

Creating Equity in Affordable Housing



In 2018, when we launched the [Washington Housing Initiative](#) (WHI), a public-private partnership with the Federal City Council, our goal was to help our community thrive by increasing housing stability for working people. From the beginning, our approach was centered around equity in affordable housing, not just equality.

While equality is giving everyone the same thing, equity means providing people with what they need to thrive -- recognizing that not everyone starts in the same place. That means providing housing that is not only affordable but also located in high-opportunity neighborhoods where residents are more likely to flourish.

Across the Washington region, people essential to the well-being of our communities are being priced out of these types of neighborhoods—police officers, firefighters, teachers, nurses, administrative assistants, IT technicians, paralegals and so many others. They're known as "the missing middle," and many earn too much to qualify for housing assistance, but not enough to keep up with rising rents.

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Put another way, these workers experience a "rent burden," meaning they spend more than 30 percent of their total income on housing. In Washington, DC, where the average rent for a two-bedroom apartment is nearly \$3,000, many people earning salaries of \$50,000-\$100,000 can fall into this category. A disproportionate number of rent-burdened households are African American and Hispanic.

As rents rise, these households must choose between lower-quality housing, often located in neighborhoods that lack access to good schools, adequate public transit, and quality shops and stores, or the stress and insecurity of spending too much of their income on rent. Equity is at the core of this issue because living in high-opportunity neighborhoods where quality services are available increases the likelihood of attending college, achieving higher lifetime earnings, and living a longer and healthier life.

Given our core competencies in real estate and investment and our long-term outlook, JBG SMITH is uniquely positioned to help create and preserve affordability in growing communities



that are vulnerable to rapidly rising housing costs. To this end, we've raised a \$115 million investment pool and have financed the creation and preservation of 1,600 affordable apartments across the region with more to come.

One great example is Crystal House, an 825-unit mixed-income apartment complex just a block from Amazon's HQ2 in Arlington, Va. Crystal House has 165 apartments reserved for those earning roughly \$50,000 or less, and an additional 454 apartments reserved for those earning roughly \$80,000 or less.

For residents, the benefits of living at Crystal House go far beyond simply living in a well-maintained building in a desirable neighborhood. Our goal is to provide residents with a differentiated experience characterized by customer service excellence and an inclusive approach to property management. That requires us to focus on empowering residents, building community, and connecting residents with the services that they need to thrive in place. One recent example of how we do that is the "Humans of Crystal House" series (modeled after the bestselling book, "Humans of New York") that featured stories about our residents celebrating their diversity and unique life experiences. It is our hope that these types of activities and events are the first step to fostering meaningful interaction and relationship-building across lines of difference such as race, ethnicity, and income level.

It's a work in progress, but it's a step toward increasing equity in our communities. And for JBG SMITH, it's a chance to flex the core muscles of the organization to help the community we call home.



AJ JACKSON

Executive Vice President, Social Impact Investing
JBG SMITH

