

**Testimony of Amanda Korber  
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**Before the Committee on Housing and Executive Administration  
Council of the District of Columbia**

**Budget Oversight Hearing Regarding the District of Columbia Housing Authority**

**June 16, 2021**

The Legal Aid Society of the District of Columbia<sup>1</sup> submits the following testimony to share three serious concerns regarding the Mayor’s proposed FY22 budget for the District of Columbia Housing Authority (DCHA). First, the Mayor has allocated no new money for Local Rent Supplement Program (LRSP) vouchers that would pull tenants off of DCHA’s decades-long waiting list. The Mayor’s proposed Budget Support Act (BSA) also increases bureaucracy, and we fear delay, in the existing LRSP program by requiring that money for LRSP vouchers first go to the Department of Human Services (DHS) before being released to DCHA. Second, while the Mayor has allocated \$22 million for public housing repairs and maintenance in FY22, it is not nearly enough to address the deplorable condition of the District’s public housing portfolio. It is also earmarked exclusively for Claridge Towers. In addition to increasing the funding for public housing repairs, the Council needs to make sure that DCHA can address necessary repairs at all its properties and ensure through oversight that DCHA refocuses on its mission to house families living at 0-30% AMI. Finally, we ask that the Council fund project-based LRSP vouchers at the level necessary to ensure that at least 50% of the units built through the Housing Production Trust Fund (HPTF) are for households making 0-30% AMI.

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 \$17.33 million in tenant-based LRSP vouchers to pull 800 District residents off of the waiting list;

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<sup>1</sup> 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 89 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](http://www.LegalAidDC.org), and our blog, [www.MakingJusticeReal.org](http://www.MakingJusticeReal.org).

- 2) Allocate an additional \$38 million for public housing maintenance and repairs, and make that funding recurring;
- 3) Allocate adequate funding for project-based LRSP vouchers to ensure that at least 50% of the unit's produced by the HPTF are for families making between 0 and 30% of AMI.

The District's racial income gap is shameful. The median income is \$46,201 for Black families and \$83,170 for Latinx families, while the median income for white households is \$143,150.<sup>2</sup> This means that when the District does not meet the affordable housing needs for its lowest income residents, it is disproportionately harming Black and Latinx families. We need this Committee to take the lead on correcting the failures in the Mayor's budget and ensuring that every District family has a safe, affordable, and dignified home.

### **The District Should Invest in the Local Rent Supplement Program**

There are currently around 39,587 families on DCHA's waiting list.<sup>3</sup> The waiting list has been closed since 2013.<sup>4</sup> 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 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. And, given the last year, it is a near certainty that many new families need affordable housing after being devastated by the pandemic, whether because they lost jobs, depleted their savings, or lost family members who used to contribute to the rent. 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.

In comparison to this crisis, Legal Aid and the Fair Budget Coalition's ask is modest: \$17.33 million for tenant-based LRSP vouchers, which would allow DCHA to give vouchers to and stably house 800 additional families. Obviously much more is needed, but this would be a first step. Additionally, we ask that the council amend the BSA so that LRSP money goes directly to DCHA. The Mayor's proposed BSA increases bureaucracy in the existing LRSP program by

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<sup>2</sup> DC Health Matters, 2021 Demographics, <https://www.dchealthmatters.org/?module=demographicdata&controller=index&action=index&id=130951&sectionId=>

<sup>3</sup> District of Columbia Housing Authority, 2020 Oversight and Performance Hearing, Responses to Pre-Hearing Question at p. 16.

<sup>4</sup> District of Columbia Housing Authority, 2020 Oversight and Performance Hearing, Responses to Pre-Hearing Question at p. 17.

requiring that money for LRSP vouchers first go to the Department of Human Services (DHS) before being released to DCHA. We fear this will just delay the already unacceptable period of time between when residents are awarded vouchers and when they are able to move into safe, stable homes. To the extent the Mayor was trying to address concerns with DCHA's track record of getting this funding out of the door with this BSA provision, we suggest that instead of increasing bureaucracy, the Council perform rigorous and regular oversight throughout the year.

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

We are thankful that the Mayor included \$22 million for public housing repairs in the FY22 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.

As a member of the Fair Budget Coalition, we ask that the Council commit to funding public housing repairs at \$60 million per year, for a minimum of 10 years. We understand that this is a significant commitment, but the severity of the condition of the District's public housing stock demands it.<sup>5</sup> Additionally, the Mayor's budget earmarks all public housing repair money over the next four years to Claridge Towers. While we are happy Claridge Tower residents are getting the attention and resources they need to live in safe, habitable housing, the rest of the District's public housing residents need that same commitment.

Finally, because we know that DCHA has robust redevelopment plans, the Council must ensure that the agency is committed to its mission of building and maintaining housing for families living between 0 and 30% AMI. In recent years, DCHA and its Board of Directors have seemed more focused on large redevelopments that include housing for all income levels than on preserving the public housing it already has, bringing online the more than 1,000 currently vacant public housing units in its portfolio, and building new housing for the lowest income families. It is most evident that DCHA has lost sight of its mission when we look at its 1133 North Capitol Street NE redevelopment plans. There, DCHA, with the approval of the Board, chose to give away the valuable land its headquarters sits on in the NOMA neighborhood to a developer who has not committed to building a single unit of deeply affordable housing. This is simply unacceptable. Therefore, the Council should pass legislation that will hold DCHA accountable and reconstitute the Board of Directors to ensure that its values are in line with the agency's core mission – to house the District's lowest and no-income households.

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<sup>5</sup> See also, Testimony of Amanda Korber, Legal Aid Society of the District of Columbia, FY20 Budget Oversight Hearing Testimony, <https://www.legalaiddc.org/wp-content/uploads/2019/04/Legal-Aid-FY20-DCHA-Budget-Testimony-FINAL.pdf>, and FY19 Budget Oversight Testimony, <https://dev.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-FY19-Budget-Testimony-re-DCHA-FINAL.pdf>.

## **The Council Should Ensure That There is Enough Project-Based LRSP Funding to Support the Production of Housing at 0-30% Area Median Income**

Given the Mayor's substantial and necessary funding commitment, the Housing Production Trust Fund (HPTF) has the potential to create thousands of deeply affordable units for families living between 0 and 30% AMI. However, this goal cannot be realized unless the Council ensures that there is enough project-based LRSP funding in the current year's budget, as well as in the out years, to provide the required operating subsidies for those units.

Fifty percent of HPTF loans and grants are required to be allocated for projects that are affordable to extremely low-income households, families with incomes at or below 30 percent of area median income.<sup>6</sup> In recognition of the District's poor record of creating deeply affordable housing, the Council previously raised this threshold from forty percent in the FY20 budget cycle. However, DC has never positioned itself to meet either of these targets because it has never properly funded the accompanying LRSP vouchers. The D.C. Auditor has found that only 19 percent of rental units produced or preserved by the Trust Fund between 2001 and 2016 are affordable to families with extremely-low incomes.<sup>7</sup> DHCD's oversight responses this year indicate that only 18 percent of funds for Fiscal Year 2020 went to such projects, and the agency projects only 27 percent of funds for Fiscal Year 2021 will fund deeply-affordable units.<sup>8</sup>

The Council cannot continue to make the same mistakes year after year. We urge the Committee to take the lead on determining how much project-based LRSP funding is needed to ensure that half of the Trust Fund's dollars go to units for DC's lowest income families and finding that money in the budget. Otherwise, the Mayor's historic investments in the Trust Fund will mean little for the District's families who most need affordable homes.

### **Conclusion**

Thank you for considering our recommendations for DCHA's FY22 budget. We urge you to prioritize the District's lowest and no-income residents and ensure that everyone has a safe and affordable home.

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<sup>6</sup> DC Code 42-2802(b-1)(2).

<sup>7</sup> Office of the District of Columbia Auditor, *Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing* (Mar. 2018), pps. 9-10, available at <http://dcauditor.org/report/stronger-management-of-the-housing-production-trust-fund-could-build-more-affordable-housing/>. An independent analysis by the D.C. Fiscal Policy Institute similarly found that the Trust Fund met its annual target for deeply-affordable units only once in Fiscal Years 2014 through 2019. See *Building the Foundation*, *supra*, p. 5.

<sup>8</sup> See DHCD Oversight Responses, Attachments 26 and 29