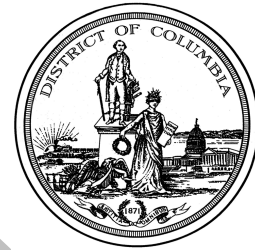


**SPECIAL COMMITTEE ON COVID-19
PANDEMIC RECOVERY**

**CHARLES ALLEN, CO-CHAIRPERSON
VINCENT C. GRAY, CO-CHAIRPERSON
FINAL REPORT**



TO: Members of the Council of the District of Columbia

FROM: Councilmembers Charles Allen and Vincent C. Gray
Co-chairpersons, Special Committee on COVID-19 Pandemic Recovery

DATE: March 30, 2022

SUBJECT: DRAFT Report and Recommendations of the Special Committee on
COVID-19 Pandemic Recovery

The Special Committee on COVID-19 Pandemic Recovery (“Special Committee”), having conducted performance oversight hearings, received public and government testimony, and received memoranda prepared by the Urban Institute, reports its recommendations. The Special Committee also summarizes some of the impacts of the pandemic on District residents and the Council’s legislative response.

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SPECIAL COMMITTEE ON COVID-19 PANDEMIC RECOVERY

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I. SUMMARY

Introductory Comments on the Special Committee's Recommendations

Over the last two years, the District has lost 1,319 residents to the pandemic. Our economy was upended, schools were disrupted, small businesses went under, and thousands of residents were out of work. But we know that the impacts of this pandemic have not been felt in the same way by all residents. Of the COVID-19 deaths, 1,025, or more than 77%, of those lost were Black lives. Higher-income, white-collar workers were able to continue working safely from home, many actually increasing their income, while essential workers continued to commute and work in person. While some industries have rebounded, the restaurant and hospitality sectors are still suffering, unable to bring back tens of thousands of workers they employed before the pandemic. The District has a long recovery ahead, and it is important that recovery efforts are focused on those who have been hit hardest. In this report, the Special Committee seeks to lay out recommendations that will put the District on the path to recover better.

Over the course of the pandemic, there has been a tremendous response from all sectors: the federal government made huge sums of money available to keep the District government and our regional transportation system afloat. The Mayor and executive agencies rearranged staffing and priorities to deliver needed services. The business and nonprofit sector used their often limited resources, and District residents found ways to support their friends and neighbors with their time or money. This report summarizes the Council's legislative response. Over the last 2 years, the Council has made massive shifts in policy—sometimes in concert with the Mayor and sometimes not—to deliver services and ensure that District residents had the resources they needed. The Council expanded unemployment benefits and, once businesses started to reopen, mandated safe workplaces. The Council authorized massive grants to small businesses, created mechanisms to allow restaurants to expand into public space, and cracked down on predatory food delivery services. The Council prohibited evictions, in some instances for nearly 2 years, to ensure that District residents were able to quarantine safely and take advantage of federal funds that allowed them to stay in their homes. Many of the tenant protections put in place during the pandemic have been made permanent.

The substantive recommendations in the Special Committee's report are based on input that the Special Committee received during 5 public hearings and from memoranda prepared by the Urban Institute. The recommendations are organized into 4 broad categories, mirroring the foci of the Special Committee's public hearings. These recommendations are intended for the Council to consider as the District moves into recovery from a 2-year pandemic that has, as the report will outline, underscored long-standing inequities between white District residents, on the one hand, and Black District residents and other District residents of color, on the other hand. The

recommendations in this report are by no means a comprehensive blueprint for recovery, and the Special Committee notes that other standing committees have taken strong leadership in oversight, funding, and legislation related to the subject matter and agencies under their jurisdictions. The Special Committee believes these recommendations are representative of the core values and policies that will set the District on a path to building a more equitable city moving forward. Briefly, the Special Committee recommends that:

Safety Net Programs

- The Mayor and Council expand eligibility for the District's new monthly basic income program, to include undocumented residents and childless workers who do not currently qualify, and as the District's revenue increases, increase the amount of the payment;
- The Mayor and Council create more flexible, holistic benefits programs across all agencies, based on the lessons learned from the nationally-recognized Gen2Gen program developed at the Department of Human Services, and the Mayor and Council examine how to help District residents who rely on benefits like TANF and SNAP avoid the "benefits cliff" as the District expands basic income programs;
- The Council continue targeted eviction and foreclosure moratoria until all federal rental and mortgage assistance has been distributed, allowing those who will be eligible for financial support to remain in their homes and ensuring that property owners can recoup unpaid rent, while the District waits for additional federal funding;
- The Council fund an economic analysis examining the impact to renters, property owners, and District revenue of proposed changes to rent control laws, with a particular focus on the impact to small property owners;
- The Mayor and Council continue to expand year-round opportunities for District youth and returning citizens to access meaningful employment and job training opportunities;

Small Business and Revenue Recovery

- The Mayor and Council continue local stimulus payments that have allowed many businesses to remain open, targeting those payments to small, locally-owned businesses in still-struggling sectors;

- The Council provide funding for a granular analysis of the District’s small business ecosystem, and in particular, a more granular analysis of the barriers in place for Black and Latinx District residents to open a small business and thrive, allowing the Council and the Mayor to create geographically targeted support for businesses owned by Black District residents and other residents of color;
- The Council create, and identify funding for, a small business credit support office within the Department of Small and Local Business Development, to allow locally-owned small businesses, especially those owned by Black District residents and other residents of color, to compete with deep-pocketed national corporations;
- The Council create, and identify funding for, programs that provide expanded technical support for locally-owned small businesses, especially those owned by Black District residents and other residents of color;
- The Mayor and Council to continue to provide incentives for dense, mixed-use developments that move job centers into areas of the District with large populations of Black residents, in particular on the eastern end of the District;
- The Mayor and Council continue to create incentives to increasing residential density in the central business district, while ensuring that District tax dollars do not subsidize commercial-to-residential conversions that would have happened as a result of market forces;
- The Council expand the purview of the Tax Revision Commission (“TRC”) to examine further reducing the disproportionate impact of fines and fees on Black District residents and other District residents of color;
- The Chief Financial Officer and the Council examine how post-pandemic shifts in work and commuting patterns will impact tax revenue, including by directing the TRC to report on fundamental changes post-pandemic and considering moving forward the formation of the next TRC;

Education

- The Office of the State Superintendent for Education (“OSSE”) report to the Council, in greater detail, the magnitude of learning loss during the pandemic, and, in particular, disparate impacts on Black and Latinx students and other students of color in the District, and the Council examine creating guidance for school-level assessments across all District schools, while balancing flexibility

for schools to assess students in ways that principals and teachers, who spend the most time with students, identify as most effective;

- District education agencies, DCPS, and public charter LEAs identify English language learners (“ELLs”) at risk of exiting the school system and connect them to targeted, culturally-competent supports, and OSSE report to the Council about how, during the pandemic, schools tracked progress for students with accommodations and ELLs and how schools are targeting those students for academic interventions;
- OSSE work with LEAs to increase the number of schools utilizing high-dosage tutoring (“HDT”), ensuring that the important federal funding the District receives has the biggest impact possible on students who need it;
- In the future, the Council and OSSE limit funding for HDT to programs that are explicitly connected to and that complement programming in schools, consistent with identified best practices, and the Council work with OSSE to ensure that there is funding to evaluate the impact of HDT programs over the next 3 years, while federal funding is still available;
- The Mayor and Council expand funding for out-of-school time programming (“OST”), including funding a pilot program that would provide portable OST subsidies for students whose families qualify for free or reduced-price lunch, in particular students at schools without other subsidized OST or other afterschool programming;
- The District expand the availability of school-based mental and physical healthcare by following the lead of many other states and expanding Medicaid-funding for school-based services, and OSSE hire a school nurse consultant to support development of District-wide school health policy;

Infrastructure

- The Council approve the *Metro for DC Amendment Act of 2021*, and dedicate future revenue growth to ensure that the law is funded;
- The Mayor and Council ensure full funding for the *Vision Zero Enhancement Omnibus Amendment Act of 2020*, the District Department of Transportation (“DDOT”) immediately implement budget transparency provisions of the law, and the Council explore mechanisms to compel DDOT to move quicker to complete long-delayed road improvements that ensure safer multi-modal commuting for all District residents;

- The Mayor and the Council, in the course of standing up the new Department of Buildings, expand District agencies' capacity to proactively inspect residential units for lead, mold, and other contaminants that contribute to poor health outcomes, and identify funding to rehabilitate public housing units and to support small property owners in abating unhealthy conditions;
- The Council explore additional policy changes to incentivize more affordable housing units, including robust oversight of the Housing Production Trust Fund, increasing allowable density in the Comprehensive Plan, and identifying additional properties, like the Fire and Emergency Medical Services facility on Half Street, S.W., for community land trusts; and
- The Council expand broadband internet access for District residents, and students in particular, by adopting the Internet Equity Amendment Act of 2021 and the District of Columbia Public Schools Technology Equity Act of 2021.

The Pandemic's Impact on District Residents

In March 2020, COVID-19 changed everything for everyone. And while the Special Committee applauds the efforts that the Mayor, executive agencies, the Council, District businesses and nonprofits, and District residents made to support all of our friends and neighbors in the District, there is no escaping the fact that, as of February 28, 2022, 1,319 District residents have lost their lives to the virus¹. The Special Committee joins all District residents in honoring those lives. It is also essential to remember that this pandemic has had a far outsized impact on Black residents: 1,025, or more than 77%, of those 1,319 lives lost were Black lives.

For many District residents, as businesses shut down at the dawn of the pandemic, the fear of the virus was only rivaled by fears that they would not be able to afford to pay rent—pay for food, pay for any essentials—as unemployment spiked. Between March and April 2020, the unemployment rate in the District more than doubled, from 5.2% to 11.7%.² The Department of Employment Services processed more than 40,000 unemployment claims in each of March and April 2020,³ more each month than it processed in all of Fiscal Year 2019.⁴ And it is no surprise to see that as our economy has recovered, it has not recovered at the same rate for everyone: in

¹ District of Columbia Department of Health, *COVID-19 Surveillance*, at <https://coronavirus.dc.gov/data>

² Department of Employment Services, *D.C. Labor Market Indicators: January 2015 – January 2022*, 4, at https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/DC%20Labor%20Market%20Indicator_s_January2022.pdf

³ Department of Employment Services, *Unemployment Compensation Claims Data*, at <https://does.dc.gov/publication/unemployment-compensation-claims-data>

⁴ Department of Employment Services, *Responses to Fiscal Year 2019-2020 Performance Oversight Questions*, 70, at https://dccouncil.us/wp-content/uploads/2020/02/DOES-PO-Questions-2020_Final-Response.pdf

November 2021, the overall unemployment rate in the District was 6.6%, but the Economic Policy Institute reports that the unemployment rate for Black residents (11.7%) was approximately 4 times the unemployment rate for white residents (2.9%).⁵ No state had a higher percentage of unemployed Black residents, and the District had the country's biggest disparity in the unemployment rates for white and Black residents.⁶ As of 2022, the unemployment rate for residents of Wards 7 and 8 was 10.6% and 13.3%, respectively.⁷ That is, the unemployment rate for Black District residents is still at or above the levels of District-wide unemployment that triggered unprecedented expansion of safety net programs during the pandemic.

As the economy shut down in the spring of 2020, the impact was felt quite differently in different sectors of the economy. Job losses were by far the highest in the leisure and hospitality sector where in just one month, from March to April of 2020, 44,000 jobs, or 56% of employment in the sector, disappeared.⁸ The only other sector that was impacted at any anywhere near the same rate in that first month was transportation, which lost 6,400 jobs, an 18% decrease, but other industries were hit much less hard.⁹ Today, while employment has recovered to a large degree, there are still approximately 50,000 fewer private sector jobs in the District, compared to pre-pandemic rates.¹⁰ Fully half of that remaining employment gap is in the food service, accommodations, and amusement and recreations sectors, which, as of November 2021, employ 57,434 District residents,¹¹ compared to 82,433 residents employed in those sectors at the end of 2019.¹² That is the case even after employment in those sectors grew by 17,367 from November 2020 to November 2021, including a 49% increase in food service employment over that period.¹³ Bars and restaurants and entertainment venues that are the lifeblood of so many neighborhoods in the District

⁵ Economic Policy Institute, *Economic Indicators: State Unemployment by Race and Ethnicity*, Nov. 2021, at <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

⁶ *Id.*

⁷ Department of Employment Services, *District of Columbia Labor Force, Employment, Unemployment, and Unemployment Rate by Ward*, Jan. 2022, at https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/DC%20Ward%20Data%20Jan22-Dec21-Jan21.pdf

⁸ Yesim Sayin Taylor, *Pandemic-induced Unemployment has Hit the District's Hispanic, Latino, and Younger Workers More Intensely*, May 26, 2020, at <https://www.dcpolicycenter.org/publications/hispanic-latino-pandemic-unemployment/>

⁹ *Id.*

¹⁰ Office of the Chief Financial Officer, *2021 Annual Comprehensive Financial Report*, Jan. 24, 2022, 6, at https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/FY%202021%20DC%20ACFR_Compresed.pdf (“ACFR FY21”)

¹¹ Office of the Chief Financial Officer, *District of Columbia Economic and Revenue Trends: December 2021/January 2022*, 4, at https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/DC%20Economic%20and%20Revenue%20Trends%20Report_December%202021_January%202022.pdf (“OCFO December 2021/January 2022”)

¹² Office of the Chief Financial Officer, *District of Columbia Economic and Revenue Trends: January 2020*, 4, at https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/DC%20Economic%20and%20Revenue%20Trend%20Report_January%202020.pdf

¹³ OCFO December 2021/January 2022, *supra* note 11, at 4

were hit the hardest during the pandemic and still are lagging far behind the rest of our economic recovery.

The District's Chief Financial Officer ("CFO") suggests that employment will catch up to pre-pandemic levels by Fiscal Year 2023¹⁴, but other research suggests that this could be a much longer recovery. In August 2020, at the height of the pandemic, the Pew Charitable Trusts released a report finding that in 2019, nationally, employment participation had only just recovered from the Great Recession, more than 10 years prior, and that almost half of states still had not fully recovered.¹⁵ The report notes that during the COVID-19 pandemic, employment participation dropped even further than during the Great Recession.¹⁶

The CFO reports that today the District is, as it has long been, a place of haves and have-nots: the median income is 30% higher than the national average, but the poverty rate is also above the national rate.¹⁷ And as we have seen, Black District residents still have far lower access to jobs than white residents. The Council and the Mayor, along with Congress and the rest of the federal government, did important work to help keep District residents safe and secure during the pandemic, but there will be no quick fixes. Every part of our recovery must be framed by what we know have been inequitable impacts during the pandemic, built on an inequitable platform.

The Council's Legislative Response

On March 17, 2020, the Council held a modified in-person Legislative Meeting, limiting staff and keeping staff and Members more spread out than usual, following what was then the best guidance from the Centers on Disease Control and Prevention. It would be the last time that the Council would meet in person until February 15, 2022. During those 23 months, the Council, like every other institution, has undergone what in the moment have seemed like massive changes. On its face, the Council started the pandemic with 12 Members, and during the course of the pandemic has welcomed 3 new Members who spent the first 14-20 months of their Council careers in a virtual setting. But those seemingly massive changes have allowed it to function in many of the same ways it always has.

While it has often felt as if the Council has considered more emergency legislation than ever before, in Council Period 23, of which approximately half fell during the pandemic, the Council enacted 284 emergency acts—as compared to 289 in Council Period 22, 267 in Council Period 20, and 280 in Council Period 19. (There was a spike to 336 emergency acts in Council Period 21 for which the Special

¹⁴ ACFR FY21, *supra* note 10, at 6

¹⁵ Jeff Chapman, Mike Maciag, and John Hamman, *State Employment Recovered Unevenly from Last Recession*, Aug. 20, 2020, at <https://www.pewtrusts.org/en/research-and-analysis/articles/2020/08/20/state-employment-recovered-unevenly-from-last-recession>

¹⁶ *Id.*

¹⁷ ACFR FY21, *supra* note 10, at 7

Committee does not have a ready explanation.) In Council Period 24, the Council has enacted 176 emergency measures through the first 14 of 24 months, which is well within the range of previous Council Periods. The Council approved 181 permanent acts in Council Period 23, comparable to 186 in Council Period 21 and 193 in Council Period 20, but less than the 246 permanent acts approved in Council Period 22. All of that is to say, that, while in many ways the Council's work has looked nothing like it ever has before, ultimately, those were adaptations that allowed the Council to continue its work of keeping District residents safe and healthy, at a time when so many District residents needed so much.

While, quantitatively, the Council may have considered as many emergency measures in the past, qualitatively, the Council has never moved so many massive changes to the law so quickly. Starting at that first March 17, 2020 meeting, the Council, working closely with the Mayor, approved emergency legislation that ensured District residents would have access to the benefits that would get them through the coming crisis,¹⁸ and the Council continued over the next several months to refine these protections in ever-expanding emergency legislation. At the May 19, 2020 Additional Legislative Meeting, the Council consolidated into one bill emergency provisions that had been adopted over the previous 3 months, and approved a temporary measure that would be effective until May 21, 2021.¹⁹ On March 2, 2021, the Council approved largely similar emergency and temporary measures, extending many of the still-relevant protections of the May 19, 2020 legislation until February 4, 2022.²⁰ And along the way, the Council approved many stand-alone emergency measures that supplemented or modified the protections in the May 19, 2020 and March 2, 2021 measures.

The Special Committee commends all Members and staff for their resilience and hard work during the pandemic. But the Special Committee highlights in particular the staff of the Committee of the Whole, the Council's Office of General Counsel, and the Council's Office of the Budget Director, who all managed complicated legislation with input from all Councilmembers, their staff, and executive agencies throughout the pandemic, but in particular during the first few months when uncertainty was especially acute. These emergency measures saved lives, kept District residents in their homes, and kept the economy afloat. Many of these provisions have been, or will be, made permanent. As the District continues to recover from the effects of the pandemic, the Special Committee encourages the

¹⁸ COVID-19 Response Emergency Amendment Act of 2020, enacted March 17, 2020 (D.C. Act 23-247; 67 DCR 3093) ("March 17, 2020 legislation")

¹⁹ Coronavirus Support Temporary Amendment Act of 2020, effective October 9, 2020 (D.C. Law 23-130; 67 DCR 12236). This version of the emergency and temporary measures also provided the Office of the Chief Financial Officer with authority to ensure the District's cash flow remained strong, despite delayed collection of some taxes. Further, with previous iterations of emergency and temporary legislation, the Council declined to approve the temporary version at second reading.

²⁰ Coronavirus Support Temporary Amendment Act of 2021, effective June 24, 2021 (D.C. Law 24-9; 68 DCR 6913)

Council to continue to examine which of the many protections that were put in place to protect and support District residents should be made permanent. Many of these programs were shown to be huge successes, and in many cases, there is a strong indication that these programs can be implemented without large administrative costs.

Employees and Unemployed District Residents

For District residents who had lost or were in danger of losing their jobs due to public health-necessitated shutdowns, unemployment insurance (“UI”) benefits have been a lifeline. The Council’s March 17, 2020 legislation removed waiting periods before someone who is unemployed would be eligible for UI, and expanded UI to cover anyone who was laid off from work temporarily or had their hours reduced, or who left or lost a job because their employer did not comply with Department of Health public safety directives, or because the employee had been advised to self-quarantine. It created a new type of leave for employees whom DOH recommended to self-quarantine or who tested positive for COVID-19, regardless of their employer’s size. The legislation also allowed the Mayor to identify additional funds to make UI payments if the Unemployment Fund was depleted.

On April 7, 2020, the Council continued to expand protections and support for District residents,²¹ expanding UI-related benefits to align with federal legislation. This included removing requirements that unemployed residents have worked for a certain period before losing their job, and the April 7, 2020 legislation also extended UI benefits to self-employed residents, and other residents who would not normally qualify for UI, without penalizing employers. Importantly, the April 7, 2020 legislation created additional flexibility for the “work share” program that had been authorized in the District for several years but never implemented. The work share program provides benefits for employees who had reduced hours but who had not become unemployed, encouraging employers to keep staff on in preparation for increased hours in the future. On October 20, 2020, the Council approved an additional 7 weeks of UI benefits, pursuant to federal guidelines.²²

On July 28, 2020, as some businesses started to re-open, the Council approved emergency legislation requiring employers to ensure safe working conditions, including by adopting social distancing policies and providing personal protective equipment.²³ On February 2, 2021, the Council approved an updated emergency measure, requiring employers to provide safe working conditions that comply with COVID-related Mayor’s Orders, and this version of the legislation also specified that

²¹ COVID-19 Response Supplemental Emergency Amendment Act of 2020, effective April 10, 2020 (D.C. Act 23-286; 67 DCR 4178) (“April 7, 2020 legislation”)

²² Unemployment Benefits Extension Emergency Amendment Act of 2020, effective October 29, 2020 (D.C. Act 23-435; 67 DCR 12989)

²³ Protecting Businesses and Workers from COVID-19 Emergency Amendment Act of 2020, effective August 13, 2020 (D.C. Act 23-384; 67 DCR 9870)

an employee who quits in order to leave a situation they deem unsafe is eligible for UI and that a COVID-19 injury can be eligible for compensation under public and private sector programs.²⁴ On November 2, 2021, the Council approved emergency legislation that would provide paid leave for workers to get a COVID-19 vaccine for themselves or a family member.²⁵

On December 15, 2020, the Council approved emergency legislation ensuring the workers who lost their jobs during the pandemic, in particular in the hospitality industry, would have an opportunity to reclaim their jobs as businesses reopened.²⁶ This emergency measure mirrored permanent legislation the Council approved on final reading at the same meeting,²⁷ ensuring that the protections were put in place immediately, while waiting for the permanent measure to complete the congressional review period.

Small Business Support

For District businesses that were about to be hit hard by the economic shutdown, the March 17, 2020 legislation allowed hotels to delay the first quarterly property tax installment of the calendar year and allowed other businesses to delay their February and March sales tax filings. The Council also approved a grant program for small businesses, nonprofits, and independent contractors. The April 7, 2020 legislation extended the grant program to include hospitals.

The March 17, 2020 legislation allowed restaurants and taverns to sell alcohol for carry out or delivery, and in the April 7, 2020 legislation, the Council expanded that authority to other appropriately licensed retailers and businesses, in addition to allowing outdoor dining. On December 7, 2021, the Council extended authorization for stateries and, for example, alcohol delivery,²⁸ and on March 1, 2022, the Council held the first reading of permanent legislation that codifies many of the same policies.²⁹

On May 5, 2020, the Council passed another broad COVID-19 response emergency act, this time putting a 15% cap on fees that third-party food delivery apps charge to restaurants, and specifying that if the app reduces fees to restaurants, that it cannot

²⁴ Workplace Safety During the Covid-19 Pandemic Emergency Amendment Act of 2021, effective February 26, 2021 (D.C. Act 24-26; 68 DCR 2616)

²⁵ COVID Vaccination Leave Emergency Amendment Act of 2021, effective November 18, 2021 (D.C. Act 24-209; 68 DCR 12355)

²⁶ Displaced Workers Right to Reinstatement and Retention Emergency Amendment Act of 2020, effective January 13, 2021 (D.C. Act 23-605; 68 DCR 1213)

²⁷ Displaced Workers Right to Reinstatement and Retention Amendment Act of 2020, effective April 27, 2021 (D.C. Law 23-281; 68 DCR 4799)

²⁸ Staterary Program Extension Emergency Amendment Act of 2021, effective December 22, 2021 (D.C. Act 24-248; 68 DCR 14058)

²⁹ Reopen Washington DC Alcoholic Beverage Regulation Amendment Act of 2021, passed on 1st reading on March 1, 2022 (Engrossed version of Bill 24-44)

reduce pay to the person who carries out the delivery.³⁰ On February 2, 2021, the Council approved emergency legislation prohibiting a third-party delivery app from making deliveries without an agreement with the restaurant,³¹ and on December 7, 2021, the Council approved an extension of that emergency measure.³²

In the April 7, 2020 emergency legislation, the Council required that 50% of non-COVID-19-related District contracts had to go to small, locally-owned businesses. The measure further prioritized locally-owned businesses owned by a person and not a corporation, and it created even bigger incentives for those contracts to go to “disadvantaged business enterprises”—generally, businesses owned by women or Black residents or other District residents of color. The April 7, 2020 legislation also authorized larger advance payments to small, locally-owned businesses.

On July 7, 2020, the Council enacted two additional protections for small businesses in the District: First, the Council approved emergency and temporary measures which gave businesses a longer period to file insurance claims for losses incurred during the pandemic.³³ (On May 4, 2021, the Council again extended this protection by emergency legislation.³⁴) Second, the Council authorized grants of up to \$100 million, using expected federal funding, for businesses in especially hard hit industries—restaurants, hotels, retail, entertainment, and child care.³⁵ On May 18, 2021, the Council moved emergency legislation to clarify that some of the business relief grant funds the District provided are not taxable.³⁶

Public Safety and Justice

In the public safety and justice cluster, the March 17, 2020 legislation allowed the Department of Corrections (“DOC”) to issue additional “good time credits” to effectuate the early release of anyone sentenced for a misdemeanor, consistent with public safety, authorized good time credits for District residents incarcerated in the Bureau of Prisons, and created a new compassionate release mechanism for DOC to mirror the federal program. The Council also required reporting on COVID cases among DOC residents.

³⁰ Coronavirus Omnibus Emergency Amendment Act of 2020, effective May 13, 2020 (D.C. Act 23-317; 67 DCR 5235)

³¹ Fair Meals Delivery Emergency Act of 2021, effective February 26, 2021 (D.C. Act 24-20; 68 DCR 2594)

³² Fair Meals Delivery Second Emergency Act of 2021, effective December 22, 2021 (D.C. Act 24-250; 68 DCR 14063)

³³ Commercial Insurance Claim Tolling Emergency Act of 2020, effective July 27, 2020 (D.C. Act 23-343; 67 DCR 9379)

³⁴ Commercial Insurance Claim Tolling Emergency Act of 2021, effective May 25, 2021 (D.C. Act 24-82; 68 DCR 5821)

³⁵ Business Support Grants Emergency Amendment Act of 2020, effective July 27, 2020 (D.C. Act 23-347; 67 DCR 9394)

³⁶ Coronavirus Business Assistance Income Tax Relief Emergency Amendment Act of 2021, effective May 25, 2021 (D.C. Act 24-83; 68 DCR 5823)

In the summer of 2020, the Council unanimously approved emergency and temporary legislation to advance comprehensive police and justice reform.³⁷ The reforms increased police accountability and transparency by prohibiting the use of neck restraints and reforming use of force rules, improving access to body-worn camera video recordings, reforming the Office of Police Complaints and the Use of Force Review Board, limiting “consent” searches, requiring local law enforcement to identify themselves as such during First Amendment assemblies, and restricting the Metropolitan Police Department’s ability to purchase and use military weaponry.

Consumer Protection

To protect consumers, the March 17, 2020 legislation prohibited price gouging and stockpiling, and set penalties when OAG brings a civil enforcement actions. The legislation also allowed residents to maintain larger supplies of prescription medication.

In the April 7, 2020 legislation, the Council prohibited debt collections and outreach from debt collectors to debtors.³⁸ In the May 5, 2020 emergency legislation, the Council required credit reporting agencies to provide notices in a credit report for District residents were financially impacted by the pandemic. In the May 5, 2020 legislation, the Council also authorized remote notarizations, which several states had moved to even before the pandemic.

Housing and Homelessness

For renters and homeowners who feared that they soon would not be able to pay rent or utility bills, the March 17, 2020 legislation prohibited disconnection of electric, gas, and water service, and prohibited evictions and late fees on rent, during the public health emergency. The April 7, 2020 legislation extended the shut off moratoria to cable and telecoms and gave the Office of the Attorney General the power to enforce the prohibitions. In the May 5, 2020 legislation, the Council required property owners to offer renters payment plans, to extend for up to a year beyond the end of the public health emergency, without adding additional penalties for renters who pay on time according to the plan. On September 22, 2020, the Council approved emergency legislation that prohibited property owners from serving tenants with notices of eviction, in response to concerns that some tenants were self-evicting after receiving notice of a property owner’s intent to later file for eviction, despite the existing moratorium on evictions.³⁹

³⁷ Comprehensive Policing and Justice Reform Second Emergency Amendment Act of 2020, effective July 22, 2020 (D.C. Act 23-336; 67 DCR 9148)

³⁸ On March 15, 2022, the Council’s Committee of the Whole marked up legislation that would limit contacts from debt collectors to District residents. Protecting Consumers from Unjust Debt Collection Practices Amendment Act of 2021, approved by the Committee of the Whole on March 15, 2022 (Committee Print of Bill 24-357)

³⁹ Eviction Notice Moratorium Emergency Act of 2020, effective October 14, 2020 (D.C. Act 415; 67 DCR 12243)

On October 6, 2020, the Council passed the first of a series of stand-alone comprehensive emergency measures to protect tenants during the pandemic.⁴⁰ This emergency measure required additional notice to tenants before an eviction, required photographic evidence of notice that is posted (rather than being served in person), prohibited evictions where the property owner does not have a current business license for rental housing, authorized the Superior Court to seal evictions records after 3 years, prohibited evictions if the amount of unpaid rent is less than \$600, and urged the Superior Court to increase filing fees for eviction cases. The Council approved largely similar legislation on October 5, 2021.⁴¹ On March 1, 2022, the Council approved permanent legislation that would codify many of the same protections, eviction record sealings in particular.⁴²

On April 6, 2021, the Council approved emergency legislation that ended the evictions moratoria in certain cases.⁴³ Specifically, the measure allowed a property owner to file for an eviction if a tenant unlawfully possessed a firearm or had engaged in threats or an assault or another crime of violence. The legislation specified that families evicted pursuant to this exception must be connected to resources to provide support, including to ensure that any children are able to continue their education uninterrupted.

On July 13, 2021, the Council further narrowed the eviction moratoria, allowing evictions to begin in phases for tenants who were not likely to qualify for funding through the STAY DC program, which directed federal dollars to tenants with unpaid rent due the financial hardships suffered during the pandemic.⁴⁴ The legislation required the Mayor to make improvements to the STAY DC portal to help get money to tenants and property owners faster. Broadly, tenants who were likely to be eligible for STAY DC funding remained protected from eviction, but property owners could begin the eviction process for those tenants who were not eligible for funding. The legislation also required that property owners provide tenants with information about their rights under the law and contact information for legal services providers who could provide assistance to tenants. On November 2, 2021, the Council passed emergency legislation making some additional changes to the evictions moratoria

⁴⁰ Fairness in Renting Emergency Amendment Act of 2020, effective November 10, 2020 (D.C. Act 23-497; 67 DCR 13949)

⁴¹ Fairness in Renting Emergency Amendment Act of 2021, effective October 29, 2021 (D.C. Act 24-186; 68 DCR 11333)

⁴² Eviction Record Sealing Authority Amendment Act of 2021, approved on 2nd reading on March 1, 2022 (enrolled version of Bill 24-96)

⁴³ Eviction Moratorium Public Safety Exception Emergency Amendment Act of 2021, effective May 3, 2021 (D.C. Act 24-67; 68 DCR 4907)

⁴⁴ Public Emergency Extension and Eviction and Utility Moratorium Phasing Emergency Amendment Act of 2021, effective July 24, 2021 (D.C. Act 24-125; 68 DCR 7342). The temporary version of this measure is effective through June 9, 2022, Public Emergency Extension and Eviction and Utility Moratorium Phasing Temporary, effective October 27, 2021 (D.C. Law 24-39; 68 DCR 12180).

exceptions, including to allow legal services providers to access better information about eviction filings.⁴⁵

To protect residents experiencing homelessness, the March 17, 2020 legislation made it easier for relevant agencies to move residents out of congregate settings, where spread of the virus was more likely, and extended the time those residents could stay in interim housing. On October 5, 2020, the Council enacted emergency legislation expanding eligibility for the District’s Emergency Rental Assistance Program (“ERAP”), making it easier for more District residents to qualify for funding that could keep them in their home.⁴⁶ One year later, on October 5, 2021, the Council approved similar emergency legislation, further extending expanded ERAP benefits.⁴⁷

In the April 7, 2020 legislation, the Council required deferment periods for commercial and residential mortgage payments and required mortgage holders to offer payment plans. On May 5, 2020, the Council approved stand-alone emergency legislation prohibiting foreclosures during the public health emergency.⁴⁸ On January 18, 2022, the Council extended the foreclosure moratorium for homeowners who are likely to be eligible for additional federal or local mortgage assistance.⁴⁹ On July 28, 2020⁵⁰ and June 15, 2021⁵¹ the Council called off the yearly property tax sales.

Public Benefits

The March 17, 2020 legislation allowed the Mayor to waive any provisions of law necessary to ensure District residents did not lose public benefits during a public health emergency—and to allow for first-time applications for public benefits. It also allowed the Mayor to extend the validity of and waive requirements to recertify in person for licenses—including driver’s licenses, vehicle registrations, and professional licenses.

⁴⁵ Tenant Safe Harbor Emergency Amendment Act of 2021, effective December 13, 2021 (D.C. Act 24-231; 68 DCR 13238)

⁴⁶ Emergency Rental Assistance Reform Emergency Amendment Act of 2020, effective November 4, 2020 (D.C. Act 23-455; 67 DCR 13218)

⁴⁷ Emergency Rental Assistance Reform Emergency Amendment Act of 2021, effective November 1, 2021 (D.C. Act 24-195; 68 DCR 11603)

⁴⁸ Foreclosure Moratorium Emergency Amendment Act of 2020, effective May 27, 2020 (D.C. Act 23-318; 67 DCR 6591)

⁴⁹ Foreclosure Moratorium Extension Emergency Amendment Act of 2022, effective February 3, 2022 (D.C. Act 42-320; 69 DCR 1045)

⁵⁰ Real Property Tax Sale COVID-19 Equitable Emergency Amendment Act of 2020, effective August 13, 2020 (D.C. Act 23-383; 67 DCR 9868)

⁵¹ Real Property Tax Sale COVID-19 Equitable Emergency Amendment Act of 2021, effective July 12, 2021 (D.C. Act 24-112; 68 DCR 6936)

On January 5, 2021, the Council approved emergency legislation that allowed enrollees in the Healthcare Alliance to continue to remain enrolled for an additional 6 months and waived the in-person enrollment requirement for first time enrollees and for recertifications.⁵² This extended a policy the Mayor had put in place during the pandemic, and, notably, the Department of Health Care Finance, the Office of the Chief Financial Officer, and the Council's Office of the Budget Director all agreed that there was no cost associated with relaxing recertification requirements for the Alliance on an emergency basis.⁵³ On October 5, 2021, the Council approved an extension of the District's Flexible Rent Subsidy Pilot Program that had been slated to end on September 30, 2021 and that the Council had funded an extension of in the Fiscal Year 2022 budget.⁵⁴

Elections Reforms

In the May 5, 2020 legislation, the Council authorized elections petitions to be circulated electronically and reduced the number of signatures needed to qualify for the ballot. On July 28, 2020, working with the Mayor and the Board of Elections, the Council approved emergency legislation ensuring access to an adequate number of polling places for the November 3, 2020 election, as well as providing a polling place at the DC Jail and providing mail ballots to all registered voters.⁵⁵ On December 15, 2020, the Council approved permanent legislation that made electronic petition circulation and a polling place at the DC Jail permanent.⁵⁶

On October 19, 2021, the Council approved an emergency measure that extended provisions of earlier comprehensive COVID measures, ensuring that ANC vacancies could be filled by a timely election and that ANCs could participate in their meetings virtually.⁵⁷

⁵² Department of Health Care Finance Alliance Reform and Budget Transparency Emergency Amendment Act of 2021, effective January 29, 2021 (D.C. Act 24-6; 68 DCR 1539)

⁵³ Council of the District of Columbia Office of the Budget Director, *Fiscal Impact Statement for Department of Health Care Finance Alliance Reform and Budget Transparency Emergency Amendment Act of 2021*, Jan. 1, 2021, at [https://lms.dccouncil.us/downloads/LIMS/46232/Other/B24-0009-FIS - Department of Health Care Finance Alliance Reform and Budget Transparency Emergency Amendment Act of 2021.pdf](https://lms.dccouncil.us/downloads/LIMS/46232/Other/B24-0009-FIS_-_Department_of_Health_Care_Finance_Alliance_Reform_and_Budget_Transparency_Emergency_Amendment_Act_of_2021.pdf)

⁵⁴ Flexible Rent Subsidy Pilot Program Extension Emergency Amendment Act of 2021, effective October 25, 2021 (D.C. Act 24-180; 68 DCR 11318)

⁵⁵ Open Polling Places Emergency Amendment Act of 2020, effective August 13, 2020 (D.C. Act 23-382; 67 DCR 9865)

⁵⁶ Initiative and Referendum Process Improvement Amendment Act of 2020, effective March 16, 2021 (D.C. Law 23-192; 68 DCR 3407)

⁵⁷ Advisory Neighborhood Commission Pandemic Election Procedures Extension Emergency Amendment Act of 2021, effective October 20, 2021 (D.C. Act 24-179; 68 DCR 11316)

II. LEGISLATIVE AND POLICY RECOMMENDATIONS

A. EXECUTIVE SUMMARY

The Special Committee's substantive recommendations are organized into 4 broad categories, mirroring the foci of the Special Committee's public hearings: (1) safety net programs, (2) small business and revenue recovery, (3) education, and (4) infrastructure, transportation, and healthy housing. These recommendations are by no means exhaustive, and the Special Committee encourages policymakers to read the memoranda Urban Institute prepared for the Special Committee and the extensive public testimony included as appendices to this report. The Special Committee drew from these documents in formulating recommendations, but there are a number of important recommendations included in the appendices.

In the area of safety net programs, the Special Committee recognizes the importance of the many expanded safety net programs that were created to keep District residents afloat: federal funding like expanded unemployment benefits, stimulus payments, and rent and mortgage assistance funds, as well as local programs like payments to undocumented workers and eviction moratoria. The Special Committee recommends expanding the new basic income program for District workers with low-incomes, to include undocumented workers, and, as revenue becomes available, to increase the amount of the monthly payment for those who qualify. The Special Committee recommends expanding the holistic, flexible benefits programs that the District has already developed and that were put in place during the pandemic. The Special Committee recommends ensuring that District residents can stay in their homes as long as there is federal money available for rental assistance. The Special Committee recommends studying changes to the District's rent control law. And the Special Committee recommends continuing to expand opportunities for young residents and returning citizens to access job opportunities.

In the small business and revenue recovery section, recognizing that the pandemic did not impact all businesses equally, the Special Committee's recommendations are focused on ensuring that the District can help support the most vulnerable small businesses and shift toward a more vibrant post-pandemic economy. The Special Committee recommends continuing supports for small, locally-owned businesses and funding a study to identify barriers to success for Black-owned businesses, to ensure that the Council can craft thoughtful, targeted supports in the future. The Special Committee recommends creating a credit enhancement program to help share the benefit of the District's strong credit rating with our small, locally-owned businesses. The Special Committee recommends continuing the transformation of the downtown core to more vibrant, mixed uses and to support the creation of job centers across the District. And the Special Committee recommends examining how to maintain

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revenue as employment and work patterns shift, including by examining how to reduce the impact of fines and fees on Black District residents.

In the education section, generally, the Special Committee’s recommendations encourage education leaders to ensure that there is a real accounting of what students lost during the pandemic and what their needs are today, in particular for those students most acutely impacted by the pandemic. Specifically, the Special Committee urges education agencies to identify English language learners who are at-risk of exiting the system and provide them with culturally competent services. The Special Committee encourages local education agencies and individual schools to ensure that federal funding for targeted interventions follow best practices. The Special Committee encourages expanded funding for out-of-school time programming. And the Special Committee recommends policies that will expand access to clinical services for physical and mental health in schools.

In the infrastructure, transportation, and healthy housing section, the Special Committee addresses a wide range of topics. First, as we recover we must ensure that continued viability of our public transportation network and ensure that all District residents can move about the city safely. To that end, the Special Committee recommends adoption of the Metro for DC Amendment Act of 2021 and fully funding the Vision Zero Omnibus Amendment Act of 2020. Second, to ensure that unsafe housing conditions can be identified and abated, the Special Committee recommends expanding the number of inspectors and creating programs to help small landlords, especially those who lost rent during the pandemic, abate unsafe conditions. Third, to ensure equitable access to affordable high-speed internet, the Special Committee recommends that the Council adopt the Internet Equity Amendment Act of 2021 and the District of Columbia Public Schools Technology Equity Act of 2021.

The Committee held oversight hearings to solicit public and government input on post-pandemic recovery policies on the following dates:

February 4, 2021	Examining the District’s Legislative Prohibition on Evictions During the COVID-19 Pandemic
May 21, 2021	An Equitable End to Safety Net Programs Put in Place During the COVID-19 Pandemic
May 26, 2021	The District’s Public Education System After the COVID-19 Pandemic
October 12, 2021	Small Business Recovery, Unemployment/Re-employment, and the Recovery of the District’s Local Revenue
October 26, 2021	Transportation Access, Regional Transit, Infrastructure Investments, and the Effect of Housing Conditions on Health

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The Special Committee received comments from members of the public and government witnesses during these hearings. Copies of witness testimony from the Special Committee's oversight hearings are included in this report as *Attachments G - K*.

DRAFT

B. SAFETY NET PROGRAMS

1. SUMMARY

Tens of thousands of District residents lost jobs in the first months of the pandemic, with no possibility of income for the foreseeable future. Expanded unemployment benefits kept many families afloat. The Council's evictions moratoria ensured that residents were able to stay safely in their homes, and federal funding allowed tenants to extinguish debt to their landlords, while also going a long way to make landlords whole. The Council funded small stipends to undocumented residents who were not eligible for expanded unemployment benefits and federal stimulus payments. To the extent that the most vulnerable District residents have weathered the pandemic and our economy is starting to rebound, it is largely due to the expanded safety net that the District and federal government created.

As federal funding begins to run out over the next 3 years, and expanded benefits programs have ended, it is important for the District to examine how to ensure that all District residents can thrive. As described in this report, Black District residents are still far more likely to be unemployed, or under-employed, than white District residents. There has been and remains a massive wealth gap in the District, leaving Black District residents much more vulnerable to financial shocks that white District residents are more likely to be able to weather. After the last two years, District residents with low incomes are in need of supports to get back on to their feet.

The Special Committee recommends expanding the new basic income program for District workers with low-incomes to include undocumented workers and, as revenue becomes available, to increase the amount of the monthly payment for those who qualify. The Special Committee recommends expanding the holistic, flexible benefits programs that the District has already developed and that were put in place during the pandemic. The Special Committee recommends ensuring that District residents can stay in their homes as long as there is federal money available for rental assistance. The Special Committee recommends studying changes to the District's rent control law. And the Special Committee recommends continuing to expand opportunities for young residents and returning citizens to access job opportunities.

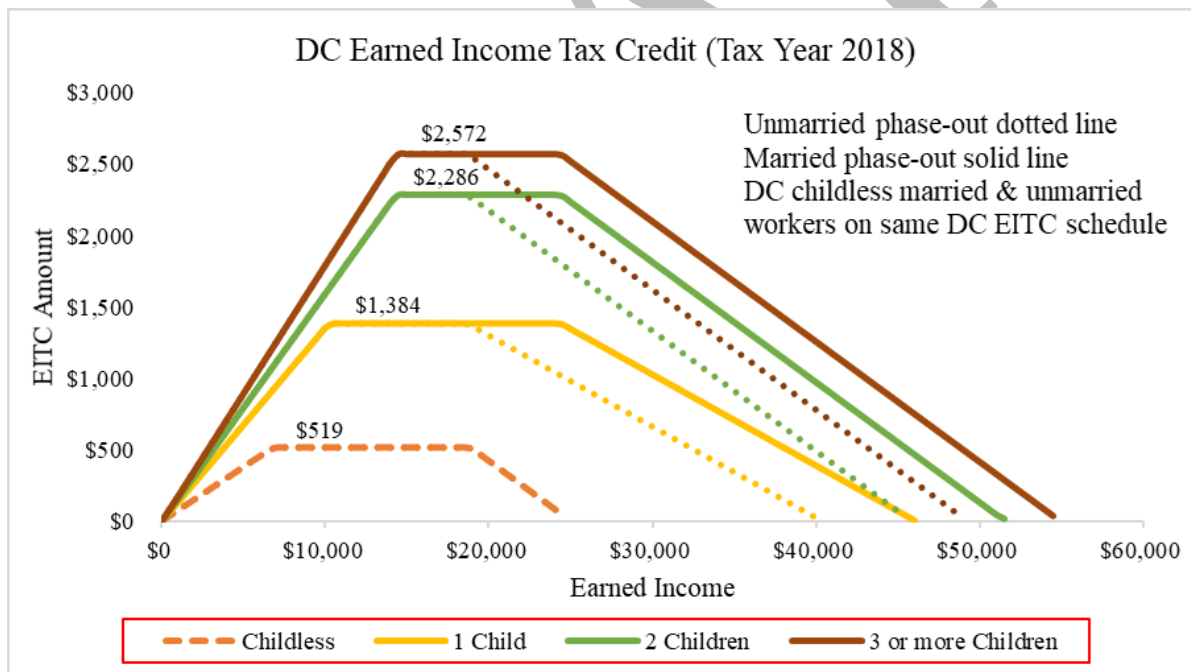
2. SPECIAL COMMITTEE RECOMMENDATIONS

- *Expand eligibility for and the amount of the District's local earned income tax credit*

In the course of approving the Fiscal Year 2022 budget, the Council increased the District's local earned income tax ("EITC") for working families with children from

the equivalent of 40% of the federal EITC to 70% of the federal EITC, starting in tax year 2022, and then to 100% of the federal credit, starting in tax year 2025. Using that increase, the Council also shifted the credit to be paid on a monthly basis for taxpayers whose total credit is more than \$1,200, creating a monthly basic income for District residents with very low incomes. Eligibility for the local EITC phases in to a maximum amount depending on household size, and then phases back out, such that no household with an income more than approximately \$55,000 receives a benefit. Figure 1 provides a visualization of eligibility for the credit, and the previous maximum credit amount. Compared to the amounts listed in Figure 1, the Council’s increase to 70% of the amount of the federal EITC will bump up the maximum credit to a little over \$2,500, or more than \$200 per month, for families with one child; almost \$4,200, or almost \$350 per month, for families with 2 children; and more than \$4,700, or almost \$400 per month, for families with 3 or more children. When the local EITC reaches 100% of the federal EITC, families at the maximum credit amount will receive at least \$300-\$560 per month.

Figure 1⁵⁸



One advantage of providing basic income through the local EITC is that EITC payments generally are not taxable and have not been counted as income for purposes of determining eligibility for public benefits programs like TANF and SNAP.⁵⁹ This

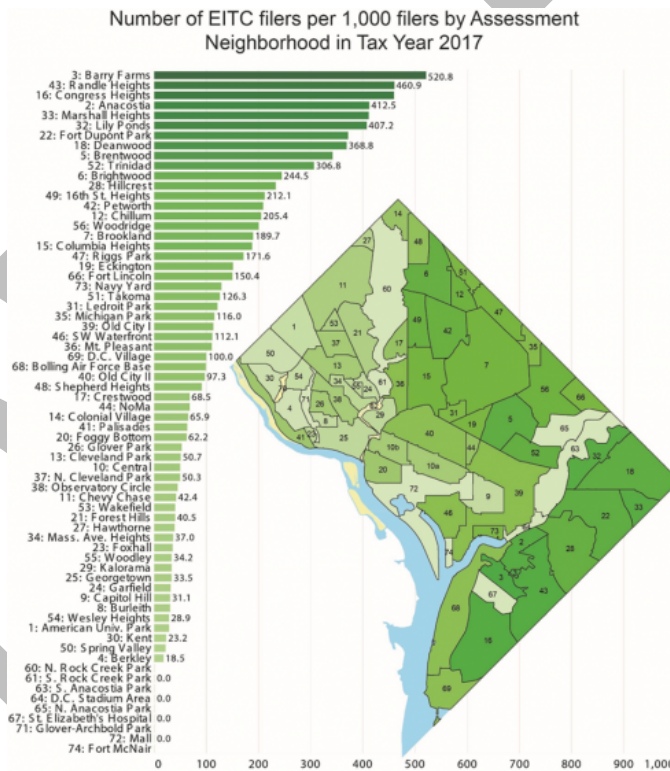
⁵⁸ Charlotte Otabor, *Who Claims the DC Earned Income Tax Credit*, Feb. 11, 2022, at <https://districtmeasured.com/2022/02/11/who-claims-the-dc-earned-income-tax-credit/> (“District Measured EITC Report”)

⁵⁹ EITC payments can be considered taxable income for tax filers who itemize deductions, but very few taxpayers with incomes that would qualify them for the EITC itemize deductions. Legislation pending before the Council now

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is important for ensuring that those who benefit from the local EITC do not lose important additional benefits that, for many families, can be at least as valuable as the cash provided through the EITC. And the EITC has been shown to be one of our most important anti-poverty tools, lifting millions of families nationwide out of poverty, including 3 million children in 2019,⁶⁰ and research shows that the effects are especially impactful for Black and Latina women.⁶¹ Figure [2] shows that, in the District, the impact of the local EITC is heavily focused on the eastern half of the District, where the population is overwhelmingly Black residents who were disproportionately impacted by the pandemic.

Figure 2⁶²



would clarify that EITC payments would continue to be excluded from the calculation of eligibility for public benefits, for District residents who qualify for monthly payments of the EITC, Earned Income Tax Credit Expansion Clarification Amendment Act of 2022, at introduced on January 19, 2022 (introduced version of Bill 24-616)

⁶⁰ Urban Institute Tax Policy Center, *What is the Earned Income Tax Credit*, at

<https://www.taxpolicycenter.org/briefing-book/what-earned-income-tax-credit>. Similarly, when the federal Child Tax Credit was increased and converted to a monthly payment, it was shown to lift millions of children out of poverty. Zachary Parolin, Sophie Collyer, and Megan A. Curran, Columbia University Center on Poverty and Social Policy, *Sixth Child Tax Credit Payment Kept 3.7 Million Children Out of Poverty in December*, Jan. 18, 2022, at <https://www.povertycenter.columbia.edu/news-internal/monthly-poverty-december-2021>

⁶¹ Chuck Marr and Yixuan Huang, Center on Budget and Policy Priorities, *Women of Color Especially Benefit from Working Family Tax Credits*, at <https://www.cbpp.org/research/federal-tax/women-of-color-especially-benefit-from-working-family-tax-credits>.

⁶² District Measured EITC Report, *supra* note 57

Having created this powerful tool for targeted basic income, the Special Committee recommends that the Council continue to expand its reach. First, undocumented immigrants are currently not eligible for the District’s local EITC, while 7 states currently do allow tax filers with an individual taxpayer identification number to claim their state EITC.⁶³ Undocumented immigrants were not eligible for federal stimulus payments and expanded unemployment benefits, which is why the Council, in the Fiscal Year 2021 and 2022 budgets, provided approximately \$50 million in benefits for “excluded workers” who were shut out of the payments that kept many families afloat during the pandemic. Through the District’s Healthcare Alliance, the District government provides healthcare to undocumented residents who do not qualify for federal safety net healthcare programs, and **the Special Committee similarly urges the Council to expand the local EITC to undocumented residents who do not qualify for the federal credit.**

Second, the Special Committee recommends that the Council examine expanding the local EITC to include childless workers between ages 18-24 and over age 65, as several states now do.⁶⁴ Additionally, the Council should examine expanding the income range that receives the maximum local EITC—that is, widening the plateau in Figure 1—or moving forward the date at which the District’s local EITC reaches 100% of the federal credit. As the District’s overall revenue continues to grow, the Council can also consider increasing the amount of the District’s EITC to more than 100% of the federal credit.

- *Expand integrated planning and resources for safety net programs across all agencies, including to avoid benefits cliffs*

In recent years, the District has led on innovative solutions to provide benefits to District residents in ways that meet them where they are. In 2016, the District’s Department of Human Services (“DHS”) examined how to re-think delivery of Temporary Assistance for Needy Families (“TANF”) benefits, after the Council began to consider how to reduce the “benefits cliff” that many residents faced when TANF benefits expire after 60 months.⁶⁵ The result of the re-examination was the Gen2Gen program, which reimagined TANF as a program for 2 generations in each household—child and parent, each of whom have different needs—and the entire intake process was repurposed such that families receive a holistic assessment of a suite of benefits that will provide the assistance that they actually need.⁶⁶ Similarly,

⁶³ Richard Auxier, *Best Practices in Local Revenue Recovery to Inform an Equitable COVID-19 Recovery*, December 6, 2021, 10 (“Urban Institute Revenue Recovery Memo”)

⁶⁴ *Id.* at 11

⁶⁵ See, District of Columbia Public Assistance Amendment Act of 2015, as introduced December 1, 2015 (introduced version of Bill 21-515)

⁶⁶ Aspen Institute, *Two-Generation Approach to Leveraging TANF: DC as a Case Study for Policymakers*, at <https://ascend.aspeninstitute.org/wp-content/uploads/2020/10/Two-Generation-Approach-to-Leveraging-TANF-DC-as-a-Case-Study.pdf>

DHS's pilot DC Flex program provides a rent subsidy benefit that participating families can use when, and in what amount, they need at a particular time, which initial research has found to have been well-received and successful in supporting qualifying families.⁶⁷ Both programs are considered national best practices.

The Special Committee encourages the Council to explore creating more flexible, holistic benefits programs in other areas, to help District residents address unexpected challenges and uncertainty about where to prioritize resources. The uncertainty created by the pandemic led many District residents to prioritize spending increasingly limited resources in different ways, as has been the case for many families with low incomes for years. For example, when considering the District STAY DC program, which administered federal rental relief funding, many witnesses noted to the Special Committee that they did not have large unpaid rental debt, because they had chosen to forego paying *other* bills or purchase other necessities in order to pay rent. Those residents may have accumulated as much debt as someone who applied for assistance through STAY DC, but the STAY DC funds could not be used to erase their debt. A more flexible benefit could have helped both the resident who chose paying rent over other necessities, in the same way the more defined STAY DC program helped residents who were not able to pay rent. Flexible benefits could include wrapping other benefits into housing assistance, in the way that Tulsa, Oklahoma integrated financial counseling into that city's rental assistance program during the pandemic.⁶⁸

The Special Committee also encourages the Council and the Mayor to continue to examine how to help District residents, who rely on benefits like TANF or SNAP or the Healthcare Alliance, avoid the “benefits cliff” when their income becomes too high to receive a full benefit, but the increase in income is less than the value of the benefit. DHS's Gen2Gen approach came out of attempts to address this issue, and this has been a concern for some basic income programs that provide a direct cash benefit to residents. Some basic income programs can be set up to complement existing benefits, without counting toward income—like the District's expanded EITC—while in other situations that cliff cannot be avoided. One potential solution for case workers at community organizations or intake specialists at District agencies could be to provide training on use of tools like the Atlanta Fed's Career Ladder Identifier and Financial Forecaster, which shows, for example, how a loss of benefits could be offset by employment in an in-demand career path.⁶⁹ Training for relevant Council and executive agency staff could also provide insights into how different benefits programs overlap.

⁶⁷ Josh Leopold, Mychal Cohen, Maria Alva, Nat Mammo, and Sam Quinney, *The Lab @ DC, DC's Flexible Rent Subsidy Program Shows Promising Early Results*, Aug. 10, 2021, at <https://thelabprojects.dc.gov/blog-dcflex>

⁶⁸ Mary Bogle and Shubhangi Kumari, *Best Practices in Safety Net Programs to Inform an Equitable COVID-19 Recovery*, December 2, 2021, 7

⁶⁹ Federal Reserve Bank of Atlanta, *Career Ladder Identifier and Financial Forecaster*, at <https://www.atlantafed.org/economic-mobility-and-resilience/advancing-careers-for-low-income-families/cliff-tool>

- *Continue targeted eviction and foreclosure moratoria while the District waits for additional federal rental and mortgage relief funding*

For nearly the entirety of the pandemic, the Council has imposed some moratoria on evictions—including on filing, as well as the actual removal from a rental unit. When the Council was first faced with the expiration of these moratoria in May 2021, the Special Committee held a hearing to examine the impact of the evictions moratoria on District residents. Invited expert witnesses, including Dr. Craig Pollack, from Johns Hopkins University, and Drs. Kay Jowers and Chris Timmins, from Duke University, described evictions moratoria as an extremely effective public health policy.

Generally, keeping people in their homes allowed them to isolate after infections and otherwise engage in recommended social distancing. Dr. Pollack described his research that found that states where evictions moratoria has been allowed to end, mortality rates due to COVID-19 had risen between 1.6 and 5.4 times what they had been while the moratoria were in effect.⁷⁰ In his written testimony, Dr. Pollack suggested that, at that point in the pandemic, evictions moratoria had likely prevented 400,000 cases of COVID-19 and 10,000 deaths.⁷¹ Research from Drs. Jowers and Timmins found that evictions moratoria had reduced deaths from COVID-19 by 11%, and moratoria on utility cut offs had reduced deaths by 7.4%.⁷² Additionally, witnesses described the many burdens, unrelated to health, faced by evicted tenants: difficulty in being approved for a rental application after a recent eviction for unpaid rent, transaction costs associated with moving in and searching for a new rental unit, and the general upheaval in a tenant's life associated with changing commutes, schools, and community support networks.

In response to this hearing, the Council adopted an extension of evictions moratoria that were targeted to renters who were likely to receive assistance through the STAY DC program, which distributed federal rental assistance funding.⁷³ Shortly thereafter, after some significant delays, the District did begin to more quickly distribute STAY DC funding to eligible tenants (and in some cases property owners).⁷⁴ Eventually, the District would distribute all \$352 million allocated to the

⁷⁰ Kathryn M. Leifheit, Sabriya L. Linton, Julia Raifman, Gabriel Schwartz, Emily A. Benfer, Frederick J. Zimmerman, and Craig Pollack, *Expiring Eviction Moratoriums and COVID-19 Incidence and Mortality* (Nov. 30, 2020), at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3739576

⁷¹ Special Committee on COVID-19 Pandemic Recovery, *Public Hearing on Examining the District's Legislative Prohibition on Evictions During the COVID-19 Pandemic*, May 21, 2021 written testimony of Dr. Craig Pollack

⁷² Kay Jowers, Christopher Timmins, Nrupen Bhavsar, Qihui Hu, and Julia Marshall, National Bureau of Economic Research, *Housing Precarity and the COVID-19 Pandemic: Impacts of Utility Disconnection and Eviction Moratoria on Infections and Deaths Across US Counties*, Jan. 2021, at https://www.nber.org/system/files/working_papers/w28394/w28394.pdf?utm_campaign=PANTHEON_STRIPPED&%3Butm_medium=PANTHEON_STRIPPED&%3Butm_source=PANTHEON_STRIPPED

⁷³ D.C. Act 24-125, *supra* note 43

⁷⁴ For example, the first month during which the District was able to distribute more than \$10 million in STAY DC funding was in June 2021. ERA-Monthly Compliance Report for June 2021, at

District for rent and utility shutoff assistance, erasing debt for many renters and making at least partially whole many property owners who had struggled to make mortgage payments.⁷⁵

The District is currently in a similar situation. Because the District was the first state to expend all of its allocated rental and utility shutoff assistance funding, in the fall, the District was able to request additional funding for the same purposes. The District is waiting to receive up to a requested \$238 million, which can also serve to pay unpaid rent.⁷⁶ **The Special Committee recommends that the Council continue evictions moratoria targeted to those who are likely to qualify for the next round of STAY DC funding**, for the same reasons the Council previously extended the eviction moratoria: there is no need to subject tenants to the upheaval and continued consequences of evictions, because of unpaid rent that is likely to be extinguished. To the extent that more immediate assistance would support small landlords who have large outstanding rent payments due, and who may not be able to wait for the federal government to transmit the expected additional assistance funds, the Mayor may also consider using contingency funds, to provide more immediate assistance.

- *Fund an economic analysis examining the impact of some proposed changes to rent control laws*

Many witnesses at the Special Committee's February 4, 2021 hearing on evictions moratoria and the May 21, 2021 hearing on safety net programs discussed changes to the District's rent control law. One proposal for changes centered around a set of changes that has been advanced by an advocacy coalition called "Reclaim Rent Control."⁷⁷ The Council has endorsed some elements of the coalition's platform—namely, greatly reducing the amount that a property owner can increase rent after a tenant moves out⁷⁸ and putting a 2-year moratorium on voluntary agreements that allow a current tenant to authorize a rent increase on future tenants greater than would otherwise be allowed by the law⁷⁹.

The Special Committee does not take a position on other proposed changes to the District's rent control law, but the Special Committee does

https://stay.dc.gov/sites/default/files/dc/sites/stay/page_content/attachments/ERA1%20Report%20to%20Treasury_Jun%202021.pdf.

⁷⁵ STAY DC Dashboard, at <https://stay.dc.gov/dashboard>

⁷⁶ District of Columbia to U.S. Department of Treasury, *Request for Reallocated Funds for Emergency Rental Assistance Program*, at

https://stay.dc.gov/sites/default/files/dc/sites/stay/page_content/attachments/ERA%20Request%20for%20Reallocated%20Funds%20-%20DC.pdf

⁷⁷ Reclaim Rent Control, *Our Platform*, at <https://reclaimrentcontrol.org/our-platform/>

⁷⁸ Vacancy Increase Reform Amendment Act of 2018, effective February 22, 2019 (D.C. Law 22-223; 66 DCR 2893)

⁷⁹ Voluntary Agreement Moratorium Amendment Act of 2020, effective March 16, 2021 (D.C. Law 23-246; 68 DCR 3668)

acknowledge that rent control can be an important tool to preserve affordability for older units. Currently, rent control only applies to units built before 1976, which are an increasingly smaller share of units in the District that are now more than 40 years old, and it is worth exploring whether rent control should be expanded to cover units that were built more recently. However, many of the units currently rent controlled are, or likely will be soon, in need of major renovations to ensure the safety and health of tenants. While federal rental assistance, distributed through the District's STAY DC program, did provide major relief for property owners, many smaller landlords were severely impacted by delayed rental payments. It is important that any examination of changes to rent control take into consideration the need to maintain rental units in safe and healthy conditions.

Accordingly, the Special Committee recommends that the Council fund a study to examine the impacts of expanding rent control. Such an economic analysis could include an examination of the benefits to District residents of expanding the availability of affordable units and an estimate of the costs of upgrading and maintaining rental units currently subject to rent control and those that would be added under various scenarios. This study could complement or encompass the study that the Mayor's rental housing strike force recommended, to examine current rent control policies and outcomes, including affordability levels.⁸⁰

- *Continue to expand supports for District youth and returning citizens to enter the workforce*

To remedy the vast disparities in employment opportunities for Black and white District residents, it is important to continue investments in programs that provide supports to particularly disconnected populations. To achieve this, the **Special Committee urges the Council and Mayor to continue to expand opportunities year-round.** In Fiscal Year 2021, the Council created a pilot School Year Internship Pilot Program for 250 students, and almost 900 students applied,⁸¹ which is certainly not surprising given the success of the Marion Barry Summer Youth Employment Program and the high marks given by both students and the employers they are placed with.⁸² The Special Committee encourages expanded funding for this program to allow more interested students to take part. Research that Urban Institute provided to the Special Committee shows that students who

⁸⁰ Strike Force to Save DC's Rental Housing Market, *Saving DC's Rental Housing Market*, May 21, 2021, 15, at https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/SRH%20Strike%20Force%20Report%2005-21-2021%20Final_0.pdf

⁸¹ Committee on Labor and Workforce Development, *Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2022 Budget for Agencies Under Its Purview*, June 30, 2021, 53, at https://d3n8a8pro7vhm.cloudfront.net/silverman/pages/1545/attachments/original/1625753125/LWD_FY2022_Budget_report_FILED_07-07-21_%281%29.pdf?1625753125

⁸² The Georgetown Firm, *2020 Mayor Marion S. Barry Summer Youth Employment Program Independent Evaluation*, 5-7, at <https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2020%20Mayor%20Marion%20S%20Barry%20Summer%20Youth%20Employment%20Program%20Evaluation%20FNL.pdf>

participate in apprenticeship programs earn important skills and often are offered full-time employment after completion of a program.⁸³

While the unemployment rate for Black District residents is 3 times higher than the rate for white residents, returning citizens, 89% of whom are Black residents,⁸⁴ face even more difficulties finding employment. Even pre-pandemic, only about 42% of returning citizens were employed.⁸⁵ Urban Institute's research for the Special Committee notes that Philadelphia provides a local tax credit for businesses that hire returning citizens for either full- or part-time work,⁸⁶ an idea that the Council has considered in the past.⁸⁷ **The Special Committee encourages the Council to consider tax credits or other incentives to encourage District businesses to provide employment opportunities for returning citizens.** Urban Institute's research also highlights programs in Seattle and Chicago that provides "digital skills" trainings, and programs elsewhere that focus these apprenticeship programs on careers in growing fields.⁸⁸ Combining targeted skills trainings with incentives for hiring could provide returning citizens opportunities that many currently do not have, which can reduce recidivism rates.⁸⁹

⁸³ Shane Spaulding and Madeline Sirois, *Best Practices in Employment to Inform an Equitable COVID-19 Recovery*, December 6, 2021, 5-6 ("Urban Institute Employment Memo")

⁸⁴ Robin Selwitz, D.C. Policy Center, *Obstacles to Employment for Returning Citizens in D.C.*, August 17, 2018, at <https://www.dcpolicycenter.org/publications/barriers-to-employment-for-returning-citizens-in-d-c/>

⁸⁵ *Id.*

⁸⁶ Urban Institute Employment Memo, *supra* note 81, at 5.

⁸⁷ Local Work Opportunity Tax Credit Amendment Act of 2018, as introduced January 23, 2018 (introduced version of Bill 22-668)

⁸⁸ Urban Institute Employment Memo, *supra* note 81, at 6-7

⁸⁹ *Id.* at 5

C. SMALL BUSINESS AND REVENUE RECOVERY

1. SUMMARY

When the District's economy shut down in March 2020, nobody knew just how long it would last. Many employers sent their staff home, thinking that they would return to their offices in a few weeks, but they left knowing that they could continue to operate in some capacity remotely. However, for tens of thousands for District workers and hundreds of small businesses in hard-hit sectors like hospitality, the results were immediate and massive. Neighborhood restaurants and bars, retailers, live music venues, and theaters shut down and laid off employees, unsure of whether they would be able to operate again.

Some businesses were able to find ways to survive, and even thrive. For those who could work remotely, eventually remote work became something approximating business as usual. Retailers found ways to take online orders and make deliveries or customer picks up in a way that kept customers and employees safe and comfortable. But for the hospitality industry, the struggles continue. And across all sectors Black-owned businesses, nationally, were much more likely to not survive the pandemic.

The Special Committee's recommendations are focused on ensuring that the District can help support the most vulnerable small businesses and shift toward a more vibrant post-pandemic economy. The Special Committee recommends continuing supports for small, locally-owned businesses and funding a study to identify barriers to success for Black-owned businesses, to ensure that the Council can craft thoughtful, targeted supports in the future. The Special Committee recommends creating a credit enhancement program, to help share the benefit of the District's strong credit rating with our small, locally-owned businesses. The Special Committee recommends continuing the transformation of the downtown core to more vibrant, mixed uses and supporting the creation of job centers across the District. And the Special Committee recommends examining how to maintain revenue as employment and work patterns shift, including by examining how to reduce the impact of fines and fees on Black District residents.

2. SPECIAL COMMITTEE RECOMMENDATIONS

- *Continue financial support for small, locally-owned businesses in general, and fund a study on barriers for Black and Latinx District residents, in particular, to open and maintain small businesses in the District*

At the outset of the pandemic, many business leaders feared a wave of bankruptcies due to public health mandates that required a shutdown of many

businesses.⁹⁰ As it turned out, bankruptcies in the District have remained relatively stable, thanks to local and federal stimulus payments.⁹¹ But while some industries that weathered the storm—like retail, groceries, and home improvement stores—are approaching pre-pandemic levels of foot traffic, industries like dining, hotels, fitness, and leisure still are only hanging on by a thread, as foot traffic remains far below pre-pandemic levels.⁹² In particular, hundreds of bars and restaurants have closed permanently during the pandemic.⁹³ And while bankruptcies have not greatly increased, research has shown that, at least nationally, Black business owners were much more likely to see their business close than white business owners.⁹⁴ The Special Committee fears that in those industries still waiting for a full recovery, small, District-resident owned businesses, that are the backbone of our neighborhoods, in particular those owned by Black District residents and other District residents of color, will not have the deep pockets to compete with national chains and franchises. **Accordingly, the Special Committee recommends continuing local stimulus payments that have allowed many businesses to remain open, targeting those payments to small, locally-owned businesses in still-struggling sectors.**

Among those small, District-resident owned businesses, even pre-pandemic, Black and Latinx District residents were vastly underrepresented. Data that Urban Institute provided to the Special Committee shows that Black District residents account for 43% of the population but only own 12% of businesses that hire only 11% of employees; Latinx residents account for 11% of the populations but only own 1% of businesses that hire 2% of employees. Figure 3 below shows just how stark that disparity is. A major factor in this disparity can be seen in Figure 4, which shows massive inequities in small business lending between the eastern end of the District, which has a much higher population of Black residents, and the western end of the District, which is largely populated by white residents. Urban Institute’s analysis shows that white-majority census tracts receive 3-4 times more federally-backed small business lending than Black-majority census tracts.⁹⁵

⁹⁰ E.g., Steve Thompson, Washington Post, *District Business Leaders Warn of Bankruptcies and Permanent Closures, Plea for Rapid Help*, April 16, 2020, at https://www.washingtonpost.com/local/dc-politics/district-business-leaders-warn-of-bankruptcies-and-permanent-closures-plea-for-rapid-help/2020/04/16/05bd85de-8026-11ea-9040-68981f488eed_story.html

⁹¹ Dr. Brett Theodos and Tola Myczkowska, *Best Practices Small Business Recovery to Inform an Equitable COVID-19 Recovery*, December 6, 2021, 1-2 (“Urban Institute Small Business Memo”)

⁹² *Id.*

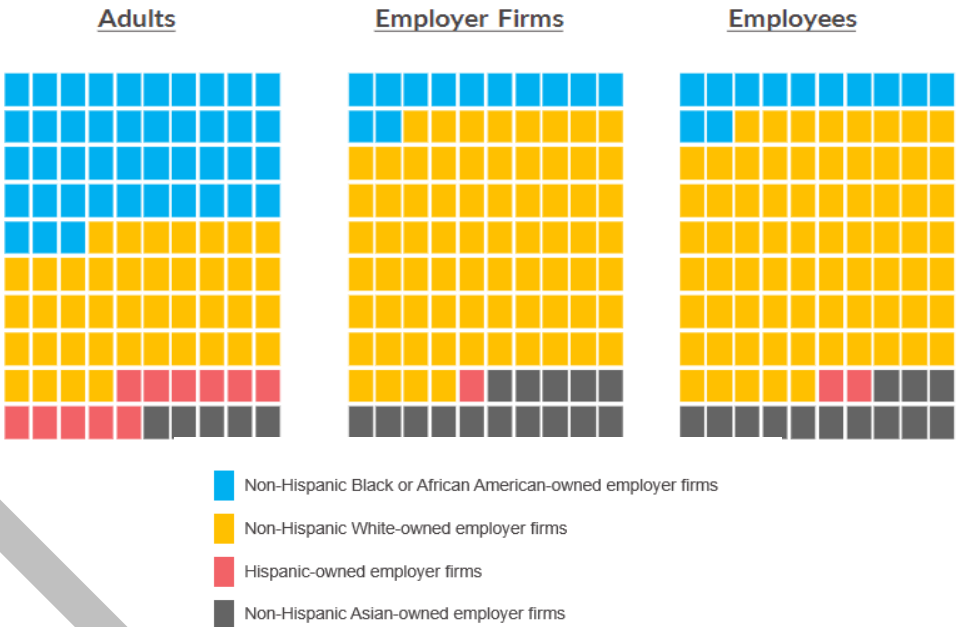
⁹³ Stephanie Carter, Tierney Plumb, and Gabe Hiatt, Eater Washington DC, *The D.C.-Area Bars and Restaurants That Have Closed During the COVID-19 Crisis*, updated Feb. 23, 2022, at <https://dc.eater.com/2020/5/18/21262400/dc-restaurants-permanently-closed-covid-19-coronavirus-crisis>

⁹⁴ E.g., Dr. Claire Kramer Mills and Jessica Battisto, Federal Reserve Bank of New York, *Double Jeopardy: COVID-19’s Concentrated Health and Wealth Effects in Black Communities*, Aug. 2020, at https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy_COVID19andBlackOwnedBusinesses

⁹⁵ Urban Institute Small Business Memo, *supra* note 81, at 16

The Special Committee recommends that the Council provide funding for a granular analysis of the District’s small businesses ecosystem, and in particular, a more granular analysis of the barriers in place for Black and Latinx District residents to open a small business and thrive. This study should involve both data analysis as well as interviews with small business owners. For example, an analysis that examines the geographic disparities in lending demonstrated in Figure 4 and includes voices of the residents and business owners in areas where there are low levels of lending, could provide insights that would allow the Council to craft geographically-targeted business support programs, based on the particular needs of a certain neighborhood. Trends among geographically-targeted needs will also allow the Council to craft supports that address gaps, including, for example, supports for local business support organizations or community development financial institutions.

Figure 3: Business Ownership by Race in the District⁹⁶

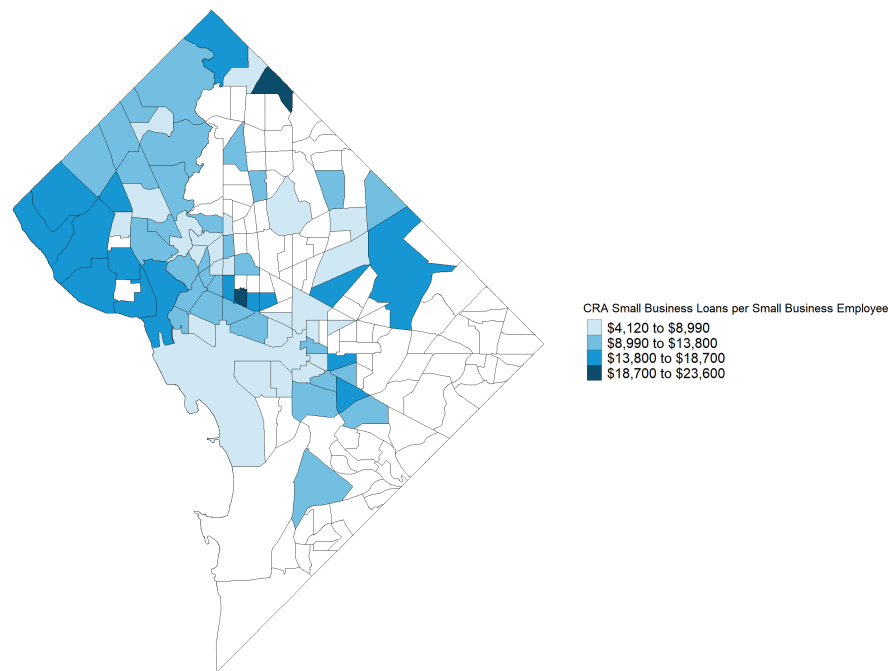


Sources: Annual Business Survey (2020) and American Community Survey (2020)

⁹⁶ *Id.* at 10

Figure 4: Geographic Lending Disparities in the District⁹⁷

Annual Average CRA Small Business Lending Volume (Revenue <\$1M) per Small Business Employee



Sources: Community Reinvestment Act, Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics Workplace Area Characteristics data, and Open Data DC.
Note: Annual average calculated using data between 2005 and 2019. Census tracts with less than 100 small business employees are suppressed.

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Relatedly, women—low-paid Black women and other women of color in particular—were disproportionately displaced from the labor market by the pandemic. We need a roadmap for reversing this damage. Alongside the study of the small business ecosystem, the Special Committee recommends that the Council engage one of the myriad economic and gender policy think tanks in our own backyard to conduct a study of the unique impact the “she-session” has had on the District, which can be used to propose policy and budget solutions for a just and equitable recovery for returning women to the workforce.

- *Create a small business credit support office within the Department of Small and Local Business Development*

Thanks to many years of sound financial management and continued revenue growth, the District has some of the highest bond ratings possible—AA+ or better from all rating agencies.⁹⁸ This saves the District millions of dollars when issuing

⁹⁷ *Id.* at 14

⁹⁸ ACFR FY21, *supra* note 10, at 6

bonds to borrow money to finance capital spending, for example. While that savings accrues to District residents through the availability of additional funding for programming, **the Special Committee recommends that the Council explore another way to allow District residents to benefit from the District's strong credit rating: creating a small business credit enhancement program within the Department of Small and Local Business Development ("DSLBD").**

A similar proposal was included in the introduced version of the Small and Local Business Assistance Amendment Act of 2019,⁹⁹ and a version of the program was incorporated in the committee print of the Protecting Local Area Commercial Enterprises Omnibus Amendment Act of 2020.¹⁰⁰ This legislation would have created a credit support program to provide rent guarantees for qualifying small, locally-owned businesses moving into a new development, as well as allowing for additional credit enhancement programs to support small, locally-owned businesses. When securing tenants for new development projects, small locally-owned businesses are at a disadvantage when compared to national chains. When developers seek financing for a mixed-use project, lenders generally gauge the riskiness of the investment based on the credit-worthiness of the commercial tenants. National chains with deep pockets are considered a much less risky investment than small, locally-owned businesses, because the chain can guarantee rent even if the particular franchise struggles initially, and some development projects choose those chains as tenants in order to get favorable financing for the project. Based on past conversations that Special Committee staff have had with lenders, if the District were to guarantee rent payments, lenders would likely consider the District's very strong credit rating, in place of a small business's, when assessing the riskiness of the tenant, putting those small, locally-owned businesses on equal footing with national chains when determining the overall credit risk of a development project.

To support small, locally-owned businesses, the Special Committee also encourages the Council and DSLBD and other executive agencies to continue to expand opportunities for technical assistance and training. Small businesses often do not have the time and resources to explore grant opportunities, including for recovery grants the District government offered. At a recent oversight hearing, Deputy Mayor for Planning and Economic Development Falcichio testified that his office has been working to expand outreach to small businesses, to ensure that they knew of opportunities; the Special Committee applauds those efforts and encourages the Deputy Mayor and his team to continue them, even in a post-pandemic world. Additionally, to work to close the gap in access to capital illustrated in Figure 4, DSLBD can provide technical assistance through the proposed credit enhancement program, either directly or by partnering with

⁹⁹ Small and Local Business Assistance Amendment Act of 2019, as introduced on September 17, 2019 (introduced version of Bill 23-438)

¹⁰⁰ Protecting Local Area Commercial Enterprises Omnibus Amendment Act of 2020, as approved by the Committee on Business and Economic Development on October 30, 2020 (Committee Print of Bill 23-432)

organizations like Connect2Capital or with lenders who offer digital products like Albuquerque-based CDFI DreamSpring's Presto loan.¹⁰¹

The Special Committee also encourages the Council to explore recommendations from Urban Institute, provided to the Special Committee, that suggest additional ways to increase access to capital for small businesses,¹⁰² including:

- Supporting CDFIs, in particular by establishing grants for interest-rate buy downs for small businesses or incentivizing back buyouts of CDFI loans performing well after one year;
 - Creating a fund capitalized by local banks for CDFIs to lend to firms unable to access bank capital directly;
 - District underwriting of, or directly providing loan guarantees, for loans to high-risk small businesses; and
 - Providing grants to very small businesses, that require a match from the owner, which could be modeled on Chicago's Neighborhood Opportunity Fund.
- *Explore policies that support the trend of moving away from one central, downtown business district, toward the creation of many dense, vibrant, mixed-use zones throughout the District*

The businesses in the District's downtown core have been among the hardest hit during the pandemic. In testimony to the Special Committee on October 12, 2021, the Downtown Business Improvement District noted that even then economic activity was only 33% of pre-pandemic levels.¹⁰³ And even before the pandemic, increased dense, mixed-use development in neighborhoods like NoMa and Navy Yard saw the creation of vibrant cores throughout the city that had much in common with traditional downtown cores. All of this points to a continued trend away from a single downtown employment core and toward multiple employment nodes throughout the District, with all of those nodes also containing dense residential development. The Special Committee encourages the Council and the Mayor to continue to adopt policies that support this shift.

In recent years, the District government has adopted policies to encourage development of grocery stores in Wards 7 and 8.¹⁰⁴ Most recently, in the Reopen Washington DC Alcoholic Beverage Regulation Amendment Act of 2021, the Council

¹⁰¹ Mary Perkins, Director of Philanthropy, DreamSpring, *DreamSpring Offers Affordable Alternative to Predatory Loans with Wells Fargo Grant*, Sept. 28, 2020, at <https://ofn.org/articles/dreamspring-offers-affordable-alternative-predatory-loans-wells-fargo-grant>

¹⁰² Urban Institute Small Business Memo, *supra* note 81, at 18-19

¹⁰³ Special Committee on COVID-19 Pandemic Recovery, Public Hearing on Examining the District's Legislative Prohibition on Evictions During the COVID-19 Pandemic, May 21, 2021 written testimony of Downtown Improvement District at 5 ("Downtown BID Testimony")

¹⁰⁴ *E.g.*, the engrossed version of Bill 24-44, *supra* note 29

approved additional incentives that will result in a Lidl full-service grocery store in the Skyland Town Center development project in Ward 7, helping to address the food deserts in Wards 7 and 8 and adding jobs and amenities to a dense, mixed-used development on the eastern end of the District. **The Special Committee encourages the Mayor and Council to continue to provide incentives for dense, mixed-use developments like this in Wards 7 and 8, to move job centers into areas of the District with large populations of Black residents.**

On the other hand, **the Special Committee also recommends the Council adopt incentives to increase the residential density, in place of commercial density, in the downtown core.** The Mayor recently announced a program to request information about what supports would be necessary to encourage downtown office buildings to convert to residential use.¹⁰⁵ Similarly, the Council is currently considering the Rediscover Equitable Central Occupancy Vitality and Encourage Resilient Yield (RECOVERY) Amendment Act of 2021,¹⁰⁶ which would, among other provisions, provide for property tax abatements for commercial buildings that convert to residential use. The Special Committee does not endorse a particular proposal, but **the Special Committee does endorse targeted incentives that will increase residential density in downtown**—an area of the District that has seen record commercial vacancy rates, even before the pandemic.¹⁰⁷ The Special Committee emphasizes that any incentive must maximize affordable housing, in particular for households earning 30-60% of median family income. While commercial vacancies have increased, downtown remains an employment core with high rates of commuters who walk to work—a convenience that any policy should seek to make attainable to District residents of all income levels. Further, the Special Committee notes that commercial-to-residential conversion had begun even before the pandemic, likely because high commercial vacancy rates indicated that residential uses were more lucrative for the property owners, and **the Special Committee urges the Council and the Mayor to ensure that District tax-dollars do not subsidize conversions that would have happened as a result of market forces.**

- *Examine how post-pandemic shifts in work and commuting patterns will impact tax revenue estimates*

On February 28, 2020, the District’s Chief Financial Officer (“CFO”) released a quarterly revenue estimate that showed a modest \$79.8 million increase in District revenue for the then-current Fiscal Year 2020 since the December 2019 revenue

¹⁰⁵ Marissa J. Lang, Washington Post, *D.C. Mayor Unveils Plans to Incentivize Office-to-Residential Conversions as Downtown Struggles to Recover*, at <https://www.washingtonpost.com/dc-md-va/2021/12/14/dc-downtown-offices-convert-to-housing/>

¹⁰⁶ As introduced on October 18, 2021 (Introduced version of Bill 24-454)

¹⁰⁷ Downtown BID Testimony, *supra* note 93

estimate, “based on the strength of year-to-date collections.”¹⁰⁸ This level of quarterly growth was fairly typical for the time, but what was quite atypical was that the CFO chose not to revise revenue estimates for Fiscal Years 2021-2024 “because of uncertainty in the economic outlook stemming from public health concerns regarding the spread of the coronavirus,”¹⁰⁹ which, at that time, had not impacted the day-to-day lives of most District residents. Weeks later that uncertainty had become a shutdown of much of the economy, and on April 24, 2020 the projected \$79.8 million increase in Fiscal Year 2020 revenue became a projected \$721.8 million decrease, and the CFO revised down estimated revenue for Fiscal Years 2021-2024 by a total of more than \$2.5 billion.¹¹⁰ By the time Fiscal Year 2020 ended, however, the District had recovered almost \$420 million of that decrease,¹¹¹ leading to a large surplus of actual Fiscal Year 2020 revenue, compared to the amount that the Council based the Fiscal Year 2020 budget on.¹¹²

The Fiscal Year 2020 surplus was seen as a promising sign that the District’s revenues would recovery more quickly than expected at the beginning of the pandemic. However, when the CFO reported another large surplus in the actual Fiscal Year 2021 revenue¹¹³ the consensus was different, with several Councilmembers expressing concern at the hearing on the Annual Comprehensive Financial Report. In particular, Councilmembers noted that, while a surplus of actual revenue remains a promising sign for the District’s total revenue growth, a more accurate revenue projection could have allowed the Council to provide hundreds of millions of dollars of assistance or programming for struggling District residents and small businesses in the Fiscal Year 2022 budget, rather than waiting for several months.

The Special Committee does not envy the CFO’s task in estimating revenue during this time of constant change and acknowledges that economic models have been turned on their heads during the pandemic. It is for that reason that **the Special Committee recommends that the CFO and the Council examine how shifts in a post-pandemic economy will impact the District’s revenue collections—including by the CFO continuing to update its economic models to provide the Council with more accurate revenue projections on which the Council can base the District’s budget, and the Council by**

¹⁰⁸ Office of the Chief Financial Officer, *February 2020 Revenue Estimates*, at https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/February%202020%20Revenue%20Certification%20Letter_rev.pdf

¹⁰⁹ *Id.*

¹¹⁰ Office of the Chief Financial Officer, *April 2020 Revenue Estimates*, at https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/April%202020%20Revenue%20Estimate%20Letter%20042020_rev.pdf

¹¹¹ Office of the Chief Financial Officer, *February 2021 Revenue Estimates*, at <https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/February%202021%20Revenue%20Estimate%20Letter.pdf>

¹¹² ACFR FY21, *supra* note 10

¹¹³ *Id.*

monitoring changes in state and federal tax policy that may impact the District. For example, one revenue issue that many states are facing is who gets to collect income taxes from remote workers. Survey data that the National Capital Region Transportation Planning Board collected during the pandemic indicates that a large majority of regional commuters expect to continue to work remotely at least some of the time, suggesting that remote work will become more common for District residents.¹¹⁴ Before the pandemic, 6 states already imposed income taxes on employees whose remote work is based in their state, regardless of where the employee lives or actually performs their work, and the proliferation of remote work may encourage more states to do the same.¹¹⁵ This could begin to impact District residents who choose to look outside of the District for remote work, as well as the District's ability to collect tax revenue from those workers.¹¹⁶

The Special Committee also recommends either amending the Tax Revision Commission Reestablishment Amendment Act of 2020¹¹⁷ to explicitly include a report on the impact on revenue of post-pandemic shifts in the economy, in particular shifts in employment, changes in land use from commercial to residential, and changes to state and federal tax policy, or the Council funding such a study separately from the Tax Revision Commission. Recognizing the urgency of examining the impact of the pandemic on revenue, **the Council may also consider moving forward the convening of the next Tax Revision Commission, which is currently not scheduled to happen until 2024.**¹¹⁸

¹¹⁴ National Capital Region Transportation Planning Board Commuter Connections Program, *2020 Employer Telework Survey Summary Report*, June 30, 2020, 7, at <https://www.mwcog.org/file.aspx?D=AHt3N3jmD6di1GuNyDRWFjlvfqmLD%2bfo5utHgypElao%3d&A=6EHGtbYO3xvP%2fn9ctN7WeAhFfWX9KLRTxaDLB0ZxUN0%3d> (“Ninety-two percent of respondents said their organizations anticipated continuing telework as the Stay-at-Home restrictions were lifted.”)

¹¹⁵ Urban Institute Revenue Recovery Memo, *supra* note 61, at 8. In October 2020, New Hampshire attempted to sue Massachusetts, challenging a temporary Massachusetts rule that required employees working remotely for Massachusetts companies to pay state income tax to Massachusetts, even if those employees were working remotely in another state. *State of New Hampshire v. Commonwealth of Massachusetts*, No. 22O154, Motion for Leave to File Bill of Complaint, at

https://www.supremecourt.gov/DocketPDF/22/22O154/158044/20201019090315372_NH%20v.%20MA%20Orig%20Action.pdf. New Hampshire argued that New Hampshire residents should not have to pay income tax to

Massachusetts when working remotely in New Hampshire. Fourteen states filed *amicus* briefs, all in support of New Hampshire, noting in one brief that the states stood to lose billions of dollars if more states collect income taxes on non-residents who work only remotely in their state, *State of New Hampshire v. Commonwealth of Massachusetts*, No. 22O154, Amicus Curiae Brief of States of New Jersey, Connecticut, Hawaii, and Iowa in Support of Plaintiff, 1, at

https://www.supremecourt.gov/DocketPDF/22/22O154/164460/20201222111244937_22O154_Amicus%20Brief.pdf.

¹¹⁶ The Home Rule Act already prohibits the District from collecting income taxes from non-residents who work in the District, D.C. Official Code § 1-206.02(a)(5), which significantly reduces the District's tax base. And the District's tax code allows District residents a credit for taxes paid to other states and localities, D.C. Official Code § 47-1806.04(a), which could lead to reduced tax revenue for the District if expanded remote work is combined with more aggressive tax policies toward remote workers.

¹¹⁷ D.C. Official Code § 47-462

¹¹⁸ D.C. Official Code § 47-462(e)

- *Explore further reducing fines and fees that have a disproportionately negative impact on Black district residents and other District residents of color*

Several years ago, the Council adopted the Traffic and Parking Ticket Penalty Amendment Act of 2018, which, most significantly, ended the practice of suspending drivers' licenses due to unpaid traffic citations.¹¹⁹ The legislation resulted in the Department of Motor Vehicles reinstating reportedly 66,000 residents' licenses.¹²⁰ This legislation was, in part, a response¹²¹ to the revelations of a Department of Justice examination of the impact of excessive, targeted fees and fines in Ferguson, Missouri, which found a disproportionate impact on low-income and Black residents.¹²² The District's very progressive system of revenue generation relies much less heavily on "charges"—which includes all fees paid to the government—than the average large city, accounting for, pre-pandemic, only approximately 6% of revenue in the District, compared to the national average of 18%.¹²³ Fines and fees accounted for an even smaller portion of the District's budget, at approximately 1.4%, but this was a slightly larger percentage than local governments nationally.¹²⁴ And research has shown that fines and fees disproportionately harm Black residents and other people of color,¹²⁵ in particular by creating, what the Traffic and Parking Ticket Penalty Amendment Act of 2018 committee report calls, a "debt trap for low-income individuals."¹²⁶

The Special Committee recommends that the Council continue to examine how to reduce the disproportionate impact of fines and fees on Black District residents, and other people of color living in the District, who were disproportionately impacted by the pandemic. The Council passed legislation requiring a Tax Revision Commission to convene every 10 years because progressive revenue systems should constantly reexamine the impact of tax policy on revenue and residents. This means not just looking at tax policy as a way to collect

¹¹⁹ Traffic and Parking Ticket Penalty Amendment Act of 2017, effective October 30, 2018 (D.C. Law 22-175; 65 DCR 13701)

¹²⁰ Natalie Delgadillo, DCist, *D.C. Reinstates Nearly 66,000 Driver's Licenses After Law Change*, Feb. 27, 2019, at <https://dcist.com/story/19/02/27/d-c-reinstates-nearly-66000-drivers-licenses-after-law-change/>

¹²¹ Reis Thebault, Washington Post, *In D.C., No More License Suspensions for Drivers with Unpaid Tickets*, July 12, 2018, at https://www.washingtonpost.com/local/dc-politics/in-dc-no-more-suspensions-for-drivers-with-unpaid-tickets/2018/07/12/a72cf13a-85e0-11e8-8553-a3ce89036c78_story.html (reporting that Councilmember Mary M. Cheh "said the Ferguson case was a 'catalyst' that prompted a reexamination of the city's most punitive laws)

¹²² Conor Friedersdorf, The Atlantic, *Ferguson's Conspiracy Against Black Citizens*, March 5, 2015, at <https://www.theatlantic.com/national/archive/2015/03/ferguson-as-a-criminal-conspiracy-against-its-black-residents-michael-brown-department-of-justice-report/386887/>; United States Department of Justice, *Investigation of the Ferguson Police Department*, March 4, 2015, at https://www.justice.gov/sites/default/files/opa/press-releases/attachments/2015/03/04/ferguson_police_department_report.pdf

¹²³ Urban Institute Revenue Recovery Memo, *supra* note 62, at 4-5.

¹²⁴ *Id.* at 11.

¹²⁵ *Id.* (internal citations omitted)

¹²⁶ Council of the District of Columbia Committee on Transportation and the Environment, *Committee Report on Bill 22-204, the "Traffic and Parking Ticket Penalty Amendment Act of 2018"*, June 13, 2018, 3, at https://lms.dccouncil.us/downloads/LIMS/37705/Committee_Report/B22-0204-CommitteeReport1.pdf.

revenue, but also as a way to reduce financial burdens on low-income residents. In order to encompass the impact of revenue policy outside of taxation that can disproportionately harm the most vulnerable District residents, **the Special Committee recommends expanding the Tax Revision Commission’s purview to include examining ways to decrease the burden of fines and fees and other charges on Black District residents and other residents of color, while maintaining revenue collections necessary to provide services to the most vulnerable District residents.**

DRAFT

D. EDUCATION

1. SUMMARY

During the pandemic, there was possibly no disruption more significant than that to student and teachers. There was no way for the federal and District government to replace lost learning, as it was possible to replace some lost wages for unemployed workers and revenue for shutdown businesses. For many parents, students learning from home meant it was difficult or, for some, impossible to return to in-person work or even to engage in remote work while leading remote learning. Teachers were expected to immediately jump into remote teaching with, for most, no experience or training and, at least at first, without a curriculum designed for remote learning. Black and Latinx students were less likely to have access to computers and tablets needed for remote learning and a broadband internet connection sufficient for their family's remote work and school needs.

As expected, preliminary data shows that remote learning had the biggest detrimental impact on Black and Latinx students, students defined as “at-risk,” English language learners (“ELLs”), and students with disabilities. The District received an exemption from state-wide standardized testing, but, as described in more detail below, the limited data that is available from school-based assessments shows that academic achievement gaps between students defined as “at-risk” and their peers only increased during the pandemic. For ELLs and students with disabilities there is limited or no data available from school-level assessments, because there were limited or no school-level assessments administered.

Generally, the Special Committee's recommendations encourage education leaders to ensure that there is a real accounting of what students lost during the pandemic and what their needs are today, in particular for those students most acutely impacted by the pandemic. The Special Committee encourages local education agencies and individual schools to ensure that federal funding for targeted interventions follow best practices. The Special Committee encourages expanded funding for out of school time programming. And the Special Committee recommends policies that will expand access to clinical services for physical and mental health in schools.

2. SPECIAL COMMITTEE RECOMMENDATIONS

- *Encourage consistent assessment across LEAs and collect better measures of learning loss during the pandemic*

In School Years 2019-2020 and 2020-2021, the Office of the State Superintendent of Education (“OSSE”) sought, and the U.S. Department of Education, granted

wivers from federal requirements to perform District-wide standardized assessments.¹²⁷ This was a wise decision: In School Year 2019-2020, standardized testing season was just about to begin as schools across the District moved to virtual learning. Given the uneven and often delayed rollout of technology distribution, it would have been nearly impossible to achieve anything approaching full participation in School Year 2019-2020, and OSSE and individual Local Education Agencies (“LEA”) were right to use time and resources elsewhere. Even in School Year 2020-2021, while many students were able to return to in-school setting, taking weeks away from the valuable instructional time that students and teachers were able to have together would not have been a good use of time and resources.

However, state-wide assessments, while flawed, do provide comparisons across schools and, importantly, across racial and ethnic groups, which can demonstrate achievement gaps. In its research for the Special Committee, the Urban Institute summarized the differences in achievement that pre-dated the pandemic:

In the 2018-2019 school year, about 37 percent of students were meeting or exceeding expectations on English Language Arts assessments and 31 percent were meeting or exceeding expectations on math assessments. In both domains, these rates were improving over time but Black/African American, Hispanic/Latinx, and American Indian/Alaska Native students were half as likely as white students to meet or exceed expectations. Metrics of *academic growth* between 2017-2018 and 2018-2019 show similar patterns of uneven growth for different racial groups and even less evidence of improvement over time.¹²⁸

While OSSE did not administer District-wide testing, the Department of Education did encourage OSSE to “use other assessments to measure student learning and progress and to provide information to parents and educators, as it appears OSSE is planning to do.”¹²⁹ One outside analysis of data from 2 school-based assessment tools for District of Columbia Schools (“DCPS”) and 14 public charter schools shows drops in school achievement levels, compared to 2019, for all students, but that achievement levels for students defined as “at-risk”¹³⁰ fell much more sharply than for their peers.¹³¹ Unfortunately, this is only a snapshot and only covers about one-third of students in DCPS and public charter schools. **The Special**

¹²⁷ Letter from United States Department of Education to Interim Superintendent Shana Young, April 6, 2021, at <https://oese.ed.gov/files/2021/05/DC-assessment-response-letter.pdf>

¹²⁸ Megan Gallagher, Fanny Terrones, and Jake Joseph, *Best Practices in Education to Inform an Equitable COVID-19 Recovery*, December 6, 2021, 2 (“Urban Institute Education Memo”)

¹²⁹ *Supra* note 117

¹³⁰ “At-risk” is a statutory definition that includes students who are unhoused, in foster care, who qualify for TANF or SNAP, or are a high school student who is one or more years behind grade level. Section 102(2A) of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq*)

¹³¹ EmpowerK12, *Update on Unfinished Learning in DC*, Spring 2021, at <https://static1.squarespace.com/static/5f9857f027d55d2170cd92ac/t/61934ad6d24c803afec13834/1637042905631/EK12+Unfinished+Learning+Update+Brief+from+Spring+2020-21.pdf>

Committee urges OSSE to continue to work with LEAs and schools to identify and report to the Council on the magnitude of learning loss during the pandemic, and, in particular, disparate impacts on Black and Latinx students and other students of color in the District.

The Special Committee also is concerned about the uneven quality of assessments made at the school level during the pandemic. In its summary of assessments received from schools during the pandemic, OSSE describes concerning gaps in data. OSSE notes that “very few LEAs referenced local science or English language proficiency assessments.”¹³² Even when OSSE returns to normal state-wide standardized testing, it is important for schools to collect their own assessment data. In a school system where approximately half of students attend a DCPS school and the other half are spread among 68 independent LEAs, it is worth considering some level of consistency among school-level assessments. While the Special Committee recognizes, as OSSE points out, that school-level assessments often “are not designed to be valid for aggregations at the state level,” OSSE also reports that 87% of LEAs used one of four assessment tools during the pandemic: ANet, NWEA MAP, Reading Inventory, and iReady, indicating that there is already some consensus as to quality of assessments. Accordingly, **the Special Committee encourages OSSE and the Council to consider adopting baseline guidance for the administration and selection of school-based assessments, while balancing flexibility for schools to assess students in ways that principals and teachers, who spend the most time with students, identify as most effective.**

- *Expand progress monitoring and support for English language learners and students with disabilities*

While the Special Committee is concerned about general lack of consistency in school-level assessments, the Special Committee is especially alarmed to learn that OSSE reports massive gaps in assessments of students with special needs. In its summary of school-level assessments, OSSE notes that:

Many schools did not address in their responses how they served students who require accommodations. In most applications, information on assessments or approaches for English learners with disabilities was not provided. In other cases, the school was *unable to identify assessments administered to students with accommodations during the two school years.*¹³³

¹³² Office of the State Superintendent of Education, *School Year 2020-21 OSSE Local Assessment Collection Report*, November 2021, 9, at

https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/2021%20OSSE%20Local%20Assessment%20Collection%20Report_FINAL.pdf

¹³³ *Id.* at 10 (emphasis added)

In particular, OSSE found that in School Year 2020-2021, only 30% of schools conducted school-level assessments for English-language learners (“ELLs”),¹³⁴ and OSSE separately has found that only 59% of the Assessing Comprehension and Communication in English State to State of English Language Learners assessments (often referred to as the ACCESS test) were completed during the pandemic, likely because of expanded virtual learning.¹³⁵ Research has shown ELLs and their families were especially impacted by the pandemic,¹³⁶ and OSSE’s data shows that the population of ELLs in District schools dropped by around 500 students between School Year 2019-2020 and 2020-2021, with notable decreases in all of pre-K through first grade.¹³⁷ **The Special Committee urges OSSE, DCPS, and public charter schools to identify ELL students at risk of exiting the school system and connect them to targeted, culturally-competent supports.**

Prior to the pandemic, academic achievement among students with disabilities, who account for around 20% of students in District schools, was quite low. In standardized assessments conducted during School Year 2018-2019, about 10% of students with disabilities performed on grade-level—including only around 5% of students with a specific learning disability and students with disabilities who are also classified as “at-risk.”¹³⁸ As of April 2021, when many students had already transitioned to in-person learning, still only 213 of 15,297 students with disabilities, or around 1.4%, were fully in-person, with another 3,288 students in a hybrid model.¹³⁹ Given that many students with disabilities may also be immunocompromised, it is not surprising to see such low levels of in-person learning, and this also likely explains the lack of school-level academic assessments for students with accommodations.

However, the Special Committee is also concerned about the impact that this lack of assessment and in-person learning has had on students who were already far behind their peers academically. **The Special Committee urges OSSE to collect and report to the Council additional information from schools about how, during the pandemic, they tracked progress for students with accommodations and to ask schools to provide detailed information about how, after a return to in-person learning, schools are targeting interventions to those students.**

¹³⁴ *Id.*

¹³⁵ Office of the State Superintendent of Education, *English Learners in DC (2019-20 and 2020-21 School Year Data)*, September 10, 2021, 14, at https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/1920-2021%20English%20Learners%20in%20DC.pdf (“OSSE ELL Report”)

¹³⁶ Urban Institute Education Memo, *supra* note 118, at 4-5

¹³⁷ OSSE ELL Report, *supra* note 125, at 8-9

¹³⁸ Office of the State Superintendent of Education, *Students with Disabilities in the District of Columbia Landscape Analysis*, at https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/SWD%20Landscape%20Analysis%2010.10.19.pdf

¹³⁹ Urban Institute Education Memo, *supra* note 118, at 5

- *Ensure that high-dosage tutoring interventions are consistent with best practices*

At the Special Committee’s May 26, 2021 hearing on creating an equitable education system after the pandemic, many witnesses focused on interventions that schools can implement to address learning loss during the pandemic, in particular high-impact or high-dosage tutoring (“HDT”). HDT is generally defined as tutoring that occurs in small groups more than 3 days per week, or at least 50 hours over 36 weeks.¹⁴⁰ Research shows that HDT often has more impact on reading in early grades, while math tutoring has a bigger impact in older grades.¹⁴¹ Importantly, many witnesses and research that Urban Institute provided to the Special Committee emphasize important best practices that ensure HDT is most impactful: HDT should happen during the school day, with highly-trained teachers, and in small groups of, at most, 4 students to 1 teacher.¹⁴²

The Special Committee commends OSSE for prioritizing HDT as part of LEAs’ plans to mitigate learning loss, requiring LEAs to set aside at least 20% of federal funding for evidence-based programs. OSSE’s guidance to LEAs on HDT also mirrors the best practices identified to the Special Committee.¹⁴³ In particular, OSSE recommends a student-to-teacher ratio of no more than 3-to-1, tutoring sessions that occur during the school day and are “[t]reated like a scheduled class,” and qualified, experienced, and trained tutors—noting that HDT should supplement and *not* replace regular classroom work and other interventions that a student may otherwise qualify for.¹⁴⁴ However, the Special Committee is concerned that Urban Institute’s research shows that only 60% of LEAs plan to offer HDT, and of those LEAs only 58% plan to do it during the school day, where it has been shown to be twice as effective as programs that take place outside of school.¹⁴⁵ **The Special Committee urges OSSE to work with LEAs to increase the number of schools utilizing HDT, ensuring that the important federal funding the District receives has the biggest impact possible on students who need it.**

In addition to requiring LEAs to prioritize HDT with federal funding, OSSE has also announced up to \$20 million in grants to nonprofits and businesses to implement

¹⁴⁰ Urban Institute Education Memo, *supra* note 118, at 3

¹⁴¹ *Id.*

¹⁴² *Id.*; e.g., Special Committee on COVID-19 Pandemic Recovery, The District Public Education System After the COVID-19 Pandemic Oversight Hearing, May 26, 2021, testimony of Dr. Besty Wolf

¹⁴³ Office of the State Superintendent of Education, *High-Dosage Tutoring: A Proven Strategy to Accelerate Student Learning: Guide for Local Education Agencies*, March 15, 2021, 3, at

https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/HighDosageTutoringGuidance.pdf

¹⁴⁴ *Id.*

¹⁴⁵ Urban Institute Education Memo, *supra* note 118, at 3

HDT.¹⁴⁶ As OSSE evaluates responses to the request for applications (“RFA”) for this grant, the Special Committee urges OSSE, consistent with procurement rules and best practices, to emphasize funding for programs that will prioritize Black and Latinx students, and other students of color, and complement HDT programming happening in schools. In particular, the rubric in the RFA includes points for applications that will serve at least 50% students defined as “at-risk,” and those that have a “connection between core curriculum at a student’s school and tutoring program content.”¹⁴⁷ On the second point, in particular, the Special Committee urges OSSE to work with selected applicants to ensure they have access to all of the information they need to coordinate with schools. **In the future, the Special Committee recommends that the Council and OSSE limit funding for HDT to programs that are explicitly connected to and that complement programming in schools, consistent with identified best practices.**

Finally, **the Special Committee urges the Council to work with OSSE ensure that there is funding to evaluate the impact of HDT programs over the next 3 years, while federal funding is still available.** Evaluations of programming should in particular focus on the impact of HDT on Black and Latinx students, and other students defined as “at-risk,” who have fallen further behind their white peers during the pandemic. Outside evaluations of HDT programming will allow the Council to conduct better oversight and to develop, on its own or in partnership with OSSE, standards for HDT programs going forward.

- *Expand funding for out of school time programming*

Research consistently finds that well-designed programming for students outside of school hours—or out of school time programming (“OST”)—can have improve students’ academic achievement and improve socioemotional and physical health.¹⁴⁸ For this reason, more than half of LEAs plan to take advantage of additional funding to implement OST as part of their accelerated learning strategy, including many schools seeking out additional community partners for expanded OST.¹⁴⁹ Expanded

¹⁴⁶ Office of the State Superintendent of Education, *High-Impact Tutoring (HIT) Grants for Tutoring Programming, Strategic Program Supports, and Program Evaluation Services*, at <https://osse.dc.gov/page/high-impact-tutoring-hit-grants-tutoring-programming-strategic-program-supports-and-program>

¹⁴⁷ Office of the State Superintendent of Education, *Request for Applications: FY22-23-24 High-Impact Tutoring (HIT) Grants for Tutoring Programming, Strategic Program Supports, and Program Evaluation Services*, January 26, 2022, 44, at https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/OSSE%20High-Impact%20Tutoring%20%28HIT%29%20Grant%20-%20Request%20for%20Applications%20%28RFA%29%201.26.22.pdf

¹⁴⁸ Urban Institute Education Memo, *supra* note 118, at 4; Jennifer McCombs, Anamarie Whitaker, and Paul Yoo, *The Value of Out-of-School Time Programs*, Nov. 2017, at <https://www.wallacefoundation.org/knowledge-center/pages/the-value-of-out-of-school-time-programs.aspx>; Ruth Curran Neild, Wendy McClanahan, and Sandra Jo Wilson, *Afterschool Programs: A Review of Evidence Under the Every Student Succeeds Act*, March 2019, at <http://www.researchforaction.org/research-resources/out-of-school-time/afterschool-programs-a-review-of-evidence-under-the-every-student-succeeds-act/>

¹⁴⁹ Urban Institute Education Memo, *supra* note 118, at 4

funding includes nearly \$22 million that the Council invested in OST for Fiscal Year 2022, an increase of more than \$8 million from the previous year.

In addition to the benefits it provides to students, OST is also important for many working families, especially women. Research has shown that access to childcare can increase the workforce participation and earnings for women.¹⁵⁰ Similarly, many working parents cannot leave work at 3:30 to pick up students from school, and OST or other afterschool programming are essential to allowing more District residents to get back to work.

The Special Committee recommends that the Mayor and Council continue to increase funding for OST in the Fiscal Year 2023 budget. In particular, the Special Committee has been concerned about the impact on families with lower incomes when a school loses Title I status, and the related subsidized OST or afterschool programming. Schools are defined as “Title I” if 40% or more of the student body qualifies for free or reduced-price lunch. Students qualify for free or reduced-price lunch if their family’s income is below, for family of 3, around \$40,000. Many schools that have recently fallen below 40% of students who qualify for free or reduced-price lunch have lost funding for subsidized OST or other afterschool programming. Those schools have sought out private programming, which some families with higher incomes can afford, but that many families with lower income levels cannot afford—leaving up 39% of the students at a school without an OST or other afterschool option. **The Special Committee recommends that the Mayor and the Council explore funding a pilot program that would provide portable OST subsidies for students whose families qualify for free or reduced-price lunch, in particular students at schools without other subsidized OST or other afterschool programming.**

- *Expand Medicaid-funded school-based services in order to expand access to clinical services in schools*

During the pandemic, survey data shows that 10% of children ages 12-17 in the District experienced a major depressive episode, and less than half received treatment.¹⁵¹ Black children and other children of color in the District were more likely to experience events like the loss of a caregiver, or food or housing insecurity, which can worsen physical and mental health outcomes.¹⁵² For this reason, a group of experts convened by the National Academies recommended enhanced mental health screenings, supports, and resources for students and teachers alike.

¹⁵⁰ E.g., Leila Schochet, *The Child Care Crisis is Keeping Women Out of the Workforce*, at <https://www.americanprogress.org/article/child-care-crisis-keeping-women-workforce/>

¹⁵¹ Urban Institute Education Memo, *supra* note 118, at 3

¹⁵² *Id.*

The District has been a leader on providing mental health services to students, reaching best practice recommendations for ratios of students per school psychologist (500 is the best practice, and the District's ratio is 400) and social workers (250 is the best practice, and the District's ratio is 217). This has been through forward-thinking partnerships that the District has forged with the George Washington University Schools of Public Health and Health Services, and through a program in the Department of Behavioral Health that helps schools identify partnerships with community-based organizations, with plans to expand to all 244 public schools by School Year 2023-2024, at an estimated cost of \$40 million per year.

While this is a very worthwhile investment, to continue to expand mental and physical health services for students, **the Special Committee recommends that the Mayor and Council explore expanding Medicaid coverage for school-based programs.** Currently, District schools provide school-based Medicaid services for students with individualized education plans, but since 2014, the Centers for Medicare and Medicaid Services has allowed school-based Medicaid services to cover all Medicaid-eligible students.¹⁵³ According to research provided to the Special Committee by Urban Institute, by 2021, 22 states had or were pursuing school-based Medicaid programs.¹⁵⁴ Some states, like Missouri and Utah, have utilized Medicaid expansion specifically for mental health services.¹⁵⁵ Massachusetts amended its Medicaid State Plan Amendment to allow Medicaid to reimburse for services provided by school nurses.¹⁵⁶ Amending the State Plan is a long and complicated process, but the Special Committee believes this could allow the District to continue to lead on school-based mental and physical health for students, while controlling costs to the District.

Finally, to help coordinate these school-based services, **the Special Committee recommends that the Council explore creating a state-level school nurse consultant.** Currently, the District is one of just 11 states that do not have such a position.¹⁵⁷ The Council could create such a role to serve as something of a state-level school healthcare ombudsperson, to provide advice and identify potential problems for policymakers.

¹⁵³ Urban Institute Education Memo, *supra* note 118, at 6

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*

¹⁵⁶ *Id.* at 9

¹⁵⁷ National Association of State School Nurse Consultants, at <https://www.schoolnurseconsultants.org/home/>

E. INFRASTRUCTURE, TRANSPORTATION, HEALTHY HOUSING

1. SUMMARY

Our public transportation infrastructure is the backbone of our regional economy, and the pandemic dealt it a huge blow. Public transportation use plummeted because many residents were not commuting to work, but also because public transportation was perceived as unsafe during a pandemic. While residents with other transportation options were able to cope during this time, it only exacerbated transportation inequities because many essential workers continued to rely on, especially, bus service. As we recover we must ensure the continued viability of our public transportation network and ensure that all District residents can move about the city safely. To that end, the Special Committee recommends adoption of the Metro for DC Amendment Act of 2021 and fully funding the Vision Zero Omnibus Amendment Act of 2020.

The pandemic also continued to expose inequities in other infrastructure. The Special Committee is concerned about unsafe housing conditions, where mold and lead have been shown to lead to a number of poor health outcomes for children. To ensure that unsafe housing conditions can be identified and abated, the Special Committee recommends expanding the number of inspectors and creating programs to help small landlords, especially those who lost rent during the pandemic, abate unsafe conditions. The Special Committee also recommends exploring new policies to expand the stock of affordable housing, including community land trusts and social housing.

Finally, the Special Committee recommends that the Council adopt the Internet Equity Amendment Act of 2021 and the District of Columbia Public Schools Technology Equity Act of 2021. During the pandemic the stakes of the digital divide in the District became not just the ability to stream movies or games, but the ability to work or go to school. There have long been many District residents who have not had access to affordable high-speed internet service, and moving forward the District cannot leave residents behind as more and more work and school opportunities move online.

2. SPECIAL COMMITTEE RECOMMENDATIONS

- *Adopt the Metro for DC Amendment Act of 2021*

The pandemic hit the Washington Area Metropolitan Transit Authority (“WMATA”) harder than just about any industry. Metrorail ridership was especially hard hit, plummeting by around 90% early in the pandemic.¹⁵⁸ While rail ridership

¹⁵⁸ Washington Metropolitan Area Transit Authority, *Metro Ridership Snapshot August 2020*, at <https://www.wmata.com/initiatives/ridership-portal/upload/August-2020-Ridership-Snapshot.pdf>

has increased significantly, by December of 2021, weekday rail ridership was still only 27% of pre-pandemic levels.¹⁵⁹

The story of Metrobus ridership is much different, however. During the first summer of the pandemic, when rail ridership was down around 90%, bus ridership had only decreased by about 60%.¹⁶⁰ In December 2021, weekday bus ridership was back to 64% of pre-pandemic levels, and weekend ridership was around 80% of pre-pandemic levels.¹⁶¹ This is not surprising, given that Metrobus ridership is very different than Metrorail ridership: 80% of bus riders are people of color, almost 50% live in households that make less than \$30,000 per year, and almost 60% do not have access to a car; in contrast, Metrorail ridership is majority white and almost half of riders make more than \$100,000 annually.¹⁶² That is, Metrobus riders are the essential workers who did not have the choice to work from home and largely had no other commuting option, and so they kept riding the bus, despite massive reductions in service due to huge losses of revenue. Fortunately, federal funding that in total surpassed \$1 billion has been able to keep WMATA running on something approaching normal service,¹⁶³ but public transit is the backbone of our regional economy and must be supported going forward. The Special Committee urges the District to ensure that WMATA receives the support it needs and to encourage District residents to get back on to public transit, in particular to support affordable, reliable bus service.

To achieve these ends, **the Special Committee recommends that the Council adopt the Metro for DC Amendment Act of 2021** (“Metro for DC”).¹⁶⁴ Metro for DC has two main components: First, it would create a \$10 million annual fund to make the bus more convenient and reliable for residents; this could include everything from installing benches or bus shelters on routes used by those who depend on transit, to increasing the frequency of busses on existing route or creating an entirely new bus routes funded through local dollars. Second, the legislation would provide subsidies of up to \$100 per month for District residents to use on public transit. The Special Committee endorses Metro for DC as a universal subsidy program for all District residents, to help the District meet its climate goal of shifting 75% of commuting trips to non-single occupancy vehicles.¹⁶⁵ While this would mean

¹⁵⁹ Washington Metropolitan Area Transit Authority, *Metro Ridership Snapshot December 2021*, at <https://www.wmata.com/initiatives/ridership-portal/upload/December-2021-Ridership-Snapshot.pdf>. Weekend ridership in December 2021 was more than half of pre-pandemic levels.

¹⁶⁰ *Supra* note 148

¹⁶¹ *Supra* note 149

¹⁶² Data provided by WMATA to National Capital Region Transportation Planning Board

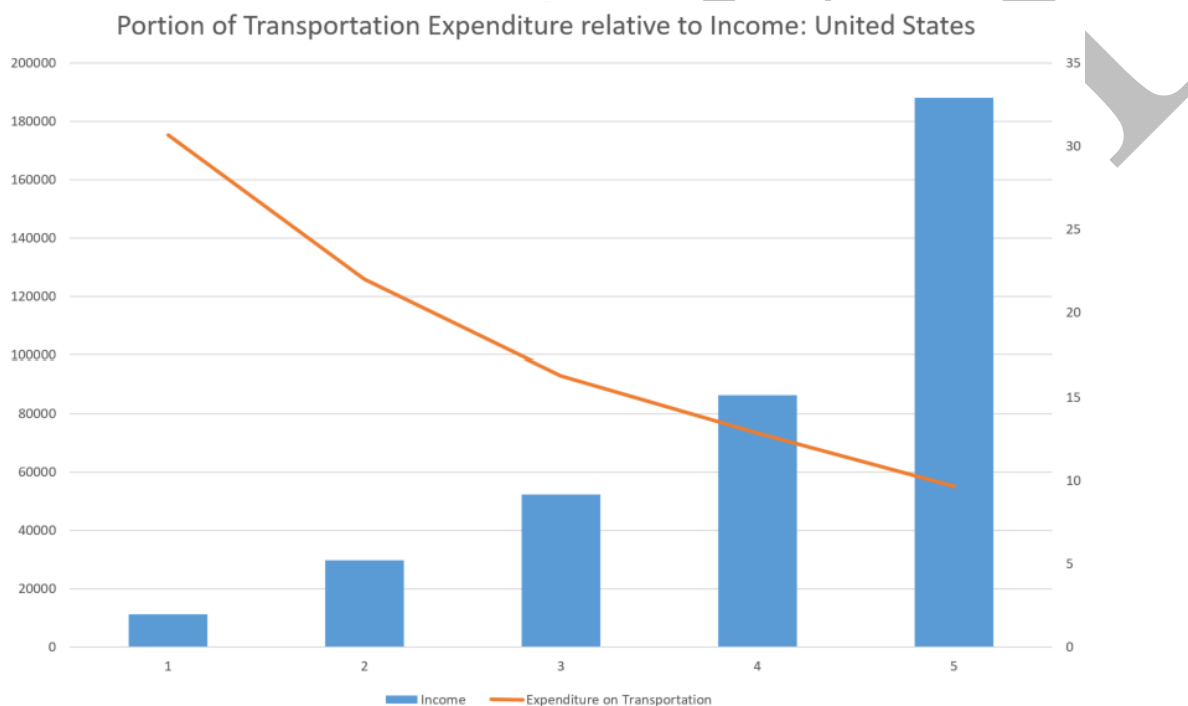
¹⁶³ Daniel C. Vock, Maryland Matters, *Federal Stimulus Throws Metro System a Lifeline. But Will Riders Return?*, at <https://www.marylandmatters.org/2021/03/18/federal-stimulus-throws-metro-system-a-lifeline-but-will-riders-return/>

¹⁶⁴ As introduced October 4, 2021 (Introduced version of Bill 24-429)

¹⁶⁵ District Department of Transportation, *Multimodal Long-Range Transportation Plan*, Dec. 2021, 32 (Policy Q: “Promote partnerships and programs such as travel demand management to achieve 75 percent non-auto mode commute trips by 2032”), at <https://movedc.dc.gov/>

providing subsidies to District residents of all income levels, the Special Committee believes that the lion's share of the financial benefit of the subsidy would accrue to very-low income residents—that is, largely the people of color who overwhelmingly rely on the bus. This would defray some or all of these residents' transportation costs, allowing them to spend that money on something else—effectively a cash transfer of tens of millions of dollars per year for the lowest-income District residents. Figure 5 below shows that lower-income households spend a much higher proportion of their income on transportation costs than wealthier households, suggesting that this subsidy will have an outsized impact on the financial health of those residents.

Figure 5¹⁶⁶



Finally, **the Special Committee encourages the Council to adopt a funding mechanism for Metro for DC along the lines of what was included in the introduced version of the bill.** The introduced version of the bill contemplates funding Metro for DC by capturing the District's natural revenue growth. Only when the District's revenue grows by enough to pay for the cost of the subsidy will the program be implemented. The Special Committee does not believe this program should take funding away from any other existing programming, **but the Special Committee urges the Council to prioritize this new benefit as the District has the revenue to fund it.**

¹⁶⁶ Institute for Transportation and Development Policy, *The High Cost of Transportation in the United States*, May 23, 2019, at <https://www.itdp.org/2019/05/23/high-cost-transportation-united-states/>

- *Ensure full funding for the Vision Zero Enhancement Omnibus Amendment Act of 2020 and examine mechanisms to ensure completion of road safety improvements*

During the pandemic, as many District residents and residents throughout the region quarantined and shifted to remote work and school, vehicle miles travelled (“VMT”) dropped drastically.¹⁶⁷ Unfortunately, there was no similar reduction in deaths on our roads. In fact, roadway deaths per VMT skyrocketed,¹⁶⁸ which experts generally attributed to drivers increasing their speed on less congested roads. That traffic congestion was the main barrier to driving at unsafe speed suggests that our roadways are designed to be driven at unsafe speeds. The Special Committee urges the District Department of Transportation (“DDOT”) to move with urgency to redesign District roadways to provide safer streets for users of all modes: drivers, pedestrians, cyclist, scooter riders, and residents with mobility impairments. Road deaths are consistently concentrated in the eastern end of the District, in Wards 7 and 8, where the population is overwhelmingly Black residents, making safe roads a racial equity issue.

The Vision Zero Enhancement Omnibus Amendment Act of 2020 requires DDOT to build safe infrastructure elements like sidewalks, crosswalks, and protected bicycle lanes. In the Fiscal Year 2022 Budget Support Act, the Council set aside increases in funding from automated traffic enforcement citations to fund the cost of the Vision Zero legislation.¹⁶⁹ **The Special Committee urges the Mayor to leave that mechanism in place and to identify additional funding if necessary. Further, the Special Committee urges DDOT to implement provisions of the Vision Zero legislation that it can without dedicated funding,** in particular a provision that requires greater transparency into how the coming capital budget will increase road safety on the most dangerous roads in the District. Additionally, at a recent DDOT performance oversight hearing before the Council’s Committee on Transportation and the Environment, witnesses raised concerns that DDOT has cited provisions of the Vision Zero legislation as giving it flexibility not to build important safety infrastructure, in particular protected bicycle lanes. The Council included some discretion for DDOT, at the Department’s urging and in recognition of the Department’s subject matter expertise. But the Special Committee encourages the Council to examine whether DDOT is abusing that discretion and, if so, consider refining DDOT’s discretion. DDOT must implement plans to ensure safe, multi-modal

¹⁶⁷ National Capital Region Transportation Planning Board, *Draft 2018-2022 Regional Highway Safety Targets*, Jan. 2022, 8, at <https://www.mwcog.org/file.aspx?&A=uHzlsX0J7ghVrcLoT6hRTFFPV49Xv9siC9mcLYsPpY%3D> (Finding that regional roadway “[f]atalities increased seven percent between 2019 and 2020 which, combined with the dramatic reduction in VMT associated with the COVID pandemic, drove the fatality rate (per VZMT) higher by 32.9 percent over the same period”)

¹⁶⁸ *Id.*

¹⁶⁹ Subtitle K of Title VI of the Fiscal Year 2022 Budget Support Act of 2021, effective November 13, 2021 (D.C. Law 24-45; 68 DCR 12567)

connections on major commuting corridors like Minnesota Avenue, S.E., New York and Rhode Island Avenues, N.E., and Massachusetts Avenue and 16th Street, N.W.¹⁷⁰

The Special Committee urges DDOT to continue to push forward with urgency on long-delayed infrastructure improvements. In May of 2019, after a speeding driver killed another cyclist on Florida Avenue, N.E., where the community had been in meetings discussing a roadway redesign for at least 10 years, the Council introduced emergency legislation requiring DDOT to reduce lanes of through traffic and construct protected bicycle infrastructure.¹⁷¹ The law prohibited DDOT from reprogramming any capital dollars until certain conditions had been met, including posting a request for proposals for the construction of permanent safe infrastructure improvements on Florida Avenue, N.E., between 2nd Street, N.E., and H Street, N.E. The Council allowed the temporary version of the measure, and the attendant restrictions on DDOT's budget, to expire on April 5, 2020, after being given assurances that the Fiscal Year 2021 budget included funding for the project and that DDOT would soon move forward. Unfortunately, construction has still not begun on this project. There are similar major road redesign projects that would address unsafe streets across the District that have languished for years. **The Special Committee urges DDOT to move forward with greater urgency on these major projects and encourages the Council to examine whether and how it can encourage DDOT in this effort.**

Finally, the **Special Committee also urges the Council to adopt the Safe Routes to School Expansion Regulation Amendment Act of 2021¹⁷² and the Walk Without Worry Amendment Act of 2021.¹⁷³** Both bills would supplement the requirements that the Council adopted in the Vision Zero Enhancement Omnibus Amendment Act of 2020, by ensuring that all students can get to and from school safely, no matter the mode of transportation, and by making more pedestrian-friendly infrastructure part of DDOT's regular course of business.

- *Expand District agencies' capacity to proactively inspect residential units for contaminants that contribute to poor health outcomes, support small property owners in abating unhealthy conditions, and expand funding for public housing repairs and renovations*

Extensive research definitively shows that poor housing conditions have negative impacts on respiratory health, cognition, behavioral health, physical

¹⁷⁰ Yonah Freemark, Christina Stacy, Arielle Jackson, Natalie Lima, and Elizabeth Bruton, *Best Practices in Housing, Transportation, and Infrastructure to Inform an Equitable COVID-19 Recovery*, December 7, 2021, 7 ("Urban Institute Infrastructure Memo")

¹⁷¹ Florida Avenue Multimodal Project Completion Emergency Amendment Act of 2019, effective June 1, 2019 (D.C. Act 23-57; 66 DCR 6788)

¹⁷² As introduced on December 16, 2021 (introduced version of Bill 24-565)

¹⁷³ As introduced on December 16, 2021 (introduced version of Bill 24-566)

fitness, mental health, and physical safety.¹⁷⁴ Equitable recovery from the pandemic must include targeted investments and policy changes that encourage improved housing conditions. In particular, the Special Committee urges the Council and the Mayor to take the opportunity of implementation of the Department of Buildings Establishment Act of 2019¹⁷⁵ to re-imagine inspections and enforcement of housing code violations.

Research provided to the Special Committee by Urban Institute indicates that the existing system of complaint-based code enforcement “frequently overlooks asthma-related triggers, such as mold, smoke, and leaks, because the mechanism of trigger-induced asthma is a less obvious threat to health and safety.”¹⁷⁶ Proactive inspections of areas with known high rates of asthma, and other health conditions that are caused or exacerbated by poor housing conditions, paired with follow-up inspections and timely enforcement has a much better chance of success. **The Special Committee recommends that as the Department of Buildings is stood up, the Mayor and Council ensure adequate staffing and funding for, as well as internal policies that emphasize, proactive housing code violations inspections.** In particular, the Special Committee encourages the Department of Buildings to consider adopting priorities similar to those identified in Urban Institute’s best practices research.¹⁷⁷

While increased housing code inspections and enforcement are important, the reality is that abating housing code violations can be expensive, and many smaller property owners were financially impacted by the pandemic, even with the lifeline that the STAY DC program and federal funding provided. **The Special Committee encourages the Mayor and the Council to ensure adequate funding for not just inspections, but for the District to help selected property owners abate unsafe or unhealthy conditions, including by prioritizing federal funding where possible.** For example, the Council has urged the Mayor to prioritize federal funding for lead pipe replacement. Similarly, the District should be prepared to expand funding available for programs like the Single Family Residential Rehabilitation Program through the Department of Housing and Community Development,¹⁷⁸ or the Weatherization Assistance Program through the Department of Energy and Environment, that helps to fund energy efficiency projects for households with lower incomes.¹⁷⁹ The District should also identify housing rehabilitation projects that could be funded through future federal infrastructure legislation.

¹⁷⁴ Urban Institute Infrastructure Memo, *supra* note 160, at 10 (citations omitted)

¹⁷⁵ Effective April 5, 2021 (D.C. Law 24-269; 68 DCR 4174)

¹⁷⁶ *Id.* at 11

¹⁷⁷ *Id.* at 10-11 (listing 11 steps that housing code inspection agencies can adopt to encourage more effective inspection and enforcement).

¹⁷⁸ Department of Housing and Community Development, *SFRRP – Eligibility and How to Apply*, at <https://dhcd.dc.gov/node/987732>

¹⁷⁹ Department of Energy and Environment, *Weatherization Assistance Program*, at <https://doee.dc.gov/service/wap>

Finally, **the Special Committee urges the Mayor and the Council to identify additional funding to rehabilitate public housing units in the District**, which provide affordable housing for 7,000 District residents with extremely low incomes, 90% of whom are Black residents.¹⁸⁰ The D.C. Housing Authority estimates that 80% of public housing units need repair, at an estimated cost of \$323 million in the short-term and nearly \$2.5 billion for long-term repairs.¹⁸¹ **The Special Committee also encourages the Council to continue its unwavering support for, and insistence on, a build-first plan and one-for-one replacement of units at the Greenleaf public housing redevelopment moves forward—and extending that support other public housing redevelopment projects.**

- *Explore additional policy changes to incentivize more affordable housing units, in particular for families with very low income*

Mayor Bowser set an ambitious goal of building 36,000 new units of housing in the District by 2025, with 12,000 of those affordable at below market-rate. Unfortunately, the District has lagged behind the goal of affordable units. To ensure an equitable recovery, the Mayor and the Council must ensure that new housing development provides opportunities for safe, affordable housing for District residents at all income levels, ensuring that subsidies are prioritized for families with the lowest incomes.

The Housing Production Trust Fund, which provides direct cash subsidies to developers building affordable housing, is the District's most efficient tool for creating new housing units affordable to families in the District with the lowest incomes. The Special Committee applauds the huge increases in the Trust Fund spending that the Mayor has made, but, the Special Committee remains concerned that the Mayor has failed to reach statutorily required affordability levels. The Council recently increased the requirement for the Trust Fund such that 50% of units built using subsidies from the Trust Fund must be affordable to families with incomes at 30% of the median family income ("MFI") or less. However, past research has found that less than 20% of units funded by the Trust Fund have hit that target.¹⁸² **The Special Committee urges the Council to continue strong oversight of Trust Fund spending. The Special Committee also urges the Council and the Mayor to prioritize non-Trust Fund subsidies to units affordable at levels higher than 30% of MFI, leaving more Trust Fund spending focused to units that are affordable to families with the lowest incomes.** For example, the Council

¹⁸⁰ Urban Institute Infrastructure Memo, *supra* note 160, at 11-12

¹⁸¹ *Id.*

¹⁸² Office of the District of Columbia Auditor, *Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing*, March 20, 2018, 9, at https://www.dcauditor.org/wp-content/uploads/2018/09/HPTF.Database.Report.3.20.18.FINAL_.pdf

recently funded \$25 million annually for a local version of the federal Low-Income Housing Tax Credit, which can be used for units closer to 60% MFI, leaving more of the Trust Fund spending for 30% MFI units.

The Mayor and Council must also examine additional policies to allow for increasing housing generally, which has been shown to have slowed the increase in rents in the District,¹⁸³ and for subsidized units affordable at below market-rate rents. For example, as **the District embarks on a re-write of the Comprehensive Plan, the Special Committee urges the Office of Planning, when crafting the document, and the Council, when approving it, to prioritize increasing housing density, especially around job centers.** The Special Committee recommends, through the re-write of the Comprehensive Plan, continuing to reexamine Inclusionary Zoning—to consider requiring more affordable units and units affordable at deeper affordability levels.

Finally, the Special Committee encourages the Mayor and Council to examine other tools to preserve and create additional affordable housing. For example, the Special Committee applauds the Mayor for committing \$2 million to the Douglas Community Land Trust to develop community-led affordable housing at the Langston-Slater Schools site. **The Special Committee also urges the Mayor to identify additional District-owned properties that could be a good fit for investments in a community land trust, like the District’s Fire and Emergency Medical Services property on Half Street, S.W.**¹⁸⁴ The Special Committee also encourages the Mayor and the Council to consider how it can support social housing models.

- *Adopt the Internet Equity Amendment Act of 2021 and the District of Columbia Public Schools Technology Equity Act of 2021*

The pandemic underscored many inequities in the District, but the shift to remote work and school most acutely highlighted the District’s digital divide. Before the pandemic, Wards 2 and 3 had internet subscription rates of 90.6% and 92.9% respectively, compared to Wards 7 and 8, where a large majority of the population are Black residents, respectively, 59.0% and 63.6% of residents had internet subscriptions.¹⁸⁵ And even for many people who do have internet subscriptions, access to broadband speed, which is necessary to work and learn from home, is even more limited—see Figure 6. Internet service providers have not upgraded their network in the same way in all areas of the District, and broadband speed internet may be too

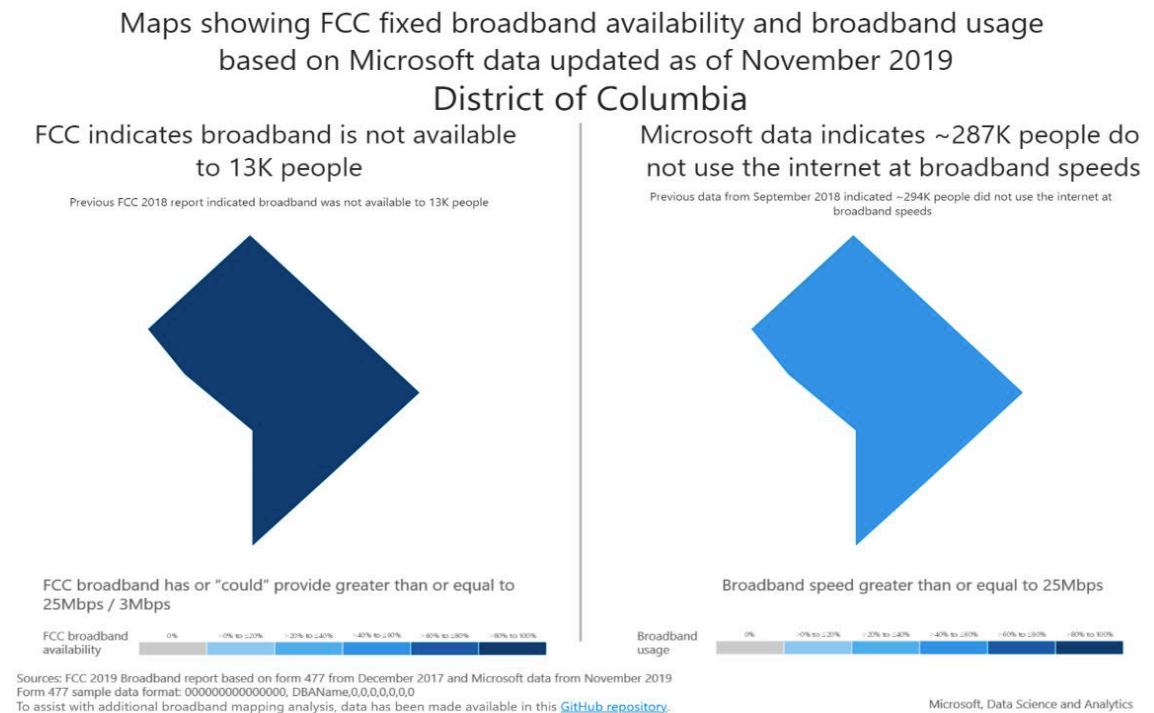
¹⁸³ Bethel Cole-Smith and Daniel Muhammad, Office of the Chief Financial Officer, *The Impact of an Increasing Housing Supply on Housing Prices*, January 2020, at <https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/Housing%20Supply%20Bethel%20Cole%20Smith%20April%202020.pdf>

¹⁸⁴ Letter from Councilmember Charles Allen to Deputy Mayor for Planning and Economic Development John Falcicchio, June 3, 2021 (encouraging the Deputy Mayor to set aside this property for a community land trust)

¹⁸⁵ <https://dcdataviz.dc.gov/node/1403106#1>

expensive for some residents. Broadband speed internet is often not available at all in public housing.¹⁸⁶

Figure 6: Broadband Availability vs. Broadband Usage¹⁸⁷



The Special Committee urges the Mayor and the Council to develop a plan to ensure that all District residents are connect to affordable, reliable broadband speed internet. The Council is currently considering two bills that the Special Committee urges the Council to adopt. First, **the Special Committee urges the Council to adopt to the Internet Equity Amendment Act of 2021.**¹⁸⁸ This legislation would require the Office of the Chief Technology Officer (“OCTO”) to develop a plan to ensure that all District residents have access to broadband speed internet¹⁸⁹ to all District residents, and in particular, the legislation would require that OCTO develop programs to ensure that District residents with a household income at 50% of MFI or less pay no more than 0.5% of their monthly income for internet service.¹⁹⁰ The

¹⁸⁶ One internet service provider noted to the Special Committee that their interest in partnering with the DC Housing Authority to provide broadband internet in public housing was not reciprocated, and they eventually gave up. The Council has also provided funding in the past to provide broadband internet access at the Greenleaf public housing complex, but the implementation was extremely slow.

¹⁸⁷ Data provided to the Special Committee by Digital Equity in DC Education

¹⁸⁸ As introduced April 1, 2021 (introduced version of Bill 24-200)

¹⁸⁹ The legislation would require to regularly update minimum speed requirements to reflect constantly changing technology.

¹⁹⁰ Notably, while MFI for the District at large is \$129,000 for a family of 4, Inclusionary Zoning Program 2021 Maximum Income, Rent, and Purchase Price Schedule, effective June 25, 2021, at

legislation, and the Special Committee, are agnostic as to how the District ensures broadband access: The District could provide broadband service through its existing DC Net or some other service. It could also provide subsidies that would encourage private companies to invest on their own, although the Special Committee urges OCTO to consider subsidies to locally-owned internet service providers as well as large national corporations. OCTO has the subject-matter expertise, so the Internet Equity Amendment Act of 2021 simply pushes OCTO to move a little faster.

Second, **the Special Committee encourages the Council to adopt the District of Columbia Public Schools Technology Equity Act of 2021.** This legislation would similarly require the District of Columbia Public Schools to develop a plan to ensure that all District students have adequate access to technology and the technological education that they need to participate in remote learning when necessary and to compete in a more and more digitally-focused economy.

<https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/2021-6-25%20IZ%20ADU%20price%20schedule.pdf>, median income for Black households is less than half of that. By another measure, household income for Black residents is less than one-third of household income for white residents. Council Office on Racial Equity, *DC Racial Equity Profile for Economic Outcomes*, at <https://www.dcraciaequity.org/dc-racial-equity-profile>

III. COMMITTEE ACTION AND VOTE

On Wednesday, March 30 at 3:00 p.m. on the Zoom virtual platform, the Special Committee met to consider and vote on the Special Committee's Report and Recommendations. Co-chairpersons Charles Allen and Vincent C. Gray called the meeting to order and determined the existence of a quorum with Councilmembers . . . present.

Councilmember ...

After an opportunity for further discussion, Co-chairpersons Allen and Gray then moved the Report with leave for staff to make technical, conforming, and editorial changes. The Members voted unanimously to approve the recommendations.

Co-chairpersons Allen and Gray then thanked their staff and adjourned the meeting at X:XX p.m.

IV. ATTACHMENTS

- A. Mary Bogle and Shubhangi Kumari, *Best Practices in Safety Net Programs to Inform an Equitable COVID-19 Recovery*, December 2, 2021
- B. Megan Gallagher, Fanny Terrones, and Jake Joseph, *Best Practices in Education to Inform an Equitable COVID-19 Recovery*, December 6, 2021
- C. Richard Auxier, *Best Practices in Local Revenue Recovery to Inform an Equitable COVID-19 Recovery*, December 6, 2021
- D. Dr. Brett Theodos and Tola Myczkowska, *Best Practices in Small Business Recovery to Inform an Equitable COVID-19 Recovery*, December 6, 2021
- E. Shane Spaulding and Madeline Sirois, *Best Practices in Employment to Inform an Equitable COVID-19 Recovery*, December 6, 2021
- F. Yonah Freemark, Christina Stacy, Arielle Jackson, Natalie Lima, and Elizabeth Bruton, *Best Practices in Housing, Transportation, and Infrastructure to Inform an Equitable COVID-19 Recovery*, December 7, 2021
- G. February 4, 2021, Examining the District's Legislative Prohibition on Evictions During the COVID-19 Pandemic Recovery Oversight Hearing Witness List and Testimony
- H. May 21, 2021, An Equitable End of Safety Net Programs Put in Place During the COVID-19 Pandemic Recovery Oversight Hearing Witness List and Testimony
- I. May 26, 2021, The District Public Education System After the COVID-19 Pandemic Oversight Hearing Witness List and Testimony
- J. October 12, 2021, Small Business Recovery, Unemployment/Re-employment, and the Recovery of the District's Local Revenue Oversight Hearing Witness List and Testimony
- K. October 26, 2021, Transportation Access, Regional Transit, Infrastructure Investments, and the Effect of Housing Conditions on Health Oversight Hearing Witness List and Testimony