

Housing Strategy Concept Paper

Every resident of the District of Columbia deserves a decent, safe and affordable place to live. For most Washingtonians, D.C.'s conventional housing market will meet that need. Many, however, will need some form of assistance or subsidy to afford a decent place to live. For some, the needed subsidy will be shallow requiring little, or no, public funds while for others, particularly the elderly, the very low income and the disabled, a deeper, longer-lasting form of assistance will be required.

While the Task Force will seek solutions to boosting the production of affordable housing, a "supply side" approach alone will not meet the growing need for affordable housing for families and individuals with modest or lower incomes. The subsidies required to build and operate sufficient units to meet this need are not available at the local or federal level. In addition to increasing the production of affordable units therefore, there needs to be a "demand side" approach as well that decreases the number of families and individuals needing housing assistance. Indeed, for every family able to obtain housing in the conventional market one less subsidized unit is needed, or for a family previously occupying a subsidized unit that "graduates" to the conventional market, an assisted unit is freed up. By combining affordable housing production with linkages to support services necessary to increase the opportunity for non-wage earners or lower income workers to obtain good paying jobs, there will be more equilibrium between the supply and demand for affordable housing.

There are several key features upon which an affordable housing strategy should be built. Examples are:

A predictable source of housing subsidy

The strategy should examine the current source for local housing subsidy (the Housing Production Trust Fund) to see if it is sufficient to produce the desired level of funding to support annual production goals. Solutions used by other jurisdictions to subsidize the production of affordable housing should also be examined to see if any are suitable for District use e.g. the tax abatement program used in New York City or the Affordable Housing Benefits Fund being studied in Los Angeles.

Existing and new uses of City resources

The strategy should examine all existing uses of District resources to support the building and/or operation of subsidized housing for both efficiency and effectiveness. In addition, the strategy should examine whether new ways to use or leverage District resources can achieve even better results e.g. using deposits of District funds in designated financial institutions in exchange for their investment in affordable housing projects.

Regulatory changes

The regulatory and permitting processes can be both costly and time consuming. The strategy should examine whether changes to these processes could produce either hard dollar savings to support housing production or savings in time that would incent developers to include an affordable component in new housing developments.

Roles and functions of the District's main housing agencies

The District has three agencies devoted to the development and operation of affordable housing:

- DCHFA supplies debt and equity for affordable housing development ;
- DHCD is the city's conduit for federal and local housing funds;
- DCHA is the city's largest landlord managing over 8,000 units of public housing.

The strategy should examine the roles and functions of each of these agencies to see if each is maximizing its core capabilities and coordinating their operations with the other agencies where necessary. It should also look for ways to streamline business processes where possible so that affordable housing developers, or families and individuals seeking housing assistance, have a single point of contact as often as feasible.

Support services linkages

The affordable housing strategy must have a "demand side" component that seeks to link families and individuals with the means to access housing in the conventional housing market either as renters or owners. A metropolitan area where the median income is \$106,100 for a family of four is evidence of a job market that produces good paying jobs. By linking residents in affordable housing, or seeking affordable housing, with these good paying jobs, we can decrease the demand for subsidized housing bringing production goals more in line with fiscal realities at the local and federal levels.

The Task Force will be divided into sub-committees, with each assigned a specific topic to investigate i.e. support services linkages, roles of housing agencies etc. The full Task Force will meet a minimum of three times subject to the Open Meetings Act of 2010. Between 2 and 4 public roundtables will be held to hear from the public at-large regarding their ideas and opinions for improving the affordable housing delivery system in the District. One-on-one meetings will also be held with members of the stakeholder community. The Task Force will complete its responsibilities and submit a written report on or before December 31, 2011.

Ultimately, by employing supply and demand side approaches, the District will have an affordable housing strategy with a better chance of making decent, safe and affordable housing for every Washingtonian a reality.