



Housing Equity Report: Creating Goals for Areas of Our City

October 2019



District of Columbia
Office of Planning



WE ARE WASHINGTON
DC GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

#36000by2025

This Housing Equity Report provides goals for the equitable distribution of affordable housing in Washington, DC, supporting Mayor Muriel Bowser's vision for creating 36,000 new housing units by 2025. The report is the first in a series that will comprise the Housing Framework for Equity and Growth. The framework is a cutting-edge effort that will examine factors across multiple scales, design typologies, and resident experiences to generate recommendations that can increase housing affordability and opportunity for all residents.

A LETTER FROM OUR MAYOR

“A fair shot to live and thrive in DC means that we are big in our thinking about creating and preserving more affordable housing.”
MAYOR BOWSER'S 2ND INAUGURAL ADDRESS



Dear Washingtonians:

Coming into my second term, I set a bold goal to build 36,000 new homes by 2025. Our city's current housing stock is not enough to meet our current and future housing needs. Even as we have accelerated the production of housing and doubled-down on protecting existing affordable units, residents are still paying a greater share of their income on housing, and low-income residents are increasingly feeling the threat of displacement.

But by building more housing, being intentional about how and where we build affordable housing, and working with regional partners to set and meet regional housing goals, we can alleviate these challenges while also building more inclusive and diverse neighborhoods throughout DC.

Washington, DC already has one of the most robust set of affordable housing tools in the nation. Over the past five years, we have invested more than half a billion dollars into our Housing Production Trust Fund – more per capita than any other jurisdiction in the nation. We have also expanded homeownership programs, invested in programs to make it easier for seniors to age in place, and created and funded a Housing Preservation Fund. Still, there is more we can and must do.

To ensure we achieve our goals, in May, I issued the District's first-ever Mayor's Order on Housing, directing DC Government agencies to chart a path forward to 36,000 new homes. This report, which provides an analysis of current affordable housing distribution and proposes specific production goals for the future, is the first step toward executing that Mayor's Order.

The goals laid out in the report recognize that housing is a citywide challenge that requires a citywide solution. By working together to meet these goals, we can advance our collective vision of a diverse and inclusive Washington, DC.

Sincerely,

A handwritten signature in black ink that reads "Muriel Bowser". The signature is fluid and cursive, with a large loop at the end.

Muriel Bowser
Mayor

OVERVIEW

“We must think and act boldly to ensure the District is a home for all residents whether they have lived here their entire life or recently arrived.”
MAYOR’S ORDER

Housing is a vital component of Washington, DC’s inclusive growth - it is embedded in our neighborhoods and defines who we are as a city. Housing choice and affordability provide residents with stability and opportunity. Safe and stable housing supports physical, financial, and emotional health.

Washington, DC is recognized at regional and national levels for our commitment to equity as a core DC value. From a housing perspective, this value has been expressed through the District’s commitment to inclusive housing policies, programs, and tools backed by funding and implementation. As the city grows, our focus on housing remains critical to ensure all residents can continue to live in the city and benefit from the prosperity and jobs that come with growth.

Despite Mayor Bowser’s investments in affordable housing, production of new affordable housing is not keeping up with our residents’ needs. Growth also puts pressure on the overall housing supply, which can lead to rising costs. On average, residents are paying a greater share of their income for rental housing than before, an effect that disproportionately burdens low-income residents. Recognizing these factors, Mayor Bowser set forth a bold goal at the beginning of her second term to create 36,000 new housing units by 2025. The new housing would expand the competitive supply of housing, moderate increases in housing costs, provide needed relief to a broad range of middle income families, and reduce pressure on the supply of housing serving lower incomes.

On May 10, 2019, Mayor Bowser signed a Mayor’s Order directing District agencies to look at a variety of approaches to accelerate housing production while addressing the housing needs of specific populations, including families, older adults, residents with special needs, and across income levels in Washington, DC. The Mayor’s Order required a review of how existing affordable housing is concentrated in some parts of the city, threatened in others, and is extremely limited in availability in some areas due to a historic legacy of exclusionary and discriminatory land use decisions.

What is Affordable Housing?

There are two types of affordable housing: dedicated and naturally-occurring. **Dedicated affordable housing** is defined as income- and rent-restricted housing supported or subsidized by local and federal programs for households ranging from extremely low-income earning less than 30 percent of the Median Family Income (MFI) up to households earning less than 80 percent of the MFI. To make dedicated affordable housing financially feasible, it is necessary to support or subsidize it, even in areas with very low land costs. Each year, DHCD issues rent and income limits for dedicated affordable housing based on the MFI published annually by the U.S. Department of Housing and Urban Development (HUD). The District’s 2019 MFI limits of 80 percent or below are \$97,050 for a family of four and \$67,950 for a single-person household (see **Appendix 1**). Maximum and minimum income limits, rents, and purchase prices for dedicated affordable housing are all based on the MFI and adjusted for household size. **Naturally-occurring affordable housing**, in contrast, is unsubsidized and not income-restricted but rather is privately-owned housing with market-based rents affordable to low- and moderate-income residents. Naturally-occurring affordable housing is increasingly at risk of disappearing as the cost of housing rises. Even where naturally-occurring affordable housing exists, it does not meet the needs of the lowest income households. **Rent controlled apartments**, which restrict the rent of a unit but can be occupied by residents of any income, are not counted as affordable housing in our analysis.

The Mayor’s Order also proposed increasing the supply of dedicated affordable housing by 12,000 units affordable to low-income residents.

The Office of Planning (OP) and the Department of Housing and Community Development (DHCD)

responded to the Mayor’s Order by launching the *Housing Framework for Equity and Growth*. This framework will examine in the future a wide range of factors and policies that affect housing production and affordability, and will make recommendations for improving the District’s ability to deliver housing and increase housing affordability and equity for residents.

This *Housing Equity Report* is the first in a series that will comprise the *Housing Framework for Equity and Growth*. This report presents goals for the future distribution of affordable housing units to be produced across the District’s ten Planning Areas, ensuring each contributes an equitable share of affordable housing to the District’s overall number of affordable units. It also highlights why housing is critical to advancing inclusive prosperity in Washington, DC. These goals are informed by input from thousands of residents who shared feedback over the summer of 2019, including at a citywide housing conversation in September.

This report is part of an ongoing analysis and conversation citywide about housing and equitable growth. It is

“It’s not fair to place all of the affordable units in one part of the city because the wealthiest neighborhoods don’t want it. To thrive, neighborhoods needs to be mixed-income.”

WARD 8 RESIDENT

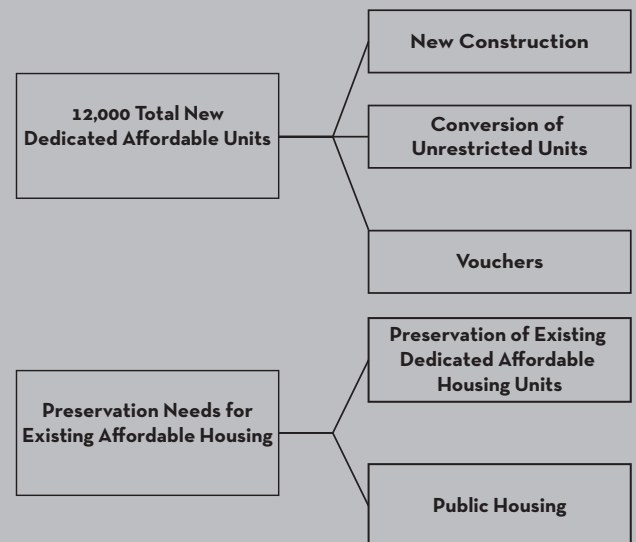
linked to the District’s Comprehensive Plan, DHCD’s *Analysis of Impediments to Fair Housing Choice*, and related housing initiatives. Acknowledging that the housing challenges faced by Washington, DC are not unique, the *Housing Framework for Equity and Growth* will not only examine housing at the citywide and neighborhood levels, but will also track efforts at the regional and national levels, including those led by the Metropolitan Washington Council of Governments (MWCOG) and by Mayor Bowser at the National League of Cities. Recognizing the role of housing opportunity in promoting the value of equity, DHCD and OP are working with multiple stakeholders across the District to ensure that the benefits of a growing economy extend to low-income residents so that they may continue to call the District their home.

How is Affordable Housing Produced in Washington, DC?

Achieving 12,000 new affordable units by 2025 will require a variety of methods including: (1) financial subsidies for new construction and the conversion of threatened naturally-occurring affordable units to dedicated affordable units; (2) expanded land use incentives and requirements through Inclusionary Zoning (IZ) and Planned Unit Developments (PUDs); (3) public land partnerships and dispositions; (4) expanded and enhanced voucher programs; and (5) other recommendations from the analysis.

In addition to the 12,000-unit production goal above, various preservation goals are beyond the scope of this analysis. In 2016, Mayor Bowser’s *DC Housing Preservation Task Force* established a goal of preserving all existing affordable units whose affordability would otherwise be threatened. There are an estimated 4,700 existing dedicated affordable units whose affordability controls will expire by 2025 plus more that may have capital upgrade needs.¹ Separately, the District of Columbia Housing Authority (DCHA) is working to address approximately 2,600 public housing units with immediate

critical needs and on establishing a longer-term plan to address remaining capital needs within their portfolio of public housing units through the August 2019 Working Draft of *Our People, Our Portfolio, Our Plan: DCHA’s 20-Year Transformation Plan*.² Importantly, the *Housing Framework for Equity and Growth* focuses on production and conversion, so it will not include detailed analysis of preservation or public housing. Instead, the Framework will defer to and coordinate with complementary efforts from our agency partners.



The District’s vision includes achieving an equitable distribution of no less than 15 percent affordable housing in each Planning Area by 2050. This will help make Washington, DC an equitable and inclusive city where all residents, regardless of their household type, size, and income, can access housing that is healthy, safe, and affordable in every neighborhood.

Affordable Housing Production Goals

Growing our housing supply helps maintain affordability for all and keeps the District economically competitive. The goal to build more housing requires a citywide approach and a commitment from each Planning Area to produce and preserve an equitable share of affordable housing toward the District’s overall number of affordable housing units.³

Washington, DC’s current supply of dedicated affordable housing is concentrated in some areas of the city and almost non-existent in others, restricting low-income residents’ choice and opportunities of where to live in the District.

Figure 1 shows the current distribution of dedicated affordable units across Planning Areas.^{4, 5} There are fewer than 500 dedicated affordable units in Rock Creek West (which is approximately one percent of the units within that Planning Area). Even when rent controlled units (which can be occupied by households of any income) are included, only seven percent of units in Rock Creek West remain affordable to families earning less than 60 percent of MFI.⁶ On the other hand, there are over 15,000 dedicated affordable units in Far Southeast & Southwest. The distribution of dedicated affordable housing varies significantly across the District.

By developing equitable goals for each Planning Area, this report charts Washington, DC’s path to building a more equitable and inclusive future. Based on analysis by OP and DHCD and community input (discussed further in the Community Engagement section), **Figure 2** shows the recommended affordable housing production goals by Planning Area that can achieve the Mayor’s Goal of 12,000 new affordable units by 2025. These goals are a critical first step toward a long-range goal proposed as a policy in the District’s ongoing Comprehensive Plan Amendment process to achieve a minimum of 15 percent of affordable units

“I strongly believe that growing an inclusive city means adopting a ‘fair share’ principle. Every ward should be responsible for its fair share of the city’s growth.”

WARD 1 RESIDENT

within each Planning Area by 2050 (see **Appendix 2** for more details on the current distribution of dedicated affordable housing and the proposed 2025 goals by Planning Area).

The goals in **Figure 2** were developed through a multi-step process using the Mayor’s 2025 goal and local and regional growth forecasts to estimate the pace of citywide total housing production from 2018 to 2050, and then applying a series of “equitable share” weighting factors and assumptions to allocate total housing production and affordable housing production to Planning Areas.

As a result, Planning Areas that are currently well below the minimum of 15 percent such as Rock Creek West, Rock Creek East, and Capitol Hill have the highest dedicated affordable housing production goals through 2025. By 2025, the goals would increase affordable housing in Rock Creek West from one percent to five percent, and in Capitol Hill from seven percent to ten percent affordable units of the total units within each Planning Area. In addition, the District will continue to make investments to increase opportunity in areas with a high concentration of affordable housing to allow both current and future residents to thrive.

Figure 1. 2018 Estimated Distribution of Dedicated Affordable Units

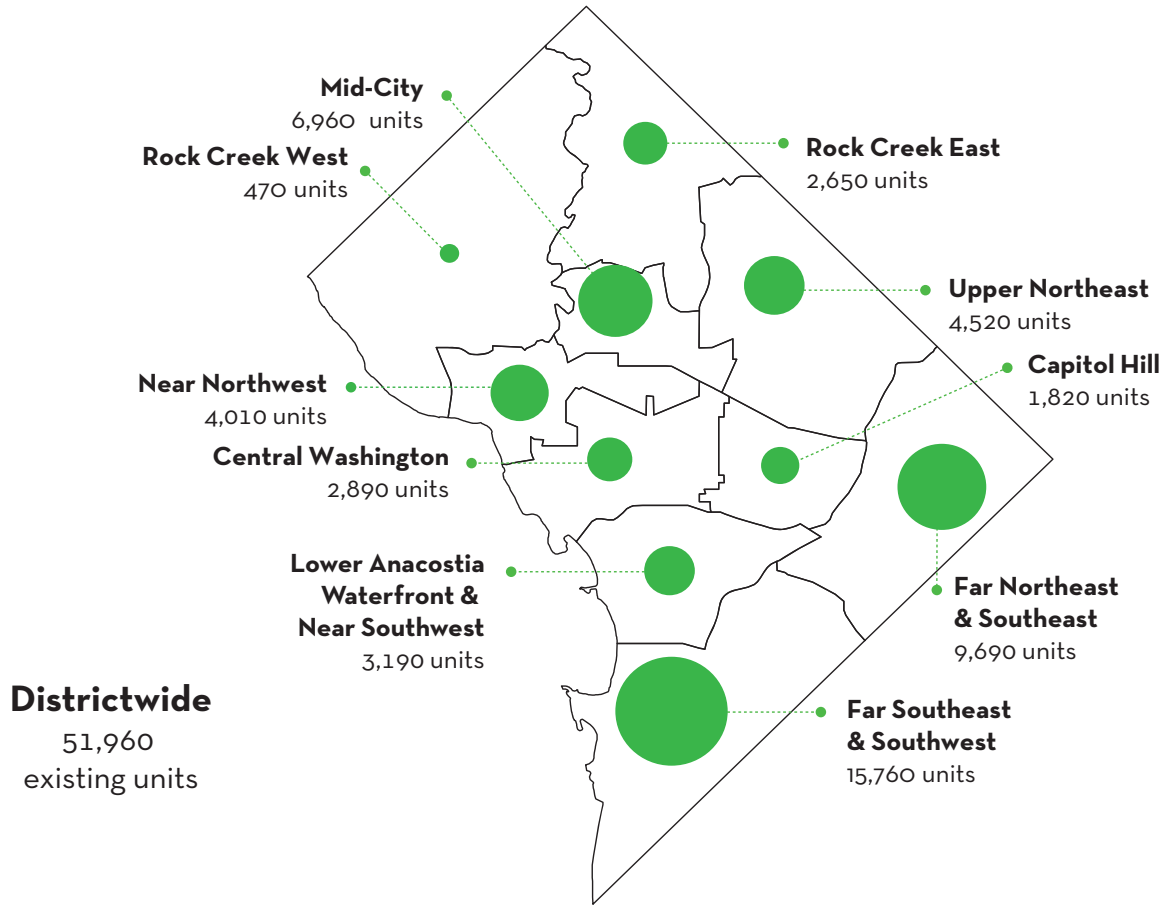
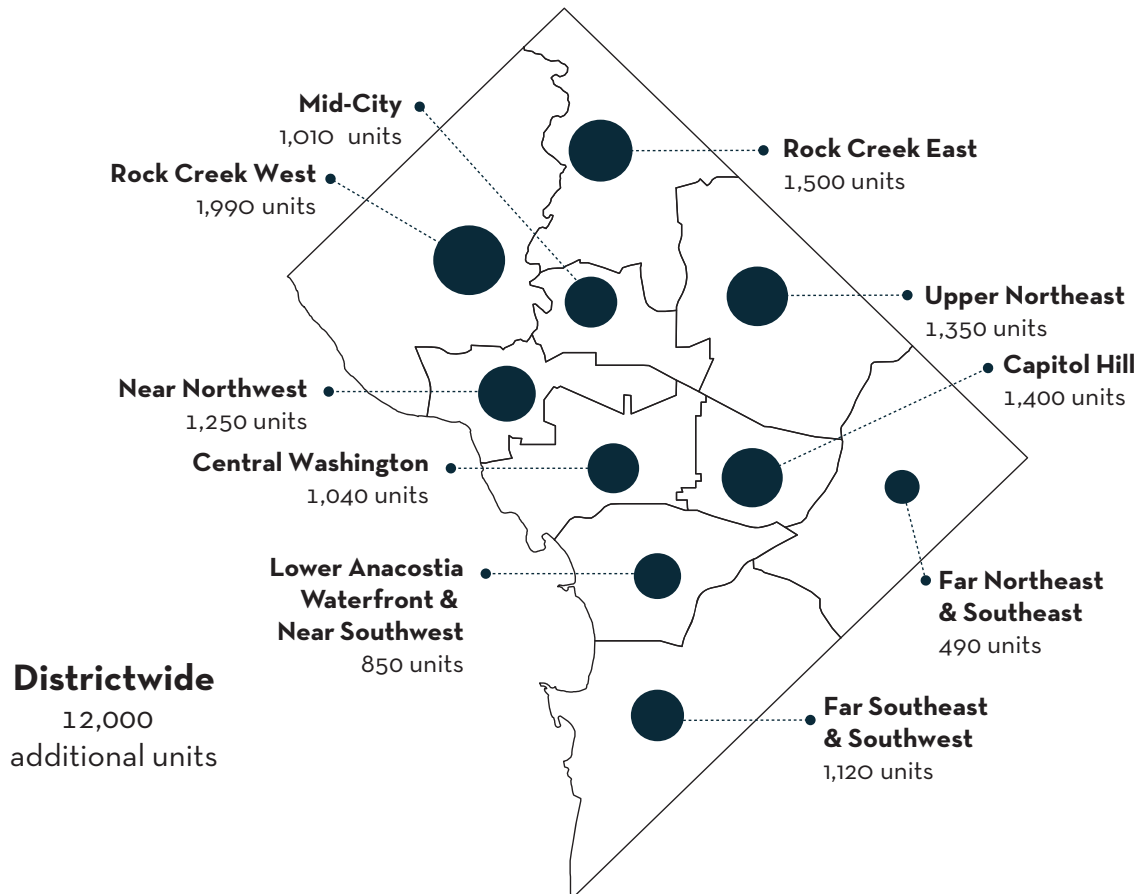


Figure 2. 2025 Dedicated Affordable Housing Production Goals



HOUSING & GROWTH IN WASHINGTON, DC

“It’s vital DC find a way to provide more affordable housing, particularly for lifelong residents who are being pushed out of the city.”
WARD 6 RESIDENT

The Mayor’s Order responds to a number of housing challenges District residents face. Washington, DC, like many American cities, is experiencing an increase in housing costs, a growing population, and a constrained supply of housing. To address these challenges, bold thinking and action are needed to ensure the District is a home for all residents, whether they have lived here their entire lives or recently arrived.

Growth Patterns

Since 2010, the District has grown by over 100,000 new residents, including through births as well as persons moving to the District. Many of these new residents are employed in industries, such as technology, professional services and government, which provide well-paid jobs and pathways to the middle class.⁷ Economic growth, a growing number of families, increased desirability of the city, and improved quality of life have fueled more demand for housing, particularly from higher income households.

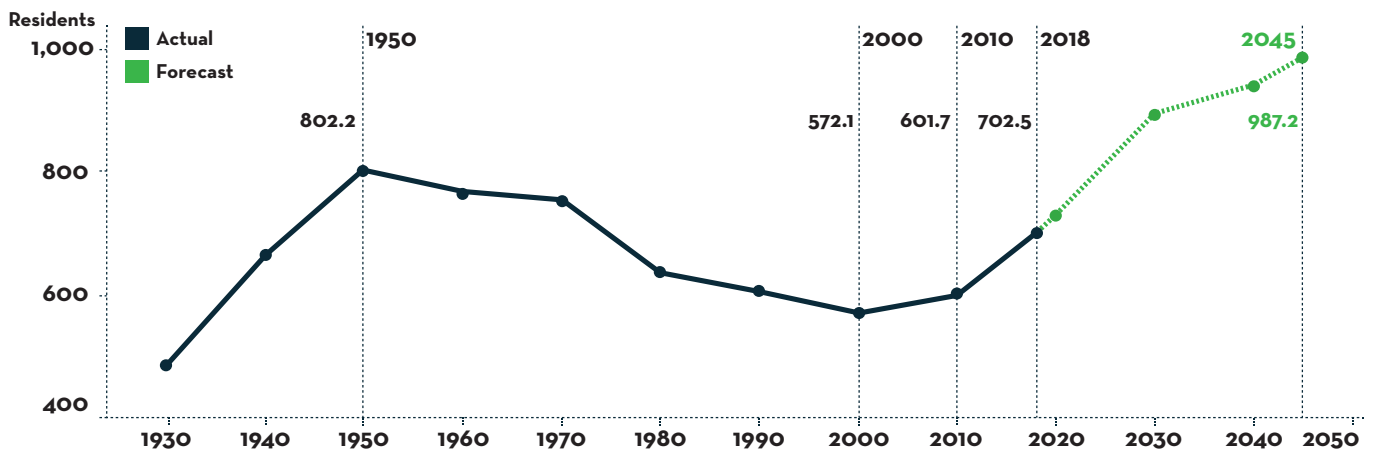
Washington, DC is projected to continue growing through 2045. Housing development has responded to this growth by sustaining one of the fastest periods of production in the city’s recent history, but housing supply has not kept up to meet the needs of our growing population. In addition, housing production has consisted mostly of small rental units targeted to households earning more than 120 percent of the MFI.⁸

What is the District’s Current Housing Picture?

The District currently has a total of approximately 325,000 housing units. More than a third (37 percent) are single-family homes (townhouses and detached houses) and a little over half (54 percent) are condos, co-ops, and rental apartments in large multi-family buildings (buildings with more than four units). The remainder is composed of small, two- to four-unit buildings. Of the total housing stock in the District, about a sixth (16 percent) is dedicated affordable.⁹ Additionally, as of 2011, a quarter (25 percent) of units in the District were rent controlled.¹⁰

Securing affordable, family-sized units is increasingly difficult for low-income families with four or more people. Together, the inadequate rate of production and mismatch in available housing to meet the needs of the District’s various household types have increased competition for a limited supply of housing that is affordable to moderate- and low-income families and increased housing costs. Producing more market-rate and affordable housing for all income levels will decrease housing cost pressures for moderate- and low-income residents.

Figure 3. Washington, DC Population Growth & Forecast (000s)



Affordable Housing Goals for the Washington, DC Metro Region

Although there is much that Washington, DC can and must do to address local housing needs, the city's housing market does not exist in isolation. Located within a metropolitan area that is the sixth largest in the nation by population, the District's forecasted growth now represents a greater share of the overall regional forecast than previously anticipated. Housing production is falling short of demand and affordability is a growing regional issue, mirroring what many other parts of the nation are experiencing.

The Metropolitan Washington Council of Governments (MWCOG), with leadership from the District, has convened jurisdictions across the region and set an ambitious target of adding at least 320,000 housing units between 2020 and 2030. This is an additional 75,000 units beyond the units already predicted to be built in the region for this period. MWCOG also created goals for establishing 75 percent of those units near Activity Centers or high-capacity transit and ensuring 75 percent of new housing should be affordable to low- and moderate-income households.¹⁵

The Urban Institute recently released *Meeting the Washington Region's Future Housing Needs*, an analysis of the current housing supply and predicted population growth forecast in the region. The report states that to ensure the region's future economic growth and prosperity, the region must produce at least 374,000 more housing units by 2030 and create at least 40 percent more housing to meet the needs of moderate-income households. The report highlights that jurisdictions within the region will need to leverage their existing housing tools and learn from each other to implement highly effective policies to accelerate housing production.¹⁶

“The District, like many cities, is facing increasing housing costs, a growing population, and a limited supply of housing.”

MAYOR'S ORDER

Housing Affordability

While it is clear that the District's housing production has not been sufficient to meet the needs of an increasing population, without such growth in housing supply, District residents would face an even more challenging housing situation. On average, rental households of all incomes are now paying a greater share of their income toward housing, as average rents for market-rate units rose to nearly \$2,000 for a one-bedroom and \$2,500 for a two-bedroom by 2018.¹¹ The median sales price of detached homes has reached nearly \$850,000, while the median for condominiums is \$465,000.¹² In this environment, the supply of rental units in the District that are affordable to residents earning less than 60 percent of the MFI is increasingly threatened.

Dedicated affordable housing has expiring affordability controls, and the rents of low-cost, unsubsidized, naturally-occurring affordable housing are rising rapidly. An analysis completed in 2019 estimated there are 18,300 fewer naturally-occurring units affordable to lower income families in 2017 than there were in 2006.¹³ Federal public housing, which serves some of the District's most vulnerable and lowest-income residents, has faced decades of disinvestment from the federal government while the need for major capital investment has grown acute.¹⁴

In parallel with the *Housing Framework for Equity and Growth*, DHCD is addressing the current distribution of affordable housing and the need to advance fair housing opportunities by conducting an *Analysis of Impediments to Fair Housing Choice*. The analysis focuses on housing discrimination, segregation, and limitations to fair housing options that hinder the District's efforts to affirmatively further fair housing. This process encourages active participation from the public to help develop strategies to address fair housing challenges across Washington, DC. Outcomes from the *Analysis of Impediments to Fair Housing Choice* will be integrated into this initiative.

COMMUNITY ENGAGEMENT

“We as a community must make room for more affordable housing across the city. We will become a more vibrant city when we have more inclusivity throughout all wards.”

WARD 3 RESIDENT

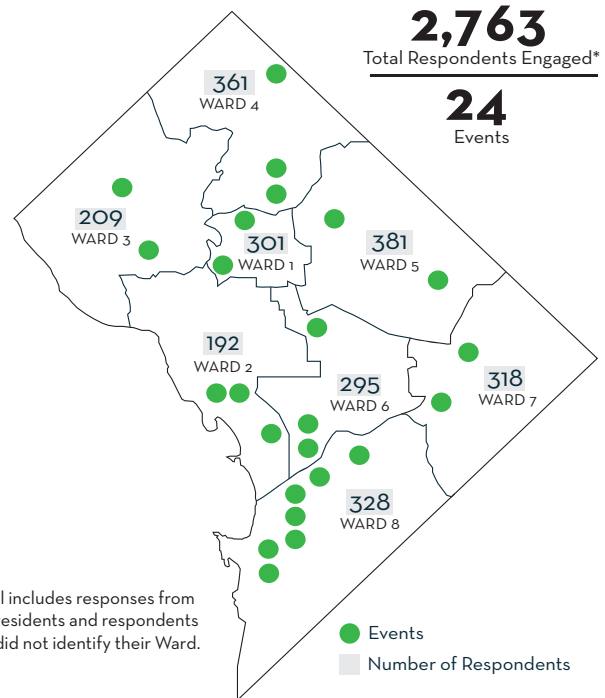
Across Washington DC’s eight Wards, the majority of residents surveyed felt that the current geographic distribution of affordable housing in the city is unfair, and most felt very strongly that this should change.

To understand residents’ perspectives on the District’s housing challenges, OP and DHCD conducted community outreach from June 15 to September 21, 2019, engaging thousands of people at 24 public events that took place across all eight wards. These engagements included citywide events, such as the Mayor’s Eighth Annual Senior Symposium and the Age-Friendly DC Housing Committee, and neighborhood-focused events, such as the Far Southeast Collaborative Ward 8 Faith Leaders Breakfast and Beat the Streets events hosted by the Metropolitan Police Department. Through these events, city staff learned about residents’ housing experiences, including the different challenges faced by various populations and where they would like to see greater affordable housing opportunities.

At these events, residents were invited to fill out a paper-based survey regarding the geography of the current distribution of affordable housing. To ensure broad participation, OP and DHCD made the survey available online and promoted it extensively through agency listservs and social media channels, Advisory Neighborhood Commissions, and community networks.

On September 21, 2019, outcomes from the survey were shared and discussed at a citywide Community Conversation on Housing at the Ron Brown College Preparatory High School in Ward 7. More than 2,700 people participated in the survey, representing all Wards, as well as a variety of gender identities, races and ethnicities, lengths of residence in the District, and a wide range of age groups. The results of the survey and other outcomes from the community engagements enabled the District to better understand how residents feel about the current distribu-

Figure 4. Community Engagement



tion of affordable housing and areas of the city that should be given greater priority to creating more affordable housing opportunities moving forward.

Seventy-six percent of respondents felt the current distribution is unfair compared to nine percent who thought the distribution is fair.

While there was some variation in survey results by Ward, 80 percent of all respondents felt strongly that the existing distribution of affordable housing in Washington, DC should change, with 61 percent of all respondents feeling “very strongly.”

When asked to prioritize the three Planning Areas where new affordable housing should be placed in the District, **Figure 5** illustrates that six out of ten survey responses identified Rock Creek West as a high priority Planning Area. This sentiment was shared by residents across all eight Wards. Survey respondents who prioritized Rock Creek West cited the availability of transit, quality schools, and access to employment

opportunities and neighborhood amenities, such as parks and grocery stores, as important neighborhood attributes that can support and complement affordable housing. Following Rock Creek West, four out of ten survey responses identified both Capitol Hill and Rock Creek East as the next most appropriate Planning Areas for more affordable housing.

Comments submitted through the survey underscored residents' desire for making affordable housing opportunities available throughout the entire city; growing a more inclusive and equitable city; developing affordable housing in high opportunity areas; and providing ample access to transit, schools, jobs, and grocery stores in all neighborhoods. To learn more about the survey's findings, please visit housing.dc.gov and click on "Our Progress."

These themes were echoed by participants at the September 21 Community Conversation on Housing, where over 150 residents and community stakeholders participated in-person and online in small group discussions on housing equity, neighborhood opportunity, and the resident survey results. In addition to

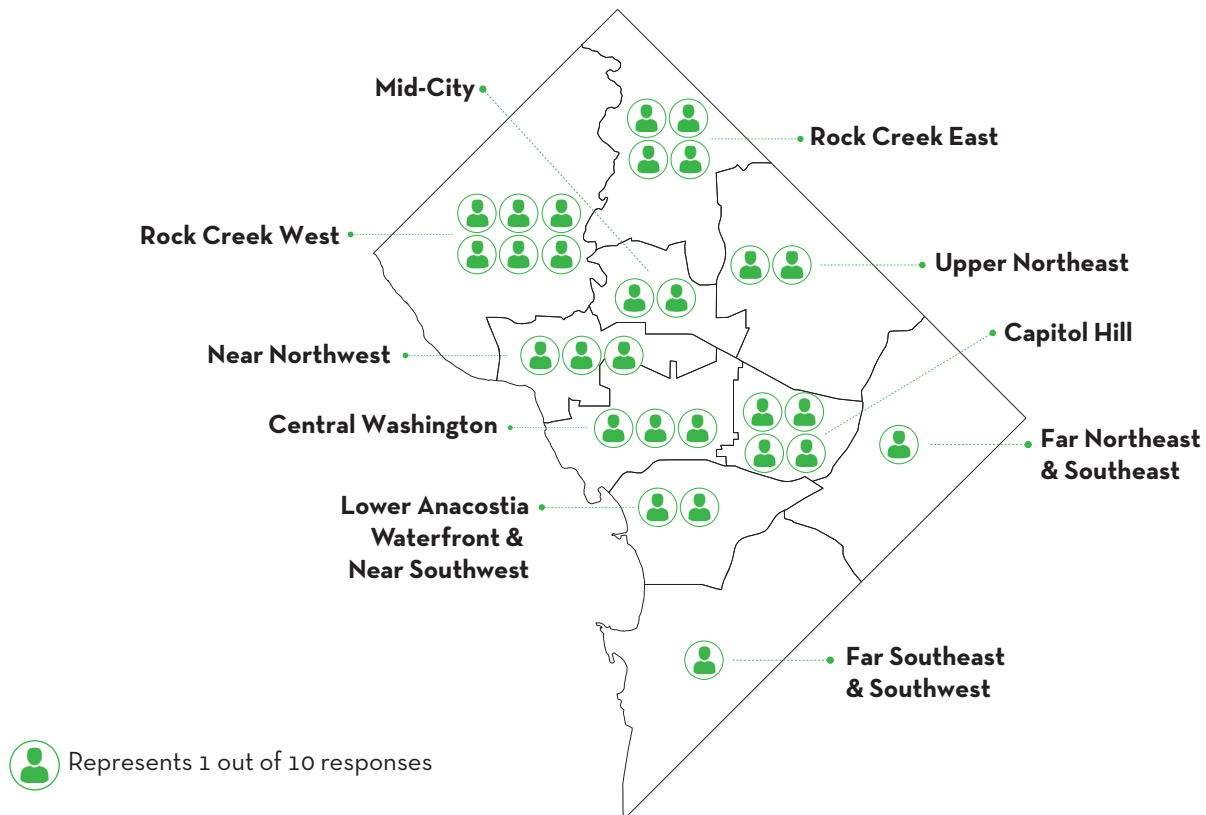
"The distribution of affordable housing currently isn't fair to DC residents and doesn't give or increase the equity among all demographics. #fairshot."

WARD 7 RESIDENT

discussing these topics, participants were asked to reflect on how housing impacts their health and what neighborhood amenities are most critical to providing a high quality of life.

Participants highlighted the importance of neighborhood amenities and wrap-around services for affordable housing; the current lack of affordable housing supply, which exacerbates financial pressure on existing families, especially those earning 30 percent or below the MFI; and the need for enhanced government coordination and financing to effectively address barriers to affordable housing development in high opportunity areas. Participants also highlighted the importance of addressing public housing conditions and ensuring extremely low-income residents and residents experiencing homelessness receive adequate housing support.

Figure 5. Where Survey Respondents Think Affordable Housing Should Be Prioritized



EQUITABLE DISTRIBUTION GOALS

“It is important that each Ward increases their share of affordable housing and provide a variety of housing options for people to choose where they live.”

WARD 4 RESIDENT

The current distribution of affordable housing in Washington, DC reflects a legacy of racially discriminatory and exclusionary policies enacted in the past century, which cannot be corrected overnight. In fact, it will take a focused and sustained effort over the next generation to address. The whole city has a role in providing affordable housing and access to opportunity to address this legacy, particularly along racial and income lines.

Requiring that each Planning Area achieve a minimum of 15 percent affordable by 2050 reflects proposed Comprehensive Plan policy and the idea that each area should contribute its equitable share toward the citywide goal. This citywide goal is informed by the fact that the current share of dedicated affordable housing citywide is approximately 16 percent; as the number of affordable units increases, each area should approach this citywide average.

The affordable housing production goals shown in **Figure 2** were generated through a multi-step analysis that first addresses total citywide housing production and then uses that information to create affordable housing goals citywide and by Planning Area.

Methodology for Total Housing Production

The total housing production goal citywide was calculated from 2018 to 2045 using the current housing development pipeline, the Mayor’s 2025 housing goal, and local and regional growth forecasts for 2045. Total housing production includes both market-rate and dedicated affordable housing units. A forecast was developed and broken into five-year increments, with an adjustment for the seven-year period (2018 - 2025), and extended out to the year 2050. A citywide pace of total housing production over time (2018 - 2050) was then determined. These inputs were then used to develop a total housing goal for each Planning Area and for each five-year increment. For Planning Areas growing at a rate slower

than the citywide pace, upward adjustments were made using weighted averages reflecting differential growth rates and assumed reduction of impediments to housing creation. No adjustments were made for Planning Areas already growing at a rate faster than the citywide pace. The forecast estimates an increase in supply of over 132,000 residential units to a Districtwide total of 456,900 by 2050. The overall effect would be a distribution of total housing growth that is more balanced across the city.

Methodology for Affordable Housing Production

The total citywide housing production number calculated above for each five-year increment was carried into this step and used as the baseline for the affordable housing production calculation. One-third of the baseline number was assumed to be dedicated affordable housing (per proposed Comprehensive Plan policy). This citywide affordable housing number was then allocated to the Planning Areas on the following equitable share basis:

- For Planning Areas with more than 15 percent affordable housing (as a percent of total housing in the Planning Area), a minimum of ten percent of the new production will be dedicated affordable, including through Inclusionary Zoning requirements and other means that can support inclusive growth.
- For Planning Areas with less than 15 percent affordable housing (as a percent of total housing in the Planning Area), a minimum affordable housing production number was calculated as a composite of: (1) one-third of new total housing production for that specific Planning Area; (2) an additional number of units derived by applying an “Equitable Distribution Weighting Factor” that shifts some of the affordable housing forgone in areas that already have more than 15 percent of affordable housing.

As a result of applying the above methodology, Planning Areas that are currently well under the citywide average will experience greater acceleration of affordable housing production than others, especially during the first interval (2018 - 2025). These areas will then level off during subsequent intervals as their percentages get closer to 15 percent. For areas that are already close to or above the 15 percent threshold, the above methodology yields a slower increase in the production of affordable housing.

Approaches for Delivering Equitable Distribution of Affordable Housing

To implement these numeric goals, this report recommends the following set of approaches to achieve an equitable distribution of affordable housing that can provide opportunities for all District residents to live in neighborhoods across the city.

- Identify impediments and develop opportunities to improve housing production, especially in Planning Areas that are growing slower than the rest of the city.
- Treat existing dedicated affordable housing, especially public housing units, as a critical resource and seek to preserve 100 percent of units regardless of location. Not including the capital improvement needs of public housing, more than 4,700 dedicated affordable units will be at risk by 2025.
- Maintain a citywide average pace of affordable housing production equal to one-third of total housing through 2050. This approach is reflected in the methodology and would raise the share of dedicated affordable units from 16 percent in 2020 to 21 percent by 2050.
- Support market-rate residential development and continue investing in important public services, facilities, and amenities in areas with existing high concentrations of affordable housing. Efforts should focus on homeownership opportunities for existing residents as a pathway to long-term stability, asset development, and greater prosperity.

Applying the above methodologies and approaches results in year 2025 production goals found in **Figure 2**. These goals reflect the progress required to achieve the proposed Comprehensive Plan policy

“I want to live in a District that offers everyone opportunities to thrive and succeed.”

WARD 2 RESIDENT

for 2050 while aligning with MWCOG’s 2030 goals regarding the amount, accessibility and affordability of housing. While achieving the 2025 goals by Planning Area is ambitious, many affordable projects are already underway, with 7,970 units under construction, funded, or expected through Inclusionary Zoning and land dispositions. These projects will contribute significantly toward the Mayor’s goal of 12,000 new affordable housing units by 2025.

Maintaining Dedicated Affordable Housing

Dedicated affordable units combined with naturally-occurring affordable housing currently represent approximately 21 percent of all housing in the District. However, the supply of naturally-occurring affordable housing is disappearing. The loss of 18,300 units between 2006 and 2017 suggests that over the next 10 to 20 years, the remaining supply will no longer be affordable to lower income households. By ensuring one-third of new production (including through conversion of non-subsidized units) is dedicated affordable, Washington, DC will be able to make up for the loss of naturally-occurring affordable housing. This goal would raise the citywide share of dedicated affordable units from 16 percent in 2020 to 21 percent by 2050.

Figure 6 compares the 2025 Production Goals by Planning Area to the current development pipeline for each and where there is a shortage of affordable housing and a need for greater focus to achieve the 2025 production goals. **Figure 6** shows that some areas, such as Far Northeast and Southeast, are well ahead of their goals, while others, such as Capitol Hill and Rock Creek West, will require focused resources over the next several years in order to reach the proposed goals.

The 2025 production goals are a first step toward achieving broader equity and access to opportunity and addressing the District’s housing challenges. While certain areas will need to prioritize affordable housing production, others will need to focus on preserving existing dedicated and naturally-occurring affordable housing. Some areas will also need to expand job opportunities, enhance neighborhood amenities, and increase low- and moderate-income homeownership. Put simply, every Planning Area across the District will need to be examined for specific housing and neighborhood needs and the subsequent steps to address them.

“It is imperative that new affordable housing options be built in areas of opportunity.”

WARD 2 RESIDENT

The District can achieve the 2025 goals through a mix of approaches and tools including leveraging District-owned land, blending density bonuses of Inclusionary Zoning with Tax Exempt Bond financing, and creating incentives for owners of accessory apartments to house voucher holders, among others. The tools are not limited to brick-and-mortar solutions. They also include program enhancements such as voucher expansion and conversion of naturally-occurring affordable housing to dedicated affordable housing.

Combined, these recommendations can accelerate production of housing and achieve a more equitable distribution of affordable housing across neighborhoods, helping fulfill the vision of an equitable city.

Figure 6. Current Affordable Housing Pipeline & 2025 Production Goals by Planning Area

Planning Area	Affordable Housing Production Goals	Affordable Housing Pipeline	Shortage of Affordable Housing	2025 Total Housing Production Goals*
Rock Creek West	1,990	80	1,910	1,260
Capitol Hill	1,400	280	1,120	3,270
Near Northwest	1,250	270	980	1,850
Mid-City	1,010	620	390	4,210
Rock Creek East	1,500	1,160	340	1,580
Central Washington	1,040	750	290	3,940
Upper Northeast	1,350	1,160	190	6,900
Lower Anacostia Waterfront & Near Southwest	850	910	on track	7,960
Far Southeast & Southwest	1,120	1,450	on track	2,040
Far Northeast & Southeast	490	1,290	on track	2,990
Total	12,000	7,970	5,220	36,000

*The total housing goals consist of net new market rate and affordable housing production. For Rock Creek West, the new affordable housing goals are greater than the total housing goals because the affordable housing goals include not only net new production, but also conversion of existing housing into subsidized housing and voucher recipients living in non-restricted housing. Reaching our goals will require a mix of these strategies, especially in Rock Creek West, where new housing has been extremely limited to date and where land use changes must be made to the Comprehensive Plan to reach these housing goals.

WHY EQUITABLE HOUSING MATTERS

“Affordable housing should be spread around so all families have the opportunity for upward mobility, better schools, and more access to transportation.”

WARD 5 RESIDENT

Establishing equitable housing goals by Planning Area is critical to advancing the District’s goals of equity and inclusive prosperity and promoting the wellbeing of all residents. As Mayor Bowser’s Department of Health *2018 Health Equity Report* shows, where people can afford and are able to live affects not only their quality of life, but also life expectancy and economic opportunity.¹⁷ A growing body of evidence-based research continues to reveal just how deeply vital neighborhood conditions are to influencing and shaping life outcomes.^{18, 19}

The availability of safe, decent, stable affordable housing across all neighborhoods is fundamental to achieving an inclusive city where all residents can thrive. The equitable affordable housing development and distribution goals presented in this report can help expand opportunities for all residents to access important health and economic opportunities.

The affordability, stability, and location of housing shapes the physical, emotional, and mental wellbeing of District residents. Families struggling to pay high housing costs or who are experiencing housing instability are more likely to have poor self-rated health, hypertension, and arthritis; more likely to forgo paying for other important needs like healthcare, healthy food, and utilities; and more likely to be evicted or become homeless.^{20, 21, 22}

Where people live and can afford to live matters too. Neighborhoods differ by the diversity and quality of the amenities they provide, ranging from safe streets, to vibrant retail, to green space. When neighborhoods have higher economic opportunities, less economic and racial segregation, and improved built environments, they foster improved physical and mental health for both adults and children.^{23, 24, 25}

Often known as “high-opportunity areas,” neighborhoods with high performing schools, amenities like grocery stores and safe parks, and accessible public transit improve access to important economic, educational, and employment opportunities.²⁶ When



Plaza West on K Street

high-opportunity neighborhoods lack affordable housing or when areas with affordable housing lack neighborhood services and amenities, low-income residents are excluded from important social and economic opportunities of those healthy neighborhoods.

Perhaps most importantly, when low-income residents can move or afford to live in high-opportunity neighborhoods, they thrive. Low-income children living in high-opportunity areas are more likely to perform better in the classroom and on academic tests compared to their peers in high-poverty areas.²⁷ The benefits continue to accrue as life progresses, as those children are more likely to attend college and have increased lifetime earnings, averaging \$302,000 higher as adults compared to their low-income peers living in high-poverty areas.²⁸

While the District will continue to expand affordable housing, it will also continue to invest in services, facilities, and amenities in low-income areas with the goal of realizing the benefits of high-opportunity neighborhoods across all areas in the city.

NEXT STEPS

“DC has a great opportunity to build on community support for diverse, equitable housing that is affordable for everyone.”

COMMUNITY STAKEHOLDER

Through our engagements over the last few months, we heard hundreds of individual housing stories. Every resident’s experience is different, from a couple facing concerns about rising rents, to a senior looking for a more suitable home in their neighborhood, to a family worried about their public housing unit. We learned that housing is multifaceted, so addressing housing needs and affordability requires a more detailed look at various neighborhoods and experiences. The work we have done to date, starting at the District level, then looking at the region, then looking at Planning Areas in this report, sets the broad goals and context. To move from goals to actions and outcomes, we must now look more granularly at impediments and opportunities that align with the needs of our various communities.

This report is just the first step in better addressing our housing system and the inequitable distribution of affordable housing. We will work to achieve the Mayor’s 2025 housing goals by conducting a *Housing Experience and Design Analysis* and generating *Opportunities and Recommendations* based on our overall findings, including through continued community engagement.

Housing Experience and Design Analysis

The next step in this initiative will examine factors affecting the District’s housing market and system, including local market factors for supply and demand, land use and zoning capacity for new housing (including analysis of single family zoning and its effect on housing production), and regional and national drivers of housing. Performed on both a citywide and Planning Area basis, analyses will look into the experiences and needs of specific populations, such as older adults, families, and residents experiencing homelessness, as well as a range of household incomes, unit sizes, and design typologies for both rentals and homeownership.

This effort will also examine the vital role that urban design and Washington, DC’s built environment play in expanding housing production and affordability.

The analysis will look at multiple scales, building design, and resident experiences to meet future housing needs. This analysis will allow the District to better understand the experiences that residents have in their neighborhoods and how they interact with the built environment.

Additionally, this initiative will identify and evaluate opportunities, challenges, and barriers to accelerating production, including market supply and demand, public policy, regulations, and community impacts and dynamics.

Opportunities and Recommendations

The final portion of the *Housing Framework for Equity and Growth* initiative will synthesize what we learned about opportunities and impediments and provide a roadmap for strengthening approaches for producing both affordable and market-rate housing in each Planning Area. This roadmap will help us meet both citywide and neighborhood needs, including equitable share commitments. As part of this, we will recommend how the District can focus resources, enhance existing policies, tools, and programs, and develop new ways to support housing production, preservation, and public housing.

Throughout this initiative, residents and other stakeholders will have the opportunity to provide input and stay engaged. The District will share regular updates towards achieving the housing goals to inform policy-making. Resident feedback and continued analysis by OP and DHCD (with the support of partner agencies) will help the District create a more inclusive housing sector, identify ways to produce and preserve housing for a variety of household types across different incomes and needs, and expand housing affordability for all.

You are invited to stay connected by visiting us at: housing.dc.gov.

APPENDICES

Appendix 1. Income Limits by Percent of Median Family Income²⁹

Income Definition	Low				Moderate	
	Extremely	Very		80%	100%	120%
	30%	50%	60%			
Household 1	\$25,450	\$42,450	\$50,950	\$67,950	\$84,900	\$101,900
Size 2	\$29,100	\$48,500	\$58,200	\$77,650	\$97,050	\$116,450
3	\$32,750	\$54,600	\$65,500	\$87,350	\$109,150	\$131,000
4	\$36,400	\$60,650	\$72,800	\$97,050	\$121,300	\$145,550

Appendix 2. 2018 Dedicated Affordable Housing Supply & 2025 Production Goals

Planning Area	2018 Affordable Housing Supply	2025 Affordable Housing Production Goals	2025 Total Affordable Housing Supply
Rock Creek West	470	1,990	2,460
Rock Creek East	2,650	1,500	4,150
Capitol Hill	1,820	1,400	3,220
Upper Northeast	4,520	1,350	5,870
Near Northwest	4,010	1,250	5,260
Far Southeast & Southwest	15,760	1,120	16,880
Central Washington	2,890	1,040	3,930
Mid-City	6,960	1,010	7,970
Lower Anacostia, Waterfront & Near Southwest	3,190	850	4,040
Far Northeast & Southeast	9,690	490	10,180
Total	51,960	12,000	63,960

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The *Housing Framework for Equity and Growth* initiative is an interagency partnership among:

- Executive Office of the Mayor (EOM)
- DC Office Planning (OP)
- DC Department of Housing and Community Development (DHCD)
- Deputy Mayor for Planning and Economic Development (DMPED)
- DC Housing Finance Agency (DCHFA)
- DC Housing Authority (DCHA)
- DC Department of Consumer and Regulatory Affairs (DCRA)

Future agency partnerships will include DC Public Schools (DCPS), Office of the Deputy Mayor for Education (DME), DC Department of Transportation (DDOT), and other agencies.

OP and DHCD have prepared this report in close collaboration with multiple District agencies and with residents through robust community engagement.

We look forward to resident feedback and insight as we conduct the *Housing Experience and Design Analysis* and develop *Opportunities and Recommendations* for the District.

To learn more, please visit: housing.dc.gov

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