

D.C. Council Committee on Housing-HPTF/DHCD Oversight Hearing- March 3,2025

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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 2024, homelessness in D.C. increased by fourteen percent (14%), including a dramatic thirty-nine percent (39%) increase in family homelessness since the previous year. The latest <u>Housing</u> <u>Profile report</u> from NLIHC shows that over 50,000 D.C. renters have extremely low incomes (0-30% AMI) and 75% of extremely low-income households are severely burdened with housing costs. There is no indication that these trends will reverse without aggressive intervention. It is as important as ever that the Housing Production Trust Fund is well funded, and its mission protected: to preserve and create affordable housing for D.C.'s most vulnerable households including and especially those that fall at and below 30% AMI. A fundamental contributor to homelessness and housing instability in D.C. is that there is a dearth of deeply affordable housing (housing for those at 0-30% AMI). Despite this, the funding of the creation of deeply affordable housing continues to fall short of the HPTF's requirement that fifty percent (50%) of its funds be used for 0-30% AMI. 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%). The FY 2023 HPTF Annual Report indicates that forty-three percent (43%) of HPTF funds were obligated to support deeply affordable housing, a substantial improvement from previous years *and still* not where it should be. However, the progress thus far is evidence of the impact of stronger oversight and increased agency intent. Due to years of failing to prioritize the preservation and creation of deeply affordable housing, the need still far exceeds availability. It is as crucial as ever that this Committee continues to use aggressive oversight measures to ensure that the HPTF is allocated as legally prescribed, adheres to its mission to prioritize preserving and creating affordable housing for the lowest income households, and is effectively used to combat the worsening crisis of affordability.

In 2022, the Council passed the *Housing Production Trust Fund Accountability and Transparency Amendment Act,* to require additional and comprehensive reporting to Council, but data and reporting requirements should go further. Incorporating additional provisions from the previously introduced *Housing Production Trust Fund Transparency Amendment Act of 2021* that require public transparency regarding project selection and completion would further increase accountability. While DHCD has made some progress on its general reporting, the annual reports fail to include and disaggregate key data. For instance, the annual reports fail to indicate the level of affordability for each project. This Committee and Council need to ensure that DHCD timely complies with all reporting mandates, including regularly updating quarterly reports on its website for public access. Currently, in 2025, the most recent quarterly report accessible to the public is from 2022. The Council should use its oversight powers to ensure that DHCD produces accurate reporting that disaggregates crucial data and increases transparency. WLCH maintains its previous recommendation that, Council should also consider separating out half of the HPTF meant for extremely low-income housing to protect the investment, avoid further misallocation, and encourage greater accountability.

The data is clear that a failure to prioritize the preservation and creation of deeply affordable housing is contributing to an increase in homelessness and displacement, particularly for Black D.C. residents who are the most impacted by homelessness and the largest racial wealth gap in the nation. D.C. Council can demonstrate its commitment to solving our affordable housing crisis by creating safeguards and enforcing those safeguards to ensure that the Housing Production Trust Fund is used as intended and as prescribed.