

Affordable Housing: Put DC on a Path to Fully Meet the Housing Needs of Extremely Low-Income Residents

The size of DC’s affordable housing challenges calls for a bold response. Ensuring that all DC residents have a safe and affordable home is critical to long-term residents being able to stay in their communities, giving children the stability they need, and ending homelessness. When families live in [decent housing with affordable rent](#) they buy more nutritious food, children do better in school, and mental health improves.

Creating more affordable housing also is critical to addressing DC’s racial inequities. Black residents—historically shut out of homeownership opportunities and often living on low wages that reflect historical and ongoing job discrimination—bear the brunt of DC’s rising rents. Residents of color represent nine out of 10 households with the most serious housing needs—those with low-incomes that pay more than half their income for rent.

While the District’s leaders have created and preserved affordable housing, these efforts have met only a small share of the need. Some 27,000 extremely low-income households face severe housing hardship yet the District has only funded about [3,000](#) new rental units for these residents since 2015.

The Mayor and Council should use the fiscal year (FY) 2020 budget to put DC on a path toward completely meeting the affordable housing needs of families with extremely low incomes.

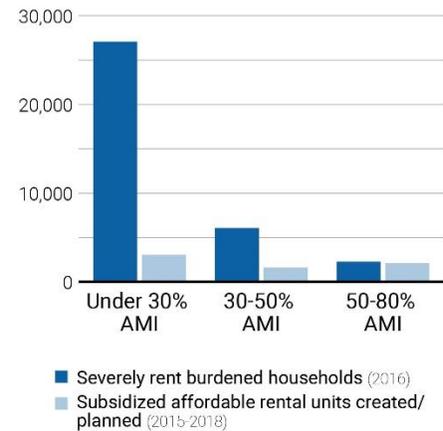
Build More Affordable Housing

The Housing Production Trust Fund (HPTF) is DC’s main tool for building and renovating affordable housing. DC has committed \$100 million to the HPTF each year since FY 2015, an increase from prior years. Yet more is needed to move towards fully meeting DC’s affordable housing needs.

- Rising land prices and construction costs mean that the HPTF needs additional resources simply to maintain the same level of HPTF activity. DCFPI estimates that creating the same number of new homes as in 2015 would cost more than \$150 million in FY 2020¹.
- Fully meeting the affordable housing needs of DC’s low-income residents over 10 years would require [a \\$230 million investment](#) in the HPTF in 2020.

An investment of \$200 million in the Housing Production Trust Fund would help build 1,300 affordable homes for DC residents. [Mayor Bowser pledged](#) this level of HPTF funding as part of DC’s

Most of DC’s Affordable Housing Efforts Are Out of Reach of Lowest-Income Residents



Note: AMI refers to area median income. Affordable rental units created/planned includes new subsidized units completed since 2015 or in the pipeline as of March 2018, and locally funded rent vouchers.
Source: DCFPI analysis of 2016 American Community Survey 5-year PUMS, DC Affordable Housing dataset via Open Data DC, DHCD Pipeline Dashboard, and secondary sources; Fiscal Year 2015-18 Budget & Financial Plans.

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effort to recruit Amazon to locate its second headquarters in DC, indicating DC’s capacity to fund HPTF at this level.

Help Families Pay Rent

DC’s Local Rent Supplement Program (LRSP) provides rental assistance to help cover the difference between rents that low-income families can pay and the rents they face. LRSP operates in part by providing vouchers to households to help them afford private-market apartments. In addition, some LRSP subsidies are tied to buildings developed with the HPTF to ensure that these units reach the lowest-income families.

Providing more LSRP is key to meeting the housing needs of extremely low-income residents. Without rental subsidies, projects built through HPTF generally are not affordable to extremely low-income families. Due to a lack of LRSP funding, the HPTF has met the statutory requirement—that 40 percent of its resources serve extremely low-income residents—only once in the past five years and won’t meet it in 2019.

An investment of approximately \$20 million in LRSP would ensure that 40 percent of HPTF resources are serving extremely low-income households, while also making up for recent shortfalls in serving this group². The city should match this funding with an additional \$11 million to provide tenant vouchers to more than 500 families.

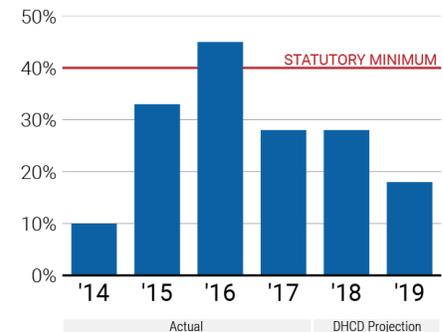
While substantial, this funding is far below what is needed in the long-term. Putting DC on a 10-year path to providing affordable housing to all extremely low-income households would require [\\$60 million for LRSP](#) in 2020.

Preserve Public Housing

Public housing is a key source of stable, affordable housing for over 7,000 of the District’s extremely low-income families. Due to federal underfunding, four out of five public housing units in DC are in need of significant repairs, and many residents suffer [deplorable conditions](#). In recent years, the District has committed modest amounts to support public housing repairs, including \$19 million in FY 2018 and \$3.25 million in FY 2019. Yet the DC Housing Authority, which owns and manages public housing just reported that its immediate repair needs are \$343 million. The Mayor and DC Council should consider ways to preserve DC’s public housing stock. **An investment of \$25 million in FY 2020 is an important first step towards fixing and preserving DC’s affordable housing.**

Housing Production Trust Fund Fails to Dedicate 40% of Resources to DC’s Lowest-Income Residents

Share of funds obligated in fiscal year to extremely low-income housing.



Source: Dept. of Housing and Community Development, Feb. 2018.

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¹ Based on rising average HPTF subsidy costs per unit in FY 2015 and FY 2019.

² This would be paired with the \$200M HPTF investment, discussed above