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**Testimony of Faiza Majeed
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**Before the Committee on Housing & Executive Administration
Council of the District of Columbia**

Public Hearing Regarding:

**Bill 24-0802
“Green New Deal for Housing Amendment Act of 2022”**

November 22, 2022

Legal Aid of the District of Columbia¹ submits the following testimony in support of Bill 24-0802, the Green New Deal for Housing Amendment Act of 2022. The bill proposes an innovative solution to the District’s affordable housing crisis for low-income tenants. Social Housing Developments, as proposed by the bill, address many of the problems with the District’s current affordable housing programs. This new housing program meets the moment, that demands that we take the shortage of affordable housing seriously and develop new tools to address the District’s dire affordable housing crisis. Legal Aid

¹ Legal Aid of the District of Columbia was formed in 1932 to “provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs.” Legal Aid is the oldest and largest general civil legal services program in the District of Columbia. Over the last 90 years, Legal Aid staff and volunteers have been making justice real – in individual and systemic ways – for tens of thousands of persons living in poverty in the District. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal justice system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org.

enthusiastically supports this legislation and urges the Council to further improve it by creating protections for tenants in Social Housing. For example, we recommend that the law: specify that the protections in the Rental Housing Act apply, state how rent will be calculated, place caps on rent increases in market-rate units, provide for emergency transfers and accessible units, and create rights for remaining household members after a leaseholder passes away or vacates a unit.

Low-Income Tenants Struggle to Maintain Affordable Housing in the District

The District's sustained housing affordability crisis has a disproportionate impact on low-income households, many of whom are on fixed incomes and are minimum wage workers. The average rent in the District keeps rising, from \$1,700 in 2015 to \$2,335 today.² With rising rent, low-income District residents have few options to make ends meet, and continue to spend more of their monthly income towards rent, leaving little for other basic needs such as food, health, school supplies, and childcare expenses. Sixty-five percent of extremely low-income renters in the District are classified as "severely cost burdened" by the Department of Housing and Urban Development (HUD), spending more than half of their income on rent and utilities.³ Eighty percent are "cost burdened", spending more than thirty percent of their income toward rent and utilities.⁴

Rising rent burdens have damaging and long-lasting consequences for low-income households, leaving them at risk for eviction and displacement from the District. This is also an issue of racial equity, with the housing affordability crisis most impacting the District's Black households. For example, a national study found that from 2000 through 2013, the District was the most gentrified city in the United States.⁵ The same study found that 20,000 Black residents were displaced over this same period of time.⁶ An

² Marissa J. Lang, *D.C. Development has soared under Bowser. So have housing costs.* Washington Post (June 16, 2022) available at <https://www.washingtonpost.com/dc-md-va/2022/06/16/dc-housing-muriel-bowser-affordability/>; RentCafe, Washington, DC Rental Market Trends, available at <https://www.rentcafe.com/average-rent-market-trends/us/dc/washington/>.

³ Nat'l Low Income Hous. Coal., *Housing Needs By State – District of Columbia – State Data Overview*, available at <https://nlihc.org/housing-needs-by-state/district-columbia>.

⁴ *Id.*

⁵ Nat'l Cmty. Reinvestment Coal., *Shifting Neighborhoods* (March 2019), available at <https://ncrc.org/gentrification/>.

⁶ *Id.*

updated study from 2013-2017 found that while the District no longer was the most gentrified city nationwide, it still has high intensity of gentrification.⁷

In our eviction practice, we sometimes assist clients in their housing search. In our experience, for low-income tenants who do not have a subsidy, especially tenants on fixed incomes, it is very difficult, if not impossible, to find an affordable rental home in the District. Low-income District residents have few options for affordable housing. The District of Columbia Housing Authority's (DCHA) waiting list for public housing and the housing choice voucher program remains closed since 2013.⁸ At the time of its closing there were 39,442 residents on the housing choice voucher program waiting list alone.⁹ DCHA remains plagued by mismanagement and has demonstrated its inability to effectively manage its current housing programs, demonstrating the need to implement new affordable housing programs.¹⁰

The District also has locally funded subsidy programs, such as the Local Rent Supplement Program (LRSP). LRSP subsidies are limited and not enough to meet the demand and are generally prioritized for the most vulnerable District residents.¹¹ Other programs, such as the Rapid Rehousing Program are time-limited programs that expect low-income families to afford rent on their own within a limited period of time, a near impossibility given the lack of affordable housing in the District.¹² Further these subsidy programs leave tenants at the mercy of the private rental market. In our eviction practice, we regularly speak to low-income tenants with vouchers who are denied housing

⁷ Nat'l Cmty. Reinvestment Coal., *Gentrification and Disinvestment 2020* (June 2020), available at <https://ncrc.org/gentrification20/>.

⁸ U.S. Department of Housing and Urban Development Coordinated by the Northeast Public Housing Network, *District of Columbia Housing Authority (DC001) Assessment*, p. 42, available at https://oag.dc.gov/sites/default/files/2022-10/DCReview_Final%209302022%20%281%29.pdf.

⁹ *Id.*

¹⁰ See generally, *id.*

¹¹ See 14 D.C.M.R. § 9503.2.

¹² See Testimony of Matthew Boucher, Budget Oversight Hearing Regarding the Department of Human Services (March 31, 2022), available at <https://www.legalaiddc.org/wp-content/uploads/2022/03/Testimony-before-the-Committee-on-Human-Services-regarding-the-DHS-Matthew-Boucher.pdf>.

because of unlawful source of income discrimination or rents that are too high for the subsidy program rules.

The District's largest source of funding to produce new affordable housing is the Housing Production Trust Fund (HPTF). The District has continued to make historic investments in the HPTF each year, with \$498 million proposed in the FY23 budget.¹³ While fifty percent of HPTF loans and grants are required to be allocated for projects that are affordable to extremely low-income households, Department of Housing and Community Development (DHCD) reports that only 19 percent of FY20 funds and 16 percent of FY21 funds went to deeply affordable units.¹⁴ Despite making investments in affordable housing, the District is falling short of its goal to create more affordable housing units for low-income residents.¹⁵ The Green New Deal for Housing Amendment Act of 2022 presents a promising new way for the District to utilize the HFTP to create more affordable housing for both extremely low and low-income households, while creating more market rate units to address the overall housing shortage in the region.

Social Housing Developments Present a Viable Solution to the Housing Affordability Crisis for Low-Income Residents

Social Housing Developments are successful models for publicly-owned affordable housing that have operated for decades in European cities. We are excited that they are now being proposed as one potential solution to the dire housing crisis in the United States.¹⁶ The Social Housing Developments proposed by this bill offer many benefits that

¹³ FY 2023 Proposed Budget and Financial Plan, Vol. 4 Agency Budget Chapters – Part 3 (Mar.16, 2022), pp. H-35 to H-40, available at <https://app.box.com/s/3rlimccdb0e93ipigk216d423olsilg>.

¹⁴ See Testimony of Beth Mellen, Budget Oversight Hearing Regarding the Housing Production Trust Fund and the Department of Housing & Community Development (March 30, 2022), available at <https://www.legalaiddc.org/wp-content/uploads/2022/03/Testimony-before-the-Committee-on-Housing-and-Executive-Administration-regarding-the-HPTF-DHCD-Beth-Mellen.pdf>.

¹⁵ *Id.*

¹⁶ See City of Vienna, Policy available at <https://socialhousing.wien/policy/the-vienna-model> (information about Vienna's social housing model); Oksana Mironova *et al.*, Community Service Society, *Pathways to Social Housing in New York: 20 Policies to Shift from Private Profit to Public Good* (November 2022) available at https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/Pathways_to_Social_Housing_V12.p

current affordable housing in the District lacks. First, the proposed two-third of units for extremely-low and low-income households remain affordable in perpetuity.¹⁷ Additionally, rent cross-subsidization means that the developments can meet their operational and development costs through the rents generated from the market rate units. Social Housing Developments also allow for tenants with varying incomes to reside in the development. This prevents situations where tenants are at risk of losing their housing because of job loss or because their income increased and they no longer meet income qualifications for affordable housing programs. Further, the proposed Social Housing Developments will offer tenants transparency and involvement in the housing developments through Tenant Leadership Boards. Because of these provisions, the bill offers a promising new model forward for publicly owned housing in the District.

The Bill Will be Strengthened by Adding Tenant Protections

We believe that adding comprehensive and robust tenant protections to the bill will make Social Housing Developments safe and equitable for District residents. First, the bill should clarify that the robust tenant protections detailed in the Rental Housing Act of 1985 and its promulgating regulations apply to Social Housing Developments. This clarification is important because social housing residents should have at least the same tenant protections as other District tenants.

Second, the bill should include procedures related to the calculation of rent. Adding these procedures to the bill will ensure permanent affordability, as proposed by the bill. The bill limits residential rent to thirty percent of tenant income. This is important to make sure that rents are affordable, and tenants are not cost burdened. However, the bill should detail the process for rent calculation and how often tenants will need to report income for rent calculation purposes. For example, tenants could be required to report income annually. Between reporting periods, tenants would only have to report decreases in

df; Councilmember Mike Bonin, LA City Council Motion, *available at* <https://11thdistrict.com/wp-content/uploads/2020/02/BONIN-Motion-Social-Housing.pdf> (motion to research social housing programs and a develop a report to outline recommendations in Los Angeles).

¹⁷ For example, HPTF requires that units remain affordable for 40 years. D.C. Code § 42-2802. 02(a). The “Low-Income Housing Tax Credit” (LIHTC) properties, the largest source of federally funded housing, must remain compliant for 30 years. National Housing Law Project, *LIHTC Preservation and Compliance* (June 22, 2022) *available at* <https://www.nhlp.org/resources/lihtc-preservation-compliance/#:~:text=Although%20LIHTC%20properties%20must%20commit,to%20comply%20with%20LIHTC%20regulations.>

income throughout the year and not have to report increases in income. The bill should also state that tenants whose income either increases or decreases such that they are in a different income category (extremely low-income, low-income, or those who are paying market rent) will continue to remain at the property and should detail the process for reporting such income increases or decreases. The bill should also require that all tenants receive either 30 or 60 day notices of rent increase prior to any effective increase, and annual increases for tenants who are paying market rent should be capped at a certain rate. Further, the bill contemplates that tenants should have a source of income for Social Housing. However, the bill should ensure that tenants who lose their source of income are still able to reside at the property and ensure that there are subsidies available to them to cover their rent.

The bill should also ensure that units are accessible to tenants with physical disabilities. Further, the bill should include protections for tenants who may need to transfer to another unit because of emergency circumstances. Additionally, the bill should ensure that there are protections and a process for households where there is domestic violence. Additionally, the Office of Social Housing Development should be given rule making authority to publish rules related to tenant protections and procedures in Social Housing.

Finally, this bill presents an opportunity to create a statutory tenant protection for remaining household members after the tenant dies or has vacated the rental unit. During the pandemic, Legal Aid spoke to several household members whose parent or family member was the head of household on the lease and died after being diagnosed with COVID-19. This left families in a precarious situation and at the mercy of their landlords, who decided whether or not they wanted to sign leases with the surviving household members. Even apart from the pandemic this is an issue that multigenerational households face, when the parent or grandparent passes away or vacates the rental unit. This bill can address this problem but stating that any remaining household members can become a tenant on the same terms as the tenant who died or vacated.

Conclusion

Thank you for the opportunity to provide this testimony. We support the bill before the Committee today and would appreciate the opportunity to work with the Committee to incorporate more tenant protections into the bill prior to Committee approval.