



The District's Dime

Going Beyond the Budget Book

The DC Fiscal Policy Institute blog
www.dcfpi.org

March 14, 2013

A Budget That Helps Residents Cope with the Rising Costs of Housing

By Jenny Reed

The District's Dime is focusing this week on the themes that we hope will be reflected in the fiscal year (FY) 2014 budget that Mayor Gray will soon release. Our focus today is on housing.

DC's economic resurgence — evidenced by a growing population and increasing employment base — is generally good news, but it also is contributing to skyrocketing housing costs that are increasingly out of reach for many. Over the last decade, DC [lost half](#) of its low-cost rental units and more than 70 percent of its low-value homes. At the same time, the incomes of DC households have not kept pace. The bottom 40 percent of DC households haven't seen their incomes rise by any statistically significant amount.

That's why it is great news that Mayor Gray pledged \$100 million in the upcoming budget to kick-start an effort to create 10,000 affordable housing units — a notable investment. As Mayor Gray gets ready to present his budget to the DC Council on March 28th, what are some programs that should be included in the FY 2014 budget to help residents cope with rising housing costs?

- **Invest in New Housing:** The Housing Production Trust Fund (HPTF) is DC's main source for affordable housing construction and renovation. It also helps tenants who wish to purchase their building if it is put up for sale. Funding for HPTF fell sharply in the Great Recession, setting back efforts to construct and preserve affordable housing.
- **Help Very Low Income Residents Pay Rent:** DC's Local Rent Supplement Program (LRSP) helps make housing affordable to very low-income DC residents. LRSP provides rental assistance to owners of housing, often non-profits, to make their units affordable to residents in low-wage jobs or living on fixed incomes. LRSP also provides monthly assistance directly to residents to help them afford housing they find on their own.
- **Provide Housing and Services for Homeless Residents:** DC's Housing First Program, also known as permanent supportive housing, provides housing and case management services to the chronically homeless, helping people with severe barriers to housing stability get back on their feet.

- **Improve DC's Tax Credit for Residents Struggling with High Housing Costs:** The DC Council [recently passed](#) legislation that would make significant improvements to Schedule H — DC's tax credit for households with high rents or property taxes — that could help [tens of thousands](#) of DC residents cope with the rising costs of housing. Unfortunately, the improvements need to be funded before they can take effect.
- **Prevent Homelessness through the Emergency Rental Assistance Program (ERAP):** ERAP provides one-time assistance to residents at risk of losing their housing. The program prevents homelessness and always runs out of resources before the end of the year.

Support for these programs in the FY 2014 budget will help meet the growing number of residents who need help coping with rising housing costs. Stay tuned to the District's Dime tomorrow for what programs the FY 2014 budget should include in order to give parents the tools to succeed in the job market.