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**Testimony of Mel Zahnd
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**Before the Committee on Housing
Council of the District of Columbia**

**Budget Oversight Hearing Regarding the Department of Housing and Community
Development and the Housing Production Trust Fund**

June 9, 2025

Legal Aid DC¹ submits the following testimony regarding the Department of Housing and Community Development and the Housing Production Trust Fund. My testimony focuses on 1) requiring the Housing Production Trust Fund (HPTF) to set aside 30% of its funds for projects that preserve aging housing stock, and 2) maintaining increased funding for Rent Control Administration.

Designate Funding for Preservation Projects

We cannot afford to lose the precious affordable housing we currently have. HPTF dollars are most effective when spent on preserving existing affordable housing. This is why we are asking that 30% of HPTF be set aside for housing preservation. This money must be administered through a competitive process that prioritizes deep affordability and collaboration with tenants.

DC does not have enough deeply affordable housing – homes that are affordable for tenants who have incomes at or below 30% of the annual median income (AMI). Over

¹ 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.

85% of low-income DC tenants are rent burdened.² This rent burden falls disproportionately on renters of color, increasing racial inequities for our community.³

The math of current rent prices does not work for the vast majority of low-income residents. In order for a family at 30% of AMI, to afford an apartment the rent needs to be at or below \$1,160.00.⁴ However, average rent in DC is more than double that at \$2,528.00.⁵ It becomes clear just how bleak the options are for low-income families when we recognize that the average apartment size in DC is a mere 746 square feet, not enough space for most families with children or with more than one generation living together. Affordable rents are out of reach for most low-income residents.

DC currently has a shortage of over 37,000 affordable rental homes for low-income residents.⁶ This problem continues to grow. In the last ten years, the DC area lost over 85,000 homes with monthly rent below \$1,500.00.⁷ In the face of this rapid loss of affordable housing, preserving our current housing stock must be a priority.

Legal Aid has seen first hand the desperate need to invest in preservation of the District's affordable housing. Legal Aid frequently represents tenant associations who are exercising their rights under the Tenant Opportunity to Purchase Act (TOPA). TOPA is one of our most powerful tools for preventing displacement. While some tenant associations use TOPA to form cooperatives and buy their homes, most of the tenant

² Connor Zielinski and Mychal Cohen, Nearly Half of All Renters and More Than Half of Black Renters in DC Struggle to Afford Rent, DC Fiscal Policy Institute (Apr. 14, 2025), <https://www.dcfpi.org/all/nearly-half-of-all-renters-and-more-than-half-of-black-renters-in-dc-struggle-to-afford-rent/>.

³ See *id.*

⁴ Nat'l Low Income Hous. Coalition, District of Columbia: Out of Reach, <https://nlihc.org/oor/state/dc>.

⁵ RentCafe, Washington, DC Rental Market Trends, <https://www.rentcafe.com/average-rent-market-trends/us/dc/washington/>.

⁶ Nat'l Low Income Hous. Coalition, District of Columbia: Hous. Needs by State, <https://nlihc.org/housing-needs-by-state/district-columbia>.

⁷ DHCD, Metropolitan Washington Regional Fair Hous. Plan, <https://dhcd.dc.gov/page/metropolitan-washington-regional-fair-housing-plan#:~:text=DC%20and%20nearby%20counties%20lost,see%20below%20to%20learn%20more>.

associations Legal Aid represents use TOPA to assign their rights to responsible developers who promise to make repairs and keep rents affordable long term. Whether tenants are using TOPA to buy their homes for themselves or to choose responsible developers, this law works best when paired with financing that allows for acquisition, repairs, and renovations. For this reason, as we have stated in previous testimony, we oppose all new exceptions to TOPA, including those in the RENTAL Act.

Currently, the only designated funding to preserve aging housing stock is the Affordable Housing Preservation Fund (AHPF).⁸ The AHPF provides only short-term financing for initial purchase and for emergency repairs.⁹ At the end of these short-term loans, developers need long term financing to renovate and maintain these affordable buildings. But this funding is nearly impossible to come by unless developers can also access HPTF.

While DHCD issued a Request for Proposals this past year to stabilize affordable housing using HPTF,¹⁰ a continued emphasis on housing preservation is essential. To ensure that developers remain accountable to preserve the affordable housing that DC desperately needs, it will be essential that the process for selecting recipients of these funds in the coming year is more transparent than the past year's process.

Developers should only receive these funds through a competitive process with publicly available metrics. In particular, HPTF funds should only be available to developers that commit to affordability covenants that ensure deep affordability particularly for tenants with incomes at 30% of AMI.

Further, when developers are seeking funds to either acquire properties or renovate recently acquired properties, they should be required to provide documentation that they worked with tenants at the properties. In most cases, a development agreement negotiated through the TOPA process will be sufficient. However, this model can also work for buildings that sell through other processes, such as bankruptcy or foreclosure. Even if a developer buys a property through bankruptcy or foreclosure, in order to qualify

⁸ See Coalition for Nonprofit Hous. and Econ. Development, Sustaining Affordability: The Role of the Tenant Opportunity to Purchase Act (TOPA) in Washington, DC, (Nov. 15, 2023), 66, <https://cnhed.org/news/cnhed-releases-comprehensive-analysis-of-dcs-tenant-opportunity-to-purchase-act-topa/>.

⁹ *Id.*

¹⁰ DHCD, DHCD Selects 69 Projects to Preserve 7,700 Affordable Housing Units, (Feb. 20, 2025), <https://dhcd.dc.gov/node/1767001>.

for competitive HPTF dollars, they should show they negotiated development agreements with tenants through this process as well.

We recommend that DHCD use a competitive process to ensure 30% of HPTF funds go to preserving housing, particularly deeply affordable housing, and where developers are collaborating with tenants.

Increased Funding for Rent Control Administration

Additionally, it is important to maintain increased funding for Rent Control Administration in the coming year. The Rental Accommodations Division is currently in the early stages of rolling out the new Rent Registry.¹¹ The Rent Registry is an essential tool for tenants to identify rent stabilized units and to ensure that their landlord is complying with rent stabilization laws.

For this system to work effectively, it will need to be accessible to a wide variety of tenants, including tenants whose first language is not English, tenants with disabilities, and tenants who need assistance navigating technology. Meeting these accessibility needs will require increased investment in Rent Control Administration.

Conclusion

DC is in an affordable housing crisis and will remain so unless and until the District invests in permanent affordable housing. DHCD and HPTF can play a critical role in meeting the moment, but only with proper investment and oversight. This is why Legal Aid asks that Council set aside 30% of HPTF for preservation of affordable housing – in particular deeply affordable housing – administered through a competitive process. In addition, to ensure the accessible roll-out of the new Rent Registry we ask Council to maintain increased funding for Rent Control Administration.

¹¹ DHCD, Rent Registry, <https://rentregistry.dc.gov/>.