

Council of the District of Columbia
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT
MEMORANDUM

1350 Pennsylvania Avenue, NW, Washington, D.C. 20004

TO: Chairperson Phil Mendelson
FROM: Councilmember Kenyan R. McDuffie 
RE: Request to Agendize Measures for the May 3, 2022, Legislative Meeting
DATE: April 28, 2022

Pursuant to Council Rule 426, regarding a waiver of Rule 231(c), I request that the following measures be agendized for the May 3, 2022, Legislative Meeting. I also request that these measures be agendized for an Additional Meeting of the Committee of the Whole should one be scheduled.

The measures were marked up by the Committee on Business and Economic Development and have been filed timely with the Secretary's Office:

Measures from the Committee:

- **Bill 24-0643, the “East Capitol Gateway Eminent Domain Authority Act of 2022”**

This bill authorizes the Mayor to exercise eminent domain to acquire the real property known as East Capitol Gateway, known for tax and assessment purposes as Lot 0110 in Square 5246 and Lots 807, 808, 809, and 7000 – 7014 in Square 5273, for the purposes of redeveloping the site, delivering a new full-service grocery store, creating hundreds of full-time jobs, generating significant economic benefit for Ward 7 and the city, and otherwise achieving the public purposes set out in the Act.

The communities east of the Anacostia River, including the areas along the East Capitol Street corridor, are underserved for retail options, particularly regarding access to healthy food options. The collection of parcels known as East Capitol Gateway provides an ongoing opportunity to provide much needed commercial and retail activity to an underserved community. The parcels are controlled by CG Marketplace LLC (Joint Venture), which is owned in equal shares by a subsidiary of the District of Columbia Housing Authority and A&R/THC Marketplace, LLC, a private developer. The Joint Venture has made no effort to continue to develop the parcels and has explicitly stated the parcels were being converted to “long-term inactivity”.

The current lease does not expire until 2037 and, absent government intervention, these parcels could remain undeveloped for a generation, exacerbating the inequitable lack of retail options for residents of this part of the District of Columbia, specifically Ward 7. The parcels, once developed, will expand economic opportunities for residents of Ward 7 and their neighbors in Wards 5, 6, and 8, including much needed job opportunities. The development of the parcels will further aid in reducing food insecurity in an underserved neighborhood and provide revitalization in an economically distressed community.

The Council's Office of Racial Equity (CORE) assessed the measure's racial equity impact and concluded that the impact is inconclusive. CORE's assessment primarily focused on the inequity that persists in Ward 7, where residents are without access to fresh food and full-service grocery stores, and the lack of development of the Capitol Gateway location. CORE noted that the East Capitol Gateway neighborhood has suffered from persistent racial inequality for a substantial period. The neighborhood is 92 percent Black, with 22 percent of neighborhood families living below the poverty line and 14

percent of families with children living below the poverty line. CORE also noted that in addition to the lack of access to fresh food and a full-service grocery store, the neighborhood suffers from income inequality, with the neighborhood's median household income at \$47,090, less than half of the District's median household income. Additionally, CORE noted the unemployment rate in the East Capitol Gateway neighborhood is more than double the District's unemployment rate. CORE stated that these racial and economic inequities culminate in disparities in food access, health, employment, education, and transportation.

However, CORE also acknowledges that the District government faces many unknowns if the legislation is passed. First, CORE stated there are no guarantees of what benefits the project may confer upon the area. The existing plans for the site have expired and future plans for the site can only be finalized after the District takes ownership, so the District must risk taking ownership of the land before implementing a new development plan. Because the new development plan does not yet exist, it is impossible to evaluate the benefits and drawbacks of the plan, how any benefits would affect the community, and whether there is significant community input in the decision-making process. CORE also noted that the eminent domain process can take a significant amount of time, citing the District's difficulty effectuating its eminent domain authority at the former Wendy's restaurant location on New York Avenue, NE. The final issue that CORE raises is the role of the District of Columbia's Housing Authority (DCHA) in this failed development. CORE noted that DCHA owns a portion of the development land, has a financial stake (including receiving financial payments) in the status of the undeveloped land, and has been an impediment to the development process.

Although CORE acknowledges that absent government intervention the site will likely remain undeveloped until after 2037, the many unknowns noted above caused CORE to conclude that the measure's racial impact on communities of color is inconclusive.

- **PR24-0616, the “Howard University Dormitory Revenue Refunding Bonds Project Approval Resolution of 2022”**

This proposed resolution would authorize and provide for the issuance, sale, and delivery District of Columbia revenue and refunding bonds in an aggregate principal amount not to exceed \$110 million. The bond proceeds would assist Provident Group - Howard Properties LLC in the financing, refinancing, and reimbursing of costs associated with the construction of two student residence facilities on the campus of Howard University, located at 2205 and 2229 4th Street, NW, known as College Hall North and College Hall South. Provident is a nonprofit corporation that develops, owns, and maintains education facilities across the country. Provident has worked with Howard University since 2013. This specific project is part of Howard University's 2020 Campus Master Plan and provides approximately 700 suite-style residential units which contain approximately 1,360 beds for Howard University students. These proposed uses comply with Section 490 of the District of Columbia Home Rule Act. The bond issuance would also have no recourse to the District.

Emergency Measures:

- **COVID-19 Hotel Recovery Grant Program Emergency Declaration Resolution of 2022**
- **COVID-19 Hotel Recovery Grant Program Emergency Amendment Act of 2022**
- **COVID-19 Hotel Recovery Grant Program Temporary Amendment Act of 2022**

This measure requires the Washington Convention and Sports Authority (“Events DC”) to initiate a second round of grants for its COVID-19 hotel relief program. Last year, Events DC received approximately \$40 million to issue grants to local hotels that were struggling financially due to the impact of the COVID-19 pandemic on the industry. To date, approximately 70 hotels have received grant funds from Events DC. Approximately \$1 million remains unawarded. Hotels that narrowly missed the occupancy and income loss threshold of 40% (“revenue loss threshold”) required under the initial round to be eligible for a grant are still financially reeling from the effect of the COVID-19 pandemic. To ensure that the full \$40 million is awarded to continue to assist the hotel industry’s recovery and to aid to hotels still in need of grants, it is necessary to amend the COVID Recovery Grant Program Act of 2021, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 30-301), to lower the revenue loss threshold from 40% to 35%, to allow Events DC to award a second round of grants, and, consequently, to extend the deadline by which the Mayor must file a report on the distribution of all the grants.

Ceremonial Resolutions:

- **Garlinda Bryant-Rollins Retirement Recognition Resolution of 2022**

This resolution recognizes and honors the 50-year career of DC government employee Garlinda Bryant-Rollins on occasion of her retirement.

- **Nasar Abadey 75th Birthday Recognition Resolution of 2022**

This resolution recognizes and honors the 75th birthday of DC resident Nasar Abadey who serves as a jazz musician and professor of jazz percussion, jazz history, and jazz combo at Johns Hopkins University.

The draft measures along with their supporting materials are attached. Feel free to contact Committee Director Alicia DiFazio, at adifazio@dccouncil.us, with any questions.

Thank you for your consideration of this request.

cc: Members, Council of the District of Columbia
Office of the Secretary
Office of the General Counsel
Office of the Budget Director