

Testimony of Fredrica D. Kramer  
Budget Oversight Hearing on Housing and Neighborhood Revitalization  
April 23, 2019

Good afternoon, Chairwoman Bonds and Members of the Committee. I am Fredrica Kramer, Vice Chair of the Near SE/SW Community Benefits Coordinating Council (CBCC), which helps to negotiate for community benefits for ANC 6D, and whose explicit mission is to maintain social diversity in the context of redevelopment.

We restrict our comments to Southwest, which has enjoyed a unique degree of social diversity since the 1960s urban renewal and is now experiencing, along with Near Southeast, the most extensive redevelopment in the City, which threatens that diversity. Southwest's housing for low and moderate income households is fast disappearing, a function both of the pressure of increasing home values as redevelopment progresses and of the impending real and potential loss of public housing.

Our concerns are threefold. First, the principles laid out in the Southwest Small Area Plan to maintain diversity are not being fulfilled as they should be. The Plan notes, "Southwest's most defining characteristic ...[is] its people", and [it should] remain a model of equity and inclusion." It recommended exceeding IZ requirements to reflect Southwest's unique economic diversity, and giving priority to Below Market Rate (BMR) units as a community benefits package or allowing fewer but larger units to serve families. It recommended land banking to optimize the use of the 21 publicly-owned parcels in Southwest for new affordable housing. To date, there has been no commitment of District-owned parcels in Southwest to serve the production of affordable housing or increase BMR units as part of a community benefits package.

Apart from publicly-owned parcels, relying on minimum inclusionary zoning requirements will not keep Southwest diverse. Income levels and unit configurations for BMR units will not maintain the desired demographic mix. To date, income thresholds for IZ units have tended to be 60-80% of AMI or higher, with few units offered at 50% of AMI or below, and almost no family-sized units in new development.

Second, the loss of public housing in Southwest remains a separate threat to maintaining diversity. The rate of construction of BMR units in new development cannot possibly meet the needs of current residents of the 910 public housing units in Greenleaf, Syphax, and James Creek or the over 200 privately-owned low-income units, many of whom are African American families who have lived in the community for generations and who may all be at risk as redevelopment moves apace, and as HUD's new policy guidance allows public housing authorities to sell their assets and rely principally on housing choice vouchers to fill gap. The *Vision Framework* for Buzzard Point anticipates a "transportation spine" running directly through the bulk of public housing, further threatening the maintenance of that housing into the future. If all low income units were replaced with mixed income development, Southwest would need about 10 projects the size of the Wharf residences just to accommodate the public housing loss.

The public housing was renovated in the 1990s during receivership, and though now starved of adequate maintenance funding, it is low density and in many ways the ideal of project-based housing. Public housing accommodates households with a variety of challenges, including seniors and others with physical disabilities, who will continue to rely on services that are easily delivered when such clients are concentrated. If, and when, replacement units are more dispersed and are a smaller portion of the total in new mixed income developments, maintaining a core set of needed services is a challenge. Southwest public housing complexes also include 6-bedroom units, which accommodate large families, and will be hard to find using vouchers in the private market.

We are particularly concerned that key components of the Mayor's and Council's commitment to Build First and one-for-one replacement may be compromised in the proposed redevelopment strategy for Greenleaf. We sit on DCHA's Greenleaf Advisory Council, and have now learned that there has been no commitment from DHCD for a District-owned parcel to start the Build First process, which would have ensured 30% BMR units, and might have ensured that replacement of the senior building would go first, thereby keeping an umbrella of services intact for those requiring them. In addition, the RFP has some worrisome ambiguities (e.g., total unit replacement may include voucher-based subsidies, new size configurations, potential multiple moves, staying in the community "to the extent feasible", no use of DC-owned parcels, and phasing that could limit the totality of Build First). The 2015 consultant report anticipated a 3:1 ratio of market rate to BMR units (25% of the total). That's a heavy lift for private developers, who are only required 8-10% of IZ units in eligible new development. Without using District-owned parcels (and 30% BMR requirement), we worry that finding the needed BMR units in a multitude of PUDs and other development projects will produce a scattering of public housing residents and a lower number of BMR units in new projects.

Third, we do not see Southwest, or for that matter Ward 6, benefiting from the use of the Housing Production Trust Fund, either for discrete projects or for leveraging funds for mixed income development. The Mayor's commitment to Fund is distinguished in the nation, and although the number of units funded using the HPTF has been declining due in part to increased construction costs, we applaud the promised 1180 units in 2020 using \$107M from the Trust combined with \$26M in equity from Low Income Housing Tax Credits (LIHTC) and other sources. Whatever the basis of project selection, it may be useful in the future to consider using Trust monies to expand the ability to create more BMR units than IZ requires, to fund more units for households earning only 30 to 50% of AMI, and to build more larger units to accommodate families, in order to keep neighborhoods such as Southwest diverse. In times of extreme redevelopment and the loss of affordable housing through this and accelerated gentrification, using these funds creatively to maintain diversity would seem a logical priority.

These are changing times and if we, as a city, do not maintain social and economic diversity we will all be shortchanged. Thank you for your attention to these important issues. I am happy to answer questions.