



THE WORKFORCE HOUSING FUND: Keeping the Middle Class in Washington, DC

#FAIRSHOT



TABLE OF CONTENTS

Letter from the Mayor	3
Introduction	4
How the Workforce Housing Fund Works	5
Who Will Benefit	5
Additional Context	6
1. Background	6
2. Current Landscape of Housing Programs in Washington, DC	7
3. Challenges for Middle-Income Households	8
Housing Toolbox	11

“*I’ve said that we won’t solve our housing challenges by only using the tools we already have—we must think bigger and bolder. So, we’ve created a new tool: a \$20 million Workforce Housing Fund that will create and preserve housing for teachers, police officers, firefighters, janitors, social workers—those who have a good-paying job but also need a good, affordable home in our city.*”

~Mayor Muriel Bowser

Dear Washingtonians,

Coming into office in 2015, I set a clear goal: to create new pathways to the middle class for District residents.

To do this, we got to work revamping our workforce training programs, fighting for a higher minimum wage, investing in programs and grants to support underrepresented entrepreneurs, and, of course, making big investments in housing. Over the past five years, we have made tremendous progress in reducing unemployment, driving down homelessness, and creating new opportunities for residents in every ward of our city. Through all of our work, we have been anchored by a simple belief - that safe and stable housing is the first step toward a safe and stable life.

In our first budget, we doubled the District's annual investment in our Housing Production Trust Fund (HPTF) - the tool our city uses to preserve and build affordable housing units - to \$100 million. By doing so, we now invest more per capita in our HPTF than any other jurisdiction in the nation. Over four years, we used these funds to help us build and preserve more than 7,200 units of affordable housing.

But there is more work to do. At the start of my second term, I set a bold goal for our city: to build 36,000 new units of housing by 2025. Only by doing so will we be able to keep up with the growth of our city and the increased demand for housing that comes with it.

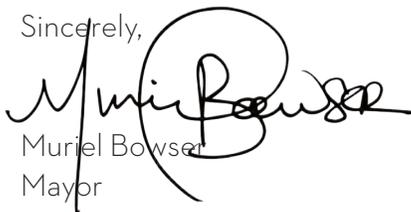
We also know, though, that as we add more housing, we must continue to be intentional about ensuring that residents across the income spectrum can access and afford new and existing housing. In doing so, we can push back against displacement and keep Washington, DC a city that works for people of all backgrounds. We must invest more in the tools that are already working and create new tools for the challenges that arise. And that is exactly what my Administration is doing.

This year, we are increasing our investment in the HPTF by 30 percent to \$130 million; increasing our investment in the Housing Preservation Fund by 50 percent to \$15 million; and creating a new tool - the Workforce Housing Fund. The Workforce Housing Fund will help give more people who work in and serve DC the opportunity to live in DC.

This paper provides an overview of the challenges the Workforce Housing Fund will help us tackle. But the premise is simple: teachers deserve to live where they teach; firefighters deserve to live where they save lives; social workers deserve to live where they care for our most vulnerable; construction workers deserve to reside in the neighborhoods they build.

Our community has worked hard to build new pathways to the middle class for DC families - those who have been here for generations as well as those who are moving here for new opportunities. The Workforce Housing Fund reflects the reality that as we work to expand our middle class, we must also work to protect it. Together, we will do just that.

Sincerely,



Muriel Bowser
Mayor



Introduction

- The Workforce Housing Fund would target middle-income households that earn between 60 percent and 120 percent of the Area Median Income (AMI), which is approximately \$50,000 to \$99,000 for a single-person household and \$70,000 to \$141,000 for a family of four.¹
- Many of the residents within the middle-income range include teachers, first responders, and others who make our city function. For instance, a household at 80 percent of the AMI could include an administrative assistant and a bus driver with two children, a pre-school teacher and food service manager with one child, or a single registered nurse.
- The Workforce Housing Fund would expand housing options so that the Mayor’s pathways to the middle class doesn’t mean a pathway to the suburbs. Between 2006 and 2016, a net 13,500 middle-income households left Washington, DC.² Many families leave the city in search of more affordable housing options and more space.³
- Washington, DC is increasingly becoming a city of the very wealthy and the under-resourced, with a shrinking middle class and changing neighborhoods. Over 90 percent of the household growth between 2006 and 2016 was either below 30 percent or more than 120 percent of the AMI.⁴ Without government action, this polarization of incomes will increase, and the District’s income distribution graph will look like a barbell, heavily weighted on each end.
- A strong and diverse middle class promotes the development of a well-educated population, ushers in entrepreneurship and innovation, and supports more inclusive economic and political institutions which underpin growth and stability. Societies with a strong middle class have lower crime rates and enjoy higher levels of trust and quality of life.^{5,6,7}
- In the District, 47.9 percent of renter households are estimated to be “cost-burdened,” meaning residents spend 30 percent or more of household income on rent and utilities.⁸ The U.S. Department of Housing and Urban Development (HUD) defines “affordable” as spending no more than 30 percent of income on housing.
- The city provides a robust suite of tools and programs to address homelessness and affordable housing for low-income households. We must continue to increase the investments in those programs. Many of the existing programs impact families that earn 50 percent of the AMI or below.
- Targeted efforts to provide options specifically for middle-income households remain limited. The Workforce Housing Fund complements other investments for low-income residents and does not take away from them. The fund will not push people out but rather allows a broader range of residents—importantly teachers, police, and government workers, etc.—to remain in the District.
- Residents will be able to view available housing properties via DCHousingSearch.org and other popular search tools such as Craigslist and Redfin.

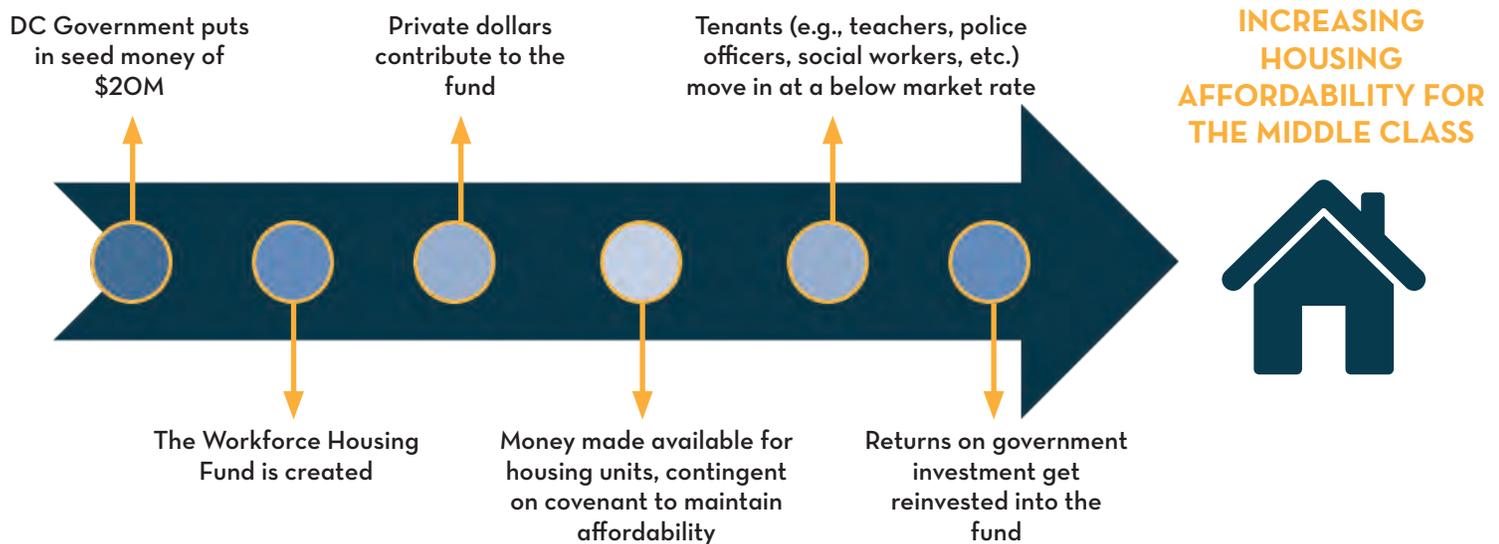
Figure 1 -
Examples of
Workforce
Households



How the Workforce Housing Fund Works

The proposed Workforce Housing Fund (WHF) allocates \$20 million to expand housing options for middle-income households, including the workers who are essential for a healthy and vibrant community.

Figure 2 - Overview of the Workforce Housing Fund



Who will Benefit



“I make almost \$80,000 but we don’t have internet or cable in my house, because I’m putting money toward tuition and retirement funds. Instead, my son and I have to go to the local library three or four times a week.”

-Angela Hardimen, Social Worker with Department of Human Services

“I struggle to save for a down payment. I nearly turned down a promotion and pay increase at work because I knew it’d disqualify me for the D.C. Open Doors homeowner assistance program. With more affordable rent, I’d be able to save up enough to buy a home.”

- Deven Comen, Chief of Staff for Education Non-profit Organization



“As a teacher, I spend long days at school and often don’t get home until 9pm because my commute takes more than an hour. My relationship with students is really important. I’m like an uncle or a parent to many students. I want more access to my school and students.”

- Gary Hamilton, Teacher at Wheatley Elementary

Additional Context

1. Background

Recent population growth brings opportunities as well as challenges to achieving inclusive prosperity. Many middle-income households have left the city due to rising housing costs and space limitations.

The population of Washington, DC has steadily grown since the mid-2000s. In 2018 the city's residents surpassed 700,000 for the first time since 1975.⁹ According to the Metropolitan Washington Council of Governments Cooperative Forecast, Washington, DC is on track to reach 800,000 residents by 2030.¹⁰ As the population grows, new residents become customers for local businesses, contribute to increases in tax revenue, and support the public services and amenities that we all enjoy, such as roads, public transit, libraries, schools, the arts, and parks.

However, recent growth has not been shared equally across different socioeconomic groups. According to data provided by the DC Office of Planning, between 2006 to 2016 the number of households earning between 30 and 80 percent of the AMI decreased by 13,500, despite gaining households at the lowest and highest ends of the income spectrum.¹¹ Washington, DC is increasingly becoming a city of the very wealthy and the the under-resourced. Over 90 percent of the household growth between 2006 and 2016 was either below 30 percent or more than 120 percent of the AMI. Across all income groups, the top reasons people reported for moving out of Washington, DC include a desire for larger or less expensive housing and transitioning from renting to homeownership.¹² While the city's initiatives to create pathways to the middle class have boosted families to higher income levels, we must also support families once they reach the middle class. Without government action, this polarization of incomes will increase.

Table 1 - Net Change in the Number of District Households by AMI: 2006 - 2016¹³

AMI	0-50%	50 - 120%	120% +	Total
Household	1737	-3243	32,290	30,784

Between 2010 and 2016, the District's population grew by 79,447 residents (13.2 percent) while housing stock increased by 16,999 units or only about 5 percent.¹⁴ New units produced without subsidy from the District government, or at the market rate, tend to fit the budgets of households earning greater than the AMI. Despite increased housing production, on average rental households across the continuum of housing pay more of their income toward housing than they did 10 years ago.¹⁵

As the city grows, housing affordability remains a challenge for residents at the low and middle-income levels. The U.S. Department of Housing and Urban Development (HUD) defines "affordable" as spending no more than 30 percent of household income on housing. In the District, 47.9 percent of renter households are estimated to be "cost-burdened," meaning residents spend 30 percent or more of household income on rent and utilities.¹⁶

Continued Growth is Likely

Over the next 15 years the District is likely to reach a new peak population **above 800,000** residents.

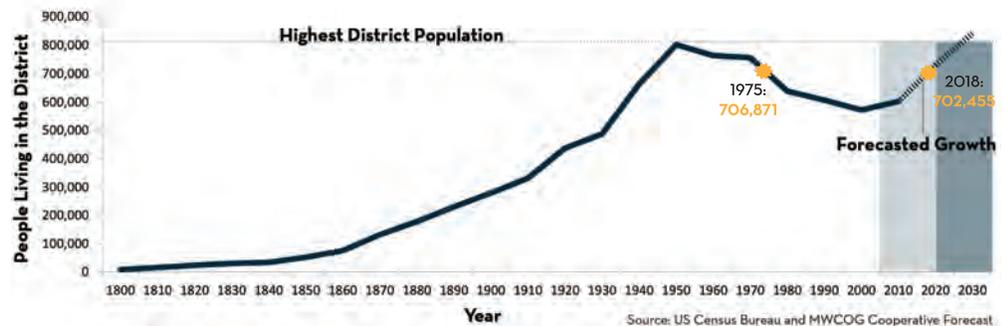


Figure 3 - Expected Growth in Washington, DC (Source: DC Office of Planning, Population Trends, April 26, 2016)

Without government-led efforts to expand housing affordability options for middle-income households, we may continue to lose middle-income households, families, and public servants who provide critical services to the city, such as teachers, social workers, police officers, and firefighters.

2. Current Landscape of Housing Programs in the District

The city provides a robust suite of tools and programs to address homelessness and affordable housing for low-income households. Many of the programs impact families 50 percent or below. Efforts to provide options specifically for middle-income households remain limited.

Mayor Bowser's vision for inclusive prosperity and resilience includes implementing programs and tools to provide affordable housing for the most vulnerable residents in the District: households below 50 percent of the AMI. Through more than 20 different local and federal programs and a total investment of over \$1 billion dollars annually, the majority of which targets low-income residents, the District has become a clear leader in affordable housing policy. Washington, D.C. generated over 7,000 total units through production and preservation between 2015 and 2018 and Mayor Bowser is challenging the region to produce an additional 240,000 total housing units by 2025 to balance supply with demand and stabilize increasing prices.¹⁷ Further, as part of Mayor Bowser's plan to end homelessness, the city has developed a short-term family housing program in each ward that provides wrap-around services and a safe environment to ensure that all families have a fair shot to get on track to stability.

As she kicks off her second term, Mayor Bowser aims to ensure that prosperity in the District also includes middle-income households - individuals and families who fall in the 60 to 120 percent of the AMI range and who currently have limited programs addressing their housing needs. While continuing to produce affordable housing for low-income households at an accelerating pace, the District will also increase housing affordability for middle-income households.

The Housing Toolbox depicts the various tools and programs available to Washington, DC residents at different AMI levels. While more than a dozen programs target households at the lower income levels, (see range in Table 2), a limited number of programs specifically reach households that fall between 60 and 120 percent income levels.

Table 2 - Income Range by % of Area Median Income (AMI)

Household Size	Maximum Annual Income					
	30% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	120% of AMI
1	\$24,600	\$41,000	\$49,200	\$65,650	\$82,050	\$98,450
2	\$28,150	\$46,900	\$56,250	\$75,000	\$93,750	\$112,500
3	\$31,650	\$52,750	\$63,300	\$84,400	\$105,500	\$126,600
4	\$35,150	\$58,600	\$70,300	\$93,750	\$117,200	\$140,650
5	\$38,700	\$64,450	\$77,350	\$103,150	\$128,900	\$154,700
6	\$42,200	\$70,300	\$84,400	\$112,500	\$140,650	\$168,750
7	\$45,700	\$76,200	\$91,400	\$121,900	\$152,350	\$182,850
8	\$49,200	\$82,050	\$98,450	\$131,250	\$164,100	\$196,900

← Low-income → Middle-income ←

3. Challenges for Middle-Income Households

DC’s middle-income households also face a housing cost burden. Many leave the city for more affordable housing options, more space, and homeownership.

As illustrated in the previous section, current housing affordability resources for households in the middle-income range (60 to 120 percent of the AMI) remain limited. According to the U.S. Census Bureau’s 2016 American Community Survey, about one-third of DC households are middle-income.¹⁸ By increasing housing affordability resources for middle-income households, the District can attract and retain workers who are essential for a healthy and vibrant community.

1. What does a middle-income household look like in Washington, DC?

Each year, HUD calculates the AMI for every metropolitan area in the country. For 2018, the AMI for a household of four living in Washington, DC was \$117,200.¹⁹ This means that a household of four earning between \$70,300 and \$140,650 is considered middle-income. For a single-person household, the range for middle-income is \$49,200 to \$98,450. Many of the workers who are vital to the wellbeing of our community—teachers, police officers, firefighters, and food service managers—meet this definition of middle-income. The table below provides additional examples of common occupations and average salaries in the District.

Table 3: Average Annual Income for Occupations in Washington, DC²⁰

Occupation	Average Annual Wage
Registered Nurse	\$92,350
DCPS Teacher	\$86,644
MPD Police Officer	\$83,065
Electrician	\$76,030
Paralegal	\$74,330
Graphic Designer	\$71,180
Mental Health Social Worker	\$69,690
Chef or Head Cook	\$65,780
Bookkeeper or Accountant	\$54,970
Office and Administrative Support	\$53,710
Food Server*	\$48,120
Security Guard*	\$44,010
Construction Laborer*	\$42,200

*Note that the average income for these professions falls below 60 percent of the AMI for a single-person household. However, these are common professions in Washington, DC and members of households with multiple incomes may still fall within 60 to 120 percent of the household AMI range.

2. Implications for DC Government employees

Many DC Government workers meet the definition for middle-income. The median income for all District Government employees (excluding substitute teachers and adjunct professors) is \$80,146.²¹ On average, teachers within DC Public Schools (DCPS) earn \$86,644 and Metropolitan Police Department (MPD) officers earn \$83,065. The Department of Public Works (DPW) employees who keep our streets and sidewalks clean, among other essential tasks, earn \$54,258 on average.

Currently 46 percent of the District's government workforce lives in the city.²² Within that, 44 percent of DCPS teachers and only 16 percent of MPD officers live in the city. Comparatively, across the 75 U.S. cities with the largest police force in 2014, on average 40 percent of officers lived within the cities they protect and serve.²³ Our schools and neighborhoods are stronger when workers such as teachers and police officers live in the community they serve and are better equipped to understand and meet the needs of their constituents.

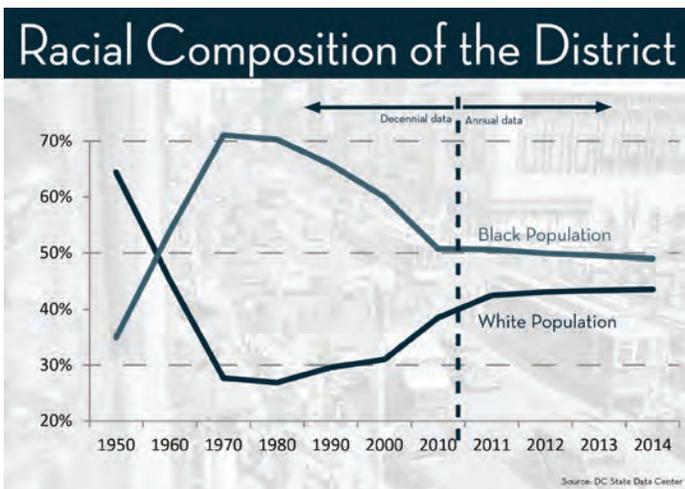


Figure 4 - Shifting Demographics (Source: DC Office of Planning, *Population Trends*, April 26, 2016)

higher median housing costs) were the areas that saw greater decreases in African American households.²⁶ This indicates that African American middle-income households face housing challenges in the District. Further, median incomes of families with children increased 30 percent or more in Wards 4, 5, and 6 between 2000 and 2016 but decreased by up to 10 percent in Wards 7 and 8,²⁷ pointing to geographic disparities across the city. According to the 2018 DC Housing Survey,²⁸ African American residents were more than three times as likely to have moved because they were asked to by a bank (e.g., in a foreclosure or short sale) or a landlord, when compared to Caucasian residents. That same survey found that African American residents are also about 1.5 times more likely to feel at-risk of becoming residentially unstable due to housing costs. For African American families, the top reasons stated for leaving the city included a desire for more space, a safer neighborhood, or better housing conditions.

Mayor Bowser is committed to making the investments necessary to ensure our neighborhoods East of the River have the same opportunities and amenities as the other parts of our city.²⁹ The Workforce Housing Fund is one of many tools that can expand housing opportunities for residents across all wards.

4. What challenges do middle-income households face in the housing market?

Middle-income households increasingly face challenges in Washington DC's rental and ownership markets. The following three factors highlight the growing burden of housing costs on middle-income residents: (1) an increasing housing cost-burden; (2) a limited number of rental units affordable to middle-income households; and (3) limited opportunities for homeownership.

a. Middle-income households experience a cost burden due to high housing costs.

While not as severely as the lowest-income households in the District, middle-income households also experience a significant housing cost burden. When a household pays more than they can afford for housing, residents cannot adequately meet their non-housing needs. Households that are cost-burdened may have difficulty affording necessities such as food, clothing, transportation, and medical care. When households struggle to cover short-term expenses for basic needs, they are less able to build wealth or save for long-term financial goals such as college, homeownership or retirement. Table 4 below shows the breakdown of cost-burdened households at the middle-income level.

3. Implications for different populations

It should be noted that African American, Latino, and Asian and Pacific Islander households disproportionately make up the city's low- and middle-income population. The median household income for African American residents in 2017 was \$42,161, while it was \$134,358 for Caucasian residents. For Asian and Pacific Islander households, the median household income was \$96,394 and \$84,728 for Latino households (the highest among the 50 largest U.S. cities).²⁴ By focusing on middle-income households, the Workforce Housing Fund will expand the reach of housing affordability tools to support a greater number of families from various demographic groups.

Between 2000 and 2013, Washington DC saw a net decrease of more than 20,000 African American residents.²⁵ According to data compiled by the Urban Institute, during that time period neighborhoods with higher median incomes (and

higher median housing costs) were the areas that saw greater decreases in African American households.²⁶ This indicates that African American middle-income households face housing challenges in the District. Further, median incomes of families with children increased 30 percent or more in Wards 4, 5, and 6 between 2000 and 2016 but decreased by up to 10 percent in Wards 7 and 8,²⁷ pointing to geographic disparities across the city. According to the 2018 DC Housing Survey,²⁸ African American residents were more than three times as likely to have moved because they were asked to by a bank (e.g., in a foreclosure or short sale) or a landlord, when compared to Caucasian residents. That same survey found that African American residents are also about 1.5 times more likely to feel at-risk of becoming residentially unstable due to housing costs. For African American families, the top reasons stated for leaving the city included a desire for more space, a safer neighborhood, or better housing conditions.

Mayor Bowser is committed to making the investments necessary to ensure our neighborhoods East of the River have the same opportunities and amenities as the other parts of our city.²⁹ The Workforce Housing Fund is one of many tools that can expand housing opportunities for residents across all wards.

Table 4: Cost-burdened households in Washington, DC³⁰

Area Median Income (AMI)	Cost-burdened (spend over 30% of their income on housing)	Severely cost-burdened (spend over 50% of their income on housing)
51-80%	47%	8%
>80%	24%	3%

b. The number of lower-cost rental units has diminished.

According to the Urban Institute, “in 2005, over 65,000 rentals were available for under \$800 a month; by 2012, that number had fallen to roughly 34,000 units. Meanwhile, the number of rentals for \$1,000 or more shot up from about 51,000 units in 2005 to nearly 98,000 in 2012.”³¹ In other words, the proportion of lower-cost market rate units has declined as higher-cost units are built and the market is not producing lower-cost units on its own. That was true seven years ago, and it is still true today.

As a result, middle-income households are seeing a widening gap between the cost of housing and the type of home that they can afford. As demonstrated by Table 5 below, households earning between 60 and 120 percent of the AMI are feeling the pinch of increasing rents, with 2-bedroom rentals, for example, costing as much as \$1,500 more than what is considered affordable. Note that the figure represents a variety of household sizes in each income band, and is based on HUD HOME rent limits.³² Median rent and mortgage costs vary geographically.

Table 5: Median Housing Prices in Washington, DC Compared to Maximum Affordable Prices
 (Source: Zillow, January 2019)³³

Housing Type	Median Price	Affordable to 60% AMI	Affordable to 80% AMI	Affordable to 100% AMI	Affordable to 120% AMI
For Sale	\$544,200	\$160,000 (- \$384,200)	\$260,000 (- \$284,200)	\$360,000 (- \$184,200)	\$460,000 (- \$84,200)
Studio Rental	\$1,850	\$1,190 (- \$660)	\$1,590 (- \$260)	\$1,990 (\$140)	\$2,390 (\$540)
1-Bedroom Rental	\$2,300	\$1,530 (- \$770)	\$1,700 (- \$600)	\$2,470 (\$170)	\$2,560 (\$260)
2-Bedroom Rental	\$3,100	\$1,530 (- \$1,570)	\$2,040 (- \$1,060)	\$2,560 (- \$540)	\$3,070 (- \$30)
3-Bedroom Rental	\$3,367	\$1,790 (- \$1,577)	\$2,390 (- \$977)	\$2,980 (- \$387)	\$3,580 (\$213)

c. Middle-income households seeking homeownership struggle in the District’s housing market.

Compared to low-income households, middle-income households are more likely to be homeowners.³⁴ The majority of these households cite the desire for more space and to own their home as motivators for either their last move or their next move.³⁵ The supply of for-sale homes affordable to low-income residents is extremely limited, and the supply of for-sale homes affordable to middle-income residents is increasingly constrained.³⁶ There are very few “starter homes,” single-family homes between 1,500 and 1,800 square feet that could accommodate a family of four, affordable at 100 percent of the AMI for a household of four.³⁷ At least 62 percent of available housing units for sale were too expensive or too small for a family of four at or below the the AMI according to a 2015 study by “Governing Magazine.”³⁸

Further, middle-income households face competition from higher-income households. As of 2011, 32 percent of units affordable to middle-income households were occupied by households earning greater than 120 percent of the AMI.³⁹ In the 2018 DC Housing Survey, “more space” was the reason that residents most frequently cited as an important reason for both past and future moves.

Housing Toolbox

Program/Tool	Description	Who does it benefit?
Affordable Dwelling Units (ADUs)	ADUs, a generic term for non-Inclusionary Zoning (IZ) affordable units, mostly stem from land dispositions where the District negotiated with the developer to provide affordable units.	30%-120% AMI  
Community Development Block Grant (CDBG)	CDBG is a HUD formula grant for communities with resources to address a wide range of community development and housing needs.	At least 70% of households served must have low or moderate incomes, less than 80% AMI. 
DC Housing Finance Agency Homeownership Programs (DCHFA)	DCHFA's homeownership programs aim to expand and retain homeownership opportunities in the District. The programs include: DC Open Doors (maximum income of \$140,640), Mortgage Credit Certificate (maximum income family of 3 or more at \$164,080), and Housing Investment Platform (60-120% of AMI).	Current and potential homeowners in the District.  
District Opportunity to Purchase Act (DOPA)	The District Opportunity to Purchase Act (DOPA) promotes affordable rental housing by maintaining the affordable status of existing affordable rental units as well as increasing the total number of affordable rental units within the District. To this end, DOPA requires rental property owners to provide the District of Columbia with the opportunity to purchase housing accommodations consisting of five or more rental units, as long as 25 percent or more of those rental units are deemed as "affordable," i.e., 50% or below of AMI.	0%-50% AMI Note: Average affordability of buildings is encouraged to be 60% AMI. Legislation at the Council, if passed, will allow for 60% of AMI. 
Employer-Assisted Housing Program (EAHP)	EAHP offers eligible District government employees a deferred, 0% interest loan and a matching funds grant for down payment and closing costs to purchase their first single family home, condominium, or cooperative unit in the District.	No income cap  
HOME Investment Partnerships Program (HOME)	HOME is a HUD formula grant that can be used to build, buy, and/or rehabilitate affordable housing or provide direct rental assistance to low-income people. Specifically, 90% of rental units assisted < 60% AMI, remainder up to 80% AMI. Five or more units and 20% of the HOME-assisted units must be for households under 50% AMI. All assisted homeowners must have incomes below 80% AMI.	90% of rental units assisted < 60% AMI, remainder up to 80% AMI 
Home Purchase Assistance Program (HPAP)	HPAP provides interest-free loans and closing cost assistance to qualified applicants to purchase single family homes, condominiums, or cooperative units. The amount of assistance an individual can receive is inversely related to their income.	0%-110% AMI  
Housing Choice Voucher Program	HCVP (Section 8) is a federally funded program that provides monthly rental subsidies that cover the difference between the rent a family can afford to pay, and the cost of renting the unit. Participants pay a portion of the rent that is based on a percentage of the family's income (on average about 30 percent), and the District of Columbia Housing Authority pays the rest of the rent directly to the landlord.	0%-80% AMI 

PRIMARY POPULATIONS SERVED

 Low-income households

 Middle-income households

Program/Tool	Description	Who does it benefit?
Housing Preservation Fund (HPF)	HPF provides short-term bridge acquisition and pre-development financing to eligible borrowers looking to preserve affordable housing. Properties targeted for fund investments are occupied multi-family housing of over 5 units in which at least 50% of the units are currently affordable to households earning up to 80% AMI.	0%-80% AMI  
Housing Production Trust Fund (HPTF)	HPTF is the major tool used to produce and preserve affordable housing in the District by providing gap financing needed to make affordable projects work. Previously committing \$100M a year to the fund, Mayor Bowser recognized the need to do more and committed \$130M to the fund in her FY20 budget.	0%-80% AMI 
Inclusionary Zoning (IZ)	The District's IZ program requires 8-10% of the residential floor area be set aside for affordable rental or for-sale units in 1) new residential development projects of 10 or more units or 2) rehabilitation projects that are expanding an existing building by 50% or adding 10 or more units in IZ zones.	50%-80% AMI 
Local Rent Supplement Program (LRSP)	Modeled after the federal Section 8 program but funded by the District, LRSP vouchers supplement housing costs at the tenant-, project-, and sponsor-based levels. LRSP provides monthly rental subsidies that cover the difference between the rent a family can afford to pay, and the cost of renting the unit.	0%-30% AMI 
Low Income Housing Tax Credit	The LIHTC program is an indirect federal tax subsidy administered by states to provide equity finance for the construction and rehabilitation of low-income affordable rental housing.	50% or 60% AMI (depending on program choices) 
National Housing Trust Fund (NHTF)	NHTF is a direct subsidy that is designed to complement existing state and local efforts to increase and preserve housing affordable to households with incomes below 50% of AMI, including those experiencing homelessness.	Under 30% of AMI at current funding levels 
New Communities Initiative (NCI)	NCI is a District government program designed to revitalize severely distressed subsidized housing and redevelop neighborhoods into vibrant mixed-income communities. The initiative includes four neighborhoods in the District of Columbia: Barry Farm in Ward 8, Lincoln Heights - Richardson Dwelling in Ward 7, Northwest One in Ward 6, and Park Morton in Ward 1.	0%-80% AMI 
Permanent Supportive Housing Program (PSH)	PSH provides permanent housing and supportive services to individuals and families experiencing homelessness to ensure housing stabilization, maximum levels of self-sufficiency and an overall better quality of life.	0%-30% AMI 
Planned Unit Developments (PUDs)	PUDs are project-specific zoning actions that allow developers flexibility to meet objectives such as use, density, site planning and design. Often, benefits and amenities proffered by PUD applicants in exchange for zoning relief include affordable housing.	0%-80% AMI  
Property Acquisition and Disposition Division (PADD)	DHCD's PADD disposes of properties in the PADD inventory by selling them to individuals or developers to rehabilitate into high quality affordable and market-rate single- and/or multi-family for-sale housing in District neighborhoods.	30% - 120 AMI  

PRIMARY POPULATIONS SERVED



Low-income households



Middle-income households

Program/Tool	Description	Who does it benefit?
Public Housing	Public housing units provide very low-income families, seniors and disabled persons the financial assistance they need to live in safe, well maintained and affordable rental homes. There are income requirements for public housing and priority is given to those who are in greatest need.	0%-80% AMI 
Rapid Re-Housing (RRH)	RRH is a research-based intervention designed to help individuals and families quickly exit homelessness and return to permanent housing. RRH assistance and the resources and service provided are tailored to the unique needs of the household.	0%-40% AMI 
Schedule H	The DC's Homeowner and Rental Property Tax Credit (Schedule H) is a property tax credit that is available to both homeowners and renters whose property taxes (or "rent constituting property taxes" in the case of renters) exceed a certain percentage of their household income. The amount of credit will vary depending on total household income and the amount of property taxes owed, and if for anyone over age 62, blind, or disabled.	Adjusted gross income of \$51,000 or less (\$62,600 or less if age 70 or older); 
Surplus and Disposition	Pursuant to D.C. Official Code §10-801 et. seq., the District regularly determines that land it owns is no longer needed for public purposes and/is surplus. Surplus property is disposed for development and any developments that create 10 or more units are required to include some affordable units.	0-80% AMI  
Targeted Affordable Housing	Targeted affordable housing provides long term affordable housing to formerly homeless residents. This component of LRSP was added in FY 2016. Unlike other LRSP assistance, targeted affordable housing will work through referrals from the Department of Human Services. It is intended for households who need assistance to afford housing but are connected to community resources and do not require intensive case management in order to remain stably housed.	0%-30% AMI 
Tenant Opportunity to Purchase Act (TOPA)	TOPA requires that tenants in buildings up for sale must be offered the first opportunity to buy the building. The District provides acquisition funds, and technical assistance to eligible tenant associations. There are no income limits for TOPA. District assistance can be mixed income and AMI will be based on assistance.	0%-80% AMI for the acquisition assistance, i.e., Preservation Fund.  

*The income limits provided in this column are maximum income limits based on the formal program requirements that are required for initial eligibility at the time of purchase, lease up or for initial receipt of the assistance. The typical population served by a program may fall within a tighter band than that described by the income limits. For example, programs such as Public Housing and Housing Choice vouchers generally serve households at or below 50% of AMI though formally a household can have an income up to 80% of AMI and be eligible. Conversely, programs such as Inclusionary Zoning formally are available to households at a range of incomes the rent levels; mortgage requirements mean that households that take advantage of the program are more likely to have incomes close to the maximums. All home purchase programs and many affordable rental programs allow households to gain income after initial eligibility.

PRIMARY POPULATIONS SERVED

 Low-income households

 Middle-income households

End Notes

- 1 “Deputy Mayor for Planning and Economic Development. Inclusionary Zoning: 2018 Maximum Income, Rent, and Purchase Price Schedule.” October 12, 2018. <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/IZ%20Income%20Schedule%20as%20of%20October%202018.pdf>.
- 2 DC Office of Planning. “Memo Re: Framework Element of the Comprehensive Plan.” August 24, 2018.
- 3 Taylor, Yesim Sayin. “Residents Move into the City for Jobs, Move out for Housing.” District, Measured. June 08, 2015. <https://districtmeasured.com/2015/06/08/residents-move-into-the-city-for-jobs-move-out-for-housing-2/>.
- 4 DC Office of Planning analysis of US Census Bureau’s American Community Survey Public Use (PUMS) microdata sample.
- 5 OECD. “Under Pressure: The Squeezed Middle Class.” OECD Publishing. 2019.
- 6 Konczal, Mike. “Why a Strong Middle Class Is Necessary For Growth.” Roosevelt Institute. December 16, 2015. <http://rooseveltinstitute.org/rortybombwhy-strong-middle-class-necessary-growth/>.
- 7 Madland, David. “The Middle Class Grows the Economy, Not the Rich.” Center for American Progress. February 20, 2013. <https://www.americanprogress.org/issues/economy/news/2011/12/07/10773/the-middle-class-grows-the-economy-not-the-rich-2/>.
- 8 Salviati, Chris. “2018 Cost Burden Report: Despite Improvements, Affordability Issues Are Immense.” Rentonomics. February 20, 2019. <https://www.apartmentlist.com/rentonomics/cost-burden-2018/>.
- 9 US Census Bureau. “Nevada and Idaho Are the Nation’s Fastest-Growing States.” The United States Census Bureau. December 20, 2018. <https://www.census.gov/newsroom/press-releases/2018/estimates-national-state.html?CID=CBSM%20POP18>.
- 10 Bean, Chuck. “Meeting the Region’s Current and Future Housing Needs.” Metropolitan Washington Council of Governments. September 5, 2018. file:///C:/Users/caitlin.ryan/Downloads/18_-_Housing_Memo.pdf
- 11 DC Office of Planning analysis of US Census Bureau’s American Community Survey Public Use (PUMS) microdata sample.
- 12 Taylor, Yesim Sayin. “Residents Move into the City for Jobs, Move out for Housing.” District, Measured. June 08, 2015. <https://districtmeasured.com/2015/06/08/residents-move-into-the-city-for-jobs-move-out-for-housing-2/>.
- 13 DC Office of Planning analysis of US Census Bureau’s American Community Survey Public Use (PUMS) microdata sample.
- 14 Taylor, Yesim Sayin. “Residents Move into the City for Jobs, Move out for Housing.” District, Measured. June 08, 2015. <https://districtmeasured.com/2015/06/08/residents-move-into-the-city-for-jobs-move-out-for-housing-2/>.
- 15 DC Office of Planning, Housing Systems White Paper, February 22, 2019
- 16 Salviati, Chris. “2018 Cost Burden Report: Despite Improvements, Affordability Issues Are Immense.” Rentonomics. February 20, 2019. <https://www.apartmentlist.com/rentonomics/cost-burden-2018/>.
- 17 DC Deputy Mayor for Planning & Economic Development. “DMPED Economic Intelligence Dashboard.” <http://open.dc.gov/economic-intelligence/affordable-production-preservation.html>.
- 18 DC Office of Planning analysis of US Census Bureau’s American Community Survey Public Use (PUMS) microdata sample.
- 19 DC Department of Housing and Community Development. “Inclusionary zoning 2018 MAXIMUM INCOME, RENT AND PURCHASE PRICE SCHEDULE.” October 12, 2018. <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/IZ%20Income%20Schedule%20as%20of%20October%202018.pdf>
- 20 “District of Columbia - May 2018 OES State Occupational Employment and Wage Estimates.” U.S. Bureau of Labor Statistics. March 29, 2019. https://www.bls.gov/oes/current/oes_dc.htm#00-0000.
- 21 DDC Department of Human Resources. Human Resources Information System, PeopleSoft, data provided March 21, 2019.
- 22 DC Department of Human Resources. Human Resources Information System, PeopleSoft, data provided April 1, 2019.
- 23 Natesilver538. “Most Police Don’t Live In The Cities They Serve.” FiveThirtyEight. August 20, 2014. <https://fivethirtyeight.com/features/most-police-dont-live-in-the-cities-they-serve/>.
- 24 Bahrampour, Tara. “Household Incomes in the District Rise Dramatically in 2017.” The Washington Post. September 13, 2018. https://www.washingtonpost.com/local/social-issues/household-incomes-bounce-back-in-the-district/2018/09/12/2e97ec82-b6e3-11e8-94eb-3bd52dfe917b_story.html?utm_term=.9e8be0ab736a.
- 25 “Shifting Neighborhoods: Gentrification and Cultural Displacement in American Cities.” NCRC. March 19, 2019. <https://ncrc.org/gentrification/>
- 26 National Neighborhood Indicators Partnership. “Neighborhood Profiles.” Urban Institute. <http://www.neighborhoodinfodc.org/nclusters/nclusters.html>.
- 27 Taylor, Yesim Sayin. “Taking Stock of the District’s Housing Stock.” DC Policy Center. March 25, 2018. https://www.dcpolicycenter.org/wp-content/uploads/2018/03/DC-Policy-Center-Housing-Report.final_March25.pdf.
- 28 Office of the Deputy Mayor for Planning and Economic Development. “DC Housing Survey Report.” Not yet published.
- 29 Deputy Mayor for Greater Economic Opportunity. “A Fair Shot: A Toolkit for African American Prosperity.” https://ers.dc.gov/sites/default/files/dc/sites/dmgeo/publication/attachments/PathwaytoProsperity4.1.30.18_finalweb.pdf. January 2018.
- 30 “The Gap: A Shortage of Affordable Rental Homes.” National Low Income Housing Coalition. <https://reports.nlihc.org/gap>.
- 31 Peter Tatian and Serena Lei. “Our Changing City: Housing.” Urban Institute. October, 2014. <http://apps.urban.org/features/OurChangingCity/housing/>.
- 32 U.S. Housing and Urban Development. “HOME Rent Limits.” HUD Exchange, June 1, 2018. <https://www.hudexchange.info/programs/home/home-rent-limits/>.
- 33 Zillow Research. Accessed January 2019. <https://www.zillow.com/research/>.
- 34 Montgomery, David, and David Montgomery. “The Definitive Guide to Who Rents and Who Buys in America.” CityLab. August 09, 2018. <https://www.citylab.com/life/2018/08/who-rents-their-home-heres-what-the-data-says/566933/>.
- 35 Office of the Deputy Mayor for Planning and Economic Development. “DC Housing Survey Report.” Not yet published.
- 36 Taylor, Yesim Sayin. “Taking Stock of the District’s Housing Stock.” DC Policy Center. March 25, 2018. https://www.dcpolicycenter.org/wp-content/uploads/2018/03/DC-Policy-Center-Housing-Report.final_March25.pdf.
- 37 Taylor, Yesim Sayin. “Taking Stock of the District’s Housing Stock.” DC Policy Center. March 2018. https://www.dcpolicycenter.org/wp-content/uploads/2018/03/DC-Policy-Center-Housing-Report.final_March25.pdf.
- 38 Governing Magazine, Family Housing Affordability in U.S. Cities, November 2015. <http://www.governing.com/gov-data/other/family-housing-affordability-in-cities-report.html>
- 39 Urban Institute. “Housing Security in the Washington Region, 2009-2011.” <http://www.urban.org/sites/default/files/413161-washington-region-housingsecurity-profile.pdf>.

SHARING THE UPSIDE

YIELDS A TOTAL OF **\$103M**
FOR NEW HOUSING INVESTMENTS

Make permanent the commercial property tax of \$1.89, yields **\$25M**

Move the deed and recordation tax on commercial properties over \$2M from 1.45% to 2.5%, yields **\$78M**

Goal of
36,000
new housing
units by 2025



ELIMINATING
HOMELESSNESS

\$37M

Making homelessness rare, brief, and nonrecurring through Homeward DC



AFFORDABLE
HOUSING

\$30M & \$5M

Growing investment in the Housing Production Trust Fund (by \$30M to \$130M) and Housing Preservation Fund (by \$5M to \$15M)



WORKFORCE
HOUSING

\$20M

Increasing access to housing for teachers, first responders, social workers, hospitality workers, and others

OTHER NEW INITIATIVES

- **\$5.2M** to expand and increase Schedule H - DC's income tax credit to help offset rising property taxes
- **\$1.5M** for project and sponsor-based rental assistance
- **\$2M** to increase funds for Safe at Home
- **\$870K** to make safety and security improvements at CCNV shelter

#FAIRSHOT



GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

GOVERNMENT OF THE DISTRICT OF COLUMBIA
1350 Pennsylvania Avenue, NW • Washington, DC 20004

mayor.dc.gov