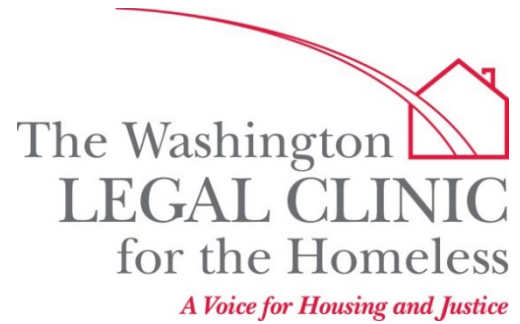


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D.C. Council Committee on Housing-HPTF/DHCD Oversight Hearing- February 15,
2024
Testimony of Brittany K. Ruffin, Director of Policy and Advocacy, and Charisse Lue, Staff
Attorney, The Washington Legal Clinic for the Homeless

Good afternoon, Councilmembers. My name is Charisse Lue, an 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, for many D.C. residents, basic survival is an overwhelming challenge.

The District of Columbia has a worsening affordable housing crisis. In 2023, D.C. saw a twelve percent (12%) rise in homelessness with housing costs increasing by three percent (3%) from the previous year. There is no indication that those trends will reverse without intervention. A fundamental contributor to homelessness and housing instability in D.C. is that there is a dearth of deeply affordable housing in D.C. for those at 0-30% AMI. Despite this, the funding of the creation of deeply affordable housing continues to fall dramatically short of its legislative mandate.

The Housing Production Trust Fund is the fundamental source for creating and preserving affordable housing in D.C. The intention of the HPTF is explicit through its mandates that specify how the funds are to be used, including that fifty percent (50%) of the annual funds are to be used for the creation of deeply affordable housing. Disappointingly, year after year, that

legislative mandate fails to result in any substantive increase in deeply affordable housing creation. In FY 2021, only thirty percent (30%) of the funds were expended on the creation of deeply affordable housing units. In FY 2022, the percentage decreased to nineteen (19%).

It is deeply concerning that funds allocated in the Housing Production Trust Fund for extremely low-income housing creation are not safeguarded from misuse on projects that do not serve that population. The most recent Inspector General's report detailed that \$82 million of the HPTF money meant for 0-30% AMI was misspent in 2020, obviously contributing to D.C.'s failure to produce an adequate amount of housing stock for the extremely-low income. Unfortunately, residents are the ones who suffer the consequences when the law is not followed and there is a lack of agency accountability for the noncompliance. Clearly, aggressive oversight and intentional enforcement measures are necessary to ensure compliance with Housing Production Trust Fund legislation.

In 2022, the Council passed the *Housing Production Trust Fund Accountability and Transparency Amendment Act*, to require additional agency reporting, but data and reporting requirements should go further. Incorporating additional provisions from the previously introduced *Housing Production Trust Fund Transparency Amendment Act of 2021* would further increase transparency. Now, this Committee and Council must ensure that DHCD timely complies with all reporting mandates. Accurate reporting and transparency in its decision-making are the only ways to truly ensure that the HPTF is an effective tool for deeply affordable housing creation. In addition, Council should also consider taking more affirmative measures like separating the funds for extremely low-income housing, to avoid further misallocation and encourage increased monitoring.

The data is clear that a failure to prioritize deeply affordable housing creation will mean further displacement and homelessness, particularly for Black D.C. residents who suffer from the largest racial wealth gap in the nation. D.C. Council can demonstrate its commitment to solving our affordable housing crisis by creating safeguards against misallocation of the funds intended

for the lowest income bracket, enforcing the legal mandates for the creation of affordable housing, and continuing with aggressive oversight.