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**Testimony of Simon Wentzell  
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**Before the Department of Housing and Community Development**

**Needs Assessment Hearing**

**April 30, 2025**

Legal Aid DC<sup>1</sup> submits the following testimony regarding the *District of Columbia's Fiscal Year 2026 Annual Action Plan*. My testimony focuses on:

1. Ensuring deeply affordable housing is preserved and built;
2. Stabilizing and improving DC's stock of naturally occurring affordable housing; and
3. Preventing homelessness by providing relief to tenants who are behind on their rent.

**DHCD Should Use the FY2026 Annual Action Plan to Preserve and Build More Deeply Affordable Housing**

The District must invest heavily in preserving existing affordable housing. There is currently a severe shortage of affordable housing for extremely low-income tenants.<sup>2</sup>

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<sup>1</sup> Legal Aid DC is the oldest and largest general civil legal services program in the District of Columbia. 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 legal system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. For more information, visit [www.LegalAidDC.org](http://www.LegalAidDC.org).

<sup>2</sup> See, e.g., Nat'l Low Income Hous. Coalition, "District of Columbia: Housing Needs by State," <https://nlihc.org/housing-needs-by-state/district-columbia>.

While households with income up to 80% of Area Median Income (“AMI”) are eligible for many affordable housing programs such as LIHTC, many residents are left behind.<sup>3</sup> Providing funding for housing that only serves the upper end of that population leaves a large number of DC residents without affordable housing. Extremely low-income households, whose incomes fall at or below 30% of AMI,<sup>4</sup> are being pushed out of DC by rising rent costs as well as deteriorating and unsafe conditions.<sup>5</sup>

District rents are not affordable for our lowest income residents. The average monthly rent in the District is \$2,524.<sup>6</sup> These expensive rents put safe housing out of reach for many low-income households. For an extremely low-income family of four, any monthly rent amount over \$1160 is unaffordable.<sup>7</sup> In the District there are only 32 affordable and available homes per 100 extremely low-income households, compared to 95 such units per 100 households at 80% of AMI.<sup>8</sup>

As DHCD decides where to allocate the funding under the AAP, priority should be given to ensuring affordable housing to extremely low-income households.

### **Stabilizing and Improving DC’s Stock of Naturally Occurring Affordable Housing**

Next, when allocating funding as part of the AAP, DHCD must allocate funding to stabilizing and improving naturally occurring affordable housing. Naturally occurring affordable housing (NOAH) encompasses “existing multifamily rental properties that are

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<sup>3</sup> 26 U.S.C. § 42(g)(1)(C)(ii)(III).

<sup>4</sup> Nat’l Low Income Hous. Coalition, “District of Columbia: Housing Needs by State,” <https://nlihc.org/housing-needs-by-state/district-columbia>.

<sup>5</sup> See, e.g., Eliana Golding, DC Fiscal Policy Institute, “A Holistic and Reparative Agenda for Ending Displacement in DC,” (Nov. 15, 2023), <https://www.dcfpi.org/all/agenda-for-ending-displacement/>.

<sup>6</sup> “Washington, DC Rental Market Trends,” RentCafe, <https://www.rentcafe.com/average-rent-market-trends/us/dc/washington/>.

<sup>7</sup> Nat’l Low Income Hous. Coalition, “District of Columbia: Out of Reach,” <https://nlihc.org/oor/state/dc>.

<sup>8</sup> Nat’l Low Income Hous. Coalition, “District of Columbia: Housing Needs by State,” <https://nlihc.org/housing-needs-by-state/district-columbia>.

affordable without public subsidy to low-income households.”<sup>9</sup> Many of these properties are affordable due to being built before 1976 and thus subject to rent control.<sup>10</sup> However, every year that passes from 1976 sees fewer properties that are still subject to rent control as older buildings are demolished, and new construction takes their place. As the properties that remain age, resources are needed to maintain quality housing for the residents that live there. Spending this money on preserving existing affordable housing is far more efficient than devoting those same funds to constructing new housing.<sup>11</sup>

DHCD can provide important financing for renovations which improve the quality of the property without displacing tenants. Tenant displacement can be further reduced by prioritizing projects with tenant support. This is most common in projects where the tenants have selected a developer through the TOPA process. By assigning their TOPA rights to a particular developer, the tenants have shown they support that developers plan.<sup>12</sup> That funding should particularly go to responsible housing providers, especially non-profit developers, who make clear commitments to providing long-term affordable housing for low-income tenants.

No matter what, it is critical that projects that receive funding from programs within the AAP continue to be affordable, even if they are no longer NOAH due to receiving HUD funding.

### **Preventing Homelessness by Providing Relief to Tenants Who Are Behind on Their Rent**

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<sup>9</sup> Steve Kling, et al., McKinsey & Co., “Preserving the Largest and Most at-Risk Supply of Affordable Housing,” (Sept. 21, 2022), <https://www.mckinsey.com/industries/public-sector/our-insights/preserving-the-largest-and-most-at-risk-supply-of-affordable-housing>

<sup>10</sup> NW Opportunity Partners Community Development Corporation, “Housing Types and DC Public Financing”, <https://nwopcdc.org/housing-types-and-dc-public-financing/>

<sup>11</sup> See Julia Glickman, Nat’l League of Cities, “Housing Preservation Practices That Benefit People and the Environment,” (Jan. 23, 2025), <https://www.nlc.org/article/2025/01/23/housing-preservation-practices-that-benefit-people-and-the-environment>.

<sup>12</sup> Steve Kling, et al., McKinsey & Co., “Preserving the Largest and Most at-Risk Supply of Affordable Housing,” (Sept. 21, 2022), <https://www.mckinsey.com/industries/public-sector/our-insights/preserving-the-largest-and-most-at-risk-supply-of-affordable-housing>

Finally, DHCD should use the funds available under the AAP to prevent homelessness by assisting tenants who are behind in their rent. Currently, only DC's Emergency Rental Assistance Program (ERAP) provides financial assistance to tenants who owe rent.<sup>13</sup> Recent changes to ERAP have made it even more difficult for tenants to access this critical funding.<sup>14</sup> There is substantial uncertainty about ERAP's fate and the rest of the District's discretionary budget.<sup>15</sup> This is particularly concerning as there is a new economic crisis clearly on the horizon.<sup>16</sup>

DHCD should use the Congressionally appropriated funding in the AAP to provide relief to tenants who are behind on their rent. This can be done by requiring waivers of rent arrearages in exchange for distribution of HUD funds. This will ensure that these payments are not just giveaways to housing providers. Instead, these payments will provide meaningful relief to both housing providers and tenants, particularly given the reality that many of these tenants have been living with serious housing code violations.

## Conclusion

Thank you for the opportunity to testify about the tools DHCD can implement to preserve affordable housing. We urge DHCD to preserve and build deeply affordable housing, stabilize DC's stock of naturally occurring affordable housing, and prevent homelessness by providing relief to tenants who are behind on their rent. We look forward to working with DHCD on the path forward.

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<sup>13</sup> District of Columbia Department of Human Services, "Emergency Rental Assistance Program (ERAP)", <https://dhs.dc.gov/service/emergency-rental-assistance-program>

<sup>14</sup> Mark Rose & Annemarie Cuccia, Street Sense Media, "D.C. Rental Assistance Applications Close Within Six Hours", (Nov. 20, 2024) <https://streetsensemedia.org/article/erap-rental-assistance-open-rule-changes/>

<sup>15</sup> Meagan Flynn, The Washington Post, "House Inaction Leads D.C. Mayor to Order Spending Freezes, Prepare Furloughs", (Apr. 15, 2025), <https://www.washingtonpost.com/dc-md-va/2025/04/15/dc-budget-furloughs-freezes-bowser-house/>

<sup>16</sup> Meagan Flynn & Jenny Gathright, The Washington Post, "D.C. Loses Coveted Triple A-Bond Rating Due to Federal Actions", (Apr. 24, 2025), <https://www.washingtonpost.com/dc-md-va/2025/04/24/dc-bond-rating-falls/>