

COMMENTS ON THE ECONOMIC DEVELOPMENT ELEMENT

Chapter 7 www.dcgrassrootsplanning.org/roadmap

Jobs

This topic is directly related to equity. DC is creating lots of jobs, but unemployment is much higher in DC than in region. The type of jobs DC encourages require college degrees and advanced skills. That has been the pattern for years and city is doubling down on that strategy. The jobs for least educated and skilled are primarily in the suburbs and city admits that public transportation to those jobs is difficult. Their suggested alternatives are insensitive and unhelpful, IMO. This is an area where OP should be focusing a lot more attention and urgency than it is. I recommend that GPC highlight to Council that OP has no plan and that it is ignoring the calls in Framework Element for equity and end to displacement. You can't implement those principles without jobs. OP's lip service to equity seems to be targeted to more skilled residents. In addition, OP pretends that our workforce cuts across income levels and thus, the demand for housing among our "thriving" workforce includes market rate and affordable housing. The data says otherwise, so these policies about housing are really about new market rate housing for the workforce that can get the jobs that DC is creating. Note the soft language on some of the amendments that we might support. Below are some statements from Economic Development Element amendments that support my conclusions. Red is current language that OP wants to delete. Underline is OP's new language. Yellow highlighting is from me.

Economic development is about more than simply increasing the number of jobs and improving the District's finances. It is also about ensuring that all residents have opportunities to thrive economically. This means fostering good quality jobs with career paths to higher wages and connecting more residents to those good quality jobs through better preparation **better preparing District residents to fill those jobs**. This is especially true for residents who have traditionally faced greater challenges accessing the benefits of the city and the region's economic growth, such as low-income and minority residents. Economic development **It is about spreading** harnesses the benefits of our strong regional economy **more equitably** to grow the District's economy equitably. **and providing career advancement opportunities for working parents, young adults, and others**. Economic development strategies are also critical to improving the quality of life in our neighborhoods, and bringing retail, shopping, restaurants, and basic services to communities **that do not have** are underserved by these amenities today. 700.3

The economic paradoxes of the District of Columbia have been widely documented. The city has **more jobs than residents** but still has an unemployment rate that is **twice** more than 50 percent higher than the regional average. Jobs in the District provide some of the highest wages in the country, but over **20 16** percent of the city's residents live below the poverty line. The region **has the fastest annual job growth rate in the country (2.3 percent)**, has had strong and sustained economic growth, adding an average of more than 41,000 jobs a year since 2000. **Yet Despite sustained job growth locally and regionally, many District residents continue to face long-term unemployment due to persistent education and skills gaps in the city is rising**. Additionally, billions of dollars of income are generated in the District, the majority of which the city is unable to tax because its earners live in other states. This limitation adds to the District's challenge harnessing its economic growth to invest in residents with the greatest need. 700.7

By 2045 **Over the next twenty years**, the District is projected to add **125,000 247,100** jobs. The **One of the most significant economic challenges single greatest economic development challenge facing the city** will be **to link filling** more of these jobs **to with** District residents. This will not only create wealth and opportunity within Washington, DC the city, it will offset commuter traffic, reduce social service expenses, and improve the quality of life for thousands of households. Confronting this challenge successfully will require a multi-pronged strategy to continue improving

improve the our educational system, increasing increase career vocational training, strengthening strengthen workforce preparedness, growing partnerships with employers, and improving improve the regional transportation network to support job access. 700.1

NEW The District is a leader in advancing equity and inclusion, particularly in technology-driven industries, through its educational, entrepreneurial and business development programs. Technology-driven innovation is likely to be a leading facet of the District's economic growth. However, there are major equity challenges to address, namely, ensuring that business and workforce development programs continue evolving to connect District residents to employment and business opportunities. An equity focus on business and workforce development programs is imperative because increased automation and legacy business disruption will likely result in reduced employment opportunities in some industries and occupations.

NEW Policy ED-1.3.7:Equitable Opportunities in Industries Enabled by Regulatory Reform Facilitate opportunities for locally owned small businesses and historically underserved populations to participate when new industries are enabled by regulatory reform. Examples include industries related to the legalization of cannabis and sports wagering.

According to employment projections prepared by the Department of Employment Services (DOES), over half 61 percent of the jobs to be created by 2012 2026 will require a bachelor's degree or better. District students need to be equipped with the education needed for these jobs so they can fully participate and benefit from economic growth. 715.2

In addition, The need to improve occupational skills, job training, and job placement in the city is clear. Although In 2017, the region's 3.2 3.8 percent unemployment rate in 2005 was lower than other comparable regions, and but its job growth rate of 2.3 1.4 percent was the best one of the slowest among large metropolitan regions. Together, these statistics indicate that the region's economy is operating efficiently but at a low-growth rate that reduces opportunities for residents who are not currently in the labor force in the nation,

The District itself lags in key employment indicators. Its unemployment rate has been several percentage points above the region's, and often twice it is more than 50 percent as high higher. Additionally, its labor force participation rates for residents that have not graduated from college are thirty to forty percent lower than college graduates. Labor force participation is important because the unemployment rate is drawn from residents who are in the labor force. Together, these figures show that in 2015, 55 percent of adult residents whose highest level of educational attainment was a high school diploma were not employed while only 18 percent of college graduates were not employed. These indicators show that the District's residents have significant differences in their employment prospects. As shown in Figure 7.3, since 2000 the District has seen the peculiar trend of job growth coupled with rising unemployment. 715.3

There is also a need to recognize that many of the job opportunities potentially available to District residents are located outside the city. In fact, nine in ten 82 percent of the new jobs that are likely to be created in metropolitan Washington between 2015 and 2035 during the next 20 years are forecast to be in the will be in the suburbs. Many of these jobs will be service, repair, sales and clerical positions suitable for entry-level employees or employees without advanced degrees. Thus, an important part of improving access to employment is improving access to the region's job centers. 715.5

Notably absent from the list of high growth occupations are those that simply require a high school diploma or equivalent. The District's share of jobs requiring post-graduate secondary education is already triple the national average is among the highest in the nation at 70 percent, which is expected to increase to 76 percent by 2020 (9.9 percent compared to 3.3 percent). Conversely, positions requiring only a high school diploma currently represent 41 22.6 percent of the District's jobs, compared to 55 40 percent at the national level. These educational characteristics are similar to the region's occupational breakdown; the District's workforce development programs can also help increase residents' competitiveness for jobs regionally. 716

NEW Action ED-4.2.M: DC Housing Authority Employment Opportunities Explore opportunities to strengthen and expand employment opportunities for low-income and very low-income residents with the DC Housing Authority and its contractors through the federal Section 3 program

The District's location at the center of the regional transportation network and Metrorail system provides good access to rail-served job centers like Bethesda and Rosslyn. However, there is limited transit service to some significant suburban employment centers, which increases financial pressure on lower-income residents who have less affordable and reliable access to employment in those areas. there are few options other than driving or long bus commutes to reach the employment centers with the fastest projected growth rates-places like Reston and Fort Belvoir, Virginia, or National Harbor Gaithersburg and Konterra (Beltsville)White Oak, Maryland. Even within the city, there are challenges to commuting resulting from crowded Metrorail trains and buses, congested roads, and costly parking for those who cannot conveniently use transit. 718.2

The extension of Metrorail to Tysons Corner and Dulles Airport will improve transit access to the region's job centers., but its completion is many years away. Shorter-term and less expensive Other solutions to improve access to regional employment centers that are not served by Metro include, including ride-matching on-demand ride-hailing services, carpooling, and vanpooling programs bus routes, and shuttles.to the region's job centers; and additional reverse commuter bus routes, will be needed.Such solutions must be forged through regional agreements and partnerships, working through entities such as the Greater Washington Board of Trade,The Washington Metropolitan Area Transit Authority,the DC Workforce Investment Council, and the Metropolitan Washington Council of Governments. 718.3

NEW Action ED-4.3.B: Increasing Access to Employment Pursue opportunities to develop High Capacity Transit Corridors that connect low-income communities to major employment areas both in the District and region.

NEW Action ED-4.3.C: Housing a Thriving Workforce Study how job growth and the city's economic strategy will affect demand for market rate and affordable housing to inform the development of housing strategies that can meet the housing needs of a thriving workforce.

PDR JOBS

Production, Distribution and Repair (PDR) areas in the District play an important role in city operations, in addition to protecting space for industries that make, distribute and repair goods. Production, Distribution and Repair (PDR) jobs industries include the construction trades, utilities, transportation, publishing, manufacturing, wholesalers, and service providers such as commercial laundries. When these various industries are considered assessed collectively, they account for approximately 10.9 percent of the District's employment. PDR employment in the District has been broadly stable since 2006 over the past several years. Declines in some sectors industries, such as manufacturing publishing, have been offset by growth in other sectors industries, such as construction and warehousing food and beverage production.

PDR jobs are particularly desirable in the District, as they offer competitive wages to persons with limited education and academic credentials. An analysis by the DC Office of Planning in 2014 found that the jobs created in PDR areas pay \$4 to \$7 more on average than comparable jobs in retail, while requiring little to no training or education. Additionally, they frequently provide opportunities for career advancement and on-the-job training. The ability to continue creating this type of job in the District is a key to growing inclusively.(see the "Industrial Land Transformation Study" text box for more information). 711.1

Currently, residential neighborhoods are emerging in and near PDR areas, such as Florida Avenue Market, Ivy City, Edgewood and Buzzard Point. As of 2014,less than 3 percent of the District's future land use was dedicated to PDR, which is low in the context of comparable cities, such as San Francisco and Boston.have come under scrutiny as developers have run short of more favorably located sites. This is particularly true around the New York Avenue Metro station, but is also the case on the New York Avenue industrial corridor and in other industrial areas such as Blair Road and Buzzard Point.Although Washington has never been an "industrial" city, it still grapple with how much industrial land it can afford to lose before basic support services and municipal government functions are impaired (see "Industrial Land Use Study) Due to this limited supply, the District recognizes the importance of PDR uses, which facilitate economic dynamism and support the delivery of municipal and other services. These areas are a limited resource that is important to many facets of the District's economy and they should continue to serve the needs of the city.711.2

NEW Policy ED-2.5.6: Workforce Development Encourage PDR businesses and training programs to link unemployed and underemployed residents to career pathways. PDR industries are particularly effective entry-level jobs for hard-to-employ populations.

NEW Policy ED-2.5.7: Abating Nuisance Improve the relationship between PDR businesses and nearby residential communities by encouraging nuisance abatement through techniques, such as creating larger and more attractively designed buffers, sound reductions, emissions reduction, and creating amenities for residents through art, creative uses, retail and other services.

NEW Action ED-2.5.C: Siting of Food Aggregation, Processing and Production Facilities Explore the feasibility of developing food hubs, central storage, and community kitchens to expand healthy food access, federal nutrition program participation, and economic opportunity in under-served areas. These sites should be co-located whenever possible with job training, business incubation, and entrepreneurship programs.

Community Equity

Policy ED-3.1.7: Community Equity Investment Provide opportunities for community equity investment in local economic development projects. This may include methods of business financing that provide District residents with greater opportunities to acquire for equity shares in new development. 713.11

One of the potential downsides of revitalization is the loss of small businesses as national chains move in the cost of retail space increases beyond what many business models can support in the face of growing demand from new types of businesses, such as fast casual restaurants that generate particularly high-levels of revenue. This can also result in the replacement of basic services with high-end specialty shopping retail and dining that is not affordable to as many residents. The District recognizes that neighborhood shopping areas should evolve in response to changes in consumer tastes and preferences, but it also recognizes the importance of avoiding displacement and economic hardship for the businesses that have anchored our city's shopping areas for years. 714.4

NEW Callout Box: Employee Owned and Controlled Businesses Employee owned and controlled businesses, such as worker cooperatives are one form of small business ownership that produces an array of economic benefits for low-income communities that can effectively reduce economic disparity on a long-term basis. Employee owned and controlled businesses tend to provide higher wages, more opportunities for skill development, greater job stability and better benefits. This type of business is a proven community development practice that can help build economic equity by promoting living wages and reducing income inequality.

Promoting employee owned and controlled businesses is an opportunity to build community wealth and support workforce development in concert with other programs to continue building an inclusive city. Connecting prospective employee owned and controlled businesses with small business financing programs can improve the successful creation, implementation and expansion of worker cooperatives.

Policy ED-3.2.6: Commercial Displacement Avoid Mitigate the risk of displacement of small and local businesses due to rising real estate costs. Consider programs should be developed to offset the impacts of rising operating expenses on small businesses in areas of rapidly rising rents and prices. Also consider enhanced technical support that helps long-standing businesses grow their revenues and thrive in the strengthening retail economy. 714.1

NEW Policy ED-3.2.8: Employee Owned and Controlled Businesses Support the creation and advancement of employee owned and controlled businesses. Consider techniques such as public funding to support the formation of cooperatives; prioritizing worker cooperatives in competitive contracting and procurement opportunities; aligning preferences for cooperatives with workforce and economic development initiatives; training partnerships with workforce development programs; and providing technical assistance including financial and legal services.

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