

**Testimony in Support of the Mixed-Income Housing Amendment Act of 2010 (B18-050) before the Committee on Economic Development**

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Good Morning Chairman Brown and esteemed Council members. Thank you for the opportunity to testify today. My name is Jennafer Dorfman Wagner and I am a staff attorney at the Affordable Housing Initiative of the Washington Legal Clinic for the Homeless. The legal clinic has been providing representation and advocacy for the homeless and persons facing homelessness for over 20 years. We are a non-profit organization and operate using entirely private funds. Much of our work is done by leveraging the services of scores of volunteer attorneys who are members of DC's private bar.

Approximately 8 years ago, the Legal Clinic started the Affordable Housing initiative because it became clear that the largest barrier to ending homeless in the District is the lack of affordable housing opportunities. Unfortunately, in the years since the affordable housing initiative began the numbers of affordable housing units in the District has continued to decline steeply. A report issued by DCFPI just last week shows that between 2000 and 2007 DC lost 23,700 units –a full 34% of the units-- of housing affordable to the lowest income renters.<sup>1</sup> I am before you today to testify in support of the Mixed-Income Housing Amendment Act of 2010, which I believe will help staunch the dramatic loss of housing affordable to those at most risk of homelessness, persons whose income is below 30% of the Area Median Income.

In addition, I would like to implore this committee to multiply the effects of the bill, by increasing the amount of housing available to the lowest-income renters that is required by the bill, and extending the length of the affordability to the useful life of the buildings. Leveraging the use of public lands in this way is an economically viable option for increasing the much needed very low income rental housing without expense. Finally, I'd like to recommend that the bill specify that the process already set-up for inclusionary zoning be utilized to allocate the affordable housing made available by virtue of the legislation, thus negating the need for duplicative regulations.

Let there be no mistake, there is an affordable housing crisis in Washington DC. The ongoing need for affordable housing far exceeds the District's existing affordable housing stock. The D.C. Housing Authority (DCHA) has a current wait list of more than 25,000

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<sup>1</sup> Lazere, Ed, "No where to go: As DC housing costs rise residents are left with fewer affordable housing options", 2/5/10, p. 1. <http://www.dcfpi.org/wp-content/uploads/2010/02/2-5-10housing1.pdf>

households seeking affordable housing, more than 10,000 of whom identified as homeless.<sup>2</sup> The wait for an HCVP voucher from DCHA, even for a family that is currently homeless, is approximately five years.

The District's existing stock of affordable housing is not sufficient to house those in need and is continually threatened. The District has approximately 35,000 subsidized affordable housing units.<sup>3</sup> More than 10,000 units have affordability restrictions that are set to expire in the next 18 months and 68% of all of the District's project-based subsidized housing units have affordability restrictions that will expire in the next decade.<sup>4</sup> The District has already begun to lose its subsidized affordable housing units. In the project-based Section 8 program alone, the District has lost nearly 2,000 units of affordable housing since 2000.<sup>5</sup>

At the same time, median gross rents have increased drastically, over 25%, from \$744 in 2000 to \$934 in 2007.<sup>6</sup> In fact, DC's rental costs are the 5<sup>th</sup> fastest growing in the nation<sup>7</sup>. The National Low Income Housing Coalition has calculated that an individual making minimum wage must work 145-hours a week, 52 weeks a year, to afford the fair market rent for a two-bedroom apartment in the District.<sup>8</sup> As a result, a recent Urban Institute report on Washington DC's neighborhoods determined that DC housing costs have climbed beyond the reach of low wage workers.<sup>9</sup>

Current fair market rents, as established by HUD survey, are \$1156 for an efficiency, \$1318 for a one bedroom, \$1494 for a two bedroom, and \$1927 for a three bedroom.<sup>10</sup> According to DCFPI's most recent analysis, 62% of the lowest income renters pay more than 50% of their gross income for housing costs.<sup>11</sup> The percentage of families facing this severe housing cost burden has jumped 12 percent in just the past two years.<sup>12</sup>

So perhaps we shouldn't be surprised that the most recent point in time survey showed a 25% increase in homeless families when comparing January 2009 to January 2008. Nightly shelter census data from March 31, 2009 showed 357 occupied beds that were then closed

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<sup>2</sup> DCHA updated and purged its wait list over the past two years. The list previously included more than 57,000 households seeking affordable housing assistance.

<sup>3</sup> NeighborhoodInfoDC, District of Columbia Housing Monitor, p. 11 (Winter 2008), available at [www.NeighborhoodInfoDC.org](http://www.NeighborhoodInfoDC.org).

<sup>4</sup> *Id.* at 11-12.

<sup>5</sup> NeighborhoodInfo DC, District of Columbia Housing Monitor: Section 8 Multifamily Report (Winter 2008), available at: <http://www.urban.org/publications/1001153.html>. (These numbers pre-date the loss of Parkway Overlook, Golden Rule Center and Temple Courts).

<sup>6</sup> Tatian, Peter, "Foreclosures and Renters in Washington DC, Prepared for the Annie E. Casey Foundation" April, 2009. [http://www.urban.org/uploadedpdf/411882\\_DC%20RentersandForeclosures.pdf](http://www.urban.org/uploadedpdf/411882_DC%20RentersandForeclosures.pdf)

<sup>7</sup> Lazere, Ed, *infra* note 1, p.4.

<sup>8</sup> This calculation was done by the National Law Income Housing Coalition, and the data can be found at [www.nlihc.org/oor/oor2008/data.cfm?getstate=on&state=DC](http://www.nlihc.org/oor/oor2008/data.cfm?getstate=on&state=DC).

<sup>9</sup> Tatian, Peter "State of Washington DC's neighborhoods", 9/30/08 available at: [http://www.urban.org/uploadedpdf/411881\\_stateofwashington.pdf](http://www.urban.org/uploadedpdf/411881_stateofwashington.pdf) .

<sup>10</sup> HUD Schedule B FY 2010 Final Fair Market Rents for Existing Housing, [http://www.huduser.org/portal/datasets/fmr/fmr2010f/FY2010\\_SCHEDULE%20B\\_Final.pdf](http://www.huduser.org/portal/datasets/fmr/fmr2010f/FY2010_SCHEDULE%20B_Final.pdf) .

<sup>11</sup> Lazere, Ed, *Infra* note 1, p. 8.

<sup>12</sup> *Id.*, p. 9.

on April 1, 2009 due to the end of hypothermia season. That is 357 people who were in shelters who no longer had a place to sleep.

The most recent homeless shelter census available, from before the snow started on February 4<sup>th</sup>, 2010 showed Zero vacancies in the family shelter system, and the DC General facility had 163 families staying in 124 units – that is 39 families sleeping in community rooms, storage closets, the cafeteria and like places. In total, 291 families were sleeping in a shelter. The singles shelter system showed very few vacancies – 75 of 1386 beds for men and 60 of 470 for women.

A recent report prepared for the Annie E. Casey foundation estimates that 3000 DC renter households live in homes at imminent risk of foreclosure, a process that may well end in their displacement<sup>13</sup> and will surely add to the pressure on the affordable rental housing market.

What all this data suggests is that the District is at a tipping point. Unless something is done to stop the rapid loss of affordable housing in the District, those of low and moderate means will become literally and figuratively segregated into areas with poor conditions and few resources. Homelessness will continue to rise, and the District will bear the brunt of the cost, financial and social, of having allowed a have-not society to emerge from the construction rubble of high-cost condos and luxury-living apartments.<sup>14</sup>

The Mixed-Income Housing Amendment Act provides a golden opportunity to increase the stock of rental housing affordable to people making the lowest income. Indeed, creating such additional affordable housing would significantly reduce the costs associated with homelessness in the District. For instance, a tenant-based voucher through the Local Rent Supplement Program costs an average of \$1,316 a month per household, while emergency shelter for that household could cost the District as much as \$2,250 per month.<sup>15</sup> Creating an affordable housing unit—even a unit that receives a District rental subsidy—therefore saves the District at least \$11,208 and could save significantly more.

The motivation here is both moral and economical. We must provide sufficient affordable housing for the lowest-income sectors, who suffer most from the decline in the affordable rental market and risk the devastating impacts of homelessness. But requiring the creation of affordable housing through this bill would also provide a fiscal benefit to the District as each family that can find an affordable housing unit is a family that does not look to the District for emergency shelter. I implore this committee to take the opportunity to increase the required amount of housing affordable to the lowest income families in this legislation, and to pass this bill.

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<sup>13</sup> Tatian, Peter, *Infra* note 9, at 5.

[http://www.urban.org/uploadedpdf/411882\\_DC%20RentersandForeclosures.pdf](http://www.urban.org/uploadedpdf/411882_DC%20RentersandForeclosures.pdf).

<sup>14</sup> At the same time affordable housing has disappeared, extremely high cost condos and apartments have more than doubled (See note 1, *infra*), while condominium sales increased 123% from 2000 to 2005, and as much as 2900% in some formerly apartment-only neighborhoods like Chinatown (Tatian, Peter “State of Washington DC’s neighborhoods”, 9/30/08, p. 26. available at:

[http://www.urban.org/UploadedPDF/411881\\_stateofwashington.pdf](http://www.urban.org/UploadedPDF/411881_stateofwashington.pdf)).

<sup>15</sup> Fair Budget Coalition, *Shared Challenges, Shared Solutions, Shared Opportunities* 13 (Feb. 2009).

Thank you for the opportunity to testify. I'd be happy to answer any questions my testimony has raised.