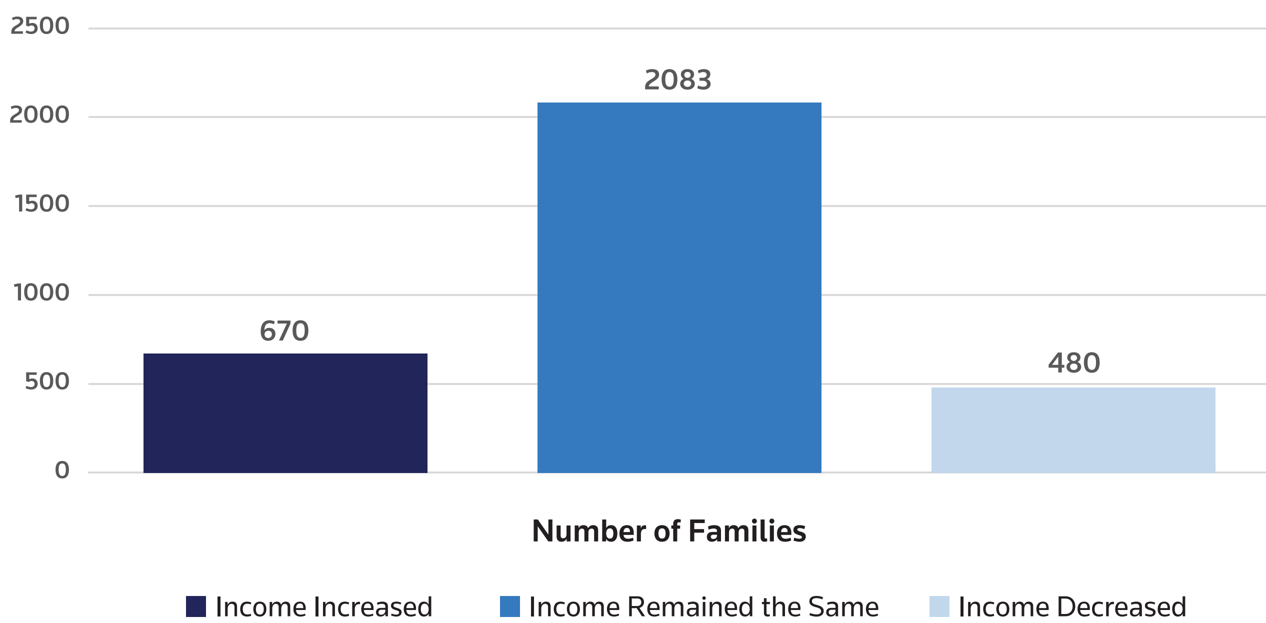
of DHS's data entry. According to DHS, the responsibility for data entry is with the contracted service providers. Providers are responsible for entering income information for families in the Homeless Management Information System (HMIS) at program entry, throughout the program, and at program exit and to ensure the information is accurate. The DHS data team is not required to verify that information or perform any data quality control tests although they do reach out to service providers and request corrections when they believe the information may be problematic or likely inaccurate.

ODCA also performed data reliability tests to mitigate concerns about the data quality. These tests included asking DHS to reproduce the data it had previously presented to the audit team and matching those two data sets to what we determined was a reasonable level. Additionally, ODCA identified obvious outliers[4] that appeared to be entry errors or had other issues and worked with DHS to obtain accurate information.

Results

More than 64% of participants who exited FRSP during our study period had no income growth. Fifteen percent experienced a decline in income. Only 21% experienced an increase in income, as illustrated in Figure 1. Based on the data provided by DHS, 3,233 families exited FRSP during our study period—1,100 in FY 2022, 1,240 in FY 2023, and 893 in FY 2024. The average participant family's monthly income increased by $132.45 in FY 2022, $124.72 in FY 2023, and $25.65 in FY 2024.

Figure 1: FRSP Change in Income During FYs 2022, 2023, and 2024



Source: Homeless Management Information System data provided by DHS

4 In addition to simple data entry errors, ODCA found instances that contractors had entered annual incomes in a monthly income field and included families who had exit dates within our scope, but had, in fact, simply switched service providers and were currently still enrolled.

Affordable housing programs use the Median Family Income (MFI) to determine whether a household qualifies for a program. MFI is a calculation performed by the U.S. Department of Housing and Urban Development (HUD) and is released annually.[5] The MFI calculations are also broken down by household size, and incomes levels are categorized into approximately 30%, 50%, and 80% of the MFI.[6] The chart provided in Appendix A provides details on the income limits used in this study for FY 2022, FY 2023, and FY 2024.

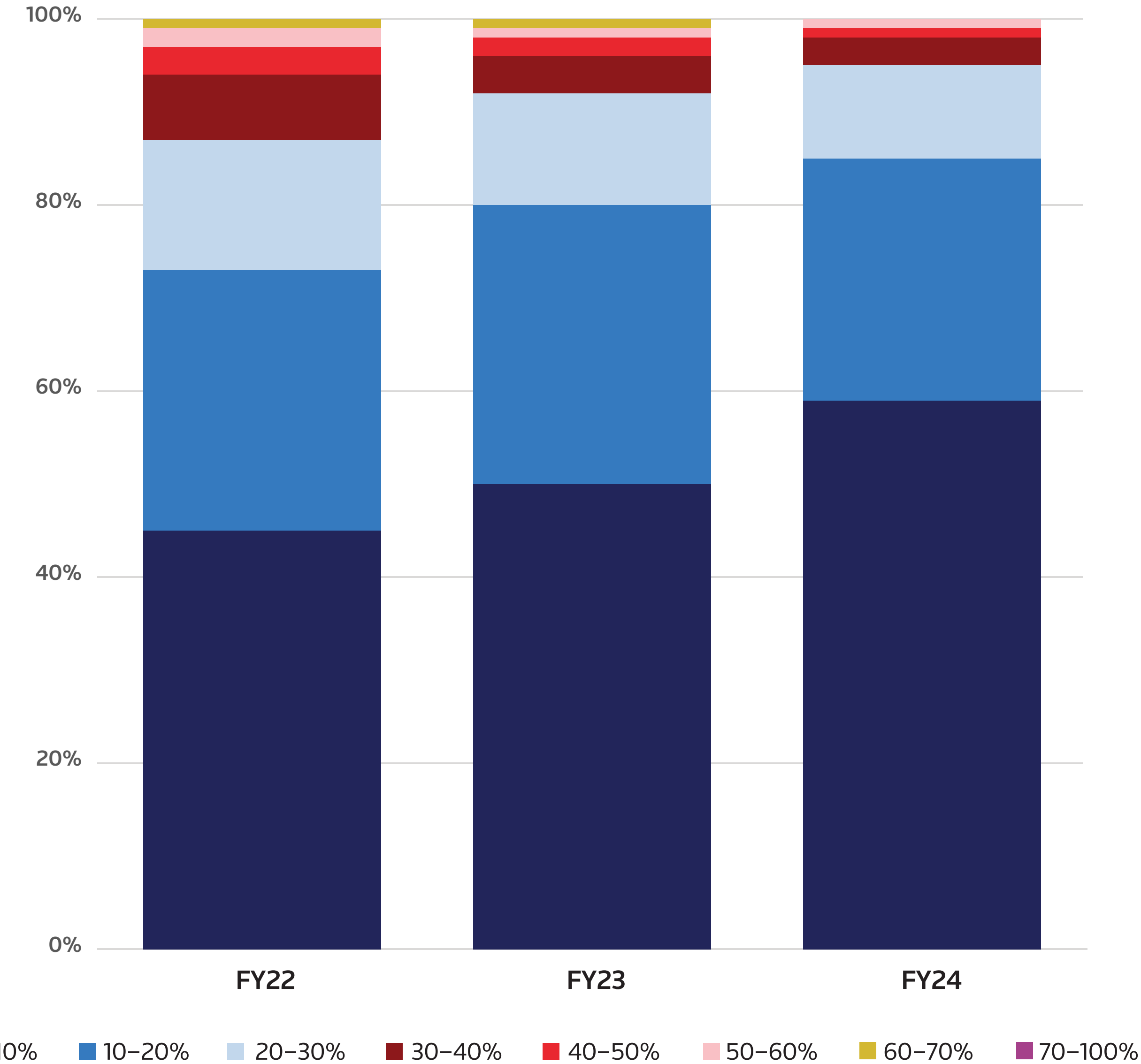
More than 90% of the families who exited FRSP during our study period had income below 30% of the relevant year's MFI. The results become even more bleak when breaking down the income into deciles. Annual income for 1,642 families (just over 50% of the participant families) fell below 10% of the MFI. For a family of four, that annual income is at most $15,470. Some 922 families, or about 29% of families, exited the program with annual incomes between 10% to 20% of MFI, and 387 families or about 12% of families, had annual incomes between 20% and 30% of MFI, putting them just within reach of the affordable housing units with the lowest rent. On the opposite end of the spectrum, fewer than 2% of families who exited FRSP during our study period had incomes above 50% of MFI.

As Figure 2 illustrates in more detail, these final income levels were fairly consistent throughout the three years of our study.

5 To calculate MFI, HUD uses a mathematical formula using various inputs. The 2023 calculations, for example, can be found here: https://www.huduser.gov/portal/datasets/il/il2024/2024MedCalc.odn.

6 HUD does not always merely find the percent of the MFI for each of the 30, 50, and 80 percent tiers. Instead, it applies a series of criteria to the calculation and then rounds some of the calculations to the nearest $100. For ease of this analysis, we have used the chart published on HUD's website for the 30%, 50%, and 80% values and then doubled the 50% value to find HUD's 100% MFI value for that family size.

Figure 2: Families' Annual Income at Exit as a Percentage of that Year's MFI



Source: Homeless Management Information System data provided by DHS

Conclusion

As was predicted in the Homeward DC plan in 2015, the Family Rehousing Stabilization Program remains one of the District's important tools for moving families from homelessness to housing with approximately three-quarters of families exiting homelessness using FRSP. Between 800 and 1,240 families exited FRSP each year during the study period.

The Homeward DC Progress Report, which outlines the goals and strategies for the homeless services system, makes clear that income is the primary barrier to stable housing. And, in its program rules, DHS directs its service providers to help participants enroll and maintain engagement in programs and services that can support their economic mobility.

More than 90% of participant families exited FRSP with incomes below 30% of MFI. DHS confirmed some of the families included in this report returned and were assessed for homeless services after exiting FRSP. They indicated that most of those returns to the system were because the families experienced an episode of housing instability after they exited the program.

In DHS's Performance Oversight Hearing in March 2025, Interim Director Rachel Pierre stated, "At the core of DHS is our mission to empower every District resident to reach their full potential by providing meaningful connections to work opportunities, economic assistance, and supportive services." To that end, DHS has a successful record of moving families out of the shelter system and into housing through FRSP, but the lack of income growth indicates families are in jeopardy of falling back into the homeless response system when they exit the program and their housing subsidies end. Re-entering the Homeless Response System means a household is once again eligible for full program services at a continuing cost to the District in rental subsidies and case management services.

Appendix A: U.S. Department of Housing and Urban Development Median Family Income Limits for Washington Metro Area Fiscal Years 2022, 2023, and 2024

2024									
Size of Family	1	2	3	4	5	6	7	8	9
MFI	$108,300	$123,800	$139,300	**$154,700**	$167,100	$179,500	$191,900	$204,300	$216,600
Low (80%) Income Limits	68,500	78,250	88,050	97,800	105,650	113,450	121,300	129,100	173,280
Very Low (50%) Income Limits	54,150	61,900	69,650	77,350	83,550	89,750	95,950	102,150	108,300
Extremely Low Income Limits	32,500	37,150	41,800	46,400	50,150	53,850	57,550	61,250	64,980

2023											
Size of Family	1	2	3	4	5	6	7	8	9	10	11
MFI	$105,500	$120,600	$135,700	**$150,700**	$162,800	$174,900	$186,900	$199,000	$211,000	$223,050	$235,100
Low (80%) Income Limits	66,750	76,250	85,800	95,300	102,950	110,550	118,200	125,800	168,800	178,440	188,080
Very Low (50%) Income Limits	52,750	60,300	67,850	75,350	81,400	87,450	93,450	99,500	105,500	111,525	117,550
Extremely Low Income Limits	31,650	36,200	40,700	45,200	48,850	52,450	56,050	59,700	63,300	66,915	70,530

2022											
Size of Family	1	2	3	4	5	6	7	8	9	10	11
MFI	$99,700	$113,900	$128,100	**$142,300**	$153,700	$165,100	$176,500	$187,900	$199,250	$210,600	$222,000
Low (80%) Income Limits	63,000	72,000	81,000	90,000	97,200	104,400	111,600	118,800	159,400	168,480	177,600
Very Low (50%) Income Limits	49,850	56,950	64,050	71,150	76,850	82,550	88,250	93,950	99,625	105,300	111,000
Extremely Low Income Limits	29,900	34,200	38,450	42,700	46,150	49,550	52,950	56,400	59,775	63,180	66,600

Source: *https://www.huduser.gov/portal/datasets/il/il https://www.huduser.gov/portal/datasets/il/il2024/2024summary.odn ?STATES=11.0&INPUTNAME=METRO47900M47900*1100199999%2BDistrict+of+Columbia&statelist=&stname=District+of+ Columbia&wherefrom=&statefp=11&year=2024&ne_flag=&selection_type=county&incpath=&data=2024&SubmitButton=View+County +Calculations. To calculate MFI for 9 people, HUD multiplies the rate for 8 people by 1.08; to calculate for 10-person families, HUD multiplies that total by 1.08 and so on. https://www.huduser.gov/portal/datasets/HOME-Income-limits.html. 2024/2024summary . dn?STATES=11.0&INPUTNAME=METRO47900M47900*1100199999%2BDistrict+of+Columbia&statelist=&stname=District+of+ Columbia&wherefrom=&statefp=11&year=2024&ne_flag=&selection_type=county&incpath=&data=2024&SubmitButton= View+County+Calculations. To calculate MFI for 9 people, HUD multiplies the rate for 8 people by 1.08; to calculate for 10-person families, HUD multiplies that total by 1.08 and so on. https://www.huduser.gov/portal/datasets/HOME-Income-limits.html.*

Agency Comments

On June 4, 2025, we sent a draft copy of this report to the Department of Human Services (DHS) for review and written comment. DHS responded with comments on June 11, 2025. Agency comments are included here in their entirety.

DC | DEPARTMENT of HUMAN SERVICES

June 11, 2025

Kathleen Patterson, District of Columbia Auditor
Office of the District of Columbia Auditor
1331 Pennsylvania Avenue NW, Suite 800 South
Washington, DC 20004

Dear Ms. Patterson,

By this letter, I am providing written responses from the Department of Human Services (DHS) to the draft issue brief Income Growth in the Family Rehousing Stabilization Program (FRSP).

Report Statement: Each family itself pays a minimum of 40% of its monthly income toward rent. (p. 3)

DHS Comment: The minimum was reduced to 30% of monthly income beginning in FY22.

Report Statement: Contracted service providers enroll participants in TEP. (p. 3)

DHS Comment: DHS ensures that families are referred to and engaged with TEP pursuant to our Human Care Agreements with FRSP providers.

Report Statement: DHS has not identified a measurable target for participant income growth in its contracts with providers, called Human Care Agreements, or in its key performance indicators (KPIs). (p. 3)

DHS Comment: The Human Care Agreements require that the providers: (1) work towards helping at least sixty percent (60%) of families increase their income from program entry to program exit; and, (2) ensure that at least sixty percent (60%) of assigned families are working full-time and earning the minimum wage within six (6) months of assignment.

Report Statement: Regulations also state that applicants may be denied entry into a program if they are not reasonably likely to sustain housing once their program participation ends. (p. 3)

DHS Comment: This is a requirement of the federal Homelessness Prevention and Rapid Re--Housing Program (HPRP). It is not applicable to the FRSP.

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Report Statement: The average participant family's monthly income increased by $132.45 in FY 2022, $124.72 in FY 2023, and $25.65 in FY 2024. (p. 5)

DHS Comment: Based on an analysis conducted by DHS, during FY24, the average income at entry was $1,204 and the average income at exit was $1,307, which is an average increase of $103.

Report Statement: DHS confirmed some of the families included in this report returned and were assessed for homeless services after exiting FRSP. (p. 7)

DHS Comment: During the timeframe covered by this report, DHS had four (4) returns.

We appreciate the opportunity to review and provide feedback on the draft issue brief. If you have any questions about this response, please reach out to Christa Phillips, DHS Chief Accountability Officer, at (202) 200-7669.

Regards,

A. D. Rachel Pierre
Interim Director, Department of Human Services

ODCA Response to Agency Comments

We appreciate the responses to the draft report provided by the Department of Human Services.

Regarding the comment that the minimum a family must pay was reduced to 30% of their income, ODCA appreciates DHS alerting ODCA to that change, and the report has been updated accordingly.

Regarding the comment in response to the report statement that DHS has not identified a measurable target for participant income growth, we acknowledge that DHS has established measurable targets in its Request for Qualifications document, which contained Human Care Agreement (HCA) language that included the referenced targets about working toward income growth, but those targets were not included in the executed HCA agreements provided to ODCA.

Regardless of whether this requirement is enumerated in current HCAs, providers overall are not meeting this goal. ODCA found that, during each of the FYs in this audit scope, no more than 25% of families increased their income from entry to exit.

Regarding the average income increase of participants who exited in FY 2024, the data provided to ODCA indicated the average increase in income was $25.65.

About ODCA

The mission of the Office of the District of Columbia Auditor (ODCA) is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government.

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