



**TESTIMONY OF JESSICA FULTON, OUTREACH DIRECTOR
At the Public Roundtable
On the District of Columbia's New Communities Initiative
District of Columbia Committee on Economic Development
February 12, 2013**

Councilmember Bowser, thank you for the opportunity to speak today. My name is Jessica Fulton and I am the Outreach Director at the DC Fiscal Policy Institute. DCFPI is a non-profit organization that engages in research and public education on the fiscal and economic health of the District of Columbia, with an emphasis on policies that affect low- and moderate-income residents.

I am here today to ask the Deputy Mayor for Planning and Economic Development to improve the transparency of the New Communities Initiative. Currently, it is difficult to tell how well the program is working because even basic questions cannot be answered. Outdated plans with outdated goals sit on the websites associated with the project, and it is unclear what progress is being made, how much is spent, and if the funding is sufficient. More importantly, it is unclear what the impact is on low-income residents living in the New Communities sites.

Transparency in the program, which includes costs in the hundreds of millions of dollars, will ensure that the District money is being spent responsibly, and that the needs of low income DC residents are taken into account.

The New Communities program attempts to revitalize four public housing sites and the surrounding neighborhoods in four DC communities; Park Morton, Northwest One, Barry Farms, and Lincoln Heights/Richardson Dwellings. The New Communities guiding principles include one for one replacement of existing units to ensure that affordable housing is preserved, opportunity to return so that residents will not be displaced, mixed income housing to ensure long term viability, and build first which is also intended to minimize displacement.

Staying True to the Guiding Principles Will Help Ensure That Affordable Housing is Preserved and Residents are not Negatively Impacted

A lack of transparency about the program means that we do not know if these guiding principles are being followed. Deviation from these principles could have detrimental effects on the low income residents in the neighborhoods affected by the New Communities Initiative.

To ensure that affordable housing units are not lost to rising property values, the new Communities has as a guiding principle of one for one replacement of units. Maintaining this

principle is critical, especially in neighborhoods which have already seen the effects of gentrification.

By creating mixed income communities in the affected neighborhoods, the District spurs economic growth and can ensure low- and moderate-income residents are able to take advantage of this growth. Yet it is unclear if each of the sites continues its commitment to build a mixed income community with a mix of one-third low income, one-third moderate income, and one-third market that was promised in the early stages of the program. We think that the District should ensure that this even mix of low-moderate and market rate housing remains at each site.

DCFPI would also encourage the District to think about adding even more low- and moderate-income housing at the sites. The Park Morton and Northwest One developments are already in heavily gentrified neighborhoods and the District lost 50 percent of its low-cost rental units over the decade. Increasing the share of low- and moderate-income housing can help improve the overall affordability of these areas where affordable housing is rapidly disappearing.

New Communities seeks for families to be able to remain in their neighborhood throughout the redevelopment process. During the HOPE VI program many residents were displaced prior to redevelopment, and eventually the District either lost contact with them, or they were unable to return to the neighborhood for other reasons. Barriers such as credit checks, or requirements to enroll in case management prevent long term community residents from returning to their homes. Currently, the requirements for residents returning to the New Communities sites are unclear, and should be clarified for each of the communities.

The Public-Private Partnership Raises Concerns About its Potential Impact on Low-Income Residents

The New Communities Initiative uses a great amount of District resources and combines it with private dollars, yet we don't know much about the financing for each New Communities site. In addition to the overall costs, it is unclear how a public-private partnership may impact low-income residents living at the New Communities sites. For example, private developers may have requirements—such as minimum credit scores-- that community residents are unable to meet. How will the New Communities program account for this?

The Human Capital Program Raises Several Questions

The New Communities program includes a human capital component to ensure that residents are able to access necessary services. Case management services have been offered to residents at each of the sites, and residents have an option of whether or not to participate. We have concerns about the implications of choosing not to participate in the program. Is participation required to move into new housing? Do tenants who are unable to participate have any disadvantages in the process? If case management is a requirement, is funding sufficient to provide the necessary services to all residents? We are concerned that requirements like these make it difficult for some families to be eligible to live in a new community.

The New Communities program is major undertaking for the District involving significant public dollars and impacting the lives of hundreds of low-income District residents. Currently, the New Communities Initiative is not very transparent which makes it difficult to evaluate its impact. We ask that the Deputy Mayor for Planning and Economic Development make the program more transparent so the public can tell whether public dollars are being used most efficiently and effectively to improve the lives of low-income residents.

Thank you for the opportunity to testify and I am happy to answer any questions.