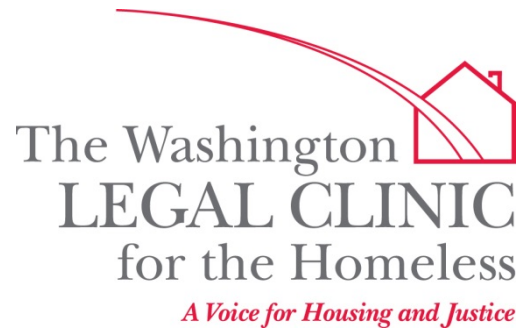


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## D.C. Council Committee on Housing and Executive Administration-DHCD Oversight Hearing- June 4, 2021

### *Testimony of Brittany K. Ruffin, Affordable Housing Advocacy Attorney, The Washington Legal Clinic for the Homeless*

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, it is hard for the vast majority of our vulnerable residents to focus on thriving when basic survival in DC 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 intention of the HPTF is quite deliberately expressed within the guidelines that specify how the funds are to be used. Recently, in acknowledgment of the inequitable distribution of the HPTF, the Council increased the 0-30% AMI percentage allocation to fifty percent of the total HPTF. Disappointingly, that increase has continued to fail to address the overall oversight and budget 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. DHCD has repeatedly 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 7 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 a change requiring that fifty percent (50%) of the fund be used for 0-30% AMI housing creation, *only eighteen percent (18%)* of the fund was used to create housing for the lowest-income level. Currently, in FY21, DHCD projects that a mere 27% of funds will be used for 0-30%. **DC Council must assert greater oversight to ensure that the HPTF money is being allocated as intended.**

The Mayor's budget makes a substantial \$400M investment in the Housing Production Trust Fund through an additional \$150M in FY21 and \$250M in FY22. The Mayor has also indicated that there would be a commitment to make sure that fifty percent of the HPTF goes to 0-30% AMI housing development. We applaud the declaration; however, as aforementioned, the requirement that fifty percent of the fund be allocated to 0-30% AMI housing production did not begin this year with FY22's proposed budget. It is apparent that simply raising the statutory levels in writing and broad mayoral declarations are insufficient to solve for the issue of 0-30% AMI unit underdevelopment. Perhaps it is time to take more explicit measures to uphold funding allocations by separating the 0-30% AMI allocation money from the total amount in the HPTF. The administration is certainly accustomed to attempting to separate funds to serve its own oversight desires. Certainly, the Council should utilize that same mechanism to increase its own ability to successfully administer the oversight necessary to achieve its legislative intent and ensure that funds meant for 0-30% housing creation are being used as intended.

Each year, the Mayor's budget proposals have failed to include the necessary matching LRSP operating dollars to actually build the 0-30% AMI units that could be built with significant HPTF investments. In this budget, the Mayor has announced that \$42M new LRSP operating dollars are available and spread out over the next few years. We appreciate the stated intention to finally fund the requisite matching LRSP money for these units, but the lack of clarity around that funding and how it shows up in the budget, including how projects are selected and varying rising costs, still raises doubt as to whether the investment is truly adequate to match the substantial HPTF investment and projects. We urge this Committee to really examine this issue, as well as concerns around the administration's proposed BSA language changes to LRSP funding and administration.

While increased matching operating funds in the budget are critical to the successful creation of deeply affordable units, there also has to be specific oversight and accountability for agency project selections. **The lack of transparency within the DHCD's project selection process should be a most fundamental concern for this Committee.** DHCD should be reporting to Council on the universe of available projects and the scoring/circumstances by which projects are chosen. At recent oversight hearings, DHCD attempted to partially justify 0-30% housing underproduction with seemingly problematic ideologies underlying a belief that units for extremely low-income residents should only be produced if scattered among units for higher income residents. 0-30% AMI housing production was intentionally prioritized by Council because of the massive need. DHCD's policy preference for mixed income projects that never prioritize 0-30% should not be allowed to subvert the will of the Council and its HPTF funding allocations. In 2019, the HPTF Transparency Amendment Act was introduced by Councilmember Silverman and five other councilmembers. The proposed legislation required the Mayor to provide information regarding project applications to the HPTF, including data used to determine funding awards and justify any departures from scoring recommendations. There was a hearing and a roundtable, but it never proceeded to a vote. Reintroduction of that legislation with clear reporting requirements would be instrumental to ensuring meaningful Council oversight of the HPTF.

We are pleased to see a \$50M investment towards purchasing and converting vacant hotels into affordable housing. The lack of affordable housing in DC has had a detrimental effect on so many DC residents. As aforementioned, the need for *deeply* affordable housing is the most critical—particularly for Black DC residents, the demographic that has been most impacted by homelessness and displacement. That \$50M in funding should also reflect the Council's stated priority to deeply affordable housing. Therefore, at minimum, half of the purchase and conversion money should be dedicated to converting hotels into housing for 0-30% AMI residents. We have

seen how detrimental the pandemic has been for people experiencing homelessness and within large congregate shelters. We would also like to see money dedicated to the conversion of vacant hotels for new non congregate emergency shelters in an effort to continue to protect such a vulnerable population. Separately, we also urge the Council to fund the \$191,000 (\$5,000 for FY22) for the Voluntary Agreement Moratorium Act of 2020 that passed last year to go into effect.

COVID-19 has emphasized existing community needs and disparities. In DC, the majority 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-pandemic statistic. More than 20,000 Black residents have been displaced between 2000 and 2013. Undoubtedly, many more have been displaced in this last decade as housing affordability in the city continues to decrease. 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 severely rent-burdened, spending over half of their income on housing. The data is clear that not prioritizing deeply affordable housing creation will mean further displacement for Black DC residents. When a significant pot of money meant for housing creation for the lowest-income residents is constantly allowed to be unused and disregarded *despite* statutory prioritization and without consequence, DC has to reevaluate its purported commitment to deeply affordable housing and its residents who struggle the most to live here.

Unfortunately, residents are always the ones who suffer the consequences of a lack of agency accountability. Council must be more active in exercising the necessary level of oversight to ensure agency transparency and statutory compliance. Creating and preserving deeply affordable housing, ending homelessness, and achieving racial equity cannot be consistently touted as D.C. priorities if the existing mechanisms set up to assist in those goals are underutilized and regularly neglected. This Committee and the Council must step in and up to assert the critical needs of D.C.'s most vulnerable residents.