

**Testimony before the Committee on Economic Development
Department of Housing and Community Development Oversight Hearing
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Good morning and thank you for this opportunity to testify. My name is Will Merrifield and I am a Staff Attorney with the Affordable Housing Initiative at the Washington Legal Clinic for the Homeless. For the past 25 years, the Washington Legal Clinic for the Homeless has advocated for people who are homeless or at risk of becoming homeless in the District of Columbia, through a unique combination of direct representation, impact litigation, policy and budget advocacy, community outreach, education and organizing. Our Affordable Housing Initiative promotes the expansion and preservation of affordable housing in the District.

At the Legal Clinic, we primarily represent individuals making 30% or less AMI. Our clients are Senior Citizens, disabled individuals, people in school or job training programs, and the working poor. These are the people who serve and cook your food every day, clean your office buildings at night, and perform a variety of other tasks that keep the City functioning. Furthermore, many of these individuals have lived in D.C. their entire lives.

Due to the systemic underfunding of truly sustainable affordable housing options for District residents, as well as the reality of market forces in D.C., many of the people I just described have been marginalized and now find themselves living in the streets, sleeping with their children in hospital emergency rooms, and eking out an existence where they are literally living minute to minute and hour to hour

As a community, we need to address the lack of affordable housing stock in D.C. for these residents. Today, I would like to highlight some specific suggestions for the role that DHCD can play in order to achieve that goal.

1. DHCD must be a key player as part of a larger unified and pro-active “Preservation Strategy” for the District designed to sustain and increase our stock of affordable housing.

For a truly effective preservation strategy, DHCD should be actively working with the Mayor and other City Agencies to set clear annual goals for preserving existing affordable housing and establish a collaborative, inter-agency response protocol for when affordable housing is threatened in the District. To do this, DHCD should be working with the Mayor and other agencies to: 1) establish a plan for the collection and publication of reliable annual data about the scope of the need for housing in D.C. and a detailed picture of the current housing stock; 2) set a policy regarding the types of properties and affordability protections the District will prioritize preserving and maintaining – focusing on federally subsidized rental properties, locally funded vouchers, tax credit properties, bond deals, and Inclusionary Zoning units; 3) set benchmarks for the number of “hard stock” affordable housing units the City wants to create in a given year, 4) set benchmarks for the type and number of affordable units the City is committed to maintaining, despite market pressures or ends of subsidy terms; and 5) establish an ongoing, multi-agency (i.e. DHCD, DCHA, DCHFA) and stakeholder (i.e. DMPED, tenants, advocates, developers) committee to monitor the prioritized properties and create protocols and/or consolidated funding schemes, so that they will be poised and empowered to act collaboratively when properties in the District are threatened.

2. DHCD Should Target Resources for Affordable Housing Development and Preservation for units below 30% and 60% of AMI.

DHCD has an opportunity to begin to address the ongoing affordable housing crisis by targeting its resources towards the preservation of existing affordable housing and the development of new affordable housing units. However, to truly address the current housing crisis, the agency must focus on those units that are affordable for tenants below 30% and 60% of AMI.

Preservation of Federally Subsidized Properties:

DHCD must work to ensure the preservation of existing federally subsidized properties. These are properties that serve very low-income tenants because of an ongoing

rental subsidy from the federal government. The District cannot afford to replicate this income stream, nor can the District expect the federal government to replicate the subsidy in other projects. For instance, there are a limited number of project-based Section 8 properties remaining in the District. It is thus crucial that we retain the existing federally subsidized contracts and projects in the District.

Funding for Tenant Purchases:

One of the most important tenant rights in the District is the right to purchase and preserve rental properties through the Tenant Opportunity to Purchase Act (TOPA). Unfortunately, that right has become all too often meaningless because there is no adequate source of funding for those transactions. It is crucial that DHCD identify more robust sources of funding for tenant purchases in the District.

Housing Production Trust Fund:

The Housing Production Trust Fund must also be adequately funded. The Trust Fund is also one of the few sources of funding for the development of additional affordable housing units. Unfortunately, the Fund is threatened with significant revenue shortfalls. It is crucial that DHCD ensure that the Trust Fund receives sufficient revenue so it is again a meaningful tool in the development and preservation of affordable housing. Moreover, it is essential that the Trust Fund dollars are not raided to fund programs that should be funded through alternative revenue streams. For example, in the past, the District has used Trust Fund dollars to fund Local Rent Supplement program. Both these programs are vitally important to the creation of affordability and should be funded independently of one another.

Fundamentally, to create an adequate supply of affordable housing and dig our way out of the crises that District policies have created, we must start to take affordability seriously and make it the number one priority for all future development in the city. It is the Legal Clinic's hope that DCHD will play a vital role in thoughtful planning of future development and a clear preservation strategy moving forward.

Thank you.