

**Testimony of Doni Crawford, Policy Analyst
At the Public Hearing on the
Housing Production Trust Fund Transparency Amendment Act of 2019
DC Council Committee on Housing and Neighborhood Revitalization
June 17, 2019**

Good morning, Chairperson Bonds and members of the Committee. Thank you for the opportunity to testify today. My name is Doni Crawford, and I am a policy analyst at the DC Fiscal Policy Institute (DCFPI). DCFPI is a non-profit organization that promotes budget choices to address DC's racial and economic inequities and to build widespread prosperity in the District of Columbia, through independent research and policy recommendations.

I'm here today to express DCFPI's strong support for increased transparency of the Housing Production Trust Fund (HPTF) selection process, as envisioned in the Housing Production Trust Fund Transparency Amendment Act of 2019.

As you know, the Housing Production Trust Fund is the District's primary tool to finance the production and preservation of affordable housing for low- and moderate-income residents. It has proven to be an effective tool, producing [over 10,000 units](#) of affordable housing since 2001. However, as the Office of the District of Columbia Auditor's (ODCA) [latest report](#) on the HPTF demonstrates, more can be done to ensure that the selection process is transparent and that project selections maximize affordable housing units.

Furthermore, it is important that we use the selection process of the Housing Production Trust Fund and other tools to intentionally monitor and address the concentration of affordable housing in the District. Two-thirds of the projects that were selected for awards in [June 2018](#) and nearly half of projects selected for awards in [March 2019](#) were located in Wards 7 and 8—predominately Black wards with the [highest unemployment rates](#), where residents face numerous barriers to accessing the city's prosperity. This is significant, as the dangers of concentrating poverty and limiting opportunity are [well documented](#) and include, among many other things, negative impacts on health and life expectancy. This also connects to [recent calls](#) by the Mayor and her administration to ensure that DC is equitably distributing affordable housing across all eight wards.

As a reminder, DCFPI has shown that [less than 1 percent](#) of new affordable housing has been built west of Rock Creek Park. Our partners at [Greater Greater Washington](#) further dug into this, showing that in the entirety of Advisory Neighborhood Commission 3C (Woodley Park/Cleveland Park), 3D (Spring Valley/AU Park), 2D (Kalorama), and 2E (Georgetown/Burleith), there are zero "income-restricted" housing units. These are areas of the city where access to high-performing schools, recreational spaces and healthy foods is abundant and beneficial to long-term success.

With all those things in mind, DCFPI applauds the goals of the HPTF Transparency Amendment Act, which would require detailed information on applications to the HPTF, including public release of the

competitive scoring of awardees. We join our partners at the Coalition for Non-Profit Housing and Economic Development (CNHED) in making the following recommendation for improvement of the bill:

1. We recommend that the bill amend Paragraph (d)(2A) of Section 3 of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802), which directs the Department of Housing and Community Development (DHCD) to “create and maintain a publicly available database of all Fund loans,” to add to the data required in the database the following: the address and ward of each project (ideally overlaid on the existing map by ward), the tax status of each developer, the loan status, the initial and final amount(s) of loan(s), the proposed and produced number of affordable housing units created by the loan(s), proposed and produced number of bedrooms for each unit, the rental or homeownership type of each proposed and produced unit, income levels served by each housing unit, initial and final subsidy source for each unit, the period of time each unit shall remain affordable, and annually updated reports of the developer’s compliance with the loan agreement(s). We also recommend that these data categories be added to the information required in the bill’s new paragraph (9), which mandates the information that must publicly be released about each project at the time of a Trust Fund award announcement.

Regarding the bill’s requirement in the new paragraph (9) to release “the underwriting and prioritization scores of each applicant” as part of an award announcement, DCFPI understands how publishing scores of applicants that did not receive funding may be contentious. However, given the transient nature of public administrators and the need to address potential impropriety, DCFPI recommends requiring public justification of any discretion in the HPTF selection process used by the DHCD Director. Potential language for this recommendation may say:

2. In response to each request for proposals, the Director shall issue a final written decision of Fund loans to be awarded. The Director’s decision shall be based on the Department’s review of selection criteria and scoring of each proposal. If a loan is awarded in any way that varies from selecting the highest-ranked projects, the Director shall issue a written justification detailing the selection of any lower ranked projects, as well as the reason for rejecting any higher ranked projects. Following each Fund loan award decision, the Department shall release publicly the Department’s recommendations to the Director, the final signed Decision Memorandum from the Director, and the Director’s written justification for any differences from the Department’s recommendations.

The committee also should explore the inclusion of requirements that address when and how the DHCD Director can exercise discretion in the RFP process, [as recommended by ODCA](#).

Thank you for the opportunity to testify and I am happy to answer any questions.