

# The Committee of 100

on the Federal City



D.C. Council Committee on Housing and Executive Administration  
FY23 Budget Hearing

D.C. Department of Housing and Community Development

March 30, 2022

Testimony of Nancy MacWood

on behalf of the Committee of 100 on the Federal City

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I am Nancy MacWood, a trustee of the Committee of 100 on the Federal City, and I will be testifying on behalf of C100 on the FY23 Mayor's budget request for housing voucher assistance and the Housing Production Trust Fund.

There are more than 37,000 individuals and families on the wait list for rental housing assistance. The largest program for rental assistance in D.C. is the federally funded Section 8. But the 6-year-old Local Rent Supplement Program is growing quickly and providing a range of rental assistance. In FY22 there were 4,800 tenant-based participants, an increase of 1,622 over the previous year. Despite the acceleration in the capacity of the program, the need has not been satisfied, thus it concerns us that the mayor's budget requests no increase in the budget for tenant-based vouchers in the Housing Authority or the DHCD budgets. We urge the committee to allocate more resources for tenant-based vouchers.

In recent years, there were concerns about the low funding for project-based vouchers, which ensured that developments financed by Housing Production Trust Fund grants would have the rental subsidy needed to house extremely low and very low-income residents. According to the Housing Authority there are 2,720 project or sponsor-based units in the development pipeline. Only 84 units came online in FY21, and 300 units are slated to come online this fiscal year, which is an impressive increase in production. The mayor's Housing Authority budget requests a \$4.8M increase over the FY22 budget of \$38.4M, which is one third less than the budget for tenant-based vouchers. We hope the committee will assess if the request will be enough to provide vouchers for all the units scheduled to come online, and, if it is not, we urge the committee to increase the budget to ensure the new units will be used.

In addition, the mayor is requesting \$9M for project-based vouchers in the DHCD budget. This funding will respond to past DHCD statements that the Housing Production Trust Fund gap financing cannot be directed to produce extremely low-

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income units because there are no funds to guarantee operating vouchers. We were encouraged to hear the mayor say that she was injecting \$41M in FY23 for this purpose, but we have since learned that \$32M is a funding projection for future years. Again, we ask the committee to assess – or ask DHCD to determine – how many vouchers at the 0-30% income level can be created with \$9M. With or without that basic information, it appears that the mayor and DHCD have already determined that an additional \$32M is necessary to meet the HPTF housing goals. We urge the committee to fund project-based vouchers at that level now when the need is so great.

The proposed increase in the FY23 operating budget of the Housing Production Trust Fund to nearly \$500M raises enormous hopes that what the mayor describes as one-time funding will be efficiently and equitably spent. The budget documents state that the purpose of this funding is to support the goal of providing 36,000 new affordable housing units by 2025. The C100 wants to highlight three issues to keep in mind in budgeting for HPTF.

- 1) Three bills introduced this session to improve the transparency and accountability of HPTF spending are languishing. None of these bills would affect program processes or spending decisions; they all require public reporting after funding decisions are made. C100 thinks these bills should be more aggressive, but we are baffled that the committee has not held hearings and reported them out since they address recommendations in the recent Office of the Inspector General report and the two Auditor's reports on the lack of transparency related to HPTF funding. These program improvements are the minimum that should accompany a substantial budget increase for HPTF.
- 2) The mayor is requesting a 30% budget reduction in the Program Monitoring Division's programs. Compliance monitoring to ensure that local program requirements are met by funding recipients is an essential aspect of good government and should not be cut back at a time when more HPTF funding will attract more recipients.
- 3) Addressing segregation patterns and avoiding concentrating new affordable housing units in Wards 5, 7, and 8 are among the mayor's goals. Land costs in parts of the city make this challenging. Increasingly residents are asking the city to invest in property – both to include substantial affordable housing as a condition of resale to the private market but also to broaden the range of investors who would be willing to create affordable housing if the acquisition costs weren't so high. The mayor has nearly zero-budgeted the DHCD Property Acquisition and Disposition Division, resulting in a meager \$1.5M budget. At a time when use of public resources may be the only way to guarantee the equitable distribution of affordable housing in the city, C100 thinks funding should be increased for land and property acquisition.