

David Schwarzman: Answers to Greater Greater Washington (GGW) 2018 primary questionnaire

Submitted online, February 28, 2018

Sample: “GGW and the Coalition for so-called “Smarter” Growth should sever their ties to the Federal City Council and stop greenwashing gentrification and displacement; case in point, GGW and the Coalition for Smarter Growth’s support for the Mayor’s plan for McMillan Park (VMP).

Questions for District of Columbia candidates:

1. DC is amending its Comprehensive Plan. Do you support policies in the new Comp Plan to a) add housing in all parts of the city to meet the need, b) create and preserve much more affordable housing, and c) strengthen protections for tenants in affordable housing being redeveloped? How would you achieve these?

Yes to all. This required *strengthening not weakening* the language in our already good Comp Plan. The draft of the Framework Element sent by the Office of Planning to the DC Council for its consideration not only circumvented the OP’s original roadmap for amendments but is grievously deficient with regard to affordability and equity language. The Comp Plan provision should be prescriptive, not suggestive. There is much more on this subject at the Facebook page (<https://www.facebook.com/DCGrassrootsPlan/>) of the Grassroots Planning Coalition (the DC Statehood Green Party is an endorser and I am a participant in this Coalition, recently met with several Councilmembers).

2. Do you support dedicated bus lanes and protected bike lanes? Would you support them even if that required removing on-street parking in some cases? Can you give examples of locations you would or would not like to see a bus and/or protected bike lane?

Yes and yes again. On heavily traveled streets which lack dedicated bus and protected bike lanes now. Residential neighborhoods generally should not have either dedicated bus lanes and protected bike lanes.

3. Do you support dedicated, bondable funding for Metro totaling at least \$500 million a year including \$178 million from DC? How would you achieve this? Do you require other steps (governance, labor, etc.) before you can support it?

Yes by all means, I testified several times to WMATA on this issue. Here is a selection from my testimony given on January 31, 2018: “Dedicated funding for WMATA should come from the taxation of regional wealthy residents, commercial property benefitting from WMATA proximity and regional corporate profits... The WMATA Board should recommend to the governments of its jurisdiction serious consideration of the following progressive approaches to dedicated funding of the WMATA system:

1) Taxation of regional wealthy residents

In 2015, the most recent data available, DC returns with adjusted gross incomes (AGI) of \$1 million and above had a taxable income of \$5.39 billion, while for the same top income bracket MD had a taxable income of \$18.13 billion and VA \$24.71 billion (1). For the WMATA region the total tax income of these millionaires was \$48.2 billion, now likely even higher. A 1% tax on regional millionaire income alone would generate \$482 million!

For residents with AGI \$200 thousand and above the total taxable income was \$12.8 billion in DC, \$61.02 billion in MD and \$83.4 billion in VA, giving a total taxable income of \$157.2 billion. A 1.1 % surtax on this income would generate \$1.8 billion equal to the proposed FY 2019 budget funding from state and local sources. Note that the new federal income tax legislation in 2019 gives these wealthy taxpayers an average tax cut amounting to 1.2 to 3.4 % of their pre-tax income (2), more than a modest 1.1 % surtax that would deliver the total proposed state and local funds amounting to \$1.8 billion corresponding to the FY 2019 budget. In addition, DC, MD and VA could generate significant additional revenue by simply recovering the remaining federal tax cut for these wealthy residents, leaving them with the same overall tax burden, state and federal, as if no changes occurred in the tax codes. For example, in 2019 DC could likely gain \$300 million in more revenue, badly needed for housing and income support for low-income residents, by just hiking the DC income tax payments from the wealthy by 2%.

Thus, I urge DC, VA and MD to consider raising their state income rate on wealthy residents, especially millionaires, leaving them with the same overall tax liability, a step to making DC, MD and VA's tax structures more progressive, based on ability to pay. Note that Massachusetts has considered a 4% surtax on millionaire income to be spent on transportation and education (3) Likewise voters in the November 2016 election approved tax hikes on the rich in California and Maine (4).

2) Revenue from taxing commercial property benefiting from WMATA proximity.

This case has been eloquently made by Rick Rybeck (5) and his dad, Walter Rybeck (6): “It is very sad that WMATA is pleading poverty while it is giving away billions of dollars in Metro-created land values. (Metrorail cost about \$10 billion to build, but has created more than \$10 billion in additional land value around its stations.)” (5)

“A limited number of owners of prime sites near stations reap... Metro-generated land values as windfalls; this fuels land speculation and gentrification... A universal property-tax abatement [reducing the tax applied to privately-created building values while increasing the tax applied to publicly-created land values] would bring about results that exceed the wildest dreams of transit supporters and local political leaders” (6)

3) Revenue from a gross receipts tax on regional corporations

Given that they derive immense benefits from a publicly-funded WMATA, a gross receipts tax on regional corporations should be considered with an Ohio-like provision prohibiting pass-on to prices of its products, and WMATA should strongly urge its jurisdictions to all pass this regional tax.

(1) Source of data: IRS data, <http://www.irs.gov/uac/SOI-Tax-Stats-Historic-Table-2>; Historic Table 2 State Data Tax Year 2015, open DC, MD, VA on the map).

- (2) Source of data: <https://itep.org/finalgop-trumpbill/>
- (3) <http://www.bostonmagazine.com/news/blog/2016/10/28/massachusetts-millionaires-2>; <http://www.wbur.org/news/2016/01/19/economists-push-for-millionaires-tax>.
- (4) <http://www.forbes.com/sites/ashleaebeling/2016/11/10/voters-okay-state-income-tax-hikes-for-the-rich/#5eec6e4b16d0>.
- (5) <https://ggwash.org/view/43122/wmata-is-up-against-a-budget-deficit-today-it-floated-ideas-for-some-very-big-very-difficult-changes>, comment by Rick Rybeck on October 12, 2016 at 12:14pm
- (6) https://www.washingtonpost.com/opinions/how-metro-can-recapture-some-of-the-value-it-creates/2017/11/24/dc4efe8a-c63c-11e7-afe9-4f60b5a6c4a0_story.html?utm_term=.6d9889d3e9e1
How Metro can recapture some of the value it creates By Walter Rybeck, November 24, 2017.”

Do you require other steps (governance, labor, etc.) before you can support it? No. Nevertheless, the WMATA board should be democratized to include representatives of public transit riders and TWU 689.

4. Do you support funding the DC Streetcar to extend east to Benning Road Metro in Ward 7 and west in dedicated lanes to Georgetown? What infrastructure to improve access by District residents to jobs, schools, and businesses would you support funding?

No. Electrified buses are a cheaper, better and more flexible option. I supported this approach as a member of the Transportation Working Group of Sustainable DC 2.0. Funding for infrastructure should be targeted to more accessible and cheaper public transit, electrified buses and implementation of the Mayor’s commitment to a 100% renewable energy supply for DC by 2035 (<https://cleantechnica.com/2017/06/28/250-us-mayors-commit-100-renewable-energy-amidst-adoption-new-climate-resolution/>);

More Than 250 US Mayors Commit To 100% Renewable Energy Amidst Adoption Of New Climate Resolution, June 28th, 2017 by [Joshua S Hill](#)

More than 250 United States mayors have adopted a new bipartisan climate change resolution that includes a push for US cities to commit to 100% renewable energy by 2035, further widening the divide between US cities and their new Commander in Chief; Source: http://legacy.usmayors.org/resolutions/85th_Conference/proposedcommittee.asp?committee=Energy).

I am an environmental scientist focusing on climate change, energy, Professor Emeritus, Howard University. Website with my older son Peter: <http://solarutopia.org/>

5. Last year, the DC Council approved \$36 million in tax-increment financing to subsidize 600 additional parking spaces at Union Market. Are you supportive of the way that TIF proceeded or would you like to see changes for future TIFs, regarding parking and/or in general?

No, not at all. The sustainable alternative is to make electrified public transit more convenient and cheaper for the public to access this Market and other similar facilities.

6. Nearly 20 percent of all property in DC is protected by historic preservation law - more than Boston, Chicago, and Philadelphia combined. Do you think DC's historic preservation process is striking the right balance or needs changes to preserve our history without excluding potential residents from many neighborhoods?

Yes, this process is striking the right balance. Displacement of long-term residents has been a long standing component of gentrification. Potential residents can be accommodated by restoration of vacant housing, using vacant commercial space for affordable apartments, and expanding public housing, especially for former residents who have been priced out by the high cost housing market.

7. The District continues to face significant income inequality. What specifically do you think the District should do to close this gap? Relatedly, what you think the District should do to support those who are experiencing homelessness or at risk of homelessness?

DC has the highest income inequality in the nation, compared to the 50 states. Income inequality is the driver of bad outcomes for all our residents, likewise for communities around the world. DC's Homelessness per capita in 2016 was higher than any major U.S. city. DC's child poverty level is very high, only slightly lower than Mississippi. This is the legacy of the heavy weight of the Federal City Council's neoliberal, "balance the budget on the backs of the poor" agenda on our local elected government since the Control Board regime (see documentation in the 2017 DC Human Rights City Report, at <https://www.afsc.org/document/2017-dc-human-rights-city-report>; I am on the SC of the DC Human Right City Committee and contributed to this report and the two previous ones). *GGW and the Coalition for so-called "Smarter" Growth should sever their ties to the Federal City Council and stop greenwashing gentrification and displacement*; case in point, GGW and the Coalition for Smarter Growth's support for the Mayor's plan for McMillan Park (VMP). As an individual member and representative of the DC Statehood Green Party to the Fair Budget Coalition, I have long advocated, testified to and strongly endorse the following initiatives to reduce income inequality and create a better quality of life for all our residents:

Taxation:

Raise taxes on wealthy individuals [and families] [Much more at: <https://www.dcctj.org/>]

Increase taxes on developers building high end and luxury condos

Increase corporate tax rates for multi-state and multi-national corporations

Public Deals:

Reconsider subsidized development projects that don't meet basic resident needs (e.g., in 2017, \$279 million from the DC Streetcar, \$145 million from developments at McMillan, Hill East, St. Elizabeth's, and Walter Reed)

Eliminate subsidies for housing providers/property owners with substandard, unlawful living conditions

End land giveaways and enforces affordable housing regulations on land sold/leased at discounted price

Withdraw all subsidies/abatements from developers/corporations not complying with local hiring, affordable housing regulations or other wage/labor laws

Use money from fund balance and reserve

As a result of these public deals, \$ hundreds of millions per year are lost that could go to unmet needs of low-income residents, reducing income inequality in our community.

More specifically, the big federal income tax cut for wealthy DC residents should be recovered as revenue for DC by hiking the DC income tax rates for the same taxpayers, leaving them paying the same overall taxes (federal plus DC) This action would generate at least \$250 million extra revenue in 2019, to be used for affordable housing for low-income residents, including the homeless, e.g., financing community land trusts, repairing public housing, and rental assistance, and income support for low-income residents (boosting TANF and tax rebates). For more details see “Who benefits most from the new federal tax legislation and how to use this to increase our revenue stream for low-income residents, meeting unmet needs ?”: <https://www.dccetj.org/>.

(Note the regressive impact that the new federal tax law has on the DC income tax burdens, namely the steady increase in the "Change in Effective Rate", from 0.1% (\$500K) to 0.4% (\$25K) (see p.20, CFO report, “Summary of the Effects of Major Provisions of the “Tax Cuts and Jobs Act” on District Residents and Businesses”. The overall tax burden (DC income, property and sales taxes) is already regressive over \$50 K family income, even without the federal deduction offset which is now limited to \$10,000 (state and local taxes).)

In addition, Bill 22-0701, Closing the Carried Interest Tax Loophole Act of 2018, should be approved by the Council, legislation which would yield approximately \$150 million/year of new revenue.

Relatedly, what you think the District should do to support those who are experiencing homelessness or at risk of homelessness?

First, curb subsidies to developers who are prioritizing the creation high income condos/rental units, shift these subsidies to the repair and expansion of public housing, implementation of TOPA, DOPA, community land trusts. A near term solution that could go far in significantly reducing homelessness: expand provision of rapid rehousing and rent supplements to keep individuals and families in this housing once market rates kick in.

8. How would you support using the District's current budget surplus? If in the future the District falls into recession creating budget gaps in the \$200-400 million range, what would you propose doing then?

Budget surplus spending priority should be addressing the unmet needs of low-income residents. Prepare for recessions and the assault of the Trump Administration on low-income budgets by creating a DC Public Bank, keeping sufficient funds in reserve (I am a member of the SC, DC Public Banking Center,<http://www.dcpublicbanking.org/>), a progressive DC tax structure, DC has

the tax base to do much better for its residents. Race to the top, not the bottom, by creating a model for surrounding jurisdictions.