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Testimony Before the District of Columbia Council
Committee on Housing
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Introduction

Good afternoon, Chairperson White, and members of the Committee. My name is Makenna Osborn. I am a Senior Policy Attorney at Children’s Law Center, and a tenant in the District. Children’s Law Center believes every child should grow up with a strong foundation of family, health and education and live in a world free from poverty, trauma, racism and other forms of oppression. Our more than 100 staff – together with DC children and families, community partners and pro bono attorneys – use the law to solve children’s urgent problems today and improve the systems that will affect their lives tomorrow. Since our founding in 1996, we have reached more than 50,000 children and families directly and multiplied our impact by advocating for city-wide solutions that benefit hundreds of thousands more.

Thank you for this opportunity to testify regarding the performance of the Department of Housing and Community Development. Housing security —having a safe, stable, and healthy place to call home— is fundamental to children’s ability to grow, learn, and thrive.¹ Through our representation of children in foster care and families navigating barriers to their children’s health and education, Children’s Law Center sees firsthand the profound challenges low-income families in the District face in accessing and maintaining affordable, quality housing and how those challenges harm DC children.² We routinely work with families where:

- Children are stuck in poor quality rental housing that is making them sick because it is the only option their family can afford;³
- Children miss school and have a harder time learning when they are there because of frequent moves, stress, and food insecurity;⁴ and
- Children become involved in the child welfare system while their family is struggling to maintain adequate housing.⁵

In recognition of this pervasive issue among our clients, Children's Law Center has been compelled to expand our work to advocate for more quality, affordable housing for families in DC.

DHCD's work to produce and preserve opportunities for affordable housing in the District is critical for ensuring more of Children's Law Center's clients and other low-income families can access and maintain stable housing in the District.⁶ To that end, we appreciate that the District has invested hundreds of millions of dollars in DHCD programs that finance the creation of new affordable housing in the District and stabilize and preserve existing affordable units.⁷ However, the realities experienced by low-income renters in the District call into question the efficacy of how DHCD has used those dollars and executed its mission. In 2016, the District had a deficit of 23,214 rental units that were affordable and available to households with income at or below 50% Area Median Income.⁸ In 2024, nearly a decade later, that deficit had increased to 28,608.⁹ Our

affordable housing gap is growing. As a result, a staggering 51,975 low-income renter households in DC are spending *more than half* of their income on housing costs.¹⁰

It is imperative that the District reverse this trend. Children's Law Center hopes the Committee will use its oversight authority to work closely with DHCD to do so. My testimony will detail improvements and changes in three areas of DHCD's work that Children's Law Center believes are critical to making meaningful progress toward closing the District's affordable housing gap: 1) addressing staffing and transparency issues so DHCD operates its affordable housing financing programs in a predictable and timely manner, 2) increasing the flexibility and depth of District funding to support affordable housing preservation, and 3) decreasing the amount of time it takes to fill inclusionary zoning units.

To Increase the Production and Preservation of Affordable Housing in the District, DHCD Must Operate its Financing Programs in a More Predictable and Timely Manner

While Children's Law Center recognizes that DHCD does not control all aspects of the housing market or development process, the agency must serve as a responsible and accountable steward of the public resources it administers. This includes ensuring that its programs operate with the timeliness, transparency, and predictability required by housing developers and operators, as well as the urgency demanded by the District's affordable housing crisis.

Over the past year, Children’s Law Center has consistently heard reports from partners in the affordable housing space that delays within DHCD’s application, underwriting, and closing processes and a lack of responsiveness from DHCD staff contribute to increased project costs and postponements in rehabilitation efforts and the delivery of new affordable units. For example, in February 2025 DHCD announced that it had “selected 69 projects through its 2024 Consolidated Request for Proposals (RFP) to provide bridge, gap, and support funding to affordable multi-family projects” and touted that “[these] District[] investments will preserve nearly 8,000 units of housing.”¹¹ However, over a year after that announcement, DHCD has closed on financing with very few of those projects and according to DHCD, the remainder are still in the underwriting phase.¹² It is Children’s Law Center understanding that several housing providers stuck in that underwriting stage will not be able to move forward with necessary repairs to older properties or plan for how to address their debt payments to stay operational until they close on that financing with DHCD. These housing providers have had trouble getting clarity from DHCD staff on not just when but if they will receive the funds they were “selected” for at all. These delays and confusion have serious consequences for affordable housing providers and ultimately low-income tenants who live in properties awaiting much-needed repairs or who will be at risk of losing their home if an affordable housing provider has to sell or is foreclosed on. And while the 2024 RFP was unique in its focus on stabilizing exiting projects instead of funding new construction, the

unpredictability and delays surrounding the 2024 RFP funding is a continuation of long-standing issues at DHCD.¹³

To address these issues, Children’s Law Center urges the Committee to work with DHCD on how it can increase transparency and predictability in its processes and more efficiently distribute funding for affordable housing production and preservation. For example, in its pre-hearing DHCD reported that it “does not use a formal metric to track project-specific delays” and emphasized that “developers hold primary responsibility for mitigating delays.”¹⁴ However, it is Children’s Law Center’s understanding that DHCD is often the source of significant delays. While we appreciate that many factors influencing project timelines are outside of DHCD’s purview or control, DHCD should at the very least engage in detailed tracking of the timelines for the stages it *does* play an instrumental role in so the agency can identify. At a minimum, DHCD should track and analyze the causes of project delays so DHCD, the Council, and stakeholders can assess where changes in practice or additional resources at DHCD would help reduce friction.

Further, although DHCD indicated throughout its pre-hearing responses that the agency is adequately staffed,¹⁵ feedback from housing providers suggests that capacity constraints may be directly contributing to unpredictability and delays within the RFP approval and closing processes. We respectfully urge the Committee to request detailed information on staffing levels across DHCD divisions, including the number of vacant positions. We also recommend that the Committee seek clarity on performance standards

for (1) the timely review of RFP and NOFA applications and (2) responsiveness to inquiries from housing partners. This information is essential to determine whether current challenges stem from staffing shortages, gaps in expertise, or other operational issues, and to identify appropriate solutions.

DHCD's Financing Programs Are Not Sufficiently Funding the Preservation of Existing Affordable Housing Units

Preserving existing affordable housing is critical to preventing displacement and is often faster and more cost-effective than building new units from the ground up.¹⁶ Without sufficient attention to and resources for housing preservation, however, the District will continue to lose significant numbers of affordable housing units.

While Housing Production Trust Fund (HPTF) finances can technically be awarded to projects to preserve existing affordable housing, the scoring criteria DHCD uses for selecting projects to receive HPTF financing has historically favored new construction projects.¹⁷ Preservation projects —particularly small and mid-sized buildings serving existing tenants— are often unable to score competitively. As a result, the District's primary preservation-focused tool has been the Housing Preservation Fund (HPF). While valuable, the HPF is designed as a short-term "bridge loan" product, supporting initial acquisition and urgent repairs rather than long-term rehabilitation.¹⁸ Volatile market conditions, persistent inflation, and the lack of reliable permanent financing options all slow repayment timelines, undermining the fund's ability to revolve

effectively. As a result, the HPF alone cannot meet the scale of preservation need in the District.¹⁹

The District's affordable housing stock contains many small and mid-sized buildings in need of financial support to maintain expiring affordability covenants and/or rehabilitate the building's aging physical structure.²⁰ Yet under DHCD's current financing programs, these properties often lack a clear and accessible pathway to funding. Children's Law Center has heard from partners who finance and operate existing affordable housing properties that it is especially challenging to access the kind and amount of financing they need to preserve the habitability and affordability of their buildings through DHCD's current programs. There is a pressing need for more flexible and deeper dedicated funding for affordable housing. Therefore, Children's Law Center appreciates your commitment, Chairperson White, to prioritizing funding for preservation projects and your work to ensure that a meaningful portion of HPTF resources are dedicated to preservation.²¹ We encourage the Committee to ask DHCD how the agency will ensure it meets the legislative requirements of the Fiscal Year 2026 Budget Support Act to dedicate \$20-\$30 million of Fiscal Year 2026 HPTF dollars to "eligible preservation projects."²² Additionally, we believe the dedicated sub-accounts for Preservation and Tenant Purchase Support proposed in the newly introduced Housing Production Omnibus Amendment Act of 2026, could provide the 1) predictability of resources and 2) flexibility of use needed to more effectively prioritize

preservation.²³ We welcome the opportunity to work with Committee on this bill in the coming months.

Administrative Barriers and Delays at DHCD Continue to Contribute to Prolonged Vacancies in Inclusionary Zoning Units

The District's Inclusionary Zoning (IZ) program is a critical tool for creating mixed-income communities and expanding access to affordable housing.²⁴ However, despite extremely high demand, IZ units regularly sit vacant for extended periods due to administrative bottlenecks and inefficiencies in the leasing process.²⁵ These delays not only undermine the program's effectiveness but also contribute to unnecessary vacancy loss for housing providers and prolonged housing instability for prospective tenants.

Demand for IZ units far exceeds supply: as of February 2026, more than 18,000 households were registered with the IZ program and competing for opportunities to lease the approximately 1,200 IZ rental units in the District.²⁶ Yet despite this overwhelming demand, units are not being filled efficiently. A 2024 audit by the DC Auditor found significant variation in lease-up timelines, with some properties meeting or beating the program's 102-day target, while others took more than a year—and in one case, over 18 months—to fill a unit.²⁷ Even accounting for methodological differences, it is clear that the process too often takes far longer than necessary.

A key driver of these delays is the administrative structure of the IZ program, which places substantial procedural requirements on tenants and centralizes control within DHCD. Before even entering a lottery, prospective tenants must complete a multi-

step process — attending a mandatory two-hour orientation (often offered only once per month at limited times), waiting weeks to receive registration materials from DHCD, and then navigating a lottery system that is both time-consuming and entirely random. Once registered, applicants may enter lotteries for available units, but the process remains slow and uncertain. DHCD typically selects a small group of applicants and processes income verifications before forwarding files to property managers. If none of the selected applicants ultimately lease the unit, the process must restart or shift to an alternative, DHCD-approved method.²⁸ For tenant households experiencing acute housing insecurity, like Children’s Law Center’s clients, these administrative burdens and uncertain timelines can be prohibitive. For housing providers, the sequential and DHCD-controlled approach contributes significantly to extended vacancy periods. In contrast, some housing providers report that other affordable housing models in the District—such as certain Affordable Dwelling Unit (ADU) programs—are able to lease units more quickly because they allow prospective tenants to apply directly with property management. In these cases, leasing staff can immediately engage with interested households, assess eligibility, and move forward with applications in real time.

To improve IZ program performance and reduce unnecessary vacancies, the Committee should encourage DHCD to pursue a range of administrative and structural reforms. These could include eliminating or modifying the orientation requirement, increasing staffing capacity to expedite application review and communication, and

investing in technology upgrades to automate processes and improve transparency.²⁹ Additionally, exploring models that allow for more direct interaction between applicants and property managers could help accelerate lease-up timelines. Children's Law Center notes that putting more control with housing providers could increase risks of landlords engaging in discriminatory practices and otherwise not adhering to IZ requirements and these concerns would need to be thought about carefully before any changes are implemented.

Finally, DHCD does not currently provide clear, regular reporting on IZ unit vacancies or lease-up timelines.³⁰ The Council should inquire into what has enabled some properties to meet or exceed program targets, what challenges have contributed to excessive delays in other cases, and how DHCD plans to implement improvements moving forward. With tens of thousands of households actively seeking affordable housing through IZ, the persistence of long vacancy periods represents a solvable systems failure. By addressing administrative inefficiencies and modernizing program design, the District can ensure that IZ units are filled more quickly, more fairly, and in a way that better serves both residents and housing providers.

Conclusion

Thank you again for the opportunity to testify. The pervasiveness of housing insecurity among Children's Law Centers clients reflects a systemic lack of sufficient affordable housing options in the District's housing ecosystem. To make meaningful

progress in lessening the affordable housing crisis that is affecting so many DC families, the Council and Executive need to act wherever possible to increase the amount and affordability of rental housing in the District. Children’s Law Center welcomes the opportunity to work with this Committee and DHCD moving forward to achieve this shared goal.

¹ See Sonya Acosta, “Stable Housing is Foundational to Children’s Well-Being,” Center on Budget and Policy Priorities (Feb. 15 2022), *available at*: <https://www.cbpp.org/blog/stable-housing-is-foundational-to-childrens-well-being>; Megan Sandel et al., “Housing as a Healthcare Investment,” Children’s Health Watch (Mar. 2016), *available at*: <https://childrenshealthwatch.org/wp-content/uploads/Housing-as-a-Health-Care-Investment.pdf>.

² Children’s Law Center’s innovative medical legal partnership, Healthy Together, places attorneys at primary care pediatric clinics throughout the city with Children’s National, Unity Health Care, and Mary’s Center to receive referrals from pediatric providers for assistance with non-medical barriers to a child’s health and well-being. *See Our Impact: Health, Children’s Law Center*, <https://childrenslawcenter.org/ourimpact/health/>.

³ Families with very low incomes are more likely to live in physically inadequate rental housing with conditions like mold, rodents, inadequate heating and cooling, and broken appliances that cause and exacerbate childhood asthma and other health risks. *See Irene Lew, Housing Inadequacy Remains a Problem for the Lowest-Income Renters*, Joint Center for Housing Studies of Harvard University (JCHS) (May 19, 2016), <https://www.jchs.harvard.edu/blog/housing-inadequacy-remains-a-problem-for-the-lowest-income-renters>; Chima Anyanwu, Kirsten M.M. Beyer, *Intersections Among Housing, Environmental Conditions, and Health Equity: A Conceptual Model for Environmental Justice Policy*, Social Sciences & Humanities Open, Vol. 9 (2024), *available at*: <https://www.sciencedirect.com/science/article/pii/S2590291124000421#bbib92>.

⁴ *See* Brendan Chen, *How Housing Instability Affects Educational Outcomes*, Urban Institute: Housing Matters (February 28, 2024), <https://housingmatters.urban.org/articles/how-housing-instability-affects-educational-outcomes>.

⁵ *See* Amy Dworsky, *Families at the Nexus of Housing and Child Welfare*, First Focus and State Policy Advocacy Reform Center (SPARC) (November 2014), <https://firstfocus.org/wp-content/uploads/2014/12/Families-at-the-Nexus-of-Housing-and-Child-Welfare.pdf>.

⁶ “The mission of the Department of Housing and Community Development (DHCD) is to produce and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia.” *Mission and Vision*, DHCD, <https://dhcd.dc.gov/page/mission-and-vision-DHCD>.

⁷ Libby Solomon, *Bowser Announces Surge of Affordable Housing Funds in Next Year’s Budget*, Greater Greater Washington (May 24, 2021), <https://ggwash.org/view/81431/bowser-announces-surge-of-affordable-housing-funds-through-the-housing-production-trust-fund>; *Mayor Bowser Announces \$100 Million Investment in the Housing Production Trust Fund*, Executive Office of the Mayor (April 30, 2025),

<https://mayor.dc.gov/release/mayor-bowser-announces-100-million-investment-housing-production-trust-fund>.

⁸ *The Gap: District of Columbia*, National Low Income Housing Coalition (NLIHC), available at: <https://nlihc.org/gap/state/dc>, (Select “2016” in the drop down menu located in the top right corner of the table titled “All Gap Data for District of Columbia”).

⁹ *Id.* (Select “2024” in the drop down menu located in the top right corner of the table titled “All Gap Data for District of Columbia”).

¹⁰ *2026 District of Columbia Housing Profile State Report*, National Low Income Housing Coalition (NLIHC), p. 1 Chart: Extremely Low-Income Renters Make Up Majority of Severely Cost-Burdened Renters (March 2026), available at: <https://nlihc.org/gap/state/dc> (Select “Download State Report”) (43,874 extremely low income renter households (0-30% AMI), 5,453 very low income renter households (31-50% AMI), and 2,648 low income renter households (51-80% AMI) were spending more than 50% of household income on housing costs according to the latest American Community Survey for DC).

¹¹ Department of Housing and Community Development, *DHCD Selects 69 Projects to Preserve 7,700 Affordable Housing Units*, (Feb. 2025), available at: <https://dhcd.dc.gov/release/dhcd-selects-69-projects-preserve-7700-affordable-housing-units>.

¹² FY2026 DHCD Performance Oversight Responses, response Q41, available at: <https://dccouncil.gov/wp-content/uploads/2026/03/DHCD-Reponses-to-POH-Pre-Questions-.pdf>.

¹³ Cite to previous partner testimonies.

¹⁴ FY2026 DHCD Performance Oversight Responses, response Q6, available at: <https://dccouncil.gov/wp-content/uploads/2026/03/DHCD-Reponses-to-POH-Pre-Questions-.pdf>.

¹⁵ See, e.g., *id.* responses to Q16(c) (“DHCD has sufficient authority and staffing” to handle financing to preserve the volume of affordability covenants that will expire in the next five years) and Q44 (“DHCD has sufficient staff to underwrite financing requests received and will continue underwriting transactions at the pace of the transaction set by the development team.”).

¹⁶ See Priya Jayachandran, *In the Rush to Build, Existing Affordable Housing is Falling Apart*, Shelterforce (May 9, 2024), <https://shelterforce.org/2024/05/09/in-the-rush-to-build-existing-affordable-housing-is-falling-apart/> (“In urban centers, new construction can exceed \$700,000 per apartment home, in contrast to the typical \$50,000–\$200,000 per unit cost of preserving and renovating a property. . . . It’s also faster—an affordable home that is renovated and preserved can be available to families in need of housing in a fraction of the time it takes to build new housing.”); Andrea Ponsor, Althea Arnold, Michael Bodaken, *Preserving Affordable Homes for Equitable, Healthy Communities*, Center for Community Investment, Lincoln Institute of Land Policy, and Stewards of Affordable Housing for the Future (November 2020), https://www.sahfnet.org/sites/default/files/documents/preserving_affordable_homes.pdf.

¹⁷ See Eliana Golding, *A Holistic and Reparative Agenda for Ending Displacement in DC*, DCFPI (November 15, 2023), https://www.dcfpi.org/all/agenda-for-ending-displacement/#_edn51.

¹⁸ Housing Preservation Fund, DHCD, <https://dhcd.dc.gov/service/housing-preservation-fund>; Eliana Golding, *DC Council Must Prioritize Displacement Prevention and Affordable Housing Preservation*, DCFPI (February 15, 2024), <https://www.dcfpi.org/all/dc-council-must-prioritize-displacement-prevention-and-affordable-housing-preservation/>.

¹⁹ See *id.*

²⁰ See Peter A. Tatian, *Landlords Who Own Few Units are a Crucial Piece in DC’s Affordable Housing Preservation Puzzle*, Urban Institute (May 26, 2021), <https://www.urban.org/urban-wire/landlords-who-own-few-units-are-crucial-piece-dcs-affordable-housing-preservation-puzzle>; Yesim Sayin & Emilia Calma, *Assessing the Role of Small Housing Providers in the District of Columbia*, DC Policy Center (July 2,

2025), <https://www.dcpolicycenter.org/publications/assessing-the-role-of-small-housing-providers-in-the-district-of-columbia/>.

²¹ White Jr., Robert, Report and Recommendation of the DC Council Committee on Housing on the FY26 Budget for Agencies Under its Purview,, *HPTF Preservation of Affordable Rental Housing*, (June 2025), , p. 69, available at: https://static1.squarespace.com/static/5bbd09f3d74562c7f0e4bb10/t/6859bda8d29c0811e053d1f3/1750711721122/Housing_FY26+Budget+Recommendations+and+Report+%28Updated+circulation+draft%29.pdf (“The subtitle aims to strengthen the preservation of existing affordable rental housing by mandating that a minimum of 30% of Housing Production Trust Fund (HPTF) project funds each fiscal year be used to support preservation efforts—specifically repair and rehabilitation that ensures continued habitability and structural soundness.”).

²² DC Fiscal Year 2026 Budget Support Act of 2025, Subtitle U. *Housing Production Trust Fund*, available at: <https://lims.dccouncil.gov/downloads/LIMS/57846/Meeting3/Enrollment/B26-0265-Enrollment13.pdf?Id=219180>, Subtitle U.

²³ B26-0597, *Housing Production Omnibus Amendment Act of 2026*, available at: <https://lims.dccouncil.gov/Legislation/B26-0597>.

²⁴ Inclusionary Zoning (IZ) Affordable Housing Program, DHCD, <https://dhcd.dc.gov/service/inclusionary-zoning-iz-affordable-housing-program>.

²⁵ Office of District of Columbia Auditor, *Stronger DHCD Oversight Needed for Inclusionary Zoning Program to Reach Housing Goals*, r(Nov. 20, 2024), p. 14, available at: https://dcauditor.wpenginepowered.com/wp-content/uploads/2024/11/Inclusionary.Zoning.Audit_.11.20.24-1.pdf, (“DHCD did not enforce the annual reporting requirements, which meant they were not able to track which units were vacant or who was living in occupied units.”).

²⁶ FY2026 DHCD Performance Oversight Responses, response Q117(a), available at: <https://dccouncil.gov/wp-content/uploads/2026/03/DHCD-Reponses-to-POH-Pre-Questions-.pdf>.

²⁷ Office of District of Columbia Auditor, *Stronger DHCD Oversight Needed for Inclusionary Zoning Program to Reach Housing Goals*, (Nov. 20, 2024), p. 8, available at: https://dcauditor.wpenginepowered.com/wp-content/uploads/2024/11/Inclusionary.Zoning.Audit_.11.20.24-1.pdf. *

²⁸ *See id.*

²⁹ *Id.* at p. 21-22.

³⁰ *See id.*