FEDERAL CITY COUNCIL

CATALYST

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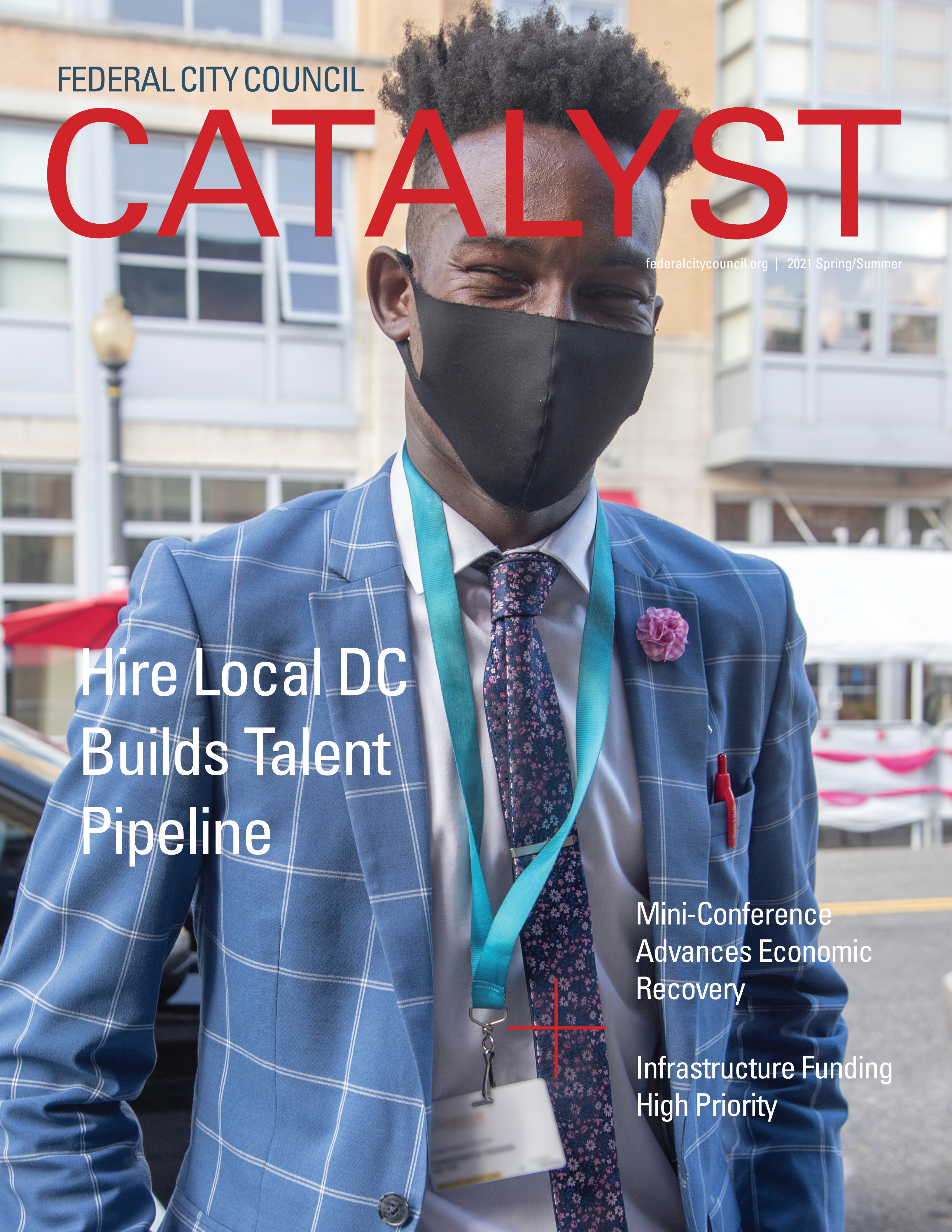

Hire Local DC Builds Talent Pipeline

Mini-Conference Advances Economic Recovery

Infrastructure Funding High Priority

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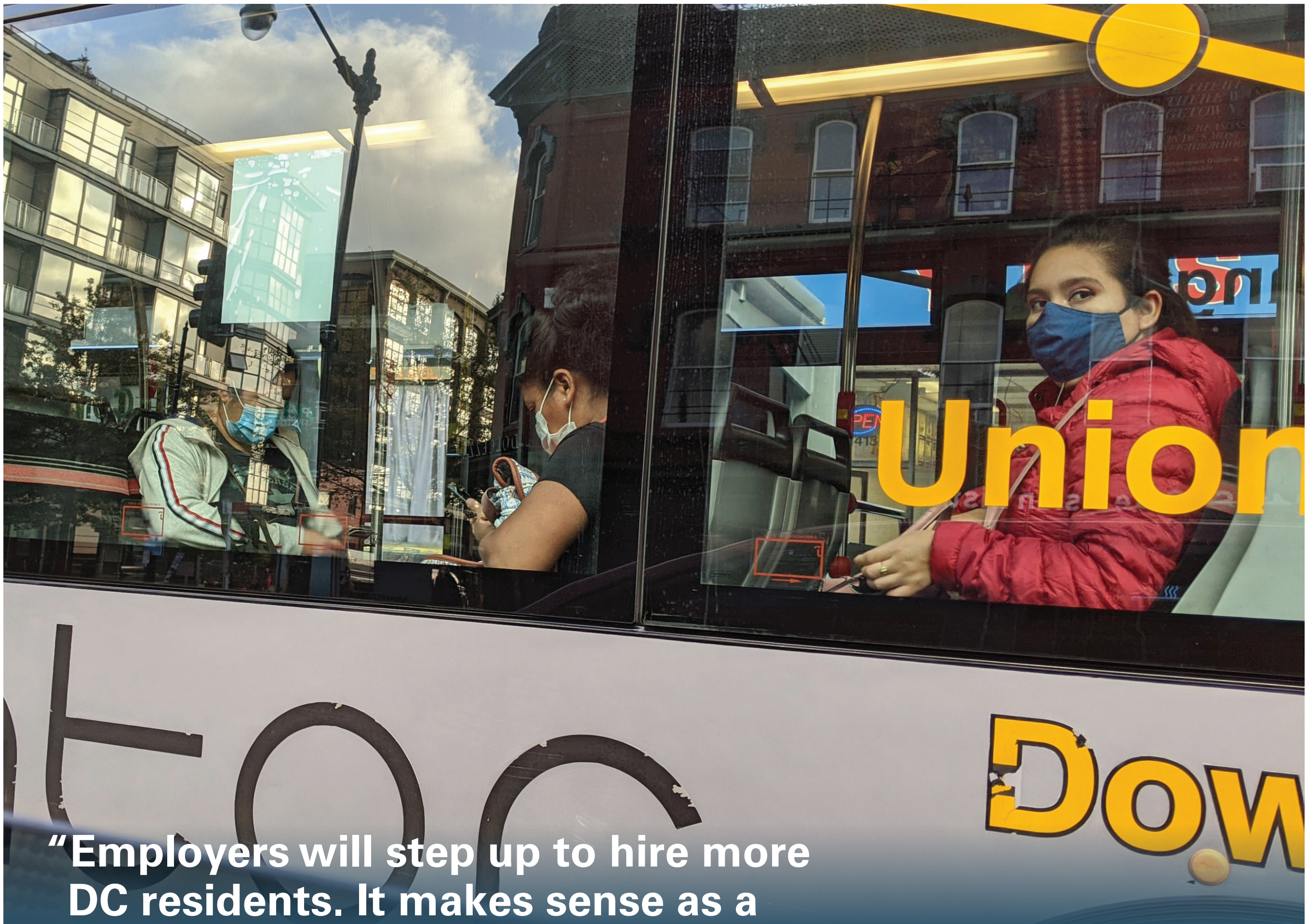

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Letter from the CEO and Executive Director

Dear Trustees,

More than a year after the COVID-19 pandemic shuttered much of our city, the District of Columbia's economy is recovering and its people are ready to shift their lives from their homes to the city. Confident again, we are all ready to live our lives—in person.

DC is doing better than many other cities. This is thanks to the shrewd stewardship of our city officials. While the consensus among residents and employers is that the District will recover, it will be a missed opportunity if the DC that emerges is structurally unchanged from pre-pandemic DC. To help achieve this better future, the Federal City Council (FC2) and its Trustees are as focused as ever on building an inclusive and powerful DC economy.

Anthony Williams interviewing Tom Barkin of the Federal Reserve Bank of Richmond during FC2's virtual Spring 2021 Board Meeting.

In this issue of *Catalyst*, you'll read about many of the FC2's initiatives designed to leverage the businesses community's strength, innovation and ingenuity to address challenges such as connecting employers and job seekers, ensuring access to affordable housing and strengthening DC's fiscal and legal position.

Chief among the stories is a recounting of FC2's Economy Recovery Mini-Conference Part 2, which brought Trustees together virtually on May 19 with regional leaders in talent development, real estate, housing affordability and economic development, including Tom Barkin, President and CEO of the Federal Reserve Bank of Richmond.

Along with a focus on our economic future, we present the critical role of developing an accessible talent pipeline for DC residents, connecting them to the jobs of today and tomorrow. Too many residents are unable to access the region's good jobs, and we are working in concert with our organizational partners to make that possible with Hire Local DC.

This *Catalyst* wouldn't be representative of the FC2's latest work if it didn't include stories about our efforts on two key fronts involving the U.S. Congress: securing appropriate federal funding for DC and facilitating congressional approval of federal legislation to make the District of Columbia the 51st state.

FC2's Trustees rallied to the cause of securing DC's federal funding over the last year, both in terms of emergency funds designed to respond to the COVID-19 pandemic and funding being considered by the Biden administration to support infrastructure spending in DC and the states.

In our story about Statehood Research DC, you'll learn how the FC2 is leading efforts to address arguments against statehood and to propose a legal, fiscal and constitutional future for DC as it would transition to a state.

Finally, we showcase the results of our District Strong initiative, which has brought us together virtually over the last year. District Strong is a fine example of the FC2's ability to adjust swiftly to the needs of our city and Trustees. Like you, the FC2 responded to the reality of the pandemic by looking for new ways to connect and share information and ideas.

We are proud of the meaningful progress that the FC2, its Trustees and staff have made to advance the interests of the District in 2020. Momentum is on our side, and we intend to build on it, today and in the years ahead.

Sincerely,

Tony Williams

Photograph by Tim Brown (Browntj@Flickr)

HIRE LOCAL DC:

Overcoming Barriers and Opening Pathways

Too many good jobs don't go to DC residents. To ensure more residents are given opportunities to access those jobs, a coalition of employers and employer organizations, led by the Federal City Council (FC2) and the DC Chamber of Commerce, are coming together as Hire Local DC.

Part of the FC2's Employers for Equity Initiative, Hire Local DC seeks to overcome employment barriers that many DC residents face by supporting their efforts to develop new career pathways, sign up for work-based learning programs and be hired for higher-earning jobs.

"What we've found is that there are many good jobs available in the Washington area, but there have been challenges connecting DC residents to them," says Anthony Williams, FC2 CEO and Executive Director. "We've already been making headway in K-12 education, but we're still not seeing the number of kids entering into good livelihoods and going into higher education that we'd like to see. We believe Hire Local DC will complete the work we've started and will strengthen equitable talent development efforts for DC graduates."

Hire Local DC estimates that there are more than 340,000 "good jobs" posted in the DC region (pre-COVID) and 81% of those jobs required a post-secondary degree. A good job is one that is paid about $65,000 annually.

Williams noted that Hire Local DC can also begin to address inequities in the education system as well as in the workforce. Out of every 100 students who are in DC's ninth-grade cohort, only 14 will go on to complete post-secondary education. Post-secondary enrollment reflects racial gaps: 83% of White students, 55% of Black students and 49% of Latino students enroll in post-secondary education within six months of graduating high school. Those gaps extend forward into incomes. The median net worth of a white family in DC is 81 times that of a Black family and 22 times that of a Latino family.

"We believe if you provide a framework for the business community to rally around, then employers will step up to hire more DC residents. It makes sense as a business decision and as an equitable economic development strategy," says Kevin Clinton, FC2 Chief Program Officer.

The members of the coalition include: Apartment & Office Building Association of Metropolitan Washington, Consortium of Universities of the Washington Metropolitan Area, District of Columbia Building Industry Association, Greater Washington Board of Trade, Greater Washington Hispanic Chamber of Commerce, Greater Washington Partnership, DC BID Council, DC Workforce Investment Council, Department of Employment Services, Office of the Deputy Mayor for Planning & Economic Development, Office of the Deputy Mayor for Education, Office of the State Superintendent of Education, and DC Water.

Hire Local DC provides a structure for employers and non-profit providers to coordinate their overlapping initiatives to strengthen the local talent pipeline. It also provides a single point of contact for the government to reach out to the employer community. Employers are able to share resources, align their individual initiatives across the community, and work cooperatively to reach common goals through events, a website and coordinated engagement with individual employers.

"We are happy to partner with the Federal City Council to increase job opportunities and success for DC residents," says Angela Franco, President and CEO, DC Chamber of Commerce. "As we work through the details, we are confident that once the program is in place, we will be able to create career pathways for the residents of this great city."

A recent D.C. Policy Center paper addressed how to build an inclusive economic recovery and provide DC residents admission to good jobs in the region. The paper, *D.C. Policy Center Paper: Building a Local and Multi-racial Talent Pipeline*, found that young DC residents, particularly young people of color, face disparities in opportunities for preparation, education and credentialing that open access to employment.

"In 2019, of the 415,828 District residents between the ages of 17 and 64 who were not in school, 53,471 (13%) were not working. Three quarters of these non-working adults were Black residents without college credentials, leaving them with little hope to qualify for the majority of the 117,000 jobs filled that year," the report noted.

Hire Local DC is working with a number of non-profits to support its goals. Groups include the AOBA Educational Foundation, which gives professionals the skills and training to pursue careers in the building maintenance and engineering profession; the Collaborative of Leaders in Academia and Business (Capital CoLAB), a partnership of business and academic institutions to develop talent; CareerWise DC, which is a DC youth apprenticeship program; the Greater Washington Apprentice Network (GWAN), a group sponsored by Aon, Accenture, the FC2 and the Northern Virginia Chamber of Commerce looking to expand apprenticeships in the region; and Talent Ready, a CoLAB program to give students, beginning in high school, digital skills and professional experiences.■

REGIONAL COALITION ADVANCES APPRENTICESHIPS TO CLOSE THE TALENT GAP

To better address the talent shortage in the region, a coalition of regional employers, education groups and nonprofits, including the Federal City Council (FC2), have launched the Greater Washington Apprenticeship Network (GWAN) to lower barriers that often keep qualified workers from accessing well-paying positions.

"Our area lags in inclusive economic growth," says Marty Rodgers, Accenture Market Unit Lead, US – South. "While talent, grit and will to succeed are distributed equally across the DMV, opportunities are not. Apprenticeships can play a critical role in our region's recovery and helping to build a more economically inclusive community."

Launched in April 2021 by Accenture, Aon, the Northern Virginia Chamber of Commerce, employers, and the FC2 and nonprofit partners, the network seeks to create 1,000 apprenticeship roles by 2025. GWAN advances diversity, equity and inclusion, strengthens communities and requires less investment per worker. It builds new pathways to jobs that might typically require a specific degree or professional experience.

"The Federal City Council has already been leading in terms of education and making headway in K-12, but we're not seeing the number of kids entering into livelihoods and BA degrees that we'd like to see," says Kevin Clinton, FC2 Chief Program Officer. "Our involvement with GWAN is an effort to come full circle and complete the work we started in education by leading students to good jobs in adulthood."

Employers are encouraged to create their own apprenticeship models that fit their companies. For example, Aon combines a two-year partnership with local community colleges to hire students in full-time roles while they study relevant courses. At the completion of the program, apprentices have earned their Associate's degree and a permanent full-time role at Aon.■

SPRING BOARD MEETING:
A Call to Economic Arms

Federal City Council (FC2) Trustees came together virtually on May 19 for their Spring 2021 Board Meeting, using the time to convene the District Strong Economic Recovery Mini-Conference Part 2 and carrying forward discussions about the District of Columbia's economic future.

Building on the conversations begun last December during the District Strong Economic Recovery Mini-Conference Part 1, Trustees looked for ways to build a recovery guided by the principles of equity, resilience and innovation.

While Part 1 featured top consultants briefing Trustees on the pandemic's impact on the District's key economic sectors, Part 2 focused on advancing a shared understanding of the region's economic future.

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Sponsors

Economic Perspectives: Tom Barkin

As the Washington, DC region begins to recover from the pandemic, demand for goods and services is surging, yet economists see challenges ahead for the region.

Chief among those challenges is a worker shortage that is hitting all sectors in the DC economy—but especially in hospitality and tourism, where wages are lower and recruitment needs are greater.

"The biggest problem people are finding is staffing," said **Tom Barkin**, President and Chief Executive Officer of the Federal Reserve Bank of Richmond. "That's strange when unemployment is still at 6%. People are struggling to find talent."

Barkin said the sluggish talent pipeline reflects that there are critical factors still constraining people's participation in the workforce such as access to child care, schools not fully reopening, looming retirements and workers still not feeling safe enough to return to the office. Barkin added that employees are feeling financially free enough to be selective, particularly if jobs pay less than $15 per hour.

Economic Perspectives Interview

Anthony Williams

Tom Barkin

"If you're at home and you're looking for a job and you're seeing higher prices, you might take a couple more weeks to be choosey," said Barkin. "If you pay over $15 an hour, those [businesses] are not having a problem getting workers."

Barkin predicted that a meager talent pool could be a longer-term problem for the region given society-wide issues such as fertility rates being down, immigration numbers having dropped considerably and Baby Boomer retirements.

Given the talent shortage, Barkin thinks the District and the region should invest their windfalls of federal stimulus dollars into reskilling workers. Workforce growth could be a major constraint for the District and the Northern Virginian economies.

"In the longer-term environment, [workforce availability] is actually the critical issue for the next five to 10 years," he said. "How do we have a distinctive workplace in a country that is going to be short of workers?"

Barkin believes the region is likely to continue to feel a labor squeeze once the pandemic has receded because of the growing mobility of labor. Employees are freely moving around the country, thanks to talent shortages and technology that allows workers to telecommute easily.

Federal investments in infrastructure targeting community college training and beefing up certificate programs for certain occupations is key, and he supports those efforts in Congress. Barkin said that the skilled trades in manufacturing and construction are facing a massive shortage of workers, and more must be done to draw people to the jobs and provide training.

"If we do infrastructure spending without an infrastructure work plan, we're going to end up with shortages, price competition and all the things that are not good," said Barkin.

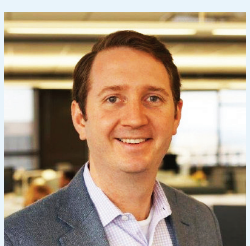
Barkin encouraged policymakers in the District to be assertive in spending their federal infrastructure funding when, and if, it arrives. It could provide a noteworthy investment in the employment market.

He pointed out that there is some $11 billion in unpaid rent in the U.S., and Congress has approved $47 billion in rental assistance that could be used to pay back those arrears. In the District, that could be as much as $131 million to offset tenants and landlords' costs, when the DC Council lifts the moratorium on evictions.

He also said the District should act to take advantage of $50 billion in federal funding for the country to offset the fees for consumer broadband coverage. The government has only deployed about $20 billion of the total, and it could prove an effective tool in helping families get connected to the Internet.

"I think we're lucky at this point in the recovery," Barkin said. "In lots of recoveries, we don't have money to invest. If we can get that money into the places where it's needed, there's a huge investment [advantage] to that."

Panel 1: Engines of Growth Co-Moderators



Tim O'Shaughnessy

Jodie McLean

The conference's panel sessions brought together a select group of political, business and civic leaders for frank conversations on pressing issues facing the region. These Squawk Box-style discussions offered insights on how business leaders could help guide and advance policy cooperation in DC and more broadly.

Panel 1: Engines of Growth

By unleashing DC's engines of growth—its business community and job creators—the District of Columbia can stimulate new levels of economic activity and prosperity to lead the District out of the worst financial slump since the Great Depression.

Yet, in a panel session moderated by FC2 Trustees **Tim O'Shaughnessy**, President and CEO, Graham Holdings, and **Jodie McLean**, CEO, EDENS, conference speakers predicted those engines of growth could be sidelined if the DC Council continues to put up hurdles like new business regulations and legal mandates that hold businesses and entrepreneurs back.

"It sends a signal to businesses that we don't care if we're making a DC-based business structurally uncompetitive with its competitors in other jurisdictions," said FC2 Trustee **Mark Ein**, Founder of Venturehouse Group.

"It sends a message about how the government feels about its businesses."

Given financial and employee pressures to keep working remotely, DC businesses will need the government to be a partner in drawing workers back to offices in the District, Maryland and Virginia (DMV). For the quarter ending March 31, 2021, DC's office vacancy rate had risen to 13.7% and the average base rent declined 0.2%. The last time rent declined was in the first quarter of 2015.

"In terms of our focus, it will have to return to building the infrastructure and the amenities of the city as we go back," said **Fitzroy Lee**, Interim Chief Financial Officer for the District. "That is going to be key to driving the growth of DC and the region."

Speakers

Policy and Competitiveness

Mark Ein

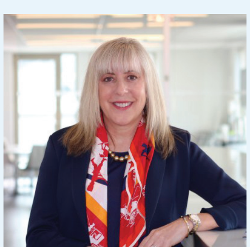
Janene Jackson

Economic Development

Richard Lake

Victor Hoskins

Return to Office/Downtown Impact



Kyle Schoppmann

Fitzroy Lee

Lee said the impact of the pandemic proved more severe than previously thought. DC lost 66,100 jobs in 2020, a decline of 8.2%. Private employment was down by 71,900 jobs while public sector employment increased by 5,800. Most of the private sector job losses were in hospitality, retail and business services, according to the District of Columbia Economic and Revenue Trends: March/April 2021.

Drawing businesses and workers back downtown would be easier if DC overcomes its reputation for incubating start-ups and then watching those companies such as Cvent and Opower flee to the suburbs to avoid regulation and taxation.

"There's an excessive amount of regulation," said **Janene Jackson**, Partner in Holland & Knight's Public Policy and Regulation Group. "One of the things the government needs to do is look comprehensively at the regulatory regime in the District of Columbia. Where are Maryland and Virginia beating us? What can we do as a city to address those inequities in our business regime?"

Competition between the three jurisdictions shouldn't be so fierce that the other localities are diminished by the rivalry, said several speakers. Instead, the DMV benefits from a more collaborative approach to economic development.

"DC is the center of the wheel," said **Victor Hoskins**, President and CEO of Fairfax County Economic Development Authority. "The region doesn't spin without DC. We need DC to be great. What we're trying to do now is figure out how we jointly market the [region] the way we did to attract Amazon."

Hoskins suggested that the DMV has a lot to offer businesses and workers, and this post-pandemic period demands that jurisdictions aggressively draw investment to the region. The data analytics and quantum computing industries are growing, and DC remains a great market for international investment, especially given its location and workforce profile.

Speakers said that attracting new businesses will be more difficult if the increasingly progressive Council doesn't work in partnership with the business community. For the 12-month period that ended in February 2021, total tax collections were down by $495 million or 5.8% from the prior year. For the last three months, they were down 6.7% from last year, according to the revenue and trend report.

"The conversation about equitable development should acknowledge that it is in everyone's interest to provide housing and access to jobs that make our city better," said FC2 Trustee **Richard Lake**, Principal of Roadside

Development. "The problem is they're looking for ways to provide barriers as opposed to solutions."

Kyle Schoppmann, President of the Mid-Atlantic Division of CBRE, said there is a lot at stake at this moment, but she believes the business community and elected officials can work in partnership to open up the DC economy to respond to the needs of District residents. "There is pent-up demand," she said. "There is still a long way to go, but we're optimistic about the future."

Panel 2: Making Economic Recovery More Equitable

As the COVID-19 pandemic shows signs of coming to an end, the success of any economic recovery in the District will be measured by how equitable it is in addressing the ongoing challenges faced by every DC resident.

FC2 Trustees **Marty Rodgers**, Market Unit Lead for the South, Senior Office Managing Director for Metro Washington DC, Accenture and **Tonia Wellons**, CEO, Greater Washington Community Foundation, moderated a discussion that focused on three key challenges: access to affordable housing, opportunities to tap into the regional talent pipeline to secure good-paying jobs, and closing the digital divide to ensure DC adults and children have digital access.

"I think the most important overarching outcome is an inclusive, robust and powerful recovery," said **Anthony Williams**, CEO and President of the Federal City Council (FC2). "We want a recovery that is sustainable and resilient and has legs to go."

Affordable Housing

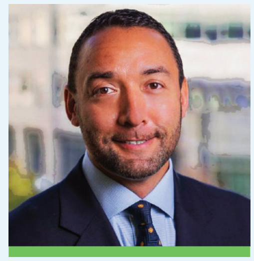
In recent years, DC has made advances in growing the stock of affordable housing, but conference speakers say the District must build on its past achievements to respond more effectively to the city's ongoing housing affordability crisis for low- and middle-income families.

David Bowers, Vice President and Mid-Atlantic Market Leader for Enterprise Community Partners, encouraged business and philanthropic community leaders to work with the public sector to meet regional affordable housing goals. The Washington Metropolitan Council of Governments announced that the region should add at least 320,000 new units between 2020 and 2030, with 75% of them considered affordable.

"We want to find solutions that work for households and landlords," said Bowers. "We need to reduce barriers and streamline programs to make sure they are effective."

The Bowser administration has invested heavily in growing DC's affordable housing supply, setting a goal of creating 36,000 new affordable housing

Panel 2: Equitable Recovery Co-Moderators

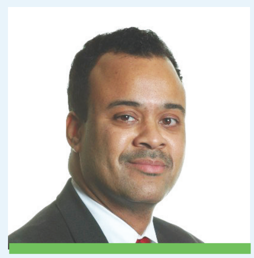


Marty Rodgers

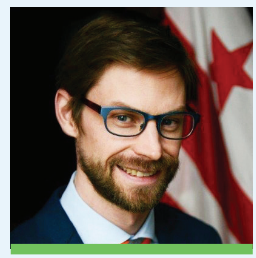
Tonia Wellons

Speakers

Housing Affordability



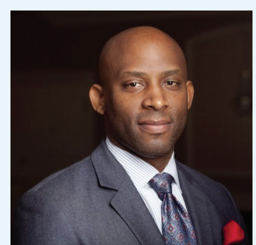
David Bowers



Andrew Trueblood

Local Talent Pipeline

Lindsey Parker



Thomas Penny

Digital Divide

Jennie Niles

Mimi Yeh

units by 2025, adding new affordable housing units in every ward and increasing contributions to the Housing Production Trust Fund to more than $100 million annually.

In addition, the Comprehensive Plan was passed by the DC Council on May 18, opening up the possibility of building 15% more affordable housing units in DC. "The new plan opens up areas along Connecticut Avenue to provide more affordable housing," noted **Andrew Trueblood**, Director of the DC Office of Planning.

Talent Pipeline

A broad and accessible talent pipeline serves as an on-ramp to wide-ranging and well-paying career opportunities, but too often District residents have not had access to this skilled employment pool and the job opportunities there.

"We need to create a local talent pipeline," said **Jennie Niles**, President and CEO of CityWorks DC. "It has to be one where we are not missing the handoffs and not relying on pathways that are only one and not multiple. We're missing some of the critical components to make it all the way through."

But the pathway to a good career doesn't always run through college, and Niles noted that some 30% of DCPS high school graduates who return to the city with a college degree are in jobs that do not require one. What's needed, according to Niles, is the social mobility trifecta of the right credentials, social capital and relevant work experience. *(See the Hire Local DC story on p. 2.)*

For **Thomas Penny**, President of Donohoe Hospitality, the focus must instead be on apprenticeships or other on-the-job experiences that allow teenagers to be exposed to the workplace and swiftly transition from high school to employment. DC has focused on apprenticeships as an avenue for students to both earn and learn, creating another on-ramp to career pathways. *(See the Greater Washington Apprenticeship Network story on p. 3.)*

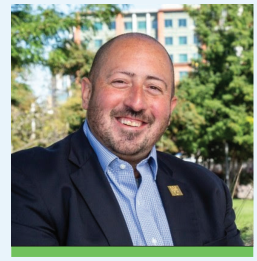
Closing the Digital Divide

Extending the DC talent pipeline will be a tremendous achievement, but it may be for naught if the District isn't able to address its shortage of digitally literate employees. Much like the rest of the United States, that shortage in DC is destined to continue to grow if left unresolved.

"If we're able to bridge the digital divide here in Washington, that will be the engine of growth," said **Lindsey Parker**, Chief Technology Officer for the District of Columbia. "We need young people who are resilient to be part of the workforce, and that makes us more resilient as [a city]."

Smart Government Investment Interview

Anthony Williams



John Falcicchio

Modern workplaces need employees who have IT systems training for technology-related sectors but also for careers as skilled technicians, paraprofessionals and even support personnel, which are all in demand.

"We all see and agree that closing that digital divide and increasing literacy skills from a computer capability standpoint, helps businesses and helps communities and helps local economies," said **Mimi Yeh**, Vice President for Connected DMV, noting that technical training should not be reserved for young people alone. "There's another generation of the workforce that also needs this type of training, and that's adult learners."

Parker said DC families should also take advantage of the Emergency Broadband Benefit, which is offered through the Federal Communications Commission. It provides a discount of up to $50 per month toward broadband service for eligible households and up to $75 per month for households on qualifying Tribal lands. Qualified households can also receive a one-time discount of up to $100 to purchase a laptop, desktop computer or tablet from participating providers.

DC Recovery Needs Smart Government Investment

For District of Columbia businesses to recover fully from the pandemic's economic trauma, city leaders must create the circumstances that ensure both small and large companies are able to not only revitalize their sluggish businesses but also to thrive in the near and long term.

"What we have to do right now is set the conditions that business can thrive again," said **John Falcicchio**, the Deputy Mayor for Planning and Economic Development. "What we're going to ask the Council to do is put a hold on taxes, fees or mandates. We probably should go through the process again of looking at our taxes and their fairness and competitiveness across the region, as well as our mandates."

Falcicchio's comments came in the final session of the conference, as he and Williams spoke about the DC government's approach to the recovery. He said many of DC's business taxes and regulatory mandates put the city at a disadvantage in digging out from the pandemic. When Mayor Muriel Bowser presents her budget to the Council, he said Bowser will ask members to not raise taxes or fees.

What the Council could do to speed the way to the recovery, Falcicchio noted, is put back into place requirements that have a positive impact in rebuilding the economy and bringing employees back to work. For example, reinstituting the requirement that individuals collecting unemployment benefits be required to seek work—a pre-pandemic mandate.

"A lot of the time the best response to our economy is to stand out of the way and let a powerful economy do its work," said Falcicchio, noting that actions by the Council could undermine that natural recovery process.

The Bowser administration's list of priorities includes two strategic investments: investing in people and reskilling, and investing in the downtown area. Reskilling and strengthening DC's talent pipeline is a major focus for the city, and Falcicchio believes jobs are coming back and the District needs to put measures into place to make sure residents are first in line for those jobs in the hospitality and technical sectors.

One of the areas those jobs need to come back to is the downtown. "The downtown is the economic engine of the city but also of the region," said Falcicchio. "We're going to have to do more to attract and retain our businesses, our major employers, to put some incentives in place to fill the office space that has been vacant."

One of the initiatives that is designed to draw people and companies back to downtown has been the city's focus on placemaking. As companies think about how offices return to work, it's important that the city offers workers a good experience when they're downtown.

For example, the city will reopen the newly renovated Franklin Park in fall 2021. The park, the largest green space in the downtown, will have a restaurant and pavilion, an expanded and restored fountain plaza, a new children's garden and new seating and walkways. The park is located in the DowntownDC Business Improvement District (BID).

"How do we work with each of the BIDs to fund a project that makes that BID or neighborhood unique?" he said. "That's something we're looking at in that budget." ■

Photograph by Tim Brown (Browntj@Flickr)

2012 Washington Union Station Expansion and Burnham Place Project Vision;
Credit: Akridge and Shalom Baranes Associates

FEDERAL CITY COUNCIL:

Indispensable in Fight for Federal Funding

As the COVID-19 pandemic recedes, the Federal City Council (FC2) is championing a coordinated campaign to encourage members of Congress to advance equity and invigorate the DC economy by investing federal resources through the Biden administration's infrastructure spending plan.

The Biden administration is pitching a $2.3 trillion infrastructure investment plan to tackle everything from road and bridge repairs to the aging electric grid to workforce development. More than $1 trillion is set aside for transportation-related projects.

"We have been working on a federal infrastructure campaign since last October," says Laura Miller Brooks, FC2 Senior Transportation and Infrastructure Associate. "We wanted to ready the District to benefit from federal infrastructure funds when they would come. We were early in engaging Mayor Bowser and Congresswoman Norton to offer support, and crafted a strategic approach for critical engagement with decision makers in the Biden administration, Congress and at the local level."

In April, the White House released grades for the infrastructure in states and the District. DC received a C-, noting that the District needs improvements in its roads, public transit and upgrades in home energy-efficiency. DC has 402 out of 1,500 miles of roadways and eight of 244 bridges that the report labeled as in "poor condition." DC also has 22 miles of rail and 10 miles of inland waterways.

Miller Brooks says the FC2 has prioritized a number of infrastructure initiatives for the District, including improving bus infrastructure such as lanes and signals; transferring land from the federal government to the District, including RFK Stadium and its surrounding land; and electrification of the bus fleet. The project that has emerged as the greatest opportunity for the District is the $10.7B Washington Union Station Expansion Project (SEP).

"The expansion of Union Station represents the single greatest economic development and transportation opportunity for the District of Columbia and the region as a whole," says Anthony Williams, FC2 CEO and Executive Director. "The station expansion project transforms an underutilized asset in the heart of our city and will have a significant influence in allowing the region to achieve goals related to growth, efficiency and competitiveness, as well as critical climate-related goals."

Not only will the expansion double the station's capacity for Amtrak and commuter rail service, it will enhance safety, access and the station's role as a high-capacity, multimodal transit center. The SEP will create 67,000 construction jobs over 10 years, and increase access to jobs and talent throughout the region and entire Northeast corridor.

This critical hub in the larger rail network will unlock the ROI of investments being made by Maryland and Virginia, enabling commuter trains to 'run through' to each other's tracks and stations, and connect the entire Northeast corridor with faster and more reliable service. The station expansion also will have a major influence on the successful development of the air rights over the Union Station rail yard, which will deliver substantial economic, housing, open space and connectivity benefits.

Nearly all other multimodal facilities are owned by state or municipal transportation entities. Union Station is unique in that it is owned by the U.S. Department of Transportation, making it the only federally owned rail station in the country. The last infrastructure investment was made in the 1990s for the Acela launch, and the station requires immediate federal support to modernize critical infrastructure. Union Station's status as a federally owned asset, combined with the fact that the station expansion project is a federally led project, presents both a challenge and opportunity for this project becoming a reality.

"As an organization that was instrumental in calling for the redevelopment of the station in the 1980s, and with one of five board seats on the Union Station Redevelopment Corporation (USRC), there is no one better than the FC2 to ensure the project's success," says Williams. "This is the time for the FC2 to play our part and take advantage of this once-in-a-generation opportunity of federal investment to build the next century of the nation's train station," says Williams, noting FC2 sent a joint letter with other DC business groups in June supporting federal funding for the project.

The FC2 has a great track record when it comes to rallying the business community to advocate for DC and its people. After Congress shortchanged the District $755 million in CARES Act funding last year, the FC2 and other business leaders waged a grasstops and grassroots campaign for nine months that ended when Congress approved legislation to make the District whole, and treated the District as a state in the American Recovery Plan.

"That was a huge effort by the Federal City Council," says Williams. "We organized a broad coalition of organizations across the DMV to have Congress correct DC's treatment in the original CARES Act. We look at it through the lens of the District, but this funding benefits everyone living and working across the DMV."

Under the 2020 CARES Act, each state received a minimum of $1.25 billion, but the District was given about $500 million, even though DC is generally treated as a state for federal funding. It amounted to about $700 per resident, compared to $2,000 per person for other states—ones that have fewer residents than DC.

The American Rescue Plan Act of 2021, which passed in February 2021, appropriated $1.9 trillion for the states, including the retroactive funding for DC. The law translated into $2.2 billion for DC with retroactive and 2021 funding.


2020 Station Urban Design Concept,
Credit: Akridge and Shalom Baranes Associates

STATEHOOD RESEARCH DC PRESENTS THE FACTS AND OPPORTUNITIES FOR STATEHOOD

Photograph by Ted Eytan (TedEytan@Flickr)

The Federal City Council (FC2) is incubating a new nonprofit called Statehood Research DC (SRDC). The nonprofit is sponsoring educational research and papers on DC statehood, ensuring policymakers and the public are given the historical context, how it might be phased in over time and how the new state would function.

"Statehood has gone from a backburner, maybe-one-day issue to a today issue due to changes in the national political climate and the skilled efforts of local political leadership and advocacy groups," says FC2 Trustee Gregory McCarthy, SRDC Board Chair and Senior Vice President of Community Engagement for the Washington Nationals. "We're not going to be lobbying individual members of Congress for statehood. We are going to perform research from now and until statehood happens so elected leaders, as well as the business community, have the facts they need to assess and plan for statehood."

In April 2021, the U.S. House approved the Washington, D.C. Admission Act to make the District of Columbia the nation's 51st state. While it was a victory, observers recognize that there is still much work to be done to win approval in the U.S. Senate. McCarthy acknowledged that much work must be done, noting that House hearings revealed the senseless arguments against statehood such as DC cannot be a state because it doesn't have a car dealership or a landfill.

"Artificial arguments have been thrown up for years," says Anthony Williams, FC2 CEO and Executive Director. "There's always been a number of barriers—racial, distrust of cities, dislike of former Mayor Marion Berry and what he represented, and the fears it would be a Democratic stronghold. None of that changes the fact that the District should be a state."

To move the process forward, SRDC will explore how statehood might change DC's business climate, what the new relationship between DC and the federal government could look like and the financial and budgetary impact of statehood on DC and its tax system and annual budgets.

McCarthy believes that policymakers need to understand how a transition process can be mapped out that can address all concerns. Policies and regulations will need to be renegotiated with the federal government and all options scored for fiscal and economic impact. A new government system will need to be created when the District becomes a state.

This is an especially important conversation to have right now as DC and the region look to recuperate from the economic downturn triggered by the COVID-19 pandemic. Statehood might change DC's business climate or its competitiveness in the region—critical factors right now during a recovery.

"We've been shortchanged by not having elected representation in the Senate," says McCarthy. "Last year, we had to live with the 'big fleece of 2020' where DC was almost shortchanged in its federal funding for coronavirus relief. Six senators representing this region from Maryland, Virginia and DC, lobbying for economic development projects and equitable federal funding for the region, is the best way to protect the city's interests."

McCarthy argues that the business community has a role to play in enfranchisement discussions because it not only affects them as organizations but also the people they serve. "From a justice point of view, business leaders ought to care about what democratic rights their employees and customers and the people they serve have," McCarthy says. "Businesses ought to support justice, period. In the case of statehood, justice is also good for the bottom line."

SRDC's first research project explored the history behind DC's lack of local legislative independence and voting representation in Congress. The report, entitled *Democracy Deferred: Race, Politics, and D.C.'s Two-Century Struggle for Full Voting Rights*, is coauthored by George Derek Musgrove and Chris Myers Asch, two of the District's leading historians. The report explained that the Founders never reconciled the tension between "no taxation without representation" and the federal government's need to control the seat of government.

DC residents originally voted for U.S. senators and representatives, but that right was stripped away when Congress claimed "exclusive legislation" over the federal district with the Organic Act of 1801. DC residents lost all voting rights in 1874 for nearly 100 years until after the Civil Rights Movement. DC residents were eventually able to win support in the 1960s and 1970s for voting rights, including being able to vote in presidential elections, have local self-government and elect a non-voting delegate to the House of Representatives in the 1960s and 1970s. ■

District Strong: By The Numbers

District Strong is the Federal City Council's (FC2) effort to galvanize its members to support DC's response to and recovery from the COVID-19 virus.

Total Webinars: **89**
Total Webinar Attendees: **5,434**
Average Attendees Per Webinar in 2021: up **12%** from 2020

Total Individual Speakers: **143**
Local Speakers: **126**
National Speakers: **17**

Survey Results
(average, scale 1 to 10)
Overall Satisfaction: **9.5**
Information Shared is Useful: **9.3**
Likely to Share Information with Others: **9.2**

Most Attended In 2021

1. **May 7**
Mayor Muriel Bowser: 123 attendees
2. **March 15**
Greg O'Dell and Elliott Ferguson: 105 attendees
3. **May 10**
Chairman Phil Mendelson: 104 attendees
4. **February 3**
Councilmember Kenyan McDuffie: 95 attendees
5. **January 18**
DC Police Chief Robert Contee: 94 attendees

(All data as of May 11, 2021)

DC Newsmakers Offer Timely Updates

Mayor Muriel Bowser
Kept Trustees abreast of DC's progress during the pandemic.

CFO Jeff DeWitt
Shared his insights on the DC economy and the city's fiscal outlook.

Police Chief Robert Contee
Offered his view of the police responses to the Jan. 6 insurrection at the U.S. Capitol.

Transportation Series

Explored how trends are impacting urban transit and infrastructure. (Fall 2020)

- Future of Urban Transit in DC
- Creative Use of Public Space
- The Future of Union Station
- Defining, Contextualizing and Understanding Transportation Equity
- Future of Transportation (pt.2)
- Full Speed Ahead: Regional Rail

DC Council Leaders Series

DC Councilmembers share their legislative priorities. (Ongoing)

- Kenyan McDuffie, Ward 5
- Christina Henderson, At-Large
- Brooke Pinto, Ward 2
- Phil Mendelson, Chair
- Robert White Jr., At-Large

The D.C. Policy Center Reports on the State of D.C. Schools, 2019-20

In March, the D.C. Policy Center released its *State of D.C. Schools Report*, an annual system-wide performance overview of education in the District of Columbia. Focusing on the 2019-20 school year, the report examines how students, families and schools navigated distance learning, which impacted 94,412 students and 7,659 teachers at 240 DCPS and public charter schools. Highlights from the report showed how systemic supports were utilized, including the DCPS distribution of nearly 16,000 learning devices and 10,000 hotspots and large-scale efforts by public charter schools and local organizations to better connect students. Focus groups repeatedly described mental health, communications, the digital divide and reaching English learners and students with disabilities as issues during distance learning. Inequities of the pandemic have been evidenced in the disproportionate number of COVID-19 cases and deaths concentrated in DC's communities of color. The report noted that 65% of DC students are Black and 19% are Latino, adding that it's likely more students of color were directly impacted by COVID-19 infections than white students. Despite the disruption, the report chronicles some bright spots. Teachers found ways to close communication gaps, stakeholders came together to address basic needs and many parents participated more fully in their children's learning.■

In Affordable Housing, Washington Housing Conservancy Puts Tenants First

To fully realize the promise of preserving homes that remain affordable, the Washington Housing Conservancy (WHC) unites rent stabilization with commitments to promote opportunity, foster respect, elevate the tenant voice, and create places and communities where individuals and families want to be.

Founded in 2018, the Washington Housing Initiative is comprised of two entities. The first is a for-profit Impact Pool that provides investment capital to acquire properties. The second, the nonprofit Washington Housing Conservancy, was incubated by the Federal City Council to own and operate properties, coordinate services for residents, and provide inclusive management that promotes opportunity and encourages community engagement.

"We are creating affordable apartment communities where residents are invited to participate at any level they choose," says Kimberly Driggins, Executive Director, Washington Housing Conservancy. "The result is a neighborly atmosphere where individuals and families are empowered to contribute to the place they call home."

The WHC's Social Impact Plan underscores the importance of delivering services that meet the needs of low- and middle-income residents, from teachers and nurses to firefighters and caregivers. Core strategies promote equity and inclusion by disrupting a commercial market cycle that typically puts the prospect of affordable rents out of reach. While preserving affordable mixed-income apartment buildings in high-opportunity neighborhoods, the Washington Housing Conservancy is stabilizing rents, emphasizing placemaking, elevating community building, and opening the door to opportunities and wealth-building.

Additionally, a comprehensive strategy for services will be co-administered by residents who help guide the focus and direction of resources such as learning programs, community groups, and childcare and health services. With WHC, residents and their needs come first, in communities of affordable homes where individuals and families want to be.■

LEARN MORE ABOUT THE FC2 AND ITS MEMBERSHIP, PROGRAMS AND INITIATIVES.

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