

AFFORDABLE HOUSING IN THE DISTRICT OF COLUMBIA— ESSENTIAL PROGRAMS

BACKGROUND

In recent years, the crisis in affordable housing in Washington, DC, has continued to worsen. The number of affordable housing units has fallen drastically, while the incomes of lower-income families have remained stagnant or declined, leaving these households with less to spend on other essentials and leaving them to cope with housing bills far above what they can afford. **In only a decade (2000-2010), the number of units renting at less than \$750 per month fell nearly in half**, from over 70,000 units to 35,500 units. To put this in perspective, over that time span the median rent for a one-bedroom apartment rose from \$735 to \$1,100, an increase of over 50% even after adjusting for inflation.¹ The situation is even more dire for those with very low incomes, for although approximately one fifth of DC households spend more than half of their income on housing costs, nearly two thirds of **households with incomes below 30% of the Area Median Income (AMI) spend more than half of their income on housing costs.**²

PROGRAMS

During this crisis, a few new programs have emerged to help, but the number of available units does not begin to meet the need and previously available resources have declined. For several decades, low-income residents have applied for assistance from the **DC Housing Authority (DCHA)**. The DCHA runs several housing assistance programs.

(1) The DCHA owns and operates approximately 8,000 units (down from approximately 12,000 in the year 2000), ranging from studio apartments to apartments with 5+ bedrooms.

(2) The DCHA manages approximately **12,000 federally funded Housing Choice Vouchers** (formerly known as “Section 8 vouchers”) for low-income families.³

(3) The DCHA also manages the **Local Rent Supplement Program (LRSP)**. This program was created in 2006 at the instigation of affordable-housing advocates, to use local funding because of the severe shortage of federally funded housing vouchers. Since 2007, the LRSP has subsidized income payments for low-income residents of DC so that they spend no more than 30% of their income on housing,⁴ currently providing support to over 2,500 households.⁵ The program achieves this through three methods: vouchers given directly to families (tenant-based), vouchers given to developers on the condition that specific units are made available for low-income renters (project-based), and vouchers given to developers or nonprofits on the condition that they provide supportive services in addition to affordable housing (sponsor-based).⁶

The need for affordable units for low-income residents far exceeds supply, however. **The DCHA waitlists currently hold approximately unduplicated 70,000 applications,**⁷ and in April 2013 the DCHA suspended receipt of new applications.⁸ For those already on the waitlists and still waiting, the prognosis is grim – the average wait time for a two-bedroom unit is 22 years.⁹

Low-income persons may be among the fortunate households who live in one of the more than 6,800 affordable units developed via the **Housing Production Trust Fund (HPTF)**, a program managed by the DC Department of Housing and Community Development. The HPTF encourages such development, plus housing preservation and tenant purchase, throughout DC for several income groups, not only the most low-income.¹⁰

To avert homelessness, low-income families can apply for assistance from the **Emergency Rental Assistance Program (ERAP)**, a program administered by the DC Department of Human Services. With funding approved for Fiscal Year 2014, a pilot project to allow unaccompanied individuals (singles, including those not over age 60 and not disabled) to apply for assistance begins on October 1, 2013.

Chronically homeless individuals and long-term homeless families can seek assistance through the **Permanent Supportive Housing (PSH)** program, also known as **Housing First**. PSH, operated by the DC Department of Human Services, provides long-term housing solutions to individuals who have been chronically homeless in the past, and now supports approximately 1,300 households.¹¹ This program and the permanent supportive housing programs administered by private, not-for-profit organizations, are credited with reducing the number of homeless persons in the District.

In 2004, SOME's Board of Directors determined that the lack of affordable housing was driving people into homelessness. Accordingly, the Board authorized SOME's Housing Development Initiative, with the goal of creating 1,000 net new units to house 2,000 extremely low-income households. At this time, SOME is approximately halfway toward its goal.

FUNDING

Those programs provide much-needed relief to many low-income residents of DC. However, as demonstrated by the extraordinary number of applications in the DCHA waitlist, **much more is needed.** Worse, the funding for several of these programs is unstable: the DCHA vouchers expire by 2020,¹² and other programs rely upon yearly renewals from the DC City Council.

For example:

LRSP-- When the LRSP first began, DC planned for it to subsidize 15,000 units in 15 years, **but instead of the projection of roughly 7,000 in FY2013, the total now sits at only 2,500.** Further, since its funding is not indexed to inflation, the LRSP has in the past been forced to sacrifice long-term plans in favor of simply maintaining its current level of service.¹³

HPTF-- The HPTF's budget is also notoriously insecure. Its funding largely comes from a percentage of transfer taxes and deed recordation taxes on real estate transactions, and so when the real estate market falters, so too does the HPTF's funding. Even worse, **funds from the HPTF have in recent years been reallocated toward the LRSP, sacrificing one crucial program for another instead of funding both at appropriate levels.**¹⁴

DHS' PSH program-- PSH's funding has been in danger almost since the day it began in 2008, on the eve of the Recession, when local dollars for the program were suddenly short by \$19.2 million. Federal funding helped make up for \$18 million of that shortfall, spread across Fiscal Years 2009 and 2010. A later one-time infusion of federal dollars designated for PSH capital enabled the opening of two buildings. On a cumulative (gross) level, the amount allocated for PSH has nearly doubled since its creation, and funding levels have increased over the last two years to approach their 2011 peak. **Nonetheless, the PSH has failed to live up to its full potential because its funding has not been sustained at needed levels from year to year.** In 2010, DC set a goal of serving 2,500 of the most vulnerable, chronically homeless households through the program, but it has barely reached half of this target.¹⁵

Fortunately, as District revenues have increased significantly beyond projections in recent months, the funding of these essential affordable-housing programs is moving in a positive direction. The District Supplemental Budget for Fiscal Year 2013 and its Budget for Fiscal Year 2014 begin to address some of these funding concerns:

- LRSP gained \$6.5 million in additional funding for Project/Sponsor-based programs in FY2014, as well as an additional \$3.25 million in funding for Tenant-based vouchers.
- HPTF received \$63 million in the FY2013 Supplemental Budget, as well as \$20 million in the FY2014 Baseline Budget. Funding for HPTF purposes is also stabilized somewhat.¹⁶
- PSH received \$2.25 million in additional funding for families and individuals.¹⁷
- ERAP received \$1 million more for families and \$500,000 for a pilot program for individuals.

CALL TO ACTION

These programs have genuinely accomplished a great deal, and the efforts of local and federal officials have begun to address the crisis of affordable housing. Despite this progress, however, **crucial problems remain**. Each of these programs can and should be funded at significantly higher levels, both by the federal government and the District government, so that the citizens of DC might all have a roof over their heads, a rent they can afford, and a place they can truly call home.

¹ Reed, Jenny. *Disappearing Act: Affordable Housing In DC Is Vanishing Amid Sharply Rising Housing Costs*. Rep. DC Fiscal Policy Institute, 7 May 2012. Web.

² *Id.*

³ "Homelessness and Poverty: Washington, DC." *Legalclinic.org*. Washington Legal Clinic for the Homeless, Inc., June 2013... Web.

⁴ *Local Rent Supplement Program in the District of Columbia*. Rep. DC Fiscal Policy Institute, 28 June 2012. Web. 15 July 2013.

⁵ Salzberg, Deborah R., and Harry D. Sewell. *Bridges to Opportunity: A New Housing Strategy for DC*. Rep. Comprehensive Housing Strategy Task Force 2012, Mar. 2013. Web.

⁶ *Local Rent Supplement Program*, fn. 5, *supra*.

⁷ Salzberg and Sewell, fn. 6, *supra*.

⁸ Wheeler, Candace. "For Many, D.C. Housing Waiting List Offers Little More than Hope." *Washingtonpost.com*. The Washington Post, 04 Nov. 2012. Web.

⁹ Salzberg and Sewell, fn. 6, *supra*.

¹⁰ *Housing Production Trust Fund*. Rep. DC Fiscal Policy Institute, 20 Aug. 2012. Web.

¹¹ *What's in the Mayor's Proposed FY 2014 Budget for Homeless Services?* Rep. DC Fiscal Policy Institute, 15 Jul. 2013. Web.

¹² Salzberg and Sewell, fn. 6, *supra*.

¹³ *Local Rent Supplement Program*, fn. 5, *supra*.

¹⁴ *Housing Production Trust Fund*, fn. 11, *supra*.

¹⁵ *What's in the Mayor's Proposed FY 2014 Budget for Homeless Services?* fn. 12, *supra*.

¹⁶ Pursuant to the District's FY2014 Budget Support Act, HPTF funding may not be used to fund the LRSP program, and a limit is placed on the amount of HPTF that can be used to secure bonds in the New Communities initiative.

¹⁷ *SOME's Advocacy Department Budget Scorecard*. Rep. SOME, June 2013. Print.