

FEDERAL CITY COUNCIL

# CATALYST

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## Hire Local DC Activates City Talent Acquisition

DC Economy Tied to  
Downtown Recovery

District Strong  
Stimulates Engagement

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# Letter from the CEO and Executive Director

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Dear Trustees,

Over the years, the Federal City Council (FC2) has helped to galvanize action, stimulate collaboration across sectors, and provide local business leaders with ideas and resources to build and sustain DC's economy. That stamina was put to the test by the pandemic, yet the District of Columbia's future remains promising.

Amid economic pain and doubts about the future, the people of DC move forward in remarkably positive ways — from the determination of DC residents devoted to the city, to the commitment of those engaged in guiding its fortunes from the Wilson Building, to the dedication and resourcefulness of local businesses that are leading the revival of the economy and bringing workers back downtown.

*I believe the pandemic ... has underscored the value of the FC2 and its Trustees in providing needed leadership in support of the District of Columbia.*

I believe the pandemic illustrated the importance of collaboration in addressing major problems in our city and in highlighting the benefits of a business community that prioritizes its people, both workers and customers. Most importantly, it has underscored the value of the FC2 and its Trustees in providing needed leadership in support of the District of Columbia.

In this issue of *Catalyst*, we explore broadly the move to ensure more of DC's residents are employed by the District's employers. By developing new skills and career pathways for all DC residents, we believe DC can mitigate the long-term economic and societal effects of the pandemic and inject greater local representation into DC's workforce through projects like Hire Local DC.

Indeed, we've recently seen some of our policy work come full circle, such as the rebirth of the DC Tax Revision Commission from a decade ago to look once again at the equity and viability of DC's current taxes. This new Commission is vital. When we set out to help reimagine how DC taxes could be both competitive and equitable before, we could not foresee the pandemic and its ravaging effects.

Finally, we explore in *Catalyst* how our District Strong platform of events and programs has grown meaningfully in the last three years. During the pandemic, it was a lifeline for all of us to hear news and find hope. Now, it serves as a link between the FC2 and its civic partners and the greater community as we all look to ensure DC's progress, today and into the future.

Sincerely,



Tony Williams



# BUILDING A RESPONSIVE TALENT PIPELINE

The Federal City Council (FC2) continues to bring together the public and nonprofit sectors in partnership with the business community to implement a region-wide workforce development strategy that helps create an enduring, responsive and diverse talent pipeline serving DC-area residents and businesses.

Through its membership and leadership in a number of regional workforce development organizations, including Hire Local DC, CareerWise DC and the Greater Washington Apprenticeship Network (GWAN), FC2 and its partners are encouraging employers to better coordinate existing work-based learning programs and connecting

employers with a diverse local talent pool. These efforts are all under the umbrella of FC2's "Employers for Equity" initiative, intended to ensure that more DC residents are accessing the plentiful good jobs in the region and that employers have the talent they need to succeed.

"If we're going to remain competitive, we need to adopt a third channel for talent," said Martin "Marty" Rodgers, FC2 Board Chair and Senior Managing Director at Accenture. "The co-creation of that talent channel is at the heart of our youth apprenticeship model. It is also reflected in the other things we are doing and supporting like summer youth employment programs and internships."

By having local employers more directly involved in workforce training and recruitment efforts, they can describe the skills they need in key industries experiencing ongoing labor shortages. Trustee Antwanye Ford, who is Board Chair of the DC Workforce Investment Council and President and CEO of Enlightened, said FC2's central goal is to provide a pathway for DC residents to livable wages and high-demand jobs.

"Right now, people are looking for sources of talent in all the wrong places," said Ford, who serves as FC2's Employers for Equity Chair. "We have a demand for talent, and there is a supply of talent, but people don't look at that supply because it's non-traditional. That's why they haven't been tapped up until now. We're trying to make sure young people are trained to the right skill level to fill the existing demand."

FC2's comprehensive approach to workforce development is embodied by its leadership of the Hire Local DC Coalition, a partnership with 14 regional organizations. Hire Local DC prioritizes employers working cooperatively to ensure that DC residents have access to countless good jobs. FC2 hopes to stimulate local hiring efforts through direct tactical engagements at the industry level, ongoing communications campaigns that highlight work-based learning, and partnerships between employers and post-secondary institutions.

"The FC2's work as part of the Greater Washington Apprenticeship Network is a movement that reinforces a common expectation of businesses, of all sizes, that they will engage, and engage meaningfully, in the development of talent in the city, the region and the country. This effort must have an ROI for business that stands on its own, with the promise to make a bigger difference," said Rodgers. ■

## A Call to Action for Employers

FC2 and its nonprofit partner CityWorks DC, which seeks to improve career options for DC's youth and young adults, launched "A Call to Action: Building Local Talent through Work-Based Learning" this spring. The guide helps employers navigate the complex network of work-based learning opportunities, and to provide them with specialized tools and materials to help build their local talent pool.

"We have lots of employers that have significant talent needs, and they've been vocal about that for a long time," said Trustee Jennifer C. Niles, CityWorks DC President and CEO. "We also have a city filled with incredible talent that we have not been tapping. For the city's health, we need to help employers access the talent in the city and in the DMV [District, Maryland and Virginia]. It's often folks who are moving into the area who are hired for those good jobs, so we need to make sure we have a clear local talent pipeline here."

The Call to Action guide helps employers find good-fit partners ready to support them in building their company's talent pool through youth work-based learning. All the nonprofit and public sector partners listed in the guide meet standards of excellence in youth work-based learning.

Along with the guide, Hire Local DC launched a newsletter this spring that is distributed to 150 companies and community groups to share employer-facing resources, opportunities for involvement and events focused on helping companies build and strengthen their talent pipelines.

"One of the things we've talked about within the Federal City Council is how we bring clarity to this workforce development ecosystem between the different stakeholders like the DC Public Schools, other District agencies, the nonprofit community and employers?" noted Trustee Jay Grauberger, Executive Vice President of Corporate Affairs at Clark Construction Group, LLC. "How do you organize that ecosystem in a way that gives clarity,

efficiency and effectiveness? We at Clark wanted to support the process by helping find a model that is scalable and successful."

Engaging youth (typically aged 16-24 years old) in high-quality, work-based learning opportunities gives employers a direct recruiting line to diverse

local talent. Hire Local DC is encouraging employers to incorporate work-based learning into their talent development strategy, and it is prepared to help employers find nonprofit partners that align with their workplace goals and company capacities to find and recruit local talent. ■

## Construction Industry Partnership

One of FC2's most enthusiastic initiatives has been the formation and launch of the Construction Industry Partnership for regional construction business leaders, ranging from national general contractors to local subcontractors in a variety of trades. The Partnership seeks to identify priorities for action and workforce development in the construction industry.

"We are making sure that the right people are at the table in our industry, so we have worked very hard to get some very successful builders and subcontractors to the table so we have as many voices in the conversation as possible," said Trustee Linda Rabbitt, Emeritus Officer, and Chair of the Construction Industry Partnership. "One of the things this partnership is trying to do is identify the most significant recruiting, hiring and retention barriers, so we can really start working through and developing a reliable process for recruiting talent."

Launched in November 2022, the Partnership was convened by FC2 with support from CityWorks DC and includes some 30 employers along with a team of strategic partners including the DC Workforce Investment Council, the DC Deputy Mayor for Education, the DC Public Schools, DC's Office of the State Superintendent of Education, and the Eastern Atlantic States Regional Council of Carpenters.

"We will accomplish much more together through a common articulation of what's needed in the construction industry and with a collective effort

than any one company would on its own," said Grauberger. "Each company can do its part, but together we can collectively interface with DCPS or nonprofit groups to outline a very clear vision and process for apprenticeships. That way, we will avoid more disparate, redundant or competing efforts." Industry leaders in construction in the region share many of the same opportunities and challenges in growing their businesses. They depend on a skilled workforce, and know it's not easy to find and retain talent with the right skills, qualifications and interests in the construction sector. At the same time, there are many DC residents who could succeed in construction if they had access to the right training and skills development, and if they understood the many benefits of working in the construction field.

"What the construction industry partnership is doing differently is that employers are working with other employers to articulate what they need, and then inviting strategic partners, such as government agencies and education institutions into the conversation rather than vice versa," said Niles. "When the companies are called to collaborate with each other to drive the regional labor market's talent strategy, we have the possibility of really getting scale and attracting talent in ways that we haven't been able to achieve before."

Finally, another key outcome of these concentrated efforts to improve DC's talent pipeline is how they highlight the importance of

making education more relevant, more accessible and more engaging for students. Making learning and training relevant for students and relating them back to career success gives students a reason to stay in school, excel and graduate.

“We live in a great city,” Ford said, “but we cannot be defined by what zip code we live in. And our young people deserve to have opportunities for apprenticeships and careers that reflect their skills and talents and not just their zip codes.” ■

## Dion White: Charting a Path to a Career

For Dion White, being an apprentice at Enlightened, Inc., a DC-based information technology and consulting firm, has helped him acquire new skills, discover his college major and, hopefully, unlock his career.

“The apprenticeship helped me be more focused and more specific in making my decision about my major,” said White, a freshman at George Mason University. “I knew I wanted to work in the tech field, but what part of it did I want to go into? With my experience at Enlightened, I was more confident in my decision to choose cybersecurity.”

In high school, White, 19, was introduced to CareerWise DC, which offers three-year apprenticeships for high school students in the IT, financial services and business operations fields. The organization helped him create a resume, prepare for employment interviews and gain some office skills.

CareerWise DC, which is run by CityWorks DC and supported by CityBridge Education, helps reshape education-to-employment pathways for young people so they are able to gain paid work experience, earn certifications and credentials and acquire a supportive professional network.

At Enlightened, White worked as an IT apprentice. He was able to experience a number of different projects, such as researching software and digital forms that automated the filling out of timesheets, assignment task logs and day-to-day progress.



FC2 Trustee Antwayne Ford with Enlightened apprentices Evan Thompson (left), Ricaya Triggs (center) and Dion White (right).

“You’re not just pushing papers,” he said. “It was a great hands-on learning experience.”

White graduated from the Friendship Technology Preparatory, a public charter and college preparatory high school. His three-year apprenticeship with Enlightened runs through November 2023, and he has continued to work for Enlightened virtually and on breaks from college.

“I like keeping productive and earning money on the side while I’m in college,” said White, who would like a career as a government contractor. “My work has gotten increasingly bigger than what I was asked to do originally. I’ve worked in different departments, including IT, Human Resources and Finance, and they’ve given me increasingly more responsibility over time.” ■

# DC ECONOMY FACES LONGER ROAD TO RECOVERY

The District of Columbia's economy remains in a state of flux. Hard hit by the pandemic and slowed by the sluggish return of office workers to downtown, the city continues to seek a steady path forward to a full economic recovery.

"To grow the DC economy, the District of Columbia must be a competitive city," said Anthony Williams, FC2 CEO and Executive Director. "The Federal City Council (FC2) has always believed strongly that a growing economy benefits everyone, but we also must have fairness and responsibility to ensure that growth happens as powerfully and equitably as possible."

There are hopeful signs. Businesses have reopened and unemployment rates have declined. Tourism is flourishing. The Walter E. Washington Convention Center is seeing future bookings that are now higher than before the pandemic. Receipts from hotels and restaurants are similarly high, and bookings at regional airports look good through the summer.

Personal income tax revenue is strong, as it was throughout the pandemic. In fact, DC Chief Financial Officer Glen Lee forecasts the city's population will reverse its pandemic-era decline and will slowly grow again. Early evidence suggests the turnaround has already begun. But there are serious problems ahead.

"We see two different challenges moving forward, and they're all on the downside. First is the notion whether or not the economy, both nationally and locally, falls into recession as a result of the Federal Reserve's effort

to decrease inflation," said Lee in a conversation with Trustees during a District Strong webinar in March.

"The second is the implications from a long-term continuation of remote work. The core issue there is that it affects revenues associated with people coming into the District to work. The most important of that is taxes on commercial property as well as some transaction taxes we have on real estate," added Lee.

Despite certain tax revenues coming back – hospitality and sales – February 2023 tax revenue estimates weren't good, Lee noted. After years of unexpected budget surpluses, he is projecting a drop of \$464 million in cumulative tax revenue over the next three years (-\$80 million in FY24, -\$183 million in FY25 and -\$200 million in FY26).

As Lee noted, those dismal estimates reflect, in part, high vacancy rates in commercial property and the shift to remote work by private sector and federal workers, which has caused daily commuter traffic to drop considerably during the pandemic. Tens of thousands of workers have been slow to return to in-person work, and the ripple effects on commercial real estate have been significant.

If DC's current remote workers move permanently to that status, DC would lose about 155,000 daily commuters, according to the D.C. Policy Center. That means 63% of DC's total workforce could work from home and that would represent 24% of all DC workers.



Nearly a quarter of DC's establishments allow all employees to telework full-time and a third of DC's establishments allow their employees to telework some of the time, according to a D.C. Policy Center review of U.S. Bureau of Labor Statistics data from the 2022 Business Response Survey. "Though teleworking seems to have slowed down compared to 2021, the share of establishments that allow at least some remote work is about two times higher in DC than the rest of the U.S.," the D.C. Policy Center noted.

The DC establishments that permit at least some remote work employ 65.5% of DC's workers—6.3% of whom are employed by establishments that allow remote work all the time.

And the District, like other cities, is feeling the impact of rising interest rates. Higher rates are depressing the housing market and the stock market is cooling off, reducing the tax revenue associated with housing sales and stock market proceeds.

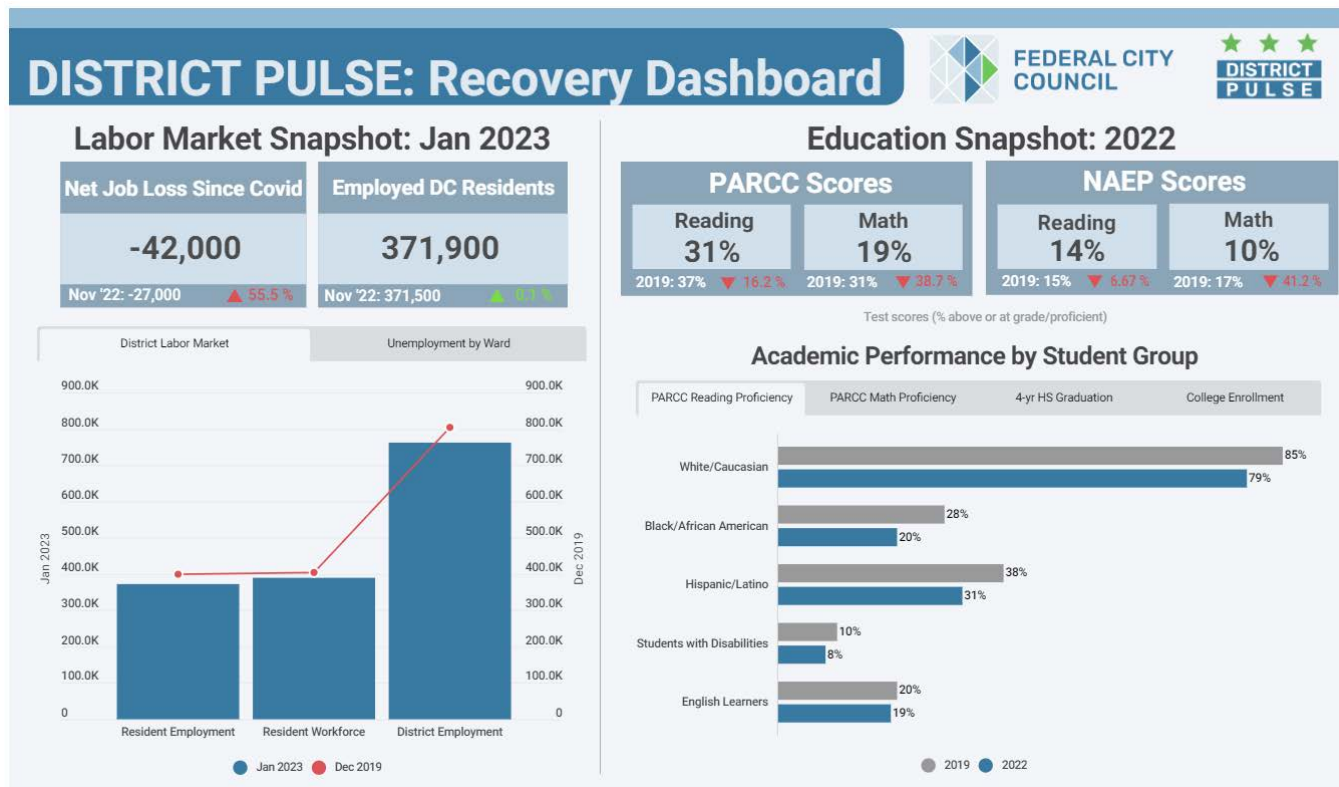
Given that telework is draining DC of its worker base, inflation-curbing interest rates are hurting tax revenues, and federal stimulus funding to offset the pandemic is ending, the consequences could be dire. The challenge ahead for the Mayor and DC Council is

addressing revenue reductions in the 2024 fiscal year, while also balancing DC's budget.

That's why many are hoping the DC Tax Revision Commission, appointed by the Mayor and the Council, will be able to make recommendations to keep DC competitive, recommending what is equitable for both businesses and residents. The Commission is considering a number of options, including: adjusting the various tax rates; providing tax breaks for businesses that create new jobs or invest significantly in the city; and offering tax relief to businesses that were and continue to be hit hard by the pandemic.

Williams, who chairs the Commission, said that while the city remains committed to attracting new businesses and their workers, it will require incentives for and investments in workforce development, affordable housing and infrastructure improvements. Additionally, it will require the DC government to continue its efforts to reduce regulations to make it easier for businesses to secure permits and licenses.

"The city is in a position to fully recover from the pandemic if it stays focused on growing the District's competitiveness and growing its appeal as a destination to visit, live in and work in," said Williams. ■



District Pulse is a new dashboard that tracks the city's recovery along a variety of metrics. For the latest updates, visit: [districtstrong.org/district-pulse](https://districtstrong.org/district-pulse)

# DISTRICT STRONG: BUILDING COMMUNITY

The **District Strong** portfolio of newly adopted events and programs continues to cement the Federal City Council's important role in the District of Columbia as a thought leader and convener. Given our long history of finding and implementing solutions, District Strong continues to be powerful in delivering tangible results by developing a more well-informed and purpose-driven community.

"We are proud of District Strong and what it has become," said Anthony Williams, FC2 CEO and Executive Director. "What started as a reaction to the pandemic has turned into a vital platform for the Federal City Council to bring people and organizations together across our area and in support of the District."

District Strong Webinars are virtual forums featuring prominent government leaders, policymakers, opinion shapers, scholars, and business executives and examining a wide range of DC programs, policies and issues. Between April 2020 and mid-May 2023, FC2 has completed 190 District Strong webinars, hosting 9,440 attendees.

FC2 now offers three different formats for its District Strong webinars:

The **Member Series** invites discussions with key public and private sector decision makers, and are only open to FC2 Trustees.

The **Civic Series** features conversations specific to the DC community on subjects such as education, the economy, transportation and equity, and is open to Trustees and select DC leaders and executives.

The **Community Series** brings the general public into District Strong conversations that have broad impact in the community and on DC residents.

"The webinars are a way for the Federal City Council to share the best thinking with the public and to rally people around positive change for the city," said Barbara Mullenex, FC2 Vice President – Member Engagement, and Managing Principal, Perkins Eastman.

FC2 has expanded the District Strong portfolio to offer a broader collection of programs and events for Trustees, not only facilitating more effective networking and advancing FC2's mission, but also supporting our strategic objectives. They include:

**District Dinners** are exclusive dinner meetings of Trustees for the purpose of conversation and connection. They are intended to give Trustees, who are shaping the city's business and civic landscape, new experiences built around a particular topic, event or guest.

**District Places** is an FC2 Member event series where Trustees give in-person tours of their business facilities or operations to other Trustees, showcasing exciting and illuminating sites in our city.

**District Leaders** is a published series of written biographies of our Trustees that introduces Trustees to their peers.

**District Pulse** is a new FC2 dashboard that tracks the city's recovery through a variety of metrics—office occupancy, transit use, employment and student test scores. ■

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## Washington Housing Conservancy Acquires DC Apartment Community to Preserve Affordability

The Washington Housing Conservancy (WHC) acquired the 212-unit Loree Grand apartment community in the high-growth Near Northeast area in December 2022, allowing WHC to preserve the affordability of homes for moderate- and low-income families and individuals.

“The acquisition of the Loree Grand and our promise of affordable rents serves both current and future residents and our mission to promote housing stability,” said Kimberly Driggins, WHC Executive Director.

The Loree Grand acquisition, WHC’s second purchase in the District, was accomplished in partnership with Amazon’s Housing Equity Fund and the Impact Pool, an investment vehicle managed by DC-area developer, JBG SMITH, which provides financing for the preservation and creation of affordable workforce housing in the region.

The \$71.5 million purchase of the 10-story luxury apartment community at 250 K Street, NE, enables WHC to stabilize rents for moderate income workers and their families who might be facing displacement in a highly competitive housing market. Bordered by the NoMa, Union Market and H Street neighborhoods, the 195,000-square-foot Loree Grand features studio, one- and two-bedroom apartments.

WHC will preserve the Loree Grand’s existing 30 Inclusionary Zoning units for 99 years and create an additional 129 affordable units for residents earning 80% of AMI or less. The remaining 53 units will be rented at market rates.

The acquisition expands the WHC portfolio to five affordable apartment properties encompassing more than 1,600 units, all acquired within the past two years in the nation’s capital and the Maryland and Virginia suburbs. This recent purchase helps WHC reach its goal of acquiring, preserving and managing 3,000 affordable rental homes while opening greater opportunity for individuals and families in inclusive mixed-income communities. ■

## Spring Quarterly Member Meeting Brings Trustees Together

Trustees came together March 23 at the Willard InterContinental Hotel for the Federal City Council (FC2) First Quarter Member Meeting. The city’s fiscal challenges were highlighted with panels featuring Tom Davis, Frank Raines, Kevin Donahue and Chairman Phil Mendelson. The importance of a healthy downtown tax base, expanding parks and recreation and providing tax abatements for residential projects were discussed.





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