

SPECIAL ADVERTISING SECTION

# Economic Engines are Powered by Housing

The Case for Housing Affordability in the Greater Washington Region



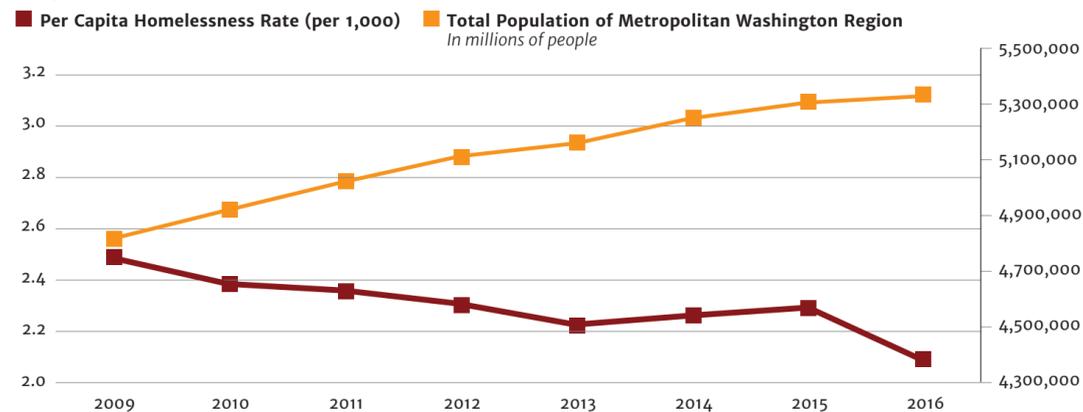
**HAND**

COLLABORATION. INNOVATION. TRANSFORMATION.

# Many HANDs Make Light Work

Major challenges can present great opportunities. Such is the case with the housing market in the Washington, D.C. metropolitan area. Families with earnings on the higher end of the economic spectrum may experience some discomfort, but ultimately find a place to call home that they can afford. The same is not true for many other families in and around Maryland, Virginia and the District whose limited economic power gives them far less leverage in the market. For these renters and homebuyers, this region is still in the midst of a housing crisis.

## Population and Homelessness Rate



Source: Metropolitan Washington Council of Government report, *Homelessness In Metropolitan Washington: Results and Analysis from the Annual Point-in-Time (PIT) Count of Persons Experiencing Homelessness, May 2017*. For more from Metropolitan Washington Council of Governments, go to: [mwcog.org](http://mwcog.org).

But the story does not have to end in defeat. Instead, the ongoing affordable housing challenge offers an opportunity to pen a new chapter. Collaboration across the region can move everyone closer to a solution – one that could serve as a model for other regions, as well. True collaboration requires more than the political will of elected officials, although that is a critical element. It requires partnership across sectors and the reframing of the housing crisis as an economic imperative for the whole of the region.

### The Multiplier Effect

The Housing Association of Nonprofit Developers (HAND) was built on the belief that many hands make light work for solving the region's persistent housing challenges. For 26 years, members of HAND have come together to solve problems and implement solutions that keep top-of-mind the area's economic well-being and sustainability. HAND provides a seat at the table for representatives of the many sectors that intersect with affordable housing and community development, such as real estate developers, policy analysts and resident services providers, among others. In addition, the trade association works to build lasting capacity for the industry through education, engagement and training.



HAND's 24th Annual Meeting & Housing Expo held on June 23, 2015 at the Omni Shoreham Hotel in Washington, D.C. Photo credit: HAND.

### Local is the New Local

HAND is unapologetically local. It is hyper-focused on the nation's capital and surrounding areas that have expanded to include the Baltimore region and the Hampton Roads area of Virginia. In celebration of its milestone anniversary in 2016, HAND produced 25 capacity-building events in its 25th year. These training sessions, seminars and cultivation activities served more than 1,400 professionals.

Offering members timely and relevant events that meet them where they are in their professional

journey is central to HAND's training philosophy. Sessions are customized for both early-career and experienced professionals. Events include interactive sessions about local real estate trends and market conditions, discussion groups on integrating healthy and affordable materials into developments, and highly-attended training sessions on the art of deal negotiation. HAND also hosts symposiums with the U.S. Department of Housing and Urban Development (HUD) and invites local government partners to participate in the sessions.

"Despite the relatively strong economy for well-educated workers, looking across a wide variety of measures shows that many families in the region struggle to build a sustainable quality of life...a third of homeowners with a mortgage and half of rental households in the national capital region pay 30 percent or more of their income toward total housing costs."

Excerpt from *Bursting the Bubble: The Challenges of Working and Living in the National Capital Region*, a June 2014 report from a joint project of The Commonwealth Institute for Fiscal Analysis, The DC Fiscal Policy Institute, and The Maryland Center on Economic Policy.

"I'm so proud of the work HAND does and what we've been able to accomplish across our region. Our members are engaged, inspired and committed. We strive to reflect that same spirit in the events and training sessions we produce, and in partnerships we create to advance our mission and the industry as a whole."

– Heather Raspberry, Executive Director, HAND



ONE COMPANY. ONE SOLUTION.  
EVERY PHASE OF CONSTRUCTION.



## THE BEACON CENTER

6100 Georgia Avenue, NW, Washington, DC 20011

The Beacon Center is an impactful multipurpose housing, congregational and community development project that will change the landscape of commercial development and the quality of living along Georgia Avenue. Developed by The Community Builders, The Emory Beacon of Light, Inc. and NREUV will provide spaces and places to transition people from homelessness to permanent residency. It will provide families, veterans and senior citizens with affordable rental housing.

The General Contractor – Ellisdale Construction & Development (EDC) has a strong history of affordable housing and community transformation projects in the Mid-Atlantic Region and in Washington, DC. EDC has built and renovated over 2,800 affordable housing units. The Beacon Center will include 15 Transitional Family Housing Units, 45 Affordable Family Housing Units, 32 Permanent Supportive Housing for Veterans and 17 Transitional Housing Units for single men.

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# Connecting the Dots

As the largest community development and affordable housing coalition in the Washington, D.C. region, HAND's role as a connector is also to elevate the challenges and opportunities of affordable housing and community development in this area, and spotlight the connection of this industry to all other sectors in the region. Earlier this year, HAND published a primer of key findings and action items for local jurisdictions grappling with the crisis of affordable housing titled, "Outlook for Meeting Housing Needs in the National Capital Area in 2017: Action Items for Local Jurisdictions." Lisa Sturtevant of Lisa Sturtevant & Associates authored the original piece.

By Lisa A. Sturtevant, Ph.D.

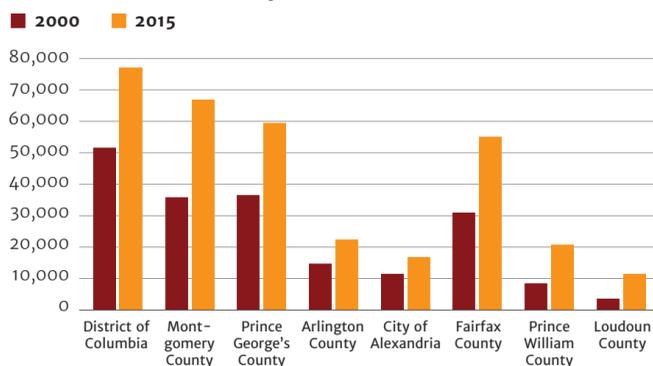
Nearly 400,000 renter households in the Washington, D.C. region—about half of all renters—are cost burdened, spending 30 percent or more of their income on housing costs. For many individuals and families, paying high housing costs can mean there is too little for other essentials, such as food and health care. In the Washington, D.C. area, more than 12,000 homeless individuals were identified in this year's point-in-time homelessness count, though we know the number of people without stable housing is much higher. Despite the efforts of countless housing advocates, non-profits and local governments, the housing affordability challenges in the D.C. region continue to grow. What can local jurisdictions do to stem the rising affordability challenges?

Housing is a growing concern in the region. According to data from the U.S. Census Bureau, in 2000, about 220,000 renter households in the Washington, D.C. metropolitan area were cost burdened. In 2015, that number grew to about 380,000, an increase of 160,000 households. In 2000, 33.2 percent of renters were cost burdened. In 2015, that share was 48.5 percent.

These increases are not because local jurisdictions have ignored the problem. Just in the last few years, the District has dedicated \$100 million to its Housing Production Trust Fund. Montgomery County has increased efforts to use public land for affordable housing. The City of Alexandria continues to look for opportunities to partner with developers to expand mixed-income housing. Fairfax County has made housing affordability a key component of its Strategic Plan to Facilitate Economic Success. Arlington County is working to adopt a Notice of Funding Availability (NOFA) process to more efficiently and effectively allocate

## Cost Burdened Renter Households

Selected Jurisdictions in the Washington D.C. Metro Area



## Housing Affordability Challenges for Renters

Selected Jurisdictions in the Washington D.C. Metro Area

Jurisdiction	Increase in Cost Burdened Renter Households	Percent Increase (%)
District of Columbia	25,552	49
Montgomery County	31,123	87
Prince George's County	22,946	63
Arlington County	7,461	50
City of Alexandria	5,302	46
Fairfax County	24,195	78
Prince William County	12,262	143
Loudoun County	7,903	220

Source: U.S. Census Bureau, 2000 Census Summary File 3; 2015 American Community Survey

local housing resources.

But, as the cost burden numbers show, it hasn't been enough. And things probably are not going to get easier in 2017. Even without specific affordable housing proposals, the new presidential administration could weaken key federal programs that local jurisdictions have come to count on for the production and preservation of affordable housing for lower-income individuals and families.

### Tax reform

No specific proposals have been discussed by the Trump administration related to the Low-Income Housing Tax Credit (LIHTC) program. It seems very

unlikely that the credit itself will be eliminated since there is generally broad bipartisan support for the program. However, there has been a lot of talk about the likelihood of tax reform under the new Trump administration. Some affordable housing finance experts have suggested that there could be "substantial" indirect effects of proposed tax reforms on the LIHTC, making the tax credit less valuable to investors. Reduced capacity of the LIHTC could mean a growing need for local resources to fill financing gaps and to make projects feasible.

### Cuts in nondefense spending

The current Trump budget cuts U.S. Housing and Urban Development



Photo credit: Erin Krall / Flickr.

(HUD) funding by nearly 15 percent, or by \$7.4 billion in fiscal year 2018, including cuts in tenant-based rental assistance, public housing, and homelessness programs. The proposed budget also eliminates funding for the Community Development Block Grant (CDBG) program and dismantles the National Housing Trust Fund. Even now, federal housing programs currently serve only about one-fourth of eligible households. Reductions in funding would mean that local jurisdictions will lose critical resources for housing and community development programs, and the losses would disproportionately impact the lowest-income households.

Rising housing challenges and declining federal resources are not new phenomena; local jurisdictions have been taking on increasingly active roles in housing policies and funding for decades. However, in 2017, the role for local action on housing will be even more critical in our region. What can local jurisdictions do differently to move the needle?

### Make the case

Throughout our communities we need to continue to make the case for why housing is important. And there is not just one argument. Whether it's because increasing housing supply is good for the local economy, or that education and health outcomes are better for families with access to safe and affordable housing. Or that poor children who live in higher-opportunity neighborhoods go on to make more money—and pay more taxes—than those left behind.

### Document the need

At the local level, it is important not only to quantify housing needs in the community, but also to relate those numbers to actual

people. Combining hard data with descriptions of hypothetical—or real—individuals and families is important for demonstrating the need.

### Explain how housing finance works

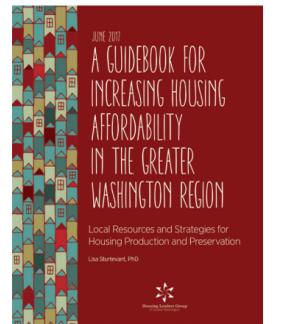
Make sure that the community understands why government is necessary when it comes to building housing affordable to lower-income households. Tools like the Urban Institute's affordable housing simulator can help show in black and white the gap that often needs to be filled by public resources.

### Prioritize housing

Public resources are limited and local jurisdictions have competing demands on those resources. In general, however, local communities have not been explicit about prioritizing housing, and then about prioritizing particular goals within housing programs and policies. Prioritization—linked to specified and dedicated funding sources—seems especially important to having an impact.

### Innovate on the funding side

To meet housing needs when federal resources are on the decline, it will be necessary to identify new sources of funding. Local jurisdictions need to commit to looking for innovative funding sources and partners.



## NEW GUIDEBOOK FOR HOUSING INFO

Building on the key concepts of connectedness, context, collaboration, and action, the Housing Leaders Group of Greater Washington (HLG) commissioned a new guidebook to capture a comprehensive set of tools that local jurisdictions have adopted to expand housing options in the area. The HLG worked with Lisa Sturtevant & Associates to publish *A Guidebook for Increasing Housing Affordability in the Greater Washington Region: Local Resources and Strategies for Housing Production and Preservation*, which it will release earlier this month. For more, go to: [www.housingleadersgroup.org](http://www.housingleadersgroup.org).

**Do you need closing costs assistance?** DCHFA is offering grants in the amount of \$1,500 to be used towards closing costs!

**BORROWER QUALIFICATIONS INCLUDE:**

- Purchase a home in the District of Columbia
- Income at 80% of Area Median Income (\$86,880) or less
- Close between June 1st and September 1st, 2017
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\* Closing Cost Grants is not available for use with any other DC Open Doors loan programs

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HAND's 24th Annual Meeting & Housing Expo held on June 23, 2015 at the Omni Shoreham Hotel in Washington, D.C. Photo credit: HAND.

# Under One Roof

Central to HAND's mission is its role as a convener of people and organizations. Affordable housing and community development are inextricably linked to other sectors and industries, as well as the economic health and stability of the region. HAND's membership of private sector, non-profits and government organizations demonstrates this critical intersection.

While the region boasts many organizations with a focus in the affordable housing arena, HAND is a coalition of the many and thus a vehicle for a more concerted, impactful effort. Strategic partnerships are an outgrowth of this focus. For example, ahead of the merger between local utility giant Pepco and the Chicago-based Exelon Corp., HAND member, National Housing Trust (NHT), created a unique partnership to ensure that the needs of the affordable housing and community development industry would be met. NHT worked in collaboration with HAND, the National Consumer Law Center, and the Maryland Affordable Housing Coalition to secure nearly \$20 million in benefits for investments in energy efficiency for both owners and residents of multifamily housing impacted by the merger.

The Housing Leaders Group of Greater Washington (HLG) offers another example. HAND, along with more than a dozen public and private sector leaders concerned about housing affordability, is a member of the HLG, which works to elevate the visibility of, and broaden support for, bold, thoughtful solutions for the region's housing affordability challenge by engaging multiple, regional stakeholders to collaborate in new ways. The lack of housing



affordability is a serious concern for the region's quality of life and a deterrent for businesses to locate or grow in the region. To spotlight the region's housing affordability challenges, the HLG also engages stakeholders in cross-sector dialogues designed to build solutions to the crisis. Since 2015, the HLG has partnered with HAND to present the opening plenary session at its annual meeting.

**Meeting of the Minds**  
For 26 years, HAND has produced an Annual Meeting & Housing Expo to surface trends, showcase innovations and spur collaboration among members and attendees. The event has grown to become the region's largest gathering of affordable housing and community development professionals. Each year, the agenda includes the presentation of the Housing Achievement awards, endless networking opportunities, and over 100 exhibitors, putting the needs of members front and center.



Plenary session at HAND's 24th Annual Meeting & Housing Expo held on June 23, 2015 at the Omni Shoreham Hotel in Washington, D.C. Photo credit: HAND.

In 2015, HAND launched its initiative for emerging leaders. GenerationHAND was designed to support the unique needs of members who are on the rise within the affordable housing and community development industry. From intimate luncheons with industry leaders willing to speak honestly and candidly, to highly interactive panel discussions followed by one-on-one conversations, GenerationHAND provides both strategic guidance and practical tools for members to hone their expertise in ways

that benefit themselves and their organizations. GenerationHAND is now fully integrated into HAND's training and programming model. GenerationHAND also hosts activities at the Annual Meeting & Housing Expo. This year's gathering will feature a GenerationHAND Networking Power Hour developed to spotlight the key initiative, and create opportunities for members to cultivate the types of connections and partnerships that are critical to sustaining the industry.

# Outlook

Housing is foundational, and affordable housing is essential for regional economies to grow and thrive. Competitive advantage, quality of life, and business imperative are not merely terms of art, but touchstones for the work that lies ahead. Housing's connection to so many sectors makes it a shared responsibility of stakeholders invested in the success of the Washington, D.C. region. HAND remains committed to housing affordability, while driving regional solutions that recast challenges as opportunities to invest in affordable housing and community development. Regional problems require creative regional approaches. **Will you join with HAND to collaborate, innovate and transform housing in the Greater Washington region?**



Exhibit Hall at HAND's 25th Annual Meeting & Housing Expo held on June 21, 2016 at the Crystal Gateway Marriott in Arlington, VA. Photo credit: HAND.

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