

GOVERNMENT OF THE DISTRICT OF COLUMBIA



Public Hearing on Bill 23-778
“New Howard University Hospital and Redevelopment
Tax Abatement Act of 2020”

Testimony of
Rashad Young
City Administrator

Before the
Committee on Health
Councilmember Vincent C. Gray, Chairperson
and the
Committee on Business and Economic Development
Councilmember Kenyan R. McDuffie, Chairperson

June 30, 2020, 9:00 a.m.
(Virtual Hearing via Webex)



Good morning, Chairmen McDuffie and Gray, and members of the Committees on Health and Business and Economic Development. For the record, my name is Rashad Young, and I am the City Administrator of the District of Columbia. I am pleased to testify before you today on Bill 23-778, the New Howard University Hospital and Redevelopment Tax Abatement Act of 2020.

Bill 23-778 will serve as an important catalyst for the delivery of high-quality health care to underserved communities and residents in Washington, DC. Specifically, as announced by Mayor Bowser on April 29, 2020 the proposed legislation will authorize a 20-year tax abatement for the existing Howard University Hospital site and adjacent parcels. The tax abatement in turn will provide a significant source of financing to allow Howard University and its new operating partner, Adventist HealthCare, to build a new, state-of-the-art \$650 million, 225-bed, Level I trauma and academic teaching hospital to serve existing and new Howard patients, nearby communities, and residents throughout the District. In addition, the Mayor's FY21 proposed budget contains \$25 million to assist with future public infrastructure

improvements associated with the new hospital, such as sidewalk and road improvements.

The construction of the new hospital will also free up the existing hospital site for redevelopment. We expect the newly developed site will house a variety of robust uses, such as affordable and market-rate housing, neighborhood-serving retail, and office space. This redevelopment will contribute to the vibrancy of nearby neighborhoods and will also create a significant number of job opportunities for District residents.

Contingent upon Council approval, the intent of the District and Howard University to achieve these goals was memorialized through a term sheet signed by Mayor Bowser and Dr. Frederick on April 29, 2020. I have attached a copy of the term sheet to my testimony for the record.

Howard University and its College of Medicine play a critical role not just in our city, but for the entire country. Howard's College of Medicine is a premier national medical school that produces more African-American doctors than any other university in the United States. This legislation will help ensure that Howard will be able to train the best and the brightest for many years to come, and it will allow Howard to better support its academic and medical service missions. We believe it is a critically important public

goal for Howard to continue to operate a successful program to educate and train students in the medical professions from under-represented populations, including the African-American community, and to continue to serve the medical needs of underserved communities. The building of a new facility and Howard's new partnership with Adventist Healthcare will provide a wide range of facilities for residents of all health professions to train and prepare for their careers.

As one of the conditions for the tax abatement, Howard has agreed to operate five Centers of Excellence. Those centers will focus on sickle cell disease, women's health, oral health, trauma and violence prevention, and substance use and co-occurring disorders. The Centers of Excellence will provide care and services tailored to the specific needs of our communities and will allow Howard University Hospital to continue to play a leading role in helping eliminate long-standing health disparities impacting District residents and in particular, our communities of color. Mayor Bowser's FY21 proposed budget contains \$4.2 million to begin the Centers in FY21 (October 2020). This is the first of a six-year commitment totaling \$26.6 million.

In addition, Howard would be required by the legislation to enter into a First Source agreement for the development of the new hospital and the

redevelopment of the existing hospital site. Howard would also be required to enter into an agreement requiring it to contract at least 35% of the redevelopment of the existing hospital site and the development and operation of the new hospital with certified business enterprises.

The ongoing pandemic has highlighted the importance of having a strong, citywide health care system that provides high quality, integrated care to all District residents. We have some of the best hospitals and most talented medical professionals right here in Washington, DC, but one of the frustrating realities we face is, despite this strong overall health system, a significant number of District residents continue to experience poor health outcomes. Everyone—regardless of zip code, income, or race—should be able to access high-quality care, and we should not have major disparities in health outcomes. Unfortunately, that is not the current reality as generations of racism and discrimination have put thousands of Black Washingtonians and other minorities at a significant health disadvantage. The new Howard U University Hospital and its Centers of Excellence are key components of the District's larger efforts to address these disparities.

*Testimony of City Administrator Rashad Young
Before the Committee on Health and the Committee on Business and Economic Development
Hearing on Bill 23-778, the New Howard University Hospital and Redevelopment Tax Abatement Act of 2020
June 30, 2020*

If approved by the Council, Bill 23-778 will improve the quality of health care provided to all District residents and provide opportunities for African American health care professionals for generations to come.

Thank you for the opportunity to provide testimony today, and I am available to answer any questions you may have.