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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, resident of the District, and tenant in Ward 6. 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 the opportunity to testify regarding the proposed Fiscal Year 2027 (FY27) budget for the Department of Housing and Community Development (DHCD). 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.² We also see that when families struggle to pay their rent and children experience frequent moves, poor

housing conditions, eviction or homelessness, it causes significant and lasting harm. Our attorneys 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

All these circumstances are associated with a higher use of costly public services over a child's lifetime.⁶

As the Council prepares to finalize the District's FY27 budget, an increasing number of DC families are struggling to maintain housing security for their children. Over 52,000 DC renter households are spending *more than half* of their income on housing⁷ and many of those same households have been impacted by recent cuts to the federal workforce and have experienced, or will soon experience, decreases to financial assistance for necessities like food, childcare, transportation, and healthcare.⁸ While the District cannot control federal actions, we can make choices in our FY27 budget to mitigate the harms impacting low-income DC families. For example, the program's administered by DHCD to increase affordable housing options in the District, especially the Housing Production Trust Fund (HPTF) and Housing Preservation Fund (HPF), are

critical tools for preventing childhood housing insecurity.⁹ Adequately funding and strategically implementing these programs in FY27 is a cost-effective investment in the well-being of DC children and the future of our community.

Therefore, Children's Law Center greatly appreciates that the Mayor's proposed budget continues to invest in the District's Housing Production Trust Fund (HPTF) by adding over \$62 million to the fund in FY27.¹⁰ In my testimony today, I would like to raise two suggestions for how the Committee can ensure previous HPTF investments and the FY27 funds are spent as fairly and efficiently as possible. First, I will emphasize why the Committee should work with DHCD to increase transparency in its plans for existing HPTF funds and FY27 disbursements. Second, I will detail why Children's Law Center supports the Committee's goal to designate a set amount of FY27 HPTF funds for preservation projects.

Increased Transparency and Predictability is Needed to Ensure the Effective Implementation of Financing Tools Administered by DHCD

As Children's Law Center raised during DHCD's performance oversight hearing earlier this year, we consistently hear reports from partners in the affordable housing space that delays and a lack of transparency within the application, underwriting, and closing processes for DHCD's development financing tools¹¹ contribute to increased costs and postponements in project completion dates.¹² This is concerning because we also understand that predictability of public financing is a factor that affordable housing developers and operators consider when choosing whether to engage in projects in the

District. While Children’s Law Center recognizes that DHCD does not control all aspects of the housing market or development process that impact when HPTF loans close — which the agency has repeatedly highlighted in recent hearings— the agency should at a minimum be transparent with applicants and the public about its financing tool decisions and the status of HPTF funds. In FY27, we encourage the Committee to continue working closely with DHCD to increase the timeliness, transparency, and predictability of how it administers its financing tools, including the \$62.6 million that will be added to the HPTF. For example, Virginia Housing, the administrator of Virginia’s federal Low Income Housing Tax Credit (LIHTC) allocation, maintains a public archive of all applications submitted for LIHTC, how all the projects were ranked, and which were selected for funding.¹³ This helps the public ensure the agency is remaining accountable to its approved scoring criteria and allows prospective applicants to see how projects have been scored and selected in the past so they have more predictability about whether their project is likely to receive financing from a particular tool and can plan accordingly.

DHCD also must exercise increased transparency in its actions regarding the future of outstanding HPTF funds from previous fiscal years. In a recent public meeting, DHCD announced that as of June 30, projects in the HPTF pipeline that have been in the underwriting phase for over two years will have their selections rescinded and be required to start over and submit a new application for HPTF funding.¹⁴ It is Children’s Law Center’s understanding that some of these projects have not closed, not because they

are not feasible or because the applicants have not been responsive or cooperative, but rather due to administrative delays outside the applicant's control. We are concerned that projects that are already far into the planning process and near closing will not be able to move forward when they lose the HPTF funds they were initially awarded. Also, setting a precedent of pulling back HPTF commitments, especially without clear notice and rules about when DHCD will do so, could make housing developers and operators more hesitant to launch projects in DC because the awards are not certain. Therefore, we ask the Committee to discuss these plans in detail with DHCD leadership. We need to have a clear understanding of which projects could be impacted, why their closing is outstanding, and if the causes of delay could be resolved. Additionally, the Committee should speak with the organizations behind impacted projects about whether and how this could impact their work. We are especially concerned about the impact on properties currently occupied by tenants that have been awaiting HPTF funds to complete much-needed rehabilitation or exercise their Tenant Opportunity to Purchase Act (TOPA) rights. Based on this information, the Committee should use its oversight power to work with DHCD between now and June 30 to assess what is the most responsible use of HPTF funds and in the best interest of the DC families.

The Committee Should Thoughtfully Designate a Minimum Portion of HPTF Funds for Preservation Projects

Preserving existing affordable rental housing is faster and more cost-effective than producing new units from scratch and an important tool for preventing displacement.¹⁵

Especially in a time when the District faces significant fiscal constraints, prioritizing preserving the existing affordable housing that we already have is an efficient use of limited funding. Therefore, Children’s Law Center was concerned to see that the Mayor’s proposed budget for DHCD includes a cut of \$1 million from the “Acquisition/Critical Repairs” line from the Housing Preservation division, zeroing the line out in FY27.¹⁶ It is Children’s Law Center’s understanding that this activity line covers administrative support for the Housing Preservation Fund¹⁷ and DHCD’s other work to “preserve affordable housing units for residents with low-to-moderate income,” including by supporting the creation of Limited Equity Cooperatives.¹⁸ The Committee should ask DHCD about the impact this cut will have on their existing programs and restore whatever is necessary to minimally maintain these functions within DHCD.

Children’s Law Center applauds this Committee’s commitment to preserving existing affordable housing and we strongly support the Committee’s plan to adopt a Budget Support Act (BSA) subtitle to require that 30% percent of FY27 HPTF funds be set aside for preservation projects. There are several points Children’s Law Center urges the Committee to consider as it crafts the subtitle. First, we believe it is important to specify that the 30% set aside is a *minimum* requirement. There has been a decrease in private financing options for new multi-family construction in DC in recent years and if production projects cannot pencil out in that environment, DHCD should be clearly empowered to dedicate more than 30% of HPTF dollars to preservation.

Second, given the importance of predictability in the development financing space, as discussed above, we encourage the Committee to pursue a permanent requirement for the percentage of HPTF designated for preservation rather than addressing it ad hoc in the BSA each fiscal year. This could be done through the FY27 BSA, a permanent standalone version of the BSA language, or by passing and funding the Housing Production Omnibus bill introduced earlier this year.¹⁹

Lastly, the Committee must be intentional about the purpose of this dedicated preservation funding and tailor its approach accordingly. In the absence of a specific definition of “preservation,” DHCD can decide how narrowly or broadly to implement the set aside. While preservation has historically meant protecting the physical quality and existing affordability levels of housing for current tenants through acquisition, rehabilitation, and/or covenant extension, in recent years DHCD has broadened its definition to include the financial stabilization of properties with affordable units, without a requirement to maintain housing stability for existing tenants.²⁰ If the Committee’s intention is for its HPTF preservation set aside to maintain habitability and stability for the DC families living in existing affordable housing units, it should include a definition of preservation that meets that goal. For example, the Committee could explicitly define preservation as including repairs and/or rehabilitation or specify that the set aside funds be allocated to projects with maturing Housing Preservation Fund loans.²¹ Additionally, if the Committee wants to allow DHCD to stabilize the operating finances

of affordable properties with high rental arrears, it should consider adding funding to the Emergency Rental Assistance Program (ERAP) instead or otherwise ensuring its investments stabilize both landlords *and* low-income families at risk of eviction. Children’s Law Center welcomes the opportunity to help the Committee work through these considerations and thoughtfully structure its HPTF BSA subtitle for FY27.

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. 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 See, e.g., Marilyn Metzler et al., *Adverse Childhood Experiences and Life Opportunities: Shifting the Narrative*, *Children and Youth Services Review*, Vol. 72 (January 2017), available at: <https://www.sciencedirect.com/science/article/pii/S0190740916303449>; Milad Parpouchi et al., *The Association Between Experiencing Homelessness in Childhood or Youth and Adult Housing Stability in Housing First*, *BMC Psychiatry*, Vol. 21 No. 138 (2021), available at: <https://link.springer.com/article/10.1186/s12888-021-03142-0>; Deborah A. Coob-Clark and Anna Zhu, *Childhood Homelessness and Adult Employment*, *Journal of Popular Economics*, Vol. 30 No. 3 (July 2017), available at: <https://www.jstor.org/stable/48698998>.

⁷ 2026 *District of Columbia Housing Profile*, National Low Income Housing Coalition, (March 2026) p. 1, available at: <https://nlihc.org/gap/state/dc> (chart titled “Extremely Low-Income Renters Make Up Majority of Severely Cost-Burdened Renters” shows a total of 52,482 renter households that are severely cost-burdened).

⁸ Anna Bailey, *Cuts to Health Care, Food Assistance, and Income Support to Fund Tax Cuts for the Wealthy Would Worsen Housing Instability and Homelessness*, Center on Budget and Policy Priorities, (2025), available at: <https://www.cbpp.org/blog/cuts-to-health-care-food-assistance-and-income-support-to-fund-tax-cuts-for-the-wealthy-would>; Upcoming Changes to SNAP Benefits, Legal Aid Society, available at: <https://www.legalaiddc.org/legal-info/snap-big-beautiful-bill>; Elizabeth Short, *D.C. is preparing to implement new SNAP work requirements. Here’s what to know*, Street Sense Media, (March 13, 2026), available at: <https://streetsensemedia.org/article/d-c-implements-new-snap-work-requirements/>; Legal Action Center, *The Impacts of HR 1 on Medicaid and SNAP*, (December 2025), available at: <https://www.lac.org/resource/the-impacts-of-hr-1-on-medicaid-snap>; Fiscal Year 2026 Budget, D.C. Fiscal Policy Institute, (Mar. 25, 2025), available at: <https://www.dcfpi.org/all/dc-fiscal-year-2026-budget/>.

⁹ “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>.

¹⁰ FY 2027 Proposed Budget and Financial Plan, Housing Production Trust Fund, Table UZ0-1, H-35.

¹¹ DHCD administers a number housing financing tools including the locally-funded Housing Production Trust Fund and Housing Preservation Fund and the District’s allotments from the federal Low-Income Housing Tax Credit and Community Development Block Grant (CDBG) programs. *Development and Finance*, Department of Housing and Community Development, <https://dhcd.dc.gov/service/development-and-finance>.

¹² Makenna Osborn, *Testimony Before the District of Columbia Council Committee on Housing, Children’s Law Center* (March 5, 2026), available at: <https://childrenslawcenter.org/resources/2025-26-performance-oversight-testimony-department-of-housing-and-community-development/>.

¹³ Housing Tax Credit Application Archive, Virginia Housing, <https://www.virginiahousing.com/partners/rental-housing/housing-tax-credit-application-archive> [accessed May 10, 2026].

¹⁴ DHCD's Orientation Session: 2026 Housing Production Trust Fund HPTF Open Request for Proposals, DC Department of Housing and Community Development, (April 7, 2026), at 1:31:39, available at: <https://www.youtube.com/watch?v=Vhur2uZu-rc>.

¹⁵ 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.

¹⁶ FY 2027 Proposed Budget and Financial Plan, Department of Housing and Community Development, Table DB0-4: line R02104, at B-14.

¹⁷ The Housing Preservation Fund is a combination of District funding and private and philanthropic investments managed by three Community Development Financial Institutions (CDFIs) to provide quick short-term bridge acquisition and pre-development financing to eligible borrowers looking to preserve affordable rental housing in the District. *Housing Preservation Fund*, Department of Housing and Community Development, <https://dhcd.dc.gov/service/housing-preservation-fund>.

¹⁸ FY 2027 Proposed Budget and Financial Plan, Department of Housing and Community Development, at B-16.

¹⁹ See B26-0597, *Housing Production Omnibus Amendment Act of 2026*, available at: <https://lims.dccouncil.gov/Legislation/B26-0597>.

²⁰ See *The Role of Rehabilitation in Housing Preservation*, National Housing Trust (NHT), (June 12, 2025), <https://nationalhousingtrust.org/news/role-rehabilitation-housing-preservation>; Dan Emmanuel, *The Preservation of Affordable Housing*, National Low Income Housing Coalition (NLIHC), (2023 Advocates' Guide) at 6-76, https://nlihc.org/sites/default/files/2023-03/2023AG6-14_Affordable-Housing-Preservation.pdf.

²¹ Children's Law Center has learned from several stakeholders that there are preservation projects that received initial short-term loans from the Housing Preservation Fund but have yet to secure the long-term financing (which often includes a Housing Production Trust Fund loan) and therefore are having to extend their HPF loans or find additional short-term loans at higher interest rates. This is placing valuable preservation projects which the District has already invested in at risk of falling apart and prioritizing these projects for HPTF funding would be another way to designate HPTF dollars for preservation.