



Housing Counseling Services, Inc.

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HOUSING COUNSELING SERVICES, INC.

TESTIMONY REGARDING CASE NO. 04-33G: INCLUSIONARY ZONING

BEFORE THE DC ZONING COMMISSION

APRIL 14, 2016

Good evening, my name is Ronald Clarkson and I am here to testify on behalf Housing Counseling Services (HCS). HCS is a nonprofit agency, founded in 1972 to provide training, counseling and technical assistance to tenants, homebuyers, homeowners and the homeless. Our goal is to assist our clients to prevent homelessness and access enduring, safe and affordable homes by developing the skills necessary for success.

As a Program Director at HCS for 10 years, and an HCS employee for 11 years, I have extensive experience directly serving low and moderate income DC residents. Among other duties, I manage HCS's IZ training and certification program. I have worked at HCS through the changing economy and have seen (and participated in) the resulting programs designed to react to these changes. We work hard at HCS to assist our clients in adjusting to the increasing cost of housing, avoiding displacement, understanding market realities and to access information and skills to improve their chances of retaining good and affordable housing in DC. I am here tonight to offer insight, based upon our experience working directly with low and moderate income residents, about how you might consider making appropriate changes to the IZ program to better address the housing needs of DC residents.

As part of the work we do on behalf of the DC Department of Housing and Community Development (DHCD), HCS conducts IZ Orientations, completes Certifications of Income, Affordability and Housing Size for IZ homebuyers, and conducts mandated training for IZ rental and homeowner participants. In these roles we have frequent contact with people who seek to participate in the IZ program.

If you ever doubted the tremendous demand for affordable housing, I encourage you to attend an IZ orientation. HCS holds weekly IZ Orientations throughout the city, in spaces that accommodate between 30 and 50 people. Each of our weekly IZ Orientations is fully booked in advance and many people come on a walk-in basis. And...keep in mind that we are not the only organization conducting IZ Orientations.

The majority of participants at our IZ Orientations report income below 60% AMI. The significant interest and the high number of lottery registrations for those below 60% AMI is, we believe, a result of the severe housing despair felt by this population NOT because of any lack of marketing to those of higher income. This is the population that has no viable housing alternative in the private housing market and they therefore take every step possible to seek a solution to remain in their hometown.

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The Office of Planning report states, on pages 12-13 of the technical appendices, that only 18% of all IZ registrants are eligible for 80% AMI units, but 78% of all IZ units are targeted at the 80% AMI level. Conversely, most registered households earn between 31 and 60% AMI. This is consistent with our experience. Most people who come to HCS seeking help to find a home they can afford are in this income range, because the options are so few.

While the Office of Planning's report indicates that one Community Based Organization believes that the reason that there are few participants at the 80% IZ level is due to the need for marketing, this is not what we are seeing. While in general, we recognize that more marketing of any program or service can usually increase demand, we believe that with respect to housing and the IZ program in particular, it would be most effective to tailor the program to the income levels of the households in greatest need and with the highest interest, and looking at our client base, that would be households below 60% AMI.

At every orientation we are asked the questions pertinent to anybody seeking affordable housing; How much is the housing?, Where is it?, What are my chances of getting it?, How quickly can I get a home?, Is there a maximum income? What about a minimum income? How many bedrooms are there? Can I use my voucher? When is the next lottery? Does the program do anything with respect to condo fees? Can I sell for what I want? As you can see, there is a large learning curve when it comes to the IZ program, and the more information we provide the more questions arise. Most participants leave discouraged when they learn about the cost of the IZ units and the criteria for selection, but for others it leads to hope and additional one-on-one counseling to prepare for the opportunity.

Serving the entire housing continuum, HCS sees the greatest need for affordable housing among those earning below 60% AMI and supports efforts to move the rental IZ program towards meeting these persistent needs and setting the rental income limit at this level. HCS is able to assist our clients who are above 60% AMI to find safe and affordable housing within their affordability levels outside of IZ. While we help these households to adjust their expectations, this population has good choices available without limiting their search to IZ. The reality is that for those between 60%-80% AMI, many of whom are upwardly mobile and have expectations of increasing income, IZ requirements that force them to leave their IZ unit should their income rise, has a negative impact on their interest and moves them naturally to the private market where they can find alternatives.

The problem with affordability in the District is only getting worse. As the price of housing continues to escalate, someone earning 80% AMI does have more limited choices about where he or she can afford to live but they still have significant choice and these needs are being met by the private market. For households at lower income levels, there are significantly fewer and fewer options, which is why we believe that government resources and regulations should focus their intentions here.

If IZ were to revise its rental income targeting to this level, it could prove a much more beneficial program to the many thousands of DC residents who face housing poverty – those who have been DC residents for generations and who are desperately in search of a safe home in DC. We talk to clients

every day who struggle between paying rent and paying for medicine or food. We are disappointed thus far in IZ's contribution to providing affordable units at levels that meet the needs of most of the clients applying for IZ units.

We are happy to answer any questions.