



June 17, 2020

Hon. Phil Mendelson
Chairman, Committee of the Whole
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Ave. NW, Washington, DC 20004

RE: Support for Adequate Funding for Affordable Housing in the FY2021 Budget for a Just Recovery

Dear Chairperson Mendelson and members of the Committee:

Please accept this testimony on behalf of the Coalition for Smarter Growth is the leading organization working locally in the Washington, D.C. metropolitan region dedicated to making the case for smart growth. Our mission is to promote walkable, inclusive, and transit-oriented communities, and the land use and transportation policies and investments needed to make those communities flourish.

As our city continues to grapple with a devastating health crisis and the related economic crisis, we must work together to ensure the District is making the right investments to meet critical needs and rectify gross racial and economic inequities laid bare by the crises. We commend the Mayor for not making deep cuts across agencies and programs. However, we ask the Council to restore funding to critical programs that put us on a path to healthy, stable housing for our low income residents.

Fund Housing Production Trust Fund (HPTF) at \$116 million for FY20, \$120 million for FY21:

Continued support for the HPTF is critical to preserving and creating quality, stable homes for DC residents and building a just recovery. HPTF is an important tool for tenant purchase efforts. We ask that the DC Council to continue its funding commitment of \$116 million for the FY20 supplemental budget and \$120 million for FY21 budget. We support additional measures to raise funds for these appropriations. HPTF is a successful, cost-effective program that has many more quality applications than it can fund. It is a leading source of affordable housing for District residents and essential to a just recovery.

Fund Affordable Housing Preservation Fund (AHPF) at \$10 million for FY21: We ask that the Council appropriate \$10 million to the AHPF in FY21. Mayor Bowser created the AHPF as a public-private source for acquisition and critical repairs financing. The AHPF leverages public investments 3:1 with private investments, so a \$10 million District investment results in \$40 million being available for affordable housing loans. The AHPF has become a critical source of acquisition and critical repairs financing for tenant associations exercising their Tenant Opportunity to Purchase Act (TOPA) rights.

Fund First Right Purchase Program (FRPP) at \$10 million: We support the Mayor's appropriation of \$10 million to the FRPP. The FRPP has been the primary facilitator for utilizing TOPA to preserve affordable housing in the District. FRPP funding has made the difference in whether tenant associations can preserve their buildings as affordable, whether through the formation of a Limited Equity Cooperative or an agreement with a developer to maintain affordable rental housing.

The FRPP serves a range of projects that the AHPF does not, including those that would not compete well in the Consolidated RFP. Keeping the FRPP alive and usable would make tenant purchase a reality for thousands more people and significantly add to the long-term affordable housing stock to meet the production goals over the next five years.

Increase Local Rent Supplement Program (LRSP): Project-based LRSP is used to produce new housing affordable to extremely-low-income households by providing operating subsidies as part of the development process. These homes are needed to: (1) ensure meeting statutory requirements to use half of the Trust Fund to serve 0-30% of MFI households; (2) meet the goals of the Homeward DC plan by supporting the production of Permanent Supportive Housing (PSH) in new developments (including the 5% now required in all DHCD-funded rental projects); and (3) allow the production of housing for people with extremely-low-incomes beyond the scope of the Homeward DC plan to serve additional individuals and families. There is insufficient funding in the proposed FY20 budget supplemental and FY21 budget to create new project-based Local Rent Supplement Program (LRSP) units. The Mayor's FY21 budget contains a reduction of \$2.058 million in project-based LRSP funding.

Our [research](#) on workforce housing concluded that greatly increased investment in project-based and tenant-based LRSP was one of the most important tools to address our workforce housing shortage. Our research demonstrated that 5 of the most common 20 jobs pay below \$30,000 per year, or extremely low for a two-person household (e.g. janitors and cleaners). Further, many of the fastest growing service jobs in the District, such as home health aides, food preparation, and waiters/waitresses, earn extremely low incomes. These workers are our essential workforce, and they cannot afford to live in the city without LRSP and other assistance.

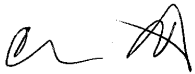
Support Neighborhood-Based Activities at \$10 million in FY21: Neighborhood-Based Activities funds Housing Counseling and Tenant Technical Assistance. Community Based Organizations (CBOs) use this funding to provide homebuyer counseling for HPAP and EAHP, Inclusionary Zoning (IZ) certification, Tenant Opportunity to Purchase Act (TOPA) technical assistance, eviction and foreclosure prevention counseling, limited equity cooperative technical assistance, Schedule H application assistance, and tenant housing conditions technical assistance.

During the Coronavirus public health emergency and the recovery to follow, tenants and homeowners will have even greater need for the essential services provided by CBOs through Neighborhood Based Activities Program funding. Further, the Attorney General's laudatory campaign against slumlords has highlighted the valuable work that CBOs have long performed in educating tenants about their rights and organizing them to seek redress of housing code and other violations of District law: work that is desperately needed and worthy of funding, given the importance of safe, stable, and affordable housing as a social determinant of health.

We ask the DC Council to fund Neighborhood-Based Activities at \$10 million in FY21 so that DHCD can enable CBOs to hire additional staff to meet the need to increase in services for homebuyers and tenants hoping to preserve affordable housing in the District.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cheryl Cort', with a stylized flourish at the end.

Cheryl Cort
Policy Director,
E. cheryl@smartergrowth.net