



FY2027 BUDGET RECOMMENDATIONS

Affordable Housing & Homelessness Prevention

Economic Development

March 2026

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	PROGRAM	FY25 COUNCIL APPROVED	FY26 COUNCIL APPROVED	FY27 MAYORS BUDGET	FY27 COALITION RECOMMENDATIONS	FY27 COUNCIL APPROVED	
BUILD AND PRESERVE AFFORDABLE HOUSING	Housing Production Trust Fund (HPTF)**	\$80M	\$110M		\$120M		
	Small Building Preservation	*	*		\$5M		
	Stabilization Resources	*	*		\$10M		
AFFORDABLE HOMEOWNERSHIP	Heirs Property	*	*		\$1M		
	Home Purchase Assistance Program (HPAP)	\$31.2M	\$24.8M		\$25M		
	Homeowner Repair Program	*	*		\$1M		
RESIDENT STABILITY AND GROWTH	Local Rent Supplement Program (LRSP)	<i>Project- and Sponsor-Based</i> \$34.1M <i>(\$4.9M new LRSP)</i>	\$35.2M <i>(\$6M new LRSP)</i>		\$6.5M new		
	Permanent Supportive Housing (PSH)	<i>Single</i>	\$4.1M <i>(148 new vouchers)</i>	\$0 <i>(no new vouchers)</i>		\$4.9M <i>(170 new vouchers)</i>	
		<i>Family</i>	\$11.4M <i>(325 new vouchers)</i>	\$8.5M <i>(174 new vouchers)</i>		\$9.6M <i>(200 new vouchers)</i>	
	Neighborhood Based Activities Program (NBAP)		\$12.1M	\$14.5M		\$15M	
	Emergency Rental Assistance Program (ERAP)		\$26.9M	\$11.5M		\$25M	

* Program budget not tracked in these years.

** Inclusive of rental and homeownership development assistance.

Small building preservation is based on the needs and capacity identified through The Coalition's Connecting Capital and Community work. These properties would not be competitive for HPTF or LIHTC, unlike larger preservation deals.

Stabilization resources would be available for multifamily foreclosure prevention and/or as bridge lending for future HPTF rounds.

Homeowner repair includes single-family repair and potentially other homeowner repair assistance.

The full evidence-based ask for PSH from The Way Home Campaign is significantly higher (see budget narrative). This amount reflects what we know from recent experience that DC agencies can implement and the housing market can house.

The ERAP budget ask reflects the high demand when applications opened. We recommend collecting data on both denied and approved application amounts for potentially eligible requests to enable an evidence-based budget in future years.



Affordable Housing and Homelessness Prevention Recommendations for FY27 Budget

The Coalition's housing budget recommendations include three major program goals:

1. **Build and Preserve Affordable Housing**

Recommendation: 50 to 60 percent of housing resources

The programs in this category relate to ensuring and retaining a strong affordable housing supply. This includes building and preserving large and small rental properties, preserving the co-op supply, and building new moderately-priced homeownership units.

Dollars allocated to this category generate multiple decades of benefits to a broad group of Washingtonians, typically beginning after the funding year.

2. **Enable and Sustain Homeownership**

Recommendation: 10 to 15 percent of housing resources

The programs in this category support pre-purchase, post-purchase, and generational homeownership assistance. The recipients of these resources, either directly or through community-based partners, are owner-occupants, prospective homebuyers, and their heirs.

Dollars allocated to this category generate same-year benefits, with the potential for long-term benefits to specific assisted households.

3. **Support Resident Stability and Growth**

Recommendation: 25 to 35 percent of housing resources

The programs in this category focus on meeting residents where they are. This includes programs that deepen affordability beyond our supply-based subsidies, add supportive services for people exiting homelessness, offer emergency assistance, and provide education and counseling.

Dollars allocated to this category generate same-year benefits and often reduce costs for preventable health and emergency response needs.

Build and Preserve Affordable Housing

Housing Production Trust Fund (HPTF)

FY27 recommendation: \$120M

The Coalition recommends allocating at least \$120 million to the Housing Production Trust Fund (HPTF) to address the ongoing need for affordable housing preservation and development.

The HPTF was established to support the development and preservation of affordable rental and ownership housing in Washington, D.C. It plays a pivotal role in ensuring that DC's housing supply includes properties that low- and moderate-income residents can afford. The fund finances the construction, rehabilitation, and acquisition of affordable housing, thereby ensuring a diverse and inclusive community.

Assuming an HPTF subsidy level of \$100,000 to \$130,000 per unit and 15 percent of the HPTF funds reserved for DHCD administration, a \$120M investment would yield 785 to 1,020 units of affordable housing.

Small Building Preservation

FY27 recommendation: \$5M

The Coalition recommends allocating at least \$5 million toward small multifamily housing preservation, which would enable access to financing for these vital neighborhood housing assets.

One-third of DC's housing stock consists of small multifamily buildings. These properties are spread throughout DC and include a substantial share of DC's unsubsidized, or naturally occurring, affordable housing. Through our Connecting Capital and Community partnership, The Coalition has observed a strong demand for preservation resources among credit-worthy properties. DHCD's small building preservation resources have been fully committed recently, while a separate philanthropically-funded and CDFI-managed resource has also served small building preservation needs. With approximately 25 units per property and per-unit preservation financing capped at \$65,000, an investment of \$5 million could preserve affordable and quality housing for a minimum of 75 DC rental households—but likely much more.

Stabilization Resources

FY27 recommendation: \$10M

The Coalition recommends allocating at least \$10 million toward the continued stabilization needs of affordable multifamily property. These funds are an essential part of DC's path to preventing foreclosure and restoring our historic multifamily strengths.

In Fiscal Year 2025 and 2026, the District enacted legislative changes to enable more sustainable rental property operations, but a combination of time and additional attention will be needed before the affected properties are firmly out of the woods. This budget recommendation level assumes that the unawarded FY25 stabilization proposals continue through underwriting and that funds from prior fiscal years remain available to complete any viable awards.

If the average stabilization award remains consistent with awards made under Category A of DHCD's 2024 RFP, \$10 million would save 5 buildings from foreclosure.

Due to a lack of data, we are uncertain how many covenanted affordable multifamily properties are both at risk of foreclosure and able to avoid that with stabilization resources. We therefore ask that the Mayor and Council continue to use any data available to them to increase this recommendation to meet the full need. We further ask that the Mayor and Council use any data on unavoidable foreclosure risks in the covenanted stock to fund mission-based acquisitions of distressed properties, either through HPTF resources or a new distressed property acquisition fund.

Enable and Sustain Homeownership

Home Purchase Assistance Program (HPAP)

FY27 recommendation: \$25M

The Coalition recommends an allocation of \$25 million to enable access to homeownership for low- and moderate-income households. HPAP provides interest-free loans and closing cost assistance for residents purchasing single-family houses, condominiums, or cooperative units.

HPAP support has opened the door for qualifying households to access the unique combination of residential stability and asset-growth potential available to homeowners. Community-based organizations report continued strong interest in the program. The limited supply of affordable homeownership units further increases requests for interest-free assistance via HPAP and DC's other employee-assisted downpayment programs. At an average HPAP funding amount of \$150,000, the District can serve more than 160 households.

Heirs Property Assistance

FY27 recommendation: \$1M

The Coalition recommends continuing Heirs Property Assistance at \$1 million. DHCD's Heirs Property Assistance Program helps families and communities avoid the loss or abandonment of single-family owned homes after an owners' passing. This program is a key component of DC's efforts to support equitable access to homeownership and strong, vibrant neighborhoods.

Homeowner Repair Programs

FY27 recommendation: \$1M

The Coalition recommends allocating \$1 million toward homeowner repair assistance. To sustain homeownership success and healthy housing, many low-asset homeowners need nimble and low/no-cost repair assistance. Roof repairs, mold remediation, and essential repairs can put a households' health and stability at risk. Learning from our Senior Home Stabilization initiative suggest that delivering such assistance through community-based organizations and local expert contractors can support timely and cost-effective repairs. We estimate that a \$1 million investment could help more than 30 low-income homeowners complete repairs that support health, safety, and the potential for future assets.

Support Resident Stability and Growth

Local Rent Supplement Program (LRSP)

FY27 recommendation: \$6.5M

The Coalition recommends adding \$6.5 million in new funding for the Local Rent Supplement Program (LRSP) for Fiscal Year 2027. This funding is essential to support our lowest income households in affording the rent and enable HPTF-funded developments to deliver rents at the lower levels required by statute. LRSP could be further paired with economic mobility tools so that households can gradually shift to shallower subsidies.

The LRSP is a critical component of the District's strategy to provide affordable housing solutions to its most vulnerable residents. The Coalition's recommendation of \$6.5 million in new LRSP subsidy is derived from the extremely low-income requirements that would be associated with the recommended HPTF allocation for FY27. Project- and sponsor-based LRSP is used to produce new housing affordable to extremely-low-income households by providing operating subsidies as part of the development process. Project-based LRSP covers maintenance, utilities, and other ongoing expenses that properties would typically pay using rent revenue, but that rents affordable to our lowest income households cannot cover. Such expenses are not included in one-time HPTF loan awards.

Permanent Supportive Housing (PSH)

FY27 recommendation: \$4.9M for singles | \$9.6M for families

The Coalition requests that the Mayor and Council prioritize funding for PSH by funding the program at a level between the minimal recommendation here and the full request of The Way Home campaign. PSH has a proven record of ending chronic homelessness by helping residents access both stable housing and case management to manage and improve health.

The Way Home Campaign to end chronic homelessness in DC has estimated that up to 3,600 individuals in DC need PSH vouchers in order to end cycles of chronic homelessness. Using data on the cost of rent, case management, and administrative costs, the campaign has calculated that \$36M would fund 1,260 PSH vouchers for individuals and that \$37M would fund 782 PSH vouchers for families. We support this analysis and request.

When considering the amount of PSH vouchers that DC's housing market can absorb, we know from prior years that our rental market can accommodate at least 170 new PSH vouchers for singles and 200 new PSH vouchers for families, perhaps much more. The Coalition therefore recommends a minimum budget of \$4.9 million in singles and \$9.6 million in family PSH.

Emergency Rental Assistance (ERAP) FY27 recommendation: \$25M

The Coalition recommends budgeting at least \$25 million for the Emergency Rental Assistance Program (ERAP) in FY27. Recent patterns of job loss and underemployment in DC have drained renters' savings and put households one unexpected bill away from missing the rent. Through ERAP, renters can get through a short-term crisis with their housing intact, and housing providers can serve renters of limited means with less risk of loss.

Currently no data source tells us what the true need for ERAP is over the course of a year. Using point-in-time data collected between April 2023 and April 2024, The Urban Institute estimated that 12,950 low-income renter households in DC were at least a month behind on the rent and likely to face eviction. Resolving these crises would have required \$76M to \$108M in ERAP funding.¹ The study did not, however, use ERAP's restored pre-pandemic rules, under which households must also demonstrate that the unpaid rent is due to a temporary emergency and that they will be able to afford the residence again after receiving ERAP.

While we need to collect data on the true need for ERAP under its current and pre-pandemic rules, the urgent requests of both housing providers and renters regarding ERAP information during the current fiscal year suggest a substantial budgetary need. We therefore recommend allocating \$25 million toward ERAP. The funds would allow renters to withstand a temporary crisis without destabilizing themselves or DC's rental stock. ERAP further allows awards of a security deposit and first month's rent so that households who cannot affordably remain in their current unit can more easily move on to a more sustainably-priced residence.

Assuming 10 percent in administrative costs and an average ERAP award of \$6,809, a \$25 million ERAP budget would resolve emergencies for more than 3,300 households.

¹ ["Combating Rising Evictions in the District of Columbia with Housing Subsidies,"](#) p. 13

Neighborhood Based Activities Program (NBAP)

FY27 recommendation: \$15M

The Coalition recommends allocating \$15 million to the Neighborhood Based Activities Program. NBAP provides critical support for community-based organizations for an array of services that support strong DC neighborhoods, including housing counseling and education programs as well as small business technical assistance (SBTA). (The recommended \$15M budget is *inclusive of the \$4.5M SBTA recommendation*, which is discussed in The Coalition's Economic Development budget request.)

Housing education and counseling enables DC residents to understand how to make sound housing decisions in a complex marketplace. CBOs use such resources to provide foreclosure prevention counseling, homebuyer counseling, rental counseling, and technical assistance related to TOPA, housing conditions and limited equity cooperatives. A strong investment in NBAP ensures that the programs DC offers for renters, prospective homebuyers, and existing homeowners remain accessible and that DC's households have the information needed to participate in our housing system.

FY2027 BUDGET RECOMMENDATIONS

Economic Development



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SMALL BUSINESS & COMMERCIAL CORRIDORS	Small Business Technical Assistance	\$4.132M	\$4.131M		\$4.5M	
	Main Streets	\$6.468M	\$5.973M		\$5.017M <i>(\$4,495M + 522,087 enhancement)</i>	
	Commercial Clean Teams	\$7.434M	\$7.306M		\$8.2M <i>(\$200K per team)</i>	
	Aspire Incubator Program	\$250K	\$250K		\$250K	
	Robust Retail	\$500k	\$500K		\$1M	
	Great Streets	\$7.153M	\$3.658M		\$3.6M	
	Commercial Property Acquisition Fund	\$2.5M	\$1.5M		\$1.5M	
	Safe Commercial Corridors Grants*	\$2.1M	\$2M		\$2M	
	DC Community Anchor Partnership (DCAP)	*	\$400K		\$400K	
WORKFORCE DEVELOPMENT	Workforce Investment Administration	\$1.959M	\$1.732M		\$2M	
	DC Public Library, Adult Services	\$1.074M	\$1.042M		\$1.042M	
	DC Public Library, Adult Learning Services	\$1.993M	\$2.019M		\$2.019M	

Aspire and Robust Retail are programs within the Department of Small and Local Business Development; there isn't a budget line item for these programs.

*Safe Commercial Corridors Grants (SCC) is a new budget ask. The SCC grant program is managed by the Office of the Deputy Mayor for Public Safety and Justice. The SCC grant program is designed to promote the safety and public health through evidence-based activities for residents, workers, and visitors.



THE
COALITION

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Small Business Support and Workforce Development Recommendations for FY27 Budget

The Coalition's economic development budget recommendations focus on small business support services, neighborhood commercial corridor support and workforce development.

Small Business Support Services

Small Business Technical Assistance

FY27 Recommendation: \$4.5M

The Coalition is requesting the Mayor to commit \$4.5M in the FY 2027 budget to support the Small Business Technical Assistance (SBTA) program, managed by the Department of Housing and Community Development. *The Small Business Technical Assistance (SBTA) Program is a critical investment in the District's small business ecosystem. Through this program, grantees provide technical assistance, training, and one-on-one advisory services that help entrepreneurs plan, launch, and grow sustainable businesses. These services include business planning, microloan packaging, entrepreneurial advising, and legal assistance—resources that many small businesses would otherwise be unable to access.*

While SBTA services are available to businesses across the District, the program intentionally prioritizes entrepreneurs located in underserved neighborhoods and low- to moderate-income communities. Areas benefiting from this investment include, but are not limited to, Anacostia, Columbia Heights, Congress Heights, Mount Pleasant, Petworth, and the Rhode Island Avenue and Bladensburg corridors—communities where small businesses play an essential role in neighborhood vitality and economic opportunity.

Increasing funding for this signature program will ensure that SBTA grantees can continue delivering high-quality technical assistance to the District's micro- and small businesses, particularly entrepreneurs who face systemic barriers to capital, expertise, and professional services. By expanding access to these resources, the SBTA program helps stabilize existing businesses, supports new business formation, and strengthens local commercial corridors. Continued and increased investment in SBTA is essential to advancing inclusive economic growth and ensuring that small businesses across the District have the tools they need to succeed.

DC Community Anchor Partnership (DCAP)

FY27 Recommendation: \$400K

The Coalition recommends allocating \$400,000 to the DC Community Anchor Partnership (DCAP), a proven initiative that connects DC-based small and minority-owned businesses to procurement opportunities with major local institutions, including hospitals, universities, utilities, and other large employers. Since 2017, more than 450 local businesses have participated in the program, collectively securing over \$946 million in contracts from 18 anchor institutions. DCAP helps local businesses navigate complex procurement systems, match relevant RFP opportunities, and build the capacity needed to compete for institutional

contracts, while also advising participating institutions on strategies to expand inclusive purchasing. Continued District funding will ensure that more local businesses can access the region's procurement economy and that anchor institutions remain accountable for growing equitable local supply chains.

ASPIRE Incubator Program

FY27 Recommendation: \$250K

The Coalition requests that the Council allocate \$250,000 to support the Aspire Incubator Program, a cohort-based small business training initiative that will serve up to 20 justice-involved individuals and returning citizens seeking to start or expand their businesses. This targeted investment will provide participants with intensive training, mentorship, and technical assistance designed to equip them with the knowledge, skills, and resources necessary to successfully launch and sustain a small business.

For many returning citizens, viable employment opportunities remain limited due to persistent barriers in the labor market. Entrepreneurship offers a powerful pathway to economic mobility, financial stability, and long-term independence. Programs like Aspire provide returning citizens with the tools to transform their ideas into viable businesses while building confidence, professional networks, and economic opportunity.

An investment of \$250K in this tailored program will help create meaningful second chances for returning citizens while strengthening the District's small business ecosystem and expanding inclusive economic opportunity across our communities.

Neighborhood Commercial Corridors Support

Main Street Program

FY27 Recommendation: \$ \$5.017M

The **Main Streets Program** is a comprehensive initiative that promotes the revitalization, economic vitality, and long-term sustainability of neighborhood commercial corridors across the District. **The Coalition recommends that the Council allocate \$5.017 million in the FY27 budget to support and strengthen this critical program.** The District's Main Streets program supports the operations and programming of **29 corridor organizations** that serve as place-makers and on-the-ground partners for neighborhood small businesses. These organizations play a vital role in supporting local entrepreneurs, activating commercial corridors, and serving as a liaison between small businesses and District agencies. Each corridor also addresses its own unique economic and community challenges, making the work of Main Street organizations essential to maintaining vibrant and resilient neighborhood business districts.

The Coalition recommends the Mayor maintain **scheduled funding increase in the FY27 budget** to ensure these organizations can continue delivering critical services and advancing inclusive economic development across the District. Sustaining this investment will allow the Main Streets program to continue supporting local businesses, fostering thriving commercial corridors, and strengthening the District's neighborhood economies.

Commercial Clean Team Program

FY27 Recommendation: \$8.2M

The Coalition requests the Council to commit \$8.2M to support the Commercial Clean Teams program. As a complement to the Main Streets program, the Commercial Clean Teams program provides employment to District residents while servicing the clean-up along designated corridors. This program is invaluable and greatly needed in maintaining safe and clean the District's neighborhood commercial corridors.

Robust Retail Grant

FY27 Recommendation: \$1M

*In the **FY2027 budget**, the Coalition requests that the Mayor allocate **\$1 million** to support the **Robust Retail Citywide Grants Program**. This program provides critical support to existing DC-based retail businesses as they work to maintain operations and strengthen their long-term viability while continuing to recover from recent economic challenges. Through this reimbursable grant program, eligible small*

businesses can receive **up to \$5,000** to make storefront improvements and purchase essential equipment needed to operate and compete in today's marketplace. These investments help small retailers improve their customer experience, modernize their operations, and remain active contributors to neighborhood commercial corridors.

Retail businesses across the District continue to face rising operating costs and increasingly tight margins. Expanding funding for the Robust Retail program will allow the District to reach more small businesses with timely, targeted support. An allocation of **\$1 million** will ensure that more local retailers have access to the resources they need to remain resilient, strengthen their storefront presence, and continue serving their communities.

Great Streets Grant

FY27 Recommendation: \$3.6M

The Coalition recommends that the Mayor commit \$3.69 million in the FY2027 budget to support the Great Streets Initiative, consistent with the Mayor's proposed budget, and further requests an additional \$3.6 million to expand the program's impact. The Great Streets Initiative plays a critical role in catalyzing small business growth and strengthening neighborhood commercial corridors across the District. As the District advances its Comeback Plan, there remains a heightened need for targeted investments that help local businesses remain competitive and resilient.

Through reimbursable grants of up to **\$50,000**, the program enables small businesses in designated corridors to make essential capital improvements, including buildouts and renovations, equipment upgrades, and façade enhancements. These investments help address the financial barriers many small businesses face when making capital improvements while supporting vibrant neighborhood business districts that generate economic opportunity, create entry-level jobs, and provide residents with convenient access to goods and services. Continued and expanded investment in the Great Streets Initiative will help sustain small businesses, strengthen commercial corridors, and improve the quality of life for District residents.

Safe Commercial Corridors Grants

FY27 Recommendation: \$2M

The Coalition recommends allocating \$2 million for Safe Commercial Corridors grants. This program promotes public safety and community well-being through evidence-based activities that support residents, workers, and visitors in neighborhood commercial districts. The importance of place-based safety strategies is essential in supporting both businesses and the surrounding community.

The grants provide critical funding that allows businesses and corridor organizations to implement safety improvements such as upgraded lighting, security

infrastructure, technology investments, and other preventative measures. These investments help reduce opportunities for crime while strengthening confidence among business owners, employees, and customers.

Funding supports the deployment of Safety Ambassadors, who maintain a visible presence in commercial corridors and help foster a safer, more welcoming environment. Ambassadors engage with residents, workers, and visitors while also interacting with individuals experiencing homelessness and connecting them to supportive services through partners such as Miriam's Kitchen and other local providers.

Investments in these place-based safety strategies help strengthen neighborhood commercial districts, support small businesses, and improve the overall experience for the communities they serve.

Commercial Property Acquisition Fund

FY27 Recommendation: \$1.5M

The Coalition urges the Mayor to allocate \$2.5 million in the FY2027 budget to the Commercial Property Acquisition Fund, a critical tool for advancing equity and economic resilience in the District. This fund provides socially disadvantaged small business owners with down payment assistance to purchase commercial property, directly addressing long-standing barriers to capital and property ownership. By empowering small businesses to own their spaces, the fund helps prevent displacement, stabilize neighborhood commercial corridors, and strengthen the local economy. Investing in this program ensures that entrepreneurs from historically underserved communities can build generational wealth, sustain their businesses, and continue serving their neighborhoods, creating vibrant and resilient commercial districts across the city.

Workforce Development

Workforce Investment Admin

FY27 Recommendation: \$2M

The Coalition recommends the Council invest \$1.732M to support the District's Workforce Investment Administration, equipping it with the resources it needs to create workforce policy, establishing the District's statewide WIOA plan and developing innovative solutions to address the needs of employers.

DC Public Library, Adult Services

FY27 Recommendation: \$ 1.042M

The Coalition requests that the Mayor allocates \$1.042M in the FY2027 budget to support Adult Services at the District of Columbia Public Library. Adult Services provides library services and programs to adults 20 and older in areas of literacy, workforce development, technology, and cultural enhancement.

DC Public Library, Adult Learning Services

FY27 Recommendation: \$2.109

The Coalition recommends that the Mayor commit \$2.019M in the FY2027 budget to support Adult Learning Services at the District of Columbia Public Library (DCPL). DCPL's Adult Learning Department provides a comprehensive range of free digital literacy classes and certifications, from foundational skills—such as turning on a computer, using a keyboard, navigating email, and browsing the internet—to more advanced workshops, which trains participants on tools like Google Docs, Sheets, and Slides. Libraries are a vital resource for residents who lack internet access, digital devices, or proficiency in basic technology.

Funding these services will ensure DCPL can continue offering these critical programs, empowering residents with the skills needed to access education, employment, and essential services in the digital world.