

LOCAL RENT SUPPLEMENT PROGRAM



So Others Might Eat

The District is in the grips of an affordable housing crisis. The crisis grows worse every year. It threatens the economic vitality of the District, the quality of life it offers and the very survival of its most vulnerable citizens.

- Rental costs in D.C. are unaffordable for nearly two-thirds of renting households.
- In mid-January 2008, 13% more individuals were homeless than in mid-January 2004.
- At least 25,000 households are on the D.C. Housing Authority's waiting list for affordable housing. Some have been waiting for an affordable place to live for more than 10 years.

The D.C. government is committed to ending homelessness in the District by 2014. As the District's *Homeless No More* strategy recognizes, this will require significant actions by the public as well as the private sector.

- The strategy calls for the creation of 6,000 units of permanent, supportive affordable housing for homeless and other very low-income residents at high-risk.
- According to the Comprehensive Housing Task Force—an expert group commissioned by the previous Mayor and the City Council—an end to the affordability crisis will require, among other things, preserving 30,000 affordable units and creating at least 19,000 new units that will be affordable on a long term basis.

The District is not on track to achieving its affordable housing goals.

- In the last seven years, at least 30,000 affordable units have disappeared from the local market.
- The current administration reports the creation of 2,500 affordable units—about 8% of those lost since 2001.
- Even if the administration could support 2,500 new affordable housing units every year, it would not be able to compensate for lost affordable units, let alone increase the District's stock of affordable housing.

The Local Rent Supplement Program is a critical element in achieving the District's affordable housing goals. The Local Rent Supplement Program is the District's most flexible and effective way to provide affordable housing for very low-income households. It can:

- Provide tenant-based housing vouchers, which supplement what recipients can afford to pay for rent on apartments on the open market.
- Help affordable housing providers to secure financing for the development of new affordable housing units and pay off private debt.
- Preserve affordable housing for very low-income residents by covering part of ongoing operating costs.

The Local Rent Supplement Program is cost-effective. Lack of affordable housing drives a growing need for emergency shelter space—a more costly option by far.

- Emergency shelter costs the District as much as \$2,250 per month per person or family, while a tenant-based housing voucher costs, on average, about \$1,230 per month.
- With \$500 per month of Local Rent Supplement funds, SOME can provide housing for a homeless individual. With \$750 per month, it can provide housing for an entire family.

The Local Rent Supplement Program is not adequately funded to fulfill its promise. The City Council intended the Local Rent Supplement Program to focus on the production of new long-term affordable housing units. While the program has stimulated progress, current budget constraints will severely limit its impact.

- In FY 2008, the program was funded at \$19.4 million—a \$7.7 million increase over FY 2007.
- For FY 2009, the program will have just \$2 million more. This will produce only approximately 150 new units.
- Lack of an ensured funding stream deters private-sector financing for new affordable housing projects and can discourage nonprofits from undertaking them.

Recommendation: Commit to increased funding for the Local Rent Supplement Program for at least three years at a rate of at least \$15 million per year.

The analyses and positions presented here reflect those of four coalitions in which SOME participates—the Coalition for Nonprofit Housing and Economic Development, the Fair Budget Coalition, the Affordable Housing Alliance, and the Coalition of Housing and Homeless Organizations. For further information, please contact Nechama Masliansky at 202-797-8806, extension 2107 or nmasliansky@some.org.