

Testimony of Amanda Korber Senior Staff Attorney, Housing Law Unit Legal Aid Society of the District of Columbia

Before the Committee on Housing and Neighborhood Revitalization Council of the District of Columbia

Budget Oversight Hearing Regarding the District of Columbia Housing Authority

April 11, 2019

The Legal Aid Society of the District of Columbia¹ submits this testimony to share two serious concerns with the Mayor's FY20 budget proposal for the District of Columbia Housing Authority (DCHA). First, the Mayor has allocated no new money for Local Rent Supplement (LRSP) vouchers that would pull tenants off of DCHA's waiting list.² Second, the Mayor has allocated no money to public housing repairs.

The Mayor's failure to invest in LRSP vouchers is inexcusable. Over the years, Legal Aid has repeatedly noted that rising rents have left District residents with low incomes with few options for housing they can afford, and virtually none for residents who have to rent on the private market without assistance.³ It is becoming increasingly impossible for people with low, no, or unstable incomes to live in the District, and it is feeding mass displacement. A recent study confirmed this, and highlighted the racially disparate effects of what is happening: Our failure to address the District's affordable housing crisis means that DC has experienced the most intense gentrification of any city in the nation between 2000 and 2013, with 20,000 black residents

¹ The Legal Aid Society 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." Over the last 87 years, tens of thousands of the District's neediest residents have been served by Legal Aid staff and volunteers. Legal Aid currently works in the areas of housing, family law, public benefits, immigration, and consumer protection. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org, and our blog, <u>www.MakingJusticeReal.org</u>.

² See DC Fiscal Policy Institute, Budget Toolkit, *available at* <u>https://www.dcfpi.org/wp-content/uploads/2018/04/Housing-Toolkit-FY-2019-Proposed-1.pdf</u>.

³ See, e.g. Testimony of Beth Mellen Harrison, Budget Oversight Hearing Regarding the Department of Housing and Community Development and the Housing Production Trust Fund (April 13, 2018), *available at* <u>https://www.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-FY19-Budget-Testimony-re-DCHD-HPTF-FINAL.pdf</u>; Testimony of Evan Henley, Public Hearing Regarding Bill 22-0025, "Rental Housing Affordability Stabilization Amendment Act of 2017" (June 28, 2017), *available at* <u>https://www.legalaiddc.org/wp-</u>content/uploads/2017/06/Testimony-of-Evan-Henley-re-Bill-22-025-FINAL.pdf

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displaced from low-income neighborhoods during those years.⁴ This Committee should do all it can to stem this alarming trend. A key first step is to fund housing vouchers so longtime DC residents with no or low incomes can remain in the city they call home.

The Mayor's further failure to prioritize public housing is not just unacceptable, but shocking in light of the fact that DCHA has recently acknowledged what public housing residents have been complaining about for years: the vast majority of DC's public housing stock is in deplorable condition, and families are living in unsafe and unhealthy conditions. Public housing is a necessary component of any plan the Council will come up with to address DC's affordability crisis, but, if the Council does not invest in it now, hundreds or even thousands of units could be lost forever, either through privatization schemes or because uninhabitable units will be taken offline.

As a member of the Fair Budget Coalition, Legal Aid recommends that the Committee address each of these concerns by doing the following:

- 1) Allocate \$10 million in tenant-based LRSP vouchers to pull 500 District residents off the wait list; and
- 2) Invest enough money in public housing repairs to keep public housing public.

We need the Committee to take the lead correcting these unacceptable failures in the Mayor's budget.

The Council Should Invest in the Local Rent Supplement Program

There are currently around 40,054 families on DCHA's waiting list for tenant-based vouchers.⁵ This waiting list has been closed since 2013.⁶ This means that no new families can apply for DCHA's subsidized housing programs, and that families who have already applied are waiting decades for affordable housing, even families who are homeless. Despite this, the Mayor has proposed no new funding for tenant-based LRSP vouchers to pull families off of this decades-long waiting list. This is unacceptable.

Given the on-going affordable housing crisis in the District, the Council is responsible for ensuring that the long time low- and no-income residents who are responsible for making this city what it is today are able to remain in their homes and neighborhoods. To achieve this, the Council should fund the Fair Budget Coalition's ask for tenant-based LRSP vouchers: \$10

⁴ D.C. has the highest 'intensity' of gentrification of any U.S. city, study says, <u>https://www.washingtonpost.com/transportation/2019/03/19/study-dc-has-had-highest-intensity-gentrification-any-us-city/?utm_term=.36b2c8198c56</u>.

⁵ District of Columbia Housing Authority, 2019 Oversight and Performance Hearing, Responses to Pre-Hearing Question at p. 16.

million for tenant-based LRSP vouchers, which would allow DCHA to pull 500 families off of its waitlist.

Because the District has not created and preserved enough affordable housing in the past, the Council will need to invest far more in future years to truly catch up to the need. But the Council should take the first step and invest \$10 million dollars in an effective program that will help families find safe and stable housing. This investment would be a down-payment to help meet the District's affordable housing needs for the long-term.

The Council Should Commit to Substantial and Sustained Investments in Public Housing Repairs

The Federal government has underfunded public housing for decades, and is proposing even more drastic cuts in the coming year.⁷ This means that public housing residents have lived in deplorable conditions across the District for years, and will continue to do so unless this Committee acts to fund public housing repairs.

Recently, DCHA has acknowledged the reality of its deteriorating housing stock, and announced that it is coming up with a plan to "reposition" at least 2,500 public housing units that is has deemed to be in "extremely critical" condition.⁸ We know that this plan very likely includes converting traditional public housing to site-based section 8 housing using the Rental Assistance Demonstration (RAD) program and the demolition/disposition process.⁹ As Legal Aid testified at DCHA's oversight hearing,¹⁰ we have serious concerns with this plan, and any similar plan that would involve DCHA ceding day-to-day control of its properties to a private entity. These types of public housing conversions, which are not new, often do not solve the housing conditions issues, and lead to community displacement, mismanagement, and loss of tenants' rights.¹¹

Legal Aid encourages this Committee to talk with DCHA's leadership to determine how much local money the agency needs to complete necessary repairs, and to work with the agency to come up with a plan that keeps public housing public. We know DCHA believes it has no choice but to privatize its housing stock given the Federal government's disinvestment, but the District

⁹ Id.

⁷ See National Low Income Housing Coalition, Analysis of President Trump's FY2020 Budget Request, *available at* <u>https://nlihc.org/resource/analysis-president-trumps-fy2020-budget-</u> request, discussing President Trump's proposal to provide no federal funding for capital repairs to public housing in his FY20 budget.

⁸ See Resolution 19-01, To Adopt a Framework for the Stabilization and Repositioning DCHA's Portfolio of Properties, *available here* http://www.dchousing.org/docs/git3vcz5221.pdf

¹⁰ Testimony of Amanda Korber, Performance Oversight Hearing Regarding the District of Columbia Housing Authority (February 22, 2019), *available at* <u>https://www.legalaiddc.org/wp-content/uploads/2019/02/Legal-Aid-FY18-19-DCHA-Oversight-Testimony-FINAL.pdf</u> ¹¹ *Id*.

can do something different. We can and must do better than the Federal government and commit to funding desperately-needed public housing repairs.

Legal Aid's understanding is that even if this Committee cannot find the money necessary to prevent DCHA from moving forward with converting some public housing developments via RAD or the demolition/disposition process, DCHA is still going to need local funds to complete needed redevelopment projects and to ensure that its residents are not living in unsafe conditions. If that is the case, Legal Aid encourages this Committee, at a minimum, to commit to provide DCHA with \$12.5 million each year for the next two years, and \$30 million per year after that for ten years, to fund repairs and rehabilitation. Legal Aid's understanding is that this would allow DCHA to address the capital needs at 25 of its properties, and bring those properties into 20-year viability. This Committee should accompany any money given to DCHA with strict oversight and ensure that DCHA retains maximum control over any redeveloped housing projects, replaces every unit that is demolished, guarantees every displaced resident the right to return, and ensures that all public housing residents retain the rights guaranteed under federal and local law and the ability to enforce them. The execution of any such plan will impact thousands of low- and no-income District residents for generations.

One thing is certain: DC cannot continue to fund public housing repairs in a haphazard manner each year with whatever funds happen to be left over from unspent LRSP money. Instead, DC needs to commit a guaranteed funding stream for public housing repairs. Regardless of DCHA's path forward – whether it includes privatizing some of its public housing stock or keeping public housing public – this Committee will have to invest substantial money this year and each year going forward to ensure that DC's public housing remains viable and affordable in perpetuity. DC's public housing families are worth it.

Conclusion

Thank you for considering our recommendations for DCHA's FY20 budget. We urge you to stand with DC's lowest income families, and help move them into safe, stable, and affordable housing.