



COALITION FOR  
SMARTER GROWTH

*Celebrating 10 Years of Smart Growth!*

11/13/2008

Testimony before the District of Columbia City Council, Committee of the Whole, regarding:

## FY2009 BUDGET SUPPORT ACT of 2008

Support amendments for Refinement of  
Commercial Property Tax Relief and  
Homeowner and Rental Property Tax Credit (Schedule H)

Promote additional resources for identified affordable housing initiatives  
to respond to needs of District of Columbia residents

By Melissa Bondi  
Housing Director, Coalition for Smarter Growth &  
DC Affordable Housing Alliance

---

Good afternoon, and thank you for the opportunity to speak. My name is Melissa Bondi, and I serve as the Housing Director for the Coalition for Smarter Growth, a non-profit headquartered in Washington, DC. The Coalition supports communities in our region in planning appropriate growth and development while ensuring affordable housing choices for residents and workers, and is an active participant in the DC Affordable Housing Alliance.

I am here today to speak on two specific tax policy issues, both of which could be targeted to more efficiently support those communities they were created to serve, and to appeal to the City Council to remain especially prudent and careful in exercising tax relief during lean economic cycles such as we are experiencing at the current time.

As you know, our human services needs remain great – in evaluating the full portfolio of tax relief alternatives, we request your continued leadership, keeping in mind the thousands of needy families in the District who are dependent on local support programs to meet their most basic housing and services needs.

Regarding the Homeowner & Rental Property Tax (Schedule H):

A number of recommendations have been suggested by the Fair Budget Coalition and DC Fiscal Policy Institute to modernize Schedule H, including raising the income limit eligibility, increasing the amount of the benefit, and integrating a cost-of-living adjustment on the indices within the schedule. All of these recommendations would be appropriate to help make the Homeowner and

---

4000 Albemarle Street, NW, Suite 310  
Washington, DC 20016  
(202) 244-4408  
[www.smartergrowth.net](http://www.smartergrowth.net)

Rental Property Tax Credit more effective at making housing more affordable, while continuing to target the populations it was created to serve.

That said, and acknowledging the budget constraints and significant number of affordable housing needs facing the city, at a minimum the rules governing Schedule H should be simplified, to allow more residents to benefit from the program. Updating Schedule H will make the District's tax system more progressive and streamlined, and enhance its utility as a tool to help low-income residents with property taxes and rent escalation.

Consideration of Unmet Housing Needs in the District:

The Affordable Housing Alliance, in collaboration with the Fair Budget Coalition, has jointly endorsed several affordable housing elements for the FY09 Budget Support Act.

We seek additional funding for the following programs, all of which will ensure that the initiatives recommended by the Comprehensive Housing Strategy Task Force and endorsed by the Mayor and the City Council will continue to help those in greatest need throughout the District.

In particular, we support:

- n \$37.5 million in the Housing Production Trust Fund to build 500 permanent supportive housing units. The Trust Fund needs additional funding to compensate for a decline in projected revenue (from FY 2007 levels) in order to meet current affordable housing production and tenant purchase commitments and needs. The pipeline of projects approved for underwriting at beginning of FY 2008 exceeded the Trust Fund balance by more than \$100 million.
- n \$15 million in the Local Rent Supplement Program to subsidize 1250 units of affordable housing with ongoing rent support, to complement DHCD's development financing, which produces housing for residents earning less than 30 percent of area median income, including special needs, elderly and supportive housing.
- n \$5 million to provide affordable supportive housing to 550 Department of Mental Health consumers, to respond to the long Department of Mental Health waiting lists that currently exist for DMH consumers in need of supportive housing. These programs have proven to be effective in maintaining very low income clients with serious mental health disabilities in semi-permanent housing while they await permanently-subsidized housing.

Thank you for the opportunity to testify, and for your continued support for our shared priorities in the District of Columbia. I am happy to answer questions you may have.