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Testimony Before the District of Columbia Council
Committee on Housing
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Public Hearing:
Housing Production Omnibus Amendment Act of 2026 (B26-0597)

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Introduction

Good morning, Chairperson White, and members of the Committee. My name is Makenna Osborn. I am a Senior Policy Attorney at Children's Law Center, a resident of the District, and a 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 60,000 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 provide feedback on the revised Housing Production Omnibus Amendment Act.¹ Through our work representing children and families across the District,² Children's Law Center sees firsthand how fundamental housing security is to a child's ability to grow, learn, and thrive.³ Unfortunately, for many of our clients, housing security is consistently out of reach. There are too few rental units available in DC's housing market that are affordable to families with lower incomes⁴ and not enough subsidy resources to make up the gap between high rents and low wages.⁵ As a result, families are forced into impossible choices —between paying rent or buying

groceries, between staying in unsafe housing or leaving their DC community. And children bear the consequences of that instability.

That is why Children's Law Center continues to support the Housing Production Omnibus Amendment Act.⁶ The District's existing affordable housing financing tools and strategies have not kept pace with the needs of residents. This bill reflects an important recognition that our policies must evolve. It takes meaningful steps to better align our investments with today's realities, while providing both the guardrails and flexibility needed to respond to a changing housing landscape. My testimony will focus on changes made by the Committee after the first hearing. First, I will highlight new additions and clarifications that Children's Law Center believes strengthen the bill and should be kept in the final version. Second, I will emphasize why further action outside of this legislation will be necessary to effectuate the Committee's goal of ensuring all applicants for HPTF funding have "clean hands." Lastly, I will discuss one new section that Children's Law Center believes needs amending to adequately protect tenants if their landlord shifts project-based subsidies from one property to another.

The Committee's Revisions to the Housing Omnibus Production Bill Strengthen the District's Tools for Preserving Deeply Affordable Housing

Children's Law Center appreciates that the Committee made significant revisions to the Housing Production Omnibus bill based on stakeholder feedback during the first hearing and, recognizing the scale of those changes, is soliciting public feedback on those revisions before markup. We believe the revised bill does a good job of addressing

concerns raised in the first hearing that the new Housing Production Trust Fund (HPTF) structure would be overly prescriptive and confusing.⁷ We applaud the Committee for addressing these concerns without taking away from the bill's overarching goals to 1) require transparency and accountability in the spending of District funds where it has been lacking for years and 2) prioritize increasing our **net** stock of *deeply* affordable housing, which requires both preservation and production.

Children's Law Center would like to highlight the following changes that the Committee has made that we believe particularly strengthen the bill and should be kept in the final version:

- **The addition of a definition for “preservation” that clarifies it is distinct from “stabilization.”**⁸ We believe this will help ensure that funds dedicated to support preservation projects are used as intended and not swallowed by stabilization projects applying for preservation funds.
- **The addition of a requirement that recipients of stabilization funds enter into a new 40-year affordability covenant.**⁹ This will help the District maximize the impact of its investments by ensuring properties that receive stabilization funds remain affordable for longer and are not going to contribute to the mounting pressures of expiring affordability covenants in the near future.
- **The addition of a statutory requirement that DHCD assess the conditions at an applicant's existing properties, and plans for improving conditions with HPTF**

money, when considering HPTF awards.¹⁰ Children's Law Center regularly works with families living in abhorrent conditions at properties that have received and/or are applying for HPFT funding. The District must do a better job of ensuring that the money it invests in affordable housing is going to responsible landlords and will be used to support safe and healthy housing conditions for tenants.

- The strengthening of DC's District Opportunity to Purchase Act through:
 - a **new requirement that DC be able to exercise DOPA in the event of foreclosures at multi-family building**,¹¹ which will expand the properties the District has an opportunity to purchase and mitigate concerns that affordable housing covenants will be lost due to foreclosure;¹²
 - the **creation of the District Acquisition Program as an HPTF sub-account**,¹³ which will provide a much-needed funding source for DOPA so the District government can actually exercise its acquisition rights to directly preserve affordable housing;¹⁴ and
 - **enabling the automatic upzoning of property acquired by the District government**,¹⁵ which will ensure maximum leveraging of District investments through increased allowable density.

Together these changes will allow the District government to take a more proactive role in leveraging public dollars and land to support affordable housing.

The Codification of a Clean Hands Requirement for HPTF Applicants Will Not Be Effective Without Strengthening DLCP's Practices for Verifying Clean Hands

Children's Law Center appreciates that the revised bill includes a statutory requirement that all parties involved in an application for HPTF funding have "clean hands" —including that they do not have outstanding fines for housing code violations.¹⁶ We agree with the Committee that this is an important enough lever for ensuring accountability in who is receiving District funding that it should be codified in law. However, Children's Law Center has concerns about the efficacy of the current process for certifying clean hands. It is Children's Law Center's understanding that the Department of Licensing and Consumer Protection's (DLCP) current practice for implementing the clean hands law is to accept an applicants' self-certification that they have "clean hands" (that they do not have any of these "outstanding fines, penalties, or interest") without any verification by DLCP.¹⁷ For the clean hands requirement in this act to have the Committee's intended effect, the District government needs to address this larger gap in the implementation of our clean hands certification process.

In 2006, the Council passed the Clean Hands Licensing Revision Act of 2006 to address this very concern.¹⁸ According to that law, the Chief Financial Officer (CFO) "shall implement an interagency computer system to enable government agencies, including the Department of Licensing and Consumer Protection . . . to maintain and

access up-to-date records of outstanding fines, fees, penalties, interest, taxes, or other charges that may be owed by applicants for licenses or permits from the District government.”¹⁹ The Council envisioned this interagency computer system as a replacement for applicant self-certification of clean hands; the enacted law explicitly states that “[s]elf-certification authority [by DLCP and other agencies responsible for implementing clean hands requirements] shall no longer be authorized” upon implementation of the system.²⁰ The Committee must determine why the interagency computer system mandated by DC law is not currently in place and promptly support its long overdue implementation. In doing so, the Committee should also ensure that all relevant agencies are statutorily required to use the system, including the Department of Buildings and District of Columbia Housing Authority.

As Written, the New Provision on Long-Term Subsidy Contract Transfers Does Not Adequately Protect Tenants from Displacement

In the revised version of the bill, the Committee added a new section allowing housing providers to temporarily transfer a long-term subsidy contract to another project.²¹ Children’s Law Center supports the Committee’s intent of making it easier for recipients of long-term project-based subsidies to engage in the kinds of large-scale rehabilitation that require tenant relocation. However, we are concerned that as written, the new provisions on transfers of long-term subsidy contracts do not include sufficient protections for tenants who may face displacement. In our experience, relocation during renovations is a complex process; without clear and timely communication to tenants

about their rights and advance planning of how tenants will be temporarily relocated and allowed to return, tenants can be displaced from their community. If the Committee moves forward with addressing long-term subsidy transfers in the current bill,²² we recommend an amendment clarifying that a landlord must first comply with the relocation process laid out in § 42–3505.01(f) before transferring a subsidy to ensure tenants in the original property are adequately protected.²³

Conclusion

Thank you again for the opportunity to testify. In closing, Children’s Law Center appreciates that this is a uniquely precarious time for housing developers and operators in the District, causing some stakeholders to raise fears that big changes, like those proposed to the HPTF, will further deter investment in DC’s housing market. However, we believe that the unprecedented challenges facing DC’s affordable housing system is exactly why Council should act to change the parts of that system that are not working. The coming year is a powerful opportunity for new District leadership to implement bold policy reforms and set a new path for the District’s housing ecosystem. We urge the Council to pass the Housing Production Omnibus Amendment Act this Council period to give the new Executive administration the tools it needs to make effective investments in housing for District families with the lowest incomes.

¹ B26-0597, *Housing Production Omnibus Amendment Act of 2026*, available at: <https://lms.dccouncil.gov/Legislation/B26-0597> [hereinafter Revised HPO Act].

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 *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>.

⁴ For every 100 renter households with an income at or below 50% Area Median Income in DC, there are only 64 rental units in DC that are affordable and available (meaning a household would not be spending more than 30% of their income on housing costs). *The Gap: District of Columbia*, National Low Income Housing Coalition (NLIHC), *available at*: <https://nlihc.org/gap/state/dc>.

⁵ According to a 2024 Urban Institute analysis, to fully close the gap between household incomes and market rent costs for low-income tenants in DC, the District would need to fund an additional \$380 million per year in local vouchers and at least \$76 million in the Emergency Rental Assistance Program (ERAP), which is significantly higher than current levels of spending. *See* Elizabeth Burton, Leah Hendey, and Peter A. Tatian, *Combating Rising Evictions in the District of Columbia with Housing Subsidies*, Urban Institute (June 2024), *available at*: <https://www.urban.org/research/publication/combating-rising-evictions-district-columbia-housing-subsidies>.

⁶ For our testimony in support of the first version of the proposed HPO Act, *see* Makenna Osborn, Children’s Law Center, Testimony Before the District of Columbia Council Committee on Housing (March 30, 2026), *available at*: <https://childrenslawcenter.org/resources/testimony-housing-production-omnibus-amendment-act-of-2026-fair-share-housing-targets-act-of-2025-and-the-portable-tenant-screening-report-amendment-act-of-2025/>.

⁷ *See*, e.g., Maya Brennan, The Coalition, Testimony Before the District of Columbia Council Committee on Housing (March 30, 2026), *available at*: <https://lims.dccouncil.gov/Hearings/hearings/2200>.

⁸ HPO Act, *supra* note 1, lines 96 -103 (“Financial stabilization alone does not constitute preservation, and any funding allocated for preservation shall be considered separate and distinct from funding allocated for stabilization.”).

⁹ *Id.* lines 263-266.

¹⁰ *Id.* lines 296-305.

¹¹ *Id.* lines 783-789.

¹² In recent years one of the key concerns raised by the Executive and housing providers regarding the unstable financial situation of DC’s multifamily rental housing sector is that a foreclosure may terminate a property’s affordability covenants. *See*, e.g., Office of the Deputy Mayor for Planning and Economic Development (DMPED) and Mayor Muriel Bowser, *Protecting Affordable Housing* (September 30, 2024), p. 10, https://mayor.dc.gov/sites/default/files/dc/sites/mayormb/release_content/attachments/Affordable%20Housing%20Situational%20Update_093024.pdf. If the District exercises its DOPA rights to acquire a property facing foreclosure, it could prevent such covenant losses and preserve long-term affordability.

¹³ HPO Act, *supra* note 1, lines 593-620.

¹⁴ Enacted in 2008, the District Opportunity to Purchase Act (DOPA) gives the District a right to purchase certain multifamily rental properties if they are put up for sale. D.C. Code § 42-3404.31-37. Chapter 34.

Rental Housing Conversion and Sale. District’s Opportunity to Purchase. However, after a long delay in the establishment of regulations governing DOPA and with limited funding to support any acquisitions, the District has never successfully exercised its DOPA right. *See Will Schick* (Street Sense Media), *DC Has Never Used This Toll to Purchase Buildings for Affordable Housing*, Greater Greater Washington (June 22, 2021), <https://ggwash.org/view/81718/dc-has-never-used-this-tool-to-purchase-buildings-for-affordable-housing-will-new-changes-put-the-program-to-use>.

¹⁵ HPO Act, *supra* note 1, lines 612-620.

¹⁶ *Id.* lines 372-380.

¹⁷ This understanding comes from conversations with DLCP about their practices and is technically allowed under the District’s current clean hands law. D.C. Code § 47-2862-2863. Clean Hands Before Receiving a License. Prohibition against issuance of license or permit; Self-certification and enforcement (conditional). While DLCP does require businesses and individuals applying for a Basic Business License to get a “Clean Hands Certificate” from the Office of Tax and Revenue (OTR), an OTR certificate only verifies that an entity is current on DC tax obligations – and does not capture fines and fees like those issued by DOB for housing code violations. *See* Off. of Tax & Rev., *How to Request a Certificate of Clean Hands* 1, <https://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/How%20to%20Request%20a%20CCH%20%282%29.pdf>.

¹⁸ D.C. Law L16-0192, *Fiscal Year 2007 Budget Support Act of 2006*, Title I: Subtitle B. Clean Hands Licensing Revision, *available at*: <https://lims.dccouncil.gov/Legislation/B16-0679>.

¹⁹ D.C. Code § 47-2866(a)(1). Clean Hands Before Receiving a License or Permit. Interagency computer system and enforcement.

²⁰ D.C. Code § 47-2866(b)(2). Clean Hands Before Receiving a License or Permit. Interagency computer system and enforcement.

²¹ HPO Act, *supra* note 1, Sec. 208, lines 848-873.

²² Children’s Law Center encourages the Committee to consider whether it would be more appropriate to pull this provision out and move it through its own legislation, so the Committee and stakeholders have more opportunity to discuss it.

²³ D.C. Code § 42-3505.01(f). Rental Housing Generally. Evictions; Retaliatory Action; and Other Matters. (Requires, among other things, reasonable notice to tenants and the Rent Administrator and Chief Tenant Advocate and clear standards for what information must be given to tenants).