

D.C. Council Committee on Housing and Executive Administration-DHCD Oversight Hearing-
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Testimony of Brittany K. Ruffin, Senior Counsel, The Washington Legal Clinic for the Homeless

Good afternoon, Councilmembers. I am Brittany K. Ruffin, Senior Counsel 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 pandemic and its resulting state of economic instability for so many has only exacerbated the need for more deeply affordable housing creation.

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. While HPTF funds are used to preserve and 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. Recently, 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 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. The Office of the D.C. Auditor extensively documented the failures of DHCD to meet the Housing Production Trust Fund's statutory

requirements over the life of the HPTF. Most recently, the Inspector General detailed that \$82 million of the HPTF money meant for 0-30% AMI was misspent in 2020. 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 8 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. For FY21, DHCD originally projected that a mere 27% of funds would be used for 0-30%. Though final FY21 AMI percentages have not been released yet, it seems that even reaching the meager projected percentage is unlikely.

It is abundantly clear that simply raising the statutory levels on paper is not enough. While increased matching operating funds in the budget are critical, there has to be intentional and specific oversight and accountability of agency selections as well as the allocation for 0-30% each year to ensure that the prioritization of the 0-30% creation actually occurs. Council should schedule hearings for and pass the *Housing Production Trust Fund Income Targeting Accountability Amendment Act of 2021* and the *Housing Production Trust Fund Transparency Amendment Act of 2021*, important pieces of legislation that increase transparency and reporting requirements. **The continued mismatch of requisite funding should be a most fundamental and significant concern for this Committee. DC Council must assert greater oversight over HPTF project selection and funding, ensuring that the HPTF money is being allocated as intended.**

COVID-19 has emphasized existing community needs. 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 over the last several years. 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 govt 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.