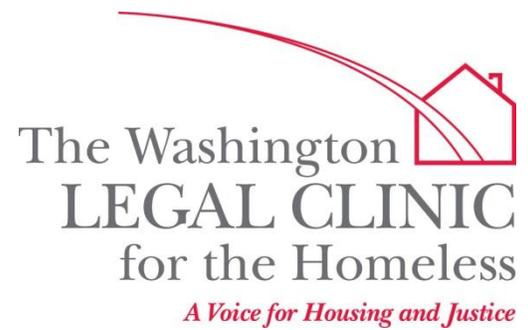


True Reformer Building
1200 U Street, NW
Washington, DC 20009
(202) 328-5500
www.legalclinic.org



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**Testimony before the Committee on Economic Development
DCHA Budget Hearing
April 30, 2014
By Will Merrifield
Staff Attorney, Affordable Housing Initiative
Washington Legal Clinic for the Homeless**

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. The Legal Clinic envisions – and since 1987 has worked towards – a just and inclusive community for all residents of the District of Columbia, where housing is a human right and where every individual and family has equal access to the resources they need to thrive.

Currently in the District, a person making minimum wage must work approximately 137 hours per week, 52 weeks a year, or earn \$28.25 an hour at 40 hours per week to afford a 2 bedroom apartment at Fair Market Rent¹. The reality of this housing market is that if you are a senior citizen on a fixed income, a person with a disability, or a minimum/medium wage worker, you cannot live in D.C. without some sort of housing subsidy. In other words, there needs to be a way to fill the gap for these individuals between what is reasonable to spend on housing and the market rate.

The most effective way to fill this gap is through long term subsidies. Unfortunately, DCHA's subsidized housing waitlist is currently closed and numbers approximately 70,000 households. The consequence of the lack of long term subsidized housing is the explosion in homelessness that we are dealing with today.

Because DC's affordability crises is so dire, we have to ensure that every local dollar we are putting towards affordable housing is spent

¹ National Low Income Housing Coalition, [Out of Reach 2014: America's Forgotten Housing Crisis](#) (March 2014).

efficiently and purposely to produce long term deeply affordable units. One way to accomplish this goal is through the local rent supplement program. In 2006, the first Mayoral appointed Comprehensive Housing Strategy Task Force recommended that 14,600 units for extremely low renters be produced via the creation of a local rent supplement program. DC did create LRSP in 2007 and funded units according to the plan the first year (1,181), but since has fallen far behind. To date, DC has only funded 2,343 vouchers instead of the 8,000 it should have created by now under the 2006 plan. Moreover, the Mayor's proposed FY15 budget only invests 1 million dollars in tenant based vouchers. The Legal Clinic is calling for an additional 10 million dollar investment in FY 15 into LRSP to create approximately 667 affordable units for low income residents- including more than 1,200 children.

Next, I want to briefly discuss the New Communities Initiative. As an affordable housing advocate, I have serious concerns with this program. First, it does not add one new hard stock affordable housing unit to the District. Instead, it only seeks to replace already demolished or soon to be demolished public housing units. Therefore, even if the program delivered on its promise of one for one replacement- not one person from the current DCHA waitlist would be housed through New Communities. Thus, in the midst of an affordable housing crisis- DC is proposing to spend over 1 billion dollars on an affordable housing program that does not produce one new affordable unit.

Moreover, although the City claims it is committed to one for one replacement of each public housing unit that it plans to demolish, it has not come close to meeting that goal thus far. For example, the Northwest One master plan was approved in 2006 and to date has only produced 30 of the 280 needed replacement units.²

One of the projects subsidized by the City through New Communities is 2M Street. DC subsidized the developer of 2M Street 16.8 million dollars to create a building that was supposed to be two thirds affordable and provide replacement units for displaced Temple Courts residents. Instead, the development is less than a third affordable and only proposes 59 replacement units **(59 units for 16.8 million through New Communities v. 667 units for 10 million through LRSP)**. The Developer blamed a bad

² DC Fiscal Policy Institute, [New Thoughts on New Communities](http://www.dcfpi.org/new-thoughts-on-new-communities). January 14, 2014. Available at <http://www.dcfpi.org/new-thoughts-on-new-communities>.

economy and the inability to find financing for his failure to deliver the promised affordable units. However, although not able to finance the affordable units, the Developer was able to find financing for an indoor basketball court and rooftop pool for the building- amenities that will allow him to demand high market rents in the rapidly gentrified NOMA neighborhood.³ This example is illustrative of the danger of relying on these public/private partnerships to create affordability and shows why traditional public housing is so important. The District should not be subsidizing developers to build luxury apartments under the guise of affordable housing. Also, moving forward, Developers need to be held accountable and forced to repay subsidies if they fail to deliver on promised levels of affordability on any deal involving the District.

Lastly, DCHA should not put off needed repairs at existing public housing sites because they plan to demolish them at some uncertain time in the future or cannot access federal funding. Instead, DCHA should seek local dollars to make needed repairs and also to get off-line public housing units back on line in order to meet the crushing demand for affordable housing in the District.

Thank you and I would be happy to answer any questions.

³ Robert Samuels, "In District Affordable Housing Plan Hasn't Delivered, The Washington Post, July 7, 2013 available at http://www.washingtonpost.com/local/in-district-affordable-housing-plan-hasnt-delivered/2013/07/07/789f1070-bc03-11e2-97d4-a479289a31f9_story.html.