

Testimony of Alice M. Rivlin
Senior Fellow and Director
Brookings Greater Washington Research Program
And Co-Chair
DC Comprehensive Housing Strategy Task Force
Before the DC City Council's
Committee on Economic Development

On the Recommendations and Final Report of the
DC Comprehensive Housing Strategy Task Force

Tuesday, June 13, 2006

Madame Chair and Members of the Committee: I greatly appreciate the opportunity to present to the Committee and the Council the Report and Recommendations of the DC Comprehensive Housing Strategy Task Force. I served as co-chair of the Task Force along with my colleague, Adrian Washington, the President of the Anacostia Development Corporation, who joins me here this morning. The purpose of our testimony is to present our final report to the Council, describe the process the Task Force followed in arriving at findings and recommendations, discuss the steps that need to be taken to implement the Task Force's recommendations, and answer any questions Council members may have.

The Comprehensive Housing Strategy Task Force was created by the City Council in November 2003 as a result of legislation developed by the then-chairman of this committee, Harold Brazil, with co-sponsorship by Council member Adrian Fenty. Mayor Williams appointed, and Council confirmed, the Task Force members in early 2004.

You and the Mayor gave us a balanced group of housing professionals and developers from the non-profit and private sectors along with four city agency directors, several housing advocates, various think tank, academic and foundation experts, and a citizen representative. It was a hard working group of serious and thoughtful people and as a result we accomplished a good deal.

The Task Force held its first meeting in June 2004. Over the next year and a half, we held fifteen task force meetings, all open to the public, as well as five community meetings in different parts of the city specifically designed to elicit public comment. Adrian and I created four Task Force committees, each of which held numerous meetings over the course of the year and a half. Sitting

behind us this morning are several of the chairs of these committees who are here to assist Adrian and me in answering questions you may have about the details of our recommendations. Let me introduce them:

- Marilyn Melkonian, President of Telesis Corporation and chair of our Housing Production Committee;
- Lessie Powell Evans, Managing Director for DC Initiatives at the Fannie Mae Foundation and co-chair of our Neighborhood Committee; and
- Nan Roman, President of the National Alliance to End Homelessness and co-chair of our Special Needs Committee.

Also present today is Bob Pohlman, Executive Director of the Coalition for Nonprofit Housing and Community Development and a member of the Task Force. Bob worked tirelessly to sort the budget aspects of our report and led the work on several key recommendations.

The Task Force received staff support from the office of the Deputy Mayor for Planning and Economic Development and the Office of Planning. In this regard we want to especially acknowledge the help we received from Lisa Hodges, Geraldine Gardner and Art Rodgers. We also were supported for most of the first year by Economic Research Associates and CSG Urban, consulting firms selected by the city to assist the Task Force.

On January 31 of this year, the Task Force gave to the Mayor and Council and released to the public a list of recommendations along with a detailed budget describing how to pay for our proposals. On April 5th, we posted our full report on the Task Force web page. We have copies of that report here today for the Council.

The Washington metropolitan area, including much of the District of Columbia, has been experiencing strong increases in jobs, incomes and sales, along with rising demand for housing. The region-wide boom has brought many benefits, but has also created significant challenges. Rapid increases in housing prices and rents have led to a dramatic loss of affordable housing options for the city's low and moderate income residents. Moreover, the benefits of the increasing prosperity in the District have been far more evident on the West side of the city than on the East. Without strong action to implement the city's "Vision for an Inclusive City", the District risks becoming even more divided along income and racial lines than it is at present.

This Mayor and Council have worked together to develop strategies to address the housing problem, particularly through the creation and funding of the Housing Production Trust Fund. By the Administration's estimate, some 17,000 units of affordable housing has been produced or saved over the past eight years. At the same time, however, the city is losing affordable housing units faster than it can build and preserve them. The scale of the problem clearly calls

for a more substantial response. You asked our Task Force to lay out a long term strategic plan to guide further public action.

Our recommendations can be summarized as follows:

- We call on the city to double its current annual expenditures on housing in order to implement its “Vision for Growing an Inclusive City”;
- The city must give priority to preserving at least 30,000 existing affordable units, including all of its federally assisted housing;
- The city should produce an additional 55,000 units of housing by the year 2020. Approximately one-third of this target or about 19,000 units should be affordable on a long-term basis;
- The city should increase its homeownership rate from 41% to 44% and provide more assistance to tenants seeking to purchase their units;
- Importantly, the city should directly assist an additional 14,000 extremely low-income renter households by adopting a local rent supplement program;
- The city should integrate housing for persons with special needs into all types of housing in neighborhoods throughout the city and, in doing so, permanent solutions should be favored over short-term fixes. The Mayor’s plan to end homelessness should be fully implemented. Long term, the city’s overall goal should be that about eight percent of all units in the District be accessible to people with physical disabilities. To help persons with special needs find housing, the city should create a registry of affordable, accessible housing and an aggressive program of outreach to match units with those in need;
- The city should target existing neighborhoods with good prospects for sustained improvement and work hard to coordinate public investments in these areas;
- The city should continue with its efforts to transform distressed public and assisted housing projects into viable mixed-income neighborhoods – its “New Communities” program;
- The city must aggressively pursue the many opportunities it has to develop entirely new neighborhoods on available large parcels with housing affordable to all income levels. Happily, my co-chair, Adrian Washington, now oversees some of the most important of these “New Neighborhood” projects in his new role as head of the Anacostia Waterfront Corporation. In a moment, Adrian will address this most important of challenges in a bit more detail;
- In order to accomplish this large agenda, the Task Force strongly urges our current Mayor, as well as the new Mayor to be elected this November, to designate a member of the cabinet as the “Chief of Housing”. This person should be given authority and held responsible to improve, streamline, and coordinate the actions of the various city agencies that directly deliver housing or whose programs support housing activity; and
- The Mayor and Council also need to accelerate the many reforms needed in the city’s housing regulatory processes, especially those under the domain of the Department of Consumer and Regulatory Affairs, and to

provide the new leadership team at DCRA the resources to get the job done.

The Task Force was charged with formulating a comprehensive housing strategy, so we naturally focused on housing. However, we emphasized strongly in our Report that housing programs alone cannot create a livable, inclusive city. Equally critical to attracting and retaining residents are much needed improvements in schools, public safety, health care, recreation facilities, transportation, and air and water quality. And from this list, a dramatic improvement in the quality of elementary and secondary education is far and away the most important work the city has to do.

The Task Force recommendations include a detailed set of proposals on how to finance what we call for. By drawing on existing levels of funding in the current city budget from both local and federal sources, we believe the city can achieve half of what we recommend. To reach the second half of the plan, the city needs to double its overall funding from all sources. We propose several revenue sources for the Council's consideration.

On behalf of my Task Force colleagues, I want to congratulate the Mayor and Council for the considerable progress that has been made in moving a number of our recommendations forward through the decisions made in the recently approved 2007 city budget. It is indeed gratifying to see such quick action on some of our key proposals.

But there is much more that needs to be done. And as I conclude my remarks, I want to stress the importance we attach to the setting up of specific, accountable processes to track the implementation of our recommendations. Beyond the needed appointment of a Chief of Housing, we call in our report for a series of steps that the Mayor and Council should take to keep these critical proposals front and center on the agendas for the executive and legislative branches as well as the media and the general public. We must all keep up the pressure if we are to achieve our objectives.

Let me turn now to Adrian Washington for his comments on our report and his thoughts on the prospects for the New Neighborhood developments that are so vital to our achieving our overall housing goals in the District.