

**Testimony of Your Claire Zippel, Policy Analyst  
At the Performance Oversight Hearing on the DC Housing Authority  
DC Council Committee on Housing and Neighborhood Revitalization  
February 21, 2018**

Chairperson Bonds and members of the Committee, thank you for the opportunity to speak today. My name is Claire Zippel and I am the housing policy analyst and research coordinator at the DC Fiscal Policy Institute. DCFPI is a non-profit organization that promotes opportunity and widespread prosperity for all residents of the District of Columbia through independent research and thoughtful policy solutions.

I would like to focus my testimony today the importance of public housing rehabilitation. I will also be submitting written comments on other topics at a later date.

The protection of public housing is a critical component of the District's response to the city's severe affordable housing challenges. Public housing is unique among other sources of affordable housing, as it provides an unparalleled level of housing security through adjustable rents and unique resident rights. Yet chronic federal underfunding means that most of DC's aging public housing properties are in bad shape and require rehabilitation or replacement. The Committee will no doubt hear today from residents of DC Housing Authority (DCHA) public housing whose homes fall short of the standard of quality and health that every resident deserves.

Nearly four in five units of DC's critical public housing stock require significant capital improvements, such as new heating and cooling systems, roofs, plumbing, and wiring, at a total estimated cost of \$1.3 billion.<sup>1</sup> However, in Fiscal Year (FY) 2017, only \$5 million in federal funds were available to DCHA for capital repairs.<sup>2</sup> This epitomizes the long-term trend of federal disinvestment in public housing, and in affordable housing programs more generally. Budget caps have forced 9 percent funding cuts to the Department of Housing and Urban Development of since FY 2010 (adjusted for inflation).<sup>3</sup>

In FY 2017, the District stepped up where the federal government fell short, by providing \$15 million to DCHA for public housing maintenance and repairs. These funds were available due to underspending in the Local Rent Supplement Program (LRSP) during FY 2016. As the Committee is aware, some project-based LRSP funds are not ready to be spent until several years after they are allocated.<sup>4</sup>

The District's contribution to the public housing maintenance and repair fund has resulted in \$6.8 million in capital improvements and critical repairs to DC's public housing to date, with an additional \$8.2 million of work in progress.<sup>5</sup> These renovations and repairs would not have been possible without the financial support of the District—and the leadership and members of this Committee. Some highlights include:

- Renovation of 16 units, with renovations of 39 additional units in progress
- New roofs on senior and family buildings at two properties
- HVAC system work at one property

It appears that DCHA's work to spend the repair fund is progressing steadily, given the magnitude of new funds available for repairs, compared to past year's resources available to the agency. However, DCFPI encourages DCHA to speedily deploy the rest of the \$15 million repair fund, and to have a plan ready for the additional resources that will be deposited in the repair fund at the end of FY 2018. There is no shortage of work to be done, and it is important to move quickly to improve the quality of public housing residents' homes.

Finally, DCFPI encourages the Committee to continue to contribute to the public housing rehabilitation and repair fund in FY 2019 and beyond. The District's partnership with DCHA will be increasingly important in the coming years. President Trump's proposed FY 2019 budget would eliminate the public housing capital fund altogether, and slash DCHA's public housing operating fund allocation by \$30 million.<sup>6</sup> We encourage the Committee to monitor the federal budget situation closely.

Thank you, and I am happy to answer any questions.

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<sup>1</sup> DC Housing Authority FY 2016 Budget Oversight Pre-Hearing Responses.

<sup>2</sup> The DC Housing Authority's federal public housing capital fund allocation for FY 2017 was \$14 million. However, \$6 million is reserved for debt service payments, \$1 million is dedicated to admirative costs, and \$1 million is dedicated to public safety activities.

DC Housing Authority FY 2017 Moving to Work Plan submitted to the Dept. of Housing and Urban Development, <https://www.hud.gov/sites/documents/DC17PLAN.PDF>

<sup>3</sup> Center on Budget and Policy Priorities, "Budget Caps, Not Rent Aid, Forcing HUD Budget Cuts," Oct. 2017, <https://www.cbpp.org/research/housing/budget-caps-not-rent-aid-forcing-hud-budget-cuts>

<sup>4</sup> In recent years, the District has allocated new project-based LRSP funds in the year when affordable housing projects are planned and selected for financing—while the actual subsidy payments cannot begin until after the project has been built or rehabilitated and tenants have moved in. See DCFPI performance and budget oversight testimony

<sup>5</sup> DC Housing Authority FY 2017 Performance Oversight Pre-Hearing Responses, Attachment 13.

<sup>6</sup> Center on Budget and Policy Priorities, "Trump 2019 Budget Slashes Aid for Families Struggling to Pay Rent," Feb. 2018, <https://www.cbpp.org/blog/trump-2019-budget-slashes-aid-for-families-struggling-to-pay-rent>