

DC Council Pits Affordable Housing Programs Against Each Other

By Doni Crawford and Kamolika Das

The DC Council has proposed a budget that pits important affordable housing programs against each other. In its [first vote](#) on the fiscal year (FY) 2020 budget, the Council cut two programs that build or preserve affordable housing—the Housing Production Trust Fund (HPTF) and the Affordable Housing Preservation Fund (Preservation Fund)—to add funding to the Local Rent Supplement Program (LRSP), which helps extremely low-income residents pay their rent. While the Council's effort to support rental vouchers is notable, our affordable housing challenges demand more funding for *all* of these programs. It simply won't work to fund some housing programs by cutting others.

The DC Council should work to restore these cuts at the second budget vote on May 28.

The Council cut the Housing Production Trust Fund to \$120 million, down from \$130 million in the proposed budget, and completely zeroed out \$15 million that was proposed for the Preservation Fund. In return, the Council added nearly \$8 million in [new funding](#) in FY 2020—and a total of more than \$32 million over four years—for LRSP.



Yet the District needs to do more of all of these things—[build new housing, preserve what little affordable housing we have, and help more residents pay rent](#)—to help the 27,000 District households, primarily led by a person of color, who are extremely low-income and spend at least half of their income on housing.

Cutting programs that create or preserve affordable housing doesn't make sense. DCFPI estimates that the Housing Production Trust Fund, DC's primary tool to finance the production of affordable housing, needs at least [\\$200 million](#) every year to address our most serious affordable housing challenges. The Council should have added to the proposed budget of \$130 million, not reduced it.

Given [DC's intense displacement](#) of long-time Black residents, the District also needs to be aggressive about *preserving* existing affordable housing that is at risk of being lost. [The District lost](#) at least 1,000 units of subsidized housing between 2006 and 2014 and another 13,700 units with subsidies will expire by next year. Many are at risk of being converted to high-priced housing.

For many buildings that go up for sale, there is only one opportunity to preserve them as affordable. DC's Preservation Fund, created in 2017, allows the District to act quickly, ultimately preventing the displacement of DC residents. DC should support the Preservation Fund at even higher levels—not cut it—to help ensure low-income Washingtonians are able to stay in their communities.

- **The Preservation Fund is cost-effective:** [Preservation costs just half to two-thirds](#) what new construction costs, and rehabilitation includes energy-efficient upgrades that save money in the long-

run. In addition, the Preservation Fund managers— LISC and Capital Impact Partners— have leveraged \$3 in private and philanthropic dollars for every \$1 of District funding. As a result, the Preservation Fund's \$15 million cut is a \$60 million loss for housing preservation.

- **The Preservation Fund has already shown signs of success:** LISC estimates that funding to date will help over 1,000 residents, 90 percent of whom are low-income and primarily long-time residents, stay in their homes. Capital Impact Partners expects to provide financing to preserve 730 units by year-end.
- **Cutting the Preservation Fund also hurts tenants' ability to exercise their tenant purchase rights:** The Preservation Fund is the primary resource for the Tenant Opportunity to Purchase Act (TOPA), which allows tenant associations the first shot at purchasing their building when it hits the market. Given that many TOPA projects are home to immigrant families as well as long-time Black residents, weakening TOPA would accelerate the displacement pressures across DC that many residents are already facing.

The District's affordable housing challenge is complex and requires a number of intertwined solutions that work together. Without significant investment in all of DC's key housing programs, Black residents will continue to face involuntary displacement at [alarming](#) rates and the [culture](#) of historically Black neighborhoods will continue to be at risk. The arrival of Amazon to the region will likely further exacerbate these challenges if we are not intentional about making DC a place where all residents, regardless of race and income, can live and thrive.