

**DISTRICT OF COLUMBIA**

**Office of the Deputy Mayor for  
Planning and Economic Development**



**Responses to Additional Questions for the  
Agency Performance Oversight Hearing  
on FY2020-2021**

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Deputy Mayor

Submission to

Committee on Business and Economic Development

Chairperson Kenyan McDuffie

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**1. In the context of DMPED and its mission, what are three areas, programs, or initiatives where you see the most opportunity to address racial inequity?**

The three areas in which DMPED sees the most opportunity to address racial inequity are affordable housing, real estate development in underserved communities, and business development focused on historically marginalized entrepreneurs.

In partnership with our housing cluster agencies, DMPED continues to advance racial equity through our affordable housing work. As Mayor Bowser's Department of Health 2018 Health Equity Report shows, where people can afford and are able to live affects not only their quality of life, but also life expectancy and economic outcomes. The Housing Equity Report – and other recent analyses of the District's demographics – demonstrate how the District's predominately Black communities face housing inequities, like greater housing cost burden and lower homeownership rate. This report set production targets for every planning area of the city based on what is necessary to achieve an equitable distribution citywide. By pursuing these targets, we are working to eliminate the legacy of racially discriminatory housing policies and practices that led to the concentrations of affordable housing that exist today, and ensure equitable access to all neighborhoods for residents of color. By growing the District's supply of affordable housing and housing overall (the objective of Mayor Bowser's 36,000 by 2025 goals), we will lower housing cost burdens, which fall most severely on people of color. In addition, increasing BIPOC homeownership opportunities through programs like HPAP, administered by DMPED cluster agency DHCD, is an important tool in advancing racial equity and reducing the racial wealth gap.

Through DMPED's catalytic real estate development projects, we are reducing neighborhood-level disparities by bringing fresh food, community services and retail, affordable housing, jobs, and recreational spaces to neighborhoods. Many majority-Black neighborhoods in our city have been historically overlooked by the investment that is needed to provide such amenities. Through investments like the Neighborhood Prosperity Fund, we are able to support mixed-use development projects that will expand healthy food options in neighborhoods with low food access, among other community serving amenities. Further, DMPED will continue to promote opportunities for BIPOC developers to access projects in the development pipeline. With the introduction of the EquityRFP in 2020, we have signaled to the development community that Mayor Bowser continues to make racial equity a priority.

As DC's businesses and employers work to survive the COVID-19 pandemic, DMPED continues to provide support in for form of financial relief and technical assistance. Increasing job growth rates and sales tax requires supporting businesses, with a special focus on those that have been disproportionately impacted by both COVID-19 and pre-existing structural barriers, including racism, is a top priority. DMPED uses affirmative marketing, community partnerships, funding-set asides, and targeted technical assistance to address these longstanding barriers.

Further, we continue to lever partnerships with community based organizations like the DC Community Anchor Partnership (DCAP), led by the Coalition for Nonprofit Housing &

Economic Development (CNHED), which performs outreach to anchor institutions to match Minority Business Enterprises (MBEs) with procurement opportunities, as well as the Innovation & Technology Inclusion Council (ITIC), which develops strategies to engage and support the inclusion of underrepresented groups in the tech economy.

**2. Do you think there are any areas/programs where DMPED has had success in building racial equity over the past year? Which areas/programs?**

The introduction of the Equity RFP in all DMPED Real Estate RFPs has signaled to the development community that Mayor Bowser has continued to make racial equity a priority. For the first Equity RFP, Langston Slater, all ten teams include BIPOC leadership. Several additional solicitations are underway and DMPED anticipates the number of proposals from BIPOC led teams to increase from previous years.

The DC Community Anchor Partnership (DCAP) – an initiative DMPED financially supports and helps to convene – has created opportunities to build racial equity by connecting MBEs to bid on procurement contracts with anchor institutions. In FY20, DCAP matched over 90 MBE suppliers with 26 different procurement opportunities. Many of these MBEs had not bid on these contracts in recent years based on previous experience of being overlooked by these anchor institutions.

The Neighborhood Prosperity Fund built racial equity by increasing opportunities for commercial ownership and expanding access to fresh food markets. In Ward 7, Muki's Market of 4403 Bowen Rd, SE was awarded \$100,000 to assist in creating a food market that includes indoor and outdoor space. In Deanwood, NHP Foundation at 5131 Nannie Helen Burroughs Ave, NE was awarded \$1,700,000 to support its mixed-use project that includes 550 apartment units and a fast-casual restaurant/gathering space. In Ward 8, South Capitol Improvement LLC at 4401 S Capitol St, SW was awarded \$600,000 to support a mixed-use project that will provide affordable housing units, community commercial space, and the delivery of a fresh food grocer. The joint venture between Washington Area Community Investment Fund (WACIF) and Anderatiam Group at 1231 Good Hope Road SE., was awarded \$600,000 to support the sustainability of retailers as well as the development of office space.

**3. Consider the demographic data DMPED collects, tracks, and evaluates as part of its operations. Do you collect information on race and geographic area? If not, why not?**

Whenever possible, DMPED disaggregates quantitative data from internal and external sources by race and geography. For example, all business grantmaking is analyzed by race, gender, and ward.

DMPED collects both geographic and race data to the extent permitted by data privacy and personal information protection laws. While the law prohibits us from requiring persons to submit data pertaining to race, ethnicity, or gender, generally accepted data collection standards

recommend that personal information is voluntarily provided and is depersonalized and anonymized to protect the identity of respondents.

In an effort to ensure that we are still able to collect geographic and race data for informing policy, action, and targeted economic investments, DMPED's current approach is to encourage respondents to voluntarily share race and geographic information, while ensuring that this data when generated is aggregated and anonymized.

**4. Consider the data DMPED collects, tracks, and evaluates as part of its performance or strategic plan. Do you collect information on race and geographic area? If not, why not?**

Both factors of race and geography are key and are always the starting consideration when designing economic development strategies or evaluating performance.

- Geography:

While the diverse nature of DC means each neighborhood possesses distinctly unique offerings, this also means that they possess distinct challenges – this is why we have adopted a place-specific, neighborhood level approach to evaluating economic development. This is achieved through two major geographic information levels:

- **Ward Level evaluation** of economic development performance in terms of the delivery of affordable housing, employment as well as impact assessment/return on investments tracking. A direct example of this level of monitoring is the FY2019 Economic Development Return on Investment Accountability Report <https://dmped.dc.gov/publication/fy19-economic-development-return-on-investment-accountability-report>  
Additionally, DMPED's Economic Strategy includes both geographic and racial considerations in one of its two overarching goals (reducing unemployment levels by race, by ward and by educational attainment level). Available here: <https://dceconomicstrategy.com/overview/>
- In addition to the DC Economic Strategy's overarching goal, it includes a dashboard of indicators of inclusive prosperity that are disaggregated by ward and race where available. Available here: <https://dceconomicstrategy.com/household-income/>
- DMPED's performance plan includes several key performance indicators broken out by ward, including number of Ward 7/8 investments and initiatives and dollar amount invested in Ward 7 & 8.
- **Single location level evaluation** where information is tied to specific single addresses/locations, creating multiple data points. This gives us the ability to target and evaluate particular geographic areas of interest e.g. Central Business District, BIDs, commercial corridors and specific neighborhoods. An example of this level of monitoring is the recently concluded DC Small Business Microgrants Program <https://coronavirus.dc.gov/page/dc-small-business-microgrants-program-report>

- Race:

Based on the availability of voluntarily shared information on race, we are able to monitor participation, thereby creating a gauge for ensuring diversity and inclusion through targeted economic development investments.

As described above, DC's Economic Strategy includes goals and indicators broken out by race where data are available.

**5. Consider one operational data point and one performance data point where DMPED collects race information or could collect race information. How could DMPED use this data to inform future programmatic decisions?**

The following three data points are collected and tracked as part of DMPED's FY21 Agency Performance Plan:

**Operational**

- Number of grant applications & Number of grant awards: For current grant applications and awards, submitting data on the race/ethnicity of the business owner is optional as part of the application process. While the information collected is useful for gathering more information on a more limited subset of grant applicants and recipients, it is often incomplete. Despite existing data constraints, this information is used to further understand the impact and reach of DMPED's programming, and provides us with the opportunity to iterate on existing initiatives to ensure that we can continue targeting and tailoring our programs to minority-owned businesses in the District.

**Performance**

- Unemployment rate in Wards 7 & 8: At present, DMPED regularly tracks monthly unemployment data at both the District and Ward-level, using data compiled and published by the Bureau of Labor Statistics (BLS) and the Department of Employment Services (DOES). Disaggregating this information by ward allows for a high-level understanding of how economic indicators and disparities manifest across the District. Additionally, as part of DMPED's [Inclusive Prosperity Dashboard](#), we also track annual unemployment data, disaggregated by race, from the American Community Survey (ACS). The combination of these data sources on unemployment enable DMPED to coordinate our efforts with relevant workforce development agencies to tailor our programs to high-need neighborhoods and target populations.

**6. What are two areas/programs where DMPED has significant potential to succeed in building racial equity? Please elaborate on why you chose those two areas.**

According to Coalition for Nonprofit Housing & Economic Development (CNHED), the DC metropolitan area has the third highest cluster of educational institutions and fifth highest cluster of health services companies in the nation. These anchor institutions spend \$2 billion per year on goods and services, with many having a stated interest in supplier diversity, but lacking a coordinated system to find opportunities from local vendors. If anchor institutions shifted just 5% of their spending locally, local firms would have access to \$100 million in new revenue. Through the DC Community Anchor Partnership (DCAP), CNHED is continuing outreach to add anchor partners, as well as screen and match MBEs with procurement opportunities. CNHED projects at least two more anchor partners and continued expansion of its MBE supplier development program.

The Innovation & Technology Inclusion Council (ITIC) will continue to develop strategies to engage and support the inclusion of underrepresented groups in the tech economy. Prior to the pandemic, efforts were underway to develop workforce inclusion initiatives to address gaps identified in the 2016 Pathways to Inclusion report. DMPED plans to produce an update of this report later this year.

**7. Consider what a racially equitable District of Columbia would look like. What are three ways DMPED's operations would reflect this achievement?**

In a racially equitable DC, all residents, regardless of their race, would have an equal shot to thriving. All neighborhoods would afford their residents equal access to amenities and economic opportunities, entrepreneurs of color would easily access capital and credit; and there would be no racial wealth gap, no racial disparities in housing cost burdens and homeownership rates, as examples. DMPED has a critical role to play in achieving a racially equitable DC:

**1. Access to Capital for Businesses and Entrepreneurs**

In recent years, DMPED has launched several new initiatives to improve access to capital for minority and women entrepreneurs, who face uneven access to capital. These initiatives include accelerator programs aimed at connecting entrepreneurs of color, as well as women and entrepreneurs with disabilities, to investors and advisors; the Inclusive Innovation Incubator, which provided space and community building opportunities; and technical support program to support businesses seeking Paycheck Protection Program loans, which struggled to reach minority entrepreneurs and small businesses. Forthcoming initiatives include an Equity Impact Fund to improve access to capital and move us closer to a racial equitable business capital reality.

**2. Close Opportunity Gaps Across Neighborhoods**

At the onset of 2020, the District released the Housing Equity Report, which outlined the necessary distribution of affordable housing by planning area in order to meet the District's

12,000 affordable units by 2025 goal in addition to the overarching goal of 36,000 new housing units within the same timeframe. DMPED continues to lead the District's housing agencies policy coordination and design efforts to reach this goal. As of December 2020, the District housing supply has increased by over 14,000 units and the affordable supply has increased by over 2,000 units. Continued investments in housing affordability will expand the competitive supply of housing, moderate increases in housing costs, and reduce pressure on the supply of housing serving lower incomes. Increased housing stability and opportunity will support physical, financial, and emotional health of District residents.

In February 2021, the District released a Notice of Funding Availability (NOFA) in the amount of \$5.185 million as part of the DC LEAF (Local Equity, Access and Preservation Funds) program. Among the opportunities encompassed in DC LEAF are the Neighborhood Prosperity Fund (NPF) and the Nourish DC Fund.

- NPF incentivizes community development, economic growth, and job creation by leveraging local funds to provide financing for projects that attract private investment to distressed communities. Grant funds support architectural and engineering costs, construction costs, tenant improvements, historical preservation building improvements to maintain compliance with applicable laws, development analysis, rent abatement and/or tenant concessions for up to 3 years to stabilize market rent. The FY21 Neighborhood Prosperity Fund Grant identified the following program funding priorities and three-pronged investments strategy to support our communities:
  - Economic Growth and Employment
  - Food Access and Security
  - Healthcare Equity
- The District will provide up to \$1 million in public funding for the Nourish DC Fund to a partnering fund manager (a Community Development Financial Institution or Community Benefit Organization). The Fund will provide a combination of grants, loans, and technical assistance to local food businesses in underserved communities, with a preference for businesses owned by residents of these communities.

### **3. Racial Wealth Gap and Economic Mobility**

In December 2020, the District was informed that it had been selected as part of Urban Institute's inaugural Economic Mobility Cohort – a group of counties across the United States that Urban will assist in creating an economic mobility plan grounded in metrics developed by Urban with support of the Gates Foundation. The metrics address 1) Strong and Healthy Families, 2) Supportive Communities, 3) and Opportunities to Learn and Earn.

Similarly, the District recently supported a groundbreaking evaluation effort led by Howard University and funded via the Robert Wood Johnson Foundation to determine the racial equity impact of some of the hallmark District housing and homeownership programs. Howard University, in coordination with DMPED, DHCD, the Office of the Chief Financial Officer's Office of Revenue Analysis, and the Mayor's Office of Policy, will analyze program administration and tax return data to determine the extent to which the Home Purchase

Assistance Program (HPAP), the Employee Assisted Homeownership Program (EHAP), and Inclusionary Zoning (IZ) programs impact on racial equity and upward mobility. Howard University and the District were notified of the award in late 2020 and are in the early stages of the two-year study.

Both of these initiatives will help us make progress toward a racially equitable DC.