



## Budget Recommendations for Fiscal Year 2016

### Housing Affordability

**Invest at least \$100 million each year for the Housing Production Trust Fund** by dedicating consistent ongoing funding to provide a \$100 million baseline.

- The Housing Production Trust Fund is the backbone of housing preservation and development in DC. It is crucial to keeping and expanding the affordable housing needed for DC families and individuals. The Trust Fund plays a key role in the preservation of existing affordable housing by building new affordable housing for rent or purchase, creating new permanent supportive housing units to end chronic homelessness, enabling tenants to purchase their buildings and preserve them as affordable.
- In order to respond to the need to preserve affordable homes quickly, DHCD should establish a \$20 million set aside within a fully-funded Trust Fund for tenant associations to preserve affordable housing by acquiring their buildings. This could preserve up to 300 units of existing low-cost housing, keeping low and moderate income residents in their homes.

**Increase by \$8 million the Home Purchase Assistance Program (HPAP)** and increase the maximum allowable loan amount.

- This would allow HPAP to serve 300 residents and provide additional investment as part of the River East Homeownership initiative.
- The maximum allowable HPAP loan should increase to \$80,000 in order to effectively increase the pool of homes that would meet both price and inspection requirements.

**Increase by \$11.9 million the Permanent Supportive Housing Program** to aggressively meet DC's goals of ending chronic homelessness.

- DC has committed by end chronic homelessness, and the Department of Human Services Permanent Supportive Housing Program or Housing First is crucial to meeting that need.
- This investment will serve 528 individuals currently experiencing long term homelessness and severe physical or mental health issues.

**Increase by \$5 million Project Based and Sponsor Based Local Rent Supplement (LRSP)** to produce new housing for extremely low income families and individuals.

- LRSP is a crucial tool to ensure the Housing Production Trust Fund meet its requirement to dedicate 40% of the Trust Fund to serve households at 0-30% AMI, which creates both permanent supportive housing and homes for other low-income households who cannot afford market rent.
- Housing vouchers, including LRSP, are a key tool to continue DHCD's requirement that most new affordable rental housing developments include 5% that are permanent supportive housing, one of the ways that DC is producing homes to eliminate chronic homelessness.



### **Invest \$5 million for Tenant Based Local Rent Supplement (LRSP) vouchers.**

- One in five District households pays more than half of income in rent. Some of these households need long-term housing subsidy and the District has long recognized that the federal Section 8 program doesn't reach enough of them.
- To the extent that these vouchers are used to support the Department of Human Services and the needs to serve families in shelter, they be used thoughtfully and using best-practices to make the system work well.

### **Additional recommendations:**

- The production of supportive housing requires a range of funding sources, which is why five DC agencies collaborate on the Consolidated Request for Proposals, streamlining applications and ensuring that supportive housing has all the tools needed for organization and resident success. Additional planning and clarity by the administration to ensure that each agency is adequately funded to participate in the Consolidated RFP to meet the District's supportive housing goals would improve outcomes across agencies.
  - In particular, transparency is needed within the Department of Human Services and The Community Partnership for the Prevention of Homelessness to identify what funds are available for housing program services.
- Nonprofits in DC that serve people who are homeless or at risk of homelessness are experiencing a dramatic reduction in the amount of philanthropic funding available (caused in part by the elimination of funding by Fannie Mae and Freddie Mac). The District should develop a strategy to invest public, private, and philanthropic resources to continue to provide services that meet the diverse housing needs of DC's residents.



## Budget Recommendations for Fiscal Year 2016 Community Economic Development

### **Commit at least \$4.5 million to the Small Business Technical Assistance Program (SBTA)**

- Designate \$3.5M in line item 3010 for the citywide SBTA and \$1M for clients East of the Anacostia River.
- The **Small Business Technical Assistance (SBTA)** is a vital DHCD-funded program, supporting the start-up, expansion and improvement of small businesses in the District. The SBTA program plays an integral role in helping to build and strengthen low- and moderate income neighborhoods as anchors for economic growth by working closely with new and established businesses. This program allows the Department of Housing and Community Development to provide grants that fund community-based nonprofit organizations embedded in the community and operating citywide to provide technical assistance, support, and training to small and retail businesses in DC.

**Commit \$5.5M for the Great Streets Initiative** and activate all of its grant making functions to strengthen the program – neighborhood branding and marketing; blighted and vacant property mitigation and redevelopment of private property through financial incentives.

- The **Great Streets Initiative** is part of the District’s community economic development strategy supporting the revitalization of the District’s beleaguered commercial corridors. This initiative provides capital improvement dollars in the form of a grant to small businesses for build-outs and renovations, equipment upgrades and façade improvements. This grant program is a vital catalyst coupled with the support of SBTA providers to stimulate development in emerging and struggling corridors in the District.

### **Increased funding for the Small Business Technical Assistance Program and Great Streets Initiative is critical for strengthening DC’s local economy**

- **10 SBTA grant recipients this year are providing individual entrepreneurs with business planning, micro-loan packaging, entrepreneurial assistance, and legal assistance.**

Grant recipients are also engaged in business attraction, business retention, and collective business support activities including the formation of business alliances, business corridor promotion, mass marketing, volume discount efforts, and collective space management.



## Investing in Neighborhoods: Growing and Sustaining Small Businesses

- **SBTA grantees collaborate closely with DHCD, DSLBD, DMPED, and each other to amplify every dollar to support small business in DC.**

This fiscal year, SBTA grantees have worked in concert with the Steering Committee of the Small Business Policy Project (SBPP) to begin building a provider network to share best practices for service delivery. SBTA providers support the SBPP's recommendation to expand and improve services for small business to create a seamless "lifecycle" system for technical assistance in the District. Supporting STBA program ensures that providers can continue to work closely with local government agencies to provide specialize services to small business at every stage of their growth and development.

- **SBTA grantees support DMPED's Great Streets program.**

SBTA grantees help small business to understand the process, successfully complete their applications, better integrate their services, and document the successes of the program.

- **Mayor Bowser and the Council and have emphasized the key role of small businesses in our economy.**

Grantees help start, sustain, and strengthen local small businesses, which in turn create jobs, generate revenues, and pay taxes in the District. Local small businesses pay business and payroll taxes, create jobs for local employees who pay income taxes, and encourage neighborhood transformation. District government and residents have spoken out about the need for neighborhood serving retail and thriving commercial corridors.

- **The Council has supported the SBTA and Great Streets program in the past, and DC communities, residents and local entrepreneurs need it to do so again.**

The Small Business Technical Assistance and the Great Streets program helps stabilize neighborhoods and creates jobs, and helps keep needed tax revenue in the District.