

**Testimony of Ed Lazere, Executive Director  
At the Public Hearing on  
B22-457, the Economic Development Return on  
Investment Accountability Amendment Act of 2017  
DC Council Committee on Finance and Revenue  
October 30, 2018**

Chairman Evans and members of the committee, thank you for the opportunity to submit this written testimony. My name is Ed Lazere, and I am the Executive Director of the DC Fiscal Policy Institute. DCFPI is a non-profit organization that promotes budget choices to reduce economic and racial inequality and build widespread prosperity in the District of Columbia through independent research and thoughtful policy recommendations.

DCFPI supports the intent of this bill to strengthen reporting on the impact of DC's affordable housing and economic development subsidies and investments. It's critically important to assess whether economic development subsidies are working to expand the economy and create jobs, and whether the jobs created go to DC residents and come with good wages and benefits. This kind of information is needed to evaluate economic development subsidies and refine future investments to be more effective. Yet assessing the impact of subsidies can be difficult for several reasons, including the fact that projects can receive support from many sources and because economic development assistance is often done in a one-off fashion, as opposed to singular programs that are easier to monitor (tree planting, road paving, child care subsidies.)

Bill 22-457 would require reporting of all the requirements resulting from the subsidies provided to an economic development project—including job creation, use of certified business enterprises, and affordable housing—and also would require monitoring progress against any requirements attached to the project. This collection of information will create a convenient way for policymakers and other interested parties to assess the benefits expected from a project and whether they are realized.

DCFPI proposes a number of steps to strengthen this legislation further.

- **Include Planned Unit Developments:** PUDs, approved through the zoning process, often include housing and job benefits and thus should be included in any analysis of economic development impacts. There currently is no centralized source of information on the community benefits from PUDs.
- **Report on job quality, not just quantity:** Beyond knowing the number of jobs created, it also is important to understand whether the jobs created are full-time, pay decent wages, and include health and other benefits.
- **Clarify the definition of “overall economic impact”:** The legislation calls for assessing the full economic impact but it is not clear what that means beyond the information already required on housing, jobs, and taxes. The legislation would benefit from more complete guidance to the mayor on this.

- **Put information in a searchable database:** To make the information provided under this bill most effective, residents and other interested parties should be able to access this information in ways that allow them to sort and analyze it in various ways. Putting the information in a database that can be downloaded and searched would be the best way to accomplish this.

DCFPI looks forward to passage of this bill to create greater transparency on DC's economic development projects and their impacts. Thank you for the chance to submit this testimony.