



NEIGHBORHOOD INVESTMENT FUND
GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE DEPUTY MAYOR
PLANNING AND ECONOMIC DEVELOPMENT

A large, abstract graphic on the left side of the page consists of a blue shape that resembles a stylized leaf or a fan, with a grey curved line running through it. The text is overlaid on this graphic.

 **Brightwood/ Upper Georgia Avenue
Investment Plan**

Mayor Adrian Fenty

**Office of Planning
February 2008**

Approved by Council December 16, 2008
R17-0939



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introduction



A Vision for Targeted Community Investment

The Neighborhood Investment Fund (NIF) is an annual non-lapsing, revolving fund to finance economic development and neighborhood revitalization in 12 target neighborhoods. Created by the District of Columbia Council in 2004, the Fund was designed to provide a pool of resources to support investment and revitalization in emerging and distressed neighborhoods. Moreover, the Council envisioned NIF as contributing to a broader economic development tool kit to achieve a critical mass of investment needed to make a significant and visible impact in its target neighborhoods.

To that end, the District of Columbia Office of Planning in partnership with the NIF Program's implementing agency, the Office of the Deputy Mayor for Planning and Economic Development, worked with community stakeholders in each target area to develop an investment plan. The target area investment plan is designed to identify community priorities for NIF investments and to set an investment agenda for NIF resources over a five year period.

The following Brightwood Target Area Investment Plan presents an overview of the NIF program, a background of the target area, description of the planning process, and the resulting investment goals and strategies. Significant community engagement through grass roots community organizing lead by the Washington Interfaith Network (WIN) was integral to the development of the plan and ensuring broad stakeholder support for its recommendations. These partnerships, fostered through the planning process, are integral to the implementation of the investment plan, as many strategies can only be realized through community driven projects.



Creating the Fund

The District's economic boom, which began in earnest in 2000, brought significant public and private investment to Downtown Washington. According to the Washington DC Economic Partnership, over \$13 billion dollars has been invested in projects completed since 2001 in Wards 2 & 6 (primary Downtown DC area) with another \$29 billion invested in projects under construction, planned or proposed. This investment has spurred a renaissance in the physical development of the city and also a transformation of the District's reputation in the region, across the country, and throughout the world.

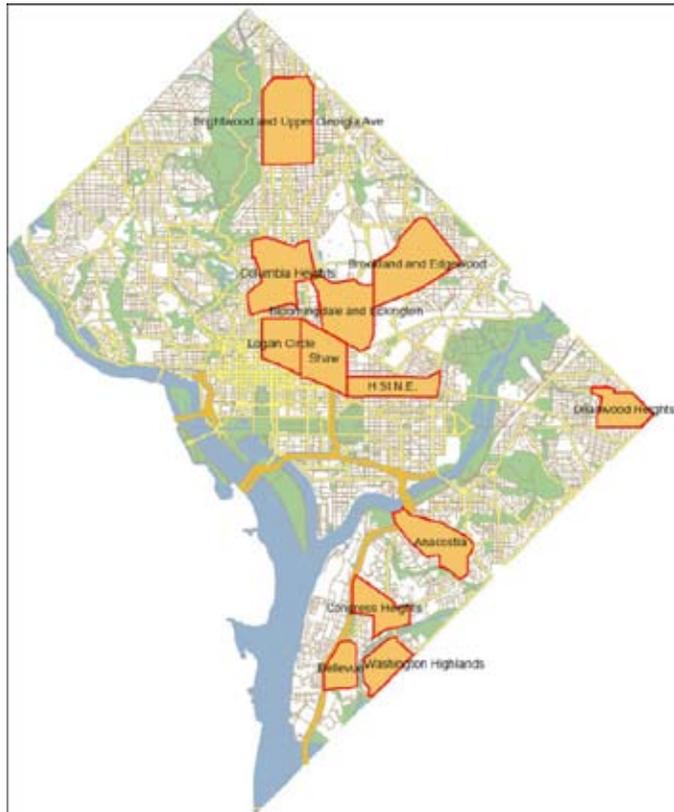
Despite rapid changes downtown and in the adjacent neighborhoods of Penn Quarter, Gallery Place, and Logan Circle, the majority of the District's neighborhoods, especially those East of the River, have been largely untouched by this growth. This well documented period of uneven growth created a multitude of consequences from rapid escalation of housing costs, loss of affordable housing stock, and further concentration of poverty in distressed neighborhoods of the District. The Neighborhood Investment Act was created in this context of raising the profile and importance of investing in District neighborhoods - its people, places, and assets.

The Neighborhood Investment Act of 2004 (NIA), which established the NIF program, was created out of several pieces of similar legislation proposed in 2003 to provide resources for targeted neighborhood investment. The initial thrust for creating a targeted investment program grew from community organizing around making neighborhoods a top city priority and paralleled similar efforts such as the Strategy Neighborhood Investment Program developed by the Williams administration. The Washington Interfaith Network was integral in advocating that the Council and the Williams administration place "Neighborhoods First."

The NIA legislation created a non-lapsing, revolving fund outside of the General Fund, called the Neighborhood Investment Fund (NIF). The NIF is funded through an annual appropriation of 15% of a personal property tax, not to exceed \$10 million. The NIA mandates that the Mayor prepare and submit to the Council an annual spending plan for how the NIF will be utilized in the 12 neighborhood target areas designated in

the NIA. The District of Columbia's Office of the Deputy Mayor for Planning and Economic Development is charged with implementing the Neighborhood Investment Fund program and the requirements of the NIA.

The target areas defined in the NIA legislation were selected by the Council because of their status as emerging or distressed neighborhoods where targeted investment would have maximum impact. There are



NIF target areas in every Ward, except Ward 3. They include: Anacostia, Bellevue, Congress Heights, and Washington Highlands in Ward 8, Deanwood/Deanwood Heights in Ward 7, H Street in Ward 6, Brookland/Edgewood and Bloomingdale/Eckington in Ward 5, Brightwood/Upper Georgia Avenue in Ward 4, Logan Circle and Shaw in Ward 2, and Columbia Heights in Ward 1. Subsequent amendments to the NIA in 2007 have expanded the Columbia Heights, Deanwood Heights and more recently the Brightwood/Upper Georgia Avenue target areas.

One of the requirements of the NIA legislation is for the Mayor to develop NIF Investment Plans for each of the target area using input from community stakeholders including the Advisory Neighborhood Commissioners, residents, business owners, faith commu-

nity, not for profit organizations, among other groups. The purpose of the Investment Plan is to set community priorities for how the NIF funds should be utilized in the target area over a five year period. The Investment Plan, which is the subject of this report, fulfills the legislative requirement for the Brightwood target area.

Operating the Fund

Each year the Mayor submits a spending plan to Council outlining how the annual appropriation of NIF funds will be utilized in the 12 target areas. The funds are intended to be used on projects that realize the goals of economic development and revitalization in the target areas. The spending plan can feature a diverse range of projects that will make significant investments in the areas of economic development, community facilities, housing, education, job training and development. NIF also facilitates creative partnerships among District agencies, the non-profit sector and the private sector. Currently, there are five funding programs supported by the NIF that provide grant and loan assistance for a range of projects. They include: Neighborhood Grants Program, Target Area Project Grant, Predevelopment Grant Fund, Land Acquisition Predevelopment Loan Fund, and NIF Government Projects. Future fiscal year spending plans may include these programs or replace them with other initiatives that meet the goals of the NIF program.

Typically, the Office of the Deputy Mayor for Planning and Economic Development releases a Notice of Funding Availability or Request for Proposals when funding for the program becomes available. Projects are selected based on the eligibility requirements of the program, the project's public benefit, ability to leverage resources, and catalytic effects. With this investment plan, projects in the Brightwood target area must be supported by the community investment goals and priorities identified in this investment plan. Future investments from the NIF will ensure the expenditures are compatible with the goals of this plan and that all NIF funds are being utilized to implement its objectives.

NIF was established largely due to community organizing and its implementation relies on target area stakeholders becoming instigators of change within their own communities. The structure of the fund empowers community stakeholder groups to apply for funding to accomplish the goals of the plan. By



utilizing the funding opportunities described above, these groups truly will become partners with the District is realizing change at the neighborhood level.

Defining an Investment Agenda

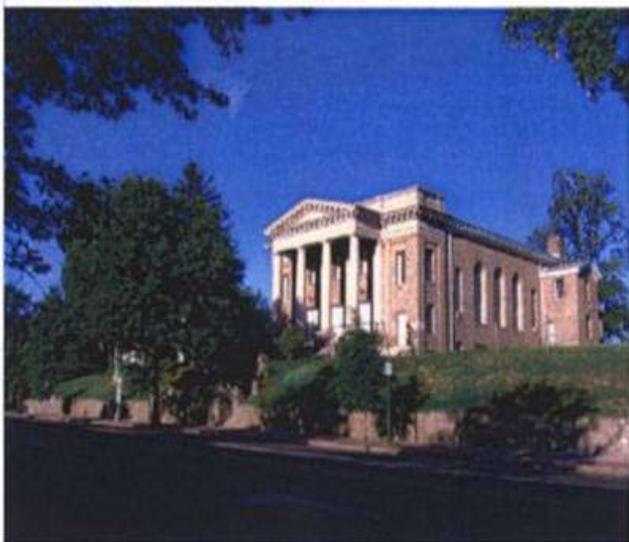
Clearly not all of the goals identified in this investment plan can be or should be addressed solely by the Neighborhood Investment Fund. Many of the issues raised through the planning process are long standing structural issues that have impacted this target area for many years. The Fenty Administration is dedicated to using the broadest range of District resources to address the problems of affordable housing, local retail development, public safety, education, among other issues. Therefore, the investment plan also includes recommendations where other District resources, such as the District’s capital budget, Housing Production Trust Fund, and Community Development Block Grants, could be utilized to achieve the goals of this plan. Moreover, NIF will be used to fill gaps in funding availability and applicability of existing government programs. In this context, the Fenty Administration envisions NIF as a critical tool within a comprehensive strategy to improve neighborhoods in the District.

The following section provides an overview of the target area, including a demographic portrait and current revitalization initiatives.



Businesses in Brightwood

Emory United Methodist Church on Georgia Avenue



Typical Mixed-Use Building on Kennedy Street







target area background



Brightwood Target Area Context

The Brightwood/Upper Georgia Avenue Target area's boundaries were legislatively amended in December 2008 to include Kennedy Street and portions of Takoma and Petworth. The expanded NIF funding area is now bounded by Fern Street and Fern Place to the north, Blair, Carrol and Willow Streets NW to the East, Kennedy Street NW to the South, and portions of 13th Street NW, Arkansas Avenue, NW and 16th Street NW to the West. See the expanded target area boundary on Page 22.

Since the Council's approval of this boundary expansion, the recommendations of this Plan now apply to these include new areas. Although the home to stable neighborhoods and a variety of community resources,

Brightwood has been faced with a concentration of undesirable commercial uses and limited investment. Many community residents and businesses have voiced their frustration that investment opportunities and District resources within the community are long overdue. Brightwood residents are, however, optimistic about the potential opportunities that this initiative may provide, and will look to this investment plan as a catalyst for change.

Neighborhood Description

The land uses within Brightwood range from predominately low to moderate density residential buildings with commercial uses scattered along Upper Georgia Avenue, 14th Street and Kennedy Street. Additionally, various non-residential uses such as the Walter Reed Army Medical Center on the northwest corner and a myriad of churches, recreation centers and schools also provide services to this community.

Brightwood is composed of single-family homes with a large number of multi-family properties clustered along 14th Street and Missouri Avenue. Duplex and attached single-family homes are the dominant housing type and are mostly concentrated in areas west of Georgia Avenue. The highest densities of attached homes are clustered south of Missouri Avenue and east of Georgia Avenue.

Commercial activity is concentrated along Georgia Avenue, Kennedy Street and portions of 14th Street. The zoning along these major corridors provides for both commercial and residential development and much of the existing development is realized in low-scale mixed-use buildings.

Walter Reed Army Medical Center, anchored in the northwest area of Brightwood, will officially be turned over to the General Services Administration and the Department of State in 2011. The closure of WRAMC will provide significant redevelopment opportunities for the neighborhood and the Ward.

The Upper Georgia Avenue Land Development Plan provides guidance on the future development of the site.

Transit access in Brightwood is supported by the Georgia/Petworth Metro station to south of Kennedy Street and Takoma Station Metro to the East. Metro buses connect the transit system with frequent bus service throughout the area.

Planning and Development Activity

The Office of Planning has completed several land use and revitalization plans that provide a context for how NIF investments can support ongoing recommendations and policies as indicated below:

1. *District of Columbia Comprehensive Plan: District Elements, 2006:* The Brightwood neighborhood is covered within the Rock Creek East Area Element of the Plan and provides guidance on redevelopment strategies and goals, calling out specifically the Upper Georgia Avenue and Kennedy Street commercial corridors. The Kennedy Street Revitalization Plan and the Upper Georgia Avenue Great Streets Redevelopment Plan will be presented to the Council of the District of Columbia as Small Area Plans, which upon approval will supplement the Comprehensive Plan for the study area.
2. *Strategic Neighborhood Action Plans (SNAP), 2002:* The Brightwood NIF area was covered SNAPs for Clusters 17, and 18. These plans included recommendations for economic

revitalization, creating the potential for new residential, commercial and mixed-use development, and address public safety concerns, specifically for areas surrounding Kennedy Street. Overall the SNAPs focused on improving the quality of life for area residents and businesses.

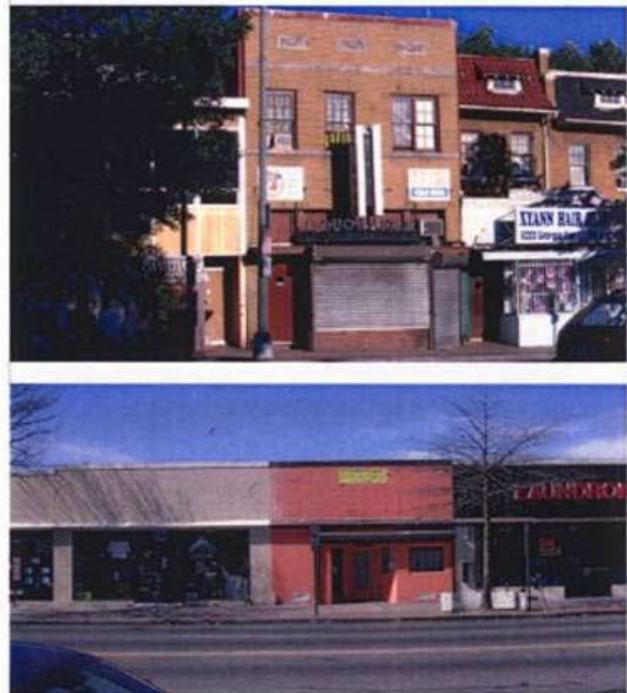
3. *Great Streets Initiative, 2005*: In May 2005, the District Council launched this initiative, which is a multi-agency attempt to leverage public and private investments to enhance economic and community development.
4. *Upper Georgia Avenue Commercial Corridor Plan, July 2008*: This plan, recommended nodal development throughout the corridor from Eastern Avenue and Decatur Street. Public improvements throughout the area, and the enforcement of commercial codes and property improvement plans.
5. *Kennedy Street Revitalization Initiative, July 2008*: This plan proposes to provide strategic guidance for economic revitalization and overall improvements to the public realm.
6. *Takoma Central District Plan, January 2002*: The purpose of this plan is to target revitalization initiatives to the burgeoning commercial district in Takoma. The plan includes near and mid-term strategies for economic development initiatives.

Household Demographic Information for Brightwood

The median household income in Brightwood according to the Census Bureau was \$52,779 in 2003. The median household map on the next page below represents 2005 projection data at the Block Group level (Claritas). Most households within the neighborhood earn between the \$35,000 to \$80,000 range. Households with higher incomes are east of Georgia Avenue and in the southwest corner of the neighborhood. Pockets of lower incomes are located west of Georgia Avenue, coinciding with a large cluster of multi-family properties and along Kennedy Street on the southeast corner of the neighborhood. (See Map 1) DC Office of Planning 2008

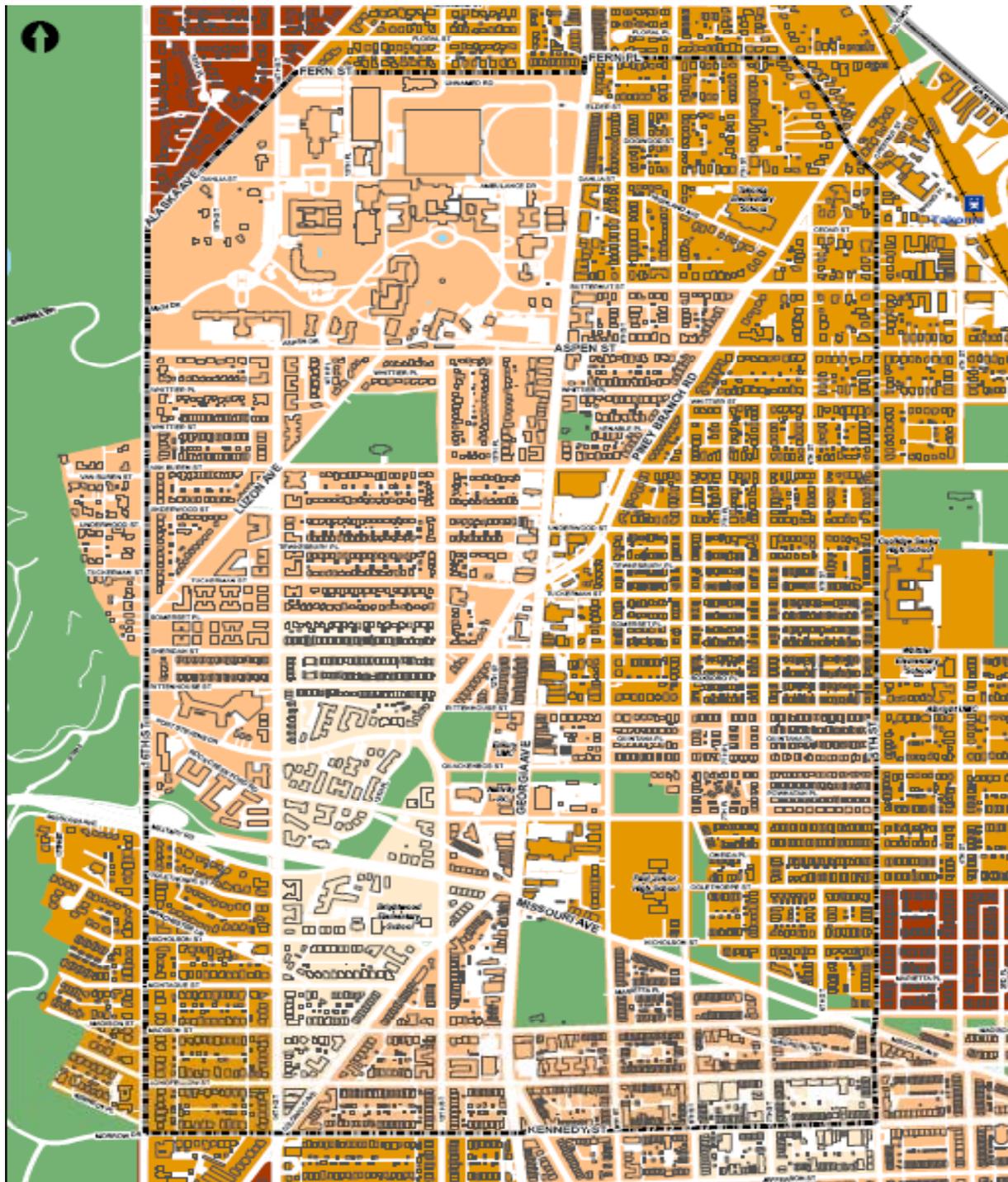
The Department of Housing and Urban Development (HUD) developed the chart on page 15 (Source: Brightwood Neighborhood Investment Plan (TRF/WIN, 2007) to compare household incomes to the District's Average Median Income (AMI). When comparing the Brightwood median household income to the different incomes levels defined by HUD, the typical household in Brightwood falls within the category, Low-Income level, or 60% to 80% of area median income.

Examples of Potential Underutilized and Vacant Property



MAP 1: Brightwood Median Household Income (Claritas 2005)

(Source: Brightwood Neighborhood Investment Plan, 2007 TRF.WIN)



- Median Household Income**
- \$35,000 or Less
 - \$35,001 - \$55,000
 - \$55,001 - \$80,000
 - \$80,001 or More

0 250 500 1,000 Feet

MAP 1

BRIGHTWOOD: Median Household Income (Claritas 2005)

Source: Census 2000 and D.C. Office of Planning

Brightwood Residential Sales Prices

Average residential sales prices from July 2004 to July 2006 range from \$150,000 to \$450,000. The following table describes the sales activity in Ward 4 in comparison to the District.

Table 2: Household sales prices for the District and Ward

Single Family Homes	DC	Ward 4
Number of Sales 2005	5,384	995
Number of Sales 2004	5,934	1,113
Median Sale Price 2005	\$415,000	\$415,000
Median Sale Price 2004	\$341,000	\$344,000
Percent Change 1999-2005	18%	17%
Condominiums		
Number of Sales 2005	5,268	143
Number of Sales 2004	4,048	54
Median Sale Price 2005	\$369,000	\$255,000
Median Sale Price 2004	\$321,000	\$173,000
Percent Change 1999-2005	17%	15%
Housing Units in Section 8 Multifamily Buildings		
Current Active units	10,561	54
Expired in 31-12-2006	5,205	0

Urban Institute, 2006

(Source: Brightwood Neighborhood Investment Plan, 2007 TRF/WIN)

A closer look at the trends

In an effort to further analyze the housing trends for Brightwood, the neighborhood was divided into 5 distinct areas. Each area was defined based upon unique and natural physical characteristics (See Maps 2 and 3, Source Brightwood Neighborhood Investment Plan, 2007 TRF/WIN):

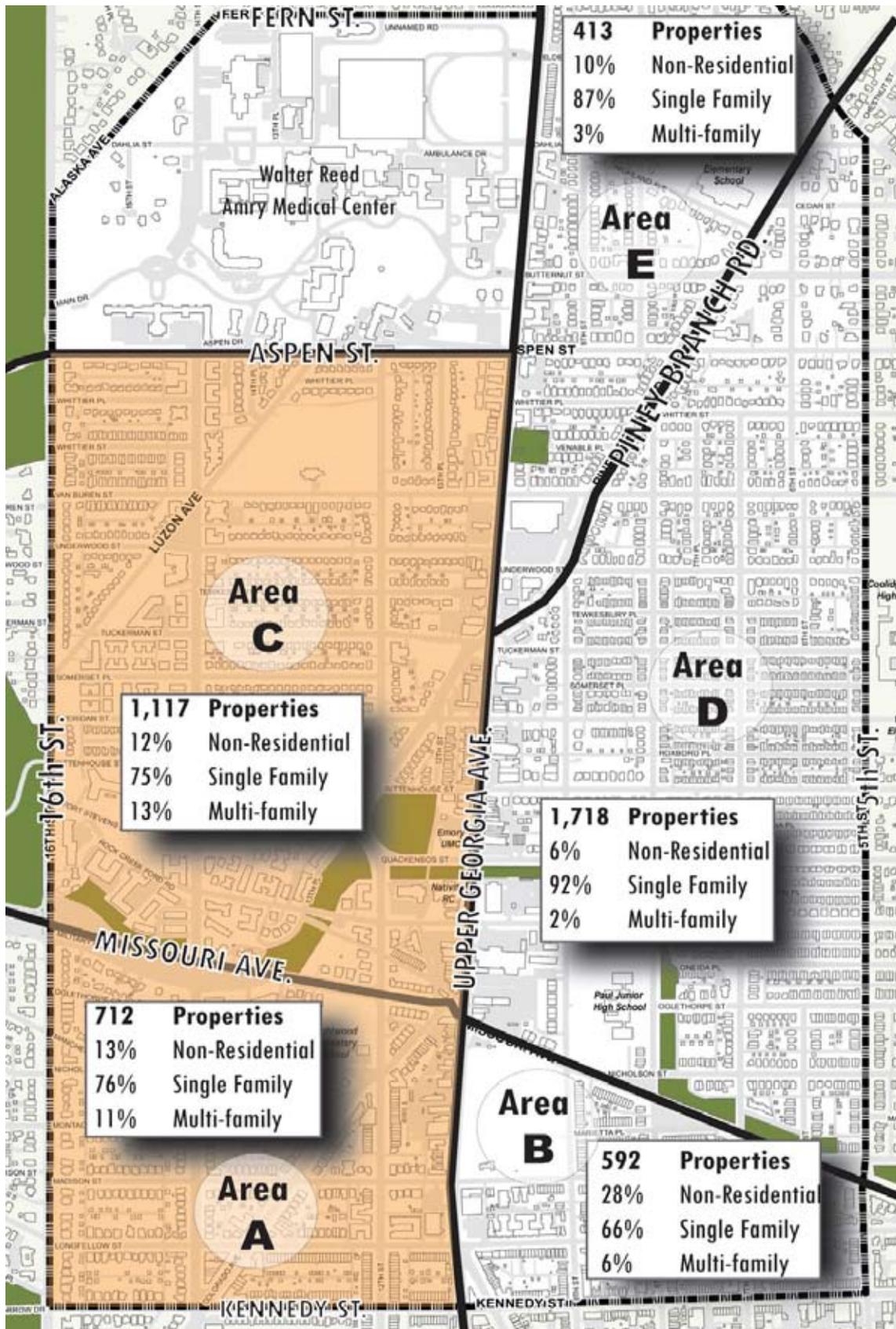
1. *Area A:* Located in the southwest corner of Brightwood, bounded by Missouri Avenue to the north, Upper Georgia Avenue to the east, 16th Street to the west, and Kennedy Street to the south. This area contains 712 properties, 11% of which are multi-family structures, which are mostly clustered along Missouri and Colorado Avenues. The median sale price (07-01-04/07-10-06) for Area A is \$515,000; it is the highest in Brightwood.

This area contains mostly large single-family detached homes.

2. *Area B:* Located in the southeast corner of Brightwood, bounded by Missouri Avenue to the north, Upper Georgia Avenue to the west, 5th Street to the east, and Kennedy Street to the south. This area contains 592 properties, only 6% of which are multi-family structures. The median sale price (07-01-04/07-10-06) for Area B is \$226,900; it is the lowest in Brightwood. Most of the housing stock in this area is composed of attached rowhomes.
3. *Area C:* Bounded by Aspen Street to the north, and Missouri Avenue to the south. The area is predominantly residential and contains the highest concentration of multi-family structures in the neighborhood (1,117 properties, 13% of are multi-family), which are mostly clustered along 14th Street.
4. *Area D:* Located on the eastern side of Brightwood, bounded by Piney Branch Road to the north, Upper Georgia Avenue to the west, 5th Street to the east, and Missouri Avenue to the south. This area contains 1,718 properties, 2% of which are multi-family; it is the lowest in Brightwood. The median sale price (07-01-04/07-10-06) for Area C is \$364,250.
5. *Area E:* Area E is located on the north east corner of Brightwood, bounded by Piney Branch Road to the south, Upper Georgia Avenue to the west, 5th Street to the east, and Fern Place to the north.

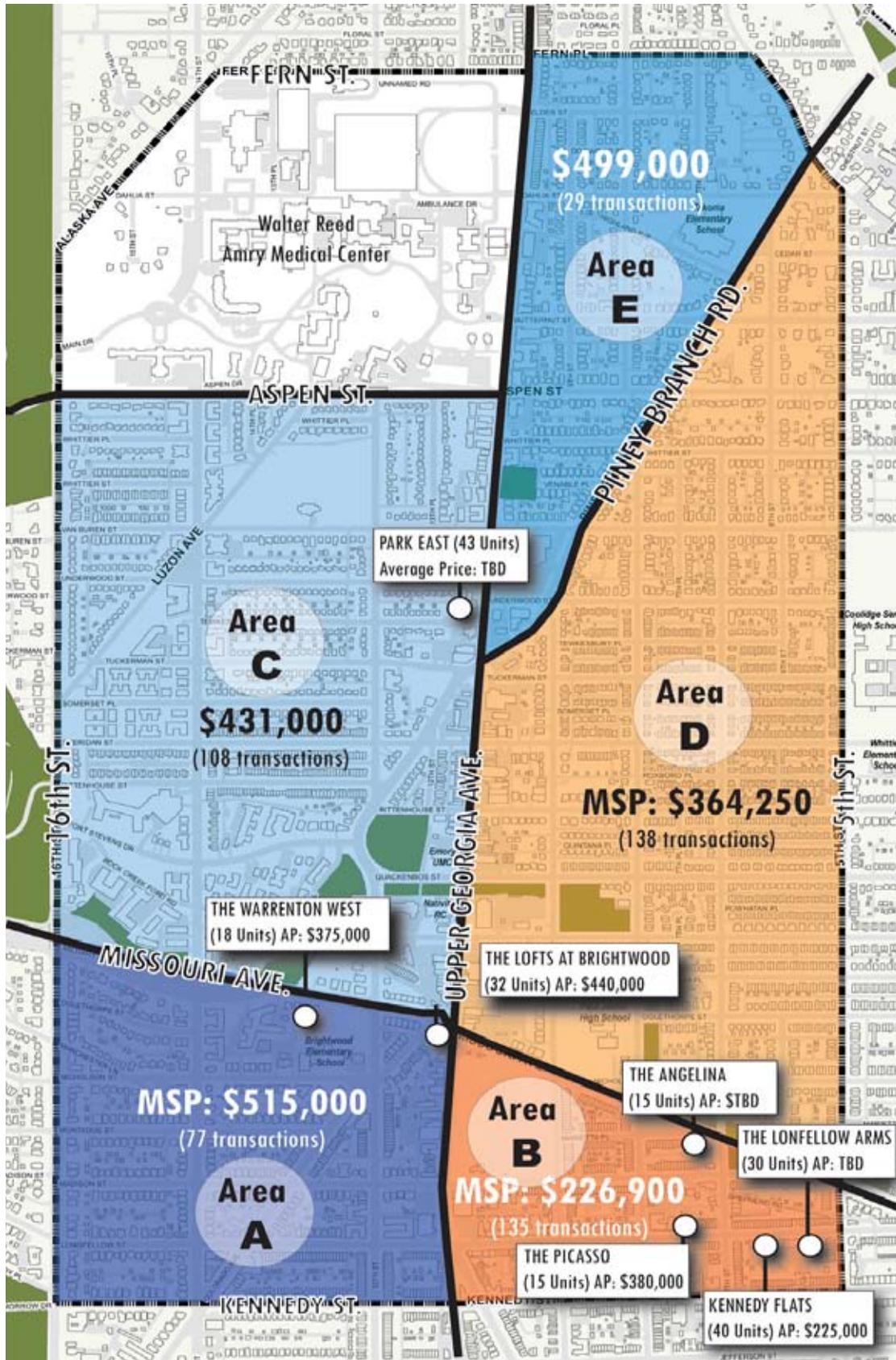
MAP 2: Neighborhood Areas Housing Profile

Source: Neighborhood Investment Plan, TRF/WIN



MAP 3: Neighborhood Areas Median Sales Price

Source: Neighborhood Investment Plan, TRF/WIN





creating the plan



Brightwood Needs Assessment and Investment Priority Development

Methodology

From October 2005 to October 2006 The Washington Interfaith Network (WIN) and The Reinvestment Fund (TRF) worked with member churches, residents and community organizations to create an investment plan that would drive NIF funding within the Brightwood community. This plan, used input from the community and detailed data analysis to determine how NIF funding should be prioritized.

TRF used a community questionnaire to collect data regarding the current needs of Brightwood and facilitated two community workshop meetings in which residents worked in groups on a mapping exercise designed to collect specific information about issues and improvements that are needed throughout the neighborhood. Additionally, TRF underwent a comprehensive assessment of housing and demographic trends of the Brightwood NIF area. TRF analyzed the end results of both efforts to create the following NIF Goals and Actions:

WIN Strategic Goals and Actions

1. Establish a WIN/EBOL Neighborhood Development Action Team to implement strategic actions & hire a Community Developer.
2. Assign a District's Real Estate Development Professional to act as a Project Manager & Liaison between WIN's Neighborhood Development Action Team and City Agencies.
3. Create New Affordable Homeownership & Rental Housing along commercial corridors.
4. Preserve Affordable and Subsidized Rental Housing.
5. Implement and/or create new programs to support existing homeowners in property maintenance.
6. Improve the physical condition and retail choices along Georgia Avenue and Kennedy Street through the creation of a TIF (Tax Increment Financing).

Based on their community engagement, WIN and TRF formulated and submitted an Investment Plan for Brightwood to the Office of Planning and the Office

of the Deputy Mayor for Planning and Economic Development for consideration. OP assessed the plan and built upon it by incorporating additional community input and a review of the District's existing land use plans and policies.

Neighborhood Reinvestment Goals (Source: Brightwood Reinvestment Plan, TRF/WIN 2007)



Office of Planning Assessment

The Office of Planning compared WIN's Strategic Goals and Actions to existing planning policies and activities to determine if any of these focus areas were raised during past planning activities. During this assessment, OP found that many concerns about housing affordability and economic revitalization—especially in Brightwood-- are still valid and are addressed in plans and polices highlighted in Section 2.

Based on the review of these existing plans and the WIN submission, OP crafted the following goals for housing affordability and economic revitalization to serve as a framework for obtaining input from the community on NIF investments:

1. Creation of new affordable housing options;
2. Preservation of existing affordable housing stock;
3. Support programs for low-income homeowners; and
4. Support programs for economic development and street beautification.

Community Input

In addition to reviewing existing community plans, OP staff also held one public NIF investment strategy workshop to hear the community's perspective on what investments are needed in the target area and more importantly which of these investments should be prioritized when NIF funding is allocated over the next two fiscal years. The meeting was held on January 10, 2008 at Emory Beacon of Light, with approximately 60 residents attending.

During this meeting, OP presented the four primary goals above and included specific strategies through which these goals could be implemented using NIF funding. The purpose of the meeting was to determine if the goals and the strategies were on the right track and to ask participants to identify which goals and/or strategies should be considered a priority over the next two fiscal years. The public was also given the opportunity to offer new goals or strategies they felt needed to be addressed, that may not have been included in the initial plan review.

Facilitated by OP staff, the participants worked in groups where they discussed the investment goals and

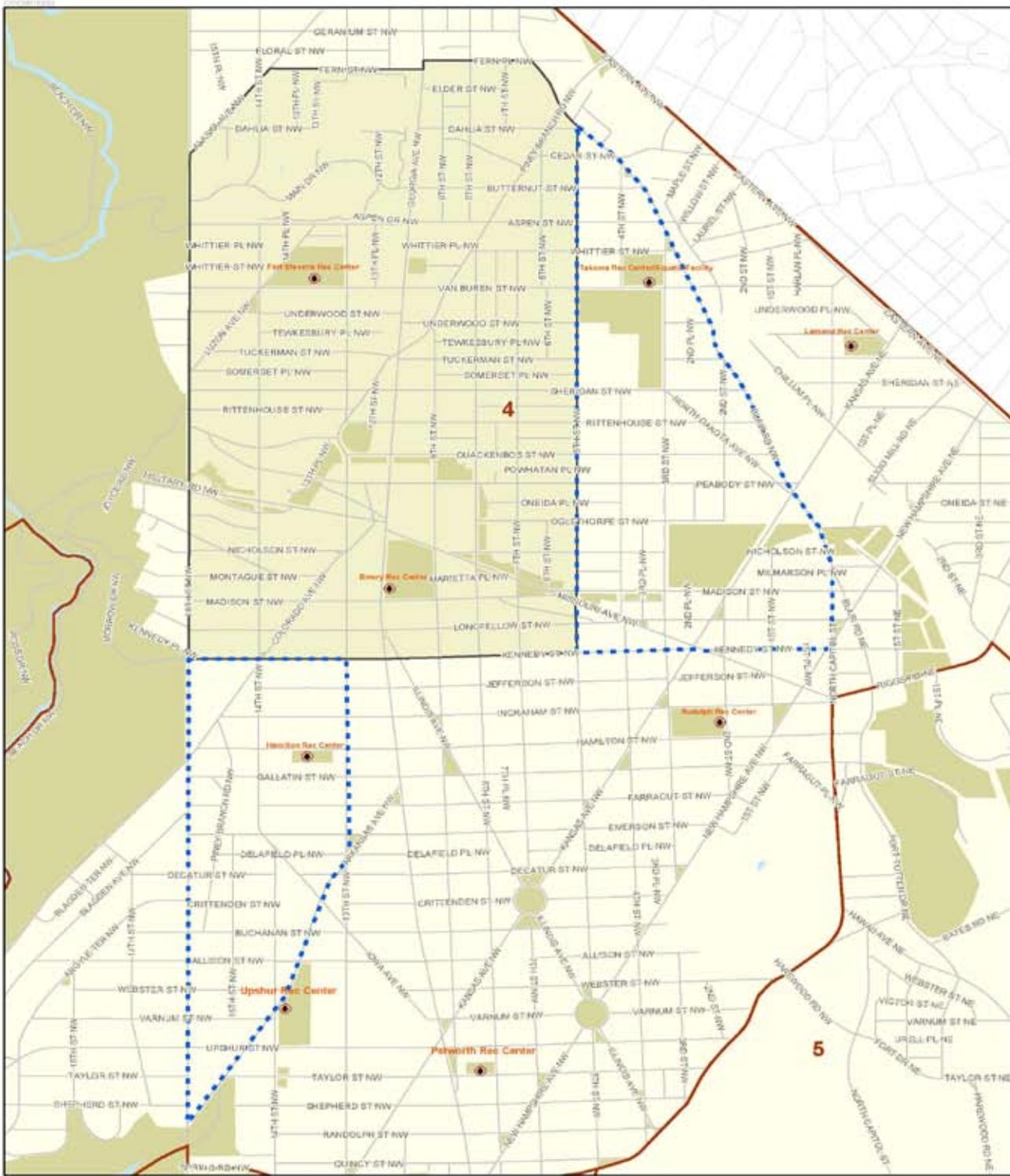
strategies in detail. Each goal and strategy was analyzed and cosigned by the group before moving on to the next item. Then, each member of the group was given three colored dots and asked to place one dot next to whichever item they felt deserved the highest priority. The results of this meeting further expounded upon the previous set of priority areas in which the community felt were important and should receive precedence when NIF funds are allocated. The investment strategies that follow, include the results of this community meeting, and incorporate an analysis of trends within the Brightwood neighborhood.

Brightwood community residents engaged in a planning meeting:

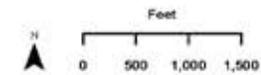


As part of the community meeting it was also noted that the Brightwood NIF boundary should be expanded to include and coincide with portions of the now approved Kennedy Street Revitalization Plan, July 10, 2008. The community felt that NIF resources should be extended to areas of the Ward that were intended to have economic revitalization and housing affordability initiatives. After the plan was developed, Councilmember Muriel Bowser recognized an opportunity to further expand the Brightwood NIF boundaries to include portions of Takoma and Petworth, which have similarly suffered from limited investment and undesirable commercial uses.

In December 2008, the Council introduced legislation to redefine the Brightwood NIF area to include portions of Kennedy Street, Takoma and Petworth as follows:



Brightwood NIF Target Area and Proposed Boundary Expansion



*** Government of the District of Columbia
 Adrian M. Fenty, Mayor

Office of Planning - November 21, 2008

This map was created for planning purposes from a variety of sources. It is neither a survey nor a legal document. Information provided by other agencies should be verified with them where appropriate.

- Recreational Facilities (Center)
- Proposed Expansion
- Brightwood NIF Target Area
- 2002 Wards
- Street Centerlines
- Water
- Parks



- Target Area #6 -- Brightwood and Upper Georgia Avenue. The Brightwood and Upper Georgia Avenue target area is defined as starting at the corner of Kennedy Street, N.W., and 16th Street, N.W., north along 16th Street, N.W., to Alaska Avenue, N.W., northeast along Alaska Avenue, N.W., to Fern Street, N.W., east along Fern Street, N.W., to Georgia Avenue N.W., north along Georgia to Fern Place, N.W., east along Fern Place, N.W., to Blair Road, N.W., southeast along Blair Road, N.W., to North Capitol Street, N.E., south along North Capitol, to Kennedy Street, N.W., and west along Kennedy Street, N.W., to 13th Street, N.W., south along 13th Street, N.W. to Arkansas Avenue, N.W., south along Arkansas Avenue to 16th Street, N.W., north on 16th Street N.W. to Kennedy St. N.W..”

This boundary expansion was approved by the Council on December 2, 2008 and the recommendations of this Plan now apply to these new areas.

The next section presents the final Investment Goals and corresponding strategies that will be used to direct NIF resources over a five year period. Each goal is followed by a set of specific strategies that point to how NIF resources may be utilized to accomplish the goal. It is also noted where other District resources would contribute to implementing the investment plan and achieving the overall objective of the NIF program. The investment strategies are purposefully broad to encourage flexibility in the types of community initiated projects that could be funded through the multiple grant and loan programs under NIF.





investment goals & strategies



NIF Investment Goals & Strategies

Affordable Housing

The Brightwood target area features traditionally stable residential neighborhoods anchored by two emerging commercial corridors of Georgia Avenue and Kennedy Street. The residential neighborhoods of Brightwood, Shephard Park Takoma and Brightwood Park, collaboratively, offer a wide range of housing options from single family to multi-family apartment buildings; however, there are limited sites for new housing development within these neighborhoods. The greatest potential for new development is along the commercial corridors of Georgia Avenue and Kennedy Street where mixed-use development can bolster retail opportunities, and also encourage the creation of affordable housing. The land use plans for Georgia Avenue and Kennedy Street provide a strategic tool to guide future development. Resources such as NIF should be used to support the revitalization efforts anticipated for both corridors.

The preservation of existing affordable housing options is also a top priority within the Brightwood NIF boundary. This includes monitoring and preserving the federally subsidized rental housing stock, in addition to supporting long time homeowners maintain their homes. Clearly the affordable housing challenges in Brightwood can not be addressed by relying on only NIF resources. NIF funds should complement other District programs and funding sources that can support the following three housing goals on the following pages.

Examples of Potential Underutilized and Vacant Property



Goal #1—Creation of new affordable homeownership options and rental housing options along commercial corridors.

Strategies to implement Goal # 1:

- a) ***Use NIF funds to acquire vacant and or underutilized lots for redevelopment as mixed-use retail and affordable housing.***

By comparing data from the Office of Tax and Revenue, the Department of Consumer and Regulator Affairs and to the WIN plan recommendations, vacant and underutilized properties within Brightwood can be identified and prioritized for acquisition. Redevelopment initiatives should focus on the production of new affordable housing and ground floor retail. There are approximately 20 properties along Georgia Avenue between Van Buren and Missouri and 15 properties along Kennedy Street between Georgia Avenue and North Capital Street NE, that would be optimal for mixed-use redevelopment. NIF's grants and loans should be utilized by eligible developers to accomplish this strategy.

- b) ***Identify underutilized parcels or buildings located on or near major commercial corridors that could be acquired and redeveloped as senior or special needs housing facilities.***

A need for senior housing facilities that allow persons over the age of 65 to age in place has been identified and the community has expressed a desire to see these facilities located along the active commercial corridors such as: 14th Street, Georgia Ave, or Kennedy Street. Locations such as these would give the senior population access to basic retail needs, services and easier access to transportation. Directing funds toward the development of senior housing through NIF resources and working alongside the DC Department of Health's Health Care Facilities Division would enable local organizations to provide housing for seniors of all activity levels.

- c) ***Include Brightwood as a target area to receive DHCD's NOFA and market information to the community***

This strategy is intended to target investment into this NIF area by identifying it as a priority area in the Department of Housing and Community Development's bi-annual Notice of Funding Availability (NOFA). The NOFA alerts eligible developers to the availability of housing financing for construction, rehabilitation and acquisition of housing and community facilities across the District. By targeting Brightwood, there is the potential to leverage NIF predevelopment and acquisition funds with other housing resources to accomplish the goals of this investment plan.

Goal #2: Preserve existing affordable rental and homeownership within Brightwood

Strategies to implement goal:

- a) *Market existing programs, tools, and services and create new ones that increase homeownership opportunities for first time homebuyers of all ages.***

The District currently offers a myriad of housing programs and resources to assist with home buying such as Home Purchase Assistance Program, the First Right Purchase Assistance Program, and the Tenant Purchase Technical Assistance Program. Despite the District's efforts, stakeholders have expressed frustration with the lack of information about current programs that are readily available or accessible within the community. NIF resources can be used to support these ongoing activities by expanding the marketing and promotion of these programs to potential Brightwood homeowners.

NIF funding can also be used to support the transition to homeownership through training and technical assistance offered by existing community based programs; in certain cases where there are gaps in existing program availability or applicability, NIF can be used to support new program development that will address credit counseling, financial management, finding a home, accessing District programs, property taxation, etc. Programs that cater to existing residents, young families, and young adult's transitioning from group housing to homeownership are encouraged. Eligible not for profit organizations can apply for NIF funding or partner with the Department of Housing and Community Development (DHCD).

- b) *Identify and monitor existing subsidized rental units to assure the continuation of the subsidy contracts or the purchase of the properties remain affordable.***

The provision of safe, decent, and affordable rental housing within Brightwood is a priority. According to the District's Housing Strategy Taskforce Report, over the last 5 years, apartment rents throughout the District have skyrocketed with average advertised city-wide rents for 1-2 bedroom apartments increasing by as much as 60-80 percent. Housing advocates and the District housing agencies acknowledge that the preservation of the existing long term or permanently affordable housing stock is critical to addressing the housing crisis in the District. With limited resources, preserving existing affordable housing is usually much less costly than producing new affordable housing. NIF resources can be used to complement existing preservation finance activities by providing acquisition and predevelopment assistance. Construction assistance should also be considered where other funds can not be used.

Goal #3: Create new and/or implement existing programs to support low-income and senior homeowners maintain their properties.

Strategies to assist residents keep and maintain their homes:

- a) ***Target areas that have a high concentration of low income households or seniors to receive assistance with homeownership preservation projects and exterior home improvements.***

According to the WIN plan, there are a total of approximately 1,700 units that are potentially in need of home improvement and preservation within Brightwood. These units are primarily located south of Missouri Avenue and generally have incomes lower than \$55,000, which is slightly lower than the average income in Brightwood. The physical condition of many of these units ranges between fair to poor, which indicates that minor non-structural issues are present.

To help ensure that the long tenured homeowners of this area are able to maintain their homes, there is a need to fund programs that assist with various homeownership responsibilities. These activities may include home weatherization, housing infrastructure maintenance, or providing meals and medical services. NIF funding can be used to support expanding or supplementing existing programs through the DC Office on Aging or the Department of Housing and Community Development. New programs that offer assistance to homeowners, particularly for low income households, seniors, and/or households that are facing serious safety issues or that affect the health of residents should be prioritized.

400 Block of Kennedy Street NW



Economic Development within Brightwood

Improving the physical condition of Upper Georgia Avenue and Kennedy Street has been long time goal of many existing Brightwood community organizations. These corridors are the heart of long standing small businesses and should continue to provide services to neighborhood residents. However, over the past decade, these small businesses have struggled to reconnect with the demands of the neighborhood residents. The District's goal is to provide financial and technical assistance resources to these existing businesses to help them stimulate and maintain good quality retail for existing and new residents in Brightwood. The District has played a large role in partnering with public and private entities to encourage revitalization and economic development along these major commercial corridors. The following strategies can help bolster these initiatives through NIF funds.

Goal #4: Support programs for economic development and street beautification.

Strategies to support programs for economic development and street beautification:

- a) *Prioritize funding to help new and existing businesses implement the land use and economic development recommendations within ongoing land use plans.*

Kennedy Street and Upper Georgia Avenue are major commercial corridors in Brightwood and resources should be directed to improve economic opportunities along these prominent corridors. OP has completed significant community outreach and engagement in developing the Upper Georgia Avenue Land Development Plan and the Kennedy Street Revitalization Plan. These strategic land use plans identify development opportunity areas where development should be focused in order to spur revitalization throughout the study area. NIF funds should be utilized by eligible developers, to further the catalytic redevelopment goals set forth in these plans.

Example of street facade improvements identified in the Kennedy Street Revitalization Plan.



b) Support technical assistance to existing businesses along commercial corridors, especially in areas where increases in property taxes have increased dramatically

This strategy is intended to invest back into businesses which have experienced recent rapid increases in property taxes which have in turn diminished the availability of funds to make physical improvements or to increase the capacity of a business to effectively maintain, expand, or compete in the retail market. Eligible business associations or not for profits can utilize NIF funds, especially the TAPG and NGP, to support such activities that will benefit businesses along the target area's commercial corridors.

c) Support non-profit and faith based organization to co-locate community programs and services that will provide support to existing businesses.

In building upon the consensus to provide a central and easily accessible location for local businesses to get information on the various District resources for economic development, NIF funds should be used to support the creation of a business incubator along Upper Georgia Avenue and/or Kennedy Street. This strategy provides an optimal answer to a long time discussion amongst small businesses in Brightwood that have felt neglected and out of the loop when it comes to the types of technical and financial support that are available for small businesses.



Other DC Government Initiatives & Investments

District Resources to support NIF funded programs NIF funding is a great opportunity for community organizations to become empowered to make a difference within Brightwood. However, NIF resources are limited and should not be considered the only means to an end. The District has a number of programs and resources available to enhance programs that are NIF funded. The following list provides brief descriptions of the types of resources available for District residents and merchants.

Housing Programs

1. *Community Development Block Grant (CDBG)*: Provides grants funds to local and county governments to be used to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low-and-moderate-income residents. Kennedy Street is currently being considered for this program. This funding source is managed by the Department of Housing & Community Development.
2. *HOME Investment Partnership (HOME)*: used to expand the supply of decent and affordable rental and ownership housing; also used to increase the homeownership rate of minority and low-income person by providing funding for down payment, closing costs, and rehabilitation associated with home purchase. This funding source is managed by the Department of Housing & Community Development.
3. *Emergency Shelter Grant Program (ESG)*: designed to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness. This program is managed by the Department of Housing & Community Development.
4. *Housing Opportunities for Persons with AIDS (HOPWA)*: Provides housing assistance and supportive services for low-income People with HIV/AIDS and their families. This funding source is managed by the Department of Housing & Community Development.
5. *Housing Production Trust Fund (HPTF)*: The Housing Production Trust Fund is a local source of money for affordable housing development. Capital for the HPTF is supplied from the legislated share of DC deed recordation taxes and real estate transfer taxes, currently 15%. The Fund is designed to direct assistance toward the housing needs of the most vulnerable District residents-very low- and extremely low-income residents. This funding source is managed by the Department of Housing & Community Development.
6. *Multi-Family Housing Rehabilitation*: The Department provides low-cost gap financing for the rehabilitation of residential properties containing five (5) or more units. The principal objective of this program is to stimulate and leverage private investment and financing in the rehabilitation of multi-family housing that is affordable to lower-income residents. Units for rental and home ownership are financed through this program. This program is managed by the Department of Housing & Community Development.
7. *New Construction Assistance*: DHCD provides assistance for a variety of construction and site development activities that support affordable residential housing or community facilities. The Department's financing is used to leverage private investment in the development of new, affordable units. New development can be for rental or home ownership. This program is managed by the Department of Housing & Community Development.
8. *Tenant Opportunity to Purchase Program*: The Tenant Opportunity to Purchase Assistance Pro

gram enables low-to-moderate income District residents who are threatened with displacement because of the sale of their building to exercise their "first right" to purchase the apartment building. The program offers low-interest loans to income-qualified persons and tenant groups in the District. These affordable loans can be used for down payment; purchase; earnest money deposits; and legal, architectural and engineering costs. This program is managed by the Department of Housing & Community Development.

9. *Tenant Purchase Technical Assistance Program:* The Tenant Purchase Technical Assistance Program provides free, specialized organizational and development services for tenant groups who are pursuing the purchase of their apartment buildings with the intention to convert them to cooperatives or condominiums. Services can include assistance with structuring the tenant association, preparation of legal documents, and help with loan applications. This program also provides below market rate management and education services to tenant groups that have purchased their buildings and operate them as cooperatives or condominiums. This program is managed by the Department of Housing & Community Development.

10. *Site Acquisition Funding Initiative:* The Site Acquisition Funding Initiative (SAFI) is designed to provide quickly accessible, revolving loan funds for acquisition and predevelopment costs to nonprofit developers committed to the production, rehabilitation, and preservation of affordable housing. SAFI leverages DHCD funds with private monies for the preservation of affordable housing. This program is managed by the Department of Housing & Community Development.

Programs for Individuals

11. *Home Purchase Assistance Program:* The Home Purchase Assistance Program (HPAP) provides financial assistance in the form of an interest-free loan to qualified low-to-moderate income persons for home purchase. The amount of the loan is based on income and household size. Currently, low-income persons can receive up to \$77,000 in down payment and closing cost assistance. This program is managed by the Department of Housing & Community Development.

12. *Employer Assisted Housing Program:* The Employer Assisted Housing Program (EAHP) provides assistance to employees of the District of Columbia Government who are first-time homebuyers in the District.

Employees of the Metropolitan Police Department, teachers in DC Public Schools, and other DC government employees may be eligible for matching down payment funds up to \$1,500 and a deferred loan of up to \$10,000. Applicants can receive funding from both HPAP and EAHP as long as the eligibility requirements for both programs are met. This program is managed by the Department of Housing & Community Development.

13. *Single Family Residential Rehabilitation Program:* The Department's Single Family Residential Rehabilitation Program is designed to help households finance home repairs that will address DC housing code violations. Funding may be used for activities that include repairing walls and floors; replacing windows; and repairing plumbing; electrical, and heating systems. Up to \$75,000 in loan financing is available for each project. The program also offers a separate grant of up to \$15,000 for roof replacement. This program is managed by the Department of Housing & Community Development.



14. *Handicapped Accessibility Improvement Program:* The Handicapped Accessibility Improvement Program (HAIP) provides a grant of up to \$30,000 for improvement needed to remove physical barriers within a home for persons with mobility or other physical impairments. Additional funding may be available under the Single Family Rehab program. This program is managed by the Department of Housing & Community Development.

Economic Development Programs

1. *DC Enterprise Zone:* On August 5, 1997, the President of the United States signed into law two new legislative initiatives designed to stimulate economic growth and job development in the nation's capital. The Balanced Budget Act of 1997 includes amendments to the District of Columbia Home Rule Charter that grant the District government broad authority to issue taxable and tax-exempt revenue bonds to finance the acquisition, construction, and renovation of a wide array of capital projects owned by private enterprises and non-profit institutions. Provisions of the Taxpayer Relief Act of 1997 (TRA) complement these expanded financing powers by establishing the District of Columbia "Enterprise Zone" (EZ). Federal incentives designed to tap the investment and employment potential of the EZ include three types of wage credits, an additional expensing allowance, a zero federal capital gains tax rate on certain investments, and tax-exempt bond financing. Portions of the Brightwood NIF area are within the District's Enterprise Zone. This program is managed by the Office of the Deputy Mayor for Planning & Economic Development.
2. *The District of Columbia Revenue Bond Program:* The District of Columbia

Revenue Bond Program provides below market interest rate loans to qualified private enterprises that are located in the Enterprise Zone as well as non-profit and manufacturing organizations citywide. Bonds can be issued to assist in financing a broad variety of capital projects, including commercial development, infrastructure improvements, and equipment and machinery used in business and other endeavors such as the retail trades, health care, education, housing, recreation, and solid waste recycling. This program is managed by the Office of the Deputy Mayor for Planning & Economic Development. Program funds are generated through the issuance and sale of tax-exempt and taxable municipal revenue bonds, notes, or other obligations. Proceeds from the sale of these securities are loaned to borrowers and may be used to finance, refinance and reimburse costs of acquiring, constructing, restoring, rehabilitating, expanding, improving, equipping and furnishing real property, and related and subordinate facilities. The Revenue Bond Program has helped attract to the District approximately \$4 billion of private investment capital on behalf of dozens of small and large institutions located throughout the District.

3. *Tax Increment Financing District:* TIF is a program in which government pledges a portion of the anticipated increase in tax revenue from a new development as repayment for bonds used in financing the project. TIF promotes revitalization by financing improvements to infrastructure or utilities that will serve the new private development; directs grants or loans to a company or provides the local match for federal or state economic development programs. TIF projects must occur within high priority development areas, such as downtown, retail corridors, federally-designated Enterprise Zones, low-wealth

districts, or other targeted neighborhoods. A TIF district is currently being considered for Upper Georgia Avenue. This program is managed by the Office of the Deputy Mayor for Planning & Economic Development.

Conclusion

The Council envisioned NIF as contributing to a broader economic development tool kit to achieve a critical mass of investment needed to make a significant and visible impact in its target neighborhoods. Raising the profile and importance of investing in District neighborhoods - its people, places, and assets is the prime objective behind the creation of the program and the subsequent investment plans that arise from it. The economic boom experienced in the central part of the city had a great impact on the financial and economic health of the District by creating new jobs, increasing the population, and stimulating an unheralded level of public and private investment. It also created a challenging situation as many neighborhoods experienced escalating housing costs, the loss of affordable housing stock, and further concentration of poverty.

The Neighborhood Investment Act was created in the context of creating new opportunities to leverage citizen action with public investment. This Investment Plan gives citizens more direct input into addressing systemic issues that impact neighborhood quality of life. Through both solid analytical research and a grassroots approach in prioritizing needs, this plan will empower citizens to leverage NIF resources and produce noticeable changes on their blocks and neighborhoods. Through increased dialogue with residents, business owners, church and civic leaders, a new neighborhood agenda can be created that will bring a true vision of targeted community investment.

With the completion of the Brightwood NIF Investment plan and its approval by the Council of the District of Columbia, the Office of the Deputy Mayor for Planning and Economic Development has a road map for making future NIF investment decisions. Future investments within the Brightwood target area shall be

guided by this plan.

Organizations such as non-profit or community organizations will craft NIF project proposals that will meet the community needs identified in this plan. This investment plan will also serve as a guide for the community, to ensure that the programs, services, and physical improvements funded by NIF follow the investment priorities articulated in the plan. As NIF investments begin to positively impact Brightwood, the Office of the Deputy Mayor for Planning and Economic Development in partnership with the Office of Planning and the community will update and refine the recommendations as needed.



acknowledgments





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