

Testimony on B23-0433  
Rental Housing Act Extension Amendment Act of 2019  
Committee on Housing and Neighborhood Revitalization  
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Good morning Chairperson Bonds and members of the Committee. My name is Adam Kent and I am a Senior Program Officer for the DC office of the Local Initiatives Support Corporation (LISC). LISC is a national community development organization, with a flagship office in DC. Established in 1982, LISC DC has invested in more than 12,300 affordable homes, in health clinics, theaters, community centers, and retail in the District of Columbia. We work every day to help create healthy and resilient DC neighborhoods that are good places for low- and moderate-income families to live, work, raise children, and conduct business.

**We are testifying today as part of the Reclaim Rent Control Coalition, in support of both the reauthorization of rent control, and the elimination of loopholes that make it harder for families to find and achieve housing stability in DC.** Rent control is the District's largest affordable housing program, covering almost 100,000 units that house over a quarter of DC's population. It provides essential protections against excessive rent increases and displacement, and has helped to create and maintain diverse and vibrant DC neighborhoods. However, loopholes and other limits have weakened its protections and eroded the availability of affordable housing in the District. **Comprehensive rent control reform is an essential tool for a more equitable and just DC – a significant step in operationalizing DC's racial equity goals and in building and preserving diverse communities throughout the DC.**

For almost 40 years, LISC has worked to create and preserve affordable housing throughout the District by providing flexible, mission-driven financing. We are one of the leading organizations that work with tenants to acquire their buildings under DC's TOPA law. As one of the District's Preservation Fund managers, over the last year, we have preserved almost 500 homes as affordable in 26 buildings across the District. All of these buildings were covered under rent control, yet, because of loopholes like Voluntary Agreements and Vacancy Decontrol, many acquisition prices are inflated by third-party purchasers. **Rental housing prices are based on income from rents, but loopholes mean that sales prices for apartment buildings are inflating beyond this income. Some buyers assume that they can quickly displace existing tenants through existing loopholes and significantly increase rents.**

Take for instance a project that we recently financed in 2018. Fourteen of the 30 units in the building were vacant and offline due to neglect, yet the acquisition price for this building was \$5 million. Underwriting the project as fully occupied with existing rents, however, would have resulted in a valuation of \$4 million – \$1 million less than what was offered by the third-party purchaser.

Due to rent control loopholes, tenants were forced to navigate a more difficult and expensive path toward staying in a neighborhood they loved. The Tenant Association President, who grew up in the building and now is the caretaker of her elderly mother, faced the very real possibility of displacement. While we were successful in preserving her and her neighbor's homes, it will cost more scarce public resources because of these existing loopholes. **We believe that by taking a comprehensive approach to reforming DC's rent control laws, the District can ultimately lay the groundwork for more affordable housing to be preserved throughout DC, allowing scarce affordable housing funds to go further.**

**As an organization devoted to building diverse and vibrant communities, we also believe that rent control plays a crucial role in creating and maintaining diverse, mixed-income neighborhoods.** Indeed, when one looks across DC, some of the neighborhoods that have particularly flourished are areas with a significant amount housing covered under rent control. Again, we see this through the lens of our preservation work, where many of the tenant associations we work with contain an assorted mix of long-time Washingtonians, immigrants who have lived in DC for years, and new DC residents. This is the District's workforce housing.

Beyond the details of affordable housing finance, however, is ultimately a question of priorities: **A question that asks whether our government will do the hard work to strengthen a policy that helps to stabilize the balance sheets of thousands of existing DC residents.** To truly address the affordable housing crisis facing the District, a multitude tools and solutions are needed – one of them is comprehensively reforming rent control.

Thank you for the opportunity to testify.