



DISTRICT OF COLUMBIA HOUSING MONITOR

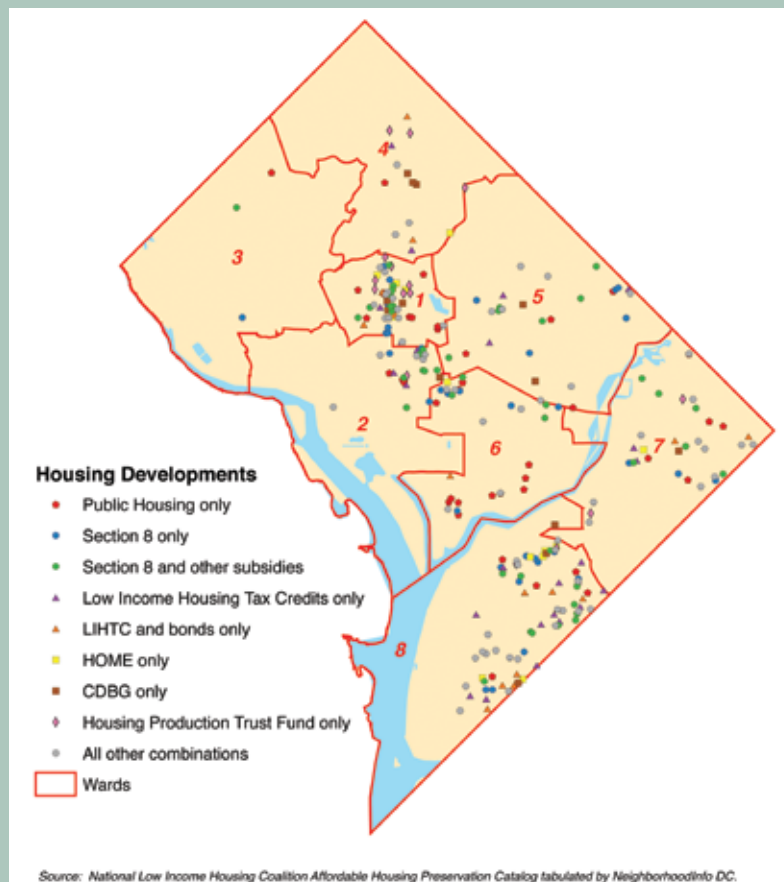
WINTER 2008

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IN THE SPOTLIGHT

MAP 1. AFFORDABLE HOUSING DEVELOPMENTS BY SUBSIDY TYPE
WASHINGTON, D.C., 2007



The quarterly *District of Columbia Housing Monitor* uses the most recent available data to illuminate housing market and affordable housing trends in the city. In addition, each report includes a special focus section that analyzes, in greater depth, developments shaping the Washington, D.C., housing landscape. In this issue, the special section uses comprehensive data on assisted housing units to track the supply of affordable housing in the city's wards.

The information presented in this report is supplemented by data provided on the NeighborhoodInfo DC web site (<http://www.NeighborhoodInfoDC.org/housing>).

Key findings include the following:

- *Sales of condominiums remained steady in the first two quarters of 2007, but volume was lower than one year earlier. Sales of single-family homes were also down from the prior year. Sales prices of houses were up over the year, while condominium prices fell.* Sales data through the second quarter of 2007 presented a mixed picture of the District of Columbia housing market. Condominium sales were steady, but lower than a year ago, while sales of single-family homes have fallen sharply. Prices of both single-family homes and condominiums went in different directions over the previous year. The median sales price of a single-family home was \$500,000 in the second quarter of 2007, up 6.6 percent in real terms from the second quarter of 2006. The median price of a condominium unit, \$375,000 in the second quarter of 2007, fell 2.0 percent from the second quarter of 2006.
- *Monthly real estate listings for condominium and cooperative units were lower, on average, than in 2006. Housing units for sale also spent more time on the market in 2007.* Average monthly real estate listings for single-family homes grew in 2007, while listings for condominium and cooperative units fell. Listings per sale for single-family homes grew throughout 2007, rising from 4.4 listings per sale in the first quarter to 7.3 listings per sale in the last quarter. Houses listed for sale in 2007 spent more time on the market before being sold than did homes listed in 2006.
- *Second-quarter sales prices of single-family homes were down in most wards from the previous year. The largest price decline was in Ward 2, the ward with the highest-valued homes, while real prices grew in Wards 4 and 8. Condominium prices across the city continued to show more volatility than home prices, with both declines and increases across the wards.* The median home price in Ward 2 was \$877,000 in the second quarter of 2007, down 20.1 percent in real terms from the second quarter of 2006. Prices fell in all other wards over the year, except in Ward 4, which grew 7.7 percent, and in Ward 8, which grew 1.2 percent.
- *Construction of new housing units was on a slower pace during 2007 than in 2005 or 2006, but was still greater than in recent years prior to 2005. Building permits in 2007 included a relatively large share of new single-family homes.* Home building remained strong through 2007, although the pace of new construction has slowed from a recent high in 2006. Almost three-quarters (73 percent) of the planned new housing construction in 2007 was for units in Wards 1, 6, and 8. About 28 percent of the permitted new units for 2007 were for single-family homes, a dramatic change from 2006, when fewer than 1 percent of the units permitted were in single-family housing.
- *Cumulative losses of Section 8 housing totaled 1,995 units through June 2007.* As of January 1, 2008, the District of Columbia had 9,966 active housing units subsidized under Section 8 and other federal multifamily programs. A total of 1,995 units have been lost to the Section 8 program since 2000, representing about 15 percent of the city's Section 8 housing stock.
- *Almost 35,000 units of subsidized, affordable housing exist, or are in development, in the District of Columbia, and 9,772 households benefit from housing choice vouchers, a portable subsidy not tied to a particular housing unit.* According to data compiled by the National Low Income Housing Coalition, 34,981 (± 255) units in 275 housing developments in the District of Columbia are affordable under a variety of project-based subsidy programs. The largest number of units in a single subsidy category, 7,384 units, are in traditional public housing. Another large share of subsidized units benefit from project-based Section 8 subsidies alone (4,527 units) or in combination with other programs (7,504 ± 69 units). These units are of particular importance for preservation. About 9,772 households in the city use housing-choice vouchers to help pay their rent; some of these vouchers may be used in combination with project-based housing subsidies and so do not necessarily represent a net increase in assisted households.

- *Ward 8 has by far the largest share of project-based housing units, as well as the largest number of voucher households.* Over 11,000 units in subsidized housing projects are located in Ward 8, almost twice as many as in the second highest area, Ward 7. Ward 8's total represents about a third of the affordable project-based housing units in the city.
- *Taxable corporations and partnerships, most likely for profit entities, account for the largest share of property owners of project-based subsidized housing. The second largest share of units is owned by the D.C. government, followed by community development corporations and other nonprofit housing providers.* In the District of Columbia, taxable corporations and partnerships own properties that make up 14,431 (± 183) affordable housing units. This group is the largest owner of Section 8 subsidized properties in the city, as well as the

largest owner of tax credit projects, subsidies that have expiration dates attached to them. The government of the District of Columbia is the second largest owner of project-based affordable units, while community development corporations/associations and other nonprofit organizations have the third largest share.

- *Over 10,000 housing units are set to have their affordability restrictions expire by 2010, presenting a continuing challenge to preserving affordable housing in the city.* Affordability restrictions will expire on 68 percent of the city's project-based subsidized housing over the next 14 years. While reaching expiration does not necessarily mean that these units will be lost to the affordable housing stock, the data suggest that District of Columbia will face a significant challenge in preserving its affordable housing stock for years to come.

Housing Market Update

Home Sales

Sales of condominiums remained steady in the first two quarters of 2007, but volume was lower than a year earlier. Sales of single-family homes were also down from the prior year. Sales prices of houses were up over the year, while condominium prices fell.

Sales data through the second quarter of 2007 presented a mixed picture of the District of Columbia housing market. While the market is not as strong as a year earlier, single-family homes seemed to have retained more of their value than condominiums. Condominium sales at the start of 2007 were steady, with 989 sales in the second quarter of 2007, almost the same volume as the first quarter of 2007 and considerably higher than the second quarters of 2002 and 1997 (table 1 and figure 1). Nonetheless, sales volume for condominiums is down 12 percent from a year ago, in the second quarter of 2006. The drop in sales is likely a result of the continued softening of the real estate market, fueled by the national mortgage credit crisis.

Single-family home sales were also down sharply from a year ago. The volume of single-family homes sold fell from 1,076 to 807 between the second quarters of 2006 and 2007, a 25 percent decline. Single-family home sales in the second quarter of 2007 were also markedly lower than in the second quarters of 2002 and 1997.

Prices of both single-family homes and condominiums went in different directions over the previous year, with home prices rising and condominium prices falling. The median sales price of a single-family home in the District of Columbia was \$500,000 in the second quarter of 2007, up 6.6 percent in real terms from the second quarter of 2006, when the median price was \$469,000 in 2007 dollars. The median price of a condominium unit, \$375,000 in the second quarter of 2007, was up slightly from the first quarter, but fell 2.0 percent from the inflation-adjusted price of \$383,000 in the second quarter of 2006. Single-family home and condominium prices remained significantly higher from 5 to 10 years ago. The drop in condominium prices can be partly explained by the recent increase in new and converted condominium properties in city. As reported in the Summer 2007 *Housing Monitor*, the supply of condominium units has grown substantially since 2001, while the supply of single-family homes has not changed appreciably.

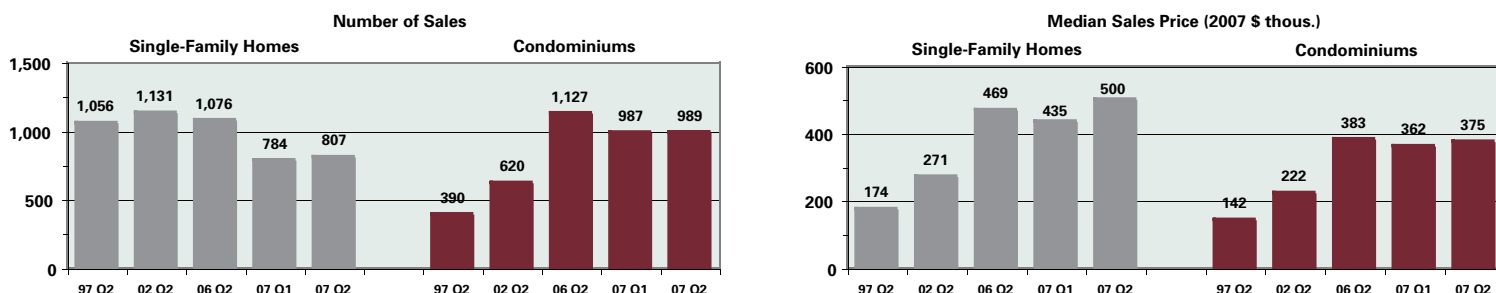
Table 1: Home Sales by Ward, Washington, D.C., 1997 - 2007 Q2

	D.C. Total	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8
Single-Family Home Sales									
Number of Sales									
2007 Q2	807	74	50	136	154	136	134	94	29
2007 Q1	784	77	54	88	165	137	113	100	50
2006	3,643	303	221	466	724	537	575	511	306
2002-2005 (annual average)	4,590	470	338	621	867	730	790	507	269
1997-2001 (annual average)	4,712	522	383	733	872	692	803	460	247
Median sales price (2007 \$ thousands)									
2007 Q2	500	584	877	917	520	380	517	269	270
2007 Q1	435	550	928	824	440	391	490	275	263
2006	463	581	931	890	478	393	540	267	267
2002-2005	366	406	783	820	368	274	409	175	164
1997-2001	181	175	474	501	184	140	186	114	114
Percent real change, median sales price									
2007 Q1 - 2007 Q2	14.9	6.2	-5.5	11.3	18.2	-2.9	5.5	-2.1	2.7
2006 Q2 - 2007 Q2	6.6	-0.2	-20.1	-2.8	7.7	-5.3	-4.1	-1.2	1.2
2002 Q2 - 2007 Q2 (annualized)	13.0	14.3	6.1	4.9	14.4	14.4	9.9	14.2	13.3
1997 Q2 - 2007 Q2 (annualized)	11.1	14.4	7.2	8.0	10.4	12.1	12.3	9.4	10.8
Percent units sold, owner occupants ^a									
2007 Q2	94.9	100.0	93.6	97.8	92.4	95.9	97.6	88.9	84.6
2007 Q1	92.8	94.3	83.7	98.8	94.7	90.2	94.2	90.4	90.0
2006 Q4	92.2	91.2	90.0	100.0	92.3	91.7	96.4	86.5	82.9
2006 Q3	90.8	95.0	96.4	95.4	96.0	92.2	91.7	88.6	63.9
Condominium Sales									
Number of Sales									
2007 Q2	989	177	326	174	30	40	125	30	87
2007 Q1	987	161	382	111	30	51	127	51	74
2006	3,788	841	1,393	572	84	159	339	221	179
2002-2005 (annual average)	3,503	625	1,287	601	64	106	625	100	97
1997-2001 (annual average)	2,058	339	845	543	19	45	214	28	24
Median sales price (2007 \$ thousands)									
2007 Q2	375	385	463	459	256	300	365	190	180
2007 Q1	362	379	419	366	270	240	358	180	180
2006	373	387	437	391	268	242	350	187	185
2002-2005	332	354	370	327	216	212	335	136	119
1997-2001	162	178	173	166	152	124	143	59	64
Percent real change, median sales price									
2007 Q1 - 2007 Q2	3.6	1.6	10.3	25.2	-5.2	25.3	2.0	5.8	0.0
2006 Q2 - 2007 Q2	-2.0	-8.5	9.6	10.1	-3.2	20.5	-7.2	2.9	7.5
2002 Q2 - 2007 Q2 (annualized)	11.0	10.5	13.8	12.0	27.4	17.0	12.1	26.0	17.7
1997 Q2 - 2007 Q2 (annualized)	10.2	9.3	11.6	12.8	^b	9.0	10.9	7.0	12.4
Percent units sold, owner occupants ^a									
2007 Q2	76.3	77.8	86.5	80.0	65.5	52.6	77.7	63.0	46.9
2007 Q1	66.4	76.2	70.1	91.3	53.8	54.2	58.6	42.9	33.3
2006 Q4	70.2	76.6	68.3	89.4	75.0	56.8	83.1	40.8	47.4
2006 Q3	73.7	70.4	80.1	91.1	66.7	58.1	78.7	45.1	25.7

Sources: D.C. Real Property database tabulated by NeighborhoodInfo DC.

Notes: ^aRevised from Summer 2007 Housing Monitor. ^bInsufficient sales to show quarterly price change.

Figure 1. Single-Family Home and Condominium Quarter-to-Quarter Sales Trends, 1997 Q1 through 2007 Q2, Washington, D.C.



Source: D.C. real property sales data tabulated by NeighborhoodInfo DC.

Monthly real estate listings for condominium and cooperative units were lower, on average, than in 2006. Housing units for sale also spent more time on the market in 2007.

Average monthly real estate listings for single-family homes grew in 2007. Although the monthly listings for the first quarter of 2007 were below the 2006 average, the remaining quarters of the year were all higher, ranging from 1,518 to 1,693 listings per month (table 2). Monthly listings of condominium and cooperative housing units were down from 2006, however. Average listings per month ranged from a low of 1,410 in the first quarter of 2007 to a high of 1,613 in second quarter, all below the 2006 average of 1,647.

Listings per sale for single-family homes grew throughout 2007, rising from 4.4 listings per sale in the first quarter to 7.3 listings per sale in the last quarter. Listings per sale for condominium and cooperative units fluctuated over the year, with a low of 4.4 listings per sale in the second quarter and a high of 6.6 in the fourth quarter.

Houses listed for sale in 2007 spent more time on the market before being sold than did homes listed in 2006. The percentages of single-family, condominium, and cooperative housing units spending 90 days or more and 120 days or more on the market in all four quarters of 2007 were equal to or higher than the 2006 average. The longer time on the market is further confirmation of the overall housing market slowdown in 2007.

Second-quarter sales prices of single-family homes were down in most wards from the previous year. The largest price decline was in Ward 2, the ward with the

highest-valued homes, while real prices grew in Wards 4 and 8. Condominium prices across the city continued to show more volatility than home prices, with both declines and increases across the wards.

Sales of single-family homes were highest in Ward 4, which had 154 sales in the second quarter of 2007, and lowest in Ward 8, with only 29 sales (table 1). Condominium sales were highest in Ward 2, with 326 sales, and lowest in Wards 4 and 7, with only 30 sales each.

The median price of a single-family home was down significantly in Ward 2 from a year earlier. The median home price in Ward 2 was \$877,000 in the second quarter of 2007, down 20.1 percent in real terms from the second quarter of 2006 (table 1). This was the largest price drop among all wards for the year and continues a downward price trend in Ward 2 since early 2006 (figure 2). Prices also fell in Wards 1, 3, 5, 6, and 7, although the declines were moderate. Wards 4 and 8 were the only areas to buck the downward trend. The median price of a single-family home in Ward 4 grew 7.7 percent in real terms between the second quarters of 2006 and 2007, while the median price in Ward 8 grew 1.2 percent.

There was more variation in price changes for condominium units between the second quarters of 2006 and 2007 than for single-family homes. Five wards recorded increases in real prices of condominiums over the year; while three posted declines (table 1). The largest increase was in Ward 5, where the median sales price of a condominium unit rose 20.5 percent in real terms for the year, to \$300,000 in the second quarter of 2007. Sales volume in Ward 5 was rather low, however, with only 40 condominiums sold in the second quarter of 2007. In the ward with the largest number of condominium sales, Ward 2, the median price rose 9.6 percent for the year, to \$463,000 in the second quarter of 2007. The largest drop

Table 2: Real Estate Listing Trends by Housing Type, Washington, D.C., 1997 – 2007 Q4

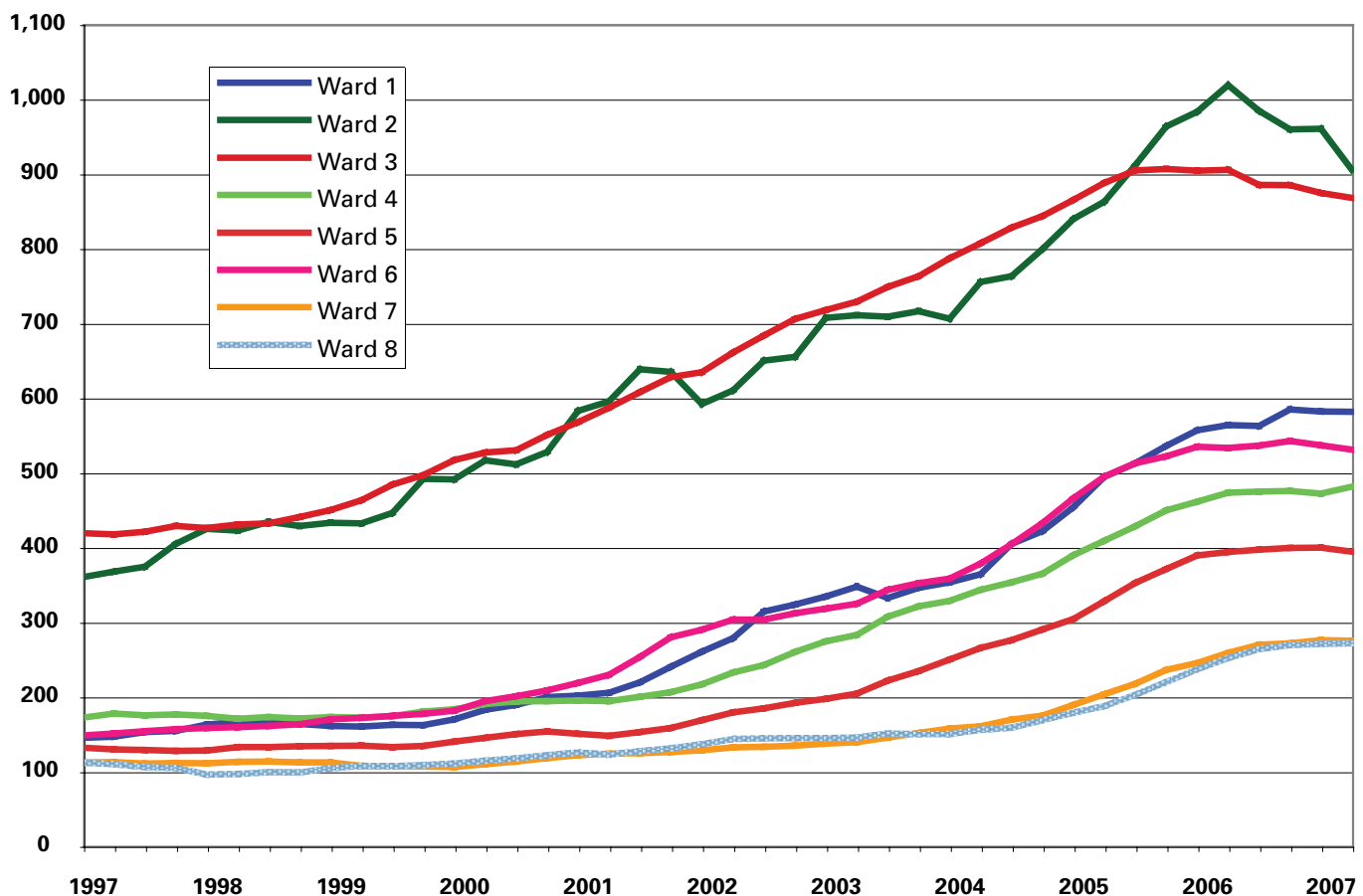
Year	Single-Family Homes		Condo/Coop Units		Percentage of All Housing Sales by Days on the Market		
	Listings/Month	Listings/Sale	Listings/Month	Listings/Sale	60+ Days	90+ Days	120+ Days
2007 Q4	1,693	7.3	1,529	6.6	38	26	18
2007 Q3	1,643	5.7	1,553	4.9	33	21	15
2007 Q2	1,518	4.9	1,613	4.4	33	24	19
2007 Q1	1,209	4.4	1,410	4.7	50	37	25
2006	1,405	4.4	1,647	5.6	35	21	12
2005	774	1.8	736	2.1	16	9	6
2001-2004	843	1.9	438	1.6	18	12	8
1997-2000	1,679	4.4	783	4.0	n/a	n/a	n/a

Source: Metropolitan Regional Information Systems, Inc., data tabulated by NeighborhoodInfo DC. (Data used with permission.)

Notes: Listings are current active listings from monthly reports. n/a = Data not available for these years.

Figure 2. Single-Family Home Price Trends by Ward, 1997–2007 Q2 (Quarterly), Washington, D.C.

Four-quarter moving average of median price (2007 \$ thousands)



Source: D.C. real property sales data tabulated by NeighborhoodInfo DC.

in condominium prices was in Ward 1, where the median sales price fell 8.5 percent in real terms between the second quarters of 2006 and 2007.

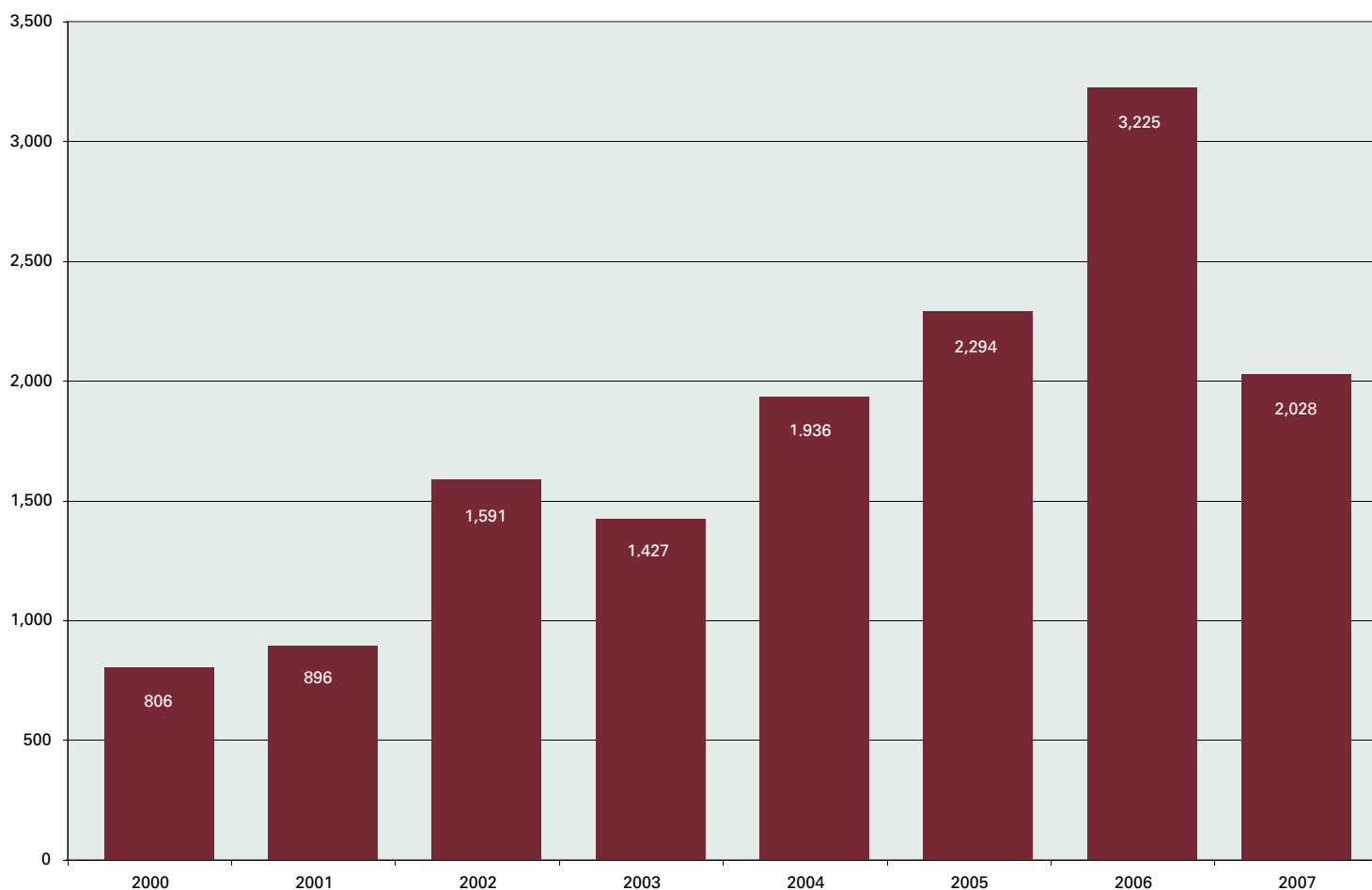
Despite the short-term fluctuations, the longer-term price trends for single-family homes and condominium units across all the wards remained solid and positive. The five-year price trend for single-family homes was a 13.0 percent per year real increase for the city overall, varying from a low of 4.9 percent in high-priced Ward 3 to 14.4 percent in Wards 4 and 5. The ten-year price trend was an 11.1 percent per year increase, varying from 7.2 percent in Ward 2 to 14.4 percent in Ward 1. Five- and ten-year trends for condominium units were also positive across all wards.

Housing Stock

Construction of new housing units was on a slower pace during 2007 than in 2005 or 2006 but was still greater than in recent years prior to 2005. Building permits in 2007 included a relatively large share of new single-family homes.

Home building remained strong through 2007, although the pace of new construction has slowed from a recent high in 2006. According to data from the U.S. Census Bureau's Building Permits Survey and the D.C. Office of

Figure 3. New, Privately Owned Housing Units Authorized by Permit, January through December, 2000–2007, Washington, D.C.



Source: U.S. Census Bureau Building Permits Survey (2000–2005, 2007) and D.C. Office of Planning data (2006) tabulated by NeighborhoodInfo DC.

Notes: Census Bureau housing unit counts are unadjusted estimates with imputation. Totals for 2006 revised from previous Housing Monitors

Planning, building permits were issued for the construction of 2,028 new housing units (figure 3). This is down from 3,225 units in 2006 and 2,294 units in 2005, but higher than annual unit counts for 2000 through 2004.

Almost three-quarters (73 percent) of the planned new housing construction in 2007 was for units in Wards 1, 6, and 8. About 25 percent of the new units are to be built in Ward 1, with another 25 percent in Ward 6, and 23 percent in Ward 8. Wards 4 and 5 each had 11 percent of the new housing units in permits issued in 2007.

The 2007 building permits included larger numbers of single-family homes than in earlier years. About 28 percent of the permitted new units for 2007 were for single-family homes, a dramatic change from 2006, when fewer than 1 percent of the units permitted were in single-family housing. Almost all of these new single-family homes will be in Wards 5 and 8. Ward 8 had the largest share of building permits for single-family homes in 2007, 57 percent, and Ward 5 the second highest, 28 percent. Ward 7 had 9 percent of the single-family homes permitted, and all other wards had 3 percent or fewer.

Affordable Housing Update

This section of the *Housing Monitor* focuses on Washington, D.C.'s federally subsidized multifamily housing, primarily units assisted under the project-based Section 8 Housing Assistance Payments program (Section 8).¹ Preserving federally assisted housing projects is an important part of the city's strategy for providing an adequate supply of affordable housing for low-income and working families.

Cumulative losses of Section 8 housing totaled 1,995 units through June 2007.

As of January 1, 2008, the District of Columbia had 9,966 active housing units subsidized under Section 8 and other federal multifamily programs (table 3).² Contracts for over a quarter of these units (2,729 units) are set to expire between January and December 2008, putting these units at risk of being lost from the city's affordable housing stock. If past experience is a guide, however, many of these units will have their rental assistance contracts renewed—although for shorter terms. During the previous 12 months (January to December 2007), contracts for 4,739 assisted units were renewed, half of them (2,403 units) for terms of one to two years. Nine contracts with a total of 1,173 units were renewed for terms of 10 years or more.

As noted above, the vast majority of owners renew their Section 8 contracts for short terms. Over time, however, projects will drop out of the program, leading to a slow but steady decline in the city's federally assisted units. The last line of table 3 tracks these cumulative losses from 2000 through June 2007.

A total of 1,995 units have been lost to the Section 8 program since 2000, representing about 15 percent of the city's Section 8 housing stock. Almost all of these units exited the program through contract expirations. Only 9 units were in buildings terminated from the program by the U.S. Department of Housing and Community Development (HUD) for some cause.³ The largest numbers of lost units have been in Ward 8 (1,091 units), Ward 5 (327 units), and Ward 2 (310 units). The number of lost units has fluctuated from year to year, without any clear trend, with 304 units lost in 2001, 89 units lost in 2002, and 123 units lost in 2006.

Losses to the Section 8 program may not necessarily result in a net loss in affordable housing. Some properties may continue to be subsidized by other programs after leaving Section 8, or they may be purchased by the current tenants, through the District of Columbia's Tenant Opportunity to Purchase Act, and kept affordable. In fact, the Office of the Deputy Mayor for Planning and Economic Development reports that several properties that left the Section 8 program will be preserved as affordable housing through New Communities or other city-funded initiatives. While this is good news, exits from the Section 8 program do represent a loss of a valuable federal subsidy, since Section 8 funds cannot be subsequently reallocated to another property.

Additional detailed reports on Section 8 and other multifamily projects are available on our web site: <http://www.NeighborhoodInfoDC.org/housing>.

Affordable Housing Update

Table 3: Housing Units in Section 8 Multifamily Projects by Ward, Washington, D.C.

	D.C. Total	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8
Current active units (as of Jan 1, 2008)	9,966	1,972	1,127	58	54	1,736	1,384	1,228	2,407
Upcoming expiring (Jan 2008 - Dec 2008)	2,729	591	294	40	0	178	761	466	399
Renewals (Jan 2007 - Dec 2007)	4,739	942	330	40	0	781	1,060	894	692
Expirations (Jan 2007 - Dec 2007)	1,274	46	105	0	0	0	248	113	762
Cumulative losses (Jan 2000 - Jun 2007)	1,995	100	310	0	0	327	116	51	1,091

Sources: HUD Section 8 database (12/28/07 and earlier) tabulated by NeighborhoodInfo DC.

Special Section: Tracking Subsidized Housing

During the past year and a half, the *District of Columbia Housing Monitor* has reported on rising housing prices in Washington, D.C.'s wards and neighborhoods, which has driven the need for increased investment in affordable housing. We have also tracked the Section 8 multifamily housing stock and reported on the number of units that have left this program. Up until now, however, we have not reported more broadly on affordable housing throughout the city. Starting with this special section, we are taking a further step toward a more comprehensive affordable housing reporting capacity for the District of Columbia by tracking a broader set of federally and locally subsidized housing units.

In partnership with the National Low Income Housing Coalition (NLIHC), and with support from the Fannie Mae Foundation and the MacArthur Foundation, we have assembled the most comprehensive set of data available on subsidized housing developments in the city to date. NLIHC has merged different data sources on project-based subsidies to create a comprehensive Housing Preservation Catalog—a list of subsidized housing developments. These data include developments supported through federal subsidies, including public housing, Section 8, Section 202, HOME, CDBG, and Low Income Housing Tax Credits, as well as local subsidies, including the Housing Production Trust Fund and tax-exempt bonds. The data in the Catalog include, for most programs, the total number of housing units in a development, the number of affordable units, and the starting and ending dates of affordability restrictions (for those programs that do not require that units be kept permanently affordable).⁴

The *Housing Monitor* has added to the information in the NLIHC Catalog by geocoding the projects to land parcels, which allows us to match the development to the property owner. Using ownership categories developed for our "Who Owns the Neighborhood?" analysis (Winter 2007 *Housing Monitor*), we can summarize affordable units by ownership type.

When reporting counts of affordable units, we needed to address the situation where the same housing development is included in multiple subsidy programs. This practice, known as "subsidy layering," is often necessary to finance an affordable housing development. The NLIHC Catalog identifies the number of housing units in a development that are designated as affordable under different programs. For projects with subsidy layering, however, it is not possible to tell whether the same housing units are designated as affordable under different subsidy programs. For example, if a development has a total of 20 units, with 10 affordable Section 8 units and 10 affordable tax credit units, then the development could have anywhere from 10 total affordable units (100 percent overlap between the Section 8 and tax credit programs) to 20 affordable units (no overlap between the two programs).

To account for this in our tabulations of subsidized, affordable units, we determined the minimum and maximum number of affordable units possible in each subsidized housing development and expressed the result as an average with a confidence interval. For example, a range of 10 to 20 affordable units is expressed as "15 (±5)."

Finally, many subsidy programs, such as the project-based Section 8 program, have time limits on the initial affordability period for units. In other words, in exchange for the subsidy, the owner commits to keep the units affordable for a specified time. At the end of the affordability restriction period, the owner may opt out of the program, in which case the units would no longer be kept affordable. The NLIHC preservation catalog includes data on when the affordability period ends for many housing developments, and we have reported this information in this *Housing Monitor*.

In addition to the data on project-based subsidized housing, the *Housing Monitor* has included data on numbers of households using federally funded housing-choice vouchers.⁵ This program provides a portable subsidy that a household can use to rent an acceptable housing unit on the open market. The subsidy is portable in that, provided the new housing unit meets program eligibility criteria, a household can take the voucher with it when it moves. Note that, since a household can often use a voucher in subsidized housing

developments other than public housing, vouchers do not necessarily represent a net addition of households being assisted. Nevertheless, the combination of a voucher with a project-based subsidy can allow a very low income family to occupy a subsidized unit that might otherwise not be affordable to them.

Almost 35,000 units of subsidized, affordable housing exist, or are in development⁶, in the District of Columbia, and 9,772 households benefit from housing choice vouchers, a portable subsidy not tied to a particular housing unit.

Table 4 summarizes the affordable housing supply in the District of Columbia for tenant-based and project-based subsidy programs. A total of 34,981 (± 255) units in 275 housing developments are affordable under a variety of project-based subsidy programs. Almost half of these, 16,612 units, are in projects benefiting from a

Map 1. Affordable Housing Developments by Subsidy Type, Washington, D.C., 2007



Source: National Low Income Housing Coalition Affordable Housing Preservation Catalog tabulated by NeighborhoodInfo DC.

Table 4: Affordable Housing Units by Ward, Washington, D.C.

Projects		Affordable Housing Units								
		D.C. Total	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8
Housing Choice Vouchers, 2004	n/a	9,772	763	495	8	611	1,734	832	2,125	3,205
Project-Based Subsidies, 2007	275	34,981 ±255	4,130 ±8	2,550 ±1	377	531	4,060 ±118	5,382 ±113	6,689	11,263 ±15
Public housing only	43	7,384	966	589	160	20	513	2,498	1,472	1,166
Section 8 only	35	4,527	559	315	18	0	827	1,060	387	1,361
Section 8 and other subsidies	44	7,504 ±69	1,254 ±5	843 ±1	199	0	1,156 ±52	726	1,664	1,664 ±12
LIHTC only	28	3,367	192	261	0	137	206	0	884	1,687
LIHTC and tax exempt bonds only	17	3,672 ±183	250	0	0	177	267 ±67	535 ±113	701	1,742 ±3
HOME only	15	376	163	0	0	9	0	26	10	168
CDBG only	14	632	71	0	0	109	17	0	375	60
Housing Production Trust Fund only	15	326	85	74	0	11	69	0	21	66
All other combinations	64	7,194 ±4	591 ±4	468	0	68	1,006	537	1,175	3,349

Sources: COG Assisted Housing Survey (2004) and National Low Income Housing Coalition Affordable Housing Preservation Catalog (2007) tabulated by NeighborhoodInfo DC.

Notes: n/a = Not applicable.

single subsidy, while another 18,370 (±255) units are in projects with some form of subsidy layering.

The largest number of units in a single subsidy category, 7,384 units, are in traditional public housing developments operated by the D.C. Housing Authority. The second largest are those benefiting solely from project-based Section 8 subsidies, 4,527 units. These units, along with the 7,504 (±69) units that combine Section 8 with other types of subsidies,⁷ are of particular importance for preservation. With a total of 19,415 (±69) units, they constitute the federal government's "deep subsidy" programs in the District of Columbia, meaning that the federal subsidy is sufficient so that even the lowest income families can occupy them without paying more than 30 percent of their income for rent.

The per-unit subsidies in the remaining project-based programs are not as large as in the deep subsidy programs, so they are only affordable to families with somewhat higher incomes—typically in the range of 60 to 80 percent of the area median.⁸ The largest share of these units are in projects benefiting from low-income housing tax credit (LIHTC) subsidies, either alone (3,367 units) or in combination with tax-exempt bond financing (3,672 ±183 units). Smaller numbers of units are currently being funded through federal HOME and CDBG subsidies, or through the local Housing Production Trust Fund. A further 7,194 (±4) units have some other combination of two or more subsidy programs.

In addition to the project-based subsidies, low-income households can benefit from the federal housing choice voucher program. According to data reported by the Metropolitan Washington Council of Governments (COG) in 2004, 9,772 households in the District of Columbia were benefiting from a housing choice

voucher. As noted earlier, vouchers can be used in some types of project-based assisted housing, and so the count of project-based units and tenant-based vouchers may overlap. Vouchers are an important part of the affordable housing picture in the District of Columbia, and the city recently voted to increase the supply of such subsidies by funding a new rental assistance program. The program, modeled on the federal voucher program, will provide local funding for additional housing vouchers to District residents. As of this report, the D.C. Housing Authority has issued 412 tenant-based rent supplement vouchers, with another 95 sponsor-based units and 29 project-based units under contract for the program. The Housing Authority anticipates having a total of 509 sponsor-based and 103 project-based units under contract by the end of March 2008.

Ward 8 has by far the largest share of project-based housing units, as well as the largest number of voucher households.

Over 11,000 units in subsidized housing projects are located in Ward 8, almost twice as many as in the second highest area, Ward 7 (table 4 and map 1). Ward 8's total represents about a third (32 percent) of the affordable project-based housing units in the city. Wards 1, 5, 6, and 7 also have large numbers of affordable units, with over 4,000 units each, while Ward 2 has about 2,500. Wards 3 and 4 have a notably small number of subsidized housing units.

Ward 8 also has the highest numbers of housing choice voucher holders, with 3,205 households. Second highest is Ward 7, with 2,125 households, and third is Ward 5, with 1,734 households. Since housing choice voucher

holders must find units that are at or below fair market rent, there are more apartments available to them in parts of the city where housing costs are lower. Nevertheless, research has also shown that discrimination also plays a role in where voucher households live, as some landlords may refuse to rent to households with a voucher.⁹ This is despite the fact that it is illegal for a housing provider in the District of Columbia to refuse to rent to a tenant because he or she is using a voucher to pay for all or part of the monthly rent.¹⁰

Taxable corporations and partnerships, most likely for-profit entities, account for the largest share of property owners of project-based subsidized housing. The second largest share of units is owned by the D.C. government, followed by community development corporations and other non-profit housing providers.

It is important to track who owns affordable housing, particularly for programs with subsidies that can expire. Profit-motivated owners may be more likely to leave subsidy programs if the market value of their property increases, whereas housing belonging to owners committed to providing affordable housing has a lower risk of being lost. In the District of Columbia, taxable corporations and partnerships own properties that make up 14,431 (± 183) affordable housing units benefiting from project-based subsidies (table 5). This group is the largest owner of Section 8 subsidized properties in the city, as well as the largest owner of tax credit projects, subsidies that have expiration dates attached to them.

The government of the District of Columbia is the second largest owner of project-based affordable units, with 7,806 units in properties that it owns. Not surprisingly, the vast majority of these (6,463 units) are in traditional public housing developments. The federal government also owns a portion of the public housing stock (901 units), along with some other properties benefiting from various combinations of subsidies.

Community development corporations/associations and other nonprofit organizations own properties with 6,564 (± 5) affordable housing units, the third largest share. More than half of these units benefit from the federal Section 8 program, either solely or in combination with other subsidies.

Another 996 affordable units are in cooperative ownership, meaning the properties are owned by a cooperative association made up of housing residents. Individuals own another 2,102 (± 1) units. Finally, religious institutions (such as churches and synagogues) own a small number of affordable units, primarily benefiting from the Section 8 program and HOME.

Over 10,000 housing units are set to have their affordability restrictions expire by 2010, presenting a continuing challenge to preserving affordable housing in the city.

Since its inception, the *Housing Monitor* has documented the threat of expirations in the Section 8 program. In this report, we expand this to looking at affordability restriction expirations for other categories of subsidized housing. Over 10,000 units have affordability periods that will end by 2010 (table 6 and figure 4), almost three-quarters of which are supported by deep subsidies from the federal government. Another 5,364

Table 5: Affordable Housing Units by Property Ownership, Washington, D.C.

	Affordable Housing Units by Property Ownership											
	Cooperative	Individuals		DC Gov.	US Gov.	CDC/Nonprofit		Taxable Corps./ Partnerships		Religious	Ownership Undetermined	
Project-Based Subsidies, 2007	996	2,102	±1	7,806	1,093	6,564	±5	14,431	±183	833	1,157	±67
Public housing only	0	0		6,463	901	0		20		0	0	
Section 8 only	74	671		0	0	1,558		2,075		0	149	
Section 8 and other subsidies	456	192		0	0	2,430	±5	3,520	±64	759	147	
LIHTC only	7	270		64	0	285		2,529		0	212	
LIHTC and tax exempt bonds only	0	281	±1	152	0	70		2,902	±115	0	267	±67
HOME only	44	0		0	10	89		84		74	75	
CDBG only	72	354		0	0	22		168		0	16	
Housing Production Trust Fund only	35	52		0	0	189		50		0	0	
All other combinations	308	282		1,127	182	1,921		3,083	±4	0	291	

Sources: National Low Income Housing Coalition Affordable Housing Preservation Catalog (2007) tabulated by NeighborhoodInfo DC.

Notes: Total units = 34,981 \pm 255.

Table 6: Affordable Housing Units by Affordability Expiration, Washington, D.C.

	Affordable Housing Units by Year of Affordability Restriction Expiration											
	Total		2007 or earlier	2008	2009	2010	2011-15	2016-20	2021-30	2031 or later		
Project-Based Subsidies, 2007	25,860 ±255		2,875	3,351 ±1	1,385	2,796 ±5	5,364 ±2	8,180 ±182	1,721 ±67	190		
Section 8 only	4,527		349	1,641	240	871	588	190	648	0		
Section 8 and other subsidies	7,504 ±69		1,438	1,339 ±1	1,056	684 ±5	1,448	1,435 ±64	105	0		
LIHTC only	3,064		134	95	0	688	1,208	939	0	0		
LIHTC and tax exempt bonds only	3,194 ±183		549	0	0	0	873 ±2	1,505 ±114	267 ±67	0		
HOME only	244		0	0	0	18	45	86	95	0		
CDBG only	466		0	0	0	0	0	367	99	0		
Housing Production Trust Fund only	156		0	0	0	0	0	0	0	156		
All other combinations	6,706 ±4		405	276	89	535	1,202	3,658 ±4	507	34		

Sources: National Low Income Housing Coalition Affordable Housing Preservation Catalog (2007) tabulated by NeighborhoodInfo DC.

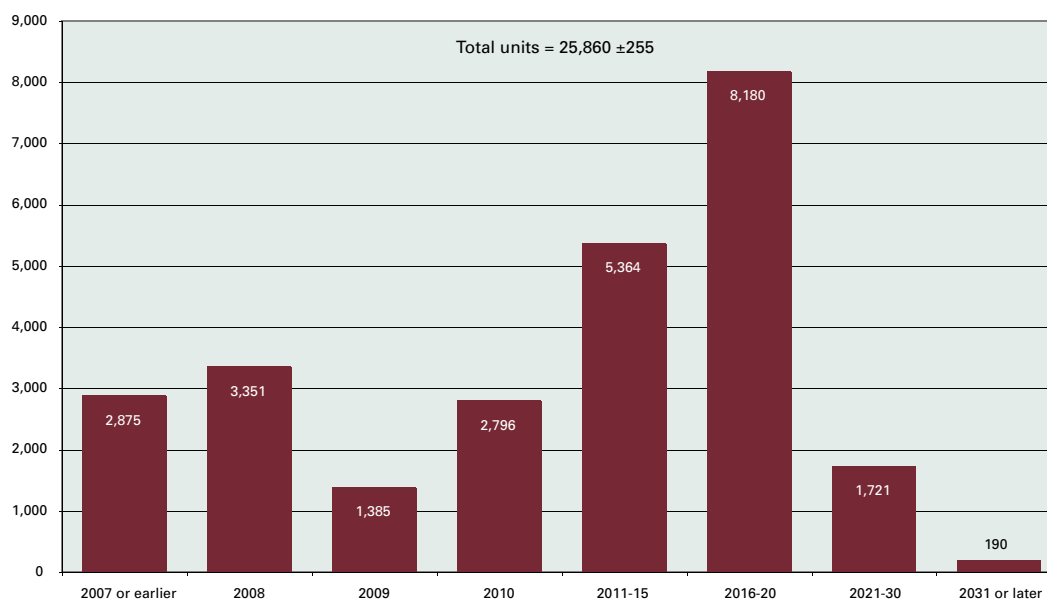
Notes: Table excludes 9,121 units in developments that have no affordability expiration. For projects with multiple contracts or subsidy sources, the latest expiration date is used.

(±2) units are in projects that will expire by 2015, and a further 8,180 (±182) by 2020. Those benefiting from the low-income housing tax credit (LIHTC) make up the largest category, apart from Section 8, of affordable units at risk of expiring.¹¹

Putting the above figures differently, affordability restrictions will expire on 68 percent of the city's project-based subsidized housing over the next 14 years. As with Section 8, reaching expiration does not necessarily mean that these units will be lost to the affordable housing stock. Projects can receive renewed subsidy agreements or can be transferred to other programs to preserve affordability. Alternatively, tenants can attempt to purchase the building and, if they are successful, keep the units affordable.

The data in table 6 indicate that the District of Columbia will face a significant challenge in preserving its affordable housing stock for years to come. The city can use this information to plan effective strategies for affordable housing preservation. For example, the D.C. Department of Housing and Community Development currently funds housing counseling groups in the city to work with tenants to help them purchase apartment buildings at risk of becoming unaffordable. By knowing when particular properties are expiring from subsidy programs, the city and the housing counseling groups can prioritize their activities toward the buildings that are at the most immediate risk.

Figure 4: Subsidized Affordable Housing Units by Year of Affordability Restriction Expiration, Washington, D.C.



Source: National Low Income Housing Coalition Affordable Housing Preservation Catalog (2007) tabulated by NeighborhoodInfo DC.

Notes: Chart excludes 9,121 units in projects that have no affordability expiration. For projects with multiple contracts or subsidy sources, the latest expiration date is used.

Notes

- ¹ For more explanation of these data and the Section 8 housing program, please see the Summer 2006 *Housing Monitor* (p. 9).
- ² The number of active units reported will vary from quarter to quarter because of updating delays in the HUD database upon which these figures are based, as well as other revisions to project information made by HUD in this file. Data in this report are derived from the July 3, 2007, update of the HUD database.
- ³ The most common reason for a Section 8 property to be terminated from the program is failure to pass successive HUD housing quality inspections.
- ⁴ A complete copy of the NLIHC Preservation Catalog can be obtained at <http://www.preservationcatalog.org>.
- ⁵ Total housing choice voucher count for D.C. was reported in the Metropolitan Washington Council of Governments (COG) Assisted Housing Survey, 2004. We apportioned the D.C. total to wards using additional data provided by the U.S. Department of Housing and Urban Development.
- ⁶ While the NLIHC Preservation Catalog includes some housing still in development, either new construction or rehabilitation projects, it is not possible to tell the status of a particular project from current data sources. We are working on a better accounting of existing vs. future housing developments for future reports.
- ⁷ The total project-based Section 8 housing in table 4 is higher than reported in table 3. This is because the NLIHC catalog combines unit counts across different program databases, and those unit counts do not always agree. The differences could be a result of data inaccuracies, but also might be because not all subsidized units in a project with overlapping subsidies receive Section 8 assistance. Table 4 reports all subsidized units in the project, regardless of whether they all receive overlapping subsidies.
- ⁸ The 2007 area median income for a four-person family living in the Washington, D.C., region was \$94,500.
- ⁹ See Peter Tatian, Barika Williams, and Kenneth Temkin, *Analysis of Impediments to Fair Housing Choice in the District of Columbia* (Washington, DC: D.C. Department of Housing and Community Development, 2006).
- ¹⁰ The D.C. Human Rights Act of 1977 prohibits discrimination in the provision of housing based on source of income.
- ¹¹ LIHTC expirations were determined as 15 years after the year the units were placed in service. This is likely a conservative estimate for the expiration of LIHTC projects.

For More Information:

Electronic versions of current and past editions of the *District of Columbia Housing Monitor* and more detailed data tables are available online at www.NeighborhoodInfoDC.org.

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