

**Testimony of Damon King
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**Before the Committee of the Whole
Council of the District of Columbia**

Budget Oversight Hearing Regarding the Mayor’s Proposed Fiscal Year 2021 Budget

June 17, 2020

The Legal Aid Society of the District of Columbia¹ submits the following testimony regarding the Mayor’s proposed Fiscal Year 2021 budget. We urge the Council to make key investments to ensure that, as the District transitions into its recovery from the historic COVID-19 pandemic, we do all that we can to protect vulnerable District residents.

COVID-19 has had devastating effects here in the District, with over 500 lives lost to the virus to date. And while it has fundamentally changed the day-to-day lives of all Washingtonians, it has had particularly damaging effects on a number of specific communities. Black District residents have been dying from COVID-19 at rates that far exceed their share of the District’s population.² The District’s Latinx communities have suffered high infection rates.³ And other historically marginalized populations, such as undocumented workers and people experiencing homelessness, have suffered disproportionate harm during this crisis – both in the form of

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.” Legal Aid is the oldest general civil legal services program in the District of Columbia. Over the last 88 years, tens of thousands of the District’s neediest residents have been served by Legal Aid staff and volunteers. 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, and our blog, www.MakingJusticeReal.org.

² See, e.g., James Hohmann, *The Daily 202: D.C. surpasses 500 coronavirus deaths; nearly 3 in 4 have been African American*, The Washington Post, June 12, 2020. Available at: <https://www.washingtonpost.com/news/powerpost/paloma/daily-202/2020/06/12/daily-202-d-c-surpasses-500-coronavirus-deaths-nearly-3-in-4-have-been-african-american/5ee32855602ff12947e8b314/>

³ See, e.g., Julie Strupp, *More Than 500 D.C. Residents Have Died From COVID-19*, DCist, June 12, 2020. Available at: <https://dcist.com/story/20/06/12/more-than-500-d-c-residents-have-died-from-covid-19/>.

COVID-19 infections and the loss of livelihoods as our economy entered into a sudden and steep decline.

It is far too often the case that crises like our current public health emergency and recession hit marginalized communities particularly hard. And it is also the case that, without careful attention to these communities, economic recoveries can leave them behind as well. We can look back, for example, at our recovery from the Great Recession, which did not benefit all District residents equally: As late as 2018, unemployment among the District's black residents still had not recovered to pre-recession levels,⁴ and to this day, the District continues to suffer from extreme racial income and wealth gaps.⁵ This has, in fact, left black Washingtonians much more vulnerable than their white counterparts to the impact of the current economic crisis. And, of course, the Great Recession and subsequent recovery did little to interrupt the long-term trend of gentrification and displacement, which pushed 20,000 black District residents out of the District entirely between 2000 and 2013,⁶ a trend that continues to this day.

Because certain communities, including low-income District residents, black and brown residents, immigrants, and residents struggling with homelessness can be disproportionately harmed during crises and excluded from subsequent turnarounds, it is crucial for the Council to be deliberate in considering the budget that will govern our recovery. For this reason, we urge the Council to be guided by two principles as it considers the Mayor's proposed budget:

1. The budget must close gaps that continue to leave members of our community especially vulnerable to the type of economic and health crisis we are going through right now; and
2. The budget must ensure that, as we move from immediate crisis response to figuring out how to re-open and recover, we take steps to remedy previously existing inequality and prevent displacement.

Our testimony today highlights several investments consistent with these principles that the Council should make before approving the budget. And, as a member of the Fair Budget Coalition, Legal Aid also endorses the Fair Budget platform,⁷ which reflects these principles as

⁴ Doni Crawford, DC Fiscal Policy Institute, *Applying a Racial Equity Analysis – Black Employment in the District of Columbia*, February 28, 2020. Available at: <https://www.dcfpi.org/all/applying-a-racial-equity-analysis-black-employment-in-the-district-of-columbia/>

⁵ Tazra Mitchell, DC Fiscal Policy Institute, *The District's Rising Economic Tide Isn't Lifting Black Boats*, October 24, 2019. Available at: <https://www.dcfpi.org/all/the-districts-rising-economic-tide-isnt-lifting-black-boats/>

⁶ National Community Reinvestment Coalition, *Shifting Neighborhoods; Gentrifications and cultural displacement in American cities*, March 19, 2019. Available at: <https://ncrc.org/gentrification/>

⁷ The full Fair Budget platform is available at: <http://fairbudget.org/fy21.html>

well. A true recovery must be one that all District residents experience, and we urge the Council to leave no one behind as we navigate this crisis.

The Council Must Close Gaps in Our Public Health System

If there is one thing that this pandemic should reinforce for everyone, it is that all District residents need regular and uninterrupted access to health care. Access to health care is crucial, not just for individual patients, but for entire communities, which can be rendered vulnerable during health crises. For this reason, we are deeply disappointed that the Mayor did not use the FY21 budget to permanently address a long-standing gap in our public health system that has left members of the District's low-income immigrant communities (including black and Latinx immigrants) without regular health care access.

As the Council is aware, the Health Care Alliance provides health coverage to low-income immigrants in the District, ensuring access to health care for more than 15,000 people who are not able to get coverage elsewhere. Nearly three-quarters of enrollees identify as black or Hispanic,⁸ reflecting populations who have been particularly vulnerable during this time. However, for the last eight years, the program has required enrollees to renew their coverage every six months, in person with Department of Human Services (DHS) staff. This requirement has led to long lines – often more than 80 people long – outside of DHS service centers,⁹ and enrollees needlessly losing their coverage and access to care because they cannot complete the needlessly burdensome renewal process.

The policy has always been problematic, but the pandemic has only reinforced its short-sightedness: it creates gaps in our public health system by jeopardizing health care access for thousands of Washingtonians who are members of populations that are especially vulnerable during public health crises.

Recognizing just how dangerous it would be to have large numbers of people congregating at service centers to keep their health coverage, one of the first things the Bowser Administration did during this public health emergency was to temporarily suspend the Alliance's in-person requirements and offer a series of temporary extensions, allowing people already in the program to remain covered and permitting applications to be submitted without going to a service center. However, the FY21 budget does not change the renewal policy permanently. After the public health emergency is over, the renewal process could go back to the way it was before.¹⁰ This is

⁸ FY18-19 Department of Health Care Finance (DHCF) performance oversight data shows that in FY18, a combined 74.7% of Alliance enrollees identified as either black or Hispanic (25.3% black, 49.4% Hispanic). DHCF FY18-FY19 Performance Oversight Responses, Q35.

⁹ Legal Aid Performance Oversight Testimony Regarding the Department of Human Services, January 29, 2020. Available at: <https://www.legalaiddc.org/wp-content/uploads/2020/02/Legal-Aid-DHS-Oversight-Testimony-FY19-FY20YTD-Alliance-FINAL.pdf>

¹⁰ Emergency legislation passed by the Council allows for the Mayor to take measures to promote continuity of and access to public benefit programs including the Alliance for up to 60 days following the emergency. However, these measures are still discretionary on the part of the

profoundly dangerous, as we don't know what path COVID-19 may take in the coming months. If the public health emergency ends and there is a resurgence of the virus, even a brief return to the standard, six-month, in-person renewal requirement could put thousands of enrollees (not to mention DHS employees) at risk. Allowing only a temporary change to the renewal policy, rather than permanently moving to annual re-certification and repealing the in-person requirement, is dangerous, and leaves in place precisely the type of public health gap we should be trying to close.

After eight years, ample notice of the problem, and a pandemic that is ravaging the District's black, brown, and immigrant communities, the Mayor's failure to fix this is inexcusable. The Council should address this failure immediately by funding the permanent replacement of the six-month, in-person recertification requirement.

DOES Must Fix the Broken Unemployment Insurance System and the Council and the Mayor Should Protect Access to Safety Net Programs

Safety net programs such as unemployment insurance, SNAP, and TANF, are crucial lifelines for struggling District residents who are coping with COVID-related shutdowns and the resulting economic downturn. And, given that it likely will be several months (at least), before our economy can fully return to normal, it is crucial that these programs remain accessible and reliable through the duration of FY21.

In the early days of the public health emergency, the Mayor and Council took several steps to protect and improve access to safety net programs. DHS launched an on-line application for public benefits¹¹ and implemented temporary increases to SNAP benefits for households receiving less than the maximum benefit amount.¹² The Administration also temporarily suspended re-certification requirements in these programs to prevent families up for renewal from losing benefits. Meanwhile, the Council took several steps to expand the availability of unemployment benefits (building on federal expansions)¹³ – changes that came just as need for

Mayor and the 60-day limit does mean that there is a defined endpoint to modified public benefits policies.

¹¹ The DHS Benefits Portal is available at: <https://dcbenefits.dhs.dc.gov/>

¹² See, Curt Campbell, *DC Provides Temporary SNAP Increases to Meet Nutritional Needs*, April 7, 2020. Available at: <https://www.makingjusticereal.org/dc-provides-temporary-snap-increases-to-meet-nutritional-needs>

¹³ See, Drake Hagner, *Unemployment Compensation Offers Crucial Wage-Replacement for Workers Affected By COVID-19*, March 17, 2020. Available at: <https://www.makingjusticereal.org/unemployment-compensation-offers-crucial-wage-replacement-for-workers-affected-by-covid-19>

See, also, Zack Hill, *New Pandemic Unemployment Assistance Now Available in the District*, April 30, 2020. Available at: <https://www.makingjusticereal.org/new-pandemic-unemployment-assistance-now-available-in-the-district>

these benefits rose substantially.¹⁴ While we commend both the Mayor and the Council for their response to this crisis, several challenges remain to be addressed in the FY21 budget.

The Council Must Ensure That DOES Addresses Serious Flaws in the Unemployment Insurance System and Protects Excluded Workers

We, along with several of our legal services colleagues,¹⁵ detailed to the Committee on Labor & Workforce Development the following problems with the current system for applying for unemployment benefits:

- Technical problems that have led people applying for benefits on-line to encounter error messages;
- Long wait times and disconnections for people applying for standard UI over the phone or calling the DOES call center regarding their applications;
- Failures by DOES to provide materials, including applications, in all of the languages covered by the Language Access Act;
- Availability of Pandemic Unemployment Assistance (PUA) being limited to on-line applicants only;
- Refusal to accept hard-copy applications by mail or an in-person drop box, despite another District agency, DHS, providing a drop box for other benefit applications;
- Flaws in the PUA application process itself that screen out eligible applicants; and,
- Long delays in processing PUA back-benefits and adjusting PUA benefit amounts

As our economy gradually re-opens and recovers, District residents will continue to need to apply for these benefits. DOES must address these issues immediately, and we urge the Council to ensure that the DOES budget has sufficient resources for the agency to do so.

In addition to fixing existing UI programs, Legal Aid also urges the Council to fund a cash benefit program for workers who are excluded from existing benefit programs, including undocumented workers and workers in the informal economy. While we commend

¹⁴ See, Mark Segreaves and Andrea Swalec, *DC Unemployment Claims Top 72,000*, NBC Washington, April 22, 2020. Available at: <https://www.nbcwashington.com/news/local/dc-mayor-gives-update-on-unemployment-coronavirus-testing/2281590/>

¹⁵ Joint Testimony of the Claimant Advocacy Program, First Shift Justice Project, Legal Aid Society of the District of Columbia, Neighborhood Legal Services Program, Public Justice Advocacy Clinic at the George Washington University Law School, and Whitman-Walker Health Regarding the Budget of the Department of Employment Services, May 28, 2020. Available at: <https://www.legalaiddc.org/wp-content/uploads/2020/05/Joint-Written-Budget-Oversight-Hearing-Testimony-FINAL-2-1.pdf>

policymakers for finding a temporary approach to helping undocumented workers via a \$5 million Events DC-funded program, the \$5 million investment is not sufficient to cover the needs of the full population of Washingtonians who are excluded from other sources of benefits. We urge the Council to create a fund to serve this population in the FY21 budget, and join our colleagues at several organizations that work with workers from marginalized communities in recommending a \$30 million investment in such a fund.

DHS Should Continue to Extend Public Benefits and Have a Plan to Avoid Disruptions in Benefits When the Public Health Emergency Ends

While we applaud the Bowser Administration for announcing temporary extensions for SNAP, TANF, Medicaid, and Alliance recipients, we must be mindful of the fact that even when the public health emergency ends, due to a constricted job market, not everyone will be able to return to work at once. Further, these extensions mean that, when the public health emergency ends, there could be a significant population of safety net program participants who could become subject to recertification requirements at the same time. A wave of participants recertifying could overwhelm DHS and lead to disruptions in the receipt of assistance.

For these reasons, we urge the Council to ensure that there are sufficient funds in the FY21 budget to continue to serve participants in these programs after the emergency ends, and that DHS (in collaboration with the Department of Health Care Finance) have a plan in place for delaying and staggering recertifications when the emergency expires.

The Budget Must Prevent COVID-19-Driven Displacement

Even before the COVID-19 crisis began, the District was already experiencing some of the most intense gentrification in the country.¹⁶ Thousands of long-time residents – many of them black – have been driven from the District as housing prices have continued to rise. As members of District communities continue to struggle with the consequences of job losses and underemployment in the coming months, there is the potential for even more Washingtonians to be driven from their homes, displaced by people who had the resources to weather the storm. Our post-COVID-19 recovery does not just have the potential to leave black and brown District residents behind; it has the potential to push them out. For this reason, the Council must invest in programs to keep tenants with low incomes in their homes and prevent homelessness and displacement.

The Council Should Scale Up and Expand ERAP

The District has a ready-made prevention tool for at least some of this potential displacement in the form of the Emergency Rental Assistance Program (ERAP). But even in relatively good economic times, the program frequently runs out of money before the end of each fiscal year¹⁷ and can only provide assistance to certain populations. In the wake of COVID-19, demand will

¹⁶ See, *supra*, note 6.

¹⁷ See, e.g., Legal Aid Performance Oversight Testimony Regarding the Department of Human Services, January 29, 2020. Available at: <https://www.legalaiddc.org/wp-content/uploads/2020/02/Legal-Aid-DHS-Oversight-Testimony-FY19-FY20YTD-ERAP-FINAL.pdf>

be even higher among the current targeted populations – households with children, elderly households, and people with disabilities – and other low-income residents.

We were disappointed to see that the Mayor’s proposed budget keeps ERAP funding flat in FY21. While we understand that there will be federal funds available for rental assistance, the reality is that we are starting from a position in which ERAP is already underfunded and those federal funds will be applied in the face of what will likely be a substantial increase in demand. While we commend the Council for passing several measures to help tenants during this difficult time, including a moratorium on eviction filings, a temporary prohibition of rent increases, and legislation to allow tenants to enter into payment plans with their landlords, the reality still remains that between the start of the public health emergency and the Council’s passage of the eviction filing moratorium in May, landlords filed more than 1,300 new eviction cases against tenants. When one accounts for households who have since fallen behind on their rent, as well as cases that were already pending at the beginning of the emergency but where evictions haven’t yet been executed, the potential for a wave of eviction cases in FY21 – with an accompanying rise in demand for rental assistance – is quite high.

For this reason, we urge the Council to substantially scale up ERAP funding in FY21, and to ensure that eligibility is expanded to reach a broader population of low-income District residents. We support the Fair Budget Coalition’s recommendation that the Council allocate \$12 million to the ERAP budget.

The Council Must Make More Funding Available to Repair Public Housing

We are thankful that the Mayor included \$25 million for public housing repairs in the FY21 budget, but it simply is not enough. Public housing has been underfunded at both the federal and local level for decades. That means that public housing residents have lived in deplorable conditions across the District for years. It also means the District needs to make sustained and substantial investments in public housing going forward if it wants a chance at catching up and ensuring that families live in safe, clean, and habitable housing.

Legal Aid’s understanding is that DCHA needs an additional \$35 million (for a total of \$60 million) to meet the true repair need and accomplish its redevelopment goals. The difference between \$25 million and \$60 million for public housing residents is stark: it is the difference between tenants at Garfield Terrace getting much-needed replacement elevators they need or not; residents at Carroll Apartments getting the repaired bathrooms and kitchens they need or not; DCHA being able to fund the development gap at Judiciary Square or not.

The Council must also fix another problem with the Mayor’s budget: it is not enough to give DCHA money in a haphazard and ad hoc way. The money must be recurring, so DCHA can rely on it, and leverage it, each year while it plans for its capital expenses and its redevelopment projects. The Mayor has taken a step in the right direction in this regard as well by proposing \$15 million to DCHA for repairs and maintenance in FY22. But DCHA, and more importantly the District’s public housing residents, need more of a commitment than that. We propose that the District ensure that DCHA has a steady stream of funding – at least \$60 million per year – for a

period of ten years. We understand that this is a significant commitment, but the severity of the condition of the District's public housing stock demands it.¹⁸

Finally, because we know that DCHA has robust redevelopment plans, the Council must ensure that any local money the agency receives is used to protect and preserve every public housing unit and residents' rights. This means the Council should move swiftly to pass the Public Housing Preservation and Tenant Protection Amendment Act of 2020 (B23-0627) in conjunction with the budget. This comprehensive legislation would ensure that DCHA has a plan in place to rebuild every unit of affordable housing before it gets authority to demolish any properties. It will require DCHA to put the most important public housing protections into regulations for residents at redeveloped properties and guarantee that tenants can enforce any violation of those rights. Finally, it would ensure that tenants and advocates can have their voices heard throughout the redevelopment process at the DC Council level.

The District has forgotten about public housing residents for too long, and now it's time to start making it right by appropriately and reliably funding needed repair, maintenance and redevelopments costs.

The Council Must Invest in Permanent Tenant Vouchers and in the Production and Preservation of Affordable Housing

In addition to taking measures to allow people to safely stay in their homes, it is also important for the FY21 budget to include investments in vouchers and affordable housing. As District residents continue to struggle during the economic downturn, access to affordable housing will be crucial to allowing people to stay in the District.

Tenant-Based LRSP

We are deeply disappointed that the Mayor's proposed budget allocates no new money for Local Rent Supplement Program (LRSP) vouchers that would pull tenants off of DCHA's decades-long waiting list.

There are currently 39,587 families on DCHA's waiting list.¹⁹ The waiting list has been closed since 2013.²⁰ This means no new families can apply for DCHA's subsidized housing programs, and that families who are already on the waiting list are waiting decades for affordable housing, even homeless families. It also means that the need for affordable housing is far greater than

¹⁸ See also, Legal Aid FY20 Budget Oversight Testimony Regarding the District of Columbia Housing Authority, April 11, 2019. Available at: <https://www.legalaiddc.org/wp-content/uploads/2019/04/Legal-Aid-FY20-DCHA-Budget-Testimony-FINAL.pdf>, and Legal Aid FY20 Budget Oversight Testimony Regarding the District of Columbia Housing Authority, April 20, 2018. Available at: <https://dev.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-FY19-Budget-Testimony-re-DCHA-FINAL.pdf>

¹⁹ DCHA FY19-FY20 Performance Oversight Responses, Q28.

²⁰ *Id.* at Q31.

even the 39,587 number suggests. Legal Aid has worked with families and individuals who were never able to get on the waiting list, either because they were minors the last time it was open or because they simply did not know it opened up for a short time in 2013. Even though they aren't on the list, they desperately need affordable housing. For them, it is not a matter of waiting decades. They may be waiting for their whole lives. Despite all of this, the Mayor has proposed no new funding for tenant-based LRSP vouchers to pull families off of this waiting list. To put it simply, this is unacceptable.

In comparison to this crisis, Legal Aid and the Fair Budget Coalition's ask is modest: \$10.43 million for tenant-based LRSP vouchers, which would allow DCHA to give vouchers to and stably house 500 families. Much more is needed, of course, but this would be a good start. Additionally, it is Legal Aid's understanding that the Council has not adjusted the tenant-based LRSP budget to account for inflation in many years.²¹ This means that the Council needs to increase funding for vouchers created in prior years,²² in addition to adding \$10.43 million, if we want DCHA to be able to house additional families.

The Housing Production Trust Fund

For three fiscal years FY17 through FY19, the District allocated \$100 million to the HPTF, making the Trust Fund one of the largest sources of local government funding for affordable housing. The FY20 budget took an important step forward, allocating nearly \$116 million. The Mayor's supplemental budget now cuts FY20 to \$100 million and includes that same amount for FY21.²³

The increase in funding originally allocated for FY20 was an important step towards catching the HPTF up to the increase in construction and preservation costs. However, according to a report released by the D.C. Fiscal Policy Institute last year, ***to generate the same housing as in 2015, the 2020 HPTF would need \$150 million.*** While a \$100 million commitment in 2015 would have yielded approximately 1,140 units, by 2019, that same commitment would only yield approximately 710 units.²⁴

²¹ Tyronne Garrett, the executive Director of DCHA, shared this with advocates at a meeting on May 27, 2020.

²² Legal Aid does not know by exactly how much funding needs to increase to match inflation. We recommend that the Committee ask Mr. Garrett this question during his testimony.

²³ FY 2021 Proposed Budget and Financial Plan, Vol. 4 Agency Budget Chapters – Part 3, H-29 - H-33 (May 18, 2020), available at <https://app.box.com/s/4f3epemwcd2073r910mcchqdkb47gmze>

²⁴ Doni Crawford DC Fiscal Policy Institute, *To Ensure all Residents Have a Safe and Affordable Place to Call Home, DC Needs to Double Down on the Housing Production Trust Fund* (March 2019), available at: <https://www.dcfpi.org/all/to-ensure-all-residents-have-a-safe-and-affordable-place-to-call-home-dc-needs-to-double-down-on-the-housing-production-trust-fund/>

It is concerning that annual investments are not even keeping pace with rising costs, but there is little doubt that even greater investments are needed if the District truly wants to address the ever-deepening affordable housing crisis, particularly for extremely low-income tenants. The D.C. Fiscal Policy Institute's report, *Building the Foundation: A Blueprint for Creating Affordable Housing for DC's Lowest-Income Residents*, outlines a path to create 30,000 units of deeply affordable housing over a ten-year period.²⁵ That report finds that achieving this goal would require \$2.6 billion in funding over a decade for construction costs, through the HPTF or a similar funding mechanism, and then \$732 million per year in ongoing operating assistance.²⁶

The Fair Budget Coalition is advocating for \$180 million in the FY21 budget for the HPTF, all specifically targeted to rental units affordable to extremely low-income households, along with additional funding of \$24 million for operating assistance for these units.²⁷ While we recognize funding at that level would represent a substantial increase, we believe that request accurately reflects the current need. As FBC explains, this level of funding is necessary to realize the Mayor's goal to build 12,000 new affordable housing units. At the very least, the Council must restore the funding cuts to HPTF to ensure FY20 and FY21 funding at least at the level of \$116 million, and to consider increasing the allocated funding for FY21 above that level, to ensure that current affordable housing projects will be funded and new projects will have available financing when needed.

In addition to making this investment in the Trust Fund, the Council needs to ensure that there are sufficient sponsor-based LRSP funds to provide operating subsidies for deeply affordable housing produced by HPTF-funded projects. As we have highlighted in previous testimony, the District continues to fall short of statutory requirements for the funding of housing that is affordable to residents making less than 30 percent AMI, and these operating subsidies are crucial to ensuring that such deeply affordable housing is actually produced.

Housing Preservation Fund

In FY20, the Council allocated \$11.8 million to the Preservation Fund, resulting in \$47.2 million in total funding for the preservation of affordable housing in the District, with a 3:1 private financing match. For FY21, the Mayor proposes decreasing the District's contribution to \$1 million, which will add \$3 million in private financing for \$4 million total, a cut of 85 percent. Legal Aid and other affordable housing advocates are concerned that a cut of this magnitude could have a substantial negative impact on the ability of tenants to exercise their rights under the Tenant Opportunity to Purchase Act (TOPA) to work with affordable housing developers to rehabilitate properties and preserve them as affordable for the long-term.

In recent years, Legal Aid has partnered with community-based organizations and their tenant organizers, including Housing Counseling Services and the Latino Economic Development

²⁵ Available at: <https://www.dcfpi.org/all/building-the-foundation-a-blueprint-for-creating-affordable-housing-for-dcs-lowest-income-residents/>

²⁶ *Building the Foundation*, *supra*, at 7-8.

²⁷ Fair Budget Coalition, "Housing Security," available at <http://fairbudget.org/fy21.html>

Center, to provide legal representation to tenants in small buildings exercising their TOPA rights. During the past year we have worked on three such deals, highlighted below, all of which will result in the preservation of affordable units for long-term District residents — protecting tenants who are black or Latinx, many of whom are elderly or have disabilities, all with low incomes — and substantial repairs to properties where housing code violations have festered. The availability of the Preservation Fund, as well as the Housing Production Trust Fund, are part of a robust financing scheme for affordable housing in the District that make these and other deals possible.

1. Preservation of a 4-unit building in Ward 5. Long-term tenants will remain, with rents remaining at \$1,200 or below, and the developer agreeing to significant repairs and rehabilitation. The new owner currently is pursuing funding sources through community banks and other financiers. While the property does not qualify for the Preservation Fund because of its small size, other funding sources are being sought and remain more readily-available as a result of the Preservation Fund's strong base of support.
2. Preservation of an 8-unit building in Ward 8. Long-term tenants — one of whom has been at the building for decades — will remain, with rents ranging from \$720 to \$950 and subject only to annual rent control increases, and the developer agreeing to significant repairs. The tenant association received funding from LISC-DC to close. A competing developer planned to seek Preservation Fund dollars, a fact that assisted these tenants in negotiating the best deal possible with their chosen developer.
3. Preservation of a 14-unit building in Ward 7. Long-term tenants, many elderly, will remain, with rents subject only to annual rent control increases for current tenants, LIHTC rents for new tenants, and the developer agreeing to significant repairs and rehabilitation. The developer plans to seek funding from HPTF or other sources at DHCD to finance the repairs and rehabilitation.

Even in an austere budget environment, public financing that is matched three-to-one with private dollars is a wise long-term investment. This Council should restore funding to the Housing Preservation Fund at least to the level of \$10 million and should consider whether level funding of \$11.8 million for FY21 is feasible.

Conclusion

Legal Aid thanks the Council for the opportunity to testify on these issues, and for the several steps that it has taken in recent months to protect District residents during this difficult time. We urge the Council to ensure that all District residents are included in the District's recovery in FY21.