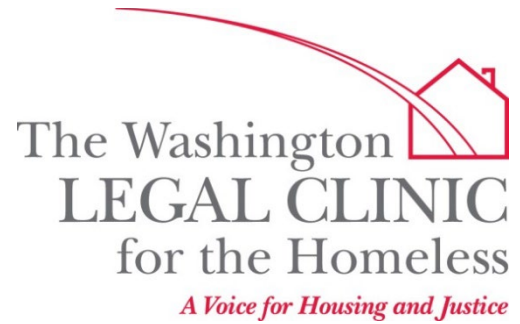


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D.C. Council Committee on Housing-DHCD Budget Oversight Hearing- April 22, 2024

Testimony of Brittany K. Ruffin, Director of Policy and Advocacy, and Charisse Lue, Staff Attorney, The Washington Legal Clinic for the Homeless

Since 1987, the Washington Legal Clinic for the Homeless 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, housing opportunities seem to slip further away with each D.C. budget.

The District of Columbia’s housing crisis continues to worsen. In 2023, D.C. saw a twelve percent (12%) rise in homelessness with housing costs increasing by three percent (3%) from the previous year. UPO reports 44,000 households were “severely housing cost burdened,” spending fifty percent (50%) or higher of their monthly income on rent. While the United States Marshall service reports that eviction filings are up two-hundred fifty percent (250%), 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 the city. The Housing Production Trust Fund is the primary source for the creation and preservation of deeply affordable housing for the extremely low-income D.C. resident and is crucial to the affordable housing production toolkit.

In 2021, the [Inspector General](#) detailed that \$82 million of the HPTF money meant for 0-30% AMI was misspent. The report also indicated that DHCD could not assure that 88% of the projects funded since HPTF's creation (with approximately \$795 million from the HPTF) were used for the production or preservation of affordable units, as required by the publicly funded loan agreements. These findings, of course, contributed to DC's failure to produce an adequate amount of housing stock for the extremely low income. Low-income D.C. residents are most impacted by HPTF misuse and lack of oversight. Agency implementation failures mean further displacement and homelessness, particularly for Black D.C. residents who experience homelessness at the highest rates and live with the largest racial wealth gap in the nation. Improved oversight and aggressive enforcement measures would have prevented such failures.

The utilization of funds for the creation of housing for the lowest income households continues to fall short of its legislative mandate. The HPTF legislation explicitly mandates that fifty percent (50%) of the annual funds are to be spent for the creation of deeply affordable housing. In FY22, only twenty percent (20%) of HPTF expenditures were spent on the creation of deeply affordable housing units. In this year's performance oversight testimony, Director Green reported that that statistic doubled to forty-three percent ([43%](#)) for FY23. DHCD also projects that forty-four percent ([44%](#)) of the HPTF expenditures will be spent on the creation of affordable housing for those at 30% AMI in FY24. While this would be a continued improvement if it occurs, it still does not meet the legislative mandate.

The Council included the *Housing Production Trust Fund Transparency Amendment Act* in FY23's *Budget Support Act*. However, additional transparency measures are necessary and should be incorporated into the HPTF Transparency Amendment Act. The additional provisions should require DHCD to provide detailed post-completion reports on each project and publish the number of projects that have met the eligibility requirements. Additionally, the agency should include detailed data about each awardee and report the amount of the operating subsidy that is granted. Also, Council should consider taking more affirmative

measures to uphold funding allocations and consider separating the funds for the extremely low-income to avoid the misallocation of funds like what occurred in the recent past. The Council must take measures to ensure LRSP funds appropriately match the HPTF operating funds for the creation of deeply affordable units.

The creation of deeply affordable housing is more crucial for D.C. residents than it has ever been. To meet the housing needs of low-income D.C. residents, we strongly urge the Council to require additional transparency and reporting measures; ensure LSRP funds are matched appropriately to operate and maintain affordable housing units and create legislative safeguards that protect funds allocated for the creation of affordable units for households with the lowest income.