

The Committee of 100

on the Federal City



Performance Oversight Hearing Committee on Housing and Executive Administration March 9, 2021

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Chairwoman Anita Bonds and Members of the Committee:

Thank you for the opportunity to testify on behalf of the Committee of 100. Several years ago, the Committee of 100 formed a Housing Subcommittee with the aim of identifying practical and constructive solutions for addressing the city's pressing need for affordable housing. In recent months, much of our effort has been devoted to getting these issues more prominently addressed in the city's Comprehensive Plan. Our view is that the Mayor's proposed changes to the Comprehensive Plan not only don't do enough to address affordable housing, but could make the problem even worse.

Much of the Mayor's proposed changes to the Plan are premised on the need for more affordable housing, yet the primary thrust of the proposed changes is to encourage more development and less public engagement. The draft Plan includes a multitude of changes to the Future Land Use Map to set the stage for denser, matter-of-right development. It's a sort of trickle-down approach to affordability, but one that's more likely to accelerate the very circumstances that led to the problem in the first place. It's an approach that's likely to yield more luxury housing, less opportunity to negotiate more affordable housing, and more displacement of residents, local small businesses, non-profits and the arts community, and others who can no longer afford to live here. Can anyone point to a place in the city where lots of new dense development has yielded affordability?

Most of the new construction relies on Inclusionary Zoning to yield affordability, but we know what a negligible yield that has been. Over the first ten years of its existence, the IZ program has only produced 989 units and most of those for households earning 80% of the Median Family Income. Under the Mayor's target, to reach even 12,000 affordable units through IZ, the city would have to produce 60,000 new units in 300 new buildings with 200 units each. This will not happen.

At the same time that the Mayor's draft Plan emphasizes changes to elicit and unleash denser new development, it underemphasizes changes more likely to yield a better affordable housing result.

For example, if the Mayor is going to continue to encourage market-based development, then she ought to be calling for a serious strengthening of the IZ program: like higher set-asides, deeper

affordability, wider geographic applicability. Also, she shouldn't be advocating changes that undermine the Planned Unit Development process which, in so many instances, has given the city and residents leverage to negotiate affordability beyond IZ.

In addition, we'd like to see Comprehensive Plan amendments that:

- Set clearly defined goals for units targeted to specific income levels; extremely low income, low income, moderate income, etc., instead of the broad term "affordable".
- Assert, as a general policy goal applicable to all DC affordable housing programs, that no households should have to pay more than 30% of their income for housing.
- Establish family housing as a priority.
- Guarantee that residents will not be displaced as a result of redevelopment.
- Recognize the vital role that rent stabilization plays in protecting many renters from displacement.

I'd like to end with a few suggestions that fall more squarely within DHCD's bailiwick. In many ways, DHCD has the hardest job in city government and they do it well, but here are a couple of areas we would suggest for improvement.

First, with respect to the Housing Production Trust Fund. The Committee of 100 was alarmed to learn that last September, DHCD proposed to utilize HUD Section 108 funding to support a market-rate project instead of critical affordable housing. Chair Bonds, we were pleased to see your strong admonition and we're hopeful that DHCD was willing to reconsider its original financing application.

We encourage the Committee to continue its support for:

1. HPTF spending that more closely meets the statutory requirements for funding extremely low-income housing, where the need is greatest.
2. Fund and implement DOPA - the District Opportunity to Purchase Act - which was one of six recommendations made by Mayor Bowser's Housing Preservation Strike Force in 2016. DOPA allows the District to transfer ownership of properties at risk of losing affordable housing to pre-qualified developers who are committed to preserving affordability.
3. Assure that corrections have been made to address the DC Auditor recommendations for improving management of the HPTF.
4. Track the size of affordable units to ensure a suitable number of family-sized units are being produced and preserved.