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**TESTIMONY OF JESSICA FULTON, OUTREACH DIRECTOR
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**At the Public Hearing on the FY 2015 Budget of
The Office of the Deputy Mayor for Planning and Economic Development
District of Columbia Committee on Economic Development
April 9th, 2014**

Chairman Bowser and members of the Economic Development Committee, thank you for the opportunity to testify today. My name is Jessica Fulton and I am the Outreach Director at the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on how policies impact low- and moderate- income families.

I am here today to testify on the Fiscal Year 2015 budget and goals of the New Communities Initiative, headed by the Deputy Mayor for Planning and Economic Development (DMPED). The program aims to revitalize four public housing sites in DC, Barry Farm, Northwest One, Park Morton, and Lincoln Heights/Richardson Dwellings, while adhering to principles minimizing displacement and increasing neighborhood sustainability.

The sites selected for the New Communities Initiative contain some of the most distressed public housing in the District, and several are in neighborhoods where affordable housing faces the risk of being lost due to redevelopment and gentrification. New Communities is an effort to transform these four neighborhoods into vibrant mixed-income communities without displacing current residents. Yet the initiative has moved very slowly –making no progress at all in some sites – raising concerns in the affected communities.

In the coming year, the Office of the Deputy Mayor for Planning and Economic Development has the opportunity to revise its plans and re-enforce its commitment to the initiative.

Continuing to Increase Transparency Needed to Keep New Communities on Track

Over the past year, the Deputy Mayor has made a number of improvements to transparency in the New Communities Initiative, including creating a position to oversee the entire project and give stakeholders a place to direct questions. In addition, the recent rollout of the New Communities website is a vital resource. Over the next fiscal year, the Deputy Mayor's office should continue to use these tools to keep stakeholders aware of updates and setbacks in the development process.

Revisiting New Communities Initiative Plans Is Needed to Create More Viable Projects

It has become clear that some of the New Communities sites may not be viable fit for this kind of redevelopment. At Barry Farm, Lincoln Heights, and Richardson Dwellings, few or no market-rate units are being produced which suggests that private developers have little interest in developing in these neighborhoods. Thus, it may be time to consider alternative development plans with a greater investment from the District to rehab current units or to finance new housing. I was recently included in a conversation with several housing professionals to evaluate the progress of the New Communities Initiative. This is exactly the kind of analysis needed to ensure that New Communities residents in particular and District residents as a whole are involved in an effective process. And, this kind of analysis should inform New Communities work moving forward.

DC Should Consider the Implications of Delayed Redevelopment

Currently, several of the New Communities projects are behind schedule. As the redevelopment timeline drags on, DC should consider other steps to improve the dilapidated public housing stock occupied by residents at New Communities sites.

The sites included in the project were included because they represented housing in the worst condition in the District. And, because of the lack of progress in the sites, families have had to remain in dilapidated housing far longer than expected. If evaluation suggests that redevelopment will be significantly delayed, DMPED should work with the DC Housing Authority to make the necessary improvements to the New Communities properties.

The New Communities Initiative has made considerable progress in increasing transparency in the past year. Yet this increased transparency has led to many more questions about the viability of the New Communities plan. By using the next fiscal year to continue to make progress in planning and using those plans to guide further actions, the Deputy Mayor's office can bring more success to the project.

I appreciate your time, and I'm open to answering any questions you may have.