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DMPED
OFFICE OF THE DEPUTY MAYOR FOR PLANNING & ECONOMIC DEVELOPMENT

WE ARE WASHINGTON DC GOVERNMENT OF THE DISTRICT OF COLUMBIA MURIEL BOWSER, MAYOR

Introduction to DC's Comeback Plan

Our 2023-2027 Economic Development Strategy

Every five years, the District of Columbia updates its economic development strategy. The strategy is a tool for identifying challenges and opportunities, setting goals and priorities, guiding action and investments, and aligning stakeholders to achieve a shared vision. DC's 2023-2027 economic development strategy focuses on retaining and growing DC's tax base, supporting business vitality, strengthening neighborhoods, and supporting economic mobility of DC residents.

This plan was shaped by input from thousands of stakeholders and analysis of trends and proven practices. The plan lays out bold goals that the District government will strive to achieve over the next five years – but DC's economic comeback will require cross-sector collaboration. As you review the plan at comeback.dc.gov, we invite you to share how you can be a part of the comeback. What action can you take, and what can we do together?

Since DC's last strategy was published (2017), the world has changed dramatically. The COVID-19 pandemic upended how we work and how we live and instigated structural economic changes. While economic uncertainty remains, this strategy provides a guide for the District and its partners to pursue a bold vision for equitable economic growth that benefits all District residents. While this is an economic development strategy, it integrates priorities and insights from existing District plans that are not typically classified as economic development. The plan serves as the District's Comprehensive Economic Development Strategy (CEDS) and will be submitted to the U.S. Economic Development Administration in the Department of Commerce enabling the District, local nonprofits, and universities to pursue certain types of federal funding.

Thank you to all who have contributed to date. We look forward to working together towards DC's comeback.

DC's Comeback Plan includes four core components

Vision

Aspiration for what the District will be like by 2028

Goals

Outcomes the strategy seeks to achieve, with associated quantitative targets

Focus Areas & KPIs

Areas where action will be focused and metrics the District has identified as important to monitoring economic health and progress

Initiatives

Tangible "big-bets" and other actions the District will undertake to implement the strategy, both directly and in partnership with private and nonprofit stakeholders

Pyramid levels:
1. Vision
2. Goals
3. Focus Areas & KPIs
4. Initiatives

DMPED has engaged over 1,000 stakeholders to inform this strategy

1000+ **participants in strategy survey** of DC residents regarding current challenges and big ideas for the city via DMPED Economic Strategy and #TogetherDC surveys

30 **interviews with DC agency leaders**, including officials from DC Health, DME, DCPS, OSSE, DOES, DISB, DHCD, DSLBD and OCTFME.

20+ **discussions with external stakeholder groups** including community organizations, BIDs, WIC, WDCEP, the Federal City Council and more

5 **roundtables with 8-12 experts each**, focused on key elements of the strategy including resident economic mobility, the future of work, Downtown, and neighborhoods of opportunity

3 **resident listening sessions with 10-20 participants each**, focused on constituent groups including Spanish speakers, small business owners, and returning citizens

10+ **related strategic planning efforts** including the Black Homeownership Strike Force, Infrastructure Task Force, Upward Mobility Action Plan, Racial Equity Action Plan, and Together DC

Visit comeback.dc.gov for summaries from stakeholder engagement sessions.

Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

Our SWOT analysis identified key strengths of DC's economy[1]

A resilient tax base amid economic crisis

DC's tax base has demonstrated its resilience, with income tax growth supporting the District through the pandemic. Income tax revenue grew from $2.9bn in 2019 to $3.5bn in 2021

DC's tax base growth is diversified as residential property **tax revenues are expected to grow** as home values appreciate (~4% in 2022), additionally **sales tax revenues are projected to rebound** to pre-pandemic levels by 2023

When accounting for both city and state taxes, DC has a lower middle class income tax burden than peer counties (8.0% vs 11.5% average amongst peer counties[2])

A talent and amenity-rich city

DC is home to a **world class talent base**, as leading higher education institutions and employers draw a steady flow of highly educated residents. DC hosts 3 Fortune 500 headquarters and leads in per capita productivity

DC is a **walkable, transit-oriented city** filled with arts, history, parks, and culture. DC is home to 21 Smithsonian museums, 98% of DC residents live a 10-minute walk from a park compared to the national average of 55%, and the city leads in commuter use of mass transit

DC attracts top talent from the US and around the world to its educational institutions. DC hosts 25 higher education institutions and ranks as **one of the top states in 2-year and 4-year graduation rates**

A stable employer base and strong service sector, with resilient small businesses

DC has a stable employer base, buoyed by its status as the nation's capital, with a foundation of asset sectors and employers with **deep specialization like business services, marketing and design, education and research**, and performing arts – sectors that account for over 20% of DC employment and project robust growth over the next decade. **Stable federal and state government activity** accounts for 30% of DC employment

DC's **workforce is more resilient to automation than peers and the US** (24% vs 28% risk nationally)**,** and is expected to see significantly lower job displacement as a result

DC has **the highest 5-year business-survival rate among peers** (56.7%) and new start-ups created ~86K net new jobs from 2009-2019. **DC led peers in business creation amid the pandemic**, with a 4.4% rise in new businesses

1. For additional SWOT insights see pages 106-114 in Appendix.
2. Based on tax burden for household making $75,000

However, challenges toward sustaining inclusive growth still exist[1]

A tax base highly sensitive to resident choice

1 **DC's income tax comes primarily from high income residents.** About 60% of the individual income tax base came from the top ~10% of filers in 2019. Income tax growth has been driven by additional income from high-income individuals, as opposed to population growth. Income tax is lost when residents out-migrate, as ~$240M in potential income tax was lost due to outmigration in 2019

2 **Persistent concentrated commercial vacancy threatens historic drivers of economic vitality and tax revenue.** An estimated +$405 million is lost in property tax due to commercial vacancies in the District – with most of the loss coming from Downtown and the East End that represent more than two thirds of the total estimated loss in property tax collection

A city with equity gaps that hinder economic mobility

3 **DC's overall economic performance masks disparities across neighborhoods:** Residents in the most underserved neighborhoods are 4.1x more likely to live in poverty, 4.1x more likely to be unemployed, and have ~1/4 of income when compared to the richest neighborhoods

4 **Affordability of necessary amenities like housing and childcare are citywide challenges:** For example, rent burdens are more acute in some neighborhoods (58% in Ward 8), but significant across the whole city (44% citywide)

5 **Differences in opportunities across racial groups start with educational outcomes:** Disparate educational outcomes for Black and Hispanic and/or Latino populations (25x and 50x more likely to not complete high school, respectively) may widen economic disparities

6 **Profound population health and social cohesion challenges**: Certain groups face additional challenges to economic mobility, such as people experiencing incarceration (6,000 people) and homelessness (4,410 people), and residents with a criminal record (1 in 7)[2]

An economy leaking workers, growing businesses, and funding to neighbors

7 **DC does not capture its representative share of high-growth sectors within the region,** losing out in competition against the region in certain challenged sectors like low-growth legacy industries (e.g., federal government) and pandemic-impacted industries (i.e., hospitality) which have a high share of BIPOC employment.

8 **DC has lower start-up density, rate of entrepreneurs, and patents per capita** than peer Metropolitan Statistical Area (MSAs)

9 **DC is losing population to neighboring counties**, particularly working-age adults, with housing affordability the #1 cited reason to leave the city, and public safety a rising concern. DC has a high share of occupations that are remote work enabled, (~42% of jobs in DC can be done remotely), increasing the risk of outmigration and increased office vacancies; the federal government's stalled return to office and shrinking office footprint exacerbates this threat (federal government accounts for ~190K jobs)

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Vision & Goals

Vision

DC strives to be…

- A city where every neighborhood offers its residents, of all races and genders, the chance to achieve their full potential

- An urban center that is a destination of choice for innovators, job creators, and visitors

- A place where people choose to live, work, visit, and thrive

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How will we achieve our vision?

Our framework for action

Successful businesses

Be a leading city to start and run a business in the US, particularly for resident and Black and Hispanic owned businesses, through an improved regulatory environment and increased access to capital.

Nurture high-growth sectors by attracting investment, supporting innovation clusters and building the talent pipeline.

Leverage DC's federal presence to benefit residents and businesses through jobs, leasing, contracts, and small business spending

Opportunity rich neighborhoods

Build vibrant neighborhoods that have all the ingredients for residents to thrive by making strategic investments in assets and amenities (such as broadband, grocery/dining, affordable housing, transit, green space/recreation)

Transform Downtown into a lively and vibrant urban center featuring mixed-use neighborhoods and entertainment, cultural and retail nodes

Thriving people

Build education to workforce pathways through quality education, employment and skills training that will allow all residents – particularly Black and Hispanic residents – to access quality jobs

Help BIPOC residents build economic stability, mobility and wealth by expanding financial security, homeownership, and entrepreneurship

Expand access to family and wellbeing supports such as childcare, mental health, safety, and homeless prevention services that enable residents to fully participate in the District's vibrant economy

Goals to Achieve by 2028

Successful Businesses

(A) **Create 35,000 new jobs in high-growth target sectors[1]**

(B) **Increase the share of minority-owned employer businesses to 33% of all employer businesses[2]**

Opportunity Rich Neighborhoods

(C) **Eliminate key amenity gaps across all neighborhoods and increase access to opportunity for residents**

1) **Grocery**: Ensure all Ward 7 and 8 residents live within a mile of a grocery store

2) **Internet**: Ensure all DC residents have equitable access to affordable, high-speed and reliable internet, and are empowered with the devices, tech support, and digital literacy and skills to effectively use it

3) **Housing**: Put DC on path to equitably distributing affordable housing citywide by meeting production goals for each planning area by 2025 (as part of overall goal to create 12,000 new homes affordable to households earning below 80% of MFI)

(D) **Add 15,000 residents to the Downtown population and add 7 million sq ft of residential units**

Thriving people

(E) **Retain current residents and reach a population of 725,000**

(F) **Increase economic prosperity in DC by lifting the median household income of Black residents by $25,000[3]**

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1. Target sectors include 1) education and research, 2) consulting services, 3) communications and design, 4) hospitality, tourism and entertainment, 5) life sciences and health tech, and 6) technology
2. Currently minority-owned businesses account for 27% of employer firms in DC; Note, the current public survey that tracks small business (the American Business Survey) has limited data availability for minority owned small businesses due to sample size. Setting a goal to increase the number and size of Black and Hispanic owned firms will require the District to begin tracking this data through a corresponding survey initiative
3. Increase from $52k in 2021. This would bring the median Black household income above the ALICE threshold of a living wage for a 2-person (1 adult, 1 child) household in DC ($78K), enabling families to afford basic necessities including housing, childcare, food, transportation, health care, and a smartphone plan (see United Way: https://www.unitedforalice.org/national-reports).

Create 35,000 New Jobs in High-Growth Sectors

Target Sectors

Bolster DC's existing leadership[1]

Education and Research

Educational institutions and companies conducting scientific research and development, particularly those in the energy and data science fields. Growing this cluster could also attract companies who are seeking proximity to higher education, international institutions, think tanks, and government agencies (e.g. EdTech, CivicTech).

Consulting Services

Management, engineering, and other specialized firms providing informational or strategic resources to clients. Building on the presence of government agencies, international organizations, regional HQs, and world-class talent, will grow and attract consulting firms to DC with a focus on in-demand expertise such as sustainability (e.g. leverage DC policies to develop green buildings specialization)

Communications and Design

Firms working in marketing, design, media, and communication, including publishers of written or digital media content. Utilize DC's strong existing talent base and industry presence in the information sector as well as the ecosystem of government and professional services companies to attract and retain top design firms, marketing agencies, and companies creating, producing, or publishing content.

Hospitality, Tourism, and Entertainment

Hotels, entertainment, nightlife, and arts venues, restaurants, and other firms offering tourism and hospitality services. Leveraging DC's position as a top location for international visitors alongside opportunities for Downtown transformation will drive growth in this sector.

1. Clusters feature high specialization and growth in DC
2. Clusters with specialization and growth in Washington, DC MSA

Leverage Regional Strengths[2]

Life Sciences + HealthTech

Organizations conducting research, development and manufacturing of pharmaceuticals, biotechnology-based food and medicines, and other products. Leveraging the regional strength of this sub-sector, the presence of national research and regulatory bodies (e.g., NIH), and educational and healthcare institutions will grow activity within the District's borders, with a focus on medical devices and healthcare software.

Technology (e.g., Cybersecurity, AI)

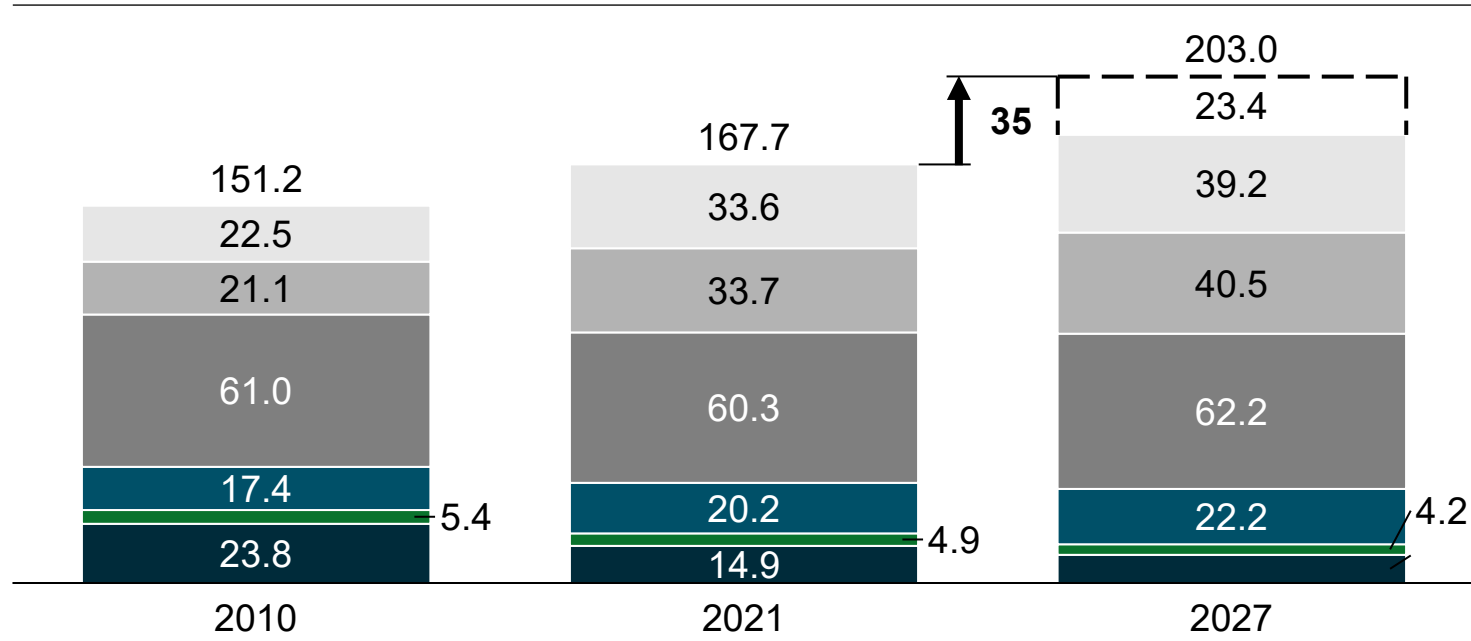Businesses creating, implementing, and connecting technological systems and processes. Capitalizing on DC's status as a global talent hub and the local presence of the federal government, Amazon and other regional anchors will bolster the presence of tech firms, particularly in Cybersecurity, Artificial Intelligence, and other emerging industries (e.g. FinTech, CleanTech, MobilityTech, FoodTech).
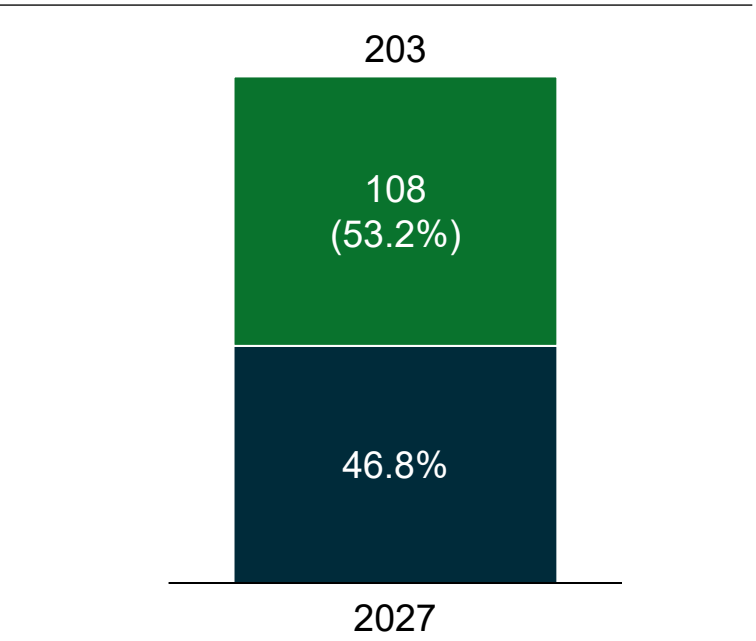
Goal: Create 35,000 new jobs in target sectors by 2028

Together, target sectors could account for 203K jobs in DC in 2027, up from 168K in 2021

Target cluster job growth, thousands

Estimated jobs with potential for remote work by 2028[3], thousands

2010 — 151.2
- 22.5
- 21.1
- 61.0
- 17.4
- 5.4
- 23.8

2021 — 167.7
- 33.6
- 33.7
- 60.3
- 20.2
- 4.9
- 14.9

2027 — 203.0
- 35
- 23.4
- 39.2
- 40.5
- 62.2
- 22.2
- 4.2

2027 — 203
- 108 (53.2%)
- 46.8%

Legend:
- ☐ Further growth opportunity[1]
- Consulting Services
- Technology
- Education and Research
- Communications and Design
- Life Sciences and HealthTech[2]
- Hospitality, Tourism, and Entertainment
- ■ Jobs with potential for remote work
- ■ Jobs without potential for remote work

1. Based on Dallas MSA (leading peer) growth of target clusters between 2016-21
2. Life sciences employment is projected to decline in DC from 2021-2027. We will seek to maintain while anticipating employment growth in other sectors
3. Assuming job growth target for high-growth sectors is met; jobs labeled as "potential for remote work" include positions where there is no potential loss of productivity from working remotely, as dictated by core job tasks (e.g., statistical analysis, customer service)

Source: Lighcast; Harvard Business School's U.S. Cluster Mapping Project; McKinsey Global Institute

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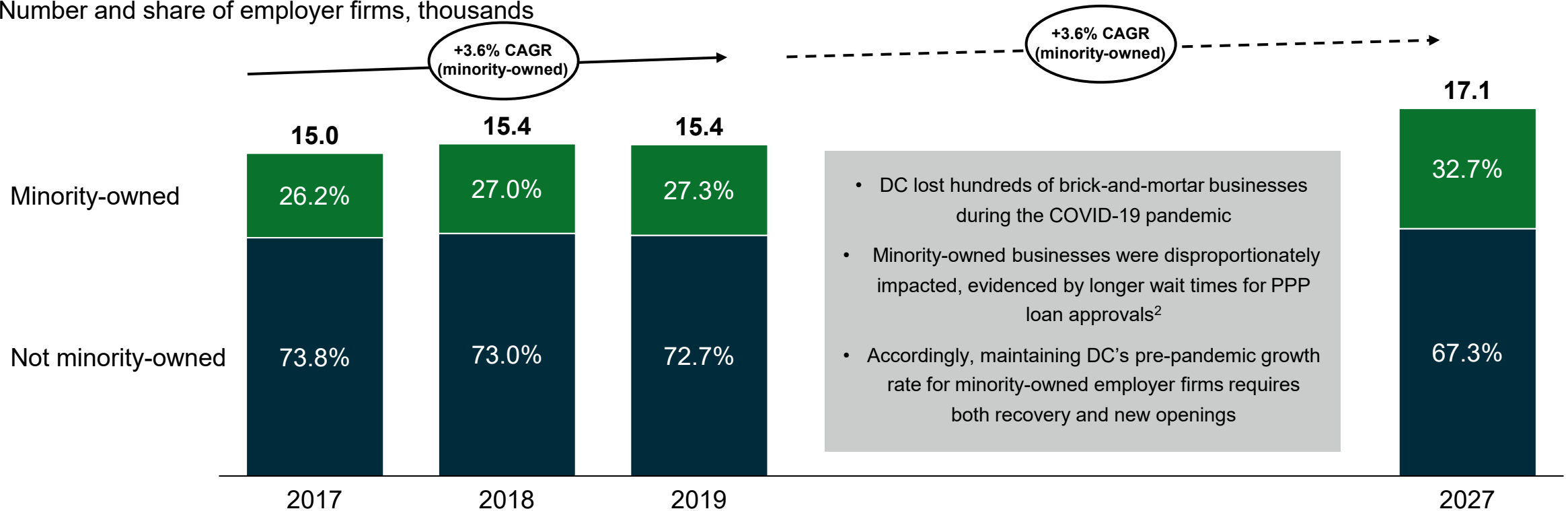
Increase Share of Minority-Owned Employer Businesses

Goal: Increase share of minority-owned employer businesses

DC can increase share of minority-owned businesses to 33% of all employer businesses by 2028 by maintaining its current rate of new business openings and starting to track[1] the share of minority businesses

Total employer firms, 2017-2019

Number and share of employer firms, thousands

	15.0	**15.4**	**15.4**	**17.1**
Minority-owned	26.2%	27.0%	27.3%	32.7%
Not minority-owned	73.8%	73.0%	72.7%	67.3%
	2017	2018	2019	2027

+3.6% CAGR (minority-owned)

+3.6% CAGR (minority-owned)

- DC lost hundreds of brick-and-mortar businesses during the COVID-19 pandemic
- Minority-owned businesses were disproportionately impacted, evidenced by longer wait times for PPP loan approvals[2]
- Accordingly, maintaining DC's pre-pandemic growth rate for minority-owned employer firms requires both recovery and new openings

1. The most recent data on minority owned businesses comes from the Census American Business Survey from 2018, though many subcategories are suppressed due to small sample sizes, making it unreliable. Internally tracking minority business ownership data is a more reliable approach.
2. See: https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19s-effect-on-minority-owned-small-businesses-in-the-united-states
   Source: US Census Bureau Annual Business Survey; DCist analysis (article entitled "D.C. Lost At Least 375 Businesses Since Last March. Here's How Those Closures Have Reshaped the City");

# Eliminate Key Amenity Gaps Across All Neighborhoods

Food Access

Goal: Ensure all residents East of the River live within one mile of a grocery store

Having access to a grocery store allows people to purchase fresh, healthy, and affordable food. This is especially important for those who live in areas with limited options for obtaining food. Access to a grocery store helps to reduce the risk of dietary-related health issues, such as obesity, diabetes, and heart disease. In 2015, nearly 87k residents East of the River (51% of EOTR residents) lived more than a mile from a grocery store. In 2020, before the District launched the Food Access Fund and Nourish DC, that number had shrunk to about 79k. As of today, the District has delivered or funded enough new grocers such that just 10,150 East of the River residents (about 6%) will live further than one mile from a grocer once all new stores have delivered.

This means that 93% of East of the River residents (based on today's population) will live **within one mile** of a grocer. To reach our goal of every resident East of the River living within a mile of a grocery store by 2028, we will need to retain all existing grocery stores, deliver three that are in the pipeline and add two to three new grocery store locations to accomplish having all residents living within one mile of a full-service grocery store East of the River.

The map to the right shows existing and future grocery stores that will be coming to Wards 7 and 8. The blue circles around each location represent a 1-mile radius around each location.[1] Some examples of current and future grocery stores in Wards 7 and 8 include Lidl in Skyland (delivered 2022), and a few others currently under construction, including Muki's Market in Fort Davis (2023 delivery), Fresh Food Factory in Kenilworth (2023 delivery), and Capitol Gateway Marketplace (2024 delivery).

Map 1: Existing and Future Grocery Stores in Wards 7 & 8
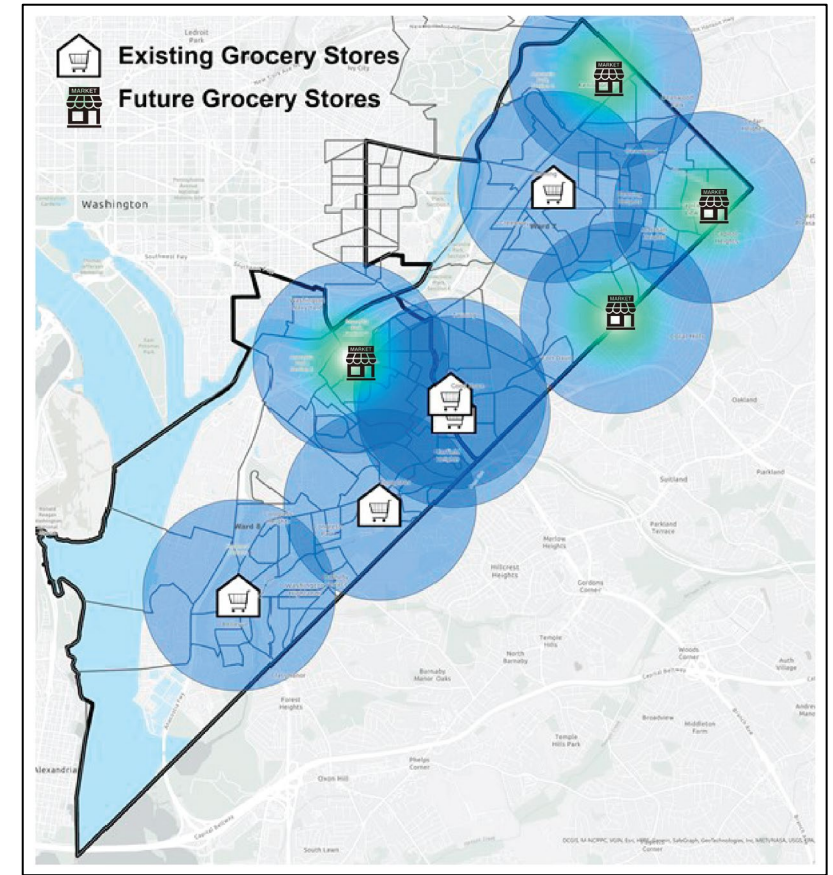

1. According the USDA Food Access Research Atlas, residents in an urban area are considered to be in a low access area if they are living more than 1 mile from the nearest supermarket, supercenter, or large grocery store.

Broadband and Digital Access

Ensure all DC residents have equitable access to affordable, high-speed and reliable internet, and are empowered with the devices, tech support, and digital literacy and skills to effectively use it

Map 2: Areas where 25% or more households report no internet subscriptions

Affordable housing

≥25% lacking broadband adoption
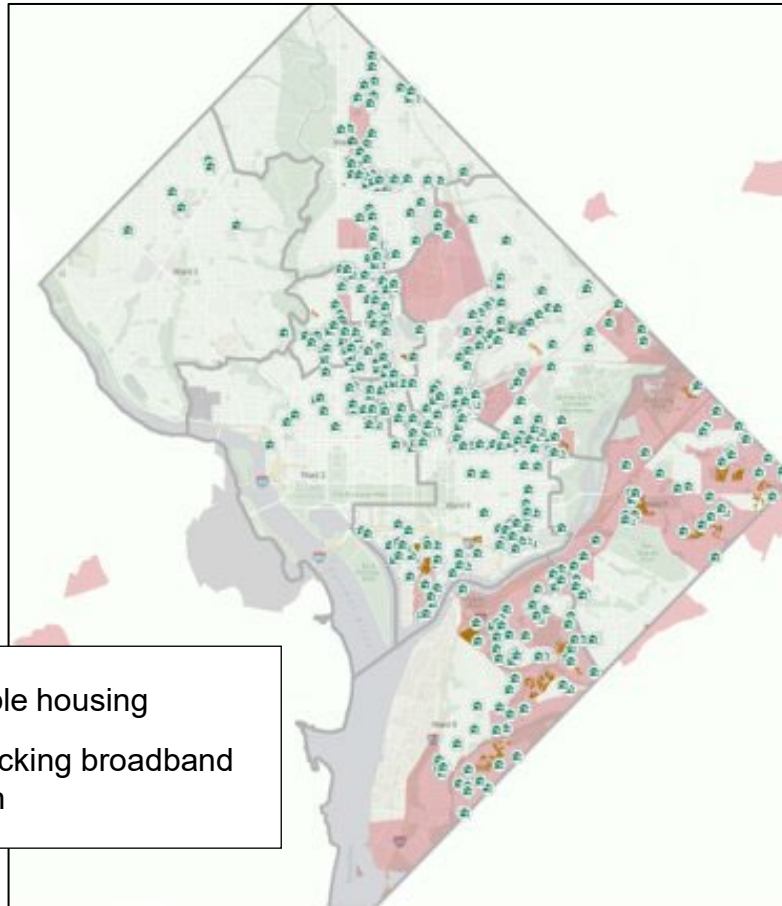
120-130K DC residents, primarily in Wards 5, 7 and 8, hindered from access and/or effectively using high-speed internet in their homes

High-speed internet connection allows for fast and reliable access to information, communication, and a range of online services, which has become increasingly important in our interconnected world. For example, improving broadband adoption in high need areas can be an important benefit to areas such as education (fast and reliable access to online educational resources, business (ability to communicate with clients, partners, and employees), entertainment (streaming of high-quality video and audio content), health care (telemedicine services), public safety (emergency services such as police, fire, and ambulance rely on the internet to communicate and coordinate their responses).

With the support of the District of Columbia's Increase access and adoption of high-speed internet in areas that are underserved through the leadership of
based at the Office of the Chief Technology Officer (OCTO), over the next five years the District will continue taking steps toward all DC residents having equitable access to affordable, high-speed and reliable internet, and are empowered with the devices, tech support, and digital literacy and skills to effectively use it.

Current Gaps

- **Adoption Gap:** 53K DC households (18% of total households) impacting 100,000 residents, lack subscriptions to high-speed internet.
- **Affordability**: Residents in 47K households would need to pay more than 2% of their gross income for a $40/month subscription.
- **Devices Gap**: 28,000 DC residents live in households without any internet-enabled device (like a smartphone, laptop or tablet), and an additional 44,000 only have a smartphone.
- **Digital Literacy Gap:** 76,000 DC residents lack the digital literacy skills to engage in basic online tasks (like job search, eHealth, & accessing government benefits).
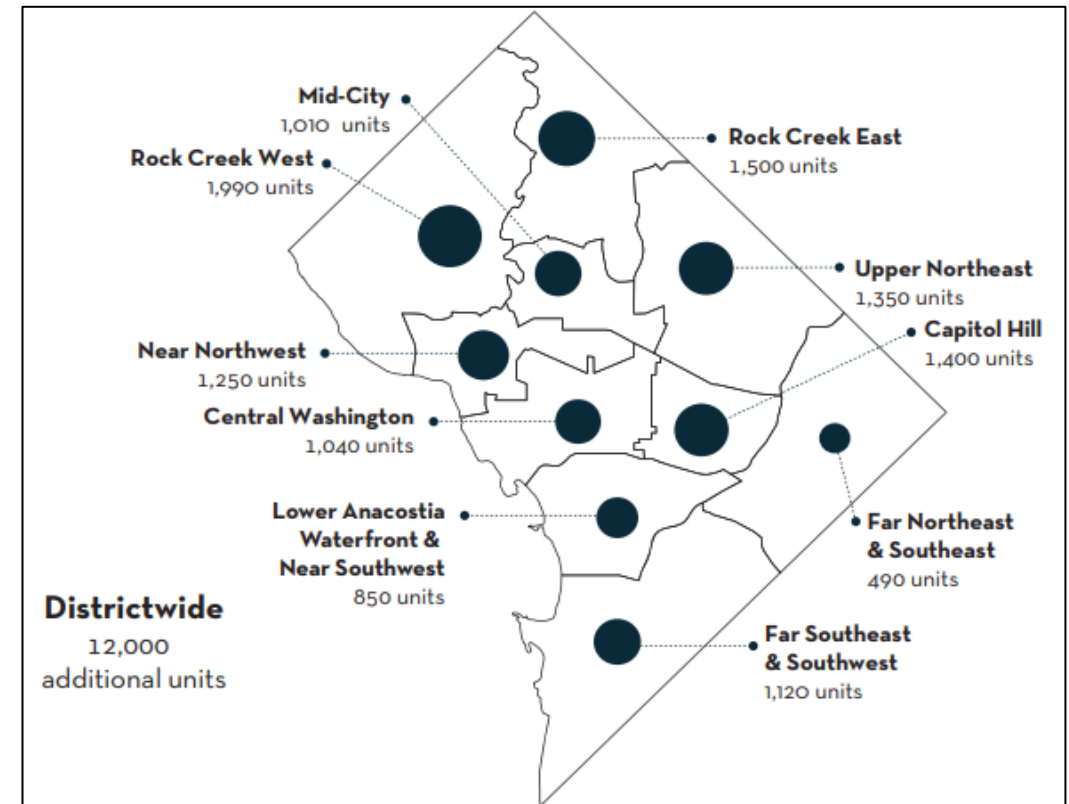
Affordable Housing

Ensuring affordable housing is available in neighborhoods across the District

In 2019, the District released the _Housing Framework for Equity and Growth_ set out to create 36,000 new residential units by 2025, with at least 12,000 affordable for low-income residents, to ensure all residents can live in the city without being burdened by housing costs. The map to the right shows dedicated affordable housing production goals by planning area.

Physical components of neighborhoods such as broadband, grocery, and housing all play critical roles in shaping economic outcomes for residents of those neighborhoods, in conjunction with corresponding amenities such as healthcare and education. (Conditions of a neighborhood also affect the health outcomes of residents – also known as social determinants of health.) Bringing more affordable housing to areas of the District that are rich in opportunities will help more Washingtonians find a pathway to the middle class.

The Housing Equity Report assigned specific goals for new affordable homes for each planning area in the District, with the ultimate goal of 15% of all housing stock in each planning area being affordable by the year 2050. Ensuring all planning areas meet their affordability goals opens access and opportunity for all Washingtonians earning below-average income. As of December 2022, the four planning areas that are furthest from reaching their 2025 goals, based on projected deliveries, are Rock Creek West, Near Northwest, Capitol Hill and Rock Creek East and Central Washington. These areas will be a focus for the Administration in the next several years, along with Central Washington, where increasing housing, including affordable housing, is critical to the transformation of the central business district.

Map 3: 2025 Dedicated Affordable Housing Production Goals by Comprehensive Planning Areas

Mid-City • 1,010 units

Rock Creek West • 1,990 units

Rock Creek East 1,500 units

• Upper Northeast 1,350 units

Near Northwest • 1,250 units

• Capitol Hill 1,400 units

Central Washington • 1,040 units

Lower Anacostia Waterfront & Near Southwest 850 units

• Far Northeast & Southeast 490 units

Districtwide 12,000 additional units

Far Southeast & Southwest 1,120 units

Affordable Housing Projections by Planning Area

The table below shows the most recent projections of affordable housing units. The District will ramp up efforts to reach goals in planning areas not projected to meet goals by 2025

Table 1: 2025 Dedicated Affordable Housing Production Goals and Projections by Planning Areas (Projections as of December 2022)

| Planning Area	Affordable Unit Goal	Percent of Progress Towards Goal (January 2023)	Projected Percent of Goal by 2025
Far Southeast & Southwest	1,120	182.2%	369.50%
Far Northeast & Southeast	490	208.2%	322.40%
Lower Anacostia Waterfront & Near Southwest	850	51.6%	161.30%
Mid-City	1,010	51.9%	131.80%
Upper Northeast	1,350	53.4%	97.20%
Central Washington	1,040	44.9%	94.60%
Rock Creek East	1,500	57.9%	84.40%
Near Northwest	1,250	10.7%	37.20%
Capitol Hill	1,400	14.9%	34.60%
Rock Creek West	1,990	3.6%	13.80%
Total	12,000	54.1%	110.00%

Visit 36k.dc.gov for monthly updates on progress toward all 36,000 by 2025 housing goals

Add 15,000 Residents to the Downtown Population

Downtown DC

This map serves as the baseline for the District's 15,000 new resident goal for the area and will be used to establish eligibility for Housing in Downtown abatement applications.
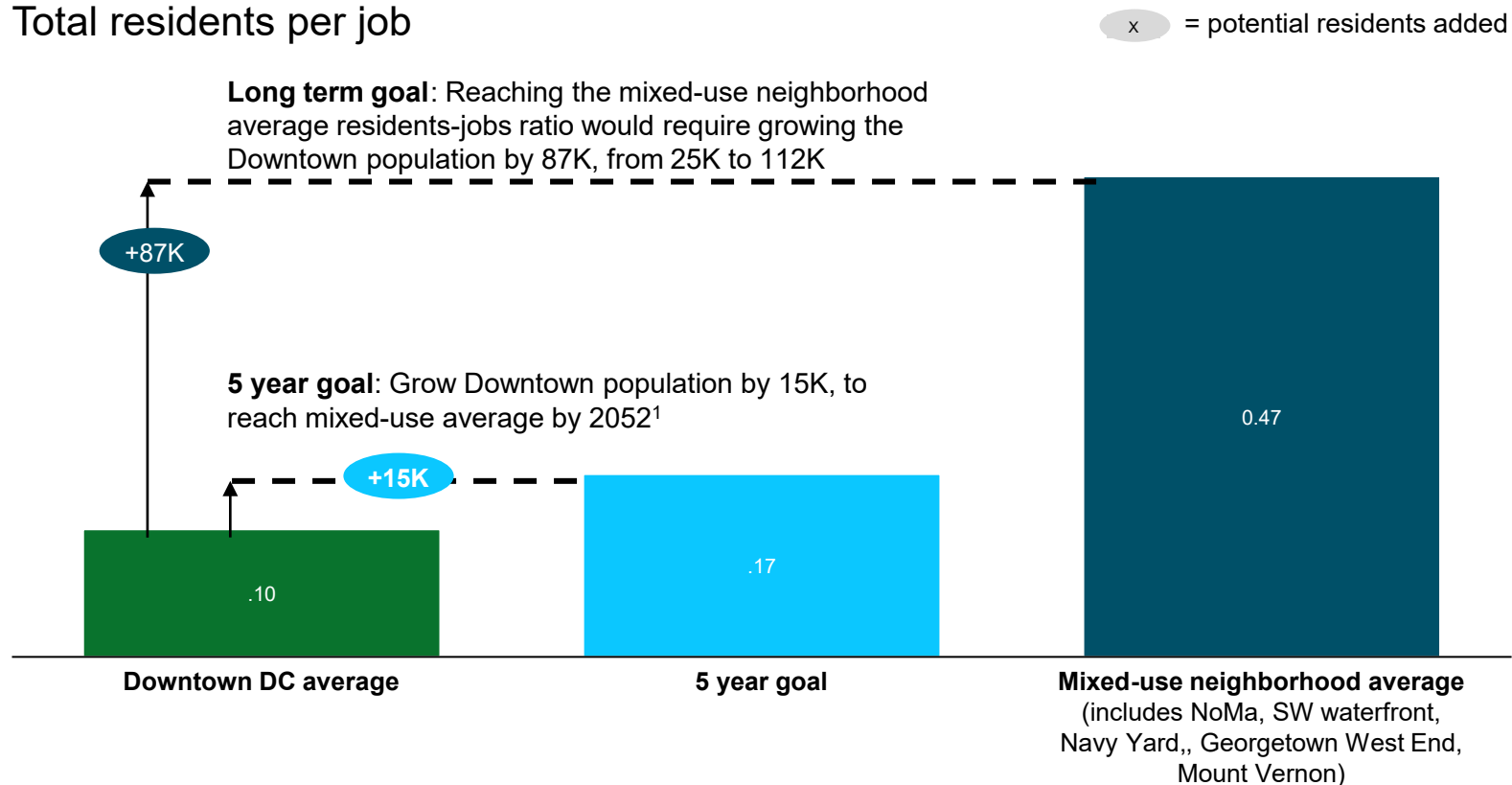
Currently 25,000 residents call this area home.
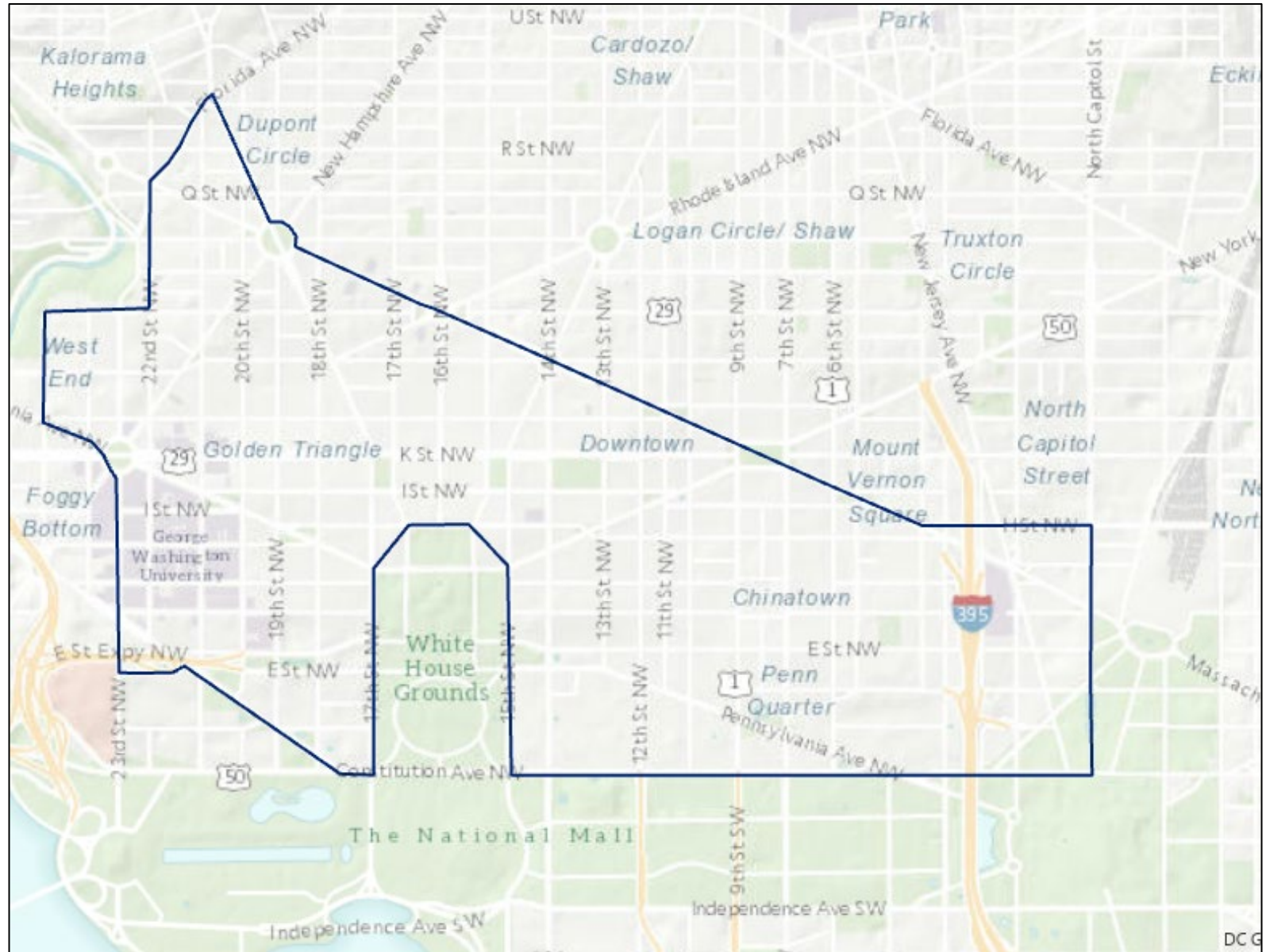
Goal: Build a more vibrant, mixed-use Downtown by adding 15,000 residents by 2028

Over the next 5 years, DC will begin to build a real estate pipeline that will eventually accommodate up to an additional 87K Downtown residents

Residents-jobs ratio by neighborhood cluster,
Total residents per job

(x) = potential residents added

Long term goal: Reaching the mixed-use neighborhood average residents-jobs ratio would require growing the Downtown population by 87K, from 25K to 112K

+87K

5 year goal: Grow Downtown population by 15K, to reach mixed-use average by 2052[1]

+15K

.10	.17	0.47
Downtown DC average	**5 year goal**	**Mixed-use neighborhood average** (includes NoMa, SW waterfront, Navy Yard,, Georgetown West End, Mount Vernon)

To build a vibrant more residential Downtown, DC can aspire to attaining a similar mix of residents and jobs in other mixed-use neighborhoods such as NoMa and Navy Yard

Reaching the same resident-jobs ratio as target mixed-use neighborhoods would require DC to increase the number of residents Downtown by 87K, assuming jobs stay constant
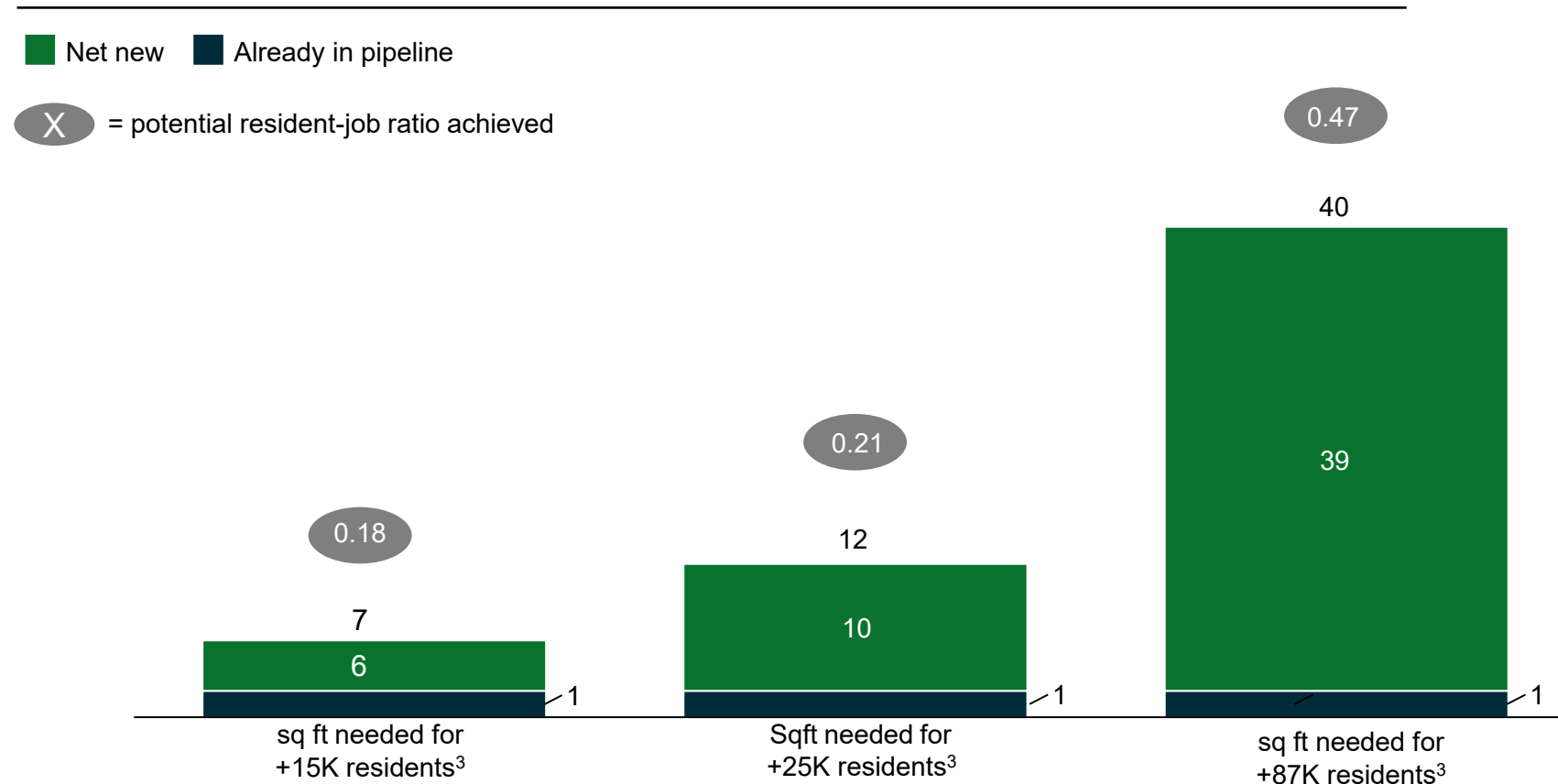
DC's 5-year goal is to increase Downtown residents by 15,000

1. Assumes jobs in Downtown stay constant due to remote work and densification of workplace trends
Source: Lightcast, CoStar, DowntownDC State of Downtown Report 2021

To achieve a goal of adding 15,000 residents to Downtown in 5 years

In order to accomplish, DC will need to add ~6M total sq ft in residential inventory in addition to the estimated 1M currently in the Downtown pipeline.

Additional residential space needed Downtown for 1.6 sized households (M sq ft)[1]

Legend:
- **Net new** (green)
- **Already in pipeline** (dark blue)
- (X) = potential resident-job ratio achieved

Bars:
- sq ft needed for +15K residents[3]: 0.18 ratio, 7 total (6 net new, 1 in pipeline)
- Sqft needed for +25K residents[3]: 0.21 ratio, 12 total (10 net new, 1 in pipeline)
- sq ft needed for +87K residents[3]: 0.47 ratio, 40 total (39 net new, 1 in pipeline)

Our Downtown is currently home to 25,000 residents occupying an estimated 11.7M sq feet out of a total of 103M sq feet of commercial use Downtown.
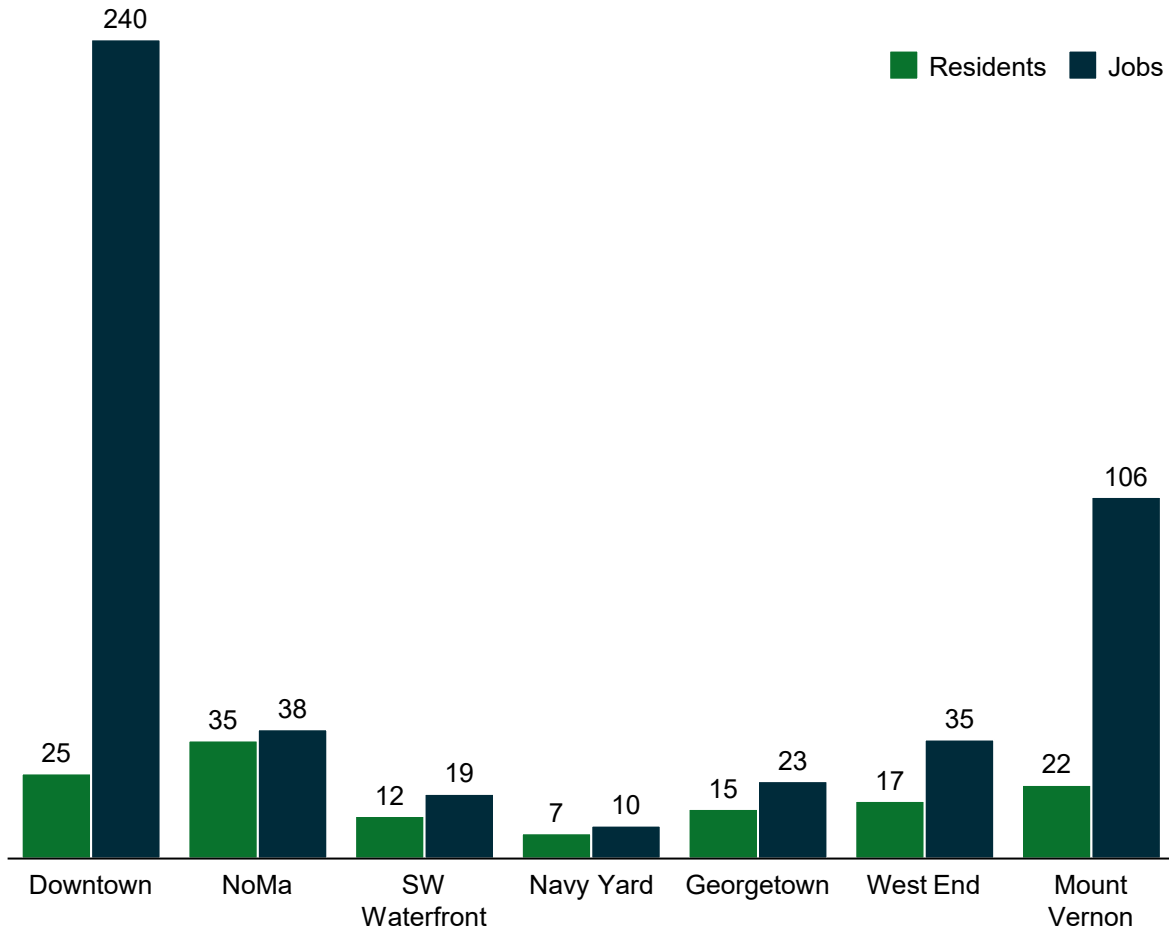
Assuming an average household size of 1.6, **Downtown would need to add ~7M sq ft of net new residential space through conversion of existing properties or construction of new space** to achieve a goal of adding 15,000 residents

1. Current Downtown pipeline includes ~970K pipeline
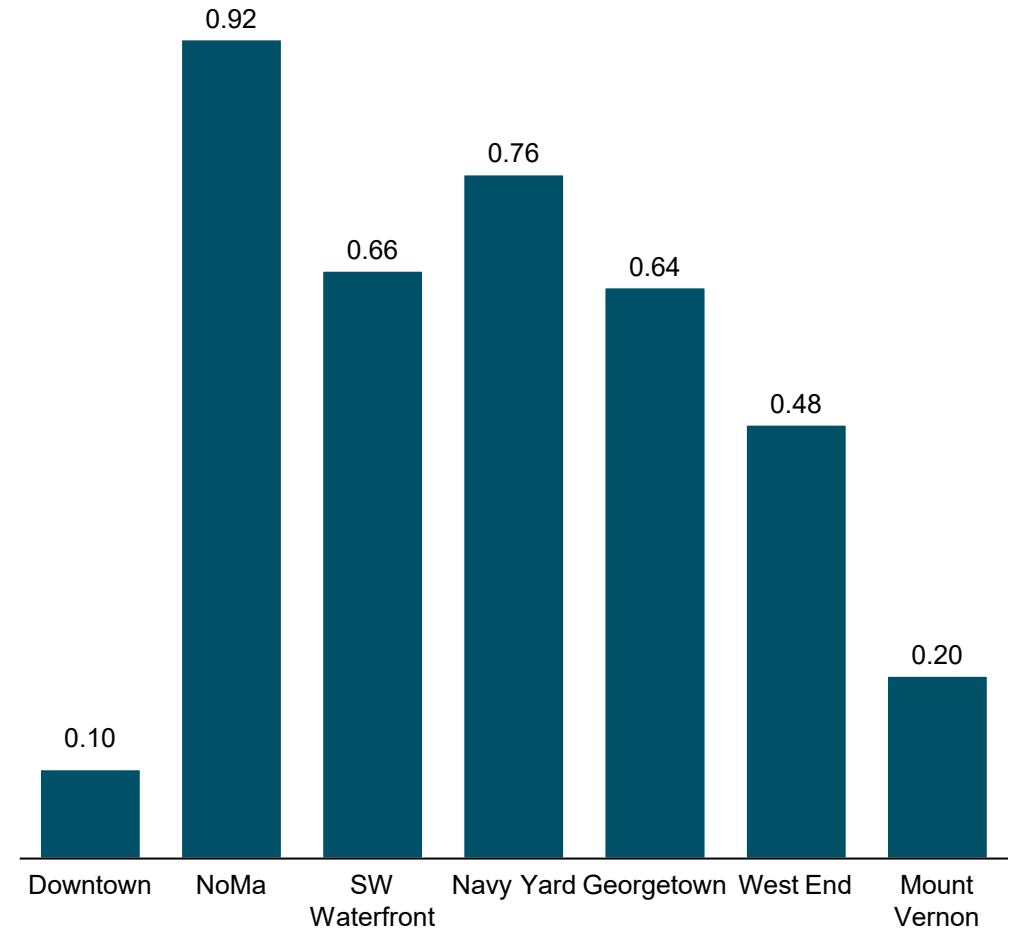2. Based on the average DC household size of 1.6, and average household occupied 750 sf

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Residents-to-Jobs Ratio: A Measure of Vibrancy

Residents and jobs in neighborhood clusters, thousands, 2021

Legend: ■ Residents ■ Jobs

Cluster	Residents	Jobs
Downtown	25	240
NoMa	35	38
SW Waterfront	12	19
Navy Yard	7	10
Georgetown	15	23
West End	17	35
Mount Vernon	22	106

Resident-job ratio by neighborhood cluster, 2021

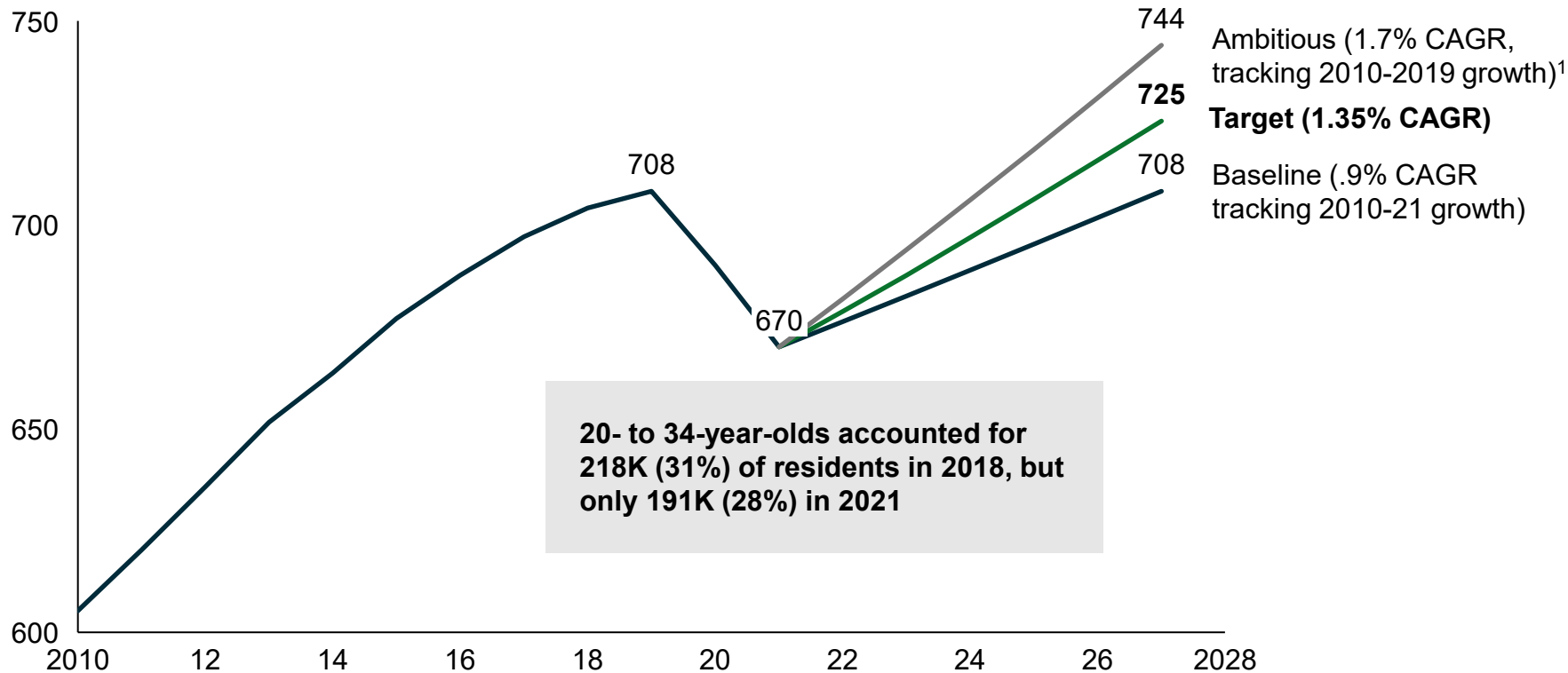| Cluster	Ratio
Downtown	0.10
NoMa	0.92
SW Waterfront	0.66
Navy Yard	0.76
Georgetown	0.64
West End	0.48
Mount Vernon	0.20

Retain Current Residents and Reach a Population of 725K by 2028

Goal: Retain Current Residents & Reach Population to 725K Residents by 2028

Doing so ensures that DC remains affordable and attractive for current residents and families. This goal can be accomplished by retaining current residents and adding 11,000 residents annually over the next 5 years

DC population, 2010-21
Thousands

744 — Ambitious (1.7% CAGR, tracking 2010-2019 growth)[1]

725 — **Target (1.35% CAGR)**

708 — Baseline (.9% CAGR tracking 2010-21 growth)

708

670

20- to 34-year-olds accounted for 218K (31%) of residents in 2018, but only 191K (28%) in 2021

750
700
650
600

2010   12   14   16   18   20   22   24   26   2028

Maintaining and growing the population will likely require **reversing outmigration of residents ages 20-34**, which accounted for loss of 30K residents 2018-2021 (79% of total outmigration)

DC must also ensure enough housing stock is suitable for families, as well as single residents

1. CAGR = compound annual growth rate

Source: US Census via Moody's Analytics

Desire for more affordable and better housing is the top driver of outmigration from DC
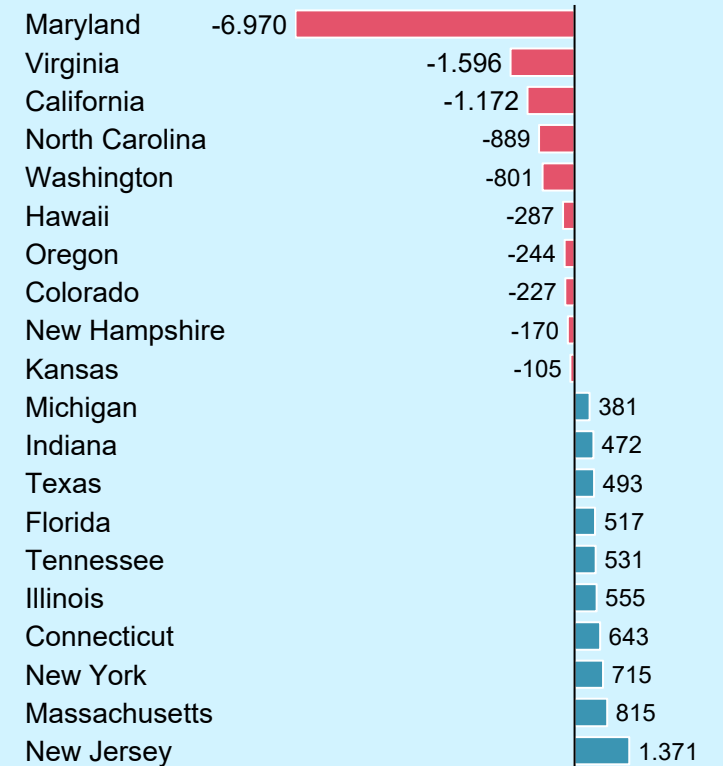
Characteristics of people leaving DC, 2015-2019

Factor causing move from DC[1]	Average annual number of people leaving DC[1]	Average age of people leaving DC[1]	Average income of people leaving DC[1]
Housing	43,875	35	$67,865
Job-related[3]	29,686	30	$67,399
Personal[4]	25,111	34	$60,390
Attend/leave college	3,464	30	$23,439
Retirement	120	76	$60,536

1. Reasons specific to those who remained in the US after leaving DC
2. Wanted to own home, wanted new or better housing, wanted better neighborhood, for cheaper housing, foreclosure or eviction, other housing reason
3. New job or job transfer, to look for work or lost job, for easier commute, other job-related reason
4. Change in marital status, to establish own household, other family reason, change of climate, health reasons, natural disaster, other reason

Source: US Census Bureau, Current Population Survey

Top 10 States for migration and emigration to/from DC, 2015-2019, Net migration

State	Net migration
Maryland	-6.970
Virginia	-1.596
California	-1.172
North Carolina	-889
Washington	-801
Hawaii	-287
Oregon	-244
Colorado	-227
New Hampshire	-170
Kansas	-105
Michigan	381
Indiana	472
Texas	493
Florida	517
Tennessee	531
Illinois	555
Connecticut	643
New York	715
Massachusetts	815
New Jersey	1.371

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Pandemic-induced population decline started to rebound in 2022

Components of population change for DC from 2020-2022

■ Births+Deaths ■ Domestic Migration ■ International Migration ■ Net Population Change
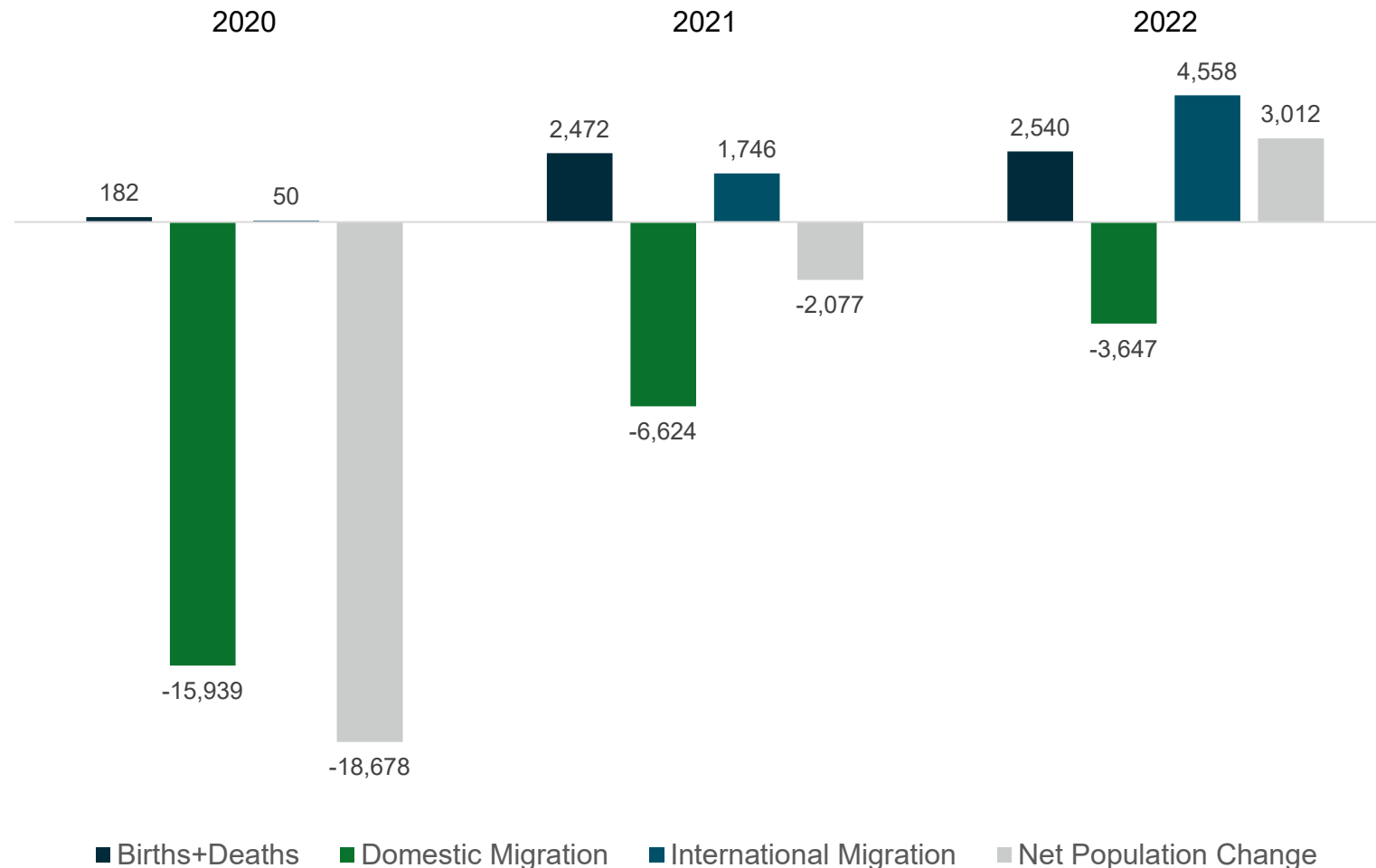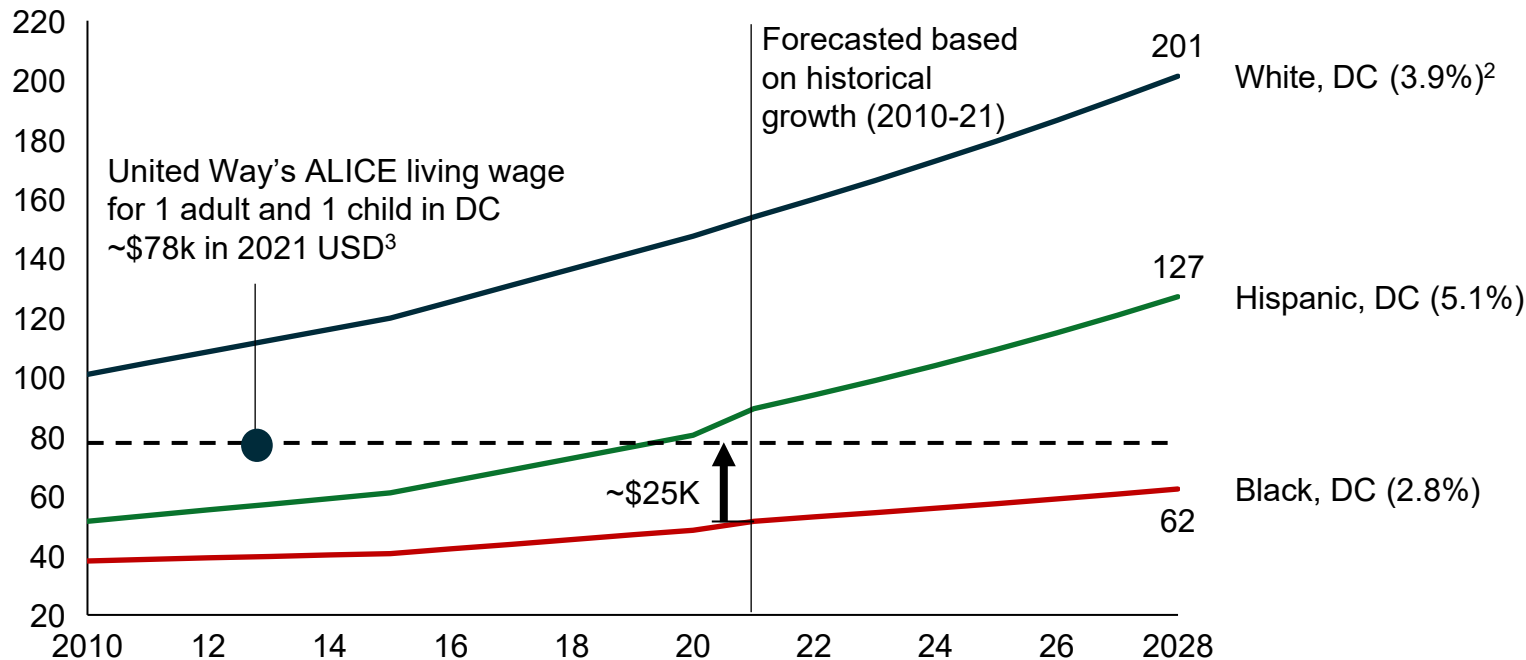
Increase Median Income of Black Households by $25,000 by 2028

Goal: Increase economic prosperity in DC by lifting the median household income of Black residents by $25K by 2028

Reach target of increasing Black household income by $25k to $78k by 2028 (a family sustaining income in the District) and in so doing, decrease the racial income gap

Median household income by race and ethnicity for DC, 2010-28[1]

Median household income, thousands, USD; (CAGR, 2010-28, %)

United Way's ALICE living wage for 1 adult and 1 child in DC ~$78k in 2021 USD[3]

Forecasted based on historical growth (2010-21)

201 — White, DC (3.9%)[2]

127 — Hispanic, DC (5.1%)

~$25K

62 — Black, DC (2.8%)

Insights from our analysis on median household income by race

- $78k is United Way's Asset Limited Income Constrained Employed (ALICE) living wage for 1 adult and 1 child and is close to DC average household size of 2.1[3]

- DC has one of the highest white to Black median income gaps (~3x) of major US cities

- The median income gap in DC between white and Hispanic households has fallen from 1.96 in 2010 to 1.72 in 2020, and could fall further to 1.58 by 2028

1. Dollars in nominal terms; based on 5-year estimates from the US Census
2. White alone, not Hispanic or Latino
3. Based on United For ALICE tool; data from 2018; ~$72k in 2018 is worth ~$78k in 2021

Source: US Census, 5-year estimates; United for Alice; Federal Reserve Bank of Minneapolis, Inflation Calculator

Goals – Details

Goals Detail (1/2)

Focus area		Goals
Successful businesses	**A**	**Create 35,000 new jobs in target sectors -** DC will focus on six sectors with potential for significant growth and provision of high quality jobs: 1) education and research, 2) consulting services, 3) communications and design, 4) hospitality, tourism, and entertainment, 5) life sciences and health tech, 6) and technology, with focus on cybersecurity and artificial intelligence. These targets are based on factors such as projected national and regional growth, DC location specialization and share of workers who are BIPOC. With no targeted action or incentives, these sectors are expected to add 11K jobs to the economy by 2028. This goal aspires to build on that natural growth, aiming to increase total jobs in those sectors by 35K from current levels, achieved through strategic initiatives and investment. Focusing on job growth helps to ensure that the benefit of these growing sectors is experienced by residents through opportunities for higher wages.
	B	**Increase the share of minority-owned employer businesses to 33%** - Small business activity contributes to neighborhood vibrancy, resident quality of life, the city's tax base, and wealth building for business owners. Despite comprising over 60% of DC's population, it is estimated only 27% of employer businesses in DC are owned by Black and Hispanic and/or Latino proprietors. Between 2017 and 2019, the number of minority owned employer firms grew by 3.6% annually. Re-establishing this growth rate could put DC on track to reach a target 33% share of minority-owned employer firms by 2028, helping grow the city's economy, increase neighborhood vibrancy, and build inter-generational wealth, helping close longstanding racial wealth and income gaps
Opportunity-rich neighborhoods	**C**	**Eliminate key amenity gaps across all neighborhoods and increase access to opportunity** by closing gaps in broadband and food access and adding affordable housing to opportunity-rich areas. Extensive research, including from Raj Chetty's Opportunity Insights and the Robert Wood Johnson Foundation, documents the importance of place in driving economic and well-being outcomes for residents. For example, there is a $30k difference in income as adults for children who grew up in the highest mobility neighborhoods in the District versus the lowest mobility neighborhoods. Likewise, the 2018 DC Health Equity Report found a 21-year difference in life expectancy between neighborhoods, demonstrating the profound differences in health outcomes by neighborhood. The District will make targeted, place-based investments to close these opportunity gaps, including: adding 5-6 new grocers East of the River (3 new grocers currently in pipeline) and retaining existing access points so all East of the River residents live within one mile of a grocery store by 2028 (as of 2020, 79k live further than 1 mile); investing in high-speed internet and digital skills development to close broadband access gaps, which affects 120-130k residents concentrated in Wards 5, 7, and 8; and focusing affordable housing investments on below-target planning areas, including Rock Creek West, Near Northwest, Capitol Hill, Rock Creek East and Central Washington, which are projected to be 3,706 units short of their targets by 2025, to create a more equitable distribution of affordable housing and ensure low- and moderate-income households are able to live in all neighborhoods.

Goals Detail (2/2)

Focus area	Proposed goals
Opportunity-rich neighborhoods	**(D)** **Add 15,000 residents to the Downtown population** - Adoption of remote work highlights the need to transform Downtown from a predominantly commercial district to a vibrant, 24/7 neighborhood. Increasing total residents living Downtown can act as a North Star to measure progress against this effort, which will include adding residential units, increasing tourism, and filling commercial and retail space. Examining the share of residents to jobs in mixed-use neighborhoods can inform setting a target for the ideal ratio of residents to jobs for Downtown (currently, Downtown's ratio is .12, while the average of neighborhoods including NoMa and Navy Yard is .47). Adding 15,000 residents will bring DC's residents to jobs ratio to .18, meaningfully improving diversification of uses. Adding 15,000 residents would require an estimated 7M sq/ft of net new residential real estate, 1M of which is already being converted through existing projects.
Thriving people	**(E)** **Retain current residents and reach a population of 725K** - DC lost over 35K residents between 2018 and 2021, with 79% of outmigration being driven by residents ages 20-34, primarily seeking more affordable jurisdictions in the region. Perceptions of public safety is another concern. Reversing this trend and growing DC's population will be critical to ensuring a resilient tax base (e.g., each resident who earns $85K annually contributes $7.7K to the tax base, compared to $700 for non-resident workers and $0 for non-resident remote workers) especially with enduring remote work patterns. DC can aspire to add 45K residents by 2028 by retaining existing residents and growing the population by 1.35% annually between 2023 and 2027. Note the District's population grew 1.7% annually between 2010 and 2018, then declined 5% between 2018 and 2021 before increasing 0.45% (3,012 people) between 2021 and 2022.
	(F) **Increase economic prosperity in DC by lifting the median household income of Black residents by $25K** – Median household income for Black households is $53K; raising incomes by $25K to a total of $78K ensures that many Black families move above the United Way's ALICE living wage (currently ~$78K for 1 adult and 1 child in DC), ensuring they can afford key expenses such as housing, food, transit, childcare, and a smartphone plan. This effort will also help to close the racial gap in median income, one of the starkest in the country, where income of white households is ~3x compared to Black households.

Initiatives Overview

DC's Comeback Plan Initiatives Overview

Successful businesses

- Improve ease of doing business
- Assess Tax Revision Commission recommendations
- Conduct an annual survey of DC business owners
- Increase access to capital and entrepreneurship training programs for underserved residents
- Enhance the Commercial Property Acquisition Fund
- Support vibrant commercial corridors across the District
- Support entrepreneurship training
- Maximize inclusiveness of business grant applications
- Build DC's health technology and life sciences sector
- Use local procurement to create opportunities
- Create a dedicated technology entity
- Bolster tourism, hospitality & entertainment
- Explore opportunities to build DC's climate technology or climate finance ecosystem
- Designate a federal government real estate concierge

Opportunity-rich neighborhoods (including Downtown)

- Equitably distribute affordable housing
- Reduce zoning and policy barriers to increase capacity for affordable housing
- Launch Black Homeownership Fund
- Revamp development regulations and processes
- Explore land/property acquisition as tool to create and preserve affordable housing
- Implement housing needs assessment and displacement tracking methodology
- Create Neighborhood Asset Index to inform investments
- Add new grocers and food options EOTR
- Increase access to affordable, high-speed, reliable internet
- Deliver and support new health facilities
- Execute 2020 Statewide Comprehensive Outdoor Recreation and Ready2Play plans
- Strengthen transit access and service
- Leverage District developments and tenancy to bring new amenities to underserved areas
- Complete St. Elizabeths East campus development
- Acquire and create redevelopment plan for RFK stadium
- Acquire and create redevelopment plan for Poplar Point
- Advance the McMillan Sand Filtration site development

- Create residential nodes and increase housing Downtown
- Establish Downtown destination corridors focused on transforming public space, transit, retail, and entertainment
- Explore financial and regulatory approaches to shift office to other commercial uses
- Grow university innovation activity and footprint Downtown
- Maximize the potential of large, upcoming on-market commercial leases (e.g., FBI Headquarters) and other existing large assets into flagship destination spaces
- Develop Penn West Equity and Innovation District
- Use Vitality Fund to accelerate business retention and attraction
- Bolster tourism, hospitality & entertainment
- Expand multimodal transportation capacity
- Create Downtown stakeholders action plan

Thriving people

- Reduce barriers to occupational licensing
- Strengthen pathways to job training in target sectors
- Continue Career Coach DC and explore expansion opportunities
- Expand skills-based hiring
- Scale existing education and career pathway scholarship programs
- Advance educational outcomes for K-12 and post-secondary students
- Reduce gun violence
- Advance Homeward DC 2.0
- Launch multi-pronged childcare initiative to increase seats and reduce costs
- Help longtime Washingtonians become and remain homeowners
- Support wealth-building through business
- Create one-stop resident services Pathways Portal
- Assess impact of and potentially scale direct cash assistance programs

Successful businesses (1/2)

Category	Initiatives
Business environment	✓ **Improve ease of doing business** for entrepreneurs and established firms by launching a business one-stop portal, creating a central small business technical assistance hub at DSLBD, and streamlining business regulatory processes[1]. (OCTO, DSLBD) ✓ **Assess Tax Revision Commission recommendations** when complete to determine priorities for implementation. (OBPM, DMPED, Council)
Small business & entrepreneur ship	✓ **Establish an annual survey of DC business owners**, supporting progress toward goal to increase the share of minority-owned businesses by enabling DC to create benchmarks on key measures including business starts, ownership, location, survival rates, access to capital, contracting, revenues and size, and target support accordingly, including to microbusinesses to support growth; survey will resolve existing BIPOC business data gaps. (DMPED) ✓ **Increase access to capital for small businesses and underserved entrepreneurs** through programs such as DC Rebuild Bond Program, Small Medium Business (SMB) Fund and the Nourish Collaborative. (DMPED, DSLBD) ✓ **Enhance the Commercial Property Acquisition Fund** by maintaining the financial offerings of the CPAF, expanding programming to offer a prep course to assist business owners buying their first commercial properties. (DMPED) ✓ **Support vibrant commercial corridors** across the District by expanding support for temporary retail activations in areas facing high level of retail vacancy (e.g. "master lease" program for popup retail and/or building on the Grow Golden pilot program) and designating priority areas[2], assessing the Great Streets Program retail priority areas, continuing Main Streets and Great Streets support, and exploring new tools to support retail development. (DMPED, DSLBD) ✓ **Support entrepreneurship training programs** through continuation of DSLBD's Aspire to Entrepreneurship, Dream grant and training programs, and Nourish technical assistance. (DSLBD, DMPED) ✓ **Maximize inclusiveness of business grant application processes** to reduce burden on businesses. Develop one user-friendly base grant application to realize administrative efficiencies. Explore ways to incorporate broader community input into grant application review[1]. (DMPED) ✓ **Use local procurement to create opportunities for small and BIPOC-owned businesses** by refining Certified Business Enterprise (CBE) program statute and certification process, increasing District SBE contracting, and growing DC Community Anchors Partnership participation (DSLBD, DMPED, CNHED).

1. See pages 50-55 "Ease of Doing Business" in Appendix for details.
2. Retail activations would also support Downtown reimagination and could target F Street, 7th between H and G Streets, Connecticut Avenue between Farragut and Lafayette Parks, Union Station and potentially other areas.

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Successful businesses (2/2)

Category	Initiatives

Sector-specific

✓ **Ramp up retention, expansion, and attraction efforts targeting high-growth sectors** where DC has comparative strengths for job creation and talent pipeline development: education & research, consulting, communications & design, hospitality, tourism & entertainment, life sciences & health technology, and technology. Utilize the Vitality Fund to support the attraction/retention of these sectors. (DMPED, WDCEP)

✓ **Build DC's health technology and life sciences sector** by implementing the HOPE initiative (if funded, this $92M initiative will build out four life sciences facilities that will deliver ~200K sq ft of lab space and ~1,300 jobs), expanding research capacity and investing in construction of additional wet labs, supporting research commercialization and the growth of healthtech startups; and other actions (DMPED, Howard University, Children's National, Whitman Walker, George Washington University)

✓ **Bolster DC's tech industry by creating a dedicated technology entity[1]** to invest in early-stage, technology-based businesses and coordinate the existing ecosystem of entrepreneur-support organizations (with a focus on resources for BIPOC businesses) by fostering connectivity and networking, creating a unified tech sector policy agenda, liaising across workforce development initiatives, fostering university and federal tech transfer, and marketing DC as the nation's leading equity-driven tech ecosystem, while encouraging and emphasizing equity in tech across all activities. (DMPED)

✓ **Support tourism, hospitality and entertainment**: Establish Tourism Recovery District funding mechanism[2] to support expanded marketing to increase visitation, including campaign focused on remote workers, explore creation of a stopover program, support arts/cultural festivals, launch hospitality business and workforce technical assistance. (DMPED, Destination DC, EventsDC, Hospitality Alliance)

✓ **Explore opportunities to build DC's climate technology and finance ecosystem**, potentially making DC a central location for climate finance intermediaries and/or making DC a knowledge and tech center for the green ecosystem, supported by DC's leadership in sustainability commitments (DMPED, DOEE)

✓ **Designate a federal government real estate concierge:** Proactively pursue opportunities for DC government to partner with the federal government by creating a position responsible for (1) strategically retaining federal real estate leases and property portfolio, (2) supporting land transfers and co-management (e.g. parks), (3) creating plans for utilization and potential redevelopment of real estate for potential non-office uses, and (4) helping increase federal contracting among DC-based businesses and 5) pursuing other strategic partnerships with federal agencies. (DMPED)

1. See pages 63-66 "Technology Entity" in Appendix for details.
2. See pages 67-69 "Tourism, Hospitality and Entertainment" in Appendix for details. Also appears in Downtown section, page 45, given concentration of tourism/hospitality/entertainment offerings.

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Opportunity-rich neighborhoods (1/2)

Category	Initiatives
Affordable housing supply	✓ **Use innovative approaches** such as [High Opportunity Areas Tax Abatement (HANTA), faith-based institutions pilot program](#), Affordable Rental Covenants (ARC) and [Residential Accessory Apartment Program (RAAP)](#) to achieve affordable housing goals for every planning area (i.e. equitable distribution of 12,000 new affordable homes by 2025), while continuing to also increase supply of stock of deeply affordable and family-sized housing citywide. (DHCD, DMPED, DCHFA, DCHA)
	✓ **Increase capacity for new affordable homes by reducing zoning and policy barriers (e.g. federal height limits)** in areas such as New York Avenue, Poplar Point, and Chevy Chase (OP)
	✓ **Launch Black Homeownership Fund to increase supply of homes available for purchase,** to help achieve the goal of adding 20,000 net new Black homeowner households by 2030 (DMPED, DHCD, DCHFA)
	✓ **Revamp development regulations and processes**[1] by undertaking a comprehensive, stakeholder-centered review to identify challenges to housing production and develop roadmap to improved state, building on recent and in-progress improvements. (MOPI, DMPED, DMOI)
	✓ **Explore ways to create and preserve affordable housing through property acquisition**, e.g. land purchase opt-in program, federal land transfers, land banking (DHCD, DMPED)
Neighbor-hood analytics and plans	✓ **Implement a comprehensive housing needs assessment and displacement tracking methodology** to project demand for units based on family size, location, affordability, determining corresponding supply, identify indicators of displacement risk in particular areas, and inform future goals, policies and action. (DMPED, OP, DHCD)
	✓ **Develop a Neighborhood Asset Index** to inform select place-based investments made through redevelopment projects and grant programs in DC neighborhoods. The index provides neighborhood-level data about the relative density of key assets such as childcare centers, grocery stores, and other amenities units compared to the population and citywide averages – paired with community input and formal plans, it will support better informed decisions about community investments[2] (DMPED, OP)
Food options[3]	✓ **Maintain existing grocers and deliver 5-6 new grocers EOTR** (including 3 in pipeline) to ensure that all DC residents EOTR live within a mile of grocery store, using Food Access Fund, Nourish, Supermarket Tax Credit and District development projects. New store locations include Capital Gateway and 1-2 other locations at St. Elizabeths, Twining, Fairlawn, Deanwood, Randle Highlands, Penn Branch, Fort Davis Park and/or Fort Dupont. (DMPED)

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Opportunity-rich neighborhoods (2/2)

Category	Initiatives
Other assets to support high-opportunity neighbor-hoods	✓ **Ensure all DC residents have equitable access to affordable, high-speed and reliable internet,** and are empowered with the devices, tech support, and digital literacy and skills to effectively use it. (OCTO) ✓ **Deliver and support new healthcare facilities, including those that support older adults and senior communities**, to advance health equity, including the Ward 8 Senior Wellness Center, the Ward 7 caregiver center, Cedar Hill Regional Medical Center, Whitman Walker Community Health Center, Howard University Hospital and National Center for Health Disparities, and GW network of telehealth neighborhood centers. (DGS, DMHHS, DACL) ✓ **Execute 2020 Statewide Comprehensive Outdoor Recreation and Ready2Play plans** by prioritizing neighborhoods where residents do not have a high-quality park within 0.5 miles of their own home (e.g. Sheridan, Joint Base-Anacostia, Saint Elizabeths) (DPR) ✓ **Strengthen transit access and service,** advancing moveDC and Sustainable DC 2.0 plans with the creation of new bus and rail lines and stations in places of greatest transportation need (e.g. Joint-Base Anacostia, Brightwood, Hawthorne), supporting moveDC's Strategy 30 under Policy N (Provide transit to areas currently without it), as well as ongoing transit projects including Pennsylvania Avenue SE redesign and Capital Bikeshare expansion; work with WMATA to improve Metro service and reliability (DDOT, DMOI)
Transformative development projects	✓ **Advance District and District-supported redevelopment projects in Wards 7 and 8**, including Reunion Square, Barry Farm, Malcolm X, Fletcher-Johnson, and Hill East Phase II, to bring new housing, homeownership opportunities, and neighborhood-serving retail and amenities and continue to leverage District government tenancy to bring new amenities to underserved areas (EOTR Leasing Strategy). (DMPED, DGS) ✓ **Complete St. Elizabeths East campus development**, bringing affordable housing, retail, office, civic space and healthcare assets to this historically underserved neighborhood (DMPED) ✓ **Acquire and create redevelopment plan for RFK site** to bring in new affordable housing and amenities for surrounding neighborhoods such as Lincoln Park, Carver Langston and Near Southeast, in a plan informed by a citizen advisory committee (DMPED) ✓ **Acquire and create redevelopment plan for Poplar Point** to bring in new affordable housing, childcare centers, food access points and other amenities to surrounding neighborhoods Barry Farm, Joint-Base, and Sheridan (DMPED) ✓ **Advance the McMillan Sand Filtration site development**, creating a new community center and park, grocery store, homes, medical office buildings, and retail to this long under-utilized site (DMPED)

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Bringing New Amenities and Resources East of the River

Place-based projects and programs

In the next five years, the District will significantly eliminate key asset and amenity gaps by increasing access to broadband and grocery stores, fostering more mixed-use areas, and leveraging additional tools to create transformative changes to neighborhoods East of the River.

Grocery Stores

Healthcare Facilities

Housing and Amenities

Areas to Increase Internet Access

Deliver 5-6 new grocers EOTR, including 3 in pipeline -- Muki's Market in Fort Davis (2023 delivery), Fresh Food Factory in Kenilworth (2023 delivery), Capital Gateway (2024), and 2-3 additional sites; while maintaining existing access points

Create new healthcare facilities, including the Cedar Hill Hospital, Ward 8 Senior Wellness Center, Ward 7 Caregiver Center, and HOPE Initiative projects, including Whitman-Walker at St. Elizabeths and the GWU telehealth access points.

Increase access to high-speed internet by enhancing adoption and affordability of service subscriptions, devices, and digital literacy.

Complete St. Elizabeths East campus development, bringing affordable housing, retail, office, civic space and healthcare assets to this historically underserved neighborhood

Acquire and create redevelopment plan for Poplar Point to bring in new affordable housing, childcare centers, food access points and other amenities to surrounding neighborhoods Barry Farm, Joint-Base, and Sheridan

Advance other District and District-supported redevelopment projects, including Reunion Square, Barry Farm, Malcolm X, Fletcher-Johnson, to bring new housing, homeownership opportunities, and neighborhood-serving retail and amenities and continue to leverage District government tenancy to bring new amenities to underserved areas (EOTR Leasing Strategy)

Help develop the Anacostia art/culture district, increase tourism marketing to drive visitation to such destinations and support arts and cultural festivals that draw large attendance and celebrate DC culture (e.g. Art All Night, go-go)

Execute 2020 Statewide Comprehensive Outdoor Recreation and Ready2Play plans by prioritizing neighborhoods where residents do not have a high-quality park within 0.5 miles of their own home (e.g. Sheridan, Joint Base-Anacostia, Saint Elizabeths)

Strengthen transit access and service, advancing moveDC and Sustainable DC 2.0 plans with the creation of new bus, rail and bike stations in places of greatest transportation need

Explore higher education campus expansion opportunities EOTR to increase access to post-secondary options
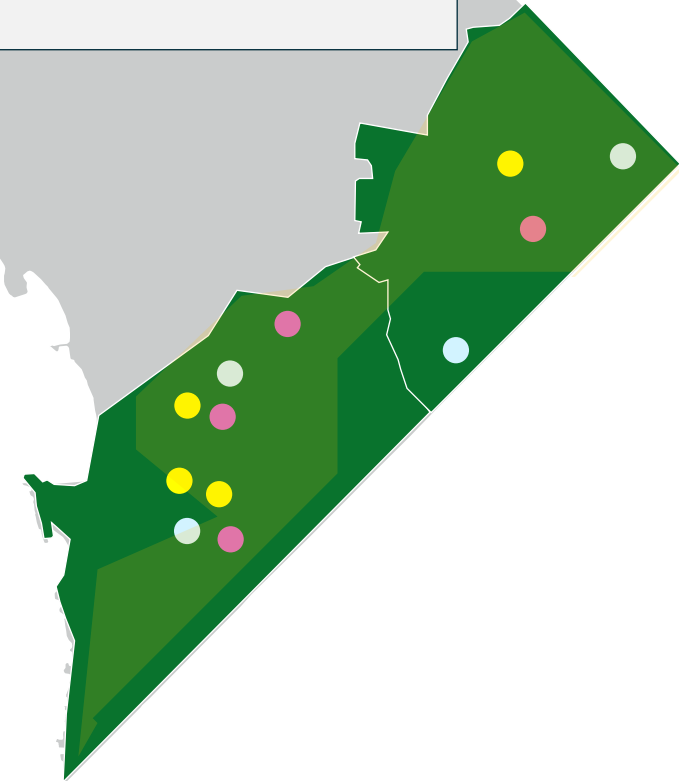
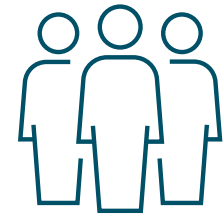# We seek to address the future of Downtown through three lenses

①

Fill the space

Attract new or returning commercial occupants from priority industries and embrace new workspaces that accommodate for new working paradigms

②

Change the space

Convert existing commercial office space for other uses including residential, retail and amenity space

③

Bring the people

Increase foot traffic and vibrancy to reactivate street life and retail sales; create programming to bring back activity throughout the week

Opportunity-rich neighborhoods -- Downtown

Category	Initiatives
Change the space	✓ **Create residential nodes and increase housing supply Downtown,** including affordable housing, by enhancing the Housing in Downtown tax abatement, reducing regulatory impediments, and exploring opportunities for greater density through changes to zoning and federal Height Act; nodes may include areas with existing residential activity such as West End, near the GW Campus, Dupont Circle, Massachusetts Avenue corridor, Penn Quarter with the goal of creating more vibrant and mixed-use Downtown neighborhoods[1] (DMPED, OP)
	✓ **Establish Downtown destination corridors[2]** where efforts will be focused to enhance public spaces, activate retail, bolster entertainment options, and improve wayfinding, mobility options and connections to other neighborhoods; potential corridors include Pennsylvania Avenue (in partnership with NCPC), Franklin Park, Connecticut Avenue, K Street and 7th street (DMPED, OP, DDOT, DSLBD)
	✓ **Explore financial and regulatory approaches to support shift of office to other commercial uses**, including entertainment, recreation, childcare, light manufacturing, e.g. Expand Creative and Open Space Modernization (COSM) incentive eligibility (DMPED)
Fill the space	✓ **Grow university and innovation activity and footprint Downtown**: Maximize potential of catalytic university expansion projects (Georgetown Capitol campus, Johns Hopkins, and GW Penn West) and the resulting gravitational pull of other organizations, explore partnerships to create affordable and workforce housing and shared classroom space between universities, support tech transfer, and bring more international students to DC (DMPED)
	✓ **Maximize the potential of large upcoming on-market commercial leases** (e.g. FBI HQ) for new housing, entertainment venues & other uses (DMPED)
	✓ **Develop the Penn West Equity and Innovation District** in partnership with GWU and Golden Triangle BID, focusing on growth of medtech, govtech, fintech, and edtech through growth and attraction of startup and anchor companies, partnerships with employers and workforce organizations, and in-person programming as a driver to activity within the District (DMPED)
	✓ **Use Vitality Fund to accelerate business retention and attraction[3]** efforts, along with expanded team and other incentives (DMPED)
Bring the people	✓ **Bolster tourism, hospitality and entertainment**: Establish Tourism Recovery District funding mechanism[4] to support expanded marketing to increase visitation, including campaign focused on remote workers, explore creation of a stopover program, support arts/cultural festivals, launch hospitality business and workforce technical assistance.[2] (DMPED, Destination DC, EventsDC, Hospitality Alliance)
	✓ **Expand multimodal transportation capacity** by collaborating with federal, regional and private partners to advance the Long Bridge expansion project VRE L'Enfant Station Improvement Project, and Union Station Expansion Project (with intent to complete a Record of Decision, project delivery structure and financing plan, and design for Union Station Expansion) (DMOI, DDOT, DMPED, OP)
Implementation	✓ **Create a Downtown Stakeholders Action Plan,** that details initiatives that are key to achieving the vision and goals outlined in the 2023-2027 economic strategy, including roles for public and private actors; will complement public realm action plan spearheaded by OP

1. See pages 78-82 "Downtown destination corridors" in Appendix for details.
2. See pages 73-77 ""Downtown Residential Nodes" in Appendix for details.
3. See pages 56-62, "Health Tech and Life Sciences" and 64-67 "Technology Entity" in Appendix for details
4. See pages 67-69 "Tourism, Hospitality and Entertainment" in Appendix for details. Will have impact beyond Downtown

Thriving people (1/2)

Category	Initiatives
Workforce[1]	✓ **Reduce barriers to occupational licensing** by 1) reviewing licensing requirements; 2) examining potential for reciprocity in licensing; 3) streamlining licensing for qualified immigrants with professional experience; and 4) reviewing all blanket prohibitions on licensure for people with criminal records (e.g.,, D.C. Law 23-205) (DLCP/DME)
	✓ **Strengthen pathways to targeted sectors** with the goal of developing inclusive talent pipelines for growth sectors that are intentional about creating opportunities for under and unemployed residents: working with employers and other stakeholders, fill gaps in training and credentialling for target sectors, including identifying opportunities for stackable credentials, apprenticeship programs, and public-private skills development partnerships; sectors include sectors targeted for growth in Economic Strategy and sectors with greatest hiring needs ("in-demand sectors") identified in the Workforce Innovation & Opportunity Act (WIOA) Unified State Plan. (DME, WIC, DOES)
	✓ **Continue and explore opportunities to expand the Career Coach DC** program, which helps residents access resources that can help them identify potential education and career opportunities associated with in-demand skills and employment opportunities (DME, WIC)
	✓ **Expand the use of skills-based hiring in DC government** (similar to efforts in Maryland), acting as a proof point to spur adoption of skills based hiring across the District (DCHR, WIC, DME), and work with other workforce and industry organizations (e.g., Greater Washington Partnership), and training/education providers (including DCPS, OSSE, UDC) to convene major District employers and provide tactical guidance on how to adopt and increase skills-based hiring of DC residents, including which occupations are best suited for skills-based hiring, which pipeline training and upskilling programs exist for those occupations, and what strategies they can consider to identify and screen candidates
	✓ **Scale existing education and career pathway scholarship programs**, assessing potential to leverage employer (private and public) funding to increase capacity of signature education and career pathway programs (OSSE) and decrease financial barriers to postsecondary education (e.g., DC Futures, which offers scholarships to DC college students and the recently enacted Child Wealth Building Act, which provides Baby Bonds)
	✓ **Advance educational outcomes for K-12 and post-secondary education** by continuing efforts to reimagine high schools to prepare students for high-demand, high-wage jobs and leveraging the University of the District of Columbia (UDC) to build DC's talent pipeline with an emphasis on supporting native Washingtonians (DME, DCPS, OSSE, UDC) and consider higher education campus expansion in Wards 7 and 8
Stability and safety	✓ **Reduce gun violence** and support communities throughout DC through programs like Building Blocks DC which creates individualized wrap-around plans for support including housing, career and workplace readiness, mental health care, academic support, and other government services. (DMPSJ)
	✓ **Support people experiencing and at risk of homelessness** by implementing Homeward DC 2.0, the District's strategic plan for ending and preventing homelessness, by improving coordination between homeless services system and workforce services, identifying opportunities for people to grow their income, identifying employment opportunities for individuals with high levels of barriers, and providing connections to housing resources. (DHS)

1. See pages 87-90 "Workforce Initiatives" in Appendix for details.

Thriving people (2/2)

Category	Initiatives
Childcare affordability[1]	✓ **Reduce the cost of childcare, focusing on ages 0-2, by (OSSE)** – Increasing supply of childcare slots, by 1) Renewing OSSE's $10 million Access to Quality Child Care Grant after current expiry in 2024, which helps child development facilities expand, open and improve new and existing facilities; and 2) Conducting an audit of licensing procedures for childcare businesses to identify and address common point points for childcare facilities – Bolstering subsidies to households, by 1) Expanding initial eligibility in the Child Care Subsidy/Voucher Program to families earning 300% of the Federal Poverty Guidelines (FPG) (from current 250%); and 2) Assessing potential for further subsidy increases to support the "missing middle", families that fall between 300% of FPG and high income who struggle to afford infant care, while weighing the benefits and costs of such a policy, including potential unintended effects of gentrification and / or inability to fund other critical programs – Exploring employer support for childcare through innovative public-private funding model, e.g., Tri-Share Child Care Program in Michigan, where childcare costs are equally divided among the employer, the employee, and the state – -Build the most robust free before- and after-school programs in the nation.
Economic mobility and wealth-building	✓ **Help longtime Washingtonians become and remain homeowners by implementing Black Homeownership Strike Force (BHSF) recommendations,** including increasing resources and improving programs for purchase, rehab, maintenance, heirs legal services, increasing supply of units available for purchase through a leveraged Black Homeownership Fund, and creating protections from harassment. (DHCD, DCHFA, DMPED) ✓ **Support wealth building opportunities through business by continuing entrepreneurship training and technical assistance programs and commercial property acquisition assistance**; includes DSLBD's Aspire to Entrepreneurship, Dream program, Nourish DC technical assistance, Commercial Property Acquisition Fund & Prep program (DSLBD, DMPED) ✓ **Create Pathways Portal** to provide residents a one-stop shop for government services that support economic mobility, potentially complemented by AI-powered concierge service, case management, and "street team" outreach; portal will connect existing public-facing efforts such as WIC's DC Data Vault for workforce development, OCTO's social services portal, The Lab @ DC / DMPED's Front Door, OSSE's My Child Care DC, and DCPS' My School DC; possible: also develop protocols for information sharing across agencies. (OCTO) ✓ **Assess impact of cash assistance programs to identify opportunities for scaling;** these programs support resident autonomy and financial stability, critical foundations for upward economic mobility. Programs include Career MAP pilot, which provides formerly homeless families with housing subsidies / cash assistance for up to 5 years, the Strong Families, Strong Future DC pilot, which provides monthly cash transfers for one year to new and expectant mothers in Wards 5, 7, and 8, DC's Flexible Rent Subsidy program. (DHS, DMPED)

1. See pages 91-96 "Childcare Affordability" in Appendix for details.

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Appendix

Big Bet Initiatives - Details

This section includes more detailed descriptions of high-impact initiatives, and in some cases clusters of initiatives

Improve the Ease of Doing Business

Improve the ease of doing business in DC (1/2)

Description	Improve the ease of doing business in DC and the efficiency of the development process by creating integrated tools and processes, centralizing resources and conducting a comprehensive, stakeholder-informed review of regulations and requirements

What is the potential impact?

DC ranks 58th among 134 North American cities for the ease of doing business, with difficulties widely recognized by small business owners. In a recent DMPED commissioned survey of small business owners, 42% of respondents indicated simplification of regulatory requirements, fees, and fines and 32% indicated technical assistance as top interventions that could improve business resilience. Improving the experience of starting and growing a business could increase rates of entrepreneurship and business competitiveness.

Efforts in other jurisdictions (see below) suggest **streamlining construction permitting processes could reduce lead times by two-thirds by 2028.** In 2019, DCRA and AIA DC embarked on a process to improve the Building Permit Application process, which increased the number of projects approved in first or second round of review by 41% from 2014. However, there is still a lack of transparency and coordination regarding the roles of the 11+ agencies involved in the permitting process. Process efficiencies could have direct impact on the delivery time of development projects, including affordable housing.

How would it advance an inclusive economy?

Inefficient processes and systems put the biggest burden on small businesses, which are the types of businesses most frequently owned by Black and Hispanic entrepreneurs. Less time and headaches due to navigating government means more time and energy for their business, and more awareness of available resources.

Case examples

Arizona undertook a "permit blitz" to review agency regulatory processes for inefficiencies, resulting in cutting lead times by nearly two-thirds for select processes

Maryland Business Express is a one-stop online business portal that includes a dashboard, tracking any required documentation, fees/taxes owed, and additional resources customized to the needs of the specific business using the site

Improve the ease of doing business in DC (2/2)

Overall Actions

Conduct a stakeholder-informed, comprehensive review of regulations and requirements affecting real estate development and small business operations to identify opportunities to simplify, streamline and improve the user experience. (MOPI and relevant agencies)

Assess Tax Revision Commission recommendations when complete to determine priorities for implementation. (OBPM, DMPED, Council)

Business-focused actions

Continue iteration of new online business portal (OCTO, DLCP). Phase 1 creates a new user-friendly front door for all of DLCP's services. Future phases will integrate additional functions (CBE, First Source, grants, etc.) and create a custom portal view showing next steps for a business, enabling business owners to easily submit all forms, make payments, and complete other actions through a consolidated dashboard with one log in (with back end shared data across agencies) (OCTO, DLCP)

Create a small-business technical assistance hub to inventory, organize, and promote small business resources, and create new or refocus existing resources to address service gaps (DSLBD); this hub will coordinate access to capital resources (e.g. District Capitalized, State Small Business Credit Initiative TA program) as well as those offered by the Procurement Technical Assistance Center, placing an emphasis on government contracting support for women- and BIPOC-owned businesses. Determine a main physical location for in-person services as well as auxiliary locations in underserved neighborhoods to improve access for those most in need of additional support. (DSLBD)

Maximize inclusiveness of DMPED business grant application processes to reduce burden on businesses. Develop one user-friendly base grant application to achieve administrative efficiencies. Explore ways to incorporate broader community input into grant application review. (DMPED, OCTO)

Building and construction-focused actions

Require all 11+ agencies involved in the permitting process to publish a service level agreement and permit review turnaround times for every type of permit. Transparency will manage customer expectations and accountability appropriately. (MOPI, DMOI)

Create a one-stop permitting center physically (detail reviewers from 11+ agencies to work under one roof) and digitally (expand DOB Permit Wizard so that small business owners can self serve).(MOPI, OCTO)

DC ranks moderately on the ease of doing business compared to other North American cities

	City	Overall Ease of Doing Business Rank	Starting a Business Rank[1]	Employing Workers Rank[2]	Getting Electricity Rank[3]	Land and Space Use Rank[4]	Paying Taxes Rank[5]
Neighbors	Washington, DC	58	55	124	54	4	81
	Arlington, VA	48	9	53	59	1	117
	Baltimore, MD	59	51	61	34	67	87
Peers	Atlanta, GA	46	39	65	42	38	41
	Boston, MA	30	40	52	25	63	54
	Chicago, IL	43	28	56	43	7	106
	Dallas, TX	56	53	62	65	39	53
	Los Angeles, CA	71	82	98	55	65	85
	New York City, NY	76	61	75	80	54	84
	Philadelphia, PA	60	84	54	21	85	76
	San Francisco, CA	64	79	68	57	2	133

Note: ASU's "Doing Business in North America" rankings is designed to provide a measure of the ease of doing business across 134 North American cities. The Ease of Doing Business score focuses on the regulatory burdens a small- to medium-sized business would face from the birth of the business to the death of the business. The other categories are components of the overall East of Doing Business score.

1. Starting a Business focuses on the procedures officially required for an entrepreneur to start up and formally operate an LLC as well as the time and cost to complete these procedures.
2. Employing Workers focuses on the legal requirements or fiscal burdens necessary to comply with an economy's labor laws.
3. Getting Electricity focuses on the accessibility, reliability, and cost of electricity.
4. Land and Space Use focuses on the sequence of procedures necessary for a business to purchase a property from another business and to transfer the property title to the buyer's name.
5. Paying Taxes focuses on all taxes that are mandated at any level of government (i.e. personal, corporate, and commercial property tax rates).

Source: Arizona State University, "Doing Business in North America" rankings

DMPED
OFFICE OF THE DEPUTY MAYOR FOR PLANNING & ECONOMIC DEVELOPMENT

WE ARE GOVERNMENT OF THE DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR

DC's cost of doing business is high relative to peers and the US average; in particular, tax and energy cost are higher than neighbors

Cost of Doing Business
2020, 100=US Average

Massachusetts	119.1
New Jersey	113.3
Connecticut	107.9
District of Columbia	106.7
Maryland	102.6
Virginia	102.5
New York	95.8
Pennsylvania	94.9
North Carolina	93.0
West Virginia	92.6
Delaware	85.1

Unit Labor Cost (71%)

Massachusetts	110.0
New Jersey	111.0
Connecticut	94.0
District of Columbia	105.0
Maryland	103.0
Virginia	108.0
New York	85.0
Pennsylvania	97.0
North Carolina	94.0
West Virginia	95.0
Delaware	80.0

Measures compensation per dollar of output

Energy Cost (20%)

Massachusetts	174.0
New Jersey	125.0
Connecticut	171.0
District of Columbia	116.0
Maryland	103.0
Virginia	84.0
New York	118.0
Pennsylvania	87.0
North Carolina	85.0
West Virginia	89.0
Delaware	97.0

Compares average commercial and industrial electricity costs in cents per kilowatt hour

Tax Cost (9%)

Massachusetts	99.0
New Jersey	114.0
Connecticut	118.0
District of Columbia	139.0
Maryland	103.0
Virginia	87.0
New York	149.0
Pennsylvania	99.0
North Carolina	98.0
West Virginia	93.0
Delaware	105.0

Total state and local tax revenue as a percentage of total personal income in the area, indexed to the national effective tax rate

DMPED · GOVERNMENT OF THE DISTRICT OF COLUMBIA · MURIEL BOWSER, MAYOR
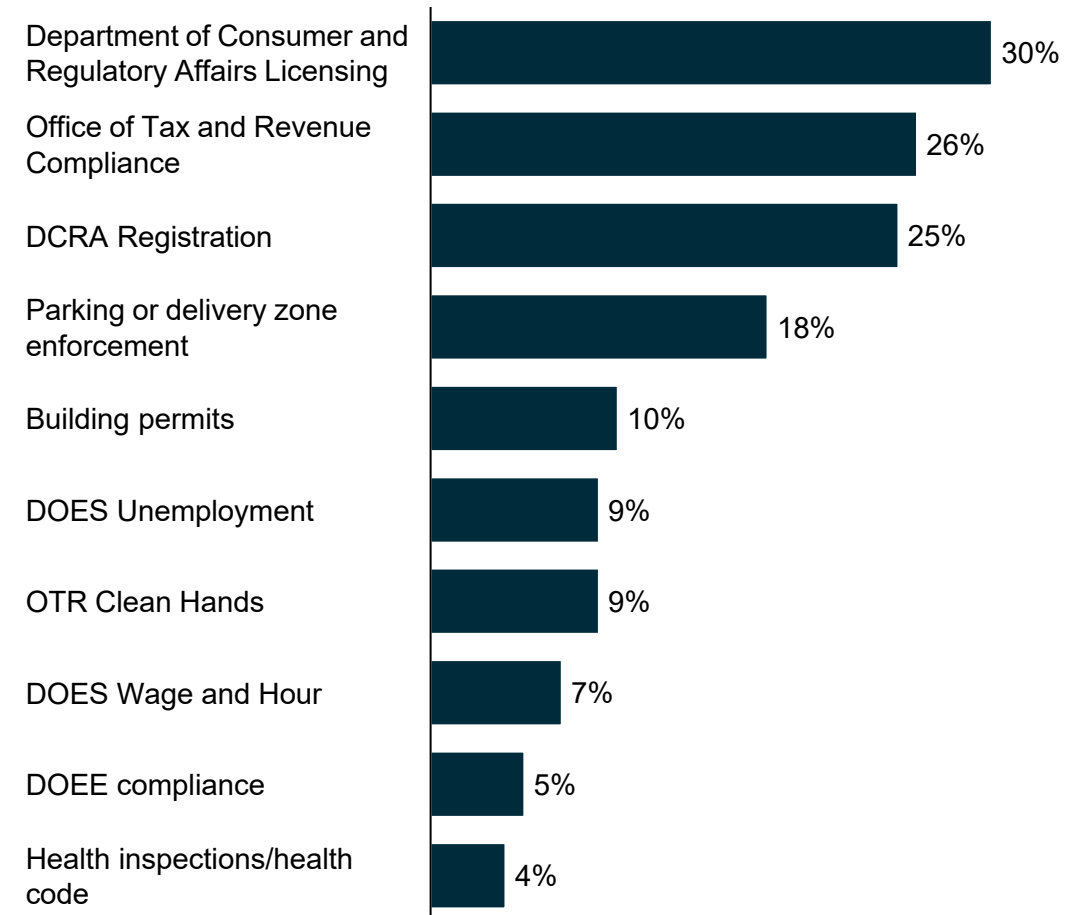
Addressing key challenges for the business community could boost DC's economy

Identify the top 3 challenges you faced in operating your business before the COVID-19 pandemic

Capital: access to loans and financing	38%
City taxes, fees, and regulations	34%
Labor: access to qualified workers, cost of labor	27%
Cost of rent	23%
Competition with e-commerce	16%
Competition with brick and mortar chains	13%
Technology: access to high-speed internet, difficulty getting business and sales online	11%
Inadequate foot traffic	9%
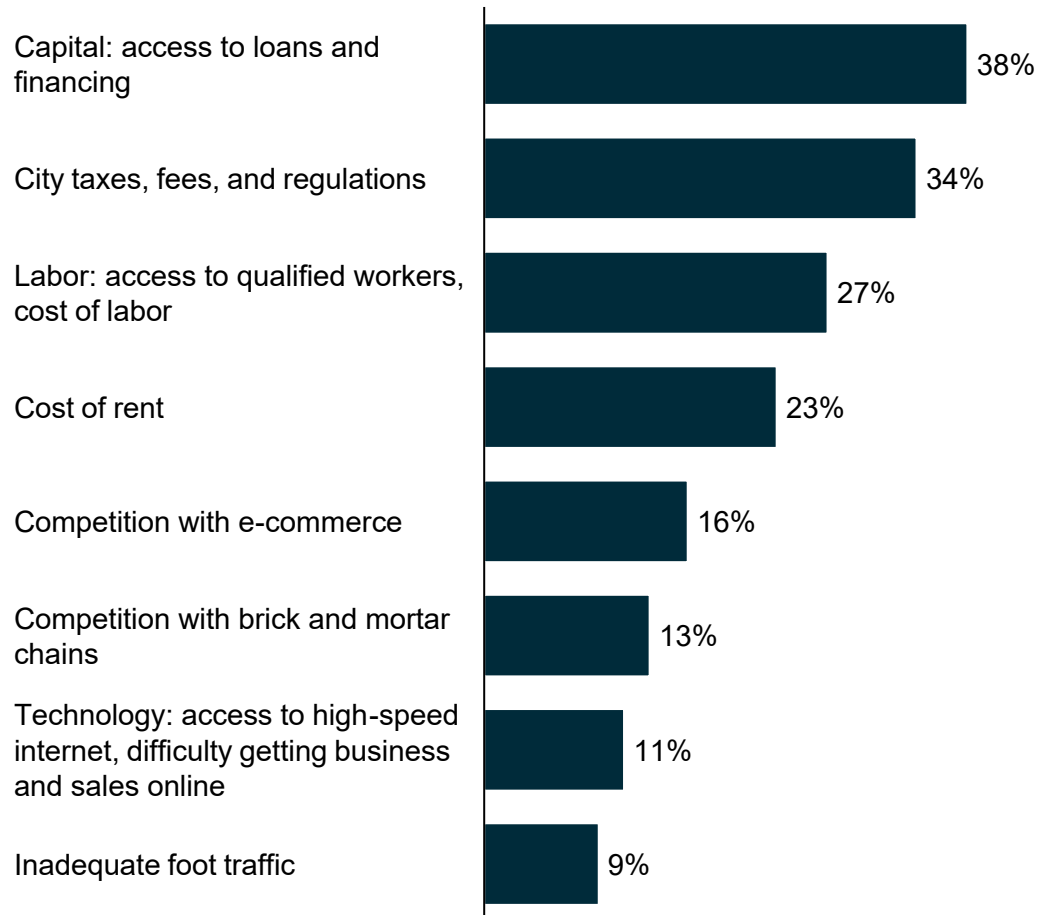
Please identify the top 3 DC city regulations that are most burdensome in operating your business

Department of Consumer and Regulatory Affairs Licensing	30%
Office of Tax and Revenue Compliance	26%
DCRA Registration	25%
Parking or delivery zone enforcement	18%
Building permits	10%
DOES Unemployment	9%
OTR Clean Hands	9%
DOES Wage and Hour	7%
DOEE compliance	5%
Health inspections/health code	4%

Source: DMPED small business survey, 2022

Health Tech and Life Sciences

Grow life sciences and health tech sector (1/2)

Description: **Build DC's health technology and life sciences sector** by investing in construction of additional wet labs, supporting research commercialization and the growth of healthtech startups, and implementing the HOPE Initiative

Why is it a big bet and what is the potential impact?

Life sciences is one of the fastest growing industries in the nation, with wages that are nearly two times the overall U.S. average, The industry uses specialized space and equipment, requiring workers to be on-site at higher rates than other industries. **DC could create nearly 3,300 net new jobs in life sciences by 2028**, producing an estimated impact of $530 million annual GDP in the DC economy.

The Greater DC/Baltimore region is the #4 life sciences cluster in the country with more than $4B of VC funding flowing in the past 5 years. However, DC has captured only ~3% of total VC investments in the same period, while employment in life sciences in DC represents only 11% of total life sciences employment in the region (vs 23% share of the labor force in DC vs the region).

What would it take to execute?

Expand research capacity by marketing real estate opportunities to established companies and CROs (contract research organizations), who often provide wet lab services for smaller companies, and incentivizing development of wet lab space to meet regional demand and support the needs of both new and established companies; partnering with universities and leveraging federal anchors like National Institutes of Health and Federal Drug Administration; strengthening support to entrepreneurs by engaging early with promising university spin offs; exploring opportunities to develop additional incubator space as well as supporting companies who are ready to expand out of JLABS into their own dedicated space; incentivizing companies to locate to and remain in the District through programs like free rent for a year and R&D tax credits

Implement the HOPE Initiative. DC has applied for $92 million in federal funding to support four capital projects aimed at growing the life sciences sector in the District. This initiative will invest in four projects promoting health equity and innovation throughout DC, including creating a new National Research Center for Health Disparities at Howard University, a Telehealth Innovation Center at George Washington University, and expansions at Children's National Research & Innovation Campus Phase II and Whitman-Walker at St. Elizabeth's. To support these projects, the District can build the local talent pipeline through training and upskilling opportunities. The District can then leverage these projects (complete by 2026) to attract pharma, biohealth, and telehealth companies.

Grow life sciences and health tech sector (2/2)

How would it advance an inclusive economy?	**Work in collaboration with stakeholders to train local talent in primary and support services relevant to the cluster** (e.g., lab assistants). Though many jobs in the industry required advanced skills and credentials, one-third of its jobs (34%) require less than a bachelor's degree, providing opportunities for DC residents to obtain entry level jobs that set them on a pathway for high earning career
	Contribute to a greater understanding of and improvement in local health outcomes through new research center at Howard focused on health disparities and by expanding services to improve health care access in key neighborhoods (Whitman-Walker)
Possible activities and milestones	**Leverage Children's National Research and Innovation Campus**, with over 160,000 new sq ft of space dedicated to pediatric genomic and precision medicine, as a foundation for the medical devices/health tech innovation cluster. The campus includes the **JLABS @ Washington DC incubator,** part of Johnson & Johnson Innovation, providing life sciences startups with access to capital-efficient lab space and resources, including expertise, community, industry connections and entrepreneurial programs.
	Engage key partners to validate market demand for and explore opportunities for construction of wet lab or technical space, focusing on adding wet lab capacity close to existing life sciences activity (e.g. Children's National Medical Center/ MedStar); partners include national life sciences facility developers, local life sciences facilities, and regional life sciences companies; these spaces could act as footholds for longer-term growth of the sector
	Convene a stakeholder council of higher ed, government, and private sector organizations to oversee the planning and implementation of projects, included those funded by the HOPE Initiative, with a focus on ensuring jobs and training are targeted towards local residents
	Consider mechanisms to invest in infrastructure, equipment, and workforce development to support companies' activities
Related programs and case examples	**Philadelphia's University City Science Center** emphasized involving public, private, nonprofit, and higher ed sector stakeholders throughout the development of the hub, creating buy-in that has allowed it to thrive for nearly 60 years
	NYC aims to become a leader in innovation in life sciences through an incubator network that will offer incentives to entrepreneurs (like free rent for a year) and will work in collaboration with local universities and regional pharma companies
	The NOVA BioScience Center is home to 33K square feet of newly-constructed wet lab space that is customizable to individual company needs, a facility addressing the substantial regional demand for this type of space

Grow research capacity for life sciences by expanding wet lab space and improving access to entrepreneurial programs

Current state of activity in DC	• Dozens of startups have spun off from research at GWU, Georgetown, Children's National Hospital and their Sheikh Zayed Institute for Pediatric Surgical Innovation (SZI) over the past several years • 4.8K employed in R&D in the fields of biotechnology and physical, engineering, and life sciences • 840K sq ft real estate footprint in DC for life sciences companies (across uses, including office space)
Current state of activity in the region	• 79% increase in wet lab space demand in Maryland over past several years, with an estimated 1.1% lab vacancy rate in the region, highlighting demand. As of 2021, demand for life sciences space (52% R&D space, 48% manufacturing space) in the Washington, DC-Baltimore real estate market was ~1.8M SF, with only 650K SF available. The four HOPE projects plan to meet 1/5 of this market gap. • Projects including the NOVA BioScience Center (VA) and space conversions in Maryland aim to capitalize on wet lab demand • Baltimore is struggling to grow life sciences sector due to a lack of wet lab space; as startups graduate from incubators, they have no where to go
What is needed to support?	• Wet lab space to support companies graduating from incubators; generally requires incentives to developers to offset high cost of building wet lab space on spec • Strong base of academic research in relevant fields • Incubator space and other entrepreneurial programs to support companies being spun off from university research
How will DC get there?	• HOPE Initiative will produce 200k SF of lab space, primarily at Children's National and Howard University • Tap into and prioritize regional real estate demand, particularly for wet labs, by (1) undertaking outreach to major developers in the life sciences space (i.e. Alexandria Real Estate Equities, Blackstone BioMed, Healthpeak Properties), marketing opportunities in DC and broader market demand; and (2) incentivizing development of life sciences space (i.e. through tax credits, infrastructure funding) designed for companies that have graduated from incubators (space needs change from 2-3K sf to 10K sf per company), particularly wet lab space, with developers experienced in the requirements of these companies • Ensure early-stage innovation is well-supported by (1) engaging with local higher education tech transfer offices, determining which university spin off companies are poised to seek out incubator space; (2) explore potential need for additional incubator space with shared wet labs and life sciences equipment, flexible lease terms, and incubator administrator(s) familiar with the needs of life sciences companies and capacity to mentor new companies; and (3) incentivizing life sciences companies to remain in DC during and post-incubator phase by implementing programs like free rent for a year and R&D/IP development tax credits • Ensure company talent needs are supported by (1) connecting with local and regional universities to ensure recent graduates are aware of life sciences opportunities in DC; and (2) working with DC residents to provide training and upskilling opportunities and pathways to employment

Context for potential investment in wet labs

Example investment	Description	Public financing mechanism(s)	Total cost	Cost per square foot
4MLK (Baltimore, MD)	160K sf Class A wet lab-capable space, 40K sf flexible lab and office suites, 16K sf community space, public plaza and streetscape activation, 250K sf (phase 2) lab/office building	TIF deal valued at up to $17.5 million for the UMD BioPark, which houses 4MLK; creation of a RISE (Regional Institution Strategic Enterprise) Zone at the BioPark site allowed property tax credits of at least 50% of the eligible assessment in year 1, decreasing in value to 10% in year 5, among other benefits	$320 million	466K sf at $687/sf
NOVA Bioscience Center (Prince William County, VA)	30K sf commercial wet lab space; Ceres Nano employs 20 in a 10K sf space in the center, suggesting potential total job creation of 60 (one job per 500 sf)	County investment included $250K in water and sewer credits, $350K from the county's Economic Development Opportunity Fund (flexible funding for infrastructure improvements, site preparation, workforce services, capital equipment purchases, etc.), and $155K soil remediation funds; $500K in equipment grants from the state	$17 million	30K sf at $567/sf
125 West End Ave (New York, NY)	400K sf life sciences and research laboratory	N/A, privately-financed	$600 million	400K sf at $1,500/sf
Thermo Fisher Scientific expansion (Richmond, VA)	150K sf to expand clinical research operations, including laboratory operations; this project will create 500 new jobs in the next three years (one job per 300 sf)	Public incentives included a $1 million performance-based grant, $2 million from the state's Development Opportunity Fund (cash grant to offset/reimburse project costs like site acquisition/development, transit access, utility extension/capacity development, etc.), $150K in local funds, as well as Enterprise Zone and Major Business Facility Job Tax Credit eligibility	$97 million	150K sf at $647/sf

Based on the average of the projects described above, total spend of $1M yields ~1.0K sf of wet lab and related space

How much space might DC need?

- As of 2021, demand for life sciences space (52% R&D space, 48% manufacturing space) in the Washington, DC-Baltimore real estate market was ~1.8M sf, with **only 650K available**

- The overall **market gap is over 1M sf**, suggesting a potentially large amount of demand for wet lab space in DC

- DC could target **increasing its current wet lab inventory from ~50K[1] sq ft to ~150K sq ft**; total cost of development would likely be ~$100M, with ~5-14% public investment based on other projects
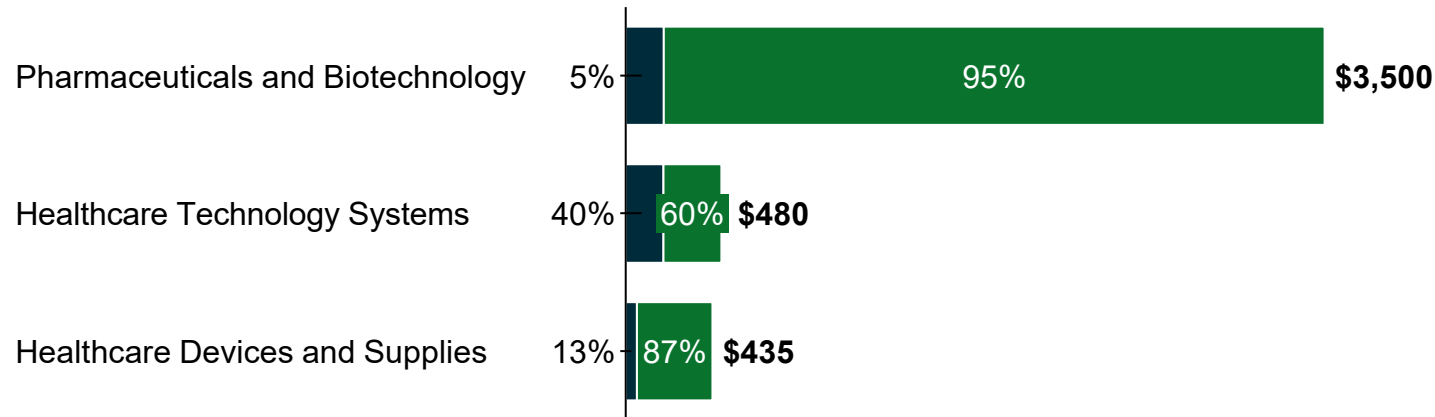
1. JLABS is 32K sf, plus 18K sf estimated additional spread across various university research functions
Source: CBRE

While Maryland is particularly strong in biopharmaceuticals, DC has opportunities to build upon its own strengths to capture additional investments
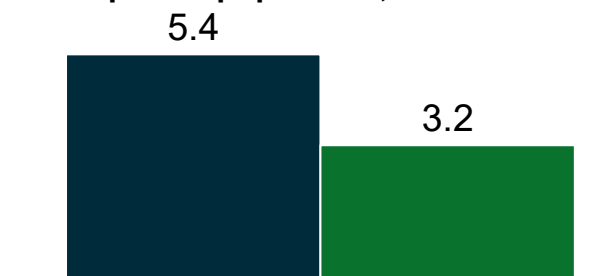
How DC stacks up against Maryland in life sciences

VC funding in life sciences sub-clusters, DC and MD
millions USD, 2016-21

■ DC ■ MD

Pharmaceuticals and Biotechnology	5% / 95% **$3,500**
Healthcare Technology Systems	40% / 60% **$480**
Healthcare Devices and Supplies	13% / 87% **$435**

Total higher ed degrees[1] awarded in STEM fields per 1K population, 2020

5.4
3.2

Total life sciences jobs per 1K population, 2021

7.4
7.4

Signature Maryland life sciences programs and incentives

- **Biotechnology Investment Incentive Tax Credit (BIITC):** BIITC provides an income tax credit equal to 33% of an eligible investment in a qualified biotech company up to $250K in credits, with additional credits available if located in an underserved community

- **Research and Development Tax Credit:** The tax credit is equal to 10% of eligible R&D expenses incurred in excess of the Maryland Base Amount. The total statutory cap is $12 million with a small business set-aside of $3.5 million

- **Maryland Innovation Initiative (MII):** Created as a partnership between the State of Maryland and five academic research institutions, MII awards funding to universities and university startups to support technology validation, market assessment, and startup formation processes.

- **Maryland SBA FAST* SBIR/STTR Proposal Lab:** Selects 25 companies annually to participate in the lab program in which TEDCO (MD Technology Development Corporation) assists small businesses in developing and submitting tech transfer proposals to the NSF

1. Only includes awards that are Associate's or higher. Includes first and second major completions.
Source: Pitchbook; Lightcast; US Bureau of Labor Statistics, Quarterly Census of Employment and Wages; US Census Bureau, American Community Survey; IPEDS

DC has clear competitive advantage in selected sub-sectors – medical devices and healthcare technologies

Life sciences sub-sector	Definition	Strengths of the region	Where DC could play
Medical Devices	Companies that develop, manufacture, and distribute devices and supplies for consumer and healthcare organizations (e.g. diagnostic and monitoring equipment, surgical and therapeutic devices, and medical supplies)	• 10K biomedical, computer hardware, and electrical engineers in the region • JLABS is home to many medical device startups (e.g. AlgometRx, Congruence Medical Solutions, Nanochon) • Home to AdvaMed, national medical device trade association	• Medical device companies do not have as strict requirements with respect to requirements of commercial space • Only 10% of Maryland's medically-focused life sciences VC funding falls in this vertical, **an opportunity for DC to build specialization** • Build upon the medical devices cluster within JLABS
Software-focused healthcare technology systems	Companies providing technology products to healthcare organizations (e.g. decision/risk analysis, healthcare enterprise systems, medical records systems, and healthcare outcome management)	• 70K software developers and data scientists in the region • JLABS is home to many healthcare technology systems companies (e.g. Adipomics, CorVista Health, Rose Health)	• Build upon the healthcare tech cluster within JLABS, leveraging the broader existing tech ecosystem (e.g. Penn West Equity and Innovation District, George Washington University Technology Commercialization Office) in DC to support • Only 7% of Maryland's medically-focused life sciences VC funding falls in this vertical, **an opportunity for DC to build specialization**

Technology Entity

Create a dedicated technology entity (1/2)

Description:	**Create a dedicated technology entity – an "ecosystem builder" – to drive growth and job creation in DC's tech industry** by investing in early-stage, technology-based businesses and coordinating the existing ecosystem of entrepreneur-support organizations, with a focus on resources for BIPOC businesses, by fostering connectivity and networking, creating a unified tech sector policy agenda, liaising across workforce development initiatives, fostering university and federal tech transfer, and marketing DC as the nation's leading equity-driven tech ecosystem, while encouraging and emphasizing equity in tech across all activities
Why is it a big bet and what is the potential impact?	DC is a **leader in tech activity,** with **nearly $2 billion** of VC investment in 2021; **home of the Federal government,** which has spent $325 billion in tech-related procurement since 2018 in the region[1], as well as **major firms** such as Google, Amazon, and Facebook, and several incubators/accelerator programs for diverse entrepreneurs, including 1863 Ventures, TechStars, and 2Gether-International. DC also ranks as the **#3 Market for Tech Talent in the US** and is one of the **most educated major cities** in the US (60% of population holding a bachelor's degree or above). However, unlike other jurisdictions (e.g., TEDCO in Maryland, VIPC in Virginia) and cities (e.g. Tech:NYC), there is **no current unified entity that supports DC's tech sector** in terms of funding for early-stage, technology-based businesses, assistance to entrepreneurs, connectivity and networking, and marketing the sector Potential to drive **$50 million** in economic impact and create **~250 jobs** over 5 years once fully operational[2]
What would it take to execute?	**Bring stakeholders** (e.g., DMPED, WCDEP, DC Office of Tax & Revenue, startups, established firms, entrepreneur-support organizations) together to discuss governance structure, funding, goals, and activities for entity **Inventory tech ecosystem and identify gaps in tech ecosystem, finalize list of activities** or programs that organization should focus on (e.g. serving as a state-supported investment vehicle) **Determine best structure and steps needed to effectuate** new entity (or expanded role for existing entity) **Launch marketing efforts** directed at national and international audiences highlighting the strength of DC's tech sector **Conduct local** outreach to ensure regional firms are aware of the new entity and its programs

1. Region is DC, Virginia, and Maryland; All agency spending; Industries: Computer Systems Design and Related Services; Data Processing, Hosting, and Related Services; Management, Scientific, and Technical Consulting Services; Other Professional, Scientific, and Technical Services; Scientific Research and Development Services; Software Publishers
2. Once fully up and running; based on approximately 10% impact of TEDCO in Maryland

Create a dedicated technology entity (2/2)

How would it advance an inclusive economy?

Equity in tech as a central piece of the entity's vision, goals, and activities, and especially around 1) creating entrepreneurship opportunities for BIPOC founders; 2) working with companies and education/training providers to provide an equity-focused talent pipeline; and 3) working with tech firms to launch DE&I oriented hiring programs in the District

Key activities and milestones

Provide funding for early-stage, technology-based businesses, through direct seed and venture funding (e.g., State Small Business Credit Initiative), and coordination with other investors (e.g., VC investors, angel investors, private equity firms)

Serve as unified representative of DC tech sector in relationships with local government agencies (including DMPED, OCFO, DC Council, and workforce development agencies), regional, and federal partners, and pursue strategic initiatives designed to grow the sector on behalf of the District

Assist entrepreneurs by coordinating the ecosystem of existing entrepreneur-support organizations so there is one point-of entry for all resources, identifying and filling technical assistance service gaps, and building relationships within the sector to promote partnership and collaboration (e.g., Maryland Entrepreneur Hub)

Foster connectivity and networking by supporting existing programming, such as DC Startup Week, and create vibrant spaces for casual interactions (e.g., "third places" such as cafes)

Bolster university and federal tech transfer to DC-based companies: promote the commercialization of research by partnering with local universities and other stakeholders (e.g. DC FedTech, SBA SBIR/STTR) to develop funding program for technology validation, market assessment, and company formation (e.g., Maryland Innovation Initiative)[1]

Liaise with workforce development initiatives, by ensuring programs meet the needs of tech companies in the District (i.e., green jobs initiatives) and allow for an inclusive talent pipeline aimed at current residents of DC (e.g., partnership with UDC)

Market DC as the nation's leading equity-driven tech ecosystem, by developing a brand for DC's tech sector and working to promote this brand to national and regional employers, higher education institutions, and workers

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1. Tech transfer offices: University offices responsible for bringing R&D to market and aiding startups

Create a dedicated technology entity: Overview of options

A **dedicated technology entity** in DC could perform the following activities:

- **Invest in** early-stage, technology-based businesses
- **Assist entrepreneurs** with connectivity, networking, and navigating programs
- **Lead branding and marketing** for DC tech sector

DMPED's potential **role**:

- Assist with design of entity
- Coalesce agencies and city leadership to support
- Provide funding via grants or other vehicles

Options	Pros	Cons	Example
1. New non-profit (501(c)3) independent entity funded by annual grants or initial endowment from DC (e.g., NC IDEA)	Ability to make equity investments Support state deployment of federal capital programs	May require large investment up front (e.g., from sale of asset) Contributes to proliferation of EDOs in DC	NCIDEA™
2. Non-profit (501(c)3) or (501(c)6) evergreen fund endowed by private stakeholders in DC (e.g., Partnership Fund for NYC)	Ability to make equity investments Well-funded and staffed Does not require public funding	Requires critical mass of private sector capital Contributes to proliferation of EDOs in DC	PARTNERSHIP FUND for New York City
3. Government instrumentality funded annually by DC (e.g., TEDCO, VIPC)	Ability to make equity investments Well-funded and staffed Support state deployment of federal capital programs	Complex governance and rules Requires legislative action and annual state funding Contributes to proliferation of EDOs in DC	TEDCO LEADING INNOVATION TO MARKET VIPC VIRGINIA INNOVATION PARTNERSHIP CORPORATION
4. Non-profit (501(c)3) subsidiary within existing economic development organization	Leverages existing organizational capacity and DC expertise Ability to make equity investments Support state deployment of federal capital programs	Requires buy-in from organizational leadership and support for expansion of mission	VIPC VIRGINIA INNOVATION PARTNERSHIP CORPORATION VIRGINIA VENTURE PARTNERS

Source: DMPED; NC IDEA; TEDCO; VIPC; VIPA; WDCEP; Partnership Fund for NYC

Tourism, Hospitality and Entertainment

Bolster Tourism, Hospitality & Entertainment to Bring the People to DC (1/2)

Description:	Bolster Tourism, Hospitality and Entertainment Sector to Bring the People to DC through new funding stream, new approaches to marketing, enhanced attractions, and technical assistance.

Why is it a big bet and what is the potential impact?	The hospitality industry, including restaurants, travel organizations, nightlife, sports, arts and other entertainment, is a critical sector of DC's economy, providing employment and career pathways for residents in addition to attractions and culture that provide enjoyment for residents and draw visitors to the District.
	In 2019, 24.6M visitors spent $8.2B in DC in a historic year for the tourism and hospitality industry, marking nine years of consecutive growth. The tourism and hospitality industry also represented 27K jobs and generated nearly $900M in tax revenue.
	Following a 46% decline in visitor numbers in 2020 from the previous year, the industry is now in recovery, seeing a 45% increase in the number of visitors from 2020 to 2021. This initiative will accelerate the industry's recovery back to pre-pandemic levels. The District will achieve this objective by investing in enhanced marketing, supporting and promoting major arts and cultural events, developing new tourist attractions, and providing technical assistance to facilitate the process of starting and growing a tourism business in the District; and leverage DC's strengths and assets including arts, historic sites and access to robust transportation options.
	Bolstering this sector is particularly critical to DC's economic health and vitality post-pandemic, as the commuter population has decreased due to hybrid and remote work and supporting the sector's large share of employees of color (7% of total employment for people of color in the District).
	This initiative would advance the reimagination of Downtown DC and support other tourism destinations in the District, including the SW Waterfront, Adams Morgan, the U Street Corridor, Historic Anacostia, and Georgetown.

Bolster Tourism, Hospitality & Entertainment to Bring the People to DC (2/2)

What would it take to execute?

Establish a Tourism Recovery District to fund tourism marketing and support visitation recovery[2] – a 1%, 3-year assessment on hotel/lodging sales that will support expanded tourism marketing to drive more visitors to the District (Destination DC and partners)

Target remote workers for extended stays in the District through the reimagine tourism marketing campaign, working with hotels restaurants, co-working facilities and entertainment/cultural organizations to create packages that introduce visitors to life in DC (DMPED)

Support arts and cultural festivals that draw large attendance and celebrate DC culture[2] such as Art All Night, DC GoGo events, through financial subsidy (e.g. Special Event Relief Fund), development of event/activation infrastructure (e.g. Penn Avenue re-envisioning plan, Streets for People/Open Streets) (DMPED, Events DC, OCTFME, OP, DDOT)

Add attractions to DC's entertainment offerings through new DC Family Fun Destinations grant program and development of Anacostia Arts & Culture District (DMPED)

Execute a National Cherry Blossom bus tour to drive visitors to DC from markets along the Northeast Corridor (DMPED, National Cherry Blossom Festival)

Explore a stopover campaign aimed at increasing international visitation, potentially partnering with airlines, Washington Metropolitan Area Transit Authority (WMATA), Metropolitan Washington Airports Authority (MWAA), and DC hotels to incent overnight or short-term hotel stays for travelers (Destination DC)

Launch a hospitality workforce development and business technical assistance program to build up the local hospitality talent pipeline and help businesses in the sector develop solutions to the challenges they face (DMPED)

Opportunity-Rich Neighborhoods

This section includes more detailed descriptions of Neighborhood Asset Index and select major development projects

Developing a Neighborhood Asset Index

What it is

Table and interactive map that provide a holistic view of physical assets (e.g., housing, grocery) and resident outcomes at the neighborhood level

Helps economic development and community organizations identify "what to do where" by mapping key gaps and disparities in assets and outcomes for each neighborhood, enabling development of targeted, place-based initiatives

Updated annually to support continued monitoring of progress

Why it is important

Research from [Raj Chetty](#), the [Robert Wood Johnson Foundation](#) and many others highlights, the neighborhood a person grows up in plays a fundamental role in determining their life outcomes – particularly their economic trajectory.

Physical components of neighborhoods such as broadband, grocery, and housing all play critical roles in shaping economic outcomes for residents of those neighborhoods, in conjunction with corresponding amenities such as healthcare and education. (Conditions of a neighborhood also affect the health outcomes of residents – also known as social determinants of health.)

Access to these critical assets and amenities varies significantly across DC's neighborhoods, producing divergent outcomes, particularly for Black, Hispanic and low-income residents. Investing in these assets is critical to closing these opportunity gaps as well as reducing racial disparities.

No existing data tool provides a comprehensive view of neighborhood assets and amenities at a geographically granular level. Such information should be a basic data point to informing economic and community development investments, providing an empirical foundation that can be paired with stakeholder input and market research to inform plans and decisions.

How it can be used

DMPED's neighborhood asset index can be used to **identify assets most needed in specific areas**

Using initial information provided by the index, economic & community development entities, project sponsors and other stakeholders can consult local communities, market research and other data to direct and design investments (e.g., development projects, Neighborhood Prosperity Fund) that will help fill these asset gaps, helping to produce improved outcomes

Acquiring and redeveloping Poplar Point is key to improving access to assets and amenities in surrounding neighborhoods

☐ Abutting neighborhood clusters

🌉 Bridge across Anacostia River   🟧 Lower relative to rest of city   🟩 Higher relative to rest of city
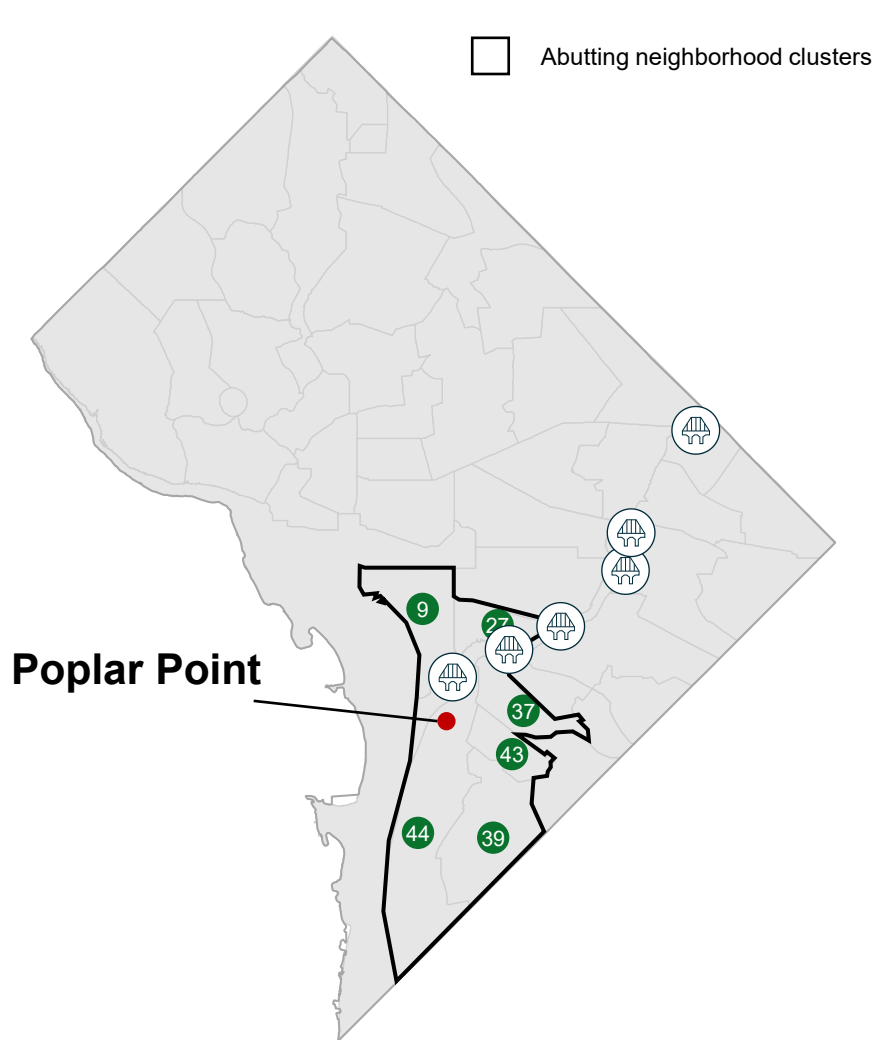
Poplar Point

Neighborhoods abutting Poplar Point

Select outcomes

Cluster	Name	% of non-rent burdened households	% of households within 1 mile of grocery store	Commute time within 45 minutes	% of population aged 0-5 enrolled in preK
Cluster 9	Southwest Employment Area, Southwest/Waterfront	40%	100%	84%	17%
Cluster 27	Near Southeast, Navy Yard	62%	100%	84%	11%
Cluster 37	Sheridan, Barry Farm, Buena Vista	47%	80%	77%	44%
Cluster 39	Congress Heights, Bellevue, Washington Highlands	62%	99%	53%	36%
Cluster 43	Saint Elizabeths	48%	81%	51%	54%
Cluster 44	Joint Base Anacostia-Bolling	38%	73%	74%	27%
	City average	**57%**	**96%**	**77%**	**36%**

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Downtown Residential Nodes

Create Downtown Residential Nodes

Description:	**Create residential nodes and increase housing supply Downtown,** including affordable housing, by enhancing the Housing in Downtown tax abatement, reducing regulatory friction, and exploring opportunities for greater density through changes to zoning and federal Height Act; nodes may include areas with existing residential activity such as West End, near the GW Campus, Dupont Circle, Massachusetts Avenue corridor, Penn Quarter with the goal of creating more vibrant and mixed-use Downtown neighborhoods.
Why is it a big bet and what is the potential impact?	With more than 100m sq ft of office space Downtown (17m sq ft vacant), housing is a critical component of our future, reimagined Downtown. We must act boldly and swiftly to catalyze its transition to a more resident-focused area.
	Downtown residential market is outperforming commercial real estate market (3% vs 17% vacancy rate) and rents are growing faster (residential rents grew 21% from 2012-2022 compared to ~12% for commercial); this trend is expected to persist, given increased adoption of remote work and waning demand for Downtown office space
	Successfully creating 9,400 new units or ~7M sq ft of residential real estate can support DC's aspiration to grow the Downtown population to 15,000 residents by 2028 (and 30,000 by 2033)
	Attraction of additional residents Downtown can support the District's overall population growth aspirations, helping stabilize the city's tax base; on average, residents who work in the District and earn $85,000 annually provide a net tax benefit of $7,670, compared to $716 for non-resident workers
What would it take to execute?	**Enhanced Housing in Downtown Abatement** (scheduled to take effect in FY24) to include funding for more projects and relaxation of local contracting and potentially other regulatory and statutory requirements.
	Easing relevant regulatory barriers that make office to residential conversions more difficult, including in the permitting process, building code and tax code[1]
	Increased density allowances, via modifications to zoning and federal statute, to enable buildings in targeted areas to be as tall as existing buildings on Pennsylvania Avenue, to encourage conversion or residential construction and development of vibrant residential nodes
	Assess need for new neighborhood assets such as childcare and grocery
How would it advance an inclusive economy?	Creates significant new opportunity to grow the District's supply of affordable housing in a transit-rich area; the Housing in Downtown abatement requires 15% affordability for residential projects.

Create Downtown Residential Nodes

Key activities and milestones

Identify and finalize target nodes for residential construction, based on existing residential clusters, presence of amenities and development capacity – investigating potential in expanding existing clusters such as Penn Quarter, Massachusetts Avenue and taking advantage of Downtown parks like Franklin, McPherson square, and Farragut square.

Identify buildings for potential change of use to residential based on current vacancy, floor plans, lease timing, and debt maturity

Review regulations and requirements to identify opportunity for streamlining and incenting residential development in selected nodes

Convene stakeholders to explore how and where to pursue additional residential height allowances and verify insights from analysis

Monitor and track progress of new residential developments, using in-progress projects as an anchor to attract and catalyze new retail and amenity assets in Downtown DC

Related programs and case examples

Post 9/11 NYC reconstruction: Federal government announced a $20.5bn aid package including $8bn in Liberty Bonds to rebuild the FiDi. From 2001-2010, the total residents in Lower Manhattan increased from 24,000 to 56,000, whilst total employment decreased from 325,352 to 309,500. The 421g incentive program spurred more than 15M sq ft of conversion from 1995-2006.

Chicago redevelopment of LaSalle Street: Chicago aims to add 1,000 residential units with 300 affordable to the historically commercial LaSalle Street by offering TIF funding for underperforming buildings to convert commercial spaces to residential units, reactivate building lobbies for cultural and entertainment spaces, and improve storefronts; initiative is ongoing

Pittsburgh's residential conversion in Downtown: In July, Pittsburgh announced a $9M Downtown Conversion Pilot Program and in September, the Pittsburgh Planning Commission removed a minimum lot size and the need to transfer development rights on residential conversions in Downtown, to date, 3,300 units have been created with an additional 1,500 in the pipeline

Downtown residential node creation could focus on building on existing residential clusters and new opportunities near existing green spaces

Downtown DC Residential Density by census block

Density of residents

Dupont circle residential node

Massachusetts Avenue corridor

West End cluster

Potential cluster near parks, K Street, metro

Penn Quarter residential cluster

George Washington university
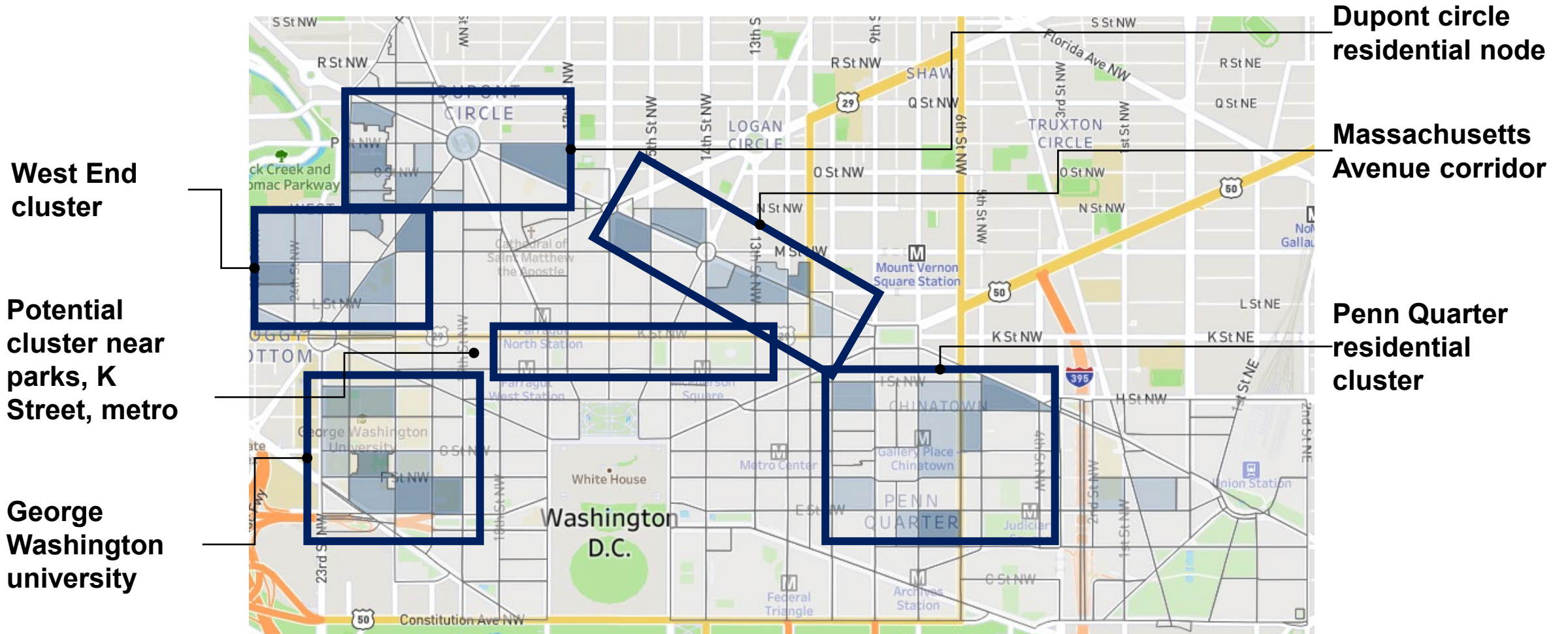
Additional residents Downtown will create a need for more amenities, including potentially grocery stores or/and childcare centers

Downtown DC Amenities

Dupont circle residential node
- Primary care facility and library gap

West End cluster

George Washington university cluster
- Affordable housing, primary care facility, and library gap

Legend:
- Grocery stores
- Affordable housing
- Libraries
- Primary care center
- Childcare center

Massachusetts Avenue corridor
- Library and primary care facility gap

Penn Quarter residential cluster
- Grocery store gap

K Street/Parks node
- Limited neighborhood amenities

Downtown Corridors

Create Downtown destination corridors through efforts to enhance public space, retail, and attractions

Description:	**Establish Downtown destination corridors that will transform public space, transit, retail, and entertainment** in selected areas such as Pennsylvania Avenue, Franklin Park, Connecticut Avenue, K Street and 7th street, increasing tourism and vibrancy through pedestrian only zones, improved wayfinding, and connection to other DC neighborhoods (e.g., the Wharf)
Why is it a big bet and what is the potential impact?	**Downtown DC, like many Central Business Districts, has struggled in recovery of retail activity and vibrancy** (2021 taxable sales at 78% of 2019 levels, 2021 hotel revenues at 35% of 2019 levels)
	There are incoming transformative investments which aim to reshape public spaces in and near Downtown DC (e.g. NCPC Pennsylvania Initiative, K Street Transitway, capping of Connecticut Avenue at Dupont Circle)
	There are recently renovated assets (Franklin Park, MLK library), and existing/upcoming large assets (Capitol One Arena, FBI Headquarters) which offer opportunities to create anchor destination spaces that serve retail & entertainment nodes
	Creating destination corridors will help boost visitation to Downtown from within and outside the District, growing taxable sales and supporting recovery of the hospitality sector and existing Downtown businesses
What would it take to execute?	**Identify and leverage high-impact public space transformations**, including pedestrian-only zones, areas for recurring street closures, designated bikeways and mass transit lanes (also considering vehicle/ parking needs), and in-progress projects such as the reimagination of Pennsylvania Avenue (federal government) and K Street Transitway
	Sponsor and create designated retail areas, destination attractions and entertainment venues in targeted areas, including both semi-permanent activations and permanent concentrations of local retail, drawing on learnings from Made in DC and Grow Golden pop-ups, leveraging DC Family Fun Destinations grant program funding

Source: TransitCenter, Downtown DC BID, OCFO, CoStar

Create Downtown destination corridors through efforts to enhance public space, retail, and attractions

Key activities and milestones

Develop the Downtown Public Realm Plan, which will identity priority areas for public space improvement and activation, including enhanced pedestrian activity, opportunities to activate space for retail and entertainment, and better wayfinding and mobility options between Downtown attractions; continue efforts to activate streets through Streets for People recurring activations and Open Streets events

Work with federal partners to complete the NCPC Pennsylvania Avenue Initiative, transforming Pennsylvania Avenue NW into America's stage and a street that prioritizes people over cars with inviting and inclusive public spaces.

Create more Downtown destination attractions, leveraging the existing DC Family Fun Destinations grant program and arts/culture programs, and exploring potential to bring state-of-the-art entertainment, arts, and leisure spaces to large sites (e.g. FBI HQ) and existing properties through partnerships and redevelopment

Facilitate temporary and semi-permanent retail activations and DC arts/culture events, creating opportunities for local DC businesses and performers to access below-market rate space

Work with National Park Service and other federal entities to establish and expand cooperative management agreements for federally owned Downtown parks and spaces (e.g., building off recent cooperative agreement for Franklin Park)

Promote new transit opportunities with designated bus and metro routes, as well as establishing wayfinding infrastructure and discounting bus and metro trips for low-income residents. Advance the 9th Street NW Bike Lane project, a 1.6 mile protected bike lane connect Florida Ave NW and Pennsylvania Ave, and the K Street Transitway, which will reconfigure one of the District's major east-west corridors, with vast improvements to benefit bus riders, motorists, cyclists, and pedestrians.

Related programs and case examples

Denver created a transit mall on 16th street with a dedicated shuttle bus and pedestrian only streets, which catalyzed the formation of a main street. The mall runs 1.25 miles and is home to over 300 restaurants, generating 30% of Downtown Denver's sales tax revenue

The Lincoln Center for the Performing Arts was instrumental in the revitalization of Lincoln Square in New York in the 1950s, the construction of this arts center resulted in an influx of housing units and substantial retail development and resulted in the replacement of many decayed and blighted properties. This community renewal effort was successful, since Lincoln Center opened, taxable property values for Lincoln Square increased by 2608% compared to just 447% for the rest of Manhattan.

Downtown has a few areas of high density of high vacancy that could be targeted for redevelopment

Downtown DC buildings with vacancy >25% by census block

Density of buildings with vacancy greater than 25%

Golden Triangle BID high vacancy area
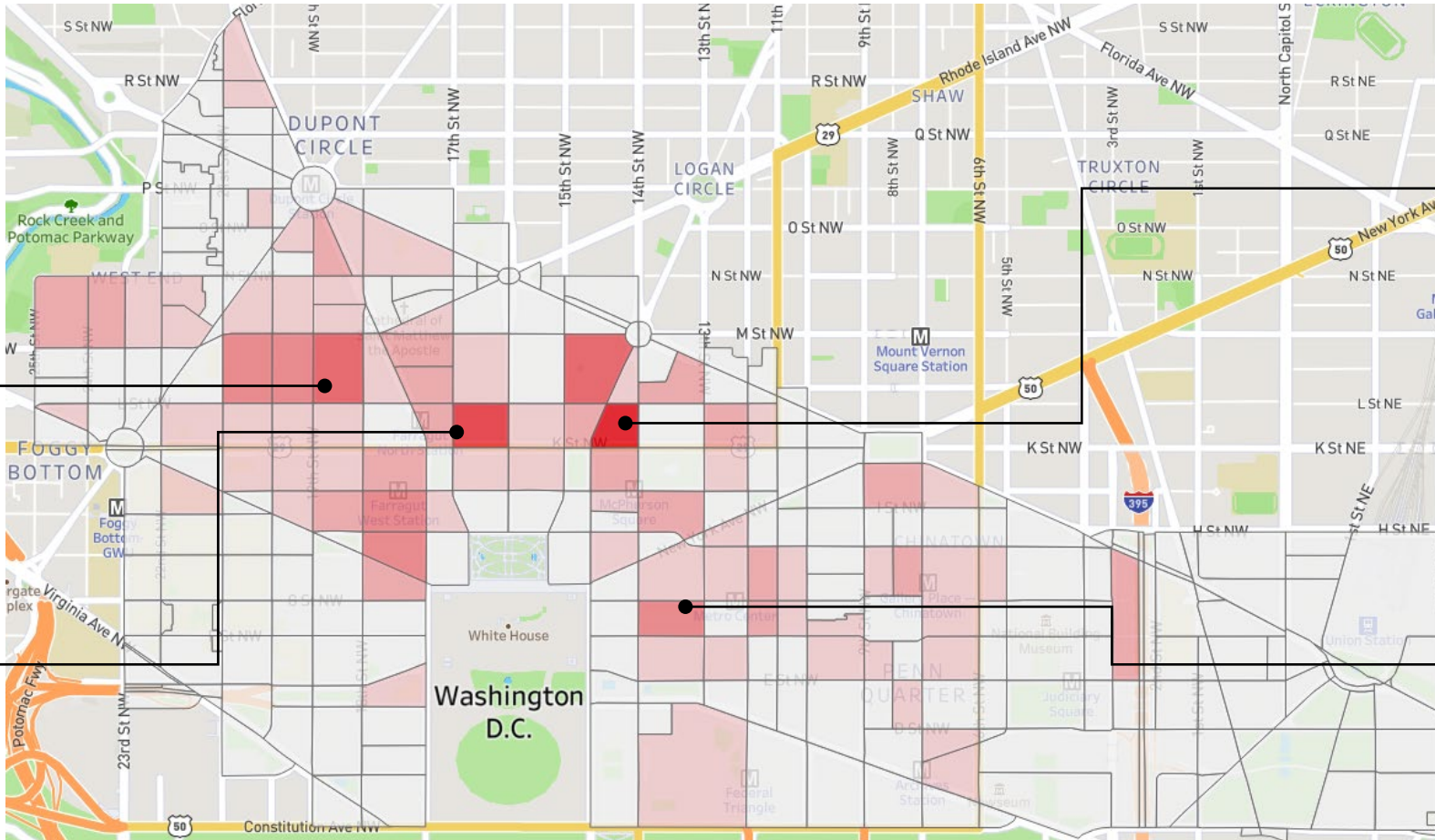
High vacancy around **McPherson** between 15th and 13th and Massachusetts and New York Avenue

High vacancy around **Farragut Square** between 18th and 16th street, M street and K street

High vacancy around **Ford Theatre** between 14th and 10th street, New York and E Street

Ongoing projects and existing/upcoming large assets can be leveraged to create 'Downtown destination Corridors'

Existing corridor based projects and potential new sites
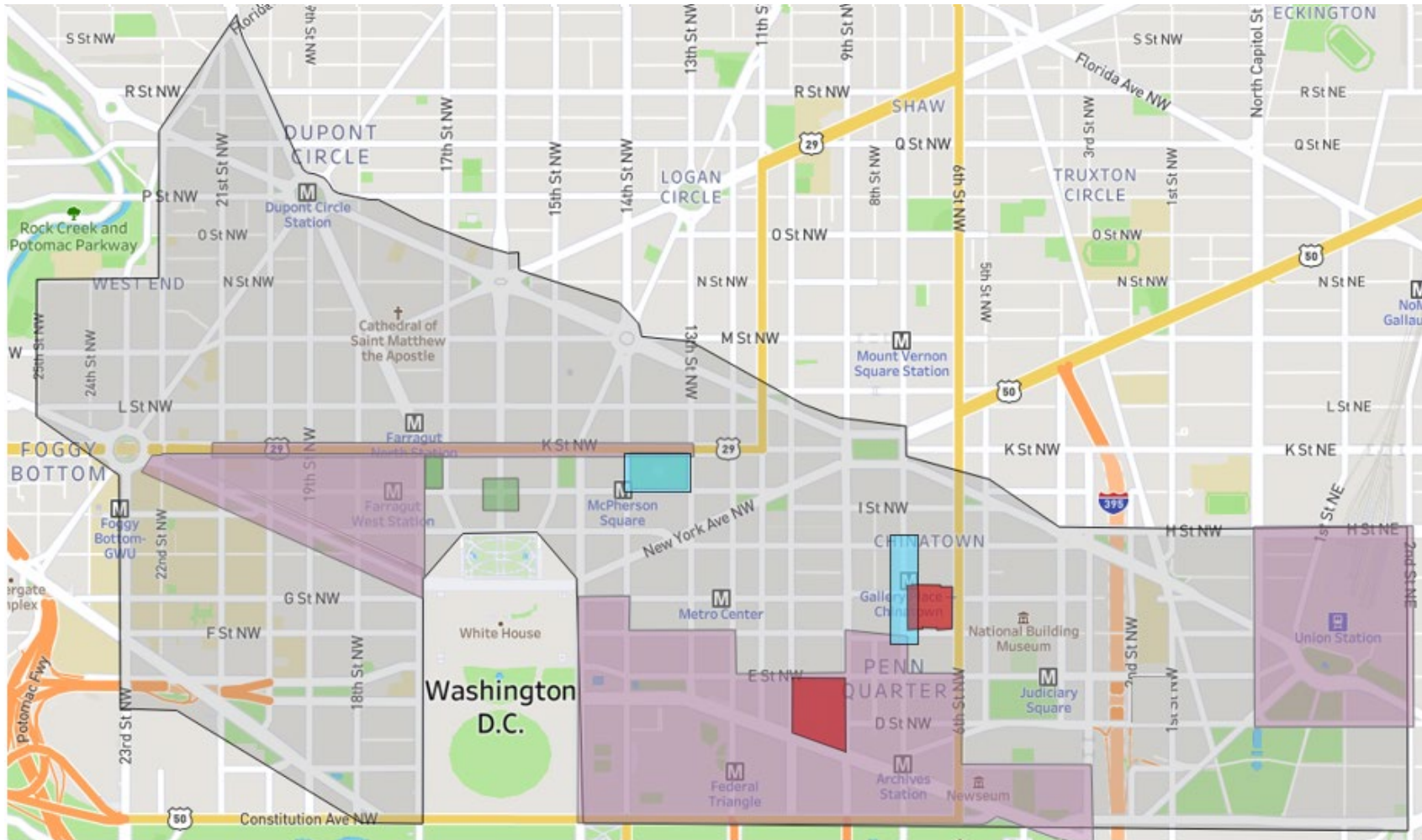
■ Existing large scale projects

Penn West Equity & Innovation District

K Street transitway

NCPC Pennsylvania Avenue Initiative

Union Station expansion

■ Existing/upcoming large assets

Capital one Arena

FBI Headquarters

■ Potential retail corridors & nodes

Franklin Park

7th street between F and H street

Downtown University Clusters

Downtown university clusters (1/2)

Description:	Help universities grow in Downtown DC by increasing innovation activity, programming, student enrollment and/or footprint to enhance vibrancy of Downtown. This initiative could include supporting and leveraging strategic expansions already underway (e.g. GWU-Golden Triangle Penn West Equity & Innovation District, Georgetown Capitol Campus, [Johns Hopkins research hub](#), and cultivating new ones.
Why is it a big bet and what is the potential impact?	Higher education institutions make various contributions to DC's economy: they are employers; their employees pay income and/or sales taxes; they attract and produce talent from around the world; those students spend in the District and later support business growth; universities also help drive innovation through research, tech transfer and entrepreneurship; finally, they are both owners and users of real estate and, as such, make critical investments that can transform their surrounding communities.

Many universities have aspirations to grow. Downtown DC, with its proximity to federal and local government, embassies, pre-eminent think-tanks, and international financial institutions, available commercial space, ample transportation options, has much to offer higher education institutions seeking to make strategic expansions, such as increased enrollment, new student or workforce housing or classroom space, or corporate/government innovation partnerships. Anticipated impact:

- **Increase vibrancy and university revenues**, due to additional enrollment of students newly living in DC

- **Grow local business and tax revenue,** as domestic students spend ~$26K annually[1] and international students spend ~$36K annually[2]

- **Increase talent attraction through spillover effects -** local talent and research institution partners are key site selection factors for target sectors such as Life Sciences and social-impact technology

- **Reduce Downtown vacancy**, with possible clusters in Penn West, Metro Center, Penn Quarter and/or East End

- **Increased innovation** in the form of new research spin outs and company formation

1. Based on average expenditure of a consumer aged below 25 from BLS CES 2021
2. See NAFSA https://www.nafsa.org/isev/reports/state?year=2020&state=DC
Source: Washington Diplomat, Harvard Business School, BLS Consumer Expenditures Survey, McKinsey   OptiSight factors, NAFSA

Build Downtown university clusters (2/2)

How would it advance an inclusive economy?	Puts more programs in a central and transit-accessible part of the city; creates new opportunities for education-career pathway development and employer partnerships
Key activities and milestones	**Explore growth aspirations and needs of universities,** including space for curriculum and housing, growth projections, programming priorities, etc. with University Consortium and universities
	Explore action and resources that could best support growth plans, such as concierge service, permitting acceleration, grants for incoming professors, researchers and/or entrepreneurs-in-residence, tax-exempt revenue bonds, Vitality Fund, marketing, partnership development
	Establish growth targets for downtown in collaboration with universities
	Market Downtown DC as a higher education cluster for the region, highlighting DC's proximity to government institutions, embassies, think tanks, and research institutions to attract students interested in experiential learning and research opportunities
	Leverage existing and upcoming workforce and sector strategies to attract aligned university programs. For instance, universities locating near GW can partner with the Penn West Innovation District to create medtech, govtech, fintech, edtech, and digital service and social innovation programs
Related programs and case examples	Singapore launched the Global Schoolhouse Initiative in 2002 to form a higher education cluster, with a goal of attracting 150,000 international students. To do so, Singapore provided support through conditional tax incentives, grants, and loans. In addition, large research grants and endowments were offered to top academics. The number of international students grew from 50,000 in 2002 to 97,000 in 2008.

Downtown has two university anchors on either side, new university clusters can leverage existing assets and upcoming projects

Current facilities

☐ Potential university cluster location

▢ Educational building

▢ Dormitory

Downtown DC University presence

Penn West:
Potential medtech, govtech, edtech, fintech and digital service university cluster around upcoming Penn West Equity and Innovation District

>25% vacant buildings: 14

George Washington university
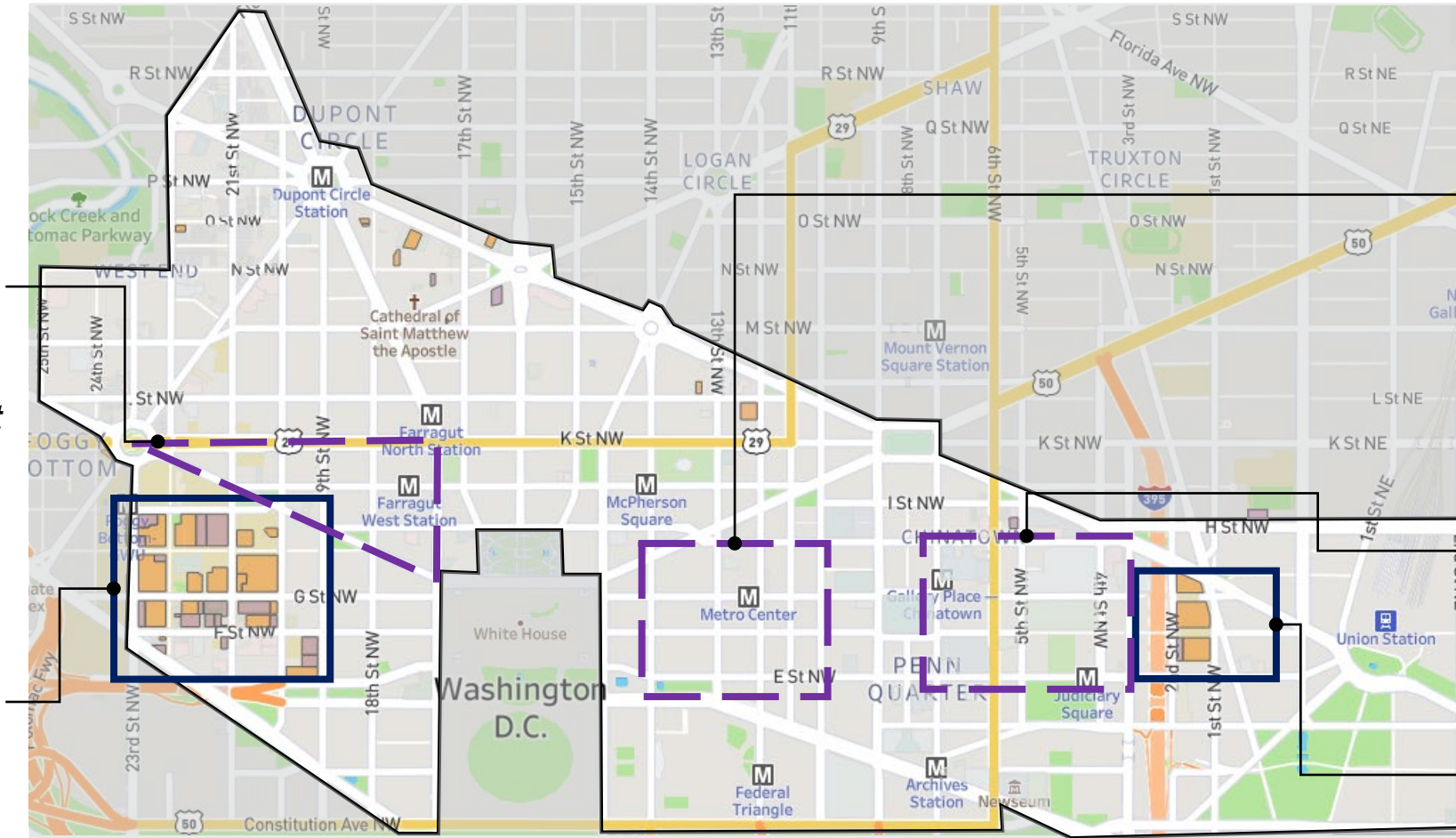
MetroCenter:
Potential policy and government university cluster building on proximity to Federal Triangle

>25% vacant buildings: 13

Penn Quarter:
*alternative government university cluster
>25% vacant buildings: 5*

Georgetown Capitol Campus

Workforce Initiatives

Key workforce development initiatives (1/2)

Description:	Improve opportunities for employment in "gateway jobs" in target sectors (e.g., life sciences, technology) and reduce barriers to occupational licensing

Why is it a big bet and what is the potential impact?

DC has a highly educated workforce, with 60% of the population holding a bachelor's degree or above, over 20 postsecondary institutions producing 30,000+ graduates per year, and sectors such as tech poised for significant growth. However, inequality remains high in educational attainment, whereby the share of white residents with a bachelor's degree or above is 92%, while it is 48% for Hispanic residents and 29% for Black residents.

There is **less diversity in quality jobs** (e.g., 16% of software developers and 30% of electricians are Black, far below their representation in DC). This results in **racial income and wealth gaps**: the median household income is nearly 2x higher for white compared to Hispanic households, and 3x higher for white compared to Black households.

Greater support is needed to connect residents without bachelor degrees to critical "**gateway jobs**", which are high-demand occupations in DC that best support residents on a path toward upward economic mobility.

There is an opportunity to increase the number of DC residents filling high-demand jobs. For example, for certain several top technology occupations, the estimated share of job openings is **less than 50% (**Management Analysts, Software Developers, Market Research Analysts and Marketing Specialists, Computer Systems Analysts, and Information Security Analysts.

Efforts outlined in the economic strategy aim to create **35,000** new jobs in high-growth sectors, including **tech** and **life sciences by 2028;** with UDC helping fill a share of roles (e.g. 400 grads/year in relevant fields)[1]; additionally, increasing **occupational licensing** for Black and Hispanic residents by **30%**[2] would result in **~15%** growth in **wages** for these workers[3]

1. Based on annual completions of ~400 in 14 high-level, relevant programs at UDC
2. 30% calculated as percentage difference between licensing rates for workers with less than a bachelor's degree in the US between native white workers (18% with license) and native workers of color (14% with license); assumption that DC racial gaps in licensing similar to the US as a whole
3. Licensing 15% impact on wages, according to Morris M. Kleiner and Alan B. Krueger "The Prevalence and Effects of Occupational Licensing"
3. Jobs earning above a living wage of $75k, including those that do not require a bachelor's degree
   Source: US Census; Lightcast; Minneapolis Fed "How occupational licensing limits access to jobs among workers of color"

Key workforce development initiatives (2/2)

What would it take to execute?

Improve pathways to job in target sectors:

1. Build on career pathways work focused on in-demand sectors from WIOA State Unified Plan (construction, healthcare, hospitality, infrastructure, business services and IT, and law enforcement), and expand to develop clear pathways for sectors targeted for growth in the economic strategy (life sciences, education and research, communications and design, consulting services, and emerging technologies) (DME, WIC)

2. Work with employers and other stakeholders to fill gaps in training and credentialling for target sectors, including public-private skills development partnerships (more detail to follow), apprenticeship programs, and stackable credentials (DME, WIC, DMPED)

Support residents' attainment of "gateway jobs" that can kickstart greater economic mobility through employment, targeted to specific populations, including young residents without bachelor's degrees. (DOES, WIC)

Reduce barriers to [occupational licensing](#) by 1) reviewing licensing requirements; 2) examining potential for reciprocity in licensing; 3) streamlining licensing for qualified immigrants with professional experience; and 4) reviewing all blanket prohibitions on licensure for people with criminal records (e.g., D.C. Law 23-205) (DLCP, DME)

Continue Career Coach DC and explore opportunities for expansion to other learners in the District (DME)

Scale existing education and career **pathway scholarship programs** (DME)

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DC MURIEL BOWSER, MAYOR

Public-private skills development partnerships: Overview

Options	Pros	Cons	Example
1. **State-run, industry-driven skills training programs** aimed at residents, with programs designed by industry and training provided by postsecondary institutions or other training programs	High impact Non-financial incentive that invests in human capital (rather than through tax breaks) Addresses most critical location decision for firms (talent)	Typically requires large amount of funding Not typically well-suited for occupations that require a Bachelor's degree	**LED** *FastStart* Louisiana's Custom Workforce Solution **QuickStart** TECHNICAL COLLEGE SYSTEM OF GEORGIA **EARN MARYLAND** Industry-Led Partnerships Bridging Maryland's Skills Gap, Driving Growth
2. **Direct partnerships** between higher education providers (e.g., community colleges, universities) and employers	Directly connects talent supply and demand, without large funding needs from government	Programs not as far-reaching as government-run programs noted above, which work with many companies and training providers	Infosys + PURDUE UNIVERSITY ZURICH + Harper College
3. **Employer-led skills development programs**	Privately funded and provided skills training programs	Mainly geared towards employers with specific skill needs (e.g., coding) and with ability to make significant investments	Developer Grow with Google

Childcare Affordability

Launch multi-pronged childcare affordability initiative

Description:	Launch multi-pronged childcare affordability initiative, focusing on ages 0-2 by increasing the supply of childcare slots, bolstering subsidies to households, and exploring employer support for childcare through innovative public-private funding model, and building the most robust free before- and after-school programs in the nation.
Why is it a big bet and what is the potential impact?	DC was one of the first US cities to implement **universal pre-K**. As of 2017, the program enrolled 9 out of 10 four-year-olds and 7 out of 10 of three-year-olds[1].
	DC also offers the **Child Care Subsidy/Voucher Program** for infants under the age of three to families earning up to 250% of Federal Poverty Guideline (FPG, based on initial program eligibility) and the **Keep Child Care Affordable Tax Credit**, which is available to families not eligible for subsidies (but currently capped at $1,020 per family)
	Despite these investments, childcare, especially for infants 0-3, remains unaffordable for many DC families, including the "missing middle" not eligible for subsidies. The "missing middle" refers to the population of residents that might barely not be eligible for DC programs or subsidies but still have a lower salary which does not cushion them financially for necessary expenses. The **average annual cost** of infant care in DC **ranks #1** in the US, at **$24,243/year**[2]
	DC residents spend **29% of median family income on childcare** (The Health and Human Services affordability standard calls for childcare to cost no more than 7% of a family's income)
What would it take to execute?	**Increase supply of childcare slots**, by 1) Renewing OSSE's $10 million Access to Quality Child Care Grant after current expiry in 2024, which helps child development facilities expand, open and improve new and existing facilities; 2) Conducting an audit of licensing procedures for childcare businesses to identify and address common point points for childcare facilities, and 3) Build on existing subsidy and grant programs to increase access, quality and affordability of out-of-school time care for school-aged students
	Bolster subsidies to households, by 1) Expanding initial eligibility in the Child Care Subsidy/Voucher Program to families earning 300% of the FPG (from current 250%); and 2) Assessing potential for further subsidy increases to support the "missing middle", families that fall between 300% of FPG and high income who struggle to afford infant care, while weighing the benefits and costs of such a policy, including potential unintended effects of gentrification and / or inability to fund other critical programs.
	Explore employer support for childcare through innovative public-private funding model, e.g., Tri-Share Child Care Program in Michigan, where childcare costs are equally divided among the employer, the employee, and the state

1. Center for American Progress, report published in 2018
2. Economic Policy Institute, "The cost of child care in Washington, DC" (last updated October 2020)
   Source: Center for American Progress; ParentMap; OSSE website; Interview with Dr. Christina Grant, State Superintendent of Education, OSSE; Committee for Economic Development (CED); Economic Policy Institute, "The cost of child care in Washington, DC" (last updated October 2020)

Childcare presents a financial challenge for families in the District

$24k   Average annual cost of infant care in DC, ranked **1st** out of 50 states

3.5x   Higher cost of infant care in DC compared to undergraduate in-state tuition at UDC

29%   Share of a median family's income in DC potentially dedicated to childcare (HHS affordability standard recommends that childcare should cost no more than **7%** of a family's income)

40   Number of weeks a minimum wage worker in DC would need to work full time just to pay for childcare for one infant

Childcare: Key existing programs and activities (1/3)

Program / activity	Agency	Description	
Universal Pre-Kindergarten (PK3 and PK4)	DCPS	Free pre-Kindergarten (PK) education services in its public and public charter schools for residents who meet the PK age cut-offs	DC is #1 in the nation for preschool access, with 69% of 3-year-olds and 89% of 4-year-olds enrolled in publicly funded pre-K programs[1]
Early Action PK Schools	DCPS	Guaranteed access for in-boundary students applying to pre-kindergarten at participating schools	
Child Care Subsidy/Voucher Program	OSSE (using federal and local funds)	Subsidy available to families through certificates (vouchers), or grants and contracts with providers. Provides parents with range of provider settings and types—including centers, family childcare homes, relatives, and faith-based providers[3] Based on an assessment of need, income and family size: initial eligibility is 250% of the FPG; continued enrollment is 85% of the State Median Income (SMI)[2] May also be available for: 1) Families who receive TANF and participate in education and training; 2) Teen parents seeking HS degree; and/or 3) Families not receiving TANF, but pursuing additional education Funded through the federal Child Care and Development Fund (CCDF), a block grant to states, and DC	In fiscal year 2019 the program provided subsidy payments directly to childcare facilities for more than 5,000 infants and toddlers and over 4,000 three-to-five year olds in DC[3] Less than 15% of children under 5 participate in subsidies, and there is very little help for non-subsidy eligible families with infants and toddlers[4] There are 1,000 school-aged children receiving out of school time care through child care subsidy/vouchers.[5]
Keep Child Care Affordable Tax Credit	DC Office of Tax and Revenue	Tax credit for non-subsidy eligible families, capped at $1,020 per year[6]	Limit to what D.C. can do to support affordability on tax side because families' D.C. tax liability is low relative to costs of care[4]

1. OSSE 2019-23 Strategic Plan
2. FY22 DC Sliding Fee Scale, OSSE
3. DC Action, Policy Snapshot: Child Care Subsidy Program
4. Interview with Dr. Christina Grant, State Superintendent of Education, OSSE
5. Keep Child Care Affordable Tax Credit is a refundable income tax credit that was enacted in the Fiscal Year 2020 Budget Support Act of 2019.

Childcare: Key existing programs and activities (2/3)

Program / activity	Agency	Description
My Child Care DC	OSSE	One-stop-shop to access comprehensive information about DC's licensed child development providers
My School DC	DCPS	Single online application to apply to attend a PK3 or PK4 program at any DCPS school (including Early Action)
Capital Quality	OSSE	Redesigned quality rating and improvement system for child development facilities based on research-based assessments
Quality Improvement Network	OSSE	Comprehensive system of supports for infant and toddler providers and families
D.C. Early Childhood Educator Equitable Compensation Task Force	DC Council; OSSE	Charged with disbursing revenue to support pay parity for early childhood educators from a new tax increase on wealthy households: $53.9 million in 2022; by 2025 it will be $74.8 million (Early Childhood Educator Pay Equity Fund)
Birth-to-Three for All DC Act of 2018	DC Council; OSSE	Increasing childcare subsidy eligibility threshold until all families are eligible by 2028; 2018 fiscal impact statement estimated that expanding eligibility in this way would cost from $73 million to $215 million by 2028

Childcare: Key existing programs and activities (3/3)

Program / activity	Agency	Description
Access to Quality Child Care Grant	OSSE	Administered by the Low Income Investment Fund (LIIF), $10 million grant program to child development facilities to expand, open and improve new and existing child development facilities
Back-to-Work Child Care grants	OSSE	$32 million in grants intended to help DC licensed child care facilities resume and maintain full operations as they recover from the pandemic and enable families, particularly women, to find the child care they need to return to work. The Low Income Investment Fund (LIIF) has been selected to administer the new program that will support pandemic recovery and improve access to care for families in the District
21st Century Community Learning Centers	OSSE	Provides grants to Local Education Agencies (LEAs) and community-based organizations to offer academic enrichment opportunities to students during hours that schools are not in session.
Learn24	DME	Learn24 is a network of afterschool and summer opportunities supported to ensure children and youth in the District have access to quality educational and enrichment activities beyond the school day. Led by the Office of Out of School Time Grants and Youth Outcomes, located in DME.

1. Access to Quality Child Care Grant program aims improve the supply and quality of child care services in the District. The program, administered by the Low Income Investment Fund (LIIF), provides grants to child development facilities to expand, open and improve new and existing child development facilities.

Pathways Portal

Transform the resident service experience (1/2)

Description:	**Create a "Pathways Portal"** to provide a one-stop shop for government services that support economic mobility and coordinate information sharing across agencies, connecting existing public facing sites such as WIC's Data Vault, OCTO's Social Services portal, DMPED's Front Door, OSSE's My Child Care DC and DCPS' My School DC (OCTO)
Why is it a big bet and what is the potential impact?	Accessing resident services remains a pain point for interacting with government, with many historically marginalized groups including returning citizens and Spanish speakers reporting difficulty locating and enrolling in support programs during Economic Strategy listening sessions
	Shifting the burden of navigating DC websites, applications and programs from residents to the District can increase uptake of critical services and enhance trust in government; An estimated 16% of DC residents live in poverty, including over 27% of Black DC residents; difficulty navigating social service programs limits their uptake, limiting opportunities for upward economic mobility and perpetuating racial disparities[1]
What would it take to execute?	**Connecting existing public-facing portal efforts** such as WIC's DC Data Vault for workforce development, DHS' streamlined service application website, The Lab @ DC / DMPED's Front Door (one-stop website for homeowner support), OSSE's My Child Care DC, and DCPS' My School DC
	Exploring opportunities for tech enablement of an integrated public-facing portal, such as AI-powered concierge services such as chat-bots and smart searches and "resident profiles" that can help residents avoid entering duplicative application data requested by multiple programs and services.
	Supporting use of a portal through a **government service "street team" and leveraging government facilities** like libraries or DMV service centers, with special focus on populations that may be unfamiliar with/ have difficulties accessing technology.
	Establishing an inter-agency working group to develop protocols for information sharing across agencies, supporting continued integration of services (e.g., potential data sharing across DC government to create a single-sign on or single-application feature)

1. Center for American Progress: https://www.americanprogress.org/article/how-to-address-the-administrative-burdens-of-accessing-the-safety-net/

Transform the resident service experience (2/2)

How would it advance an inclusive economy?	Easy to access resident services can **promote uptake of programs integral to helping residents, including low-income families, achieve stability and mobility** such as SNAP, Medicaid, federal and local rental assistance and social security. It is estimated that social safety nets in DC lift ~82,000 people above the poverty line and provide healthcare for over 50% of children[1]
Key activities and milestones	**Leverage existing working groups within the District** such as the Upward Mobility interagency group and the Poverty Commission to build on resident engagement to date and set aspiration and focus for a resident services Pathways Portal. **Engage a representative cohort of residents** to understand user needs and detailed pain points across a catalog of commonly used resident services **Prioritize features and services for integration into a portal** and iteratively test prototypes with residents **Identify opportunities for back-end data sharing** across agencies to support streamlined resident experience and determine tech and software capabilities needed to support this data sharing
Related programs and case examples	**Live Better Idaho** resident platform offers guided search options for childcare, healthcare and finance services based on anonymous means testing, as well as the ability to personalize the user experience through content curation and notification services; For administrators, the platform offers back-end content publication tools along with external resource integration **Access Indiana** resident platform is an integrated front-end portal that acts as a central point of navigation for services provided by the Bureau of Motor Vehicles, Department of Labor, Family and Social Services, Department of Health and other agencies; the portal also allows users to navigate listed government services with a single sign-on and password

1. Center for Budget and Policy Priorities, https://www.cbpp.org/sites/default/files/atoms/files/7-22-16pov-factsheets-dc.pdf

Using human-centered design to build an integrated resident services portal

A human -centered design approach involves deep research and testing directly with residents.

Understand needs → **Generate ideas** → **Prioritize ideas** → **Portal development**

- **Analyze resident service usage patterns** using available quantitative data
- **Use in-depth qualitative research** to investigate resident needs, values and behaviors
- **Create scenarios (building on the Upward Mobility pathways)** to illustrate a specific resident journeys through DC government systems

- **Hear directly from residents, service providers and agencies** to tap into cross-functional perspectives, encourage collaboration and generate momentum
- **Diagnose current journey** through lens of the persona, considering: what are the touchpoints, interactions, emotions; how long do things take?

Continue to test with users

Build prototypes

Refine based on feedback

Test with users

- **Translate features into a working resident portal**
- **Test portal** with broad range of residents
- **Assess how to integrate** with IT infrastructure

- **Prioritize ideas** based on potential resident impact
- **Develop clickable prototypes** that residents can move through, providing an experience that feels "real" to the user
- **Hold testing sessions** to confirm solutions include features residents value
- **Continue iterative process** of redesigning and testing with residents

DC agencies offer programs that support upward mobility for residents

Across agencies, District programs support resident's economic mobility

Stability

Programs that provide emergency support and address basic services following an emergency or life event (examples: Rapid Re-housing, emergency shelter)

Mobility

Programs that advance residents towards greater economic autonomy and dignity (examples: Opportunity Accounts, Direct Cash Transfers, HPAP)

Prosperity

When residents reach their personal and financial goals. (Housing example: All residents live in safe, stable housing that is large enough for their family and affordable based on their income.)

Factors driving resident's mobility

Housing

Financial Wellbeing

Workforce development and Adult Education

Health and well-being

Access to transport and infrastructure

K-12 and post-secondary Education

Source: DC Mobility Action Plan, CityX Upward Mobility Model

Key Performance Indicators (KPIs)

Key Economic Performance Indicators to be Monitored

Successful businesses

Be a leading city to start and run a business
- Share of business registrations processed online within 1 to 3 days
- Share of new businesses in operation after 5 years (5-year business survival rate)
- Net migration of businesses in/ out of DC

Nurture innovation and growth of target sectors
- Total VC funding
- Total VC funding for Black and Hispanic owned businesses
- Total VC funding in target industries
- Total SBA loans in target industries

Leverage DC's federal presence
- Total federal jobs located in DC
- Total DC residents employed in federal jobs
- Total federal contract spending with District businesses
- Total federal contract spending with Black and Hispanic owned businesses
- Total sq ft of real estate leased and owned by federal entities

Opportunity rich neighborhoods

Build vibrant neighborhoods
- Share affordable housing units by Planning Area
- Share of households with broadband adoption
- Share of population with a bus or metro stop within .5 miles
- Share of population with a commute time less than 45 minutes
- Share of population living within 1 mile of grocer
- Share of population within .5 miles of a park
- Share of population living within 1 mile of a primary care facility
- Share of children aged 0-5 enrolled in childcare or pre-k
- Retail sales tax revenue (by neighborhood)
- Total annual tourists
- Total annual tourist spending
- Share of neighborhoods with 5 STAR school

Transform Downtown
- Commercial vacancy rate
- Retail sales tax revenue
- Hotel sales tax revenue
- Residential real estate share (of total sq ft)
- Residents-to-jobs ratio
- Number of jobs
- Office keycard swipes/activity
- Downtown DC culture and entertainment visitors

Thriving people

Build education to workforce pathways
- High school graduation rate by race
- Educational attainment by race (share of residents with associate/ vocational degree, bachelor's degree)
- Labor force participation by educational attainment and race
- Employment in jobs paying >$75K by race[2]

Help BIPOC residents build economic stability, mobility and wealth
- Share of rent burdened households by race
- Number of homeowners by race[1]

Expand access to family and wellbeing supports
- Average cost of childcare
- Share of households below poverty level (~$35k income)

1. To include potential goal from the Black Homeownership Strike Force to add 20k new Black homeowners by 2030
2. Proxy measure for employment in jobs paying a living wage (referencing United Way's ALICE living wage for 1 adult and 1 child ($72k), close to DC's average household size of 2.1)

Agency Acronyms and Definitions

Agency Acronyms and Definitions

Agency Acronym	Full Agency Name
DACL	Department of Aging and Community Living
DCHFA	DC Housing Finance Agency
DCPL	DC Public Library
DCPS	DC Public Schools
DCPS	DC Public Schools
DDOT	DC District Department of Transportation
DDOT	Department of Transportation
DGS	Department of General Services
DHCD	Department of Housing and Community Development
DHCD	Department of Housing and Community Development
DHS	Department of Human Services
DLCP	Department of Licensing and Consumer Protection
DLCP	Department of Licensing and Procurement, formerly DCRA
DME	Deputy Mayor of Education
DMHHS	Deputy Mayor for Health and Human Services
DMOI	Deputy Mayor for Operations and Infrastructure
DMPED	Deputy Mayor for Planning and Economic Development
DOB	Department of Buildings, formerly DCRA
DOES	Department of Employment Services
DPR	Department of Parks and Recreation
DSLBD	Department of Small and Local Business Development
MOPI	Mayor's Office of Policy and Innovation
NCPC	National Capital Planning Commission
OBPM	Office of Budget and Performance Management
OCA	Office of the City Administrator
OCTFME	Office of Cable, Television, Film, Music and Entertainment
OCTO	Office of the Chief Technology Officer
OP	Office of Planning
OSSE	Office of the State Superintendent of Education
OSSE	Office of the State Superintendent of Education
OTR	Office of Tax and Revenue
UDC	University of the District of Columbia
WIC	Workforce Investment Council

Common Acronyms

Acronym	Full Name
AI	Artificial Intelligence
BID	Business Improvement District
BHSF	Black Homeownership Strike Force
BIPOC	Black, Indigenous, and people of color
CBD	Central Business District
CBE	Certified Business Enterprise
CEDS	Comprehensive Economic Development Strategy
EOTR	East of the River
FPG	Federal Poverty Guidelines
KPI	Key Performance Indicators
MSA	Metropolitan Statistical Area
R&D	Research and Development
Sq ft	Square feet
SBA	Small Business Administration
VC	Venture Capital

Additional Insights from SWOT Analysis

DC Macroeconomic Performance Relative to Peers is Strong

Performance relative to peers[1]

Legend: 🏴 DC | **DC Rank**

Metric	Weakest performer	Peer median	DC value	Strongest performer	DC Rank
Unemployment Rate *Percent*	8.2	5.6	**5.8**	3.9	6
Labor Force Participation *Percent*	65	67	**71**	71	1
Real median household income *2021 USD*	71k	80k	**91k**	111k	3
Poverty *Percent*	24.0	19.0	**15.5**	10.0	3
Educational attainment *Share of population with bachelor's degree*	35	40	**60**	60	1

1. Peer MSAs include Atlanta (GA), Baltimore (MD), Boston (MA), Chicago (IL), Dallas (TX), Houston (TX), Huntsville (AL), Los Angeles, New York (NY), Philadelphia (PA), San Diego (CA), and San Francisco (CA)

DMPED · GOVERNMENT OF THE DISTRICT OF COLUMBIA · MURIEL BOWSER, MAYOR

Target sectors have high predicted employment growth, high wages, and are more inclusive of people of color

Top 10 clusters prioritized according to a weighted index based on feasibility and impact

Legend: ■ Strong ■ Moderate ■ Low

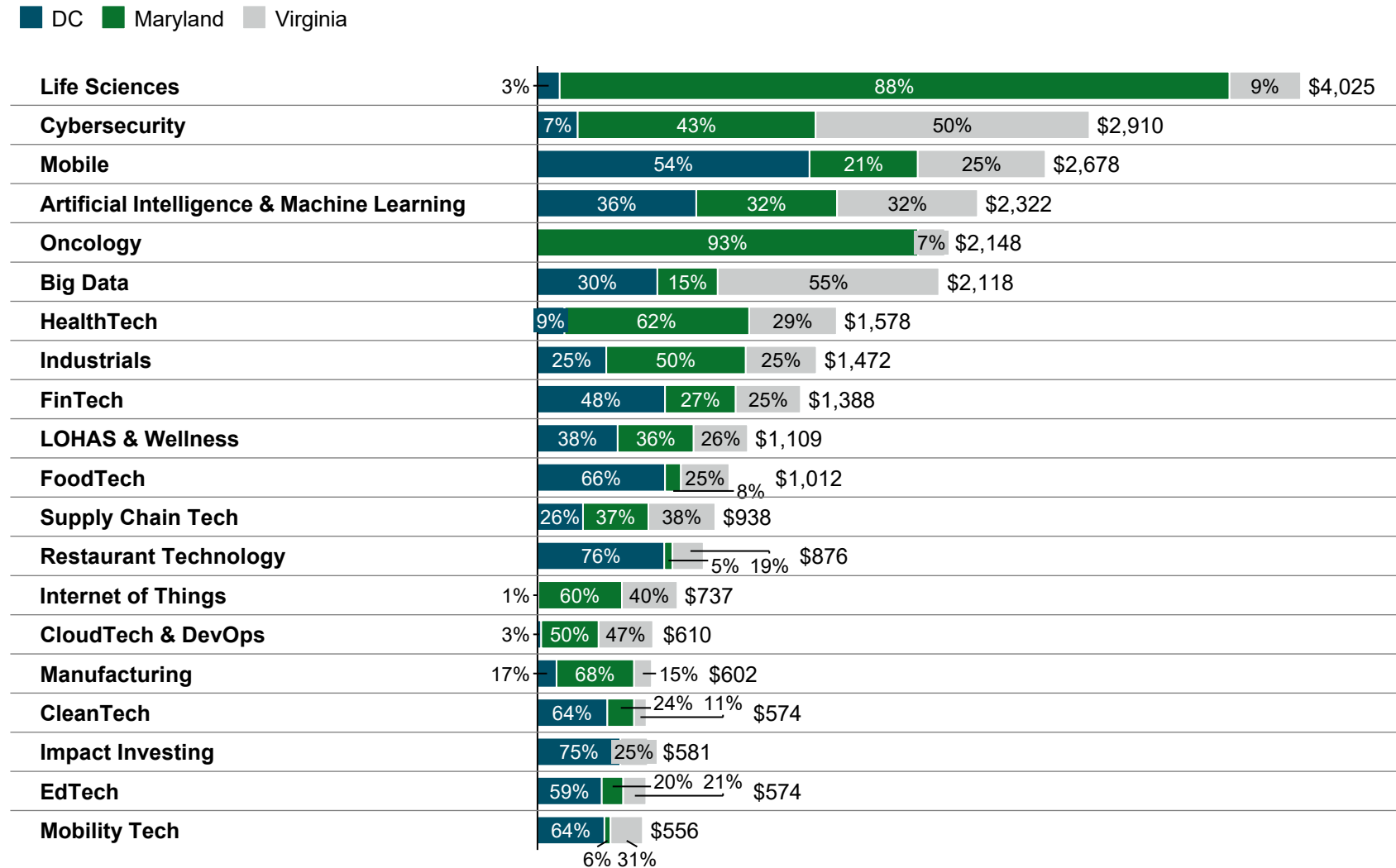| Potential clusters | Example subclusters | "Right to win" - Feasibility | | "Want to win" - Impact | | | | Index score[2] |
		Talent pool District jobs	LQ	DC Employment Growth % 2009-19	US Growth % 2019-29	Avg. annual wages[1] $ Thousands	% BIPOC	100= best
Federal Government Services	• Military • US Postal Service	213,111	9.0	-0.5%	0.2%	$97	41%	77.8
Consulting services	• Management consulting • Logistics consulting	29,110	4.1	5.0%	2.3%	$139	41%	53.9
Technology	• Software publishers • Computer electronic mfg	38,503	1.4	4.3%	1.7%	$99	50%	44.8
Education and Research	• R&D • Universities	65,960	2.1	0.4%	0.3%	$71	41%	42.2
Communications and Design	• Public relations agencies • News syndicates	20,045	2.4	1.7%	0.9%	$141	31%	40.8
State Government Services	• State government	25,423	2.4	2.3%	-0.3%	$93	87%	36.8
Real estate and construction	• Industrial building construction	31,889	0.5	2.5%	0.4%	$73	58%	35.5
Distribution and Electronic Commerce	• Wholesale trade agents and brokers	5,712	0.2	1.2%	1.0%	$90	47%	32.9
Business support functions	• Payroll services • HQs and regional offices	17,125	0.8	1.2%	-0.1%	$116	59%	31.8
Hospitality, tourism, entertainment	• Hotels • Theater companies	12,246	0.9	1.6%	-2.5%	$57	65%	21.9
Weight		25	25	25	25	Not included in index	Not included in index	100

1. Directional; calculated using an (unweighted) average across component industries in DC
2. Index calculated using weights noted at the bottom of each column

Source: EMSI; Harvard Business School's U.S. Cluster Mapping Project

Industries such as life sciences and cybersecurity show a regional opportunity for DC to capitalize

VC investment by tech vertical, Washington-Baltimore-Arlington[1], 2015-21[1], $, Million

■ DC ■ Maryland ☐ Virginia

Tech Vertical	DC	Maryland	Virginia	Total
Life Sciences	3%	88%	9%	$4,025
Cybersecurity	7%	43%	50%	$2,910
Mobile	54%	21%	25%	$2,678
Artificial Intelligence & Machine Learning	36%	32%	32%	$2,322
Oncology		93%	7%	$2,148
Big Data	30%	15%	55%	$2,118
HealthTech	9%	62%	29%	$1,578
Industrials	25%	50%	25%	$1,472
FinTech	48%	27%	25%	$1,388
LOHAS & Wellness	38%	36%	26%	$1,109
FoodTech	66%	25%	8%	$1,012
Supply Chain Tech	26%	37%	38%	$938
Restaurant Technology	76%	5%	19%	$876
Internet of Things	1%	60%	40%	$737
CloudTech & DevOps	3%	50%	47%	$610
Manufacturing	17%	68%	15%	$602
CleanTech	64%	24%	11%	$574
Impact Investing	75%		25%	$581
EdTech	59%	20%	21%	$574
Mobility Tech	64%	6%	31%	$556

Sectors of regional opportunity that DC could seek to capitalize on

- Life Sciences, Cybersecurity are attracting significant capital regionally and DC is under-represented

- Establishing closer ties to and better infrastructure for sectors attracting significant capital could help these sectors grow within the District's borders

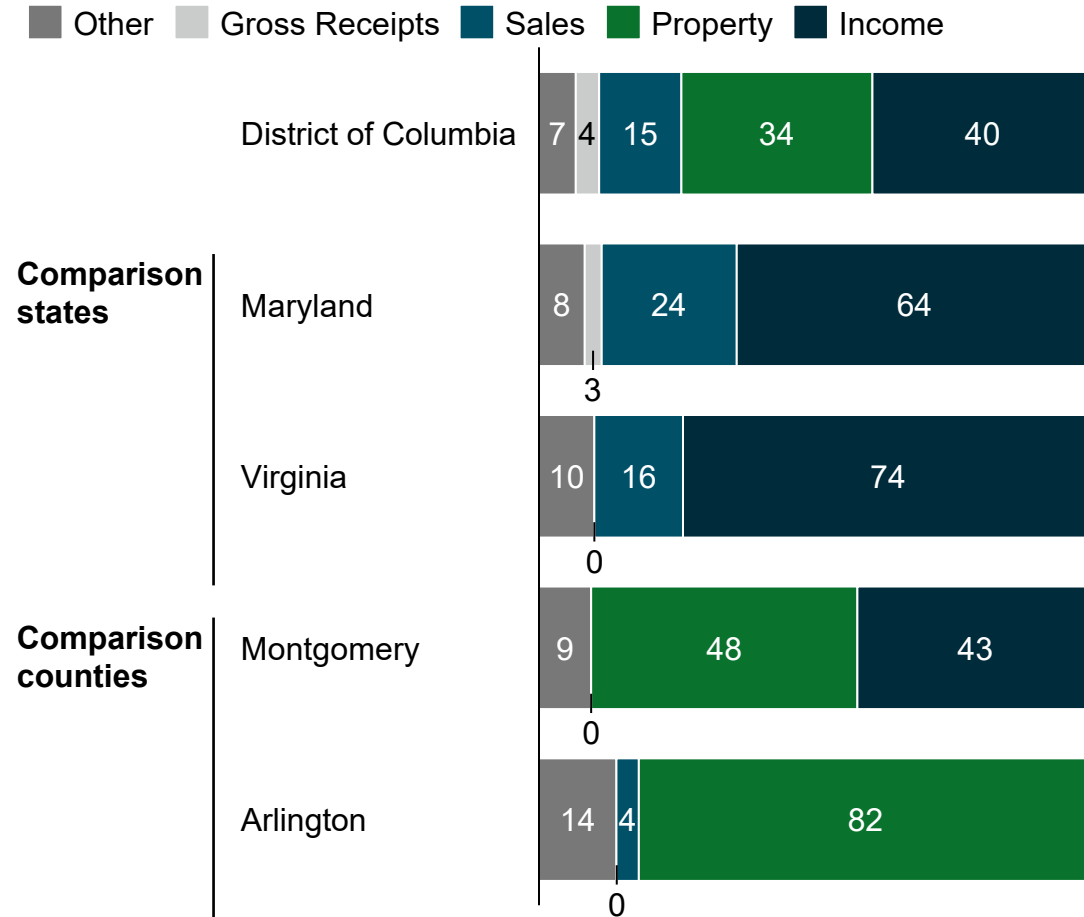**Sectors of strength that DC could accelerate**

- Impact Investing, Food/Restaurant Tech, CleanTech, and MobilityTech are key areas of specialization for DC within the region.

1. The Washington-Baltimore-Arlington CSA includes areas of Pennsylvania and West Virginia as well, though only DC, MD, and VA were analyzed for purposes of this analysis.
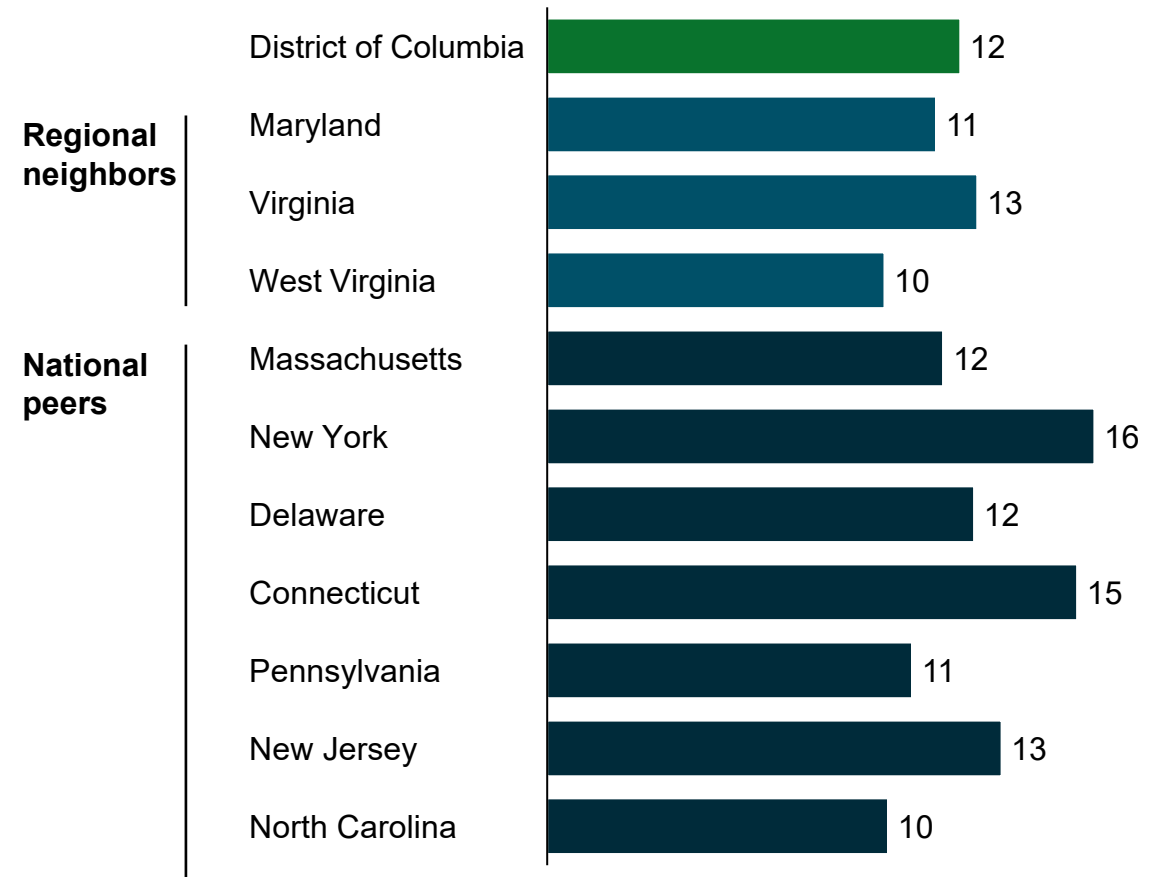Source: Pitchbook

DC's Tax Base is Primarily Income (~40%) and Property (~34%) Tax

**Tax revenue sources of DC and regional peers,** 2021, %

Legend: ■ Other ■ Gross Receipts ■ Sales ■ Property ■ Income

District of Columbia: Other 7, Gross Receipts 4, Sales 15, Property 34, Income 40

Comparison states

Maryland: Other 8, Gross Receipts 3, Sales 24, Income 64

Virginia: Other 10, Gross Receipts 0, Sales 16, Income 74

Comparison counties

Montgomery: Other 9, Gross Receipts 0, Property 48, Income 43

Arlington: Other 14, Gross Receipts 0, Sales 4, Property 82

State-local effective tax rate[1], 2022, %

Regional neighbors

District of Columbia	12
Maryland	11
Virginia	13
West Virginia	10

National peers

Massachusetts	12
New York	16
Delaware	12
Connecticut	15
Pennsylvania	11
New Jersey	13
North Carolina	10

1. Effective tax rate is defined as state and local taxes paid by a state's residents divided by that state's share of net national product. This metric is meant to demonstrate that each person not only pays state and local taxes where they live, but also to the governments of states and localities where they do not live.

Source: OFCO; Virginia Tax Report; Comptroller of Maryland; Montgomery County Website; Arlington Revenue Overview; Tax Founda tion

Disparity of outcomes across neighborhoods exists– economic development can focus on uplifting underserved communities
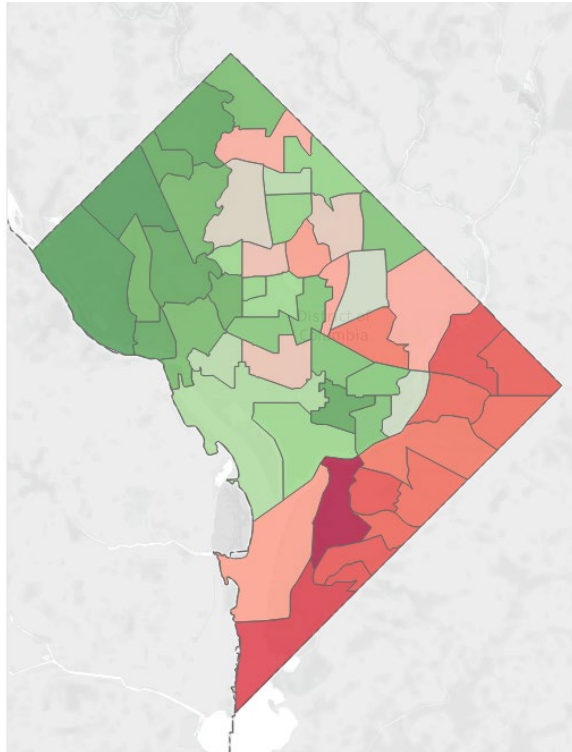
Select outcomes (avg across quintile)

🟥 Lower relative to rest of city   🟩 Higher relative to rest of city

Quintile	% in poverty	Median household income	% Unemployed	% w/ bachelors	No health insurance	Median home value
1st quintile	8%	$150k	4%	87%	2%	$915k
2nd quintile	10%	$125k	4%	73%	2%	$730k
3rd quintile	15%	$90k	6%	60%	5%	$604k
4th quintile	20%	$73k	10%	42%	5%	$482k
5th quintile	32%	$38k	17%	16%	5%	$301k
City average	**16%**	**$86K**	**7%**	**59%**	**4%**	**$602K**
Top vs bottom quintile	4.1x poverty	4x income	4.1x unemployment	5.6x Bachelors	2.7x health insurance	3x median home value

Implications

Poverty is positively correlated with barriers to educational attainment, no health insurance, and home value

Wellbeing issues are concentrated in bottom quintile neighborhoods, suggesting that successful development should especially uplift those communities

Supporting bottom quintile neighborhoods generates positive externalities for the city, as the labor force upskills, consumer spending increases and tax revenue grows from a wealthier tax-base

DC resident's likelihood to experience crime, live in poverty, experience unemployment, barriers to educational attainment and health insurance might be 3-6x higher depending on which neighborhood you grew up in
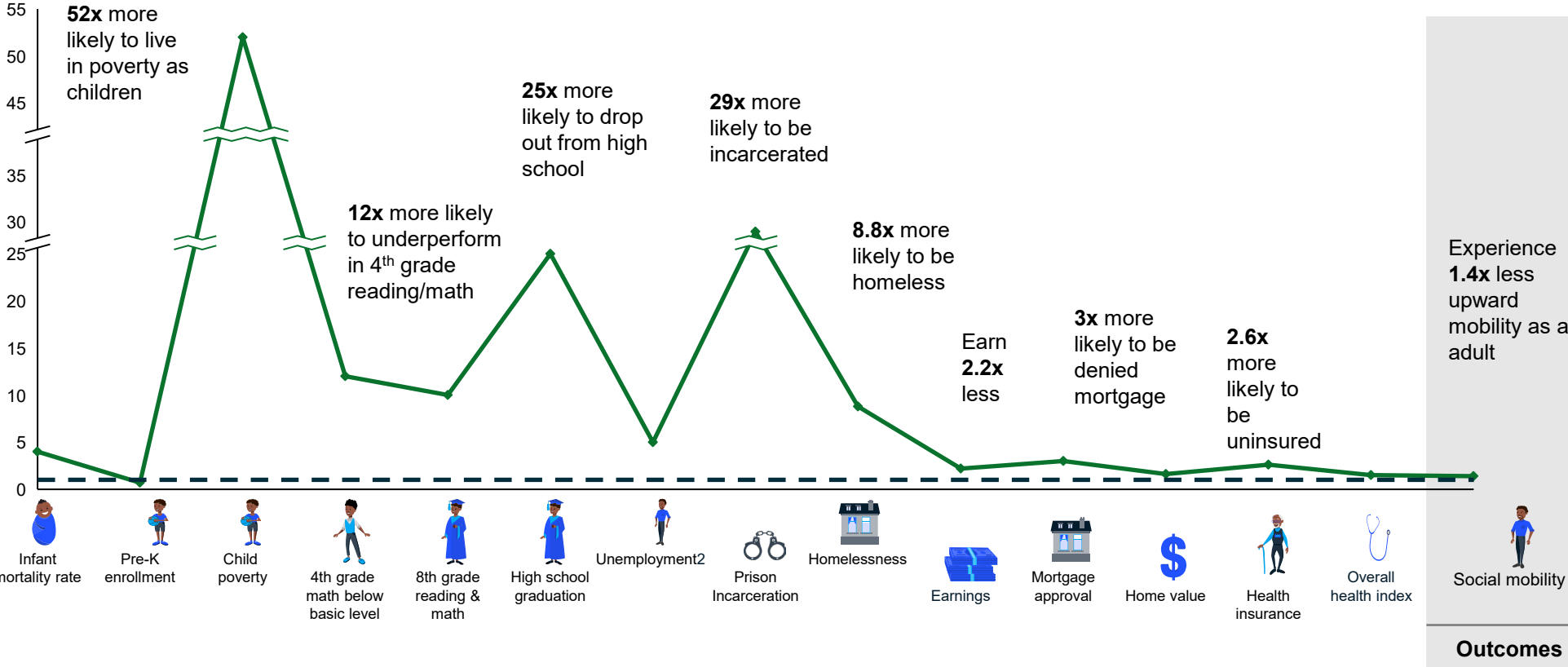
1. 'Serious' as defined by FBI Group A incidents
Source: Based on quintile analysis of 51 neighborhoods across DC as defined by the census tracts and DC Health Neighborhood Groups from Open Data DC

For Black residents, the pivotal mobility experiences occur during K-12 education, resources as children, and high school completion/college readiness and prison incarceration

— — Parity of opportunity   —— Black/non-Hispanic White inequity size

Black/non-Hispanic White Equity gap[1], worse outcomes

52x more likely to live in poverty as children

12x more likely to underperform in 4th grade reading/math

25x more likely to drop out from high school

29x more likely to be incarcerated

8.8x more likely to be homeless

Earn **2.2x** less

3x more likely to be denied mortgage

2.6x more likely to be uninsured

Experience **1.4x** less upward mobility as an adult

Infant mortality rate | Pre-K enrollment | Child poverty | 4th grade math below basic level | 8th grade reading & math | High school graduation | Unemployment2 | Prison Incarceration | Homelessness | Earnings | Mortgage approval | Home value | Health insurance | Overall health index | Social mobility

Outcomes

Key takeaway

The most divergent experiences along the economic mobility journey for Black residents occur at child poverty, high school and interactions with police/incarceration. However, they also experience disparate outcomes during K-12 education, experiencing homelessness etc.

DC residents have mobility experiences or life events that can demonstrably affect an individual's economic position throughout stages of life

1. Equity gap is defined as ratio of occurrence in the Black population to occurrence in Non-Hispanic White population; 2. Due to reporting constraints, incarceration rates compare non-Hispanic Black residents to White residents including Hispanic and non-Hispanic White residents.

Source: 2019 American Community Survey from the US Census Bureau

Downtown neighborhoods have approximately ~17M sq ft of vacant commercial space, contributing to ~$300M lost potential property tax revenue

Neighborhood	Vacancy	Office Inventory (000sf)	Vacant space (000sf)	Lost property tax revenue[2] (M)
CBD	18%	47,990	8,469	$140.65
Capitol Hill	17%	7,774	1,310	
East End	16%	55,169	8,893	$158.16
Georgetown	15%	3,944	607	$8.34
Dupont Circle	15%	2,897	440	$6.00
Capitol Riverfront	13%	5,092	680	$10.82
West End	13%	4,855	644	$10.16
Southwest	13%	13,015	1,646	
Uptown	8%	7,826	655	$7.91
NoMa	7%	12,394	895	$13.59
Northeast	6%	2,498	140	$1.28
Shaw	5%	1,037	57	$0.75
Logan Circle	1%	1,392	18	$0.23
Southeast	1%	1,136	8	$0.09
Total	17%	167,0	25,053	$405.10

Downtown neighborhoods

1. Excludes single-family residential
Source: CoStar

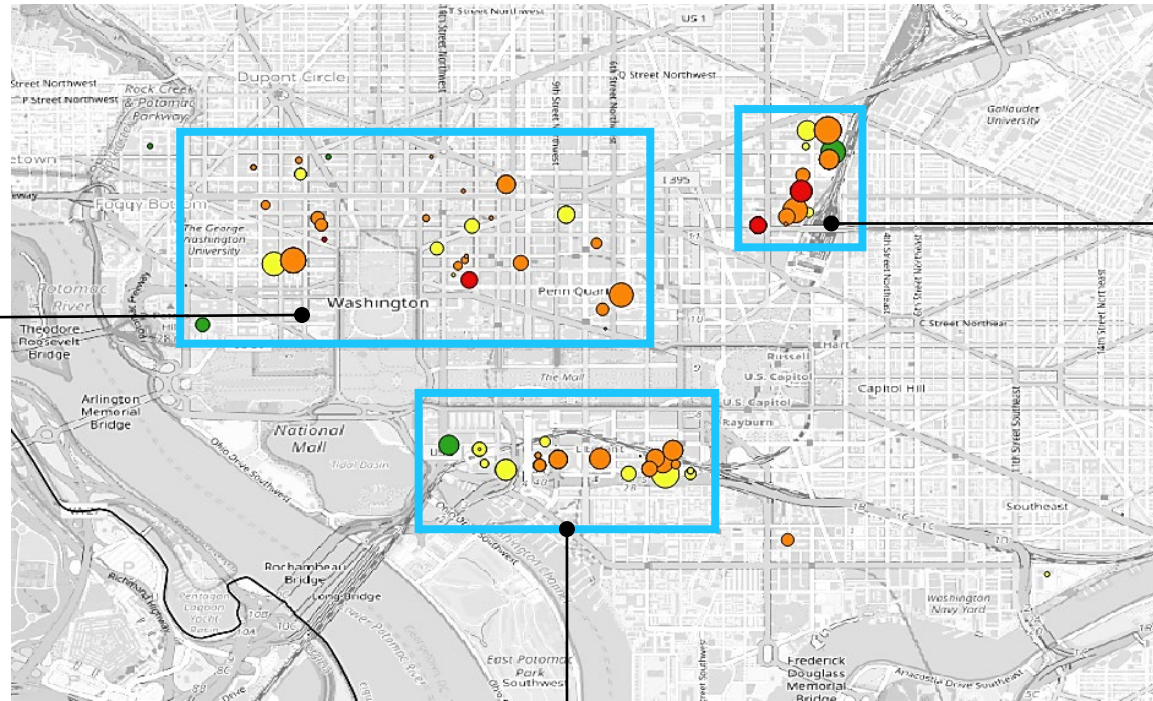# Federal lease footprint in DC is concentrated in a few key clusters

○ = 500K sq. ft. of rentable space **Lease expiration:** ● This year ● Less than 5 years ● 5 to 10 years ● 10+ years

Downtown cluster[1]
Leased square feet: 5.2m
Square feet expiring in 5 years: 69%
Example tenants: FBI, DOJ

NoMa corridor
Leased square feet: 7.0m
Square feet expiring in 5 years: 79%
Example tenants: SEC

Southwest Corridor
Leased square feet: 6.2m
Square feet expiring in 5 years: 47%
Example tenants: HUD, NASA, DOE

The federal government:

- Owns or leases one-third of Washington office space
- The federal government represents 27% of all jobs in DC

1. Includes following zip codes: 20005, 20036, 20427, 20052, 20006, 20506, 20045, 20004, 20535, 20230, 20520, 20405, 20240, 20245, 20510
Source: US General Services Administration; ACS 5-year estimates; ABC News; Lightcast

Existing District goals that this strategy references and uplifts

Category	Existing associated DC goals
Housing	• Produce 36,000 new housing units, 12,000 affordable, by 2025 • Add 20k new Black homeowners by 2030
Transit	• By 2032, increase use of public transit to 50% of all commuter trips in all wards (Sustainable DC 2.0) • 80 new Capital Bikeshare stations so every resident has a station within ¼ mile of home • Construct an additional 20 miles of protected bikelanes in DC between 2020 and 2023 (Bicycle Facility Design Guide)
Sustainability	• DC to be a carbon neutral city by 2045 (C40 Cities)
Green space	• All residents within 0.5 miles of a park (Comprehensive Plan) • Ensure every resident has access to a quality park or green space within 0.5 miles of their home and a safe route to get there (2020 Statewide Comprehensive Outdoor Recreation - Ready2Play)
Healthcare	• Every District resident has access to affordable, person-centric, and quality health care services in an appropriate setting
Childcare	• By 2023,1,500 more vulnerable infants and toddlers gain access to quality care
Learning	• By 2023, 1,100 more students enroll in higher education, on a path to complete a two- or four-year degree • 90% of students graduate within 4-5 years