

Saving DC's Rental Housing Market Strike Force

February 12th 2021





Today's Agenda

- Call to Order
- Welcome
- Open Meeting Process Review
- Feb. 5th Meeting Summary
- DC Rental Housing, Affordability & Rent Control
- Affordable Housing Programs & Budget
- Housing Preservation Fund & Small Buildings
- Strike Force Working Groups & Focus Areas
- Discussion
- Public Comment
- Closing Comments and Adjourn

Ground Rules



- Respect the Process
- Be Present and Engaged
- Follow the Facilitators' Directions
- Allow Every Voice to be Heard
- Speak Courteously and Respectfully to Others
- Maintain Zero Tolerance for Any Comment (Verbal or Written) that is Meant to Attack or Intimidate Another Person, or is Obscene

Process Review: Public Meeting Regulations

- Notice shall be provided when meetings are scheduled and when the schedule is changed.
- Except for emergency meetings, a public body shall provide notice as early as possible, but not less than 48 hours or 2 business days, whichever is greater, before a meeting
- This meeting will be recorded for public record
- A copy of the meeting summary will be made available for public inspection as soon as practicable, but no later than 3 business days after the meeting



February 5th Meeting Summary

DC Rental Housing, Affordability & Rent Control



Rental Housing in the District of Columbia

Composition, affordability, and inclusion

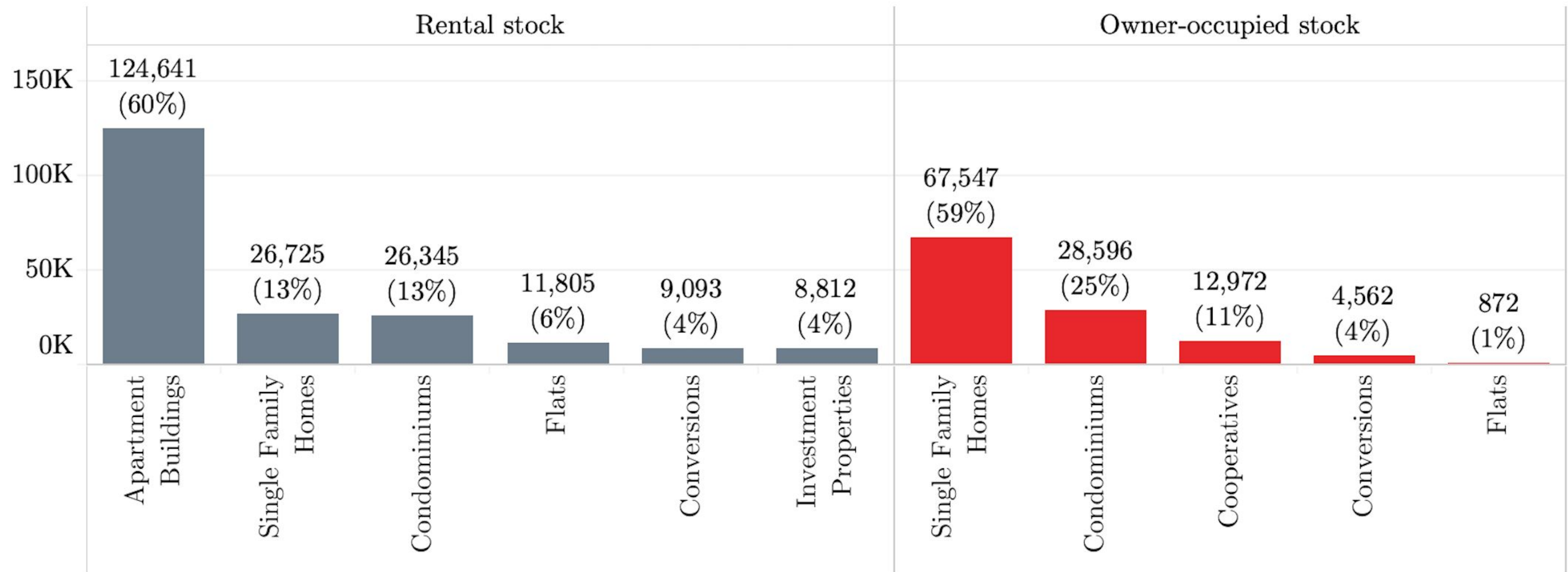
Yesim Sayin Taylor

February 12, 2021

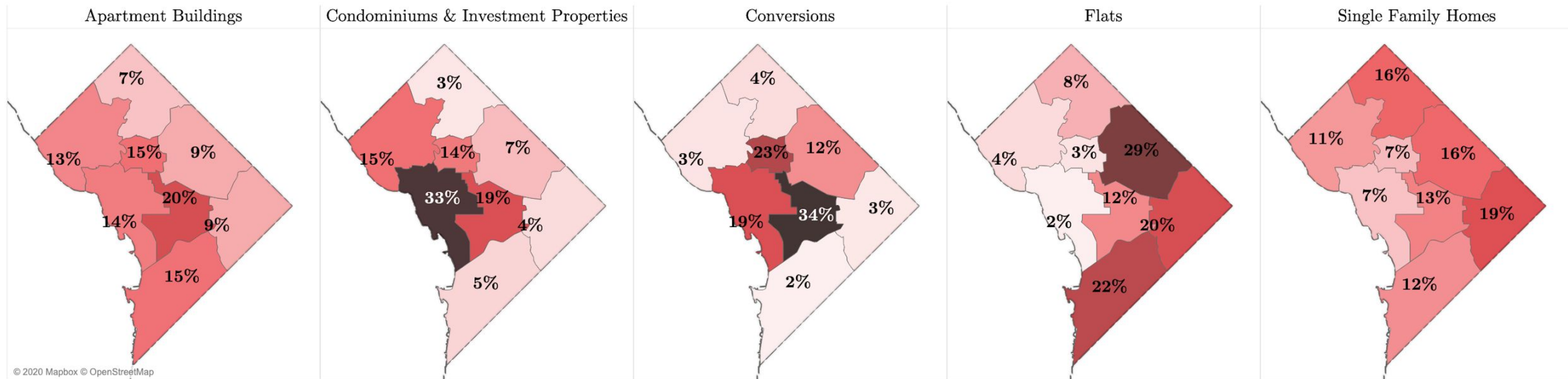


D.C. POLICY
CENTER

01 Rental housing is more than rental apartments

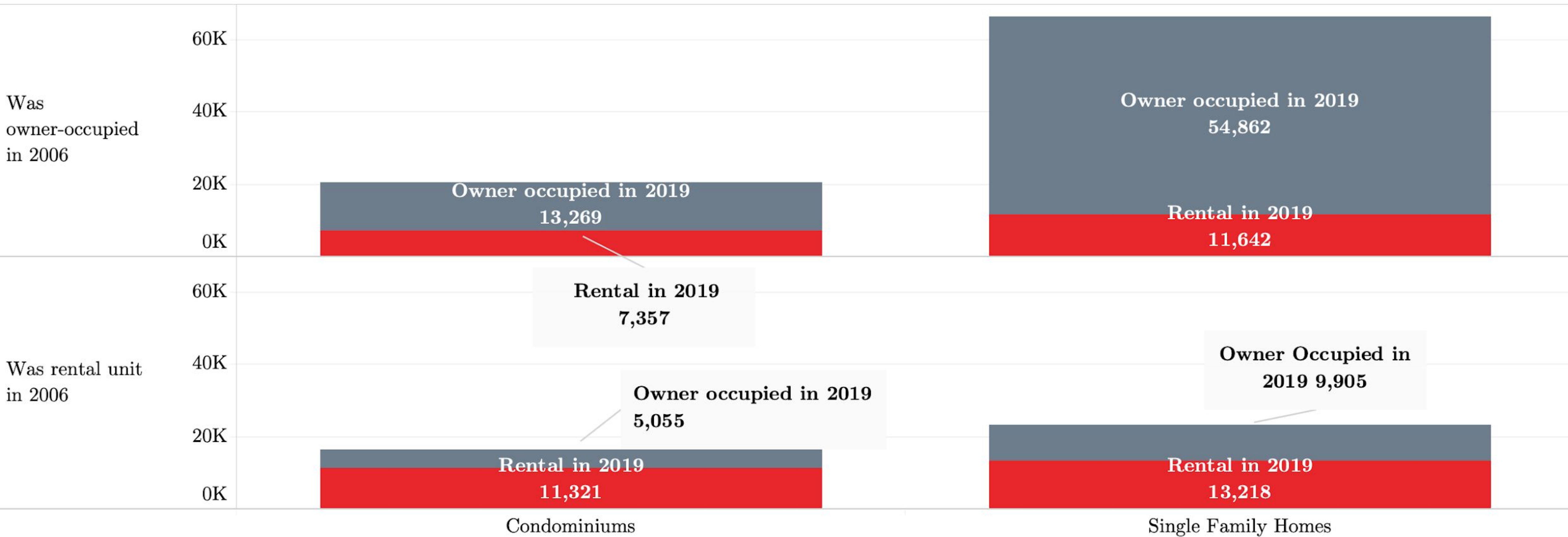


02 Rental housing is everywhere

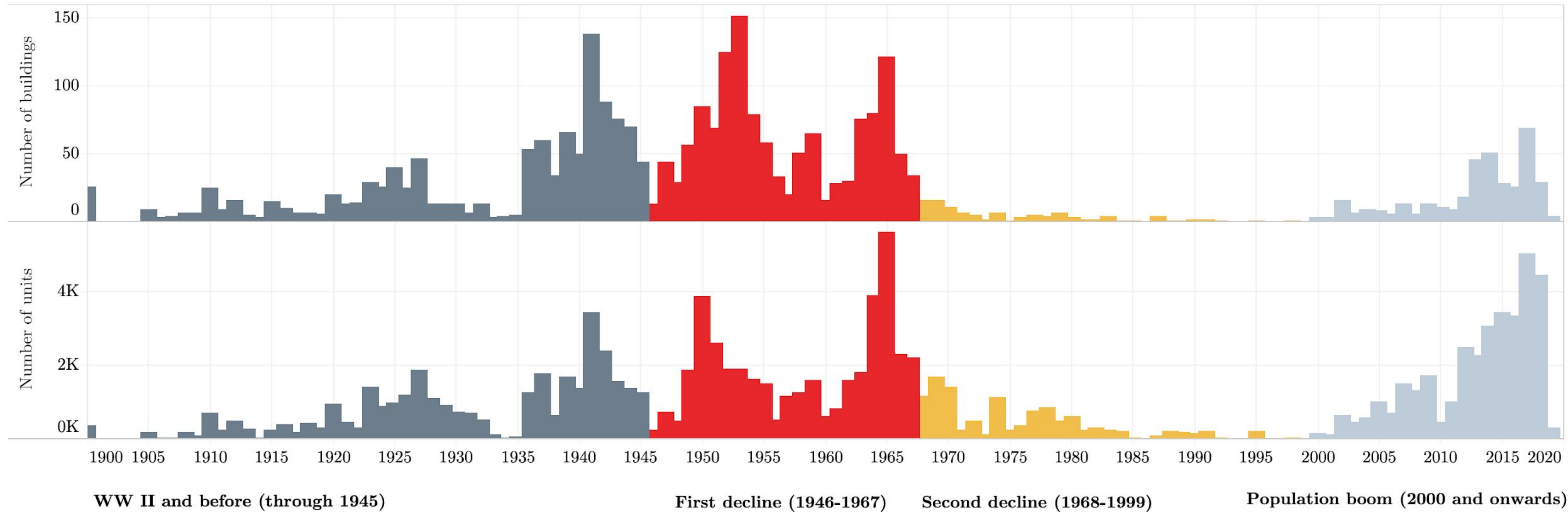


Source: Integrated Tax System Public Extract, combined with information from Computer Assisted Mass Appraisal files (residential, condominium, and commercial) and master address repository.

03 Rental housing is fluid

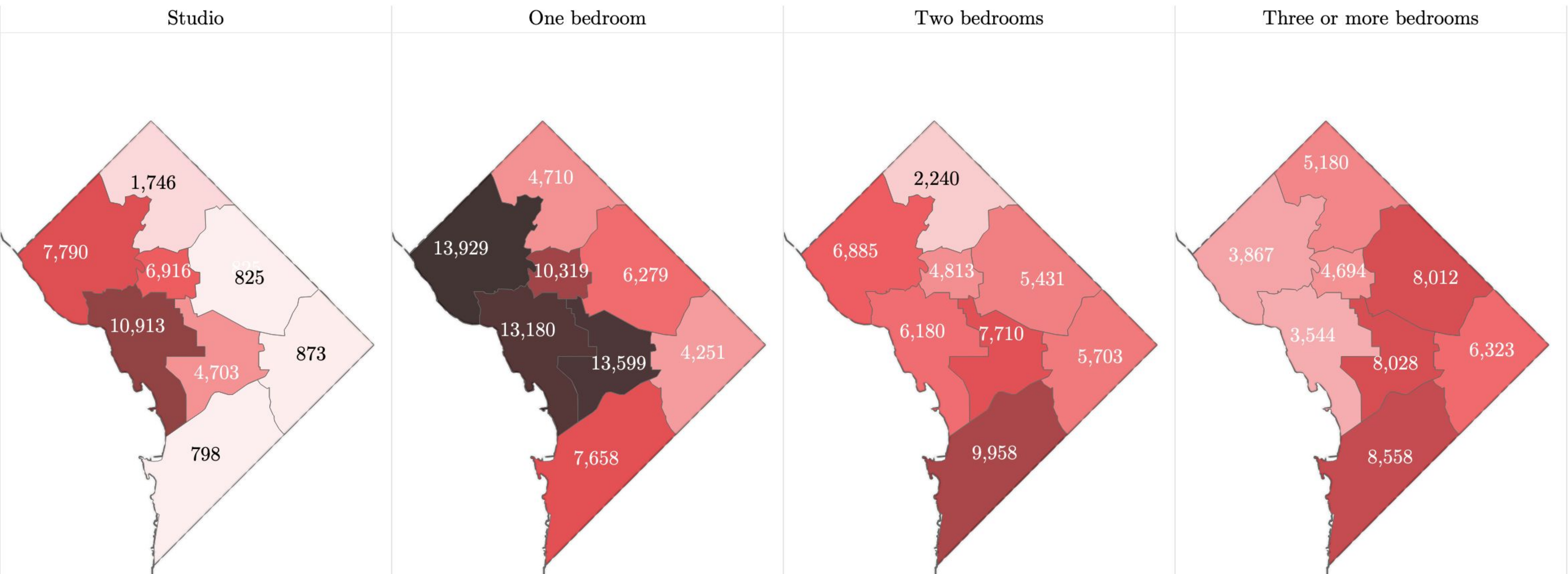


04 Rental stock reflects the city's history



05 Larger sized rentals are generally in the “shadow” market

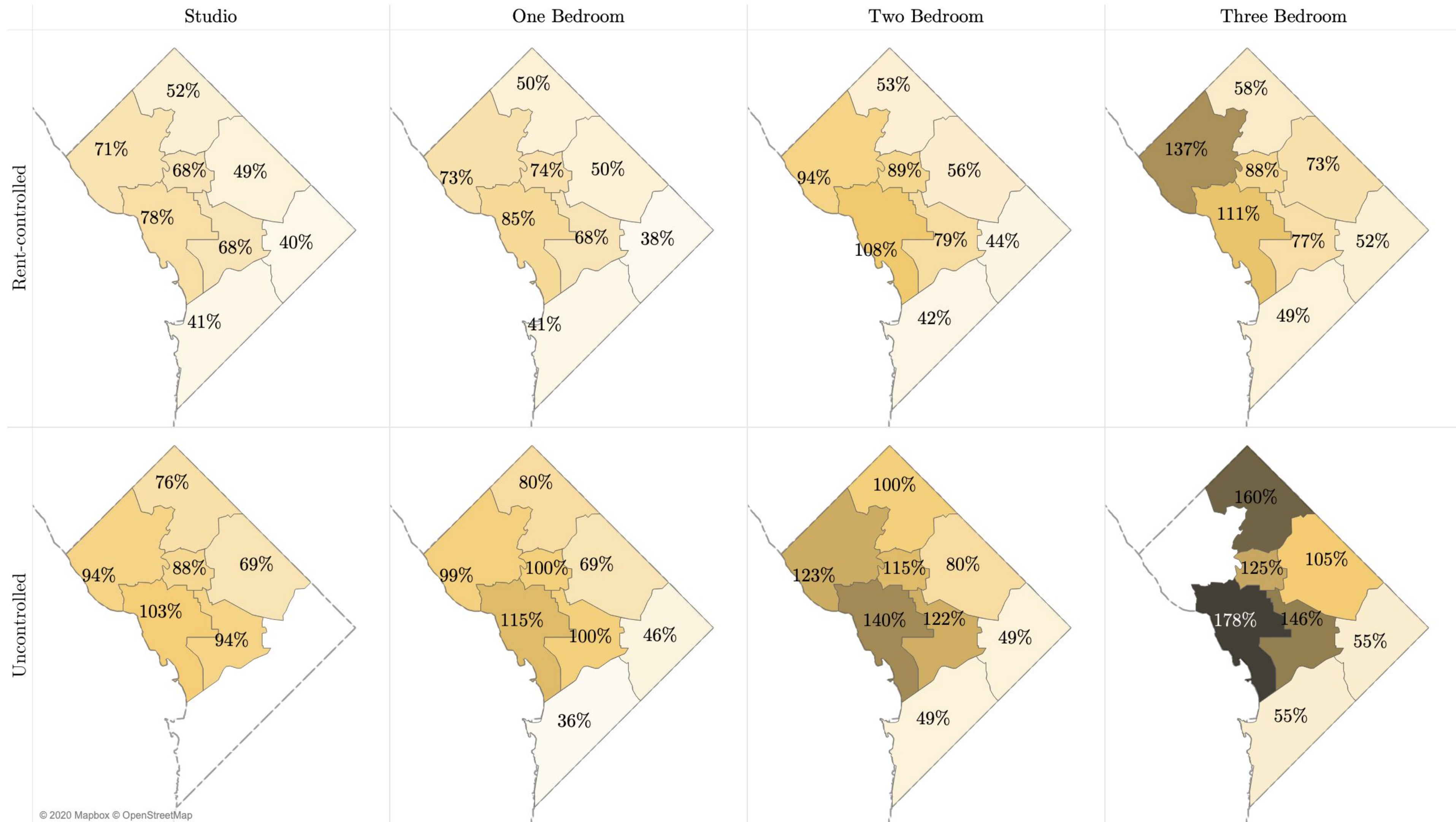
Estimated number of rental by unit size and ward



06 Subsidized rental housing is an important source of affordability

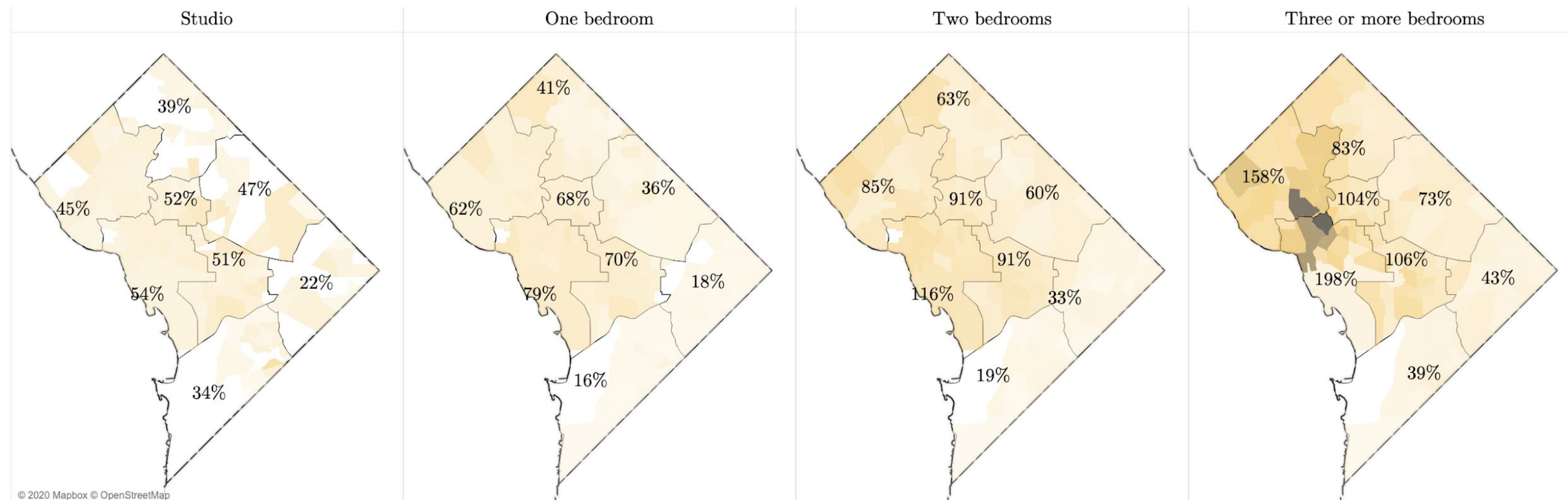
Ward	Housing Choice Voucher	Section 8 Multifamily	Local Rent Supplement - Tenant Based	Project or Sponsor Based LSRP	Public Housing	Produced since 2015 with public loans, IZ, PUDs	Grand Total
Ward 1	538	2,222	195	271	966	1,368	5,560
Ward 2	181	947	81	175	860	840	3,084
Ward 3	33	85	145		160	133	556
Ward 4	684	157	242	279	21	2,287	3,670
Ward 5	1,561	1,985	419	176	601	2,640	7,382
Ward 6	1,193	1,157	404	131	2,002	3,883	8,770
Ward 7	3,018	1,252	743	264	1,719	3,436	10,432
Ward 8	3,972	2,258	1,001	313	1,204	5,323	14,071
Grand Total	11,180	10,063	3,230	1,609	7,533	19,910	53,525

07 Rent controlled units are more affordable

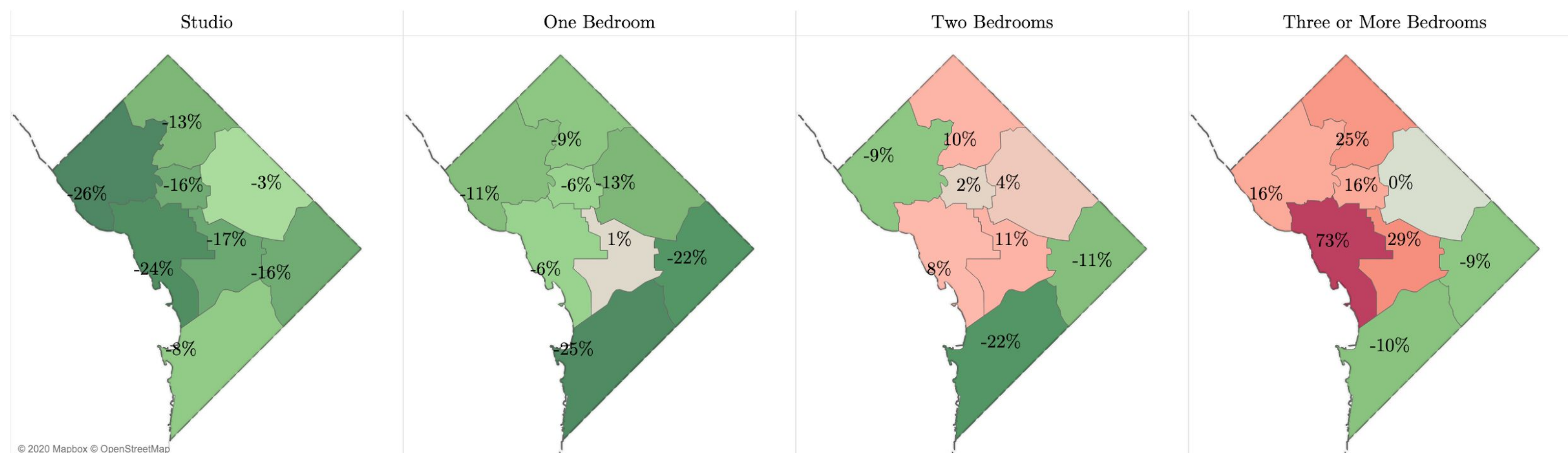


08 Shadow rental market is also a source of affordability

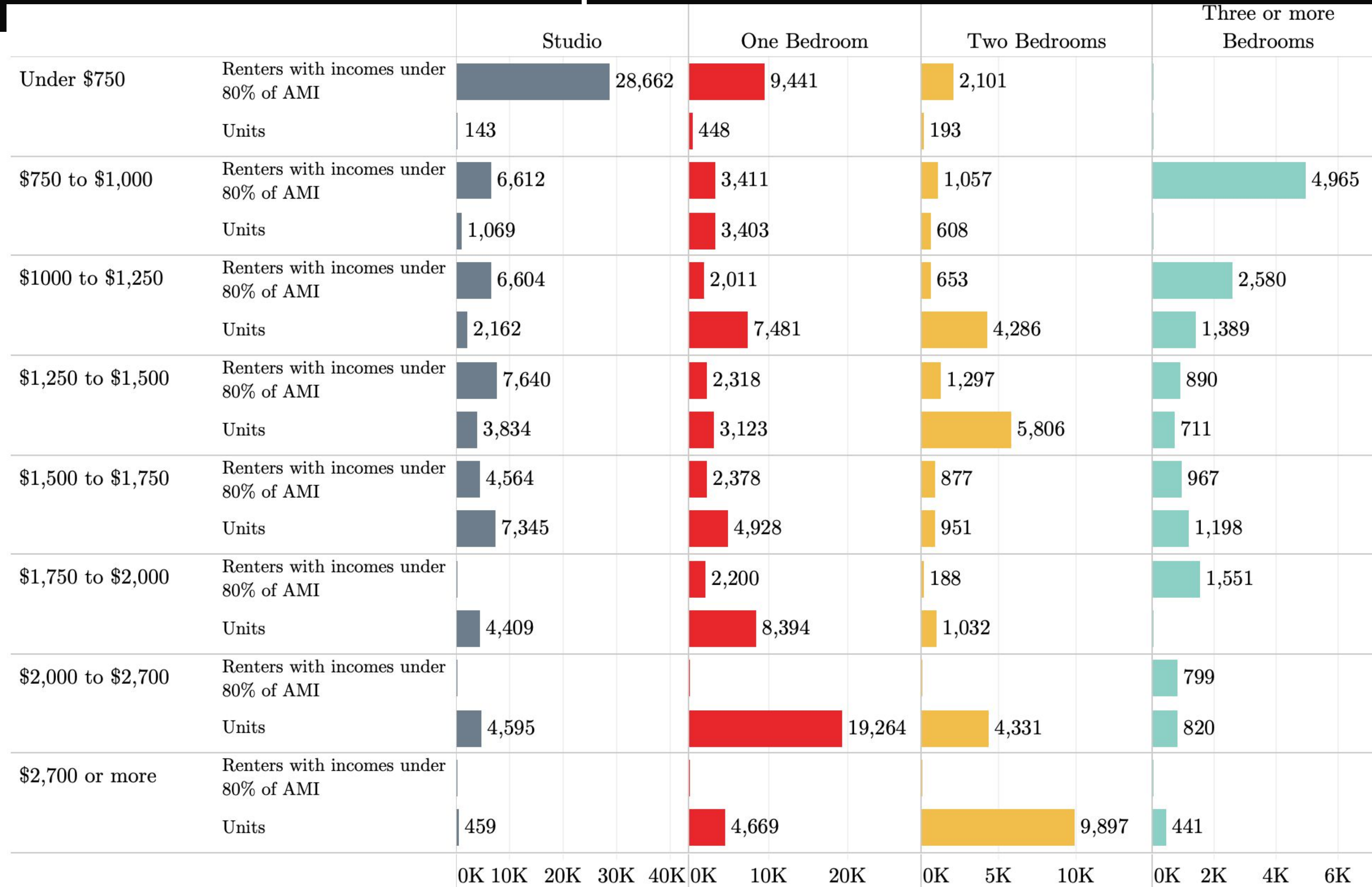
Share of AMI required to keep the median shadow rental unit affordable by unit size and ward



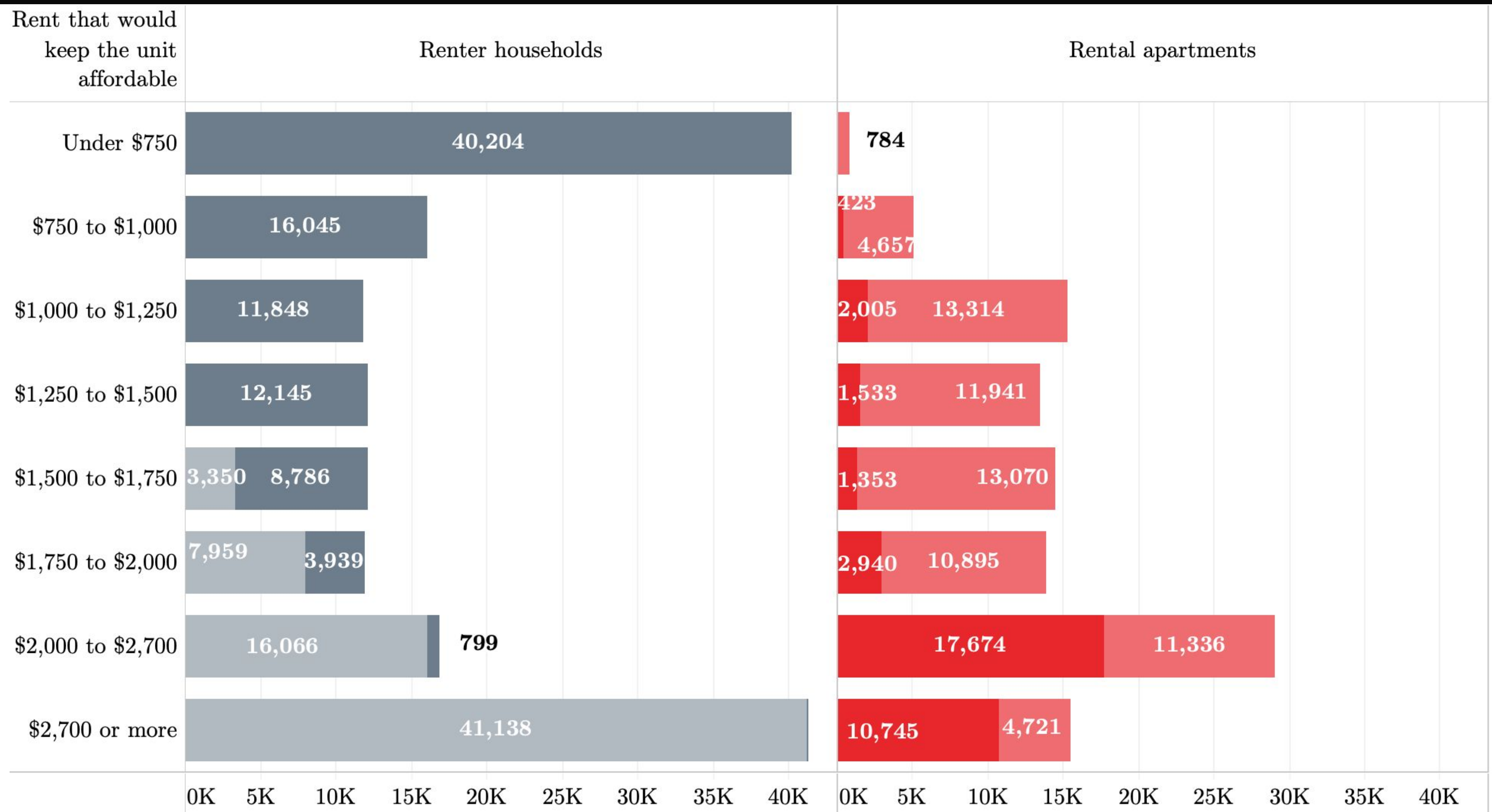
Shadow rental market discount (or premium) over the median rent-controlled unit



09 There is a lot of pressure from the bottom

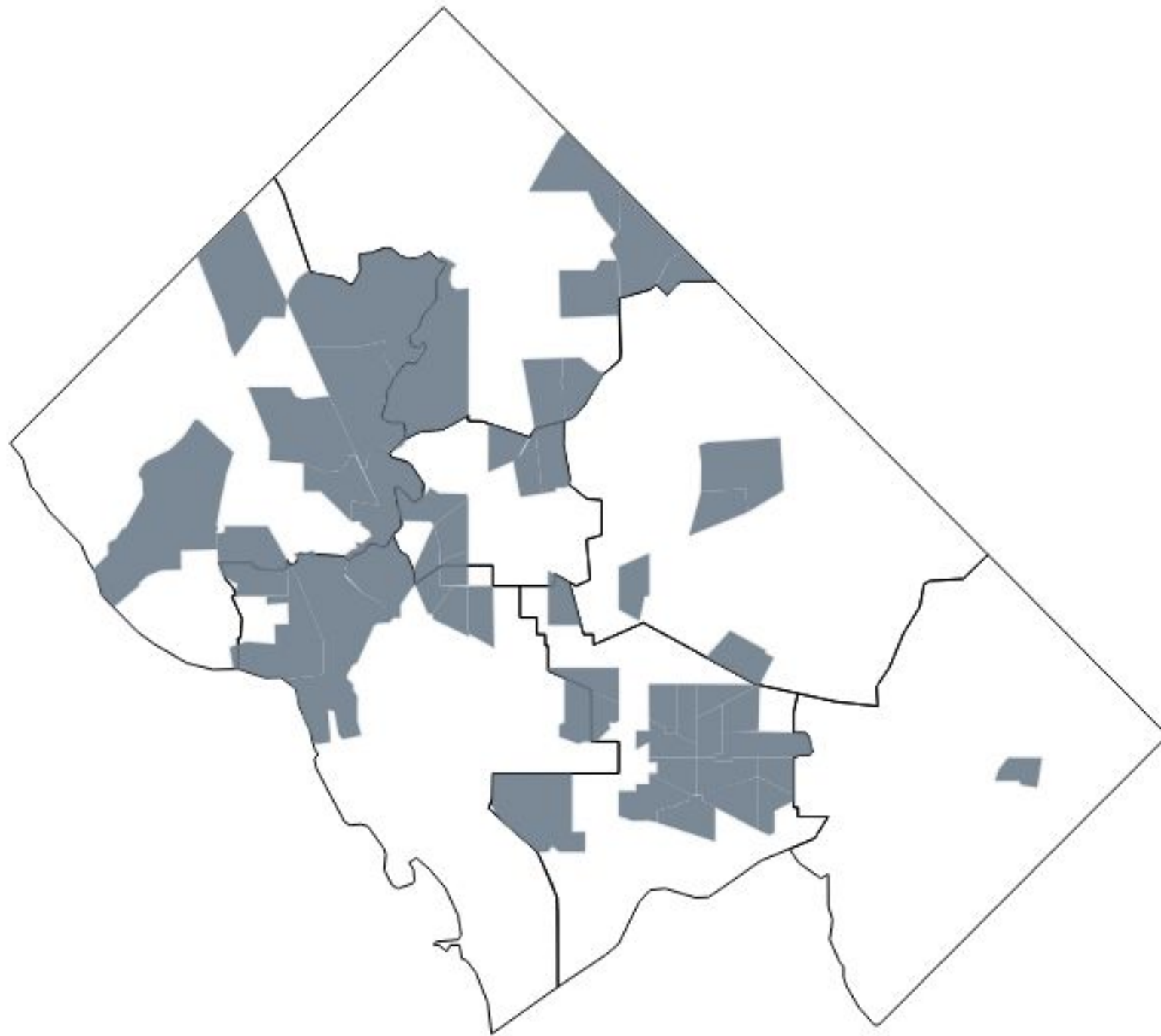


10 And a lot of pressure from the top

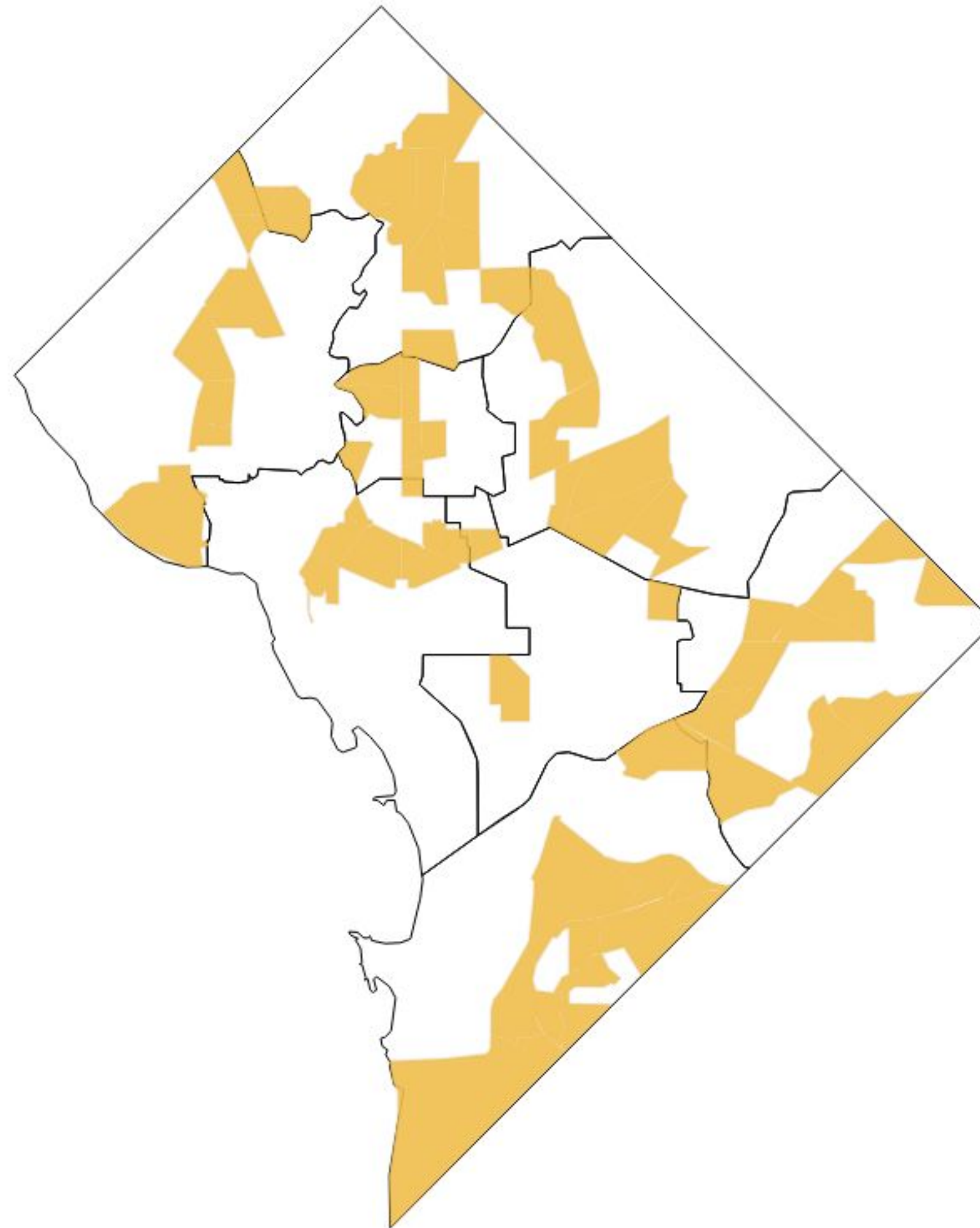


11 Rent burdens are high where incomes are low

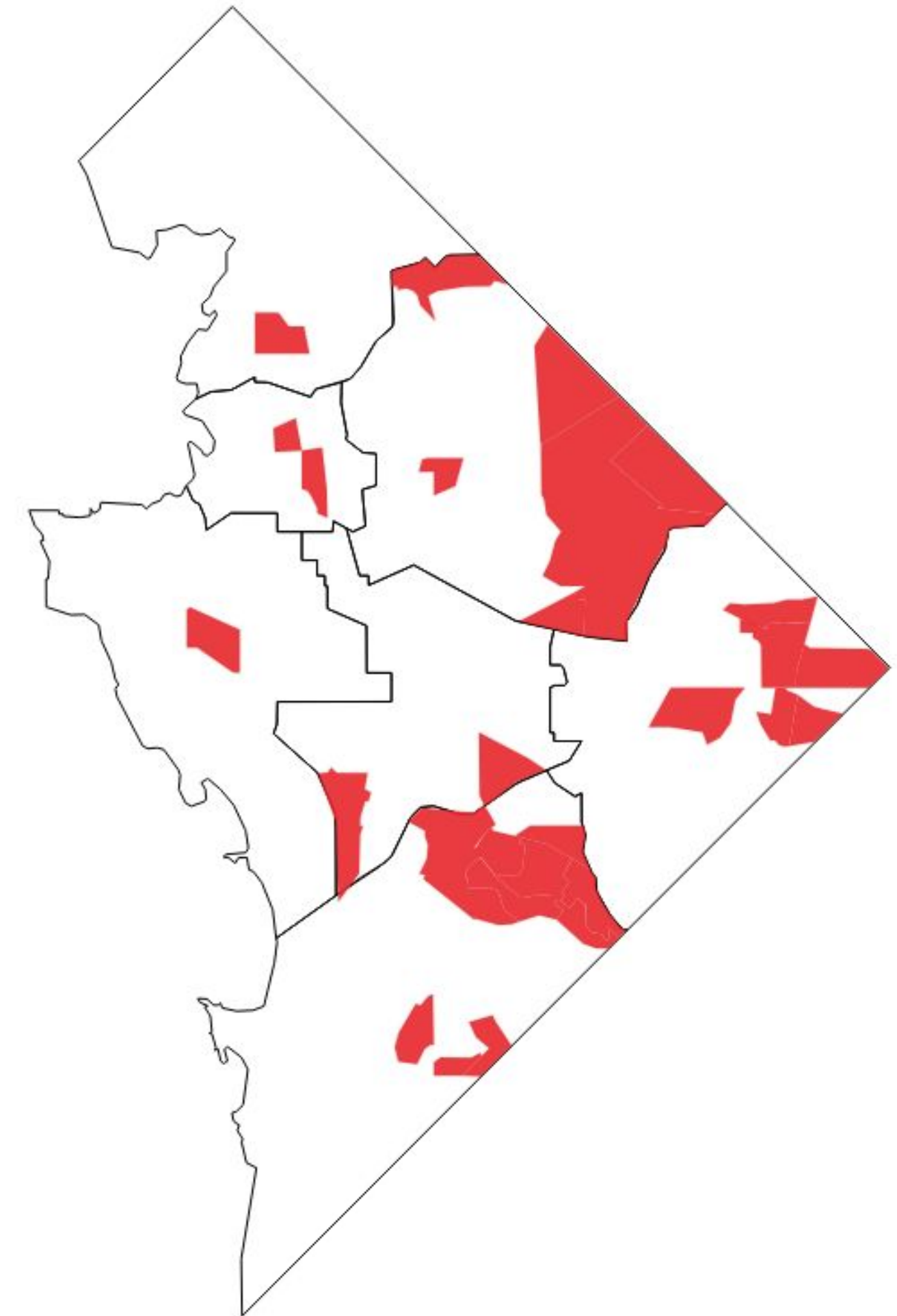
Under 30% of renter household income



30% to 50% of renter household income



Over 50% of renter household income



Affordable Housing Programs & Budget





The District's Affordable Housing Programs

Saving D.C.'s Rental Housing Market Strike Force
February 12, 2021

Polly Donaldson, Director,
DC Department of Housing and Community Development





The District of Columbia stands out nationally for its local commitment to affordable housing but federal housing assistance remains critically important to our city

- There are over 40,000 federally subsidized project-based rental units in the District of Columbia including Public Housing
- There are nearly 12,000 Housing Choice Vouchers

DHCD's Federal Funds

- DHCD federal funds come primarily from block grants distributed nationally by formula by HUD's Community Planning and Development (CPD) Office...
 - Community Development Block Grant (CDBG)
 - Home Investment Partnership Program (HOME)
 - National Housing Trust Fund (NHTF)
- ...and the Treasury
 - Low Income Housing Tax Credit

Community Development Block Grant (CDBG)

- FY21 Entitlement: \$15,478,588
- Up to 20% can go toward planning/administrative costs
- Up to 15% can go toward public services
- Must tie to one of three national objectives
 1. Low/moderate-income benefit
 2. Decrease slum/blight
 3. Address an urgent need

Home Investment Partnership Program (HOME)

- FY21 Entitlement: \$5,583,093
- Up to 10% can go toward planning/administrative costs
- Up to 5% can go toward a certified Community Housing Development Organization's (CHDO) Operating Reserve
- HUD mandates 15% be set aside for housing development activities by a certified Community Housing Development Organization (CHDO)

National Housing Trust Fund (NHTF)

- FY21 Entitlement: \$3 million
- Exclusively for households < 30% AMI
- At least 80% on rental, Up to 10% on homeownership, and up to 10% on Administrative
- Operating costs for associated NHTF units
- 30-year affordability covenant minimum
- DHCD has financed 3 projects with a total of 216 units, 50 of which are for < 30% AMI

Low Income Housing Tax Credit (LIHTC)

- Developers receive tax credits that they sell to investors
- DC's allocation of deeper subsidy 9% credits is \$3,245,625
- DC Housing Finance Agency allocates 4% credits on behalf of DHCD
- Rental housing for those earning less than 60% AMI
- 30-year affordability covenant minimum

DHCD Local Funding Source: Housing Production Trust Fund (HPTF)

- More per capita funding per capita than any other state or local jurisdiction
 - \$100 million+ in recent funding
- Administered by DHCD since 2002 and serves as a key tool for producing and preserving affordable housing
- 40-year affordability requirement for rental housing and 15 years for ownership units
- 50% of HPTF must be for rental housing
- Breakdown of funds:
 - 50% for Households with incomes < 30% AMI
 - 40% for Households with incomes < 50% AMI
 - 10% for Households with incomes < 80% AMI

DHCD Local Funding Source: DC Housing Preservation Fund (HPF)

- The DC Housing Preservation Strike Force recommended the creation of a private-public preservation fund as one of six critical strategies to preserve affordable rental housing in the District.
- In the last three fiscal years, Mayor Muriel Bowser invested \$30 million into the Housing Preservation Fund that when leveraged by the fund managers will bring the fund to a record \$116 million.
- Loans are currently applied for through three (3) fund managers:
 - Capital Impact Partners
 - LISC-DC
 - Low-Income Investment Fund (LIIF)

DC's Assisted Affordable Housing Tapestry



Subsidy Type	Federal or Local?	Income Restrictions
Public Housing	F	At least 40% of units are for households <30% AMI, with remainder <80% AMI
Project-Based Section 8	F	At least 40% of units are for households <30% AMI with remainder for households <80% AMI
LIHTC w/ tax exempt bonds (4%)	F	< 50% or < 60% AMI (depending on how the development was financed)
LIHTC w/o tax exempt bonds (9%)	F	< 50% or < 60% AMI (depending on how the development was financed)
HUD-insured mortgage	F	< 80% AMI with at least 20% of units < 50% AMI
HOME/CDBG	F	CDBG - At least 70% of households served must have low or moderate incomes, less than 80% AMI. HOME - 90% + of rental units assisted < 60% AMI, remainder up to 80% AMI. 5 or more units and 20% of the HOME-assisted units must be for households under 50% AMI. All assisted homeowners must have incomes below 80% AMI.
DC HPTF	L	40% of funds < 30% AMI, 40% of funds < 50% AMI, 20% of funds < 80% AMI

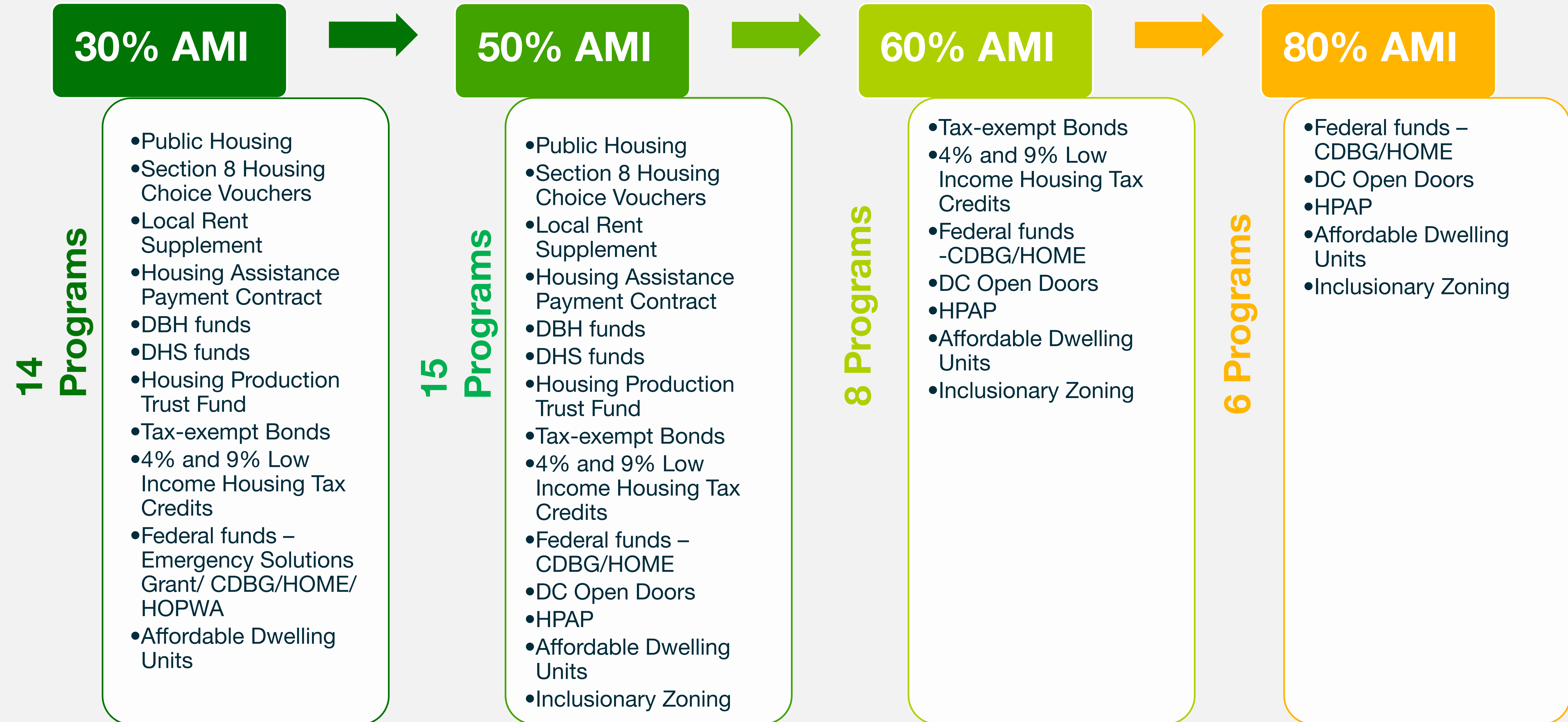
DC’s Assisted Affordable Housing Tapestry



Subsidy Type	Federal or Local?	Income Restrictions
Inclusionary Zoning*	L	<50% MFI; <60% MFI; <80%MFI
Affordable Dwelling Units*	L	Various
DC Housing Preservation Fund	L	<80% of MFI
National Housing Trust Fund	F	At current funding levels <30% MFI
Vouchers**	F	75% at 30% of MFI
Local Rent Supplement**	L	30% of MF

*Zoning and public land considerations**These operating subsidies may be layered into projects listed above with the exception of those already receiving operating assistance such as Public Housing and Project-based Section 8

Continuum of Affordable Housing Programs



What we have accomplished

- In FY20, the \$104.5 million investment included
 - \$46.3 million for five new construction projects that will produce 261 units
 - \$54.8 million for eight preservation projects that will preserve 741 units
 - \$600,000 for six projects that received predevelopment loans
- From when Mayor Bowser declared a public health emergency in March to the end of FY 20, 15 projects had received more than \$54.6 million in HPTF financing.
- The Mayor's FY21 budget includes an investment of \$100 million in the Housing Production Trust Fund – for the sixth consecutive year.

Housing Preservation Fund & Small Buildings



Shared Links



[WUSA39: ‘We’re ready to take control of our destiny:’ Salvadorean families, others use Preservation Fund to save affordable housing](#)

[LISC DC: Community members purchase building to maintain affordability in DC’s wealthiest Ward](#)

[Market Watch: Four years, \\$13 million and dozens of hands, How ‘affordable housing’ gets made in America](#)

Strike Force Working Groups & Focus Areas



Saving DC's Rental Housing Market Strike Force Working Groups

February 12, 2021

Polly Donaldson, Director

DC Department of Housing and Community Development

- Transition from Emergency & Remaking Landlord Tenant Policies/Practices
- 21st Century Rental Housing Reform – Rent Control
- Long Term Rental Housing Market Recovery/Growth

1. How do we climb-down from this emergency stance and transition to a non-emergency set of protections? Including the eviction moratorium and TOPA tolling.
2. Which of these protections (current or improved) need to be retained after the emergency and initial recovery? What have we learned about what works and doesn't work during the pandemic?
3. How can non-emergency rent assistance be improved to help tenants maintain their homes and reduce the uncertainty of renting for tenants and housing providers alike? What other programs and reforms do we need?

1. Are there efforts we should consider for adding rent and income restricted affordable housing units within existing properties?
2. Under what conditions and for what properties might rent control exemptions be reduced? Under what conditions should exemptions from rent control be expanded?
3. What is the number one regulatory change that will unlock additional housing in the District during the recovery and what steps can we take in the short and medium term to make rent control in the city easier to understand, comply with, and administer?

1. What are new initiatives that can optimize the federal investments in relief, recovery, and housing infrastructure? What should be the top priorities?
2. What factors should we consider when weighing whether to use tenant-based or project-based strategies for increasing District resident's access to affordable housing in the next 5 years?
3. What steps can the District take beyond tax cuts and additional subsidy to reduce the total cost of providing affordable housing for very low income households in the District?

Transition from Emergency: Reshaping Tenant Relationships

- Elissa Silverman
- Laura Zeilinger
- Ramon Jacobson
- Marian Siegel
- Todd Edelman
- Ralph Boyd
- Evelyn Harrison
- Eva Rosen
- Steve Glaude

21st Century Rental Housing Reform: Rent Stabilization/Rent Control

- Anita Bonds
- Johanna Shreve
- Josh Bernstein
- Tom Borger
- Dean Hunter
- Polly Donaldson
- Yesim Taylor
- Monica Warren Jones

Longer Term Rental Housing Market Recovery/Growth

- Brooke Pinto
- Tonia Wellons
- Kay Pierson
- Tyrone Garrett
- Sarosh Olpadwala
- Chris Donald
- Andrew Trueblood
- Randi Marshall
- Buwa Binitie
- Alex Baca
- Michelle Hagans
- AJ Jackson
- Aurelie Mathieu
- Kristy Greenwalt

Discussion



Public Comment Period

- All public observers are asked to provide their name in the chat (Contact info is optional.)
- Public observers will have 15 minutes set aside at the end of every meeting for commenting in the chat. Until the public comment period opens, chat will be disabled.

