

Testimony by

MARSHALL HEIGHTS COMMUNITY DEVELOPMENT ORGANIZATION, INC.

Submitted to:

**The Committee on Economic Development
Council of the District of Columbia**

PUBLIC OVERSIGHT HEARING

**Monitoring by the Department of Housing and Community Development
Of Organizations, including Community Development Corporations,
And Projects Receiving Funding from DHCD**

Thursday, March 14, 2002

Mr. Chairman, esteemed members of the Committee, thank you for this opportunity to appear before you during these important proceedings. My name is Evelyn Frazier and I am the Business Development Manager at Marshall Heights Community Development Organization, Inc. (MHCDO). I am here representing our President, Loretta Tate, who could not attend today's oversight hearing. Ms. Tate wants me to share with you her very strong beliefs on the valuable role community development organizations play in the growth and prosperity of our great City.

Permit me to share with you a very brief history of MHCDO and our activities in Ward 7 of Washington, DC. MHCDO is the brainchild of a group of citizens from the Marshall Heights neighborhood who put together a simple plan to push for paved sidewalks and curbs, and more frequent street cleaning services from the local city government. That was in 1979. The condition and social fabric of a neighborhood has a direct impact on family and individual life outcomes. Recognizing that fact, the residents who founded MHCDO felt very strongly that they needed a voice and a means by which to tackle the difficult task of improving the quality of life in Ward 7. Today, MHCDO is

engaged in commercial and residential property development, home purchase counseling, business development assistance, and health, education and family services.

MHCDO has been a recipient of grant funds from DHCD's Neighborhood Development Assistance Program (NDAP) for more than 10 years, and has *always* pursued community development goals and objectives consistent with the needs and desires of the Ward 7 community. Over the years, MHCDO has successfully used NDAP funding to assist the organization in building capacity and leveraging other resources.

MHCDO has engaged in many development projects, activities and services that benefited Ward 7 and the City, but these projects were not funded by NDAP or DHCD.

MHCDO has always pursued an agenda that is broad and ambitious. As the only CDC serving the entirety of Ward 7 since 1980, MHCDO's development activities have been largely responsible for the fact that Ward 7 maintained a level of stable residential and commercial activity even during the bad old days of drug epidemic, residential flight to the suburbs and the City government's financial crisis. The purchase, renovation and expansion of the East River Park shopping Center was the first major project undertaken by MHCDO, and was a pivotal move in preventing disinvestments and abandonment along a major commercial corridor. MHCDO has also built or renovated more than 100 homes for first time homebuyers in historic African-American neighborhoods, built over 40 new homes in strategic locations such as Chaplin Woods and Banneker Ridge, and initiated a demonstration project with the Fannie Mae Foundation to provide exterior treatments to homes located along targeted streets in the Marshall Heights neighborhood.

MHCDO's ability to work with private developers, to secure financing and to attract capital has enabled it to be the catalyst for projects such as the renovation of the Greenway Apartments, renovation of four abandoned buildings to create Single Room Occupancy (SRO), transitional and supportive housing, expansion of the Northeast Business Park on Kenilworth Avenue Northeast, as well as the attraction of Chesapeake Bagel Bakery and Denny's Restaurant to Ward 7. MHCDO plans to use its resources to continue and expand on the development activities that revitalize our neighborhoods and bring jobs to Ward 7.

Building affordable housing, revitalizing our commercial corridors and preserving the social fabric of our neighborhoods is difficult, challenging work, and CDCs have been the linchpin in the whole process. MHCDO and others like us have been the first point of contact for information, outreach, support and assistance in our neighborhoods. There is more work to be done, and it will require the full support of the government of the District of Columbia if CDCs are to succeed. It is our hope that the recent coverage by the Washington Post and other publications will lead to system reform, not elimination of the system that has succeeded in producing major revitalization in our communities.

This public-private partnership between the CDCs and DHCD requires a monitoring system that evaluates and scrutinizes the work being contracted and funded, it requires oversight from the respective Committees of the City Council, and it requires a check and balance process that adheres to the parameters set by DHCD. It also requires the full commitment and accountability of all parties involved.

During the most recent round of NDAP funding, DHCD set guidelines that will require grantees to meet specific a timeline and outcomes for all funded projects. Site visits will be mandatory for all funded projects, and DHCD has committed to collaborating with other District government agencies to ensure that projects aren't delayed because of bureaucratic bottlenecks. These are positive steps that we hope will bear fruit.

MHCDO would urge the Council, however, to direct DHCD to rethink its decision to eliminate NDAP funding for the project staff that develop the housing and economic development projects of CDCs. These projects take a long time to get to construction and are not lucrative enough to support the investment of staff time. *Is it better for the City, DHCD and Ward 7 that MHCDO has reduced its development staff by two? Will this make it easier or harder for MHCDO to keep building new homes in fringe areas, and to develop areas like the Kenilworth Avenue corridor where the forward thinking private investment has only come from MHCDO?*

MHCDO is experiencing the rigorous, and sometimes unfavorable, changes that have occurred as a result of the changes in NDAP and DHCD. Change is always inevitable, and we will make the necessary adjustments. It is our hope that DHCD will lend assistance to CDCs in those areas that have been long time hindrances in community development work. That includes reducing long, erratic and costly regulatory obstacles, and assistance in navigating the obstacle course related to obtaining permits and housing inspections.

And, despite our 20-year track record, MHCDO still faces the challenge of being viewed as a legitimate developer. MHCDO's proposal for the development of an office building at the Minnesota Avenue Metro Station, which would have housed a District government agency, was given short shift by WMATA in favor of the City developing the site itself. It *still* sits undeveloped. MHCDO was given no seat at the table by DCHA in its developer selections for the East Capitol Hope VI and WINN projects. ***How could this be?*** It is hard enough to compete with private developers for choice development opportunities. MHCDO and other CDCs shouldn't have to also compete with the public sector.

DHCD's current leadership has committed to institute system reform. But, it will take the commitment of everyone involved to make lasting changes – the nonprofit community, the private sector, the District government agencies, the City Council and the Mayor. In the next five years, major development projects are planned that will radically change our City neighborhoods, such as new schools, new shopping centers, new housing, restoration of historic assets, and better utilization of our transportation network. It's time to step up to the plate, and be fully committed and accountable to the communities we all serve. **If you'll do your part, we'll do ours.**

Thank you for your continued support, and thank you for giving me this opportunity to address you today.