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Testimony of Doni Crawford, Senior Policy Analyst At the Budget Oversight Hearing on the DC Housing Authority Committee on Housing and Executive Administration June 16, 2021

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 senior policy analyst at the DC Fiscal Policy Institute (DCFPI) and a member and supporter of the Fair Budget Coalition's fiscal year (FY) 2022 budget priorities and recommendations. DCFPI is a nonprofit 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.

A year into the global health pandemic, the resulting economic downturn continues to underscore the importance of substantial District investments in quality affordable housing and rental assistance for DC residents. Most of our neighbors living in public housing live in poor conditions and in communities with poor air quality, both of which threaten their health and have made them more susceptible to contracting coronavirus. As with every inequality, the virus has hit Black and brown communities the hardest. In DC, Black residents have consistently made up 75 percent of virus-related deaths and Black and brown residents have made up the same percentage of positive cases for the virus.¹

As a result, we call on the DC Council to:

- Allocate \$60 million in FY 2022 for public housing repairs and maintenance;
- Ensure that repair money is disbursed to more than one project; and,
- Request transparency on the Local Rent Supplement Program (LRSP) changes in the Budget Support Act from the Department of Housing and Community Development (DHCD) and DC Housing Authority (DCHA) Directors during budget oversight hearings, before making any changes.

Allocate \$60 Million in FY 2022 to Repair and Preserve Public Housing and Ensure Funding is Allocated to More Than One Project

Due to federal underfunding, the overwhelming majority of public housing units in DC are in need of significant repairs, and many residents live in deplorable conditions.² The COVID-19 virus is particularly deadly to those with already compromised immune or respiratory systems.³ It is unconscionable to allow public housing residents to live in poor conditions at any time but particularly during a pandemic when these conditions can increase their likelihood of death as a result of this devastating virus.⁴ Over 90 percent of residents living in the District's public housing

are Black, making this yet another issue of racial inequality. Failure to deeply invest in necessary rehabilitation of public housing units is a failure to address a deeply racialized public health crisis.

In recent years, the District has directly committed local funding to support public housing repairs, including \$19 million in FY 2018, \$3.25 million in FY 2019, \$24.5 million in FY 2020, and \$50 million in FY 2021 for a total of \$97 million.⁵ Yet DCHA, which owns and manages public housing, has reported that its immediate repair needs over the next six years are much higher—\$405 million—while long-term repairs will require close to \$2.5 billion.

This year, the mayor's proposed budget allocates \$22 million in FY 2022 for public housing repairs and maintenance in the capital budget and an additional \$35 million in the following two years of the financial plan. But both the Executive and DCHA have confirmed that the total allocation of \$57 million for repairs will be devoted entirely to Claridge Towers due in part to DCHA's change in leadership—that's just one building of the more than 80 percent of DCHA buildings that need urgent repairs in this city. Over a year ago, the DCHA Director reiterated in the transformation plan that, "significant portions of DCHA's public housing portfolio have deteriorated to such a condition as to be potentially uninhabitable, or threatening to the health and safety of our residents."⁶ This plan to only spend repair money on one project directly goes against the urgent call that the DCHA Director, residents, and advocates have consistently made before this committee for funding to address ongoing repair needs at many properties.

Even with the change in leadership, these dire repair needs will not go away. We need \$60 million in FY 2022 for repairs at multiple properties so that we do not stall progress nor lead to the privatization of more properties over time. Last year, the final budget stipulated that DCHA must submit a proposed spending plan to the Council and to the Council chairpersons with oversight of DCHA.⁷ The Council can use this process this year to ensure DCHA has a plan in place to spend the \$60 million allocation while the Executive begins a search for a new permanent Director.

Help Families Pay the Rent with Tenant Vouchers and Require Transparency on LRSP BSA Changes from the Executive

DC's Local Rent Supplement Program (LRSP) provides rental assistance to help cover the difference between rent that families with low-incomes can pay and the rent they face. One component of LRSP operates by providing vouchers to households to help them afford private-market apartments, known as "tenant-based vouchers." But prior to the pandemic, over 40,000 DC households were already on DCHA's waiting list for this program and nearly 60 percent of the District's lowest income households—those earning less than \$20,000 annually—were severely cost burdened, meaning they spent more than 50 percent of their income on rent.⁸

The pandemic has exacerbated the need for housing assistance, as an average of 39,000 DC adult renters reported that their household was behind on rent between April 28th and May 24th, according to the Census Bureau's Household Pulse Survey. This is likely still an underestimate as non-response to the survey is higher among groups that are younger, have lower levels of education, and identify as Black or Latino—all groups that are more likely to struggle to pay rent.

Yet, once again, the mayor didn't propose an increased investment in tenant-based vouchers to help households pay the rent so it will fall on the Council to provide new assistance for families on

DCHA's waiting list. Our partners and DCFPI recommend that the DC Council invest \$17.3 million to provide tenant vouchers to 800 families on the DCHA waiting list in FY 2022.

Finally, the Mayor proposed a number of legislative changes in the BSA to increase the efficiency and transparency of LRSP funds and administration, such as giving DHCD and DHS more power to control LRSP spending. But after reviewing the BSA language and talking with fellow advocates, a few questions remain:

- On the tenant side, DHS and DCHA have had difficulties working together to award and deploy vouchers in the past. How would the new process that the mayor is proposing eliminate those challenges?
- When would developers be able to request and use capital-based assistance for LRSP projects—that is, is this new allowance fully retroactive to previously awarded projects or is this only for future units? Also, are there other sources that developers already have in place for rehabilitation of project-based units? Can the DC Council put a spending cap in place for capital-based assistance, such as stipulating that no more than 15 percent of project-based operating assistance can be used for capital repairs?

I recommend that the Council committee use the budget oversight hearings for DHCD and DCHA government witness to better understand how the process is proposed to work now as well as seek answers to the above-mentioned questions.

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

¹ Government of the District of Columbia, <u>COVID-19 Surveillance Data</u>, June 10, 2021.

² Morgan Baskin, <u>As D.C. Weighs How to Fix Its Public Housing, Families Keep Getting Sicker</u>, Washington City Paper, March 20, 2019.

³ Mayo Clinic Staff, <u>COVID-19: Who's at higher risk of serious symptoms?</u>, Mayo Clinic, May 18, 2021.

⁴ Mitch Ryals, <u>Against Advice of Attorneys and Internal Auditors</u>, <u>DCHA Kept Families in Units With Lead Past Legal</u> Deadline, Washington City Paper, February 26, 2021.

⁵ DC Fiscal Policy Institute, <u>Fiscal Year Budget Toolkits</u>, Fiscal Year 2018 – Fiscal Year 2021.

⁶ DC Housing Authority, <u>DCHA Transformation Plan</u>, September 17, 2019.

⁷ Doni Crawford and Eliana Golding, <u>What's in the FY 2021 Approved Budget for Affordable Housing?</u>, DC Fiscal Policy Institute, September 14, 2020.

⁸ Michael Bailey, Eric LaRose, and Jenny Schuetz, <u>What will it cost to save Washington</u>, D.C.'s renters from COVID-19 eviction?, Brookings Institution, July 23, 2020.