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DC Needs to Double Down on the Housing Production Trust Fund

By Doni Crawford

The District's recent commitment to building affordable housing—with \$100 million per year for the Housing Production Trust Fund (HPTF) since fiscal year (FY) 2015—is notable yet falling short in key ways. Due to rising construction costs and other factors, the \$100 million will produce one-third fewer units in 2019 than in 2015 – 710 vs. 1,140 (Figure 1). In other words, \$100 million does not go as far as it used to.

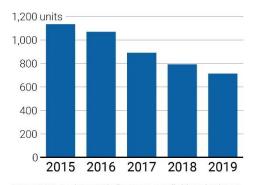
A <u>new DCFPI analysis</u> finds that matching the 2015 affordable housing output today would require over \$150 million in FY 2020. Beyond that, DCFPI also finds that fully tackling DC's affordable housing challenge for its lowest income residents over the next 10 years would require \$230 million each year for the Housing Production Trust Fund.

That means it's time to double down on DC's Housing Production Trust Fund. 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. Bringing HPTF funding to \$200 million in FY 2020 would be an important step towards ensuring that all residents have a safe and affordable place to live. This would be consistent with Mayor Bowser's offer to Amazon to "double down" on DC's annual investment in the Housing Production Trust Fund.

FIGURE 1.

Flat HPTF Funding Levels Yield Fewer Units Each Year

Units produced with \$100 million annual funding for HPTF



Source: DHCD Development Pipeline Report, compiled through February 2018.

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Creating more affordable housing is critical to addressing DC's racial inequities. The enduring legacies of structural and individualized racism — racist zoning and residential segregation, redlining, restrictive covenants, practices barring federal employment and access to Homestead and New Deal programs, etc. — that for years prohibited Black families from equitably accessing the housing and employment markets, continues to impact communities of color today. Nearly 90 percent of extremely low-income, severely rent-burdened households in the District are headed by a person of color.

DC's housing challenges require bold action. To truly put DC on the path toward meeting the housing needs of all residents, the Mayor and Council must double down on investments in the Housing Production Trust Fund.

Read the full report, To Ensure all Residents Have a Safe and Affordable Place to Call Home, DC Needs to Double Down on the Housing Production Trust Fund, here.

Learn more about DCFPI's FY 2020 budget priorities here.