



Washington Housing Initiative

New Urban Institute Report Examines the Potential of the Washington Housing Initiative to Provide Affordable Housing Options for DC's "Missing Middle"

BETHESDA, Md. (May 29, 2020) – The Urban Institute, a nonprofit research organization dedicated to developing evidence-based insight that improves lives and strengthens communities, [this week released a report](#) examining the Washington Housing Initiative's innovative approach to address the need for affordable housing for residents at risk of displacement in rapidly growing urban centers across the country.

"The Initiative's model does not draw upon scarce public resources dedicated to producing and preserving housing affordable for households at the lowest income levels," the report states. "Instead, it aims to attract new sources of private capital to preserve the region's dwindling supply of unsubsidized moderate-cost rental housing."

According to the report, the Washington DC region faces serious housing affordability challenges that potentially undermine the well-being of residents. Launched by developer JBG SMITH and the Federal City Council in 2018, the Washington Housing Initiative seeks to address this challenge through the preservation of housing that is affordable to the "missing middle" – those who earn too much to qualify for traditional rental assistance but still struggle to pay for quality housing.

As outlined by the Urban Institute, the Washington Housing Initiative intends to finance the acquisition of 3,000 existing rental units in neighborhoods that are currently characterized by relatively inexpensive rental housing, but are expected to face substantial market pressure over the next five to 10 years. The Washington Housing Conservancy, a newly established nonprofit entity governed by a board comprised of area business and civic leaders, will own and operate most of these properties, maintaining rents that remain affordable to the area's workforce.

The report details the Washington Housing Initiative's innovative financing model, which is predicated on raising and deploying private capital as a means to preserve affordable rental housing and create more inclusive neighborhoods.

By expanding the availability of housing at rent levels below the market rate and above what public subsidy programs produce, the Urban Institute believes the Washington Housing Initiative can fill an important affordability gap and help families with moderate incomes remain in neighborhoods characterized by high-quality services and amenities. "Over the longer term, ensuring that some housing in these neighborhoods remains affordable can help promote economic inclusion region-wide and expands choices for families with low and moderate incomes," the report states.

[In a blog post published in conjunction with the release of the report](#), AJ Jackson, JBG SMITH's Executive Vice President of Social Impact Investments, explained, "The Washington Housing Initiative model shows the power of private capital to preserve naturally occurring affordable housing in a financially sustainable way with limited public support."

The Urban Institute believes that this model could expand over time. If the Washington Housing Initiative collaborates and partners effectively with other local institutions and initiatives, it has the potential to be replicated in other regions locally and nationally, especially as U.S. cities recover from the coronavirus-induced recession.

In the blog post, Kimberly Driggins, Executive Director of the Washington Housing Conservancy, noted the heightened need for programs like the Washington Housing Initiative given the current crisis. “Local governments are likely to have significantly reduced budgets, so solutions that don’t rely on large government subsidies are needed now more than ever,” said Ms. Driggins. “The crisis elevates the need for models like ours that focus on preserving workforce housing—and use private capital to do it.”