

The Committee of 100

on the Federal City



Performance Oversight Hearing: Committee on Housing & Executive Administration, Wednesday, January 19, 2022, Testimony of the Committee of 100 on the Federal City concerning the Housing Production Trust Fund

Chairman Bonds and members of the DC Council Committee on Housing and Executive Administration:

I am David Marlin, a member of the Committee of 100 on the Federal City. I am appearing today on the Committee's behalf to offer our views regarding the failure by the Department of Housing and Community Development (DHCD) to meet its obligations in the administration of the District's Housing Production Trust Fund (HPTF). DCHA's mandate is to build and preserve affordable housing for persons with limited incomes, particularly for those residents with extremely low incomes, that is, households with incomes equal to 30 percent or less of area medium income, whose displacement from this city is well documented.

The D.C. Auditor and the District's Office of the Inspector General have both sounded the alarm about various aspects of DHCD management of the HPTF program. We have studied their analyses as well as DHCD's responses.

The Inspector General's audit disclosed numerous instances of DHCD mismanagement. As examples, DHCD failed to follow proper procurement practices when evaluating proposals submitted in response to RFPs; failed to ensure financial projections were valid; failed to conduct compliance reviews; failed to assure rent limits were followed or that tenant income met eligibility requirements; failed to keep accurate records of HPTF loans or assure collection of past-due loans; and, most disturbing, failed to meet the statutory requirement for disbursing at least 50 percent of HPTF funds during a fiscal year on affordable housing for "extremely low-income households."

A number of recommendations have been offered to reform the program and various legislative remedies have been introduced. CNHED has provided the Committee with a detailed set of comments and recommendations. Additional airing of the issues raised by DCOA and DCOIG and further oversight by the Council that enables community input is a good and necessary idea. Transparency is badly needed.

Basically, it is imperative that DHCD leadership commit to resolving the procedural problems that have been revealed by the District agencies so that the objective of funding new and old housing units to be occupied by extremely low income households be achieved.

Thank you for holding this hearing. We look forward to the Council's efforts to improve this vital affordable housing program.