Economic Engines are Powered by Housing
The Case for Housing Affordability in the Greater Washington Region
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**

<table>
<thead>
<tr>
<th>Per Capita Homelessness Rate (per 1,000)</th>
<th>Total Population of Metropolitan Washington Region in millions of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>4,275,000</td>
</tr>
<tr>
<td>2.2</td>
<td>4,500,000</td>
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<tr>
<td>2.6</td>
<td>4,700,000</td>
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<tr>
<td>2.8</td>
<td>5,000,000</td>
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<tr>
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<td>3.2</td>
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<td>5,600,000</td>
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<tr>
<td>3.6</td>
<td>5,800,000</td>
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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 education, engagement and training. 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.

**The Multiplier Effect**

The Housing Association of Nonprofit Developers (HAND) was built on persistent housing challenges. For 26 years, members of HAND have come together to solve problems and implement solutions that keep the region’s affordable housing 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.

**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.

**Director, HAND**

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 BEACON CENTER**

6100 Georgia Avenue, NW, Washington, DC 20011

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.

**THANKS TO OUR PARTNERS**

**THE COMMUNITY BUILDERS**

www.ellisdaleconstruction.com

“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.”

Except 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.

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.
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 more than 30 percent 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 homeowners 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 challenge in the D.C. region continues 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 68,000 households. In 2000, 33.2 percent of renters were cost burdened. In 2015, that share was 45.5 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 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 Support
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, meaning 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.

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.
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.

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 lunches with industry leaders to highly interactive panel discussions, GenerationHAND provides both strategic guidance and practical tools for members to hone their expertise in ways that benefit themselves and their organizations.

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?