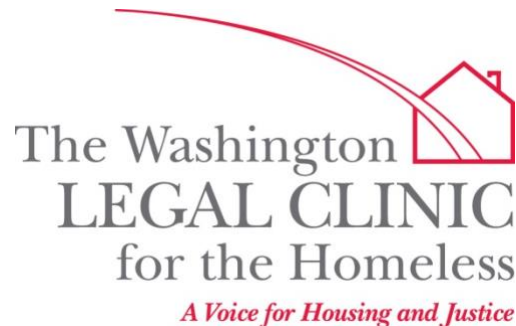


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D.C. Council Committee on Housing and Neighborhood Revitalization-DHCD Budget
Oversight Hearing

June 8, 2020

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Good afternoon, Councilmembers. I am Brittany K. Ruffin, Affordable Housing Advocacy Attorney at the Washington Legal Clinic for the Homeless. Since 1987, the WLCH has envisioned and 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. Unfortunately, our vision is still that—a vision. Currently, there is no right to housing; and, it is hard for the vast majority of our vulnerable residents to focus on thriving when basic survival has become such a challenge.

The District of Columbia continues to have an affordable housing crisis that threatens thousands of its residents. In particular, there is a dearth of deeply affordable housing in DC—the category that is needed the most. Despite this fact, deeply affordable housing for those at 0-30% AMI continues to be the most underproduced in DC. The Housing Production Trust Fund is *the* fundamental source for creating and preserving affordable housing in D.C. The pandemic and its resulting state of economic instability for so many has only exacerbated the need for more deeply affordable housing creation. Unfortunately, Mayor Bowser's \$100 million investment into the HPTF is less than last year's investment. The mayor's current \$100 million HPTF investment means that \$50 million is supposed to go towards 0-30% AMI housing creation. It is simply not enough to appropriately address the needs of DC's lowest-income residents.

The intention of the HPTF is quite deliberately expressed within the guidelines that specify how the funds are to be used. While HPTF funds are used to create affordable housing for all D.C. residents that qualify for affordable housing relief, the majority of the assistance must be used for the housing needs of the lowest income residents. Last year, in acknowledgment of the inequitable distribution of the HPTF, the Council increased the 0-30% AMI percentage level to fifty percent of the total HPTF. Disappointingly, that increase has continued to fail to address the overall oversight issues impacting the appropriate distribution of the HPTF.

While the HPTF guidelines are strong in intention, they mean nothing if combined with a lack of oversight, execution, and funding. The Office of the D.C. Auditor extensively documented the failures of the DHCD to meet the Housing Production Trust Fund's statutory requirements over the life of the HPTF. Within the last six years, DHCD has failed to meet its responsibility to the lowest income D.C. residents. In 2014, only *ten* percent (10%) of HPTF funds went towards the 0-30% AMI range. In fact, 2016 was the *only* year in the last 6 years in which the statutory minimum (then, forty percent) was met. Less than thirty percent (30%) of the HPTF was dedicated to 0-30% AMI levels in 2017 and 2018. In 2019, only thirteen percent (13%) of the HPTF was used towards 0-30% AMI, even *less* than DHCD's own provided estimate. For FY20, despite the Mayor's increase to the

HPTF and the change requiring that fifty percent (50%) of the fund be used for 0-30% housing creation, only seventeen percent (17%) of the fund has been used thus far to create housing for the lowest-income level. **The continued mismatch of requisite funding should be the most fundamental and significant concern for this Council. DC Council must assert greater oversight over HPTF project selection and determine how to ensure that the HPTF money is being allocated as intended.**

There are approximately 27,000 households in D.C., largely Black, that fall within the 0-30% AMI range. The overwhelming majority of D.C.'s rent-burdened residents, seventy-seven percent (77%), fall within this range. However, the HPTF allocations do not reflect that. **Since the households within the 0-30% AMI range have been consistently underfunded and the need is the highest, the Fair Budget Coalition's recommendation is for a budget investment of \$180 million solely for 0-30% AMI production, and \$24 million in matching operating funds to actually fund the units.** While this recommendation takes into consideration the longstanding inequitable distribution, it also factors in Mayor Bowser's promise to create 12,000 new affordable units within the next few years. We urge that new creation to mirror the HPTF percentage levels, ensuring that 50% of those units are available to those at 0-30%AMI. Of course, \$180 million for 0-30% AMI housing creation is still nowhere near the amount of deeply affordable housing that is necessary, but it would be a significant investment for the lowest-income D.C. residents who have been the most neglected and continue to struggle to stay in D.C.

Currently, Mayor Bowser's budget proposal failed to include *any* matching money in operating dollars to actually build the units that even \$50 million could create. At a minimum, D.C. residents deserve more than empty budget promises. In its current state, the budget proposal ensures that those who most critically need housing in this city—primarily Black DC residents--continue to get the short end of the stick.

Over the last few months, the Council has done some great things through legislation to expedite the release of incarcerated DC residents from BOP and DOC custody. Hundreds of individuals have been able to reunite with their families and focus on rebuilding their lives. Unfortunately, hundreds have also returned to housing insecurity and homelessness. We know that, in the next six months, hundreds more will return. DC Council must take the necessary step of ensuring that the appropriate funding for reentry housing and services are provided in the FY21 budget. **The Council should invest \$1.8 million to fund the first year of a three-year reentry pilot program that would provide reentry housing and services to fifty returning citizens.**

COVID-19 has exacerbated existing community needs. In DC, seventy-five percent (75%) of COVID-19 deaths thus far have been of Black residents. Eighty-eight percent (88%) of those experiencing homelessness in DC are Black—a pre-COVID-19 statistic. More than 20,000 Black residents have been displaced over the last several years. Between 2009 and 2016, 10,000 families with incomes of over \$200,000 moved into the District, while 4,300 families with incomes under \$36,000 (0-30% AMI) moved out. Currently, Black residents account for nine out of ten of the extremely low-income households (0-30% AMI) in D.C. Those same households are spending over half of their income on housing. Unfortunately, the effects of COVID-19 and DC's underinvestment in deeply affordable housing will undoubtedly further these unacceptable trends.

Meanwhile, despite all of the striking data and the dire need for affordable housing for extremely low-income households, big development and Class A properties have continued to flourish throughout the city. Mayor Bowser claims to believe that affordable housing in D.C. is the most pressing issue for current residents. Yet, her proposed budget does not reflect a strong *commitment* to recognizing or prioritizing that belief. Though sacrificing essential services for residents and failing to substantially address the lack of deeply affordable housing, the current budget has managed to keep \$230 million in the CIP to fund the DC Streetcar and complete the K Street transit. The MPD's budget is already more than half a billion dollars, but the mayor still decided to increase its operating budget by 3.3% and capital budget by 51.3%—unnecessary and tone-deaf investments that dismiss the reality of the underfunded needs of so many in DC, particularly during a pandemic.

The mayor has also proposed a tax abatement program for the creation of some affordable units in desirable areas of the city at 80%AMI or less. However, we know that the “or less” is almost never a consideration. Everyone wants to see more housing created in DC, but people are tired of hearing about “affordable housing” creation in this city that is only targeted at 80%AMI households. It is simply disingenuous for this administration and Council to continuously act as though households making approximately \$100,000/yr. need more assistance to remain in DC than those making one-third (1/3) of that. The data is clear that not prioritizing deeply affordable housing creation will mean further displacement for Black DC residents. Ultimately, a strong message is being sent regarding what and *whom* DC government cares about.

Fundamentally, creating and preserving affordable housing, ending homelessness, and achieving racial equity cannot be consistently touted as D.C. priorities if the budget funding does not reflect that. It needs to be clear that the emphasis in this budget is to sustain and maintain the *lives* of DC residents. This Committee and the Council must step in to assert the critical needs of D.C. residents as *the* priority in this budget.