REVITALIZING WASHINGTON'S NEIGHBORHOODS: A VISION TAKES SHAPE

A Discussion Paper Prepared by
The Brookings Institution Greater Washington Research Program

Alice M. Rivlin
with the assistance of
David Garrison, Benjamin Margolis, Meghan McNally, and Martha Ross

April 2003

ACKNOWLEDGMENTS

This paper could not have been written without the assistance of numerous individuals and organizations. Andy Altman, director of the District of Columbia Office of Planning, was instrumental in developing the conceptual framework for the paper and collaborating with us to hire a staff person to carry out much of the research and analysis. That staff person, Ben Margolis, was also critical to the project. Other planning office staff who provided information and analytical assistance include: Toni Griffin, Art Rodgers, and a number of neighborhood planners: Aubrey Thagard, Chris Shaheen, Karina Ricks, Robert Collins, Rosalynn Frazier, Deborah Crain, Derrick Woody, and Michael Downie. In the Office of the Deputy Mayor for Planning and Economic Development, Howard Ways, Scott Barkan, and Steve Green were also extremely helpful. Lastly, we are grateful to a number of researchers and members of community-based groups who provided thoughtful comments on early drafts: Margery Austin Turner and Peter Tatian of the Urban Institute; Ed Lazere of the D.C. Fiscal Policy Institute; Bob Pohlman and Tania Jackson of the Coalition on Nonprofit Housing and Economic Development; and Mark Rubin of DC Agenda. Any errors, of course, are our own.

ABOUT THE AUTHOR

Alice M. Rivlin is a senior fellow at the Brookings Institution and director of the Brookings Greater Washington Research Program. She was chair of the D.C. Financial Responsibility and Management Assistance Authority from 1998–2001. She chaired the "Rivlin Commission," which in 1990 warned of an impending District fiscal crisis. She is also a former vice chair of the Board of Governors of the Federal Reserve System, former director of the White House Office of Management and Budget, and founding director of the Congressional Budget Office.

Comments on this paper may be directed to Alice Rivlin at arivlin@brookings.edu.

The views expressed in this discussion paper are those of the author and are not necessarily those of the trustees, officers, or staff members of The Brookings Institution.

Copyright © 2003 The Brookings Institution

EXECUTIVE SUMMARY

Revitalizing Washington's neighborhoods and boosting the city's population can make the District of Columbia a better place to live and work for all the city's groups—but only if they work together.

To promote such unity, this paper provides a framework for a broad-based dialogue about how best to enhance the future of Washington's neighborhoods.

Above all, the paper concludes that:

- Improving the District's economic and fiscal viability depends on attracting and retaining more residents—especially middle-income families with children. Already Mayor Anthony Williams has adopted a goal of increasing the District's population by 100,000 within 10 years. Now, this paper follows up by exploring what policies would help attain that goal, where a larger population could live, and how to ensure that all groups in the District share in the benefits.
- Focusing development resources in target neighborhoods will increase the
 effectiveness of revitalization efforts. Public resources for development are limited. They
 should be spent on a small number of neighborhoods where they can make a visible
 difference and attract private investment and non-profit activity. In keeping with that, this
 paper discusses criteria for selecting target neighborhoods and maps the assets of 12
 specific neighborhoods suitable for priority investment.

To advance the cause of spurring population growth by revitalizing selected neighborhoods, meanwhile, these pages suggest that:

- The mayor and City Council must commit to a phased targeting of their revitalization efforts, and use it to set budgetary priorities. Focusing on a manageable number of neighborhoods and then proceeding to others will make the most of limited resources and have the best chance of producing visible success.
- A single capital budget should govern both city agencies and schools. Replacement and modernization of schools, libraries, recreation centers, and public health facilities should be coordinated and focused on target neighborhoods.
- Public, private, and nonprofit enterprises must effectively partner. The city must reach
 out to potential partners and enlist their help and resources in planning and implementing
 neighborhood revitalization. It should work closely with anchor institutions in the target
 neighborhoods—CDCs with strong track records, major employers (universities, health
 facilities, District or federal agencies, and companies), cultural institutions, as well as public
 and charter schools.

- Schools must become an integral part of planning and implementation. The District and DCPS should jointly seek foundation support to hire a team to improve integrated planning and communication. DCPS should stage its Master Facilities Plan to give priority to modernizing schools in the target neighborhoods. Charter schools should also be actively involved in their neighborhoods.
- The District needs a citywide housing strategy that both protects low-income households and seeks to attract middle-income residents. Even if additional resources are allocated to housing, the trade-offs are tough. The city needs to preserve housing affordable to its poorest residents, protect low-income residents against rapidly rising rents and property taxes, and provide incentives to develop more mixed income neighborhoods.

In sum, a strategic focusing of revitalization initiatives on key District neighborhoods holds out great promise of boosting the capital's population and ensuring that the city's renaissance improves the lives of all of the city's citizens.

TABLE OF CONTENTS

l.	Introduction	1
II.	THE CASE FOR A RESIDENTIAL STRATEGY	4
III.	TARGETING SPECIFIC NEIGHBORHOODS	6
IV.	COMBINING NEIGHBORHOOD DEVELOPMENT STRATEGIES	11
V.	IDENTIFYING NEIGHBORHOOD ASSETS	16
VI.	CREATING NEW NEIGHBORHOODS	37
VII.	CAN THE DISTRICT ACCOMMODATE AN ADDITIONAL 100,000 PEOPLE?	39
VIII.	DEVELOPING A HOUSING STRATEGY	40
IX.	IMPLEMENTING A TARGETING STRATEGY	46
X.	Conclusion	49

REVITALIZING WASHINGTON'S NEIGHBORHOODS: A VISION TAKES SHAPE

I. INTRODUCTION

A broad dialogue about the future of Washington's neighborhoods has become an urgent necessity. Substantial change is altering many parts of the city.

New commercial development is transforming the central business district, after long stagnation. Restaurants, arts and entertainment, and new housing are appearing constantly. And the changes occurring downtown will only accelerate now that the new convention center has opened for business, and once convention hotels are built, the museum of news (The Newseum) becomes a reality, and other projects currently underway are completed.

Yet the changes downtown are just part of the story. Now, Washington needs to turn its attention to the future of its residential neighborhoods.

Rapid change is also transforming many of these places. New people are moving into the city. Commercial corridors are reviving. And in many locations new housing is going up for the first time in years—both luxury apartment and condominium units, and more modest dwellings, including subsidized housing for low-income families. In these neighborhoods, property values are rising and with them property tax assessments and rents, and much older housing is being renovated and expanded. And yet, in other parts of the city, change remains much less visible. Many neighborhoods are still severely distressed and feel left out of the city's progress.

Such highly visible revival in some neighborhoods has aroused excitement and renewed hope for the future of the city. Rising property tax revenues have helped the city balance its budget and pay for better services. But economic development also has downsides, which have aroused anxiety, apprehension, and racial or ethnic tensions. Middle-income households face higher shelter costs. Low-income residents fear that rising rents and property taxes will force them out of their homes. And older, settled communities worry they will lose the familiar character of their neighborhoods as new residents and businesses move in.

Revival of the city has the potential to benefit all of the city's racial, ethnic and income groups, but only if policies are adopted to ensure that these benefits occur. At present, neighborhood development is uneven, and the higher housing costs it generates are making life harder for the city's low income population. Hence the double challenge now facing District policymakers. Urgently they must consider:

- How to keep the city's revival going while spreading the benefits to more parts of the city
- How to protect the low-income population against rising housing costs and ensuring that the city's development leads to better services and job opportunities for all parts of the population

To ensure development unifies rather than divides the city, then, District leaders and citizens need to focus on what is happening in different neighborhoods, discuss their conflicting views openly, and develop policies that will promote a shared vision of the city's future. To ensure that such a vision comes together, an ongoing dialogue about that future must begin now.

But dialogue about the future of the city cannot remain abstract. It must engage with specific neighborhoods, concrete ideas, plans and descriptions of what is possible. It should allow those who are apprehensive about development to voice their concerns and policy makers to offer solutions that will benefit all parts of the community.

This paper attempts to provide a framework for such a dialogue—the first steps toward articulating a vision of what the city could be like that people can talk and argue about. It does *not* present a development plan. But we *do* hope it provides grist for serious discussion of what could happen in Washington's neighborhoods as development proceeds. For that reason, these pages offer a framework that can help leaders and citizens grasp the possibilities for positive change and think in more concrete terms about what they want to happen.

The paper is organized as follows:

- Section II reviews the case for a residential development strategy—one that focuses on revitalizing residential neighborhoods and facilitating growth in the District's population
- Section III argues that available resources should initially be concentrated in a limited number of neighborhoods with high potential for revitalization and describes the District's methodology for identifying neighborhoods with that potential
- Section IV briefly describes city-wide development strategies that could be combined to bring about positive change in targeted neighborhoods
- Section V presents a series of maps of potential target neighborhoods showing assets that
 could be building blocks for revitalization—vacant or abandoned land, transit stops, potential
 anchor institutions, schools, and so on. These maps resulted from a cooperative effort
 between the District's Office of Planning and the Brookings Greater Washington Research
 Program
- Section VI describes possibilities for creating new residential neighborhoods on substantial tracts of vacant or underutilized land
- Section VII discusses approximately how many additional residents might be living in the District in a decade if neighborhood revitalization is successful

- Section VIII discusses the need for a citywide housing strategy and issues that must be resolved in its formulation
- Section IX focuses on what needs to be done next and issues that must be addressed if neighborhood development is to be a unifying rather than a divisive force in the city
- Section X offers concluding remarks.

II. THE CASE FOR A RESIDENTIAL STRATEGY

Washington, D.C. lost a quarter of its population between 1970 and 2000, including much of its middle-income population. The decline—in customers, in homeowners, in middle-class households—proved disastrous.

Neighborhood businesses closed. Jobs disappeared. And even now vacant, abandoned, and underutilized dwellings and boarded-up stores can be found across large swaths of the city. For the residents who remained, many neighborhoods suffered from a lack of accessible stores, restaurants, cleaners, and other amenities. Meanwhile, the city's tax base suffered, as well as its ability to deliver needed services.

And there has been social distress. The loss of middle-income families left the city more starkly divided between the affluent and the poor. During the 1990s, Washington became one of the few large cities in which both the poverty rate and the concentration of poor people increased. By 2000 only about half as many children under 18 lived in the District as in 1970.² The dearth of children, especially teenagers, forced the closing of many schools and left others with high concentrations of children from low-income families. School performance suffered.

The current revival of the city presents an opportunity to reverse this downward spiral, revive the city's neighborhoods, and increase the District's population and its tax base. Significant growth in the District's population, especially growth in the middle-income population, would enlarge the market for neighborhood businesses and generate more job opportunities for residents in those businesses. Growth would increase the District's tax base and make it easier to fund improved services. And a higher proportion of middle-income parents would increase support for education and enhance the chances of improving school performance.

In this respect, of course, Washington faces a unique challenge, different from other central cities trying to improve their schools and other services. Washington's special status as the nation's capital substantially restricts its ability to raise revenue.³ In many cities, growing the tax base means creating more jobs. However, Washington cannot tax the incomes of job-holders unless they live in the city. That means that expanding the local tax base requires a residential strategy. To increase its tax base Washington must attract and retain more residents, whose taxes can help support improvements in city services and whose spending can help create more jobs in neighborhood businesses.

All of which suggests why Carol O'Cleireacain and Alice M. Rivlin have argued that increasing the District's population by 100,000 people of all different household types over 10 years

¹ Mark Rubin, "2000 Census Numbers Reveal Higher Poverty Numbers in the District by Ward and Neighborhood Cluster" (Washington: DC Agenda, 2002); Paul Jargowsky, untitled Brookings Institution paper (forthcoming). ² U.S. Census Bureau, "American FactFinder." Available at www.census.gov

³ See Carol O'Cleireacain and Alice Rivlin, "A Sound Fiscal Footing for the Nation's Capital: A Federal Responsibility" (Washington: Brookings Institution, 2002).

would go a long way toward strengthening the city's fiscal health, improving its services, and reducing its tax rates. ⁴ To be sure, the idea of increasing the District's population by 100,000 over ten years has seemed fanciful to many. Where would all those people live? Wouldn't they displace existing residents? Nevertheless, throwing a round number on the table stimulated intensive examination of the potential for residential development in Washington neighborhoods. And the examination of specific neighborhoods has begun to make the 100,000 number seem less fanciful. More and more, it appears that a population increase of that magnitude could be achieved with successful neighborhood revitalization in substantial parts of the city and the creation of new residential neighborhoods over the next decade.

What is more, the goal is now official District policy. In his second inaugural address on January 2, 2003, Mayor Anthony Williams endorsed the concept of increasing the District's population by 100,000 over ten years. Accordingly, the city is currently engaged in an intensive effort to identify citizen priorities with Strategic Neighborhood Action Plans (SNAPs), create neighborhood development plans, and coordinate investment by multiple city agencies. These plans are summarized in the city's brochure, *Ten Strategies for a Stronger Washington.*⁵ Our paper describes some of the city's development efforts and focuses on issues that still must be resolved if neighborhood revitalization is to benefit all parts of the city's population.

⁴ Carol O'Cleireacain and Alice M. Rivlin, "Envisioning a Future Washington" (Washington: Brookings Institution, 2001). ⁵ Available at www.planning.dc.gov

III. TARGETING SPECIFIC NEIGHBORHOODS

Concentration must be a basic principle going forward. The District's government simply cannot afford to disperse vast sums in neighborhood development money around the city, given its constrained tax base and urgent need to improve services.

The challenge is therefore how to use limited public resources to attract private and non-profit capital so as to create the greatest possible total impact. Which is why a strategy of concentrating resources on specific neighborhoods seems imperative. Development strategies reinforce each other. Pursuing several strategies simultaneously in the same neighborhood can make a visible difference and convince others to invest there. If revitalization of those neighborhoods is successful, resources will be generated to support similar efforts elsewhere.

Another reason for concentrating efforts is to evade the "chicken-and-egg" dilemma of reversing neighborhood decline. Safe streets and good schools are essential to attracting middle-income families to neighborhoods and keeping them from leaving. But it is hard to achieve safe streets and good schools without denser population and a significant proportion of middle-income families. One way out of the dilemma, however, is to focus resources on particular neighborhoods where it may be possible to simultaneously reclaim blighted properties, increase population, improve schools and other services, and jump-start a recovery that spreads outward to other neighborhoods. In this fashion, a focused drive to upgrade schools and public safety in targeted neighborhoods simultaneously with other development efforts stands a good chance of allowing the city to attract and retain a mix of middle-income families with children.

The desirability of focusing resources on a few neighborhoods has already been emphasized by Councilmember Harold Brazil, chairman of the Economic Development Committee. After convening a "summit" of business and community leaders to discuss neighborhood development, Chairman Brazil introduced the "Targeted and Concentrated Neighborhood Investment Act of 2003." This bill calls for the city, in collaboration with civic and neighborhood groups, to designate six to eight neighborhoods as Neighborhood Concentrated Investment and Development (NCID) Zones that would be targeted for multiple and sustained investments over the next five years. These neighborhoods would be selected based on their potential to realize visible and significant benefits from such investments.

To be sure, concentrating resources in a limited number of neighborhoods entails risks. One risk is that long-time low-income residents may be forced out of rapidly developing neighborhoods and fail to benefit from the investment. For that reason, policies to mitigate hardships for low-income residents and preserve affordable housing in targeted neighborhoods and other parts of the city must accompany any targeting strategy. Another risk is that neighborhoods that are not targeted, especially severely distressed ones, could actually deteriorate before the benefits of increased activity in the targeted zones can spread to them.

With these risks in mind, DC Agenda is targeting neighborhoods in its Equitable Development Initiative, a program aimed at creating and maintaining stable, mixed-income communities that offer economic opportunities for residents. This effort is identifying neighborhoods experiencing differing levels of pressures in their housing markets, such as Columbia Heights and Near Southeast/Navy Yard, and seeking to tailor appropriate housing and economic development strategies for each. The Washington Interfaith Network (WIN) also has highlighted "priority" neighborhoods for intensive revitalization anchored by faith-based community organizations and focused on the needs of low-income families. Upper Georgia Avenue, Deanwood Heights, Columbia Heights, and Washington Highlands are among WIN's priority neighborhoods.

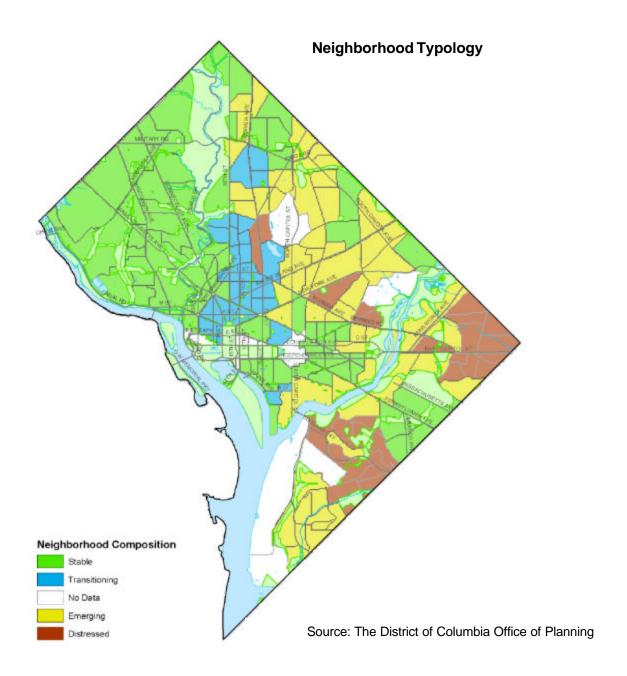
Another consideration—emphasized frequently during the mayor's second Citizen's Summit—is residents' desire for city action resulting in "a visible change" in their neighborhoods. To this end, the District government has made an unusual effort to identify neighborhoods with strong community and institutional anchors and assess how it could best leverage its resources.

Over the last three years, the District has used various methods to help identify priority areas for coordinated investments. First, in order to get a clear picture of the condition of the District's diverse communities, the Office of Planning analyzed key demographic and social indicators such as the poverty rate, public school performance, household income, private sector investments, single family housing values, reduction of the violent crime rate, change in youth and senior populations, home sales and educational attainment. Ultimately the city's analysis broke D.C. neighborhoods out into four broad categories:

- Stable—neighborhoods with ample market-driven private investment and social indicators consistent with or higher than the city average
- *Emerging*—neighborhoods that under-perform based on their market potential, though usually with moderately positive indicators
- *Transitional*—fast-developing neighborhoods subject to rapid home sales, rising property values, and displacement pressures
- Distressed—neighborhoods that face the most extreme challenge of low social indicators and extreme private disinvestments

The District then conducted a qualitative neighborhood assessment, evaluating where District investments would be most likely to leverage private and philanthropic resources to realize tangible and visible improvements over the next three to five years. Key assets, such as the existence of publicly controlled land, access to transit, institutional anchors, and synergy with other planned investments were identified. The Neighborhood Action Initiative and the Strategic Neighborhood Action Plan (SNAP) process also fed into this neighborhood assessment. Through

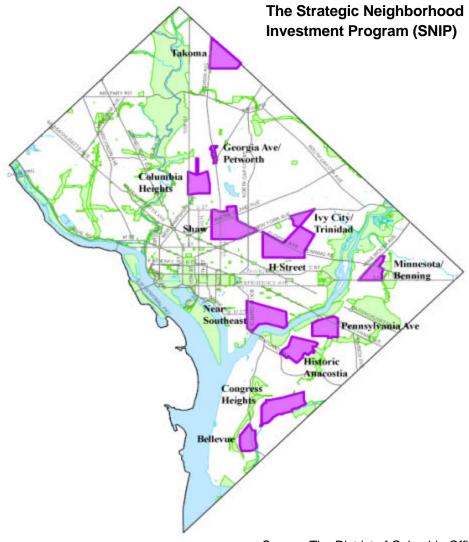
Citizen Summits and a series of meetings with community stakeholders in each of the 39 neighborhood clusters, residents identified top priorities for their communities, and the District used this information to identify specific economic development opportunities and challenges in each of the city's neighborhood clusters.



Based on the above analysis, the mayor chose 12 neighborhoods that seem to offer the best chances for leveraging city funds to achieve visible near-term success. Most of these neighborhoods are in the "emerging" category, although there are some also in the "transitional" and "distressed" categories. These 12 areas have been designated the initial targets of the Strategic Neighborhood Investment Program (SNIP):

- Bellevue
- Columbia Heights
- Congress Heights
- Pennsylvania Avenue SE
- Georgia Avenue/Petworth
- Historic Anacostia

- Ivy City/Trinidad
- Minnesota/Benning
- H Street
- Near Southeast
- Shaw
- Takoma



Source: The District of Columbia Office of Planning

These 12 neighborhoods are extremely diverse and need to be treated in varied ways. In some, development is occurring rapidly, private investment is strong, and the main public concern should be to preserve affordable housing, prevent displacement of long-term residents, and improve schools and public facilities. In others, little development has occurred and housing, while often rundown, is still affordable. Here, a major effort will be needed to work with anchor institutions, build on the community's strengths, and enhance its attractiveness to private investment.

Moreover, many of these neighborhoods are changing rapidly, so the target list must be understood to be dynamic. Indeed, the data the city used to assemble the list come from various sources dating from the 1998–2000 period. That means three years or more have passed since much of this data was made available, which means in turn that a current look at the data would likely alter the list. For example, the strength of the single family housing market was a major factor in assessing the categories to which each area was assigned. It may well be that, in a few years, neighborhoods such as Takoma and Columbia Heights can be moved into the Stable category while a couple others might move from Transitional to Emerging, and a few more from Distressed into the Transitional category.

Whatever the composition of the targeted neighborhood list, it is imperative that both the mayor and City Council agree on it. Further, the city must invite and encourage the full participation of a wide array of public and private entities. This means working hard to persuade key independent agencies such as the D.C. Public Schools, the D.C. Public Library, the National Capitol Revitalization Corporation, the D.C. Housing Authority, and the D.C. Housing Finance Agency to align their plans and budgets with the mayor's targeting strategy. It also means getting the cooperation of major anchor institutions, such as the utility companies, the financial industry, higher education, the philanthropic community, the business and religious communities, and the health care industry to join forces in making the targeting approach a success. Last but not least, the city must actively solicit the support and complete involvement of existing neighborhood-based organizations in the targeted neighborhoods in designing and carrying out specific actions proposed for their areas. The success of a targeted neighborhood strategy depends upon having broad-based and enthusiastic support from all interested parties.

IV. COMBINING NEIGHBORHOOD DEVELOPMENT STRATEGIES

Neighborhood revitalization is complex. Many aspects of neighborhood life—housing, commercial establishments, education, access to transportation—have to be addressed simultaneously. Many tools have to be used. Already the city has announced a variety of strategies to accelerate neighborhood development. Giving priority to target neighborhoods in the implementation of these strategies offers the hope that their combined effects will jump-start revitalization in the these neighborhoods, attract additional private and non-profit resources, and create visible, self-sustaining improvement.

A. Generating Quality, Affordable Housing

The problem: The increased attractiveness of the District has fueled a strong real estate boom, which has increased property values and rents and boosted housing construction and renovation in many parts of the city. Increased property tax revenues help the District balance its budget and improve services. But the real estate boom also increases the difficulty that low- and middle- income people have in finding and retaining affordable housing. Moreover, the District has distressed neighborhoods with high concentrations of poor people, a substantial quantity of deteriorated public housing, and long waiting lists both for public housing and the federal Section 8 program for subsidized rental housing.

The tools: The Housing Act of 2002 provided new tools for increasing affordable housing and reducing displacement. The act limits property tax increases for long-time low-income homeowners, provides tax credits for home improvements by homeowners in historic neighborhoods, and instituted tax incentives to keep landlords from opting out of the Section 8 program. The act also revived the Housing Production Trust Fund, capitalizing it with the proceeds of the sale of a city property and funding it with a local tax revenue stream. The fund can be used to provide loans or grants to build or rehabilitate affordable housing, offer rental or mortgage assistance to low-income households, or provide incentives to developers to build mixed-income housing

The District is also working to deconcentrate poverty while protecting public housing for those in need, using the HOPE VI program to redevelop distressed public housing. The city has received five HOPE VI awards for sites in Wards 6, 7 and 8, which are in varying stages of completion. These projects are likely to create more viable mixed income neighborhoods, but risk reducing the supply of housing available to the lowest income groups.

<u>The challenges:</u> The first challenge is creating an adequate funding stream for affordable housing. To be effective in mitigating the District's affordable housing crisis, the Housing Production Trust Fund needs more funding than is currently earmarked for it—possibly a percentage of the city's incremental residential property tax revenue.

The second challenge is deciding how best to use the limited funds available for housing subsidies. Households with incomes under \$25,000 clearly face the greatest difficulty finding decent housing they can afford. However, the cause of attracting and retaining families with moderate incomes, who also face high housing costs in the city, justifies some subsidies for household with incomes in the \$25,000 to \$40,000 range and possibly higher. Housing strategy issues are discussed in greater detail in Section VI.

B. Eliminating Blight

<u>The problem:</u> Numerous vacant and abandoned properties pock the city as a result of population loss and neighborhood deterioration. A 2003 estimate by the Department of Consumer and Regulatory Affairs puts the figure at 2,900. Some are privately owned; others are owned by the city or the federal government. Vacant properties are often unsightly and unsafe and depress neighborhood property values. Returning them to productive use is an opportunity to increase the city's housing supply and contribute to neighborhood recovery.

The tools: The city's Home Again Initiative is designed to convert abandoned properties into quality, affordable homes by creating bundles of 5–20 properties and selling them to for-profit and non-profit developers. The initiative focuses on empty lots and homes with no occupants, and targets neighborhoods that have high concentrations of vacant properties. It provides families with access to pre- and post-home purchase counseling and sets aside 30 percent of converted homes for low-income families.

<u>The challenges:</u> The process of identifying abandoned properties, obtaining legal control, and putting them up for sale is slow and cumbersome. The process needs to be expedited to permit more rapid movement of blighted properties into productive uses.

C. Taking Advantage of Transit

<u>The problem:</u> More than half of District residents live within a 20-minute walk of a transit station and nearly every District resident lives within a 10-minute walk of a bus stop. However, the city has not taken maximum advantage of its multi-billion dollar transit system to increase the density of residential and commercial development around transit stops and enhance the livability of neighborhoods.

<u>The tools:</u> Transit Oriented Development (TOD) is a land use strategy designed to create compact mixed-use neighborhoods within a half mile of bus and rail stops. The Mayor's Task force on TOD proposed city investment in TOD Districts, supported by innovative zoning, a streamlined development process, training for community leaders, and other measures.

<u>The challenges:</u> Development around transit stops is an extremely sensitive issue in many neighborhoods. There are likely to be competing claimants for choice locations. Advocates of denser development often face strong resistance from existing residents and commercial

establishments, while the beneficiaries of the new density may not yet have a voice. The challenge is to organize a planning process that will reflect community views, give adequate weight to the advantages of density, and result in timely decisions and implementation. Once a decision has been reached, city leaders committed to increasing denser mixed-use development around transit stop will need the courage to stick with their commitment, even in the face of some opposition.

D. Enhancing Neighborhood Commercial Centers

The problem: Many of the District's commercial centers took a hit during the years of decline. Grocery stores, restaurants, movie houses, dry cleaners, barber shops, and other local businesses closed as population declined, neighborhood jobs disappeared, stores were boarded up, and customers were left with few choices. Many District residents need to travel out of their neighborhoods, often into Maryland or Virginia, to do their shopping. Sales tax revenue is lost to the District.

The tools: The city initiative, reSTORE DC, is aimed a revitalizing the city's commercial corridors. Under the program, certain thoroughfares compete for the designation, "DC Main Streets." Winning areas get a package of technical and financial assistance to help revive their businesses. Technical assistance and various kinds of funding is available to businesses in other commercial districts as well. The city is also using tax abatement and other tools to attract national retailers to the city.

<u>The challenges:</u> In neighborhoods whose commercial strips have deteriorated, substantial investment may be necessary for a turnaround, and new sources of funding must be tapped. Tax increment financing (TIF) has been used in the downtown area. The potential for using TIF-like approaches to neighborhood commercial development should be explored.

E. Modernizing and Reenvisioning Schools

The problem: Enrollment in the D.C. Public Schools (DCPS) declined steeply over the last three decades, especially at the high school level, as families with children moved out of the District. School buildings are old and many have deteriorated. Many schools stand in distressed neighborhoods that have high concentrations of poor children, high dropout rates, and low average academic performance. It will be difficult to attract middle-income families with children to the District until the schools are visibly improving. But it will be difficult to improve the schools without a larger proportion of middle-income families using and supporting the schools.

The tools: DCPS has made considerable progress in repairing buildings, hiring more teachers, updating curriculum and improving administration. Fourteen schools have been identified as "transformation schools" and are undergoing restructuring to improve their performance. An ambitious plan for replacing and modernizing school facilities has been adopted and is beginning to be implemented. However, the facilities planning and priorities of DCPS are not coordinated with the neighborhood efforts of the District.

The challenges: The District and DCPS must work together to modernize and reenvision schools in targeted neighborhoods, so that school improvement and neighborhood revitalization reinforce eachother. Schools should be seen as major anchor institutions in neighborhoods and become central to revitalization plans. The District should work with DCPS to integrate schools in targeted neighborhoods into the process of designing and implementing neighborhood revitalization. DCPS, for its part, should prioritize modernizing schools in targeted neighborhoods, even if it means altering the priorities in the Master Facilities Plan. This may, however, require putting someone in charge of creating a new process of joint planning and action between the city and DCPS, since the two administrations have a history of non-interaction. Through such coordination, planners should consider bringing together schools, libraries, recreation centers, and other public facilities in one building to create community centers in revitalizing neighborhoods.

The District also boasts strong charter schools, some of which could be critical to neighborhood development. With their ability to design specialized curricula, charter schools can draw families with children to their neighborhoods, and, like DCPS schools, emerge as links to neighborhood activities and anchors for community development.

A final rationale for joint school and facilities planning is simple efficiency. Capital funds are scarce, and Washington has many needs for modernizing and replacing community facilities and infrastructure. For that reason, the capital budgets of the major city agencies and DCPS ought to be considered together. Joint planning for construction and renovation of libraries, schools, recreation centers, clinics, and other facilities would help the District use its limited investment funds more efficiently and make a major contribution to neighborhood revitalization.

F. Partnering with Anchor Institutions

<u>The problem:</u> Many of the District's large employers (including District and federal agencies, universities, health providers, and hotels) depend on workers who endure long, tiring commutes from suburban areas where schools are better and affordable housing is more attractive and available. Some workplaces are in distressed neighborhoods that offer few stores, restaurants, or other amenities. Some employers report that shortages of good affordable housing in the District make it hard to attract and retain workers. Employers and employees alike would benefit if workers could live closer to their jobs and work in an area with more opportunities for shopping and recreation.

The tools: The District has partnered with a few major employers, such as Howard University and the Navy Yard to improve adjacent neighborhoods and add to the housing stock, but there is enormous potential for increasing such efforts. Universities and hospitals are large employers in the District, and are concerned about the safety of their neighborhoods and the availability of nearby housing for their employees. Tools such as employer-assisted housing have a role and are discussed further below. Churches and other faith-based institutions, community development corporations, and other non-profit groups also have a strong commitment to their neighborhoods and can be effective partners in neighborhood revitalization.

<u>The challenge:</u> The city has to reach out to anchors and potential anchors in each neighborhood and get them involved in planning at an early stage. Anchors for their part have to be willing to come forward with constructive ideas and be willing to invest in the long-term improvement of their neighborhood.

The mayor and other city officials have discussed all of these strategies in public meetings and are implementing them in various parts of the city. What is critical now is combining these various efforts in order to jump-start revitalization in specific neighborhoods.

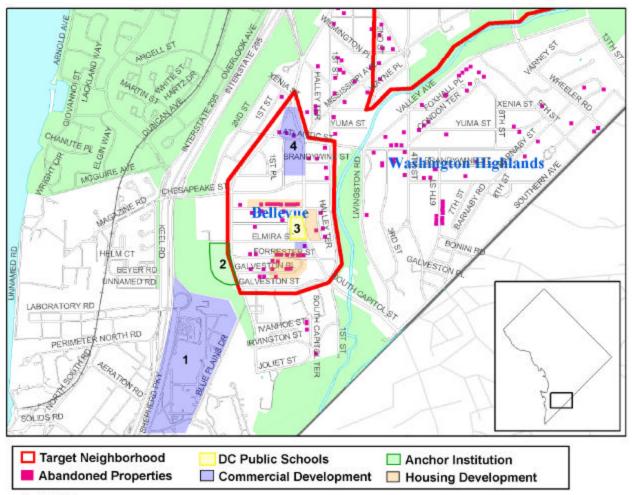
V. IDENTIFYING NEIGHBORHOOD ASSETS

Successfully targeting neighborhoods for revitalization requires specific knowledge of the neighborhoods' physical assets. And such intelligence needs to be mapped. Where are the transit stops? Where are the schools? Where are possible anchor institutions? Where are blighted and abandoned properties that could be rehabilitated? What land does the city own? Where are development projects already underway?

The maps and descriptions that follow seek to make plain to citizens and potential partners what might be possible in particular neighborhoods. To be sure, these maps necessarily remain a work in progress, as there are no doubt potential development opportunities or ongoing activities that are not charted. Nevertheless, the maps begin the work of identifying and locating the numerous assets that exist in District neighborhoods and that might be leveraged in a systematic neighborhood revitalization campaign. As a group they are intended as a first step towards drawing a clear picture of the opportunities for neighborhood revitalization.

⁶ These maps are the result of a cooperative effort of the District of Columbia's Office of Planning (DCOP) and the Brookings Greater Washington Research Program (BGW). The two organizations contracted with a researcher, Benjamin Margolis, to work with city officials and others to pull together information about neighborhood assets and begin to display them in ways that could be useful in a dialogue about the future of the city. Margolis and other Brookings staff pooled knowledge drawn from staff in the Office of Planning, the Office of the Deputy Mayor for Planning and Economic Development, and numerous community-based groups. As to public schools, we included those that are part of the D.C. Public Schools' Transformation Schools initiative to improve low-performing schools, and those undergoing renovation or modernization in the first phase of DCPS' capital improvement plan. Although all public schools and charter schools are potential partners in neighborhood development, space concerns precluded the inclusion of every site on the maps, and we chose to highlight the two categories of schools described above as examples of schools' potential to contribute to neighborhood revitalization

Bellevue



- 1. DC Village
- 2. Hadley Memorial Hospital
- 3. Patterson Elementary School
- 4. Atlantic Theater

Housing and Eliminating Blight: Pockets of blight and drug activity hinder the neighborhood's development into a more safe and appealing community. The District has identified several properties for demolition due to structural deficiency, and has also supported the development and rehabilitation of additional housing units. Redevelopment in these areas is in varying stages, from the planning phase to seeking zoning approval. The initial focus will be on the four blocks that have the highest concentration of abandonment.

Enhancing Retail/Civic Centers: The neighborhood's retail establishments do not meet residential demand. A citizen group has recommended improving the mix of goods and services on South Capitol Street. The area with the greatest potential to develop into a true neighborhood commercial center is in the area surrounding the intersection of South Capitol and Atlantic Streets. The Department of Housing and Community Development has provided the Far SW/SE Community

Development Corporation with funds to redevelop the Atlantic Theater, located by Atlantic and South Capitol, into a community center.

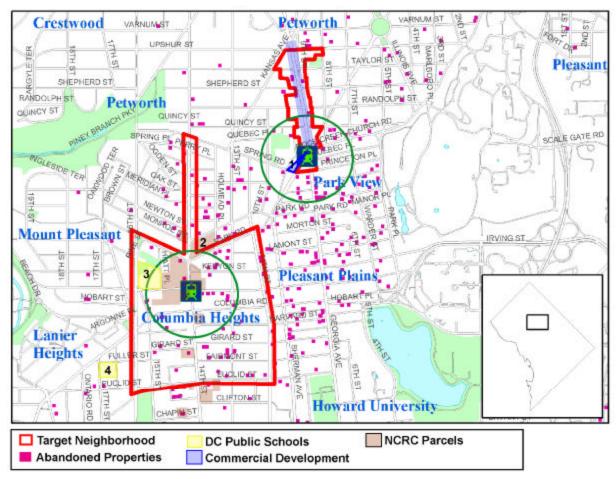
The D.C. Village area is another potential site for further development, most likely for a combination of light industrial and commercial uses.

<u>Schools:</u> Patterson Elementary School has been demolished. A new facility is currently under construction, as part of DCPS' capital improvement program, and is scheduled for completion in late 2003.

<u>Community Organizations</u>: The District has already begun a planning process for neighborhood revitalization in partnership with the Bellevue Advisory Committee (BAC), which represents a broad spectrum of community stakeholders.

Anchor Institutions: There are a number of public and private institutions located in the area, of which the most substantial is Hadley Memorial Hospital. Other employment centers within close proximity include St. Elizabeths Hospital, Bolling Air Force Base, and Blue Plains.

Columbia Heights/Georgia Avenue-Petworth



- 1. City-owned parcel
- 2. Tivoli Theater
- 3. Bell-Lincoln Middle and High School
- 4. H.D. Cook Elementary School

Columbia Heights

Housing: An influx of new renters and owners has been attracted by the relatively plentiful, restorable housing stock and the neighborhood's proximity to downtown and the vibrant social scenes of U Street and Adams-Morgan. Housing prices have risen rapidly over the last several years, leading to concerns that current residents will be displaced. Sharpening anxiety is the impending expiration of numerous Section 8 units. Currently, 1,600 units of mixed-income housing are planned over the next five years.

<u>Blighted Properties:</u> There are numerous vacant and abandoned properties in the neighborhood. The neighborhood is one of five targeted areas for the city's Home Again Initiative, a program to convert vacant and abandoned buildings into housing.

<u>Transit and Enhancing Retail/Civic Centers:</u> The relatively new Columbia Heights Metro stop represents an important asset to the community. The National Capital Revitalization Commission is

managing the redevelopment of several large tracts around the station, and seeks to include a variety of uses. One of the largest projects will involve restoring the façade of the historic Tivoli Theater, and creating a mixed-use development including a grocery store, a performing arts theater, residential units, and office and retail space. Other planned development includes a retail and entertainment complex, anchored by a Target store; child care facilities; and a dance institute. In addition to filling retail and housing needs, the development will also provide employment opportunities for residents, both in construction and permanent jobs. Additionally, the Office of Planning and the District's Department of Transportation are engaged in a Public Realm Planning study and Traffic Management Planning study, respectively.

<u>Schools:</u> The H. D. Cook Elementary School is part of DCPS's Transformation Schools program, which targets low-performing schools for restructuring. Bell High School and Lincoln Middle School are in the design phase for new construction under DCPS's capital improvements program, with the new facilities scheduled to be ready for occupancy in 2005.

Georgia Avenue/Petworth

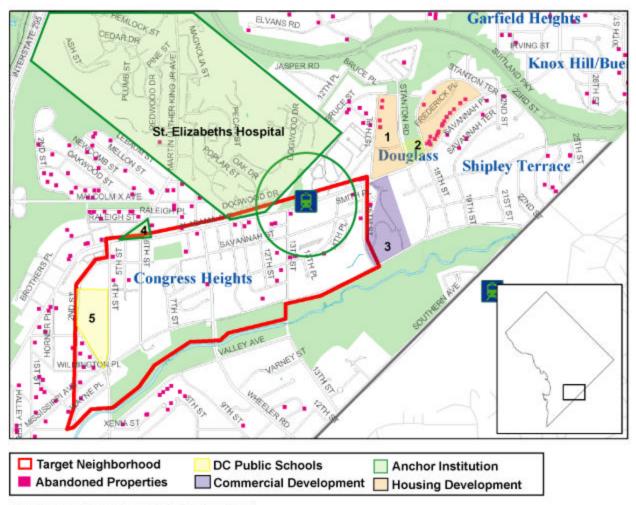
Housing: The housing stock is generally in good condition, consisting primarily of row houses, along with some multi-unit buildings. Maintaining the quality and affordability of the housing stock will be critical to the well-being of the neighborhood.

Enhancing Retail/Civic Centers: Georgia Avenue has a variety of commercial establishments, although residents have expressed interest in a more diverse retail mix. In the Strategic Neighborhood Action Plan process, they specifically cited an overabandunce of vehicle sales and repair establishments. Much of the retail activity, meanwhile, takes place in small, storefront shops and in older buildings in need of varying degrees of rehabilitation. In an effort to stabilize and enhance local businesses, the District has invested in both commercial facade and streetscape improvements in the Petworth section of Georgia Avenue. Additionally, the National Capital Revitalization Corporation owns several parcels near the Petworth Metro stop, and is interested in spurring mixed-use development, including both retail and housing components.

<u>Transit and Transportation</u>: Georgia Avenue is the longest commercial corridor in the city, stretching 65 blocks from the Shaw neighborhood to the Maryland border. The Georgia Avenue-Petworth section is anchored by the relatively new Petworth Metro stop on the Green line. A District-owned parcel adjacent to the Metro station provides an asset the neighborhood can use to stimulate greater economic development.

The Office of Planning has just begun a neighborhood planning process addressing the development of the District-owned site by the Metro stop, as well as a commercial revitalization strategy for the Petworth section of the Georgia Avenue corridor.

Congress Heights



- 1. Henson Ridge Hope VI Redevelopment
- 2. Turner Elementary School
- 3. Camp Simms
- 4. Old Congress Heights School
- 5. Ballou Senior High School and Simon Elementary School

Housing: Frederick Douglass and Stanton Dwellings are being redeveloped through a \$30 million HOPE VI grant awarded in 1999. The new development, Henson Ridge, will include 600 units and offer both homeownership and rental opportunities. In nearby communities, over 3,000 new units of housing are either planned, under construction, or have been completed within the last three years.

<u>Transit:</u> The relatively new Congress Heights Metro stop presents opportunities for transitoriented development.

<u>Enhancing Retail/Civic Centers</u>: Congress Heights offers relatively few retail opportunities for residents. For example, no grocery stores, sit-down restaurants, drugstores, or drycleaners can be found in the neighborhood. Camp Simms is a former National Guard installation and presents a

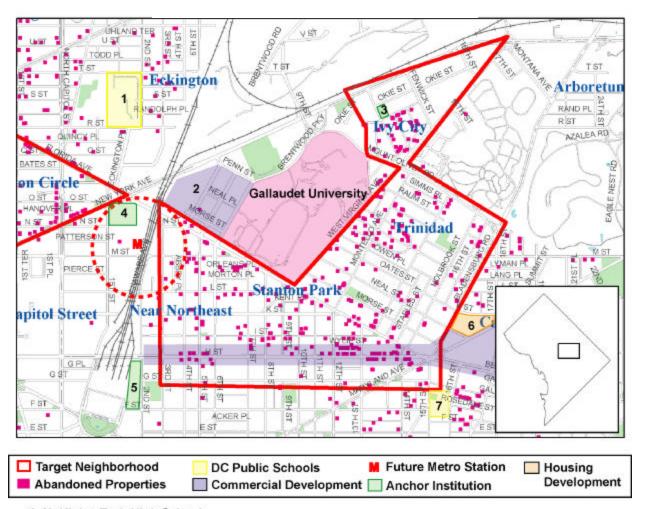
clear opportunity to enhance retail in the neighborhood. The 25-acre parcel is slated for redevelopment, which would include a supermarket, houses, shops, and offices.

The Old Congress Heights school is another opportunity for development. The East of the River Community Development Corporation is leading a community process focused on redeveloping the neighborhood landmark. Redevelopment will likely include vocational training and other community uses.

Schools: Two schools in the neighborhood—Simon and Turner elementary schools—are part of DCPS's Transformation Schools program, which targets low-performing schools for restructuring. Additionally, DCPS' capital improvement plan calls for Turner's modernization. DCPS, the DC Public Library system, and the Henson Ridge HOPE VI development are determining the feasibility of a joint master plan for the Turner Elementary School, Parklands-Turner Community Library, and Henson Ridge Community Center. Such a joint-use facility could serve as the civic core of the neighborhood. Finally, Ballou Senior High School is scheduled for renovation to increase its ability to teach technology courses and skills.

New Neighborhoods: The 300-acre St. Elizabeths campus, now largely in disuse, provides a major redevelopment opportunity for the surrounding neighborhood and the city. Designated a national historic landmark, the site presents a complicated challenge in the search for wise, cost-effective reuse options. With the federal government seeking to divest itself of the western half of the site and the city already in possession of the rest, Mayor Williams has announced a collaborative planning process to be carried out with residents in adjacent neighborhoods and other interested parties from around the city. The city has already decided to build a new St. Elizabeths Hospital complex at the eastern edge of the property near the Congress Heights Metro stop. The new facility will allow the Department of Mental Health to consolidate all of its current activities on the campus which are now scattered among many buildings. The city has also begun site preparations for the construction of a Unified Communications Center along the east side of Martin Luther King Avenue near the northern border of the campus. This new secure facility will house the police and fire 911 and 311 systems, as well as the mayor's call center, traffic management functions, and the mayor's Emergency Command Center.

H Street/Ivy City-Trinidad



- 1. McKinley Tech High School
- 2. Florida Avenue Market
- 3. Crummell School, Historic Landmark
- 4. United States Department of Alcohol, Tobacco and Firearms
- 5. Securities and Exchange Commission
- 6. Old Sears site housing development
- 7. Miner Elementary School

H Street

<u>Blighted Properties</u>: Few boarded-up houses or other blighted properties lie south of H Street More lie north of H Street, especially to the east. The area is a target area of the city's Home Again Initiative.

<u>Transit and Transportation</u>: The proximity of H Street NE to Union Station and downtown enhance its viability as an urban commercial corridor. This area is well served by transportation, including Metro, VRE, MARC, Greyhound, and Metrobus. The air rights above the rail yard behind Union Station are ripe for a mixed-use development. Additionally, the Hopscotch Bridge, which connects the H Street corridor to downtown, holds out additional opportunity. The land around the eastern landing of the bridge could be redeveloped as a gateway to the H Street neighborhood.

<u>Enhancing Retail/Civic Centers</u>: The H Street commercial corridor has experienced considerable disinvestment over the last three decades. A number of properties along the corridor remain vacant and abandoned. Retail outlets, including a mix of fast and soul food restaurants, beauty salons, barbershops, liquor stores, small clothiers, and specialty shops, do not meet the needs of residents. To help the neighborhood attract more retail, the city designated H Street a "Main Streets" program area.

Additionally, the Office of Planning recently completed a neighborhood development plan for the revitalization of the H Street corridor. A potential development site identified in the plan is the five-acre Old Sears site on the easternmost end of the H St. corridor, adjacent to the Hechinger Mall. The site could support either residential or commercial uses. The plan also envisions a redeveloped Atlas Theater Performing Arts Center to anchor a culturally themed section on the eastern edge of H Street, as well as a revamped library branch.

Major new development in the area includes the construction of Station Place on the western side of the H Street bridge, next to Union Station. It will house the new headquarters of the U.S. Securities and Exchange Commission.

<u>Schools:</u> Miner Elementary School was recently rebuilt as part of DCPS' capital improvement plan.

Ivy City/Trinidad

<u>Blighted properties</u>: Because of the amount of vacant and abandoned properties, the neighborhood has been designated a target area for the city's Home Again Initiative. The Office of Planning will commence a neighborhood planning process in 2003 to help determine alternative uses for many of the vacant properties.

<u>Transit and Transportation</u>: The construction of the new Metro stop at New York and Florida Avenues NE provides an opportunity to jump-start development in the area. The Bureau of Alcohol, Tobacco, and Firearms is building its new headquarters next to the station, and XM Radio recently located its headquarters near the intersection of New York and Florida. Both New York and Florida Avenues are heavily-traveled corridors, offering easy transportation access to the neighborhood. The key is therefore to get people out of their cars.

Enhancing Retail/Civic Centers: Currently, auto service centers, low-end retail establishments, and fast-food outlets dominate the retail offerings in the area. At the same time, the area is home to a "Main Street" program, including New York Avenue and nearby North Capital Street. Additionally, the Hechinger Mall site at the junction of Bladensburg and Benning Roads at the southeast edge of the community offers potential for further development

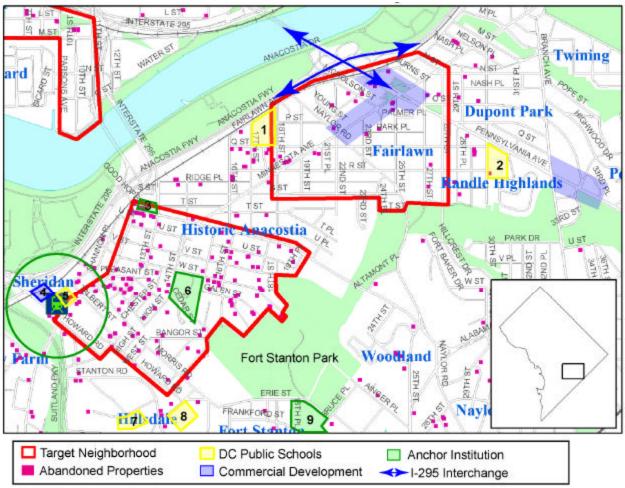
A strong and thriving farmer's market, which services many restaurants throughout the District, is located off of Florida Avenue adjacent to Gallaudet. Renovation of the market could significantly expand the services offered to local residents. Aside from the wholesale venues the market offers, it is an ideal location for additional amenities such as a sit-down, family-style restaurant and other small and medium-sized businesses.

<u>Schools:</u> The nearby McKinley Tech High School is currently being renovated—the 24-acre campus will house not only a technology-focused high school but also community college classes, technology companies, and a performing arts center. Ultimately, the campus will provide significant resources to neighboring areas, including tech-oriented college coursework, use of the auditorium, and use of athletic facilities and fields.

Although no firm redevelopment plans exist as yet, the former Alexander Crummell School, built in 1912 and vacant since the 1970s, was recently declared a historic landmark by the D.C. Historic Preservation Review Board. Community residents hope to see the building transformed into a community center.

<u>Anchor Institution</u>: Gallaudet University, the nation's premiere university for the deaf and hard of hearing, lies in the neighborhood and is a potential anchor institution.

Historic Anacostia/Pennsylvania Avenue



- 1. Kramer Middle School
- 2. Randle Highlands Elementary School
- 3. Anacostia Gateway Government Center
- 4. WMATA Parcels
- Nichols Avenue School
- 6. Frederick Douglass National Historic Site
- 7. CHOICE Academy Senior High School at Douglass
- 8. Wilkinson Elementary School
- 9. The Anacostia Museum and Center for African American History and Culture

Historic Anacostia

Housing: Many locations in the neighborhood offer panoramic views of downtown and Virginia, making it an attractive place for new residential development. There are approximately 100 vacant and abandoned buildings which blight the neighborhood but also offer possibilities for renovation and restoration. Much of the neighborhood falls within a historic district, which presents both advantages and barriers to rehabilitating existing structures. In the Strategic Neighborhood Action process, residents expressed interest in obtaining more resources and training in historic

restoration to retain the character of the historic district. However, the fear of crime is a major obstacle to attracting more middle-income homeowners to the area.

<u>Transit:</u> The area is only a 15-minute commute by Metro to downtown. The Anacostia Metro stop is located at the southern edge of the Martin Luther King Avenue commercial area. There are several parcels of land adjacent to the Metro stop owned by the Washington Metropolitan Transit Authority (WMATA) that offer opportunities for mixed-use development. To support this, the Office of Planning will be conducting a transit-oriented development planning effort in Anacostia.

Enhancing Retail/Civic Centers: Residents desire a broader retail mix than is currently available, including a sit-down restaurant, a hardware store, and better office space. The traditional neighborhood commercial strips of Martin Luther King Jr. Avenue and Good Hope Road include buildings in good condition with strong facades in need of some minor improvements while others remain in poor, dilapidated condition. The retail choices tend to be lower-end retail establishments, take-out food service, hair salons, and check cashing stations.

A number of improvements and community investments are in the planning stages. The planned Government Center at Good Hope Road and Martin Luther King, Jr. Avenue should stimulate development. The Government Center is envisioned as part of a larger mixed-use development—the Anacostia Gateway, led by the Anacostia Economic Development Corporation—that would house both government offices and other commercial and retail space.

<u>Schools:</u> The Nichols Elementary School, located on Martin Luther King Jr. Avenue and across the street from the Metro station, presents an additional opportunity for further development. The school, declared excess property by DCPS, is the planned new home for a charter school: the Thurgood Marshall Academy. The school and its development partner, Jair Lynch Companies, envision a mixed-use site, with housing and commercial uses as well.

Both Wilkinson Elementary School and the Choice Academy at Douglass Senior High School are part of DCPS' Transformation Schools program, which targets low-performing schools for restructuring.

Anchor Institutions: Two potential partners in neighborhood revitalization plans are the Frederick Douglass National Historic Site in the center of Historic Anacostia and the Anacostia Museum and Center for African American History a few blocks to the east and adjacent to Fort Stanton Park. These institutions can become hubs of activity, with well-marked linkages to neighboring commercial strips, the waterfront, and Fort Stanton Park.

Pennsylvania Avenue, SE

<u>Housing:</u> The neighborhoods that straddle Pennsylvania Avenue east of the river are generally stable middle-class communities, with homeownership rates above the city average. The Fairlawn community just south of Pennsylvania Avenue moreover, witnessed a 75-percent reduction

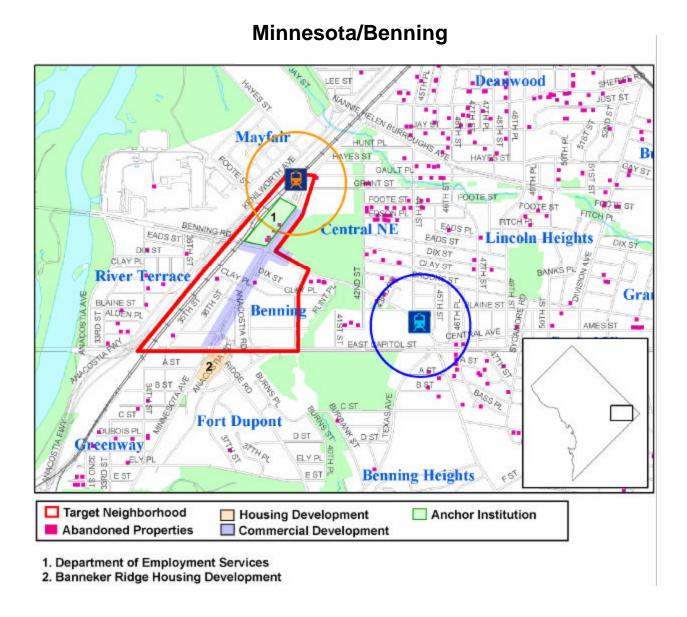
in the number of vacant single-family dwellings over the last two years. The remaining vacant properties, once rehabilitated, represent an excellent opportunity to maintain affordability in the neighborhood.

<u>Transit and Transportation:</u> Many bus lines that provide connections to the Potomac Avenue Metro Station and other destinations serve the area. However, traffic congestion is a major problem at the I-295 interchange, through which an estimated 96,000 vehicles pass daily. Residents have also expressed interest in traffic calming measures along Pennsylvania Avenue, especially at the intersection with Minnesota Avenue. Improving traffic patterns is critical to the long-term growth of the area—it would allow more positive uses of Pennsylvania Avenue and create access to the park between I-295 and the Anacostia River. The District's Department of Transportation will perform a transportation study and a bridge study in 2003.

Enhancing Retail/Civic Centers: The area's current retail offerings do not reflect its market potential; the most common outlets are take-out food establishments, liquor stores, and gas stations. A recently completed market study by Bolan Smart Associates identified a market for an additional 28,000 square feet of retail and 12,000 square feet of restaurant space. Most retail buildings, however, require substantial improvements and are relatively small, making it difficult to accommodate current retail standards for square footage and parking. The streetscape does little to entice the thousands of travelers per day that pass along Pennsylvania Avenue to patronize local businesses.

<u>Schools</u>: Kramer Middle School is part of DCPS's Transformation Schools program, which targets low-performing schools for restructuring. Randall Highlands Elementary School is currently undergoing renovation and modernization, scheduled for completion in 2003, as part of DCPC's capital improvement program.

<u>Community Organizations</u>: As an outgrowth of community concern regarding economic development in parts of the city located east of the Anacostia River, the residents of Ward 7 and the District of Columbia Government established the East of the River Pennsylvania Avenue Revitalization Task Force. The Task Force, along with civic associations and ANC Commissioners, is addressing transportation, housing, commercial development, and public safety issues along the corridor.

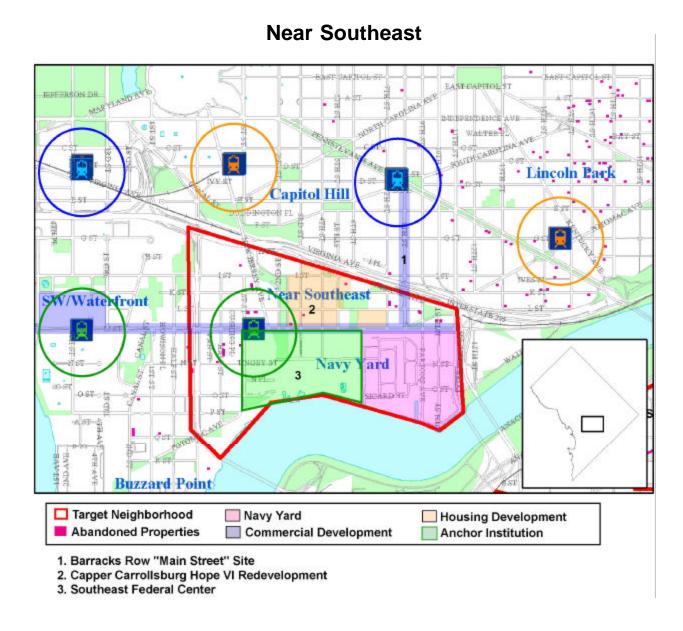


<u>Housing:</u> Several existing occupied dwellings require renovations and moderate repairs. Meanwhile, the Marshall Heights Community Development Organization recently completed Banneker Ridge, a subdivision of market-rate single family homes. The first development of this type in the neighborhood in nearly 40 years, the project demonstrates that there is demand in the neighborhood for this type of housing, in addition to the multi-unit buildings that have been more common.

<u>Transit:</u> Connecting the metro station to the area's commercial revitalization should be a priority for the city and WMATA. Adjacent to the Minnesota Avenue Metro station is the location for a proposed new Government Center that would house the headquarters of the Department of Employment Services. A planned streetscape enhancement project would connect the Government Center to entire commercial corridor from East Capitol Street to Benning Road, NE.

Enhancing Retail/Civic Centers: Minnesota Avenue is the primary neighborhood retail corridor, although the condition of the retail buildings is mixed, as numerous buildings are in disrepair and in need of substantial renovations. Finding a viable reuse for the Senator Theater at Minnesota and Benning and restoring its art-deco facade could catalyze revitalization. Facade improvements to the East River Park Shopping Center will help maintain its competitive edge and attractiveness.

Anchor Institution: The headquarters of the Marshall Heights Community Development Organization, Inc. (MHCDO) is located in the area. The organization is involved in numerous initiatives and development projects throughout Ward 7.



Housing: The Arthur Capper/Carrollsburg public housing site is being redeveloped through a \$35 million HOPE VI grant awarded in 2001. The 700+ public housing units will be demolished and replaced with an equal number of public housing units, in addition to affordable rental units and market-rate homes for sale, for a total of about 1,500 units. Capper/Carrollsburg is the first HOPE VI site to guarantee a one-for-one replacement of demolished public housing units.

<u>Transit:</u> The Navy Yard Metro stop is in a prime position to serve the denser development and the influx of new employees and residents that is envisioned.

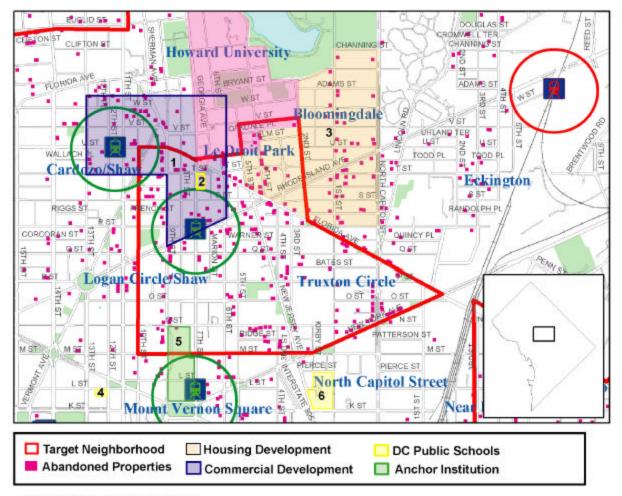
Enhancing Retail/Civic Centers: Relatively few retail establishments currently serve the neighborhood. A handful of shops line M Street SE. The foot of the 8th St. SE commercial corridor, a "Main Street" site, is located in the neighborhood and extends up to the Eastern Market area. With the planned development of the Southeast Federal Center, the current development of a number of

office buildings along M Street, and the Capper/Carrollsburg re-development, the area will be seeing increased population densities to support greater retail and commercial activities.

Anchor Institutions: The Navy Yard has increased the number of its on-site employees to over 10,000 and has been in active dialogue with community residents about neighborhood revitalization.

New Neighborhoods: The Department of Transportation will be re-locating its headquarters building to the 55-acre Southeast Federal Center, adjacent to the Navy Yard. In addition to housing the DOT, the Southeast Federal Center is slated for additional development, including residential, retail, and entertainment uses. The Southeast Federal Center can accommodate 2 million square feet of office space and up to 2,500 units of housing.

Shaw



- 1. Uptown Destination District
- 2. Cleveland Elementary School
- 3. Fannie Mae-Howard University Housing Initiative
- 4. Thomson Elementary School
- 5. Convention Center
- 6. Terrell Junior High School and Walker-Jones Elementary School

Housing: Like Columbia Heights, the area is experiencing housing pressures as more people move into the neighborhood. Housing prices are increasing and contracts for a number of Section 8 units are expiring. Both Shaw and LeDroit Park have historic and architecturally interesting housing stock. High numbers of vacant and abandoned properties burden the neighborhood. The neighborhood is one of five targeted areas for the city's Home Again Initiative.

<u>Transit</u>: The area is served by three Metro stops on the Green Line. Additionally, Georgia Avenue is one of the busiest bus routes in the city. The new Convention Center and City Museum, located at the southern end of the neighborhood by the Mt. Vernon Metro stop, are both city-controlled assets and provide opportunities for transit-oriented development and additional investment.

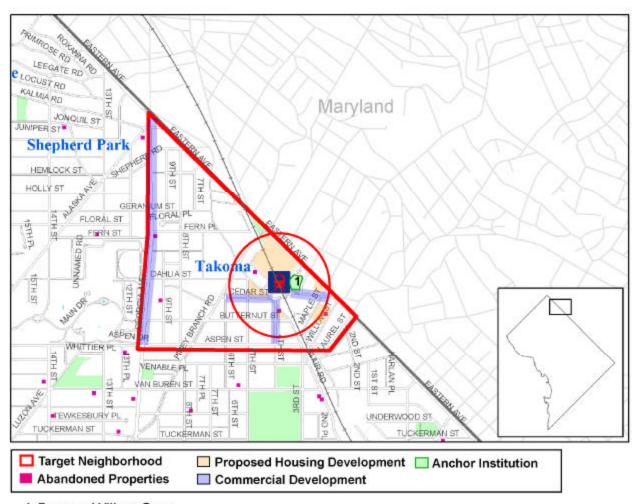
<u>Enhancing Retail/Civic Centers:</u> The northern section of the area is anchored by U Street, a historic entertainment destination once known as the "Black Broadway" that is reemerging as a vital commercial corridor. Georgia Avenue is another major commercial thoroughfare in the city, and begins in the Shaw neighborhood.

The Office of Planning will shortly begin a community planning process for the "The Uptown Destination District," a multi-block area in Shaw abutting Howard University. The ultimate goal is to develop the area for mixed use, with a focus on culturally-based entertainment, building on the presence of Howard, Lincoln, and Dunbar Theaters and taking advantage of vacant or underutilized sites within the area.

<u>Schools</u>: Both Cleveland and Thomson Elementary Schools are undergoing renovation and modernization as part of DCPS' capital improvement plan, and are scheduled to be completed in 2003 or 2004. Terrell Junior High and Walker-Jones Elementary are both part of DCPS' Transformation Schools program.

Anchor institutions: Howard University is a natural anchor institution. It has already partnered with the Fannie Mae Foundation on a project to construct and rehabilitate housing in the LeDroit Park neighborhood and develop an employer-assisted housing program. It is also partnering with the city to create the Howard Town Center, a mixed-use development adjacent to the Howard campus on Georgia Avenue. The neighborhood also has several historic structures, such as Carter G. Woodson House, that are community assets.

Takoma



1. Proposed Village Green

<u>Housing:</u> The neighborhood has a healthy real estate market and housing stock. As envisioned in the Central District Plan, there would be increased housing within the Central District to take advantage of the Metro station and encourage a mixed-use hub with strong pedestrian activity.

<u>Transit</u>: The District completed the Takoma Central District Plan in 2002, in collaboration with neighborhood residents and businesses. Transit-oriented development principles structure the plan, which calls for the Central District to function as a town center with mixed-use development near the Takoma Metro stop. The plan envisions the Takoma Metro station as the gateway into the community, surrounded by townhouses, a "village green," and office and retail sites, all of which would be within walking distance of the station.

<u>Enhancing Retail/Civic Centers:</u> The quality of existing retail and commercial amenities does not meet the demands of residents. Many Takoma residents find themselves shopping for basic goods and services across the border in Maryland, although their own commercial district has the

capacity to offer similar retail outlets. Strong emphasis should be placed on enhancing and attracting retail outlets near the Metro station. Cedar, Carroll, and 4th Streets are also underutilized and would benefit from revitalization efforts.

On the other side of the neighborhood, the Georgia Avenue Gateway Revitalization Corporation has embarked on a storefront improvement program.

VI. CREATING NEW NEIGHBORHOODS

Creating entirely new neighborhoods is another strategy to promote resurgence.

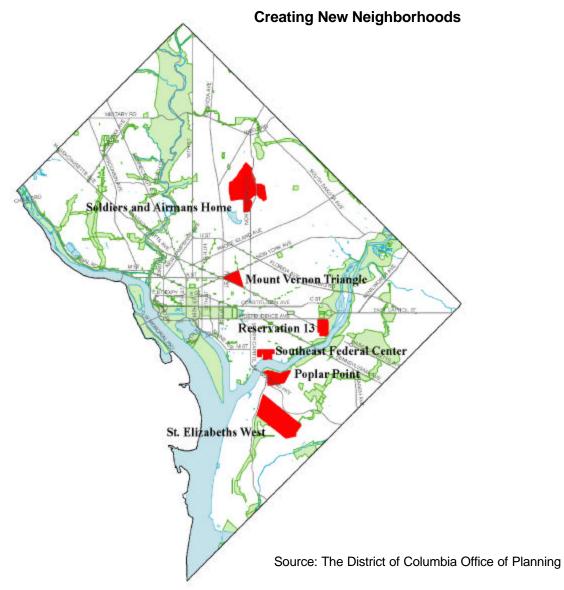
While undeveloped land remains scarce in the District, several large sites exist where new neighborhoods could be developed. Planning for the creation of such communities is critical to the city's future residential growth. New neighborhoods can help retain and attract a substantial number of residents. New neighborhoods could provide investment and improved access to services and amenities for existing residents in surrounding areas. Their development could help increase the supply of housing units for low- and moderate- income households. Some of these sites could also become employment centers, if new businesses were integrated into the planning for residential communities.

The federal government owns considerable land in Washington, D.C. that is vacant or underutilized. In some cases, the city itself owns or otherwise controls sizable tracts of land, in a few instances adjacent to similar federal property, which can become the focus of new residential development. In still other cases, land is being assembled from a variety of sources including privately held property in order to permit large-scale development. For example,

- Current city plans include a large number of new downtown housing units in the area of the Mount Vernon Triangle, the area immediately southeast of the new Convention Center.
 Some 5,100 new housing units are slated for 30 acres of land between 3rd and 7th Streets, NW, between NY and Massachusetts Avenues, many of them currently under construction
- The St. Elizabeths Hospital site includes 300 acres with about 110 buildings, part owned by the federal government and part owned by the City. The planning process for these parcels is beginning. Although it is too early to be sure how many new residential units that can be added there, a study by an Urban Land Institute panel (May 5-10, 2002) suggested an "estimated residential buildout" of 1,872 units. D.C. Planning Office figures run as high as 2,300 units
- The site on which the Soldier's and Airmen's Home is located off of North Capitol Street above the Washington Hospital Center includes underutilized areas which may be appropriate for new housing development. Considerable space for new residential construction exists here, but the planning process has not progressed sufficiently to identify a potential number. And Catholic University, which has the first right of refusal on the use of available land at the Soldier's Home, has not decided whether to exercise its option
- The city owns a 67-acre parcel called "Public Reservation 13" which includes the D.C.
 General Hospital site, the D.C. Jail and considerable acreage in several directions down to
 the bank of the Anacostia. A community-driven master reuse plan has been put forward for
 this site which includes 800 residential units. More could be added if current zoning
 restrictions were changed

- For the development in and around the Southeast Federal Center and the Navy Yard along M Street, SE, the D.C. Office of Planning estimates that there will be 2,500 additional housing units
- The conceptual plan for the redevelopment of the Southwest Waterfront along Maine Avenue
 is to be presented soon to the City Council for approval. That plan envisions adding
 approximately 800 residential units over the life of the project, 20 percent of which would be
 affordable

These sites offer excellent opportunities to build new, mixed-use and mixed-income communities without displacing existing residents. Residential development on these sites could greatly enhance the city's residential strategy. Summing up the estimates suggests that over 10,000 new housing units could be added to the city's stock in the next decade or so, just from these "new neighborhood" projects listed above.



VII. COULD THE DISTRICT ACCOMMODATE AN ADDITIONAL 100,000 PEOPLE?

So what about the larger goal of boosting the city's population by 100,000 in 10 years?

To be sure, increasing the population of the District by 100,000 people by 2010 seems an ambitious goal, especially for a city whose population only recently stabilized after long decline. Nevertheless, adding up the wide variety of public and private housing projects underway or being actively discussed suggest there may actually be enough new housing units in the District by then to accommodate an additional 100,000 people.

A conservative estimate of the number of people that could be living in the new neighborhoods discussed above is about 22,000. Other District projects in the pipeline, plus estimates of private sector production, would accommodate an additional 66,000 people. The District estimates that transit-oriented development, plus investments in the targeted neighborhoods, will generate units for another 30,000 people. Even with allowance for some double counting and some loss of housing units, these estimates add to more 100,000.

Drawing on this pipeline data, moreover, the D.C. Office of Planning projected in March 2003 that the District's population in 2015 will be 673,700—up just over 100,000 from the 572,100 level recorded by the 2000 Census. All in all, this suggests that the mayor's goal of increasing the city's population by 100,000 people is not only doable, but a pretty good bet.

VIII. DEVELOPING A HOUSING STRATEGY

Since housing is the key to such growth and revitalization, the District needs to articulate a comprehensive housing strategy. To that end, it should adopt quantitative goals for the production of different types of market rate and publicly assisted housing, and assemble the tools and resources adequate to realize those goals. Neighborhoods differ in their need for various kinds of housing, so a variety of tools must be available to meet their varying needs.

The office of the Deputy Mayor for Planning and Economic Development is working to develop a comprehensive housing strategy and to establish an advisory panel. The panel would assess the quality and availability of the housing stock in the District and develop recommendations to address the needs identified in the assessment. Councilmember Adrian Fenty is working with the Deputy Mayor's office on this effort, and has introduced legislation to create such an advisory panel.

The basic problem that must be addressed in developing a District housing strategy is that the District has a lower median income than the surrounding area, a higher poverty rate, and more neighborhoods with concentrated poverty. Although the District already has a high share of the region's subsidized affordable housing units, its low-income population clearly struggles with continuing severe housing needs. At the same time, the District's future viability, including its ability to finance subsidized housing and other services to low-income people, depends on attracting and retaining larger numbers of middle-income families. Such attraction will require building and restoring housing in the District that is attractive and affordable to those families, as well as improving schools and other services.

In view of that, developing a housing strategy in the face of scarce resources requires answering some very tough questions:

- How many public resources should be devoted to subsidizing housing? Given the District's limited budget resources, hard choices have to made between housing, education, health, and other vital services
- Should housing subsidies be focused on alleviating the housing cost problems of the
 District's lowest-income households (with household income under \$25,000), whose needs
 are greatest? Or should resources be devoted to assisting households in the next income
 bracket (say, \$25,000–40,000), who also have difficulty finding affordable housing in the
 District? What about households with even higher incomes?
- What priorities should be given to housing the homeless, the elderly, and persons with disabilities or special needs?
- Should resources be concentrated on preserving affordable housing in rapidly gentrifying neighborhoods to prevent displacement? Or should more resources be focussed on

neighborhoods where rents and property values are not yet rising rapidly and more units of housing can be provided with the same resources?

A. **Identifying Housing Needs in the District**

Most District housing policies are stated in terms of the income categories that the federal Department of Housing and Urban Development (HUD) has defined for the Washington metropolitan area. HUD has estimated the area median income (AMI) for the Washington region as \$84,800. Eligibility for a variety of housing assistance programs is then determined by income limits defined as percentages of the AMI, with adjustments for household size, regional housing costs and regional income levels. Because the Washington region's AMI is relatively high, the income limits for the various categories of low-income households are also relatively high, especially when compared to the District median income of about \$52,000.

Typically, discussions of which populations to target for housing assistance revolve around the income categories set at 30 percent of AMI (defined by HUD as extremely low income), 50 percent of AMI (very low income), and 80 percent of AMI (low income). 8 Although income limits do vary by program depending on what adjustments are made for market conditions, common income limits track the HUD-defined limits for the Section 8 rental assistance program, listed below:

For a family of four:

Low Income (80% of median income):	\$56,500
Very Low Income (50% of median income)	\$43,500
Extremely Low Income (30% of median income)	\$26,100

Clearly those in the extremely low-income category confront the most serious housing problems in the District. Eighty percent of renter households with incomes of \$25,000 or less face housing cost burdens, meaning they devote more than 30 percent of their income to housing. Homeowners in the extremely low income category also face affordability problems, with almost 70 percent devoting more than 30 percent of their income to housing. However, affordability is also an issue for District residents higher up the income ladder. Twenty-five percent of renter households earning between \$25,000 and \$41,000 are housing cost-burdened, as are almost 30 percent of homeowner households in the same income category.9

⁷ http://www.huduser.org/datasets/il/fmr03/index.html, FY 2003 Income Limits Briefing Material. ⁸ However, some programs use other income categories, such as 60 and 95 percent of AMI.

⁹ See Margery Austin Turner and others, "Housing in the Nation's Capital" (Washington: Fannie Mae Foundation and the Urban Institute, 2002). The income categories in this paragraph are based on 2000 HUD income categories, which is why they vary slightly from the ones listed above, which are based on 2003 HUD income categories.

B. **Current District Housing Programs**

The District, with the assistance of federal housing programs, has been making a major effort to improve its housing stock and meet the housing needs of low-income residents. The Housing Act of 2002 revived the Housing Production Trust Fund and gave the city a powerful set of tools to generate and preserve housing, especially affordable housing. Trust fund dollars can be used to provide grants, loans, gap financing, and other mechanisms to spur development of new housing. Although the trust fund was created in the late 1980's, it was not funded until 2001, when the Williams administration directed \$25 million from the sale of a city property into the fund. The Housing Act of 2002 created an ongoing revenue stream for the fund: 15 percent of the revenue from real estate transfer and deed recordation taxes. However, budget shortfalls led the District to reduce the appropriation for the trust funds in its Fiscal Year (FY) 2003 budget.

The act also created a new "circuit breaker" to address concerns that low-income homeowners would be priced out of their homes by the rising property taxes that accompany rising property values. The provision effectively caps property tax increases for low-income, long-term homeowners at 5 percent.

The District also has a number of ongoing programs to assist residents, such as housing counseling services, below-market mortgages to eligible borrowers, and deferred, no-interest or lowinterest loans to eligible first-time homeowners.

Since 1999, the District has helped finance the construction or rehabilitation of about 10,000 affordable housing units. In 2002, approximately \$150 million in District financing leveraged more than \$312 million worth of housing, generating more than 3,000 units. Almost 50 percent of the 3,000 units will be available to households earning less than 50 percent of area median income, and another 40 percent will be available to households earning between 51 and 60 percent of area median income.

The District, with 12 percent of the region's population, contains about half the region's federally subsidized units. The District's Housing Authority operates more than 9,000 units of public housing. Additionally, some 11,000 privately owned but federally subsidized units are clustered in the District, while about 5,000 District residents receive federal housing vouchers. However, long waiting lists for subsidized housing, also found in many other central cities, illustrate that the housing needs of the District's lowest income population are far from met. Over 10,000 households are on the wait list for public housing, and almost 15,000 households continue to wait for vouchers.¹⁰

Moreover, housing problems among the lowest income District residents may worsen in the near future. Between 2000 and 2005, the contracts for almost 10,000 units of Section 8 housing are scheduled to expire. Owners will have the options of renewing their contracts with HUD or getting

¹⁰ Ibid.

out of the program. 11 Given the strong housing market in the District, many owners may decide to leave the program, reducing the pool of affordable housing. However, District actions are mitigating the effects of the expiring contracts. Between 2000 and 2002, the District helped finance 3,068 units of expiring Section 8 units to ensure their preservation as affordable housing, at a cost of \$213 million. 12

The effect of the federal HOPE VI programs in the District may also be to reduce housing available to the District's lowest-income residents, although the program also serves the important goal of reducing the concentration of poverty and creating mixed-income communities. The District received five HOPE VI grants between 1993 and 2001, designed to redevelop severely distressed public housing sites. Redevelopment of the sites is in varying stages, but the total effort involves demolishing approximately 2,900 low-rent public housing units and building approximately 2,700 units, for a net loss of about 200 units. 13 The new units include a mix of homeowner and rental units and are designed to house moderate-income as well as low-income households.

C. **Tools for a Balanced Citywide Housing Strategy**

The District needs to articulate a housing strategy that balances the goals of meeting the housing needs of low-income residents with the goal of boosting the population by attracting and retaining middle-income residents.

Housing affordability problems are the greatest among residents with incomes below \$25,000, and this group clearly needs government help. Housing assistance to this population should be part of a broader effort to create opportunities for low-income residents to become more active participants in the city's economy—as taxpayers, homeowners, and business owners. DC Agenda, through its Equitable Development Initiative mentioned earlier, focuses on this objective.

The District's long-term viability depends on deconcentrating poverty and creating more mixed-income neighborhoods. The decline in the District's middle-class population over the 1990s dealt a blow to neighborhood vitality and the city's fiscal stability that must be overcome. Households with incomes up to about \$41,000 face affordability problems, suggesting that the city could benefit from investing resources in helping this group as well as those with the lowest incomes. Legitimate arguments also exist for assisting households higher up the income ladder, particularly in the \$40,000–\$65,000 category. Households in this category may struggle to find affordable home-buying opportunities—particularly first-time homebuyers—but constitute the nucleus of a middle-class the city needs to nurture and grow. To carry out a balanced strategy, the city needs to use all the tools it has and consider creating some new ones.

¹¹ Ibid.

D.C. Office of the Deputy Mayor for Planning and Economic Development, "District of Columbia Housing Pipeline Report (DHCD, DCHA, and HFA), FY 2002—Year End Report" (2002).
 Turner and others, "Housing in the Nation's Capital."

Different strategies will be appropriate in different neighborhoods. In neighborhoods with booming housing markets where the fear of displacement is strongest, such as Columbia Heights and Shaw, the city could use Housing Production Trust Fund and federal block grant dollars to preserve affordable housing. By contrast, to advance the goal of drawing or retaining residents in neighborhoods with weaker housing markets, the city might use its homebuyer assistance programs and low-cost mortgage financing to attract homebuyers at a variety of income levels.

Determining how the District can best use its scarce housing subsidy resources will be difficult, but it is an essential step in determining the city's overall housing and economic development strategies. A structured process, such as a housing task force with broad representation, could greatly assist such a process.

Among the tools whose use should be evaluated and orchestrated are:

The Housing Production Trust Fund

Adequate funding for the Housing Production Trust Fund is critical. One of the trust fund's greatest virtues is its ability to stimulate investment by private developers in building affordable homes. It is critical that the city's Department of Housing and Community Development build a track record of issuing requests for proposals for affordable housing development on a regular basis, for predictable amounts of funds, so that developers can count upon the availability of trust fund dollars as they assemble their financing packages for development. In order to remain an effective component of the city's housing policy, the fund should be funded at or close to the levels set out in the Housing Act of 2002. The District could also consider additional funding sources, such as a percentage of the city's incremental property tax revenue.

Inclusionary Zoning

The District could investigate whether a mandatory inclusionary zoning policy could generate affordable housing without concentrating low-income households in low-income communities. Currently, the District's subsidized housing is primarily located in low-income neighborhoods, which further concentrates low-income households.

Inclusionary zoning offers the opportunity to deconcentrate affordable units, by locating them in the same neighborhoods as new market-rate housing. Such zoning requires new market-rate housing developments to include a certain percentage of units affordable to a specific income range. In return, developers receive a benefit in the form of tax abatements, a density bonus (allowing developers to build more units than zoning regulations allow), or other forms of zoning relief. The affordability requirement is usually pegged to some percentage of the area's median income, often in the 60–80 percent range. It is thus an appropriate tool for meeting the needs of moderate-income households. To serve lower-income households, additional financial incentives such as low-interest bond financing or grants can be layered in.

The Housing Act of 2002 created a voluntary program that uses tax abatements as an incentive for housing projects to include affordable units within the same development. However, the funds for the program have not been appropriated and the regulations have not been written.

Another policy option is a mandatory program, which applies an affordability component to all residential projects. When balanced properly between requirements and incentives, a mandatory program is far more productive and successful in building diverse, mixed-income communities.

Employer-Assisted Housing

Employers in the city have a stake in the condition of their surrounding neighborhoods, as well as the ability of their employees to find attractive, affordable housing relatively close to the workplace. Howard University's partnership with the city and the Fannie Mae Foundation shows how a major employer can both contribute to neighborhood revitalization and assist its employees in achieving homeownership. Working together, the partners constructed and rehabilitated housing in the LeDroit Park neighborhood and provided homebuyer assistance to Howard employees. The District could explore how it can encourage similar efforts by other major employers.

Preventing Displacement of Low-Income Renters

The city should also consider policies to assist low-income renters in neighborhoods with rapidly rising rents and strong pressures on landlords to go for a higher-income clientele. Renters as well as homeowners should have viable options to remain in the neighborhood or find good quality units of their choice elsewhere in the city. The "circuit breaker" provision in the Housing Act of 2002 does much to address this concern for homeowners, but the problem remains for renters.

IX. IMPLEMENTING A TARGETING STRATEGY

No doubt about it: Implementing a successful strategy of revitalizing targeted neighborhoods is an extremely challenging undertaking. It requires cooperation among city agencies and between the public, private, and non-profit sectors. It requires tough choices and tough trade-offs. And each neighborhood is different, so both planning and implementation have to be tailored to the characteristics and particular strengths of each place.

What has to happen for such a strategy to succeed?

- Phased Targeting. After thorough consultation, the city should select a manageable number of neighborhoods on which to focus initial efforts. Too many targets will tax the city's limited staff and resources. For this reason, it would be wise to agree on a phasing plan so that planning and implementation can proceed quickly in some neighborhoods before additional areas are engaged. The challenge is to convey that targeting is a dynamic process, in which some areas are addressed first and others later, without stretching financial or managerial resources too thin or making areas further down the list fear that their turn will never come.
- <u>City Commitment.</u> The mayor and the council must commit to the targeting strategy and use it to set budgetary priorities. The mayor should establish a process that will facilitate city agencies working together to implement the targeting strategy. This will not be easy, since agencies have limited resources and may have reasons for giving priority to areas that are not high on the list of targeted neighborhoods. The targeting strategy will fail, however, unless it is actually used to set priorities at the agency level.
- Neighborhood Implementation. The city needs to provide staff support to the process so
 that, for each targeted neighborhood, an able, effective person supervises the development
 of the revitalization plan and insures that adequate consultation takes place with anchor
 institutions, community groups, and private developers with a stake in the area. These "lead
 contact" persons should have sufficient authority to be able to bring the various city agencies
 to the table and have the skills to work with the other stakeholders to bring their resources
 into the partnership.
- Enlisting Anchor Institutions. Anchor institutions have important roles to play both at the neighborhood level and the citywide level. In both cases, involvement by anchor institutions reinforces the point that neighborhood revitalization is not only a city activity; it requires the participation of multiple sectors. Therefore, the District should reach out to institutions in the targeted neighborhoods that have the potential to become (or already are) social or economic anchors, so as to involve them in neighborhood planning and development efforts. An anchor might be an experienced CDC with a respected track record of accomplishment, a major employer such as a university, hospital, clinic or private company, or a public or public charter school. Some neighborhoods may have sites appropriate to a new anchor institution, such as a relocated District or federal agency or a new cultural institution.

At the city level, anchor institutions can support the overall framework of targeting neighborhoods for revitalization. Various sectors—such as financial institutions, higher education, hospitals and clinics—should be engaged with the city on how individually and collectively they can reinforce the city's efforts. Moreover, large institutions with multiple sites throughout the city could redirect some of their own activities to enhance the role that their sites in targeted neighborhoods can play.

- Community Participation. As noted above, successful neighborhood revitalization requires
 more than city action. In addition to the involvement of private and nonprofit institutions, it
 also requires the participation of neighborhood residents. The District's Strategic
 Neighborhood Action Plan (SNAP) process and the Citizen Summits are two methods the
 District has used to solicit citizen input on government activities and plans. Additional efforts
 to feed citizen recommendations into the neighborhood planning process will be critical.
- Involve Higher Education and Health Care Institutions. Universities and hospitals are the District's largest non-government employers. Their spending—and that of their employees, students and patients—energizes the District's economy. Yet they often do not think of themselves as businesses that should play the role of "corporate citizens." For its part, the District Government has not always valued the presence of universities, hospitals or even government agencies because they do not pay taxes like private businesses. This distancing is short-sighted on both sides. The District and its major agency and non-profit "businesses" have a mutual stake in the vitality of the District economy, and the safety and attractiveness of its neighborhoods. They should be partners in neighborhood revitalization.
- Engaging Schools. Neighborhood schools must be an integral part of all planning and implementation of neighborhood revitalization. Currently, the separate governance structures of the city and its schools complicates involving the schools in neighborhood planning. This barrier must be overcome, both at the citywide and neighborhood levels. Good intentions will not be sufficient to improve joint planning and communication. For that reason, the city and DCPS should agree to seek foundation support to hire a team to make collaboration happen, and DCPS should give priority to modernizing schools in the target neighborhoods, although it will mean revising the priorities outlined in the Master Facilities Plan. Advice should be sought from the 21st Century School Fund, which is participating in a national program, Building Educational Success Together (BEST), aimed at improving urban public school facilities and linking schools with community development efforts.
- A Single Capital Budget The city should also revise its capital budget process to require joint
 planning and budgeting for the agencies involved in neighborhood revitalization.
 Replacement and modernization of schools, libraries, recreation centers, and public health
 facilities should be coordinated to take advantage of opportunities for co-location, increase
 efficiency and maximize impact on neighborhood development. As with the schools, capital
 investments in other public facilities should be focused on target neighborhoods.

Explore New Financing Tools. The District must be creative in leveraging resources for change. It has the authority to utilize Tax Increment Financing (TIF) to help offset certain development costs for projects that will generate new sales and property taxes under the assumption that such projects would not occur "but for" public assistance. Now the District needs to ensure it makes the most of its TIF authority. Although the financing is limited to certain areas of the city, downtown and the most investment-needy neighborhoods qualify. The present TIF law allows the city to secure the repayment of TIF bonds by capturing a portion of the future growth in tax revenue that is generated by the new development within a specified geography around the project. Both real estate and sales tax revenue increases may be sequestered for this purpose.

The city is currently authorized to issue up to \$300 million in TIF bonds. In order for the TIF authority to remain available to the District, Congress must extend the sunset date in the current legislation. Support for extending the law is now being sought. So far, TIF has been used in the downtown (Gallery Place and the International Spy Museum) and the Southwest waterfront (Mandarin Oriental Hotel). Applications for projects currently pending include a 500,000 square foot retail development in Columbia Heights anchored by Target, a hotel/housing development venture near the SE Navy Yard, and a new hotel development between the new and old convention centers.

Although it is harder to generate large increases in real estate and sales tax revenue in conjunction with neighborhood projects, especially those with a housing component, the TIF authority could be helpful in certain development situations in the neighborhoods targeted by the city. One option is to designate a portion of the incremental tax proceeds from the downtown TIF district for neighborhood development. If this is done, then community groups, major employers, and public facilities such as schools and libraries in each neighborhood should be included in the discussion of how to use such project financing.

X. CONCLUSION

Washington's leaders and citizens urgently need to engage in a dialogue about the future of Washington's neighborhoods. Focusing resources on a series of target neighborhoods offers a promising strategy for mobilizing public, private, and non-profit resources to make a visible difference in diverse parts the city. Growing the population by 100,000 over this decade is a feasible part of this agenda and will at once energize neighborhood development and increase the city's tax base. However, the District's leadership and citizens need to discuss openly what is happening in various parts of the city and evolve new policies to ensure that all groups share in the benefits of neighborhood revitalization.

SUMMARY OF RECENT PUBLICATIONS *

THE BROOKINGS INSTITUTION GREATER WASHINGTON RESEARCH PROGRAM

2002

A Sound Fiscal Footing for the Nation's Capital: A Federal Responsibility

Calling 211: Enhancing the Washington Region's Safety Net After 9/11

Federal Spending Saves Region from Recession

District Budget Woes Recur

The 2001 Potomac Index

International Diversity Continues Rapid Increase in the Washington Area

2001

Households Increase Faster Than Housing Units

Envisioning a Future Washington

The World in a Zip Code: Greater Washington, D.C. as a New Region of Immigration

THE BROOKINGS INSTITUTION CENTER ON URBAN AND METROPOLITAN POLICY

DISCUSSION PAPERS/RESEARCH BRIEFS

2003

Reclaiming the Intent: Tax Increment Finance in the Kansas City and St. Louis Metropolitan Areas

The State Role in Urban Land Development

City Fiscal Structures and Land Development

What the IT Revolution Means for Regional Economic Development

Is Home Rule the Answer? Clarifying the Influence of Dillon's Rule on Growth Management

2002

Growth in the Heartland: Challenges and Opportunities for Missouri

Seizing City Assets: Ten Steps to Urban Land Reform

Vacant-Property Policy and Practice: Baltimore and Philadelphia

Holding the Line: Urban Containment in the United States

Beyond Merger: A Competitive Vision for the Regional City of Louisville

The Importance of Place in Welfare Reform: Common Challenges for Central Cities and Remote Rural Areas

Banking on Technology: Expanding Financial Markets and Economic Opportunity

Transportation Oriented Development: Moving from Rhetoric to Reality

Signs of Life: The Growth of the Biotechnology Centers in the U.S.

Transitional Jobs: A Next Step in Welfare to Work Policy

Valuing America's First Suburbs: A Policy Agenda for Older Suburbs in the Midwest

Open Space Protection: Conservation Meets Growth Management

Housing Strategies to Strengthen Welfare Policy and Support Working Families

Creating a Scorecard for the CRA Service Test: Strengthening Banking Services Under the Community Reinvestment Act

The Link Between Growth Management and Housing Affordability: The Academic Evidence

What Cities Need from Welfare Reform Reauthorization

Growth Without Growth: An Alternative Economic Development Goal for Metropolitan Areas The Potential Impacts of Recession and Terrorism on U.S. Cities

TREND SURVEYS

2003

Beyond Edge City: Office Sprawl in South Florida

Boomers and Seniors in the Suburbs: Aging Patterns in Census 2000

Rewarding Work Through the Tax Code: The Power and Potential of the Earned Income Tax Credit in 27 Cities and Rural Areas

2002

Modest Progress: The Narrowing Spatial Mismatch Between Blacks and Jobs in the 1990s

Smart Growth: The Future of the American Metropolis

Living on the Edge: Decentralization Within Cities in the 1990s

Timing Out: Long-Term Welfare Caseloads in Large Cities and Counties

A Decade of Mixed Blessings: Urban and Suburban Poverty in Census 2000

Latino Growth in Metropolitan America: Changing Patterns, New Locations

Demographic Change in Medium-Sized Cities: Evidence from the 2000 Census

The Price of Paying Taxes: How Tax Preparation and Refund Loan Fees Erode the Benefits of the EITC

The Importance of Housing Benefits to Housing Success

Left Behind in the Labor Market: Recent Employment Trends Among Young Black Men

City Families and Suburban Singles: An Emerging Household Story from Census 2000

TRANSPORTATION REFORM SERIES

TEA-21 Reauthorization: Getting Transportation Right for Metropolitan America

Slanted Pavement: How Ohio's Highway Spending Shortchanges Cities and Suburbs

Fueling Transportation Finance: A Primer on the Gas Tax

FORTHCOMING

Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s

* Copies of these and previous Brookings urban center publications are available on the web site, www.brookings.edu/urban, or by calling the center at (202) 797-6270.