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**TESTIMONY OF LINDSAY CLARK, POLICY ANALYST,
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**For the Public Roundtable regarding “Strategies to Eliminate
The District of Columbia Housing Authority’s Current Waiting List of
Individuals Seeking Housing Choice Vouchers and Placement in Public Housing”
July 14, 2008**

Chairperson Barry and members of the Committee, thank you for the opportunity to speak today. My name is Lindsay Clark, and I am a policy analyst with the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents.

DCFPI applauds Mayor Fenty’s vision to eliminate the housing authority wait list and thanks the Council for showing further support for this goal.

The lack of affordable housing continues to be a problem in the District, and the 25,000 households on the wait list are a reflection of the serious and worsening affordable housing shortage. The following statistics shed some light on the problem.

- Some 46,000 DC households spend 50 percent or more of their income on housing, and the vast majority of these households are very low-income (74 percent).¹
- As housing prices have risen, DC has lost many of its low cost housing units. Between 2000 and 2004, DC lost 7,500 rental units costing less than \$500 per month and lost 15,000 units renting for \$500 to \$1,000 per month.²
- There is a big mismatch between incomes and housing costs in DC. One-fifth of DC workers earn \$11 an hour or less — even with a full time job that is just \$22,000 in income. Based on the US Department of Housing and Urban Development’s standard of affordable that family can afford to pay just \$550 a month in rent. Yet there is a huge gap in affordable housing at this level. There are about 48,000 renting households in DC with incomes below \$22,000 and

¹ Very low-income is defined at households with income at or below 30 percent of the DC area median income. DCFPI analysis of 2006 U.S. Census Bureau American Community Survey data.

² Angie Rodgers, “New Census Data Show DC’s Affordable Housing Crisis is Worsening.” (September 2005). <http://dcfpi.org/?p=67>

only 28,500 rental units with rent below \$550.³

The District has made substantial commitments to affordable housing and we applaud these efforts. In the FY2009 budget, the mayor allocated \$19 million to the DC Home Purchase Assistance Program, which provides low- and no-interest loans to help low-income first-time homebuyers. The program is expected to help 500 new homebuyers in 2009. Additionally, the mayor committed \$1.5 million to house victims of domestic violence.⁴

However despite these commitments, many concerns remain. For example, dedicated taxes to Housing Production Trust Fund (HPTF) have fallen significantly.⁵ And only \$2 million was added to the Local Rent Supplement Program (LRSP) for FY 2009, which has led some groups to put affordable housing projects on hold. The LRSP is especially important because increasingly other programs, like HPTF, are not able to make housing affordable to the lowest income families with the greatest housing needs.

The goal of eliminating the wait list is laudable but also very ambitious. At a minimum, we hope the city will continue to make progress on the recommendations of the 2006 Housing Task Force, which had recommended 19,000 affordable housing units and \$200 million in new funding per year over the next 15 years.⁶ The recent increases in housing funding in DC, while notable, is far short of the recommendation.

One specific recommendation worth pursuing is 15,000 rent subsidies over 15 years, 1000 per year. The LRSP program takes families directly off the DCHA wait list. It also is a key tool for non-profit developers seeking to build housing for very low-income families, and a steady and predictable stream of funding is needed for non-profit developers to plan future projects. Several states and cities have well established rent supplement programs that support housing for persons below 30 percent of their area median income. The District established its program in 2007, and is already seeing significant results. For example, the nonprofit So Others Might Eat (SOME) agreed to build and operate up to 1,000 units of affordable housing for low-income families — however this commitment is dependant upon a steady stream of funding for the rent supplement program.⁷ Therefore it is critical that the District continue to sustain and steadily increase its commitment to the LRSP in order to move individuals off the waiting list.

Thank you for the opportunity to speak today. I am happy to answer any questions you may have.

³ DCFPI analysis of 2006 U.S. Census Bureau American Community Survey data.

⁴ DC Fiscal Policy Institute, “What in the FY2009 Budget for Affordable Housing?” (April 2008). <http://dcfpi.org/2009housing.pdf>

⁵ In 2007, the revenue for the HPTF was expected to reach \$76 million in FY2009; however, due to the slowdown in the housing market, expected revenue have dropped substantially to just \$39 million for FY2009.

⁶ The District of Columbia Comprehensive Housing Task Force, “Homes for an Inclusive City: A Comprehensive Housing Strategy” (April 2006). http://www3.brookings.edu/metro/gwrp/20060405_housingstrategy.pdf

⁷ Coalition for Nonprofit Housing and Economic Development, “FY 2009 Budget Fact Sheet on DC Housing Authority Local Rent Supplement Program (LRSP).”