



# Housing Affordability in the District of Columbia

Presented to:

**Temple Sinai & WIN**

May 2023

# Proposed Agenda

- 1 ABOUT THE PRESENTER
- 2 DEFINING PRINCIPLES
- 3 LAND USE & ZONING
- 4 POLICY TOOLS
- 5 HOUSING FINANCING
- 6 Q & A

# Today's Presenter



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# DEFINING TERMS

# Housing Principles

**Affordability** means having enough resources to meet your housing needs and other life requirements: food, medical care, transportation, education costs, clothes e.g.

**Stability** means having agency over remaining in a location and/or home over time without sacrificing quality or affordability

**Resilience** means having housing that withstands natural disasters or hazards

**Equity** means having housing choices, quality, and costs that meet the needs of all households regardless of their income, family size, and preferred locations, with access to needed design elements, amenities, and services

**Mobility** means having choices on where you live without sacrificing affordability or quality of housing

# Defining Affordability

Household Size	Maximum Annual Income					
	30% of MFI	50% of MFI	60% of MFI	80% of MFI	100% of MFI	120% of MFI
1	29,900	49,800	59,750	79,700	99,600	119,500
2	34,150	56,900	68,300	91,050	113,850	136,600
3	38,400	64,050	76,850	102,450	128,050	153,700
4	42,700	71,150	85,400	113,850	142,300	170,750
5	46,950	78,250	93,900	125,200	156,550	187,850
6	51,250	85,400	102,450	136,600	170,750	204,900
7	55,500	92,500	111,000	148,000	185,000	222,000
8	59,750	99,600	119,550	159,400	199,200	239,050

## What is MFI:

MFI = Washington Metropolitan Statistical Area Median Family Income

previously referred to as Area Median Income (AMI).

The MFI for a household of 4 is \$142,300, as published by the U.S. Department of Housing and Urban Development (HUD) on April 18, 2022.

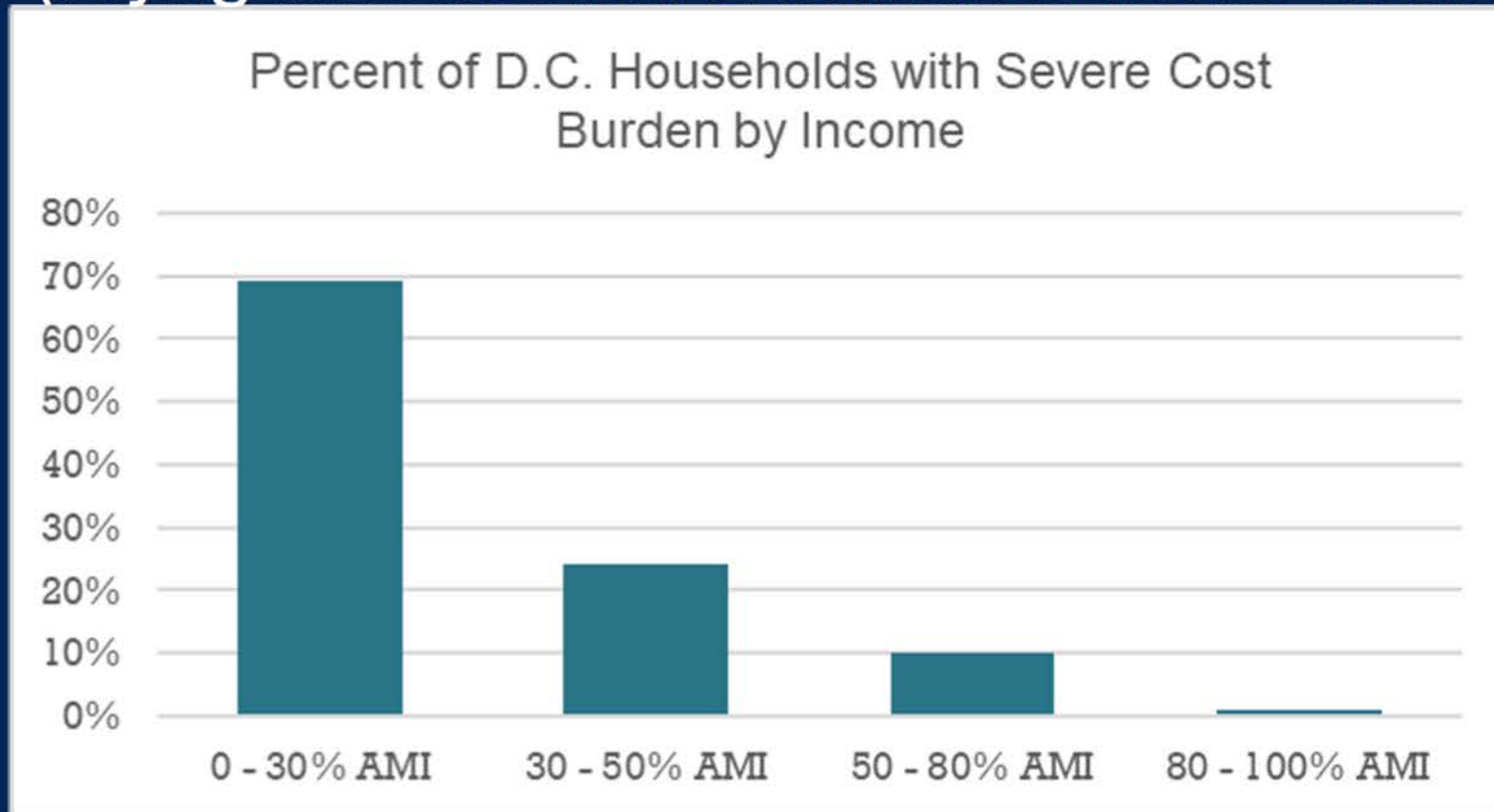
Income limits are adjusted for household size in this schedule.

Ideally, housing costs should not equal more than 30-35% of a HH income per month/year

Source: DC DHCD Inclusionary Zoning & ADU 2022-2023 price schedule

# Defining affordability

D.C. households with severe housing cost burden  
(Paying more than half of household income for housing)

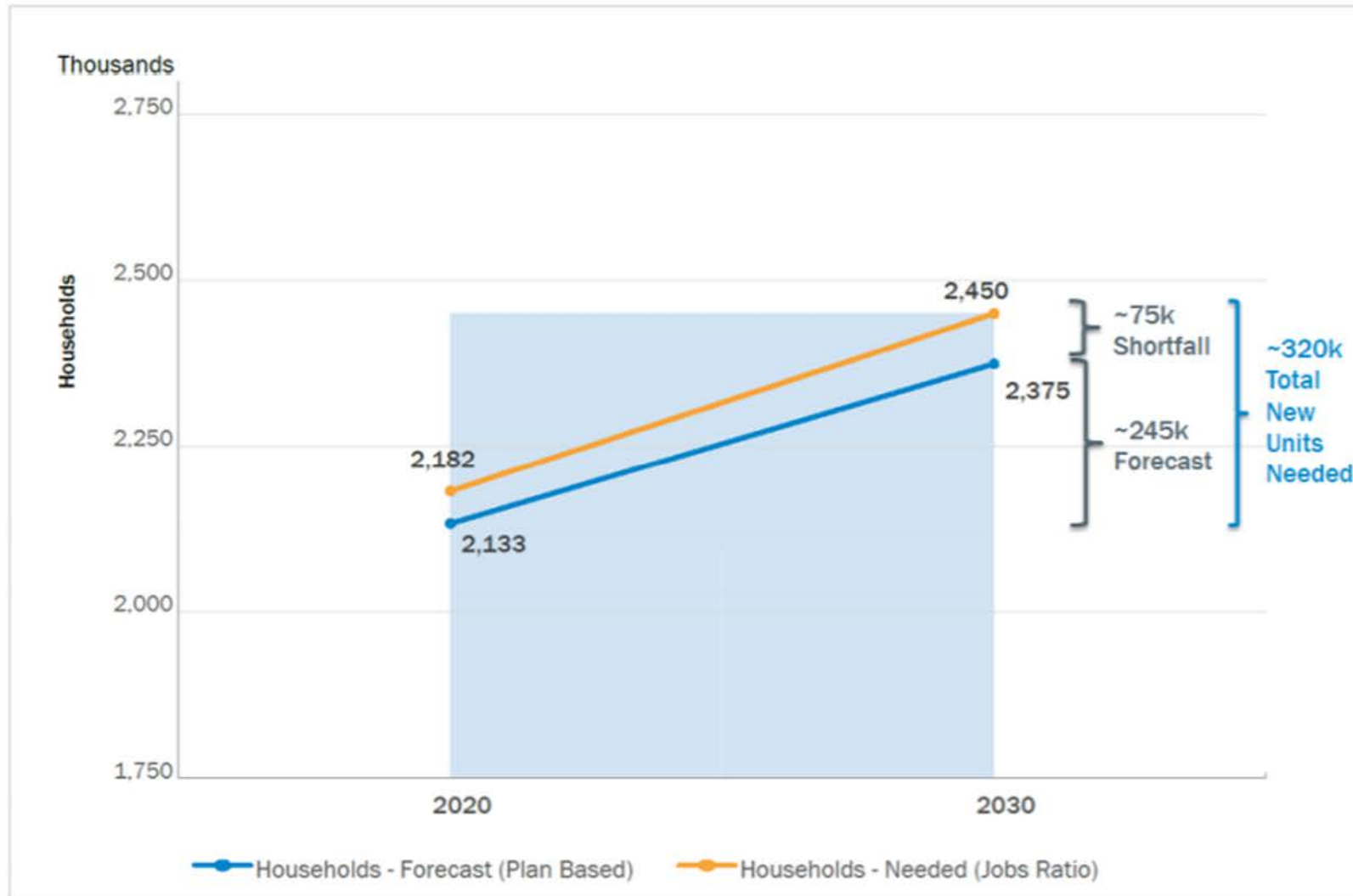


Source: National Low Income Housing Coalition, "The Gap", March 2018



# DC Area falling short of housing supply need

COG Regional Housing Need 2020-2030 (Planned vs. Needed)



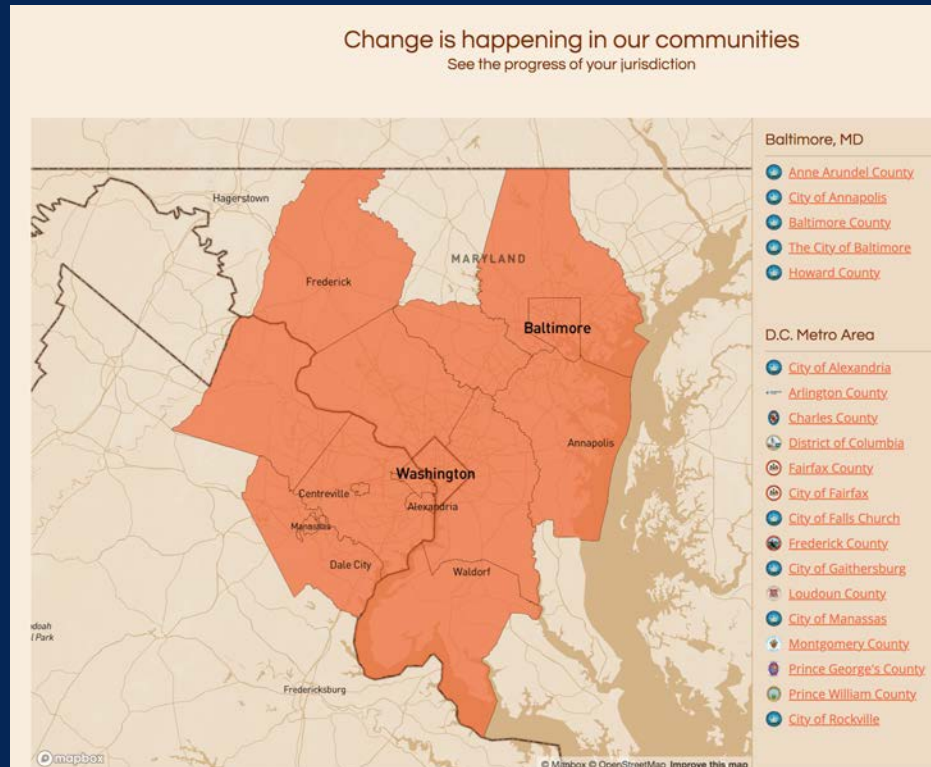
Source: COG Cooperative Forecasts



# HAND Housing Indicator Tool

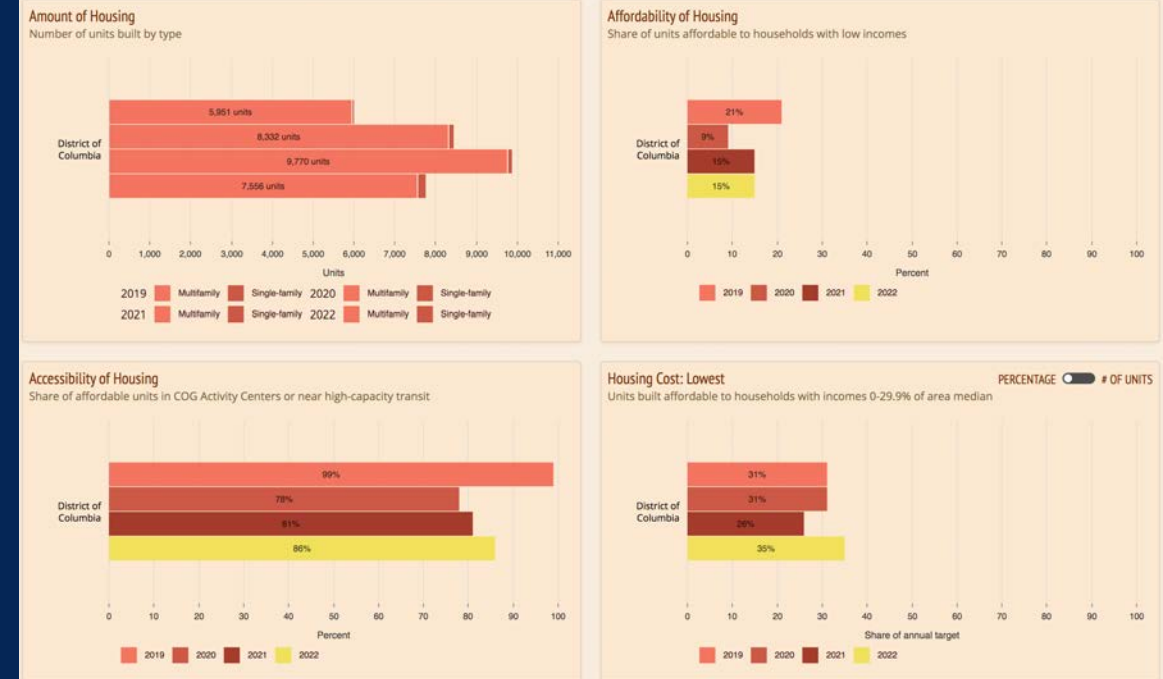
# Obstacles to Opportunity:

HOUSING, JUSTICE, AND A PATH TO EQUITY



## Housing Outcomes

Local jurisdictions submitted data to enable the region to track housing production, preservation, and rental affordability.



[hit.handhousing.org](http://hit.handhousing.org)

# LAND USE & ZONING

# Land use & zoning

Public land disposition with  
affordable housing

Inclusionary Zoning

Land use planning

Council role: public land, plan  
approval, oversight, NOT zoning



Shown: The WREN, DC public land disposition by U Street Metro with 30% deeply affordable homes



# Public Land Disposition law (2013)

**Application:** when private residential development occurs on District land

**Affordable Housing Set-Asides:** 30% near transit, 20% elsewhere

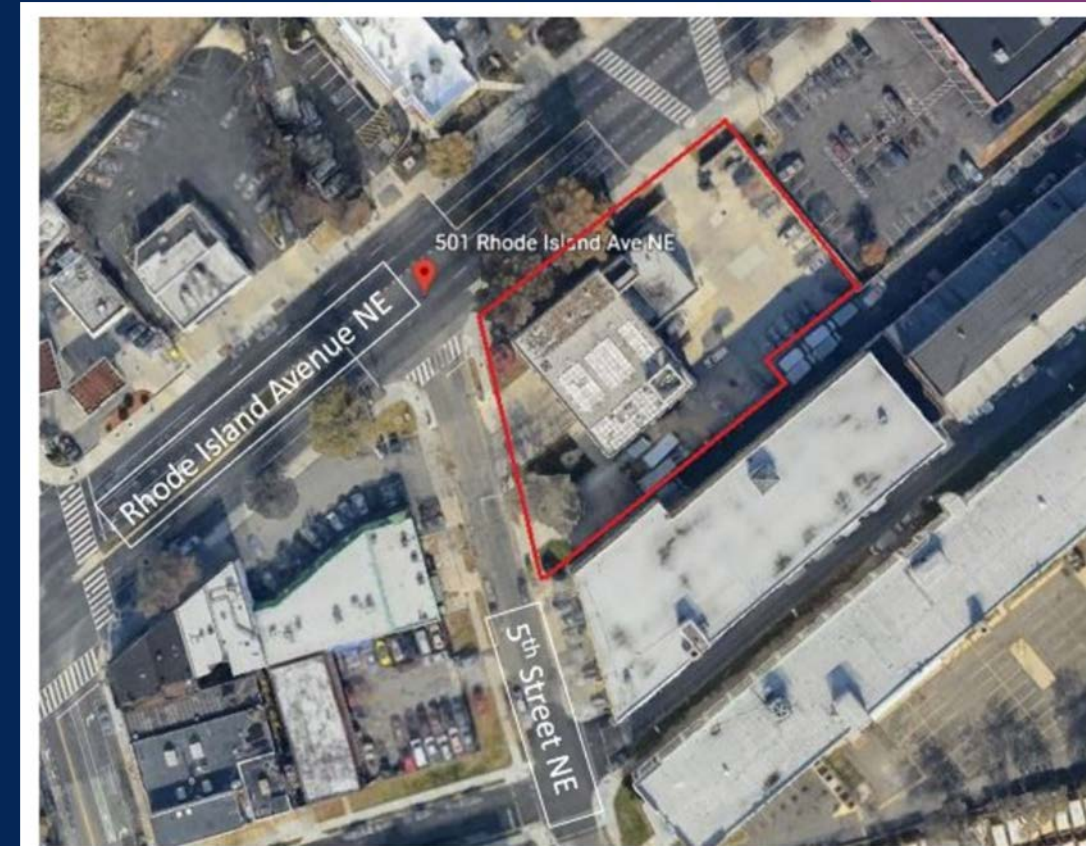
**Affordability levels** of set-aside:

Rental: 25% of affordable @ 30% MFI & 75% @ 50% MFI

Ownership: half @ 50% MFI & half @ 80% MFI

**Subsidy:** from land value; subsidy can be added if land value insufficient

**Term:** in perpetuity



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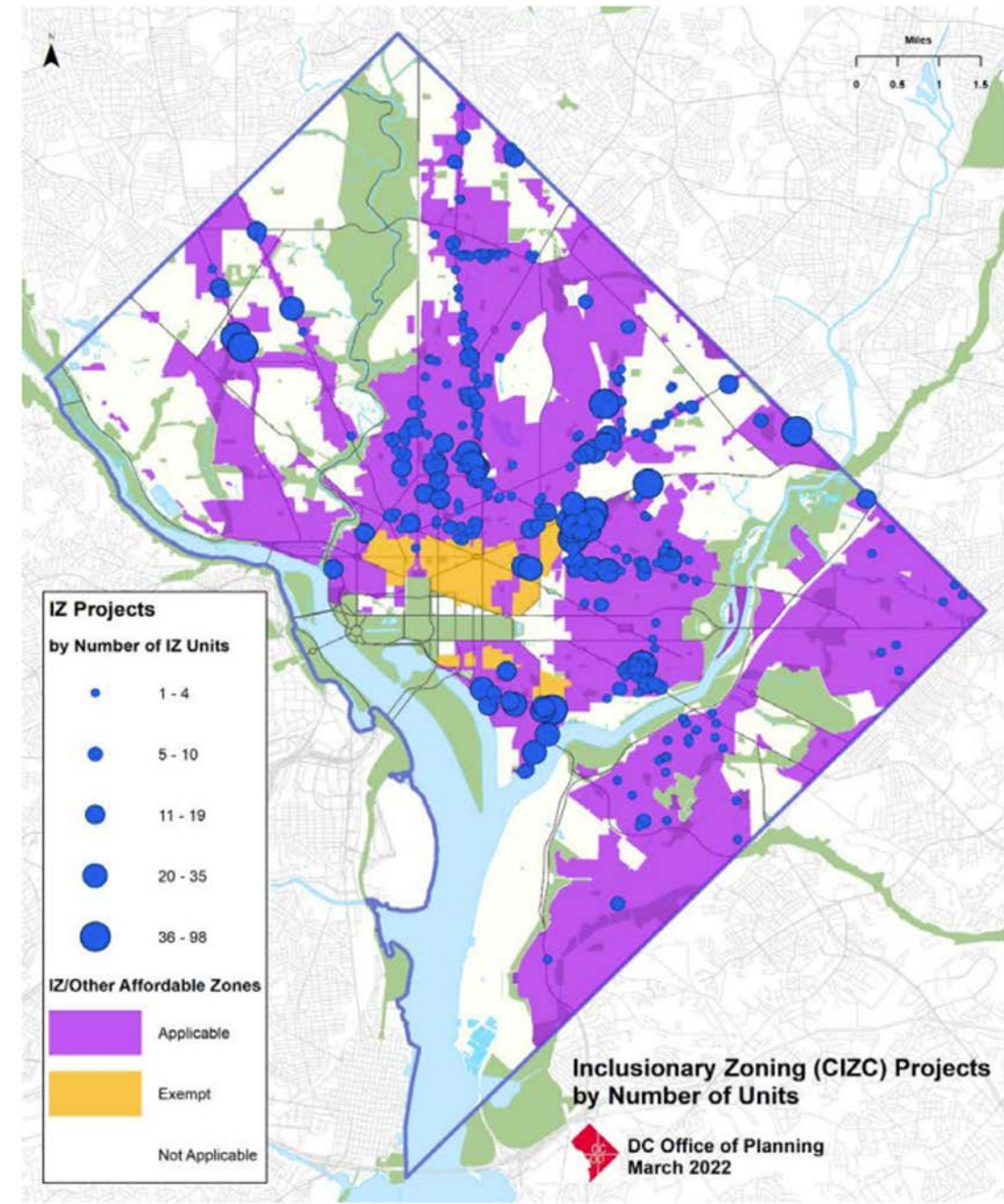


# Inclusionary Zoning

- Mandatory: covers most development
- Set aside: 8% or 10%
- Income targeting: rental: 60% MFi, owner: 80% MFi
- Cost offset: 20% density bonus
- Term: Life of development
- Limits off-site alternatives & fee in lieu
- Threshold: 10 units or more projects
- IZ+: 10-20% set aside on rezonings

## Benefits:

- Economic integration
- No subsidy
- Affordable units in high cost areas
- 1,583 IZ units 2011-2021, 372 in 2021



# Preservation/Long-term affordability

- In perpetuity & life of the development = most DC land or subsidy
- Limited equity cooperatives
- Community land trusts (Douglass Community Land Trust)

## Long-term housing affordability for the District of Columbia

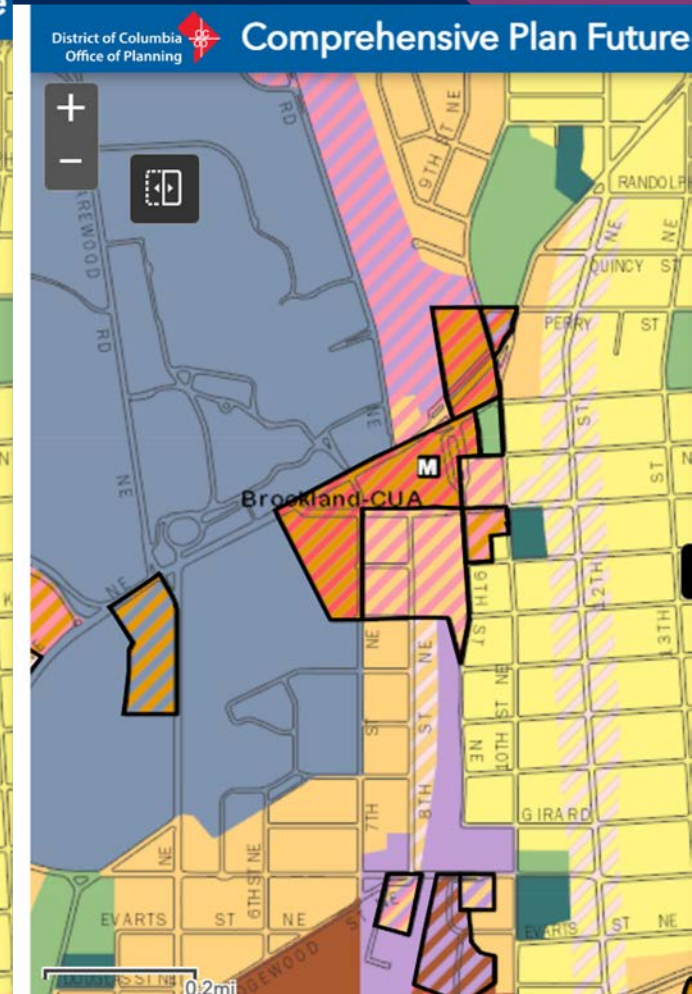
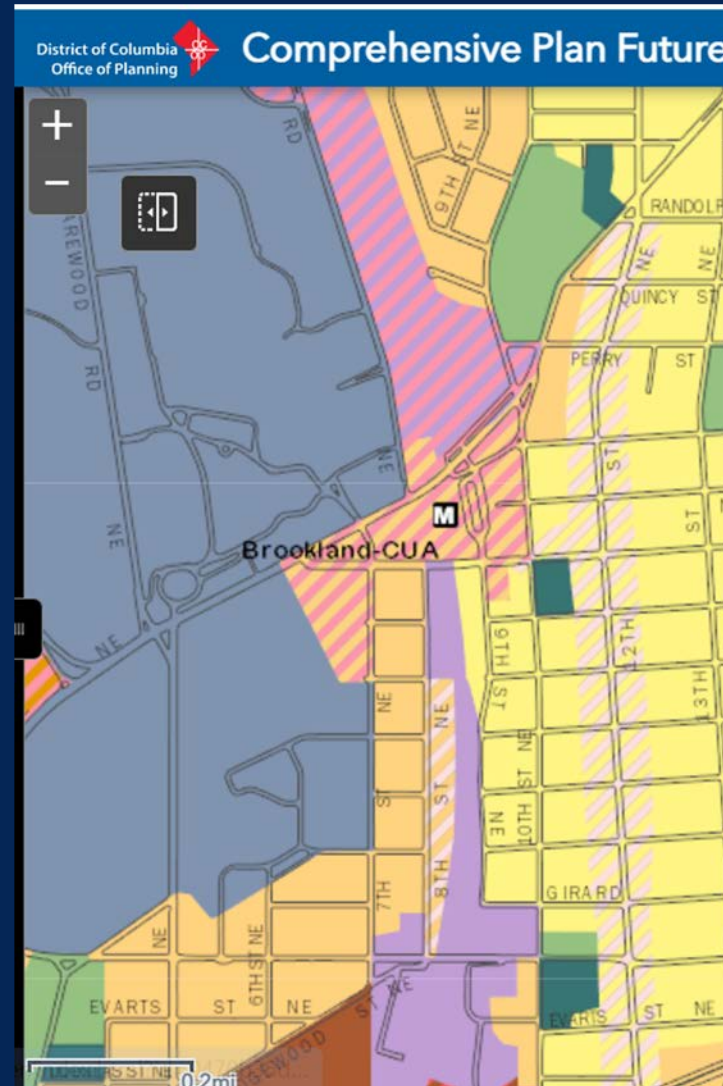
A Coalition for Smarter Growth  
policy report

# Comprehensive Plan - Council action

## DC Comp Plan update **2021**

- Prioritize affordable housing
- Prevent displacement
- Create more predictable process: PUDs (901 Monroe, McMillan)
- Increased housing capacity
- housing equity
- racial equity lens for zoning & planning

## DC Comp Plan **2025** update



# Housing Equity Report - Comp Plan update 2021

Figure 2. 2025 Dedicated Affordable Housing Production Goals

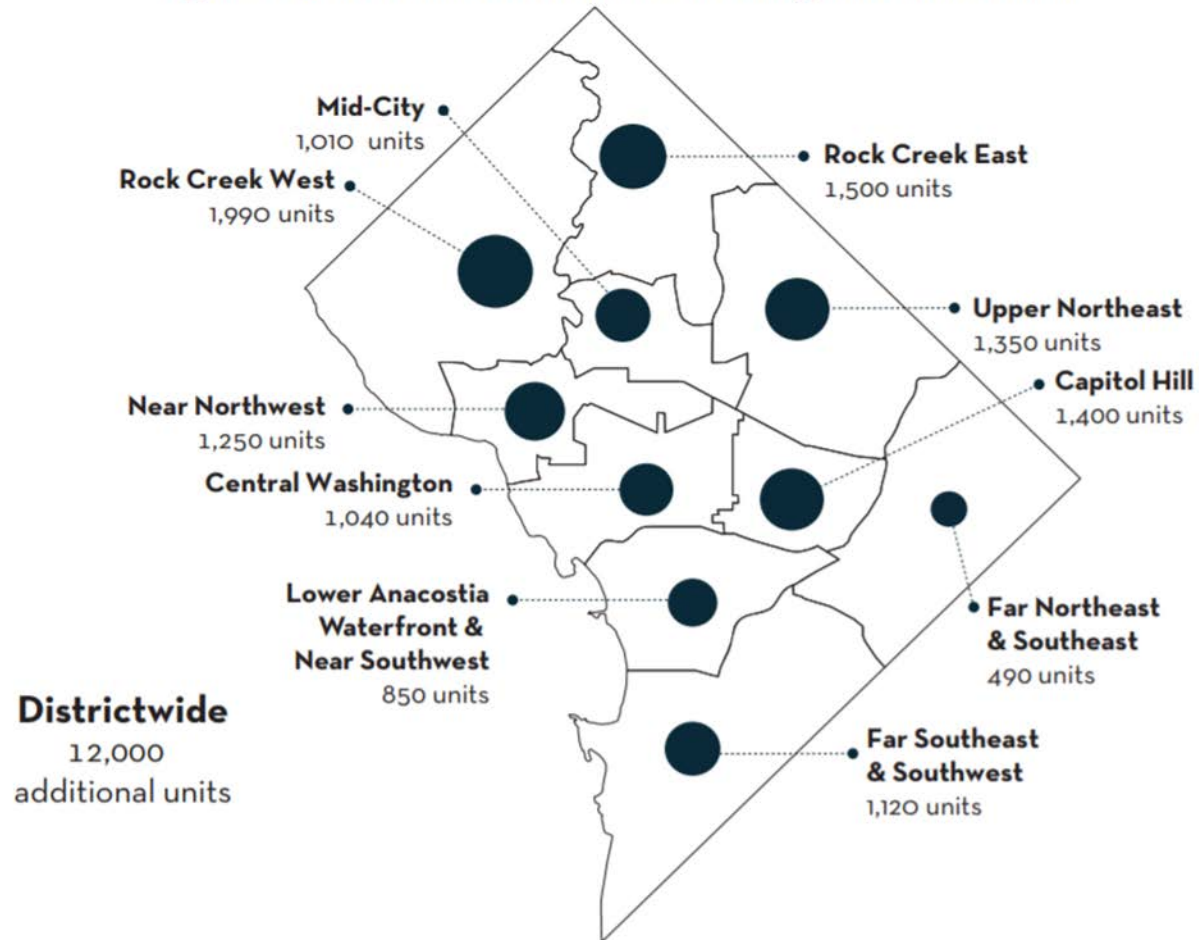


Figure 6. Current Affordable Housing Pipeline & 2025 Production Goals by Planning Area

Planning Area	Affordable Housing Production Goals	Affordable Housing Pipeline	Shortage of Affordable Housing	2025 Total Housing Production Goals*
Rock Creek West	1,990	80	1,910	1,260
Capitol Hill	1,400	280	1,120	3,270
Near Northwest	1,250	270	980	1,850
Mid-City	1,010	620	390	4,210
Rock Creek East	1,500	1,160	340	1,580
Central Washington	1,040	750	290	3,940
Upper Northeast	1,350	1,160	190	6,900
Lower Anacostia Waterfront & Near Southwest	850	910	on track	7,960
Far Southeast & Southwest	1,120	1,450	on track	2,040
Far Northeast & Southeast	490	1,290	on track	2,990
<b>Total</b>	<b>12,000</b>	<b>7,970</b>	<b>5,220</b>	<b>36,000</b>

Source: DHCD, DC Housing Equity Report



# Land use planning for more housing, more affordable housing

- Eliminate/lower vehicle parking requirements (2016 zoning)
- Accessory dwelling units (ADUs) (2016 zoning)
- Equitable distribution of affordable housing
- Reconsider low zoning in major corridors and transit centers
- Reform single family zones: duplexes, triplexes (missing middle)



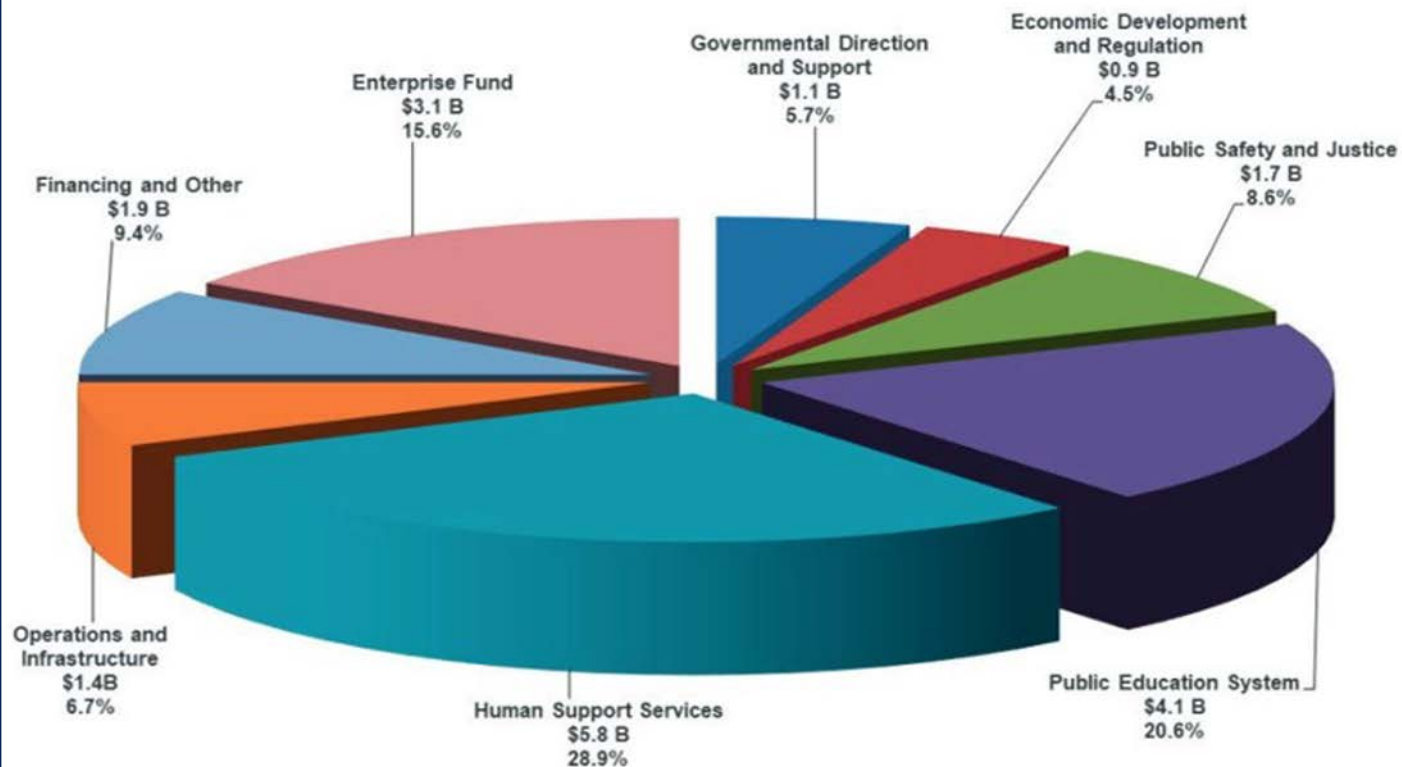
New home construction by the Brookland/CUA Metro station.



# POLICY TOOLS

# Affordable Housing Budgeting

**Where the Money Goes -  
Gross Funds Expenditure Budget, by Appropriation Title for FY 2023  
(\$20.0 Billion, Excluding Intra-District Funds)**



Housing budget shows up in:

- Economic Development and Regulation (LRSP, AHPF)
- Human Support Services (PSH, RRH)
- Enterprise Fund (HPTF)

# Affordable Housing Tools

<b>Production</b>	→	Housing Production Trust Fund (HPTF)
<b>Preservation</b>	→	AH Preservation Fund
<b>Rental supplement</b>	→	LRSP, ERAP, HCVP
<b>Providing housing</b>	→	Public Housing
<b>Homeownership</b>	→	HPAP, EAHP, DC Open Doors
<b>Legal Requirements</b>	→	Land dispo, IZ, TOPA, DOPA, Rent Control

# Affordable Housing Tools

## **Housing Production Trust Fund (HPTF) and other financing tools**

- Administered through DHCD, loans for acquisition, development, or rehabilitation

## **Affordable Housing Preservation Fund**

- Administered by CDFIs, low cost acquisition and pre-development financing

## **Rent Subsidies**

- Local Rent Supplement (Tenant Based and Project/Sponsor based)
- Housing Choice Voucher Program (Federal)

## **Homeownership**

- HPAP, EAHP – down payment assistance

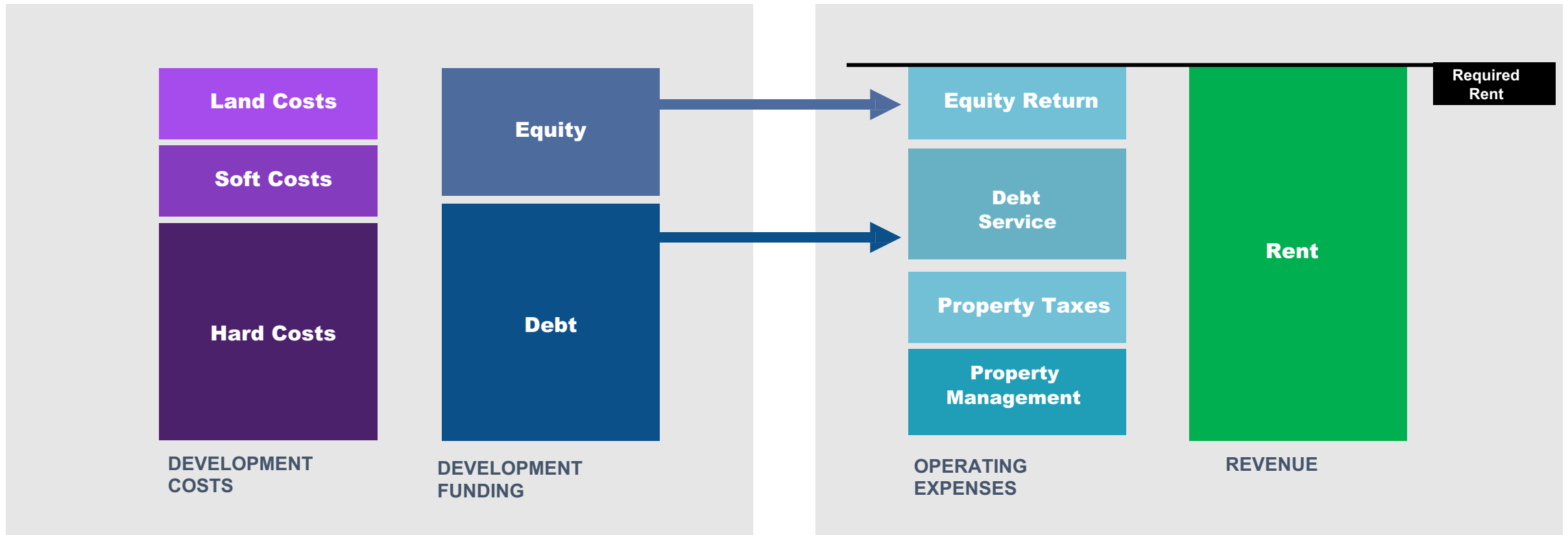
## **Homelessness prevention**

- ERAP, Permanent Supportive Housing, Rapid Rehousing

# AFFORDABLE HOUSING FINANCING

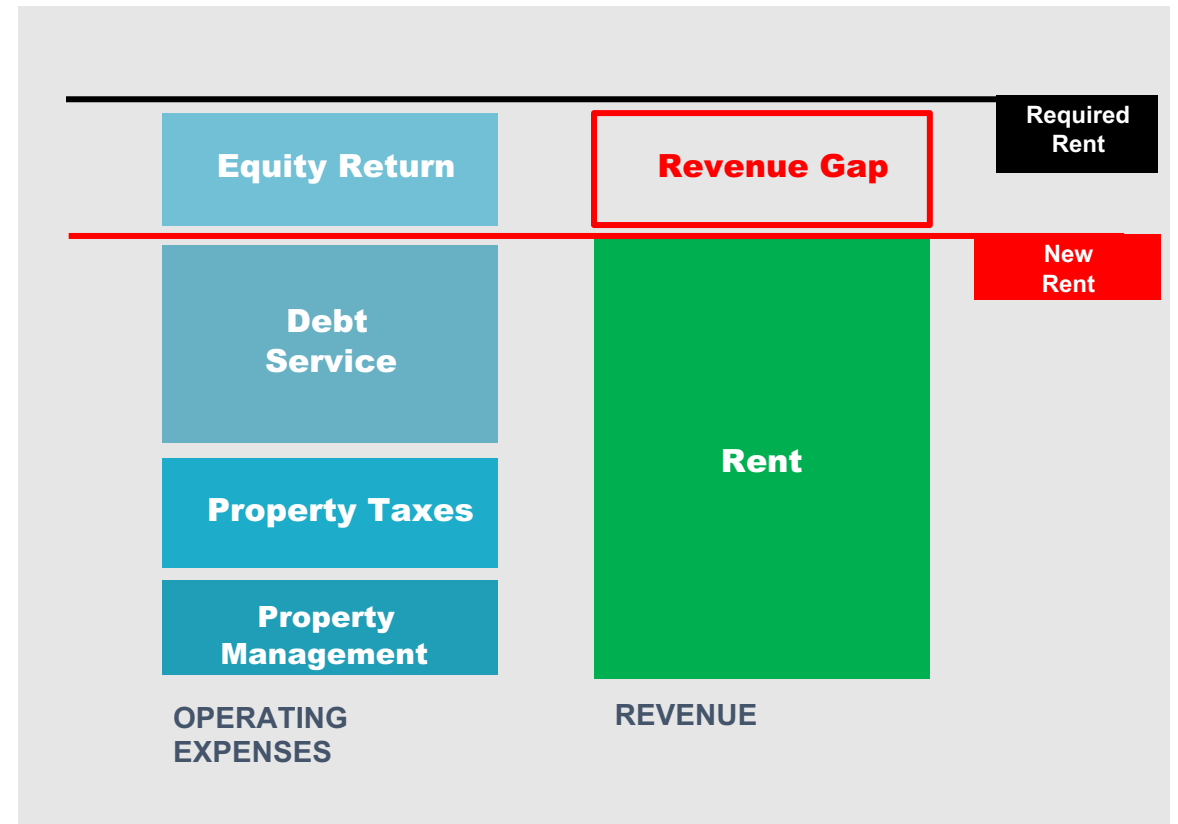
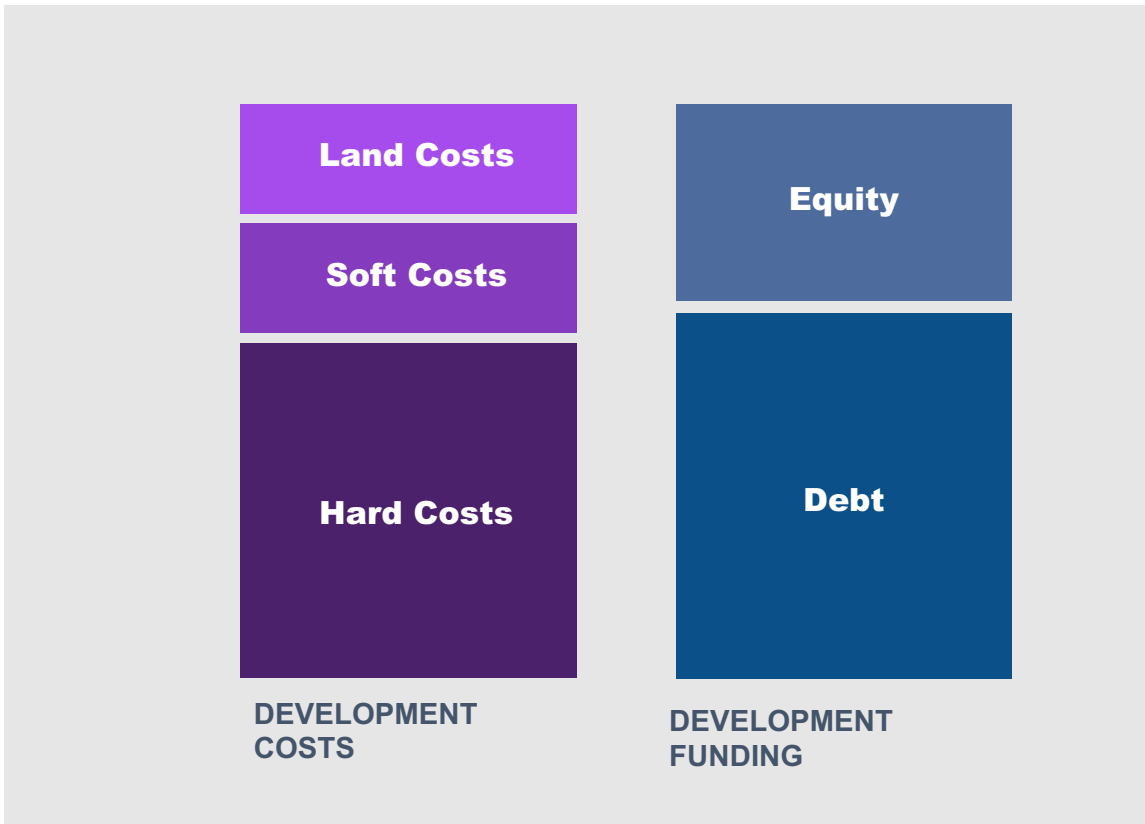
# Housing Development Framework

**Successful development of housing depends on balancing costs with funding, and expenses with revenues.**



# Housing Development Framework

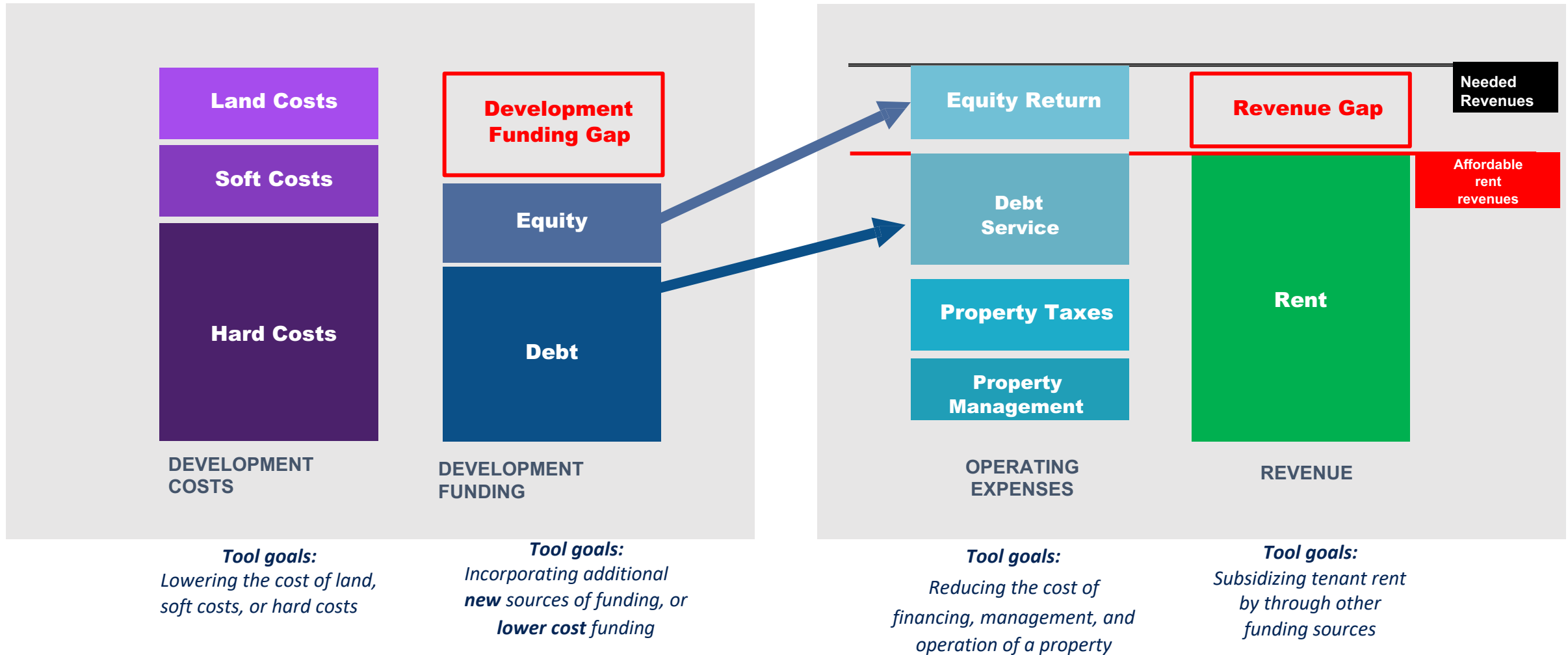
**Affordable housing reduces rents and creates a revenue gap compared to operating expenses. With **reduced revenue**, banks and investors will invest less, creating a **development funding gap**.**



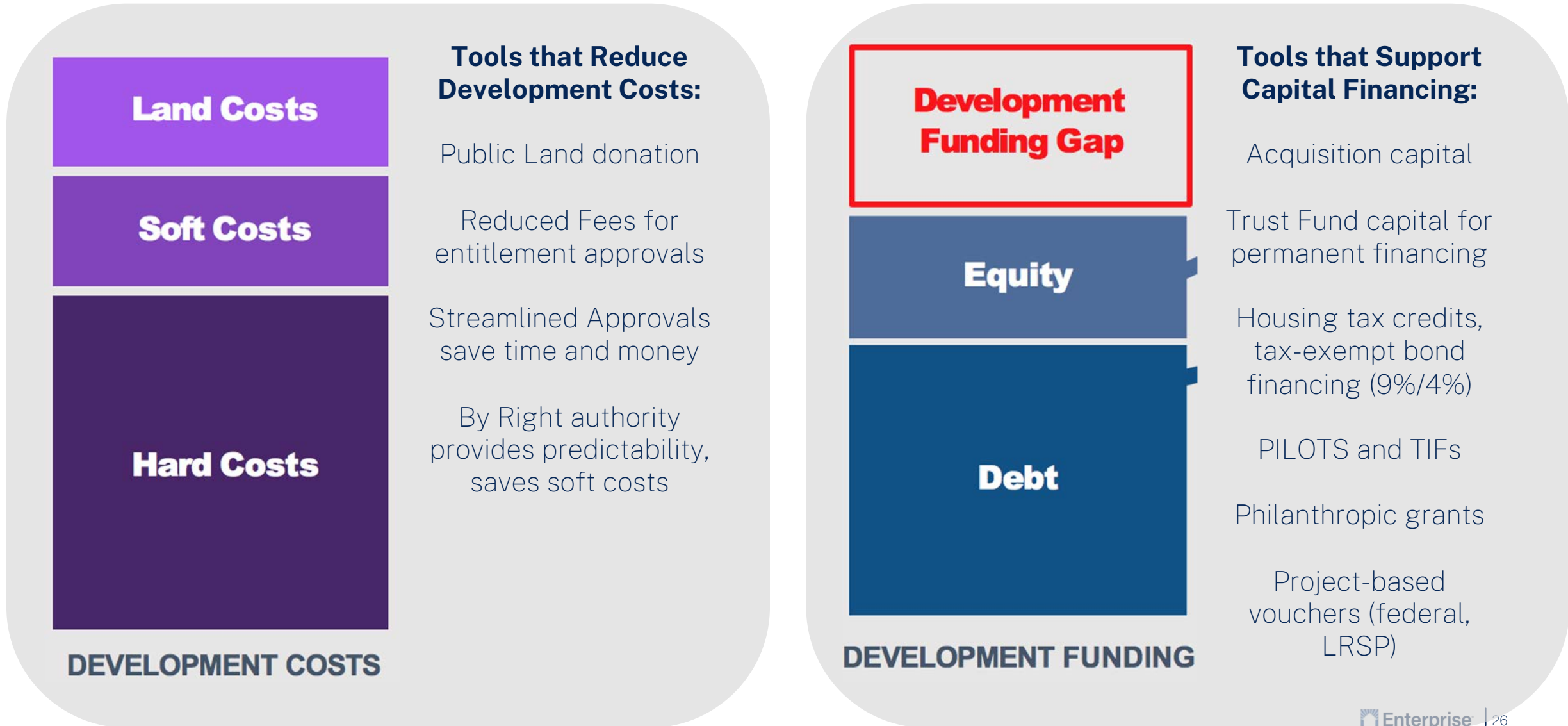


# Affordable Housing Development Framework

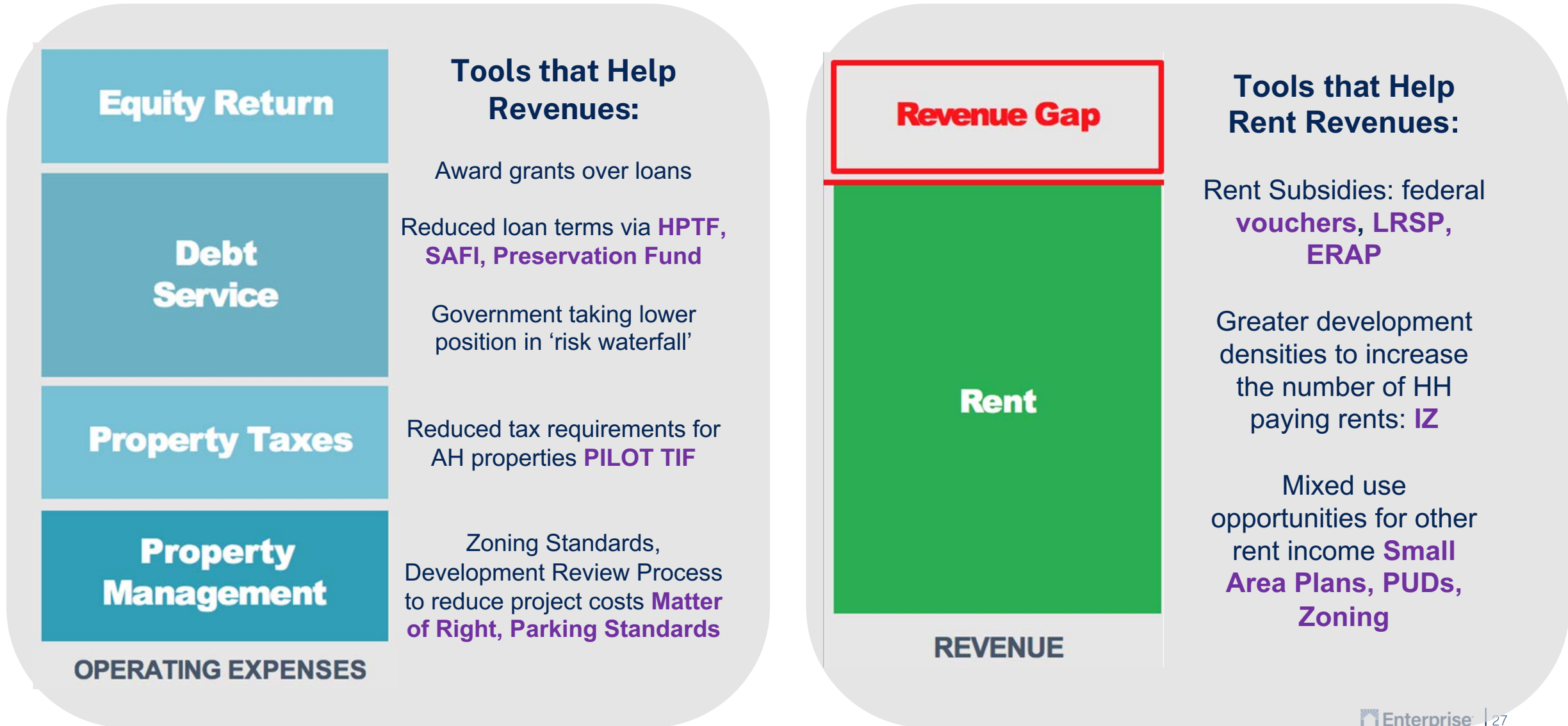
**Unless this gap can be closed, the project will be infeasible and will not get built. This is where policy and budgetary/financing tools come in.**



# Affordable Housing Tools Help on both sides of the Cost Equation



# Affordable Housing Tools Help on Revenue Side too



The background features a complex, abstract pattern of overlapping geometric shapes. The colors used are a vibrant blue, a medium green, and a light beige or tan. The shapes are irregular and some have white outlines, creating a mosaic-like effect. A thick, dark blue border frames the entire content area.

**Q&A**

**Thank you.**