



# The District's Dime

Going Beyond the Budget Book

The DC Fiscal Policy Institute blog  
[www.dcfpi.org](http://www.dcfpi.org)

February 1, 2016

## DC's Investment in Affordable Housing Is Paying Off

By Claire Zippel

Over 1,700 DC residents will gain affordable homes thanks to the District's \$100 million investment in the Housing Production Trust Fund. The Bowser administration [announced](#) 12 funded projects will help create or preserve 804 low-cost homes. Eighty-three will have built-in services for people transitioning out of homelessness.

The [Housing Production Trust Fund](#) is the District's largest affordable housing tool. It provides loans and grants to help build and renovate low-cost homes. The 12 new projects will use \$82 million from the fund, and the Mayor plans to make another round of funding available starting next month.

These 804 homes will be a stable foundation for over 1,700 low-income DC residents. Having an affordable home will make it less likely that families will have to cut back on necessities like food, clothing, and transportation, or be at risk of losing their home. Investing in affordable housing is key to increasing family stability and promoting economic mobility, especially for the poorest residents.

The new Housing Production Trust Fund awards show the need for the \$100 million allocated this year, but also the need for other housing tools. At this funding level, the Trust Fund can produce about 1,000 homes per year. Yet there are more than 41,000 households on the housing authority wait list, and a need for 22,000 homes affordable to DC's lowest-income families, according to a [study](#) commissioned by the Community Foundation for the National Capital Region.

Moreover, the District has faced challenges using the Trust Fund to serve the poorest families with the greatest needs. By law, 40 percent of Trust Fund money must assist extremely low income families, with incomes below \$32,800 for a family of four. Households at this income level face the greatest challenges [by far](#) finding affordable housing in DC's high-cost housing market. Meeting this requirement has been a challenge, however, because the Trust Fund construction subsidies do not help cover the ongoing costs of operating housing. Of the newly funded projects, a fourth of the homes (216) will be affordable to extremely low income residents. (Some 33 percent of the dollars awarded will go to these homes.)

Making housing affordable to the lowest income families also requires ongoing subsidy from the Local Rent Supplement Program ([LRSP](#)). LRSP pays the difference between what families can afford, and what it costs to maintain and operate the building. The latest round of Trust Fund awards is a reminder that the District also needs to increase funding for LRSP so that its investment in the Housing Production Trust Fund can reach more of DC's poorest and most vulnerable residents.