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**Testimony of Claire Zippel, Housing Policy Associate
At the Performance Oversight Hearing for the
Department of Housing and Community Development
DC Council Committee on Housing and Community Development
March 4, 2016**

Chairperson Bonds and members of the Committee, thank you for the opportunity to testify today. My name is Claire Zippel and I am the Housing Policy Associate at the DC Fiscal Policy Institute. DCFPI promotes budget and policy choices to expand economic opportunity and reduce income inequality in the District of Columbia, through independent research and policy recommendations.

I would like to focus my testimony today on two topics: DHCD's recent successful round of funding commitments; and the importance of making progress soon to complete regulations for DOPA, a key affordable housing preservation tool, so that the District can start to use its authority to purchase lower-rent multi-family buildings.

DHCD Successfully Putting New Affordable Housing Dollars to Work

We commend DHCD and its fellow housing agencies for facilitating a very successful round of funding commitments, and rapidly deploying FY 2016 Housing Production Trust Fund resources to affordable housing projects. Of the \$100 million added to the Trust Fund, \$82 million has been awarded to 12 projects that altogether, will produce and preserve over 800 affordable homes.¹ This is an important sign that the District housing agencies, and the affordable housing development community, have the capacity to make the significant investments in affordable housing urgently needed by DC residents.

We are glad DHCD has prioritized funds for housing affordable to the DC residents most likely to struggle with high housing costs. Three-fourths of the units assisted by the latest round of Housing Production Trust Fund awards will serve residents with incomes below 50 percent of the area median income, or \$54,600 for a family of four. These are the households most likely to be facing severe housing cost burdens, by spending half or more of their income on housing.² Though the FY 2016 budget included a record level of funding for affordable housing, resources are nevertheless dwarfed by need. Directing funds to the greatest needs therefore ensures that they have the greatest impact.

¹ DHCD Press Release, "[Mayor Bowser Directs \\$90 Million to Produce and Preserve 800 Affordable Housing Units](#)," 29 Jan. 2016.

² Wes Rivers, DC Fiscal Policy Institute, "[Going, Going, Gone: DC's Vanishing Affordable Housing](#)," 2015.

Relatedly, DHCD is on track to meet the requirement that 40 percent of Housing Production Trust Fund dollars awarded each fiscal year go to housing for extremely low income residents – those with incomes below 30 percent of the median, or \$32,800 for a family of four. A third of Trust Fund dollars committed so far this fiscal year will assist units affordable to residents at this income level. We congratulate DHCD for funding over 200 homes for the District’s lowest income residents, and encourage the agency to continue its progress toward meeting the 40 percent target in FY 2016.

Regulations Needed For Key Affordable Housing Preservation Tool

The District Opportunity to Purchase Act (DOPA) is a potential game-changer in the city’s ability to preserve affordable housing. Effective in 2008, DOPA gives the District the option to purchase a building where at least one-fourth of the apartments are affordable to very low income households. The city could use DOPA to step in when low-cost housing, including buildings with ongoing federal rental subsidies, is likely to be sold and redeveloped or converted to market-rate housing. However, the District has not been able to exercise its opportunity to purchase at-risk affordable homes, because proposed regulations have not yet been issued.

The Mayor has established a Housing Preservation Strike Force, chaired by DHCD Director Donaldson, to formulate a comprehensive affordable housing preservation strategy for the District. The Strike Force is a critical step toward stemming the loss of low-cost homes in DC, and we are excited to have the expert members of the Strike Force on the case. The Strike Force has made completing the District Opportunity to Purchase regulations part of its central mission, and we look forward to seeing the completed DOPA regulations soon. We are hopeful that with completion of DOPA’s regulations, the District will be able to start using this powerful tool in the coming year.

Thank you. I am happy to answer any questions.