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BILL 25-0152 AS INTRODUCED RACIAL EQUITY IMPACT ASSESSMENT REPARATIONS FOUNDATION FUND AND TASK FORCE ESTABLISHMENT ACT OF 2023

то:	The Honorable Phil Mendelson, Chairman, Council of the District of Columbia
FROM:	Namita Mody, Director, Council Office of Racial Equity Manuto H. Mody
LEAD ANALYSTS:	Danaya Hough, Senior Policy and Engagement Analyst $igcup$
	Milika Robbins, Senior Policy and Data Analyst
DATE:	August 23, 2023

COMMITTEE

Committee on Business and Economic Development

BILL SUMMARY

Bill 25-0152 establishes the Reparations Task Force and the Reparations Foundation Fund. Additionally, the bill requires the Commissioner of the Department of Insurance, Securities, and Banking to establish and maintain a "slavery era database," to hold records of slaveholder insurance policies.

ASSESSMENT OUTLINE

- (1) Document Overview
- (2) Glossary
- (4) Historical Analysis
- (11) Slavery Era Database
- (14) Reparations Task Force

- (20) Reparations Foundation Fund
- (27) Conclusion
- (29) Assessment Limitations
- (30) Appendix

Content Warning: The following content touches on abuse, anti-Blackness, arrests, assault, Black Codes, birth mortality, captivity, chattel slavery, child death, the Civil War, "criminality," the criminal legal system, convict leasing, death, death by police, enslavement, exploitation, gentrification, homelessness, incarceration/imprisonment, interaction with criminal legal system, Jim Crow, murder, police (including the Metropolitan Police Department), poverty, racism, racial discrimination, use of the word "savage," segregation, slave codes, state-sanctioned violence, theft, trafficking, violence, weapons, and white supremacy ideology. Some or all of these issues may trigger a strong emotional response. We encourage you to use this knowledge in the way that is most helpful to you.



DOCUMENT OVERVIEW

The document you are about to read is a Racial Equity Impact Assessment, a careful and organized examination of how Bill 25-0152 will affect Black residents and residents descended from enslaved Africans. In other words, this assessment answers the question, "If Bill 25-0152 passes, how will it impact Black District residents and District residents descended from enslaved Africans?" While Racial Equity Impact Assessments (REIAs) typically discuss how a bill will affect several racial and ethnic groups, this REIA's focus is due to the nature of Bill 25-0152 (explained in detail later in the document).

A bill is a draft document that the Council considers before deciding whether it should become a law. First, a Councilmember (or a group of Councilmembers) introduces a bill. This draft is referred to as the "introduced version." Then, the Chairman assigns the bill to committee(s) for consideration based on the topics covered in the bill. Five Councilmembers sit on each committee.

If the committee decides they would like to move the bill forward in the lawmaking process, the introduced version is presented at a public hearing. At a public hearing, residents, community organizations, government witnesses, and other stakeholders give input.

If the committee decides to continue moving the bill forward after the public hearing, the committee can make changes to the introduced version of the bill, including incorporating feedback from the public hearing. This updated version of the bill is referred to as the "committee print."

The next step in the lawmaking—or legislative—process is a meeting called a "markup." At a markup, the committee reviews the committee print and votes on whether to move it forward. If the committee vote passes, all thirteen Councilmembers then vote on whether the committee print should become law over two legislative meetings.

During Council Period 25 (from 2023-2024), the Council Office of Racial Equity can write up to two Racial Equity Impact Assessments (REIAs) while the Council is considering a bill.

First, we *must* write a REIA that analyzes the introduced version of the bill. We publish this REIA following the public hearing—this is the REIA you are reading now. If the committee decides to move the bill forward, we can also write a second REIA that analyzes the committee print. The REIA on the committee print is published ahead of the markup. To see if we have published a second REIA on this bill, please review <u>our</u> <u>REIA database</u>.

For an in-depth explanation of the REIA process, see CORE's website.

FORMATTING NOTE

This REIA's format differs slightly from CORE's usual format because of the bill's substance. The REIA begins with a glossary on relevant terms for Bill 25-0152. Following this is a historical analysis of the District's laws, policies, practices, and decisions to contextualize the substance of the bill.

Then, the REIA is organized into three sections, highlighting the major provisions of the bill: the slavery era database, the Reparations Task Force, and the Reparations Foundations Fund. In each section, the corresponding provision summary, relevant background research, and racial equity considerations are explained in detail. Lastly, the REIA includes a conclusion of the racial equity analysis of Bill 25-0152.

It is important to note that this document describes Bill 25-0152 in plain language for the purposes of discussion. This explanation is not a substitute for the bill, or if passed, the law. Mentions of "bill" throughout this REIA refer to the introduced version.



GLOSSARY

TERM	DEFINITION
SLAVERY ERA	As defined by the bill, the slavery era means the years from 1619 to 1865.
CHATTEL SLAVERY	Chattel slavery was the racialized system that subjected Black people to a lifetime of enslavement—inherited by birth—to produce a self-sustaining class of exploited laborers. Chattel slavery treated Black people as property to be bought, sold, and recovered in instances of loss (such as when an enslaved person would escape captivity). (source)
THE SLAVE TRADE	The buying and selling of enslaved people. The phrase commonly refers to the practice of trafficking enslaved people of African descent to North and South America from the 16 th to 19 th century. (<u>source</u>)
	A person who forced others to perform labor or services against their will by "exert[ing] power over those they kept in bondage." (<u>source</u>)
ENSLAVER SLAVE HOLDER	The term "slaveholder" has traditionally been used to refer to an enslaver. However, by using the term "enslaver," there is a direct recognition of 1) the humanity of the people they kept in forced servitude and 2) the fact that being an enslaver was a choice that the person (and government) made and forced onto others. (<u>source</u>)
ENSLAVED PERSON SLAVE	An enslaved person is "someone who [is] forced to perform labor or services against their will under threat of physical mistreatment, separation from family or loved ones, or death." In the context of the bill, African people who were trafficked to the US as part of the slave trade, along with their descendants who were held as property in the US during the slavery era, are considered enslaved people. The term "slave" has traditionally been used to refer to an enslaved person. However, by using the term "enslaved person," there is a direct recognition of 1) the humanity of enslaved people and 2) the fact that being enslaved was forced
REPARATIONS	on them by another human (and government) entity. (source) As defined by the bill, reparations are the "compensation, restitution, or economic redress provided to eligible recipients directly wronged and traumatized by the ills of slavery, Jim Crow, and structural and institutional racism." Traditionally, reparations have been used to repair harms from violence that government entities allowed, enabled, or perpetuated toward a group of people.
STRUCTURAL RACISM	Reparations may include financial compensation, along with other actions. The way in which public policies, institutional practices, cultural representations, and other norms work in various, often reinforcing ways to perpetuate racial inequity via discrimination. (source) Structural racism highlights the ways that history and culture have allowed
	privileges to people associated with "whiteness" and ensured disadvantages to



	people associated with "Blackness" and "color." Structural racism has endured and adapted over time. (<u>source</u>)
	For example, discrimination against Black residents for cannabis use due to false narratives relating to cannabis use, race, and "crime" is an example of structural racism. These narratives cause the District to justify the overpolicing of Black residents for cannabis use, despite data showing that Black residents and white residents use cannabis at the same rates. This form of structural racism within policing has disproportionately and negatively affected justice outcomes for Black people for decades. (source)
	Structural racism is often synonymously used with systemic racism (<u>source)</u> .
INSTITUTIONAL RACISM	Institutional racism refers to the ways in which policies, practices, and procedures are created and work in an intertwined manner within an institution or organization so that they favor white people and generally grant them privilege, while dehumanizing Black people (and other people of color), mostly disadvantaging them. (<u>source</u> , <u>source</u>)
	Racially discriminatory home loan practices by banks are an example of institutional racism. This form of institutional racism within banks has disproportionately and negatively affected homeownership outcomes for Black people. (<u>source</u>)
	Jim Crow is used to describe how laws, policies, rules, and social interactions enforced segregation between Black people and white people from 1874-1965 in the Southern US. (<u>source</u>)
JIM CROW (ERA)	For example, segregated schools were characteristic of this era, in which Black children attended schools separately from white children. Black students' schools often were underresourced, with "outdated books, underpaid teachers, and lesser facilities and materials." (<u>source</u>)
DE JURE DISCRIMINATION	Purposeful unjust treatment of people that is mandated by government, law, and public policy often resulting in racial inequities. In the bill's context, this largely refers to the ways in which laws treated Black people and descendants of enslaved Africans in an unjust way. (<u>source</u>) However, the term is not defined in the bill.
DE FACTO DISCRIMINATION	De facto discrimination that occurs "as a matter of fact without imposition of law." In other words, it is the unjust treatment of people resulting from actions, practices, and customs although no law or rule explicitly requires it. (<u>source</u> , <u>source</u>) However, the term is not defined in the bill.

A Final Note

Finally, as you—our reader—engage with this Racial Equity Impact Assessment, we ask that you see beyond the words on the page and the many years between the slavery era and now. Recognize the humanity of Africans trafficked and enslaved for their lifetimes—and the humanity of their descendants living today.



HISTORICAL ANALYSIS

The following is a brief overview of the long and violent history of the abduction, trafficking, enslavement, and continued oppression of African people and their Black American descendants. Although only an overview is provided and many explicit details were intentionally omitted, please read with care, and keep in mind:

We can never fully capture the horror that was inflicted on Black people by white enslavers or the governments that supported them. We can never fully capture the courage and strength it took for Black people to revolt and fight for liberation. We can never fully capture the will and determination it took for Black people to survive.

An overview of the history of enslavement could take many forms. In the context of reparations and racial equity, we have decided to highlight how the formation of race and enslavement in the United States are

interconnected. The process by which enslaved Africans and their descendants came to be identified by a "race" informs the racial inequities we see today.

African people were not enslaved because they were "Black," but they became "Black" through an intentional social, political, and economic process known as racialization. Racialization is "the very complex and contradictory process through which groups come to be designated as being part of a particular "race" and on that basis subjected to differential and/or unequal treatment."¹

The system of enslavement that oppressed African people is the same system that oppresses, disadvantages, and is responsible for the racial inequities that Black people experience today. Racialization is "the very complex and contradictory process through which groups come to be designated as being part of a particular 'race' and on that basis subjected to differential and/or unequal treatment."

TRANS-ATLANTIC SLAVE TRADE

The Trans-Atlantic Slave Trade involved white Europeans abducting African people and forcibly transporting them across the Atlantic to be enslaved and transferred from one captor to another in exchange for money. From the 1500s to the 1800s, an estimated 10 to 12 million African people were shipped from Africa to the Americas—a voyage commonly referred to as the Middle Passage.² African people of all genders and ages were chained together, packed into ships, and subjected to conditions that threatened their health and claimed roughly 15 to 25% of their lives.³ Ship captains and crews and companies responsible for this human trafficking were "mostly from Great Britain, the Netherlands, Portugal, and France."⁴

Europeans treated trafficked African people as property. In the case of a shipwreck that resulted in the death of African people, traffickers were allowed to recover their financial loss,⁵ because they held

⁵ As an example, see the history of the Zong Massacre to illustrate the loss of life, government/legal support of enslavement, and the economic benefits via insurance to enslavers. Krikler, Jeremy. "<u>A Chain of Murder in the Slave Trade: A Wider Context of the Zong</u> <u>Massacre</u>." *International Review of Social History* 57, no. 3 (December 2012): 393–415.



¹ Alberta Civil Liberties Research Centre. "<u>Racialization</u>." n.d.

² Thomas Lewis. "<u>Transatlantic Slave Trade</u>." History & Facts. Britannica. July 7, 2023.

³ Ibid.

⁴ Ibid.

insurance policies on their human "cargo." (For more of this history, see the Slavery Era Database section of this REIA.)

However, for as long as white people were determined to enslave and torture African people and their descendants, they were met with resistance.

The active resistance of trafficked African people throughout the Trans-Atlantic Slave Trade and subsequent centuries of enslavement is well documented. Some African people exercised their autonomy and ended their life at sea as a form of resistance to enslavement.^{6,7} Others successfully took control of ships to secure their liberation.⁸ Still others escaped captivity or claimed their freedom by force which, eventually, directly led to the abolition of the institution of slavery.^{9,10}

RACE AND AMERICAN CHATTEL SLAVERY

Near the beginning of the 1600s, trafficked Africans were brought to the American colonies to be enslaved and forced to labor.

There are different forms of enslavement. What African people were subjected to—in what is now the United States of America—is known as chattel slavery.

Chattel slavery was the racialized¹¹ system that subjected enslaved African people to a lifetime of enslavement to produce a self-sustaining class of exploited laborers. This system of enslavement was unique in comparison to other forms because enslavement was inherited by birth. In 1662, Virginia enacted the Hereditary Slavery Law that stated a child born to an enslaved mother was also to be enslaved for life.¹² Chattel slavery treated enslaved African people as property to be bought, sold, and recovered in instances of loss (such as when an enslaved person would escape captivity).¹³

The history of enslavement is often discussed through our current understanding of race. However, as explained by David R. Roediger for the National Museum of African American History and Culture, the concept and use of the term "race" "evolved alongside the formation of the United States and was deeply connected with the evolution of two other terms: 'white' and 'slave.'"¹⁴

Before chattel slavery, the terms "race," "white," and "slave," were either rarely used or had drastically different meanings than they hold today. Before the 1500s (and the start of the Trans-Atlantic Slave Trade) the term "race," was meant to identify "groups of people with a kinship or group connection."¹⁵ As European philosophers began to theorize about the world during the Enlightenment Period (of the 1600s and 1700s), they also began to place the people of the world into categories of "race" and used physical characteristics to do so.¹⁶ These philosophers "argued that there were natural laws that governed the world and human

⁶ Natalie Mendenhall. "<u>Remembering Igbo Landing: The Story of Rebellion on Georgia's Shores</u>." Georgia Public Broadcasting, May 20, 2022.

⁷ Mary Elliott and Jazmine Hughes. "<u>A Brief History of Slavery That You Didn't Learn in School</u>." The New York Times, August 19, 2019, sec. Magazine.

⁸ Bass, Sharon L. "<u>The Amistad Revolt: 'A Tale of Triumph</u>." The New York Times, October 22, 1989.

⁹ Library of Congress, Washington, D.C. 20540 USA. "<u>The Stono Rebellion</u>." Web page. n.d.

¹⁰ "<u>The Haitian Revolution</u>," n.d.

¹¹ Language of Enslavement." Frederick Douglass National Historic Site. U.S. National Park Service, July 2, 2022.

¹² "<u>NPS Ethnography: African American Heritage & Ethnography</u>." National Park Service.

¹³ Ibid.

¹⁴David R. Roediger. "<u>Historical Foundations of Race</u>." National Museum of African American History and Culture, n.d. ¹⁵ Ibid.

¹⁶ Jamelle Bouie. "<u>The Enlightenment's Dark Side: How the Enlightenment Created Modern Race Thinking, and Why We Should</u> <u>Confront It</u>." Slate. June 5, 2018.

beings."¹⁷ One of those natural laws was the belief that "'white' people were inherently smarter, more capable, and more human than nonwhite people...This categorization of people became justification for European colonization and subsequent enslavement of people from Africa."¹⁸

As a result of chattel slavery in the American colonies, the use and definition of the term "slave" also evolved. "Slave" was previously used to refer to a person who was forced to labor for another. It was a temporary status—not a life-long sentence—and it was not linked to heredity.¹⁹

In the mid-1660s, European colonizers in the Americas categorized people into "'races' of 'savage' [Indigenous people], 'subhuman' Africans, and 'white' men."²⁰ Over time, the racial category of "'subhuman' Africans" and the social status of "slave" merged into one. Enslaved African people now belonged to a new racialized social class that was also identified by their physical characteristics (skin complexion and other traits).

Because of the merging and evolution of "race" and "slave," our modern understanding of race includes categorization based on physical characteristics, heredity, and social status—making race "a social construction that gives or denies benefits and privileges."²¹ The history of the enslavement of African people and the construction of race is the foundation of systemic racism in the United States—and why Black people experience racial inequities across sectors today.

LINGERING EFFECTS OF SLAVERY IN THE DISTRICT

Chattel slavery treated enslaved Africans and their descendants (who became racialized as Black) as property to be controlled. Even after chattel slavery's abolition (as others persist), Black Americans identified by their complexion and other physical characteristics and permanently tied to the enslavement of their ancestors—continued to experience inhumane treatment. The ideology that Black people in America were less than human was more than a concept, it was written into law and permeated American society.

The profoundly negative effects linger and are still evident today. Below, we discuss in detail how the effects of chattel slavery are present in our criminal legal system and when considering economic outcomes. Notably, the effects of chattel slavery on Black residents are present in every aspect of life: in housing (see homeownership rates²² and who more likely experiences homelessness²³), in education (in the continued segregation of schools²⁴ and school funding inequities²⁵), and in health (through life expectancy²⁶ and birth mortality rate²⁷), though these effects are not elaborated on here.

CRIMINAL LEGAL SYSTEM

This Racial Equity Impact Assessment includes data on the overrepresentation of Black residents in the District's criminal

²⁰ David R. Roediger. "Historical Foundations of Race." National Museum of African American History and Culture, n.d.

²¹ David R. Roediger. "<u>Historical Foundations of Race</u>." National Museum of African American History and Culture.

²³ Kate Akalonu. "<u>Homelessness & Racial Inequity</u>." Everyone Home DC. June 11, 2020.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

²² "Forecasting State Homeownership Trends: District of Columbia." Urban Institute.

²⁴ Sequoia Carrillo and Pooja Salhotra. "<u>The U.S. Student Population Is More Diverse, but Schools Are Still Highly Segregated</u>." NPR. July 14, 2022.

²⁵ Gail Zuagar. "<u>New Report Challenges DCPS Funding Choices</u>." DC Fiscal Policy Institute. December 10, 2019.

²⁶ Andre M. Perry, Carl Romer, and Anthony Barr. "<u>Why Is Life Expectancy so Low in Black Neighborhoods?</u>." Brookings. December 20, 2021.

²⁷ "<u>Racial and Ethnic Disparities Continue in Pregnancy-Related Deaths</u>." Center for Disease Control and Prevention. DC. September 6, 2019.

legal system. This does not mean that Black residents are inherently criminal or the only residents in the District that break the law. The overrepresentation is a result of oversurveillance, overpolicing, targeted laws, concentrated poverty, divestment in Black communities, the legacy of enslavement, and countless other choices made by the federal and District government.

The landscape of the criminal legal system in the United States consistently changed as Black Americans' position in society shifted from captive to *free*. However, this evolution meant previously enslaved Black people experienced a different definition of freedom than white people in America. *Freedom* for Black people after the Civil War meant no longer being owned but being leased through the convict leasing system—a system that allowed imprisoned Black people to be leased by companies (and sometimes rich white people) as a *free* labor force.²⁸ It meant being released from one set of chains but placed in another on a chain gang. It meant ending the exploitation of labor on the plantation but having their labor exploited in a jail or prison.²⁹

In the 1800s, Black Codes were enacted to target Black residents and criminalize regular activities that white residents were free to enjoy. Black Codes criminalized walking on grass, vagrancy (being without a job and home),³⁰ being out past a certain time, and being in public without papers proving that a Black person was, in fact, *free*.³¹ This resulted in the disproportionate arrest of Black District residents. The Metropolitan Police Department (MPD) was founded in 1861.³² In 1870, MPD officers "arrested roughly one out of every 10 Black residents, mostly for 'vagrancy' and 'disorderly conduct.'"^{33,34}

Today, Black residents are still overpoliced and disproportionately imprisoned by the District. MPD nearly exclusively stops, searches, and arrests Black residents, which has resulted in Black residents nearly exclusively being imprisoned by the District. Black residents represent 93% of the population at the Department of Corrections, 94% of the population at the Department of Youth Rehabilitation Services, and 96% of the people imprisoned at the Bureau of Prisons who were sentenced by the District's criminal legal system.³⁵

ECONOMIC OUTCOMES

For hundreds of years, white families built wealth at the expense of enslaved Black Americans.

On April 16, 1862, enslavement legally ended in the District, and compensation was given to white enslavers for the *loss of their property*—2,989 formerly enslaved Black people.³⁶ Despite enslaved Africans and their descendants laboring in the United States for centuries and experiencing indescribable torture and trauma, the end of chattel slavery in the District meant reparations for white enslavers, paid by the District

³¹ Robert Bobb et al., "<u>Decentering Police to Improve Public Safety</u>," DC Police Reform Commission, April 1, 2021. Also see, "<u>The Dark Days of the Black Codes</u>," Historical Society of the D.C. Circuit.

³² Robert Bobb et al., "<u>Decentering Police to Improve Public Safety</u>," DC Police Reform Commission, April 1, 2021.
 ³³ Ibid.

³⁶ "<u>Slave Code for the District of Columbia</u>," Digital Collections, Library of Congress.



²⁸ Ellen Terrell, "<u>The Convict Leasing System: Slavery in its Worst Aspects</u>," Library of Congress, June 17, 2021.

²⁹ See Talitha L. LeFlouria, *Chained in Silence: Black Women and Convict Labor in the New South*, University of North Carolina Press, 2016. Also, see Sarah Haley, *No Mercy Here: Gender, Punishment, and the Making of Jim Crow Modernity*, University of North Carolina Press, 2016.

³⁰ Ellen Terrell, "<u>The Convict Leasing System: Slavery in its Worst Aspects</u>," Library of Congress, June 17, 2021.

³⁴ For more on the racist history of MPD, see Robert Bobb et al., "<u>Decentering Police to Improve Public Safety</u>," DC Police Reform Commission, April 1, 2021.

³⁵ Data reflects the most recent publicly available. Because of differences in timing and data collection methods, it would be inaccurate to compare data points across facilities to each other. The Bureau of Prisons collects ethnicity data separate from race data. Hispanic and Latine people incarcerated in DYRS and DOC are included in the "other race" category. See, <u>Council for Court</u> <u>Excellence</u> (September 2020), <u>Department of Corrections</u> (July 2022), <u>Department of Youth Rehabilitation Services</u> (percentage of newly committed youth by race, FY2020).

government. No compensation was provided to formerly enslaved people who remained in the country, and their descendants were subjected to a future of continued oppression and racial discrimination.

Today, Black residents and white residents in the District experience vastly different economic realities that are directly tied to enslavement. The District's racialized gaps in wealth, income, and employment are all factors that contribute to racially inequitable economic outcomes.

Wealth

Wealth is the value of someone's assets (like their home, property, and investments) minus their debts (such as loans).³⁷ The racial wealth gap is the inequity in median wealth between races and ethnicities.³⁸ For example, the racial wealth gap is the difference between the median white family's wealth and the median Black family's wealth. In DC, a white family's median wealth (\$284,000) is 81 times higher than the median wealth of a Black family (\$3,500).³⁹

The racial wealth gap is upheld through exploitation,⁴⁰ racist government practices,⁴¹ theft,⁴² and other acts of racialized violence.⁴³ These acts occurred right here in DC—like the Snow Race Riot where white residents deliberately sought out, stole from, and destroyed Black owned establishments such as Beverly Snow's Epicurean Eating House and all Black schools.⁴⁴ Additional factors such as education opportunities, access to homeownership, income, and social networks all contribute to a person's ability to build and sustain wealth.

In the District, systemic racism is at the root of the racial wealth gap and has created "socioeconomic conditions that accelerate wealth building predominantly for [w]hite residents and slow wealth building predominantly for Black residents."⁴⁵

Income and Employment

As pointed out by Doni Crawford and Kamolika Das in their 2020 report, *Black Workers Matter: How the District's History of Exploitation & Discrimination Continues to Harm Black Workers*:

The District's deep history of exploitation and discrimination against Black workers including stolen labor when DC was a hub for [enslavement], restrictions of free Black workers to the lowest-paid jobs, federal government job discrimination through much of the 20th century, and exclusion of many Black workers from New Deal labor laws⁴⁶—led to

⁴⁴ DC.gov. "<u>DC Emancipation Day</u>," n.d.

³⁷ "The Racial Wealth Gap in Washington, D.C." The MITRE Corporation, December 2021.

 ³⁸ Amy Traub, Catherine Ruetschlin, Laura Sullivan, Tatjana Meschede, Lars Dietrich, Thomas Shapiro, *Demos*, <u>"The Racial Wealth Gap: Why Policy Matters,"</u> 2016; also see Kimberly Amadeo, "<u>Racial Wealth Gap in the United States</u>," the balance, November 2020.
 ³⁹ Kilolo Kijakazi, Rachel Marie Brooks Atkins, Mark Paul, Anne Price, Darrick Hamilton, and William A. Darity, Jr., "<u>The Color of Wealth in the Nation's Capital</u>," Urban Institute. November 1, 2016.

⁴⁰ Eric Williams, *Capitalism & Slavery*, 1944.

⁴¹ Nick Sibila, "<u>After Cops Seized and Kept Cash, Washington, D.C. Settles Almost Million Dollar Forfeiture Class Action</u>," Institute for Justice, 2014.

⁴² Ibid.

⁴³ Gillian Brockell, "<u>The deadly race riot 'aided and abetted' by The Washington Post a century ago</u>," *The Washington Post*. July 15, 2019.

⁴⁵ "<u>The Racial Wealth Gap in Washington, D.C.</u>" The MITRE Corporation, December 2021.

⁴⁶ The New Deal included protections for workers' rights to join unions, earn minimum wages, and earn overtime. CORE has previously written about the New Deal from a racial equity lens, see the REIA for <u>Bill 25-0124, the Pay Scale and Benefits Disclosure</u> <u>Amendment Act of 2023</u>.

present-day racial disparities in many employment-related metrics including occupations, wages, employment levels, benefits, and opportunities to grow wealth.⁴⁷

The income gap in the District is also racialized—the median income of white residents (\$142,500) is three times greater than the median income of Black residents (\$45,200).⁴⁸

In 2022, the unemployment rate in DC was less than 5% overall, a decrease from previous years. However, that same year the District's racial inequities in employment were the worst in the nation, highlighted the DC Fiscal Policy Institute (DCFPI). The unemployment rate for Black residents (9.6%) was nearly seven times higher than the unemployment rate for white residents (1.4%).⁴⁹ The DCFPI report elaborates that the racialized unemployment gap "cannot be attributed to differences in education or skills-training alone and reveals a deeply inequitable economy."⁵⁰

Further, the report highlights how unemployment in the District is "geographically concentrated, following and likely reinforcing—patterns of racial segregation."⁵¹ Data from the Department of Employment Services show that in May 2023, the unemployment rate in predominately Black Wards 7 and 8 was around 7% and 9%, respectively, while the unemployment rate in the predominately white Ward 3 was less than 4%—the lowest of all wards in the District.⁵²

For a detailed timeline on the many racist policies and instances of white racial violence against Black communities in the District, see the Appendix.

CORE

⁴⁷ Doni Crawford and Kamolika Das. "Black Workers Matter." DC Fiscal Policy Institute. January 28, 2020.

⁴⁸ Ibid. Also see, "The Racial Wealth Gap in Washington, D.C." The MITRE Corporation, December 2021.

⁴⁹ Caitlin C. Schnur and Erica Williams. "<u>DC's Extreme Black-White Unemployment Gap Is Worst in the Nation</u>." DC Fiscal Policy Institute. July 26, 2023.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid. Also see, "<u>District of Columbia Labor Force, Employment, Unemployment and Unemployment Rate by Ward</u>." Department of Employment Services. May 2023.

CHANGING RACIAL DEMOGRAPHICS OF THE DISTRICT

The racial landscape of the District has looked vastly different at various points throughout its history. Before European colonization, the land currently known as the nation's capital was home to many Indigenous people.⁵³ The city of Washington, District of Columbia was officially founded on July 17, 1790, when Congress passed the Residence Act.⁵⁴ In the decades that followed, the city expanded largely due to development and the labor of enslaved Black people.

In 1791, planner Pierre L'Enfant leased enslaved Black people from their enslavers to clear the land intended for the White House and the Capitol. When unsuccessful at recruiting enough white European and American laborers to complete the build, the City of Washington's Board of Commissioners also relied on the forced and exploited labor of enslaved Black people.⁵⁵ In many instances, white enslavers were paid for the labor performed by the Black people they held captive.⁵⁶

By 1860, there were 11,131 free Black people and 3,185 enslaved Black people living in the District of Columbia (which had a population of fewer than 100,000 people).^{57,58} As noted by Urban Institute, "between 1860 and 1910, the city added over 250,000 people. With the onset of the first World War, population growth accelerated and then took off again during World War II. By the 1950 Census, the city had reached its peak population of over 800,000."⁵⁹

With the end of segregation in the '60s, the racial demographics of the District drastically changed. This change was due to white flight, the phenomenon of white residents fleeing urban areas when the area becomes more racially diverse.⁶⁰ In 1950, there were 517,000 white residents in the District. By 1970, the white population dropped to only 209,000.⁶¹

That same year, the District reached its peak majority Black population with over 70% Black residents (and almost 28% white residents), becoming the United States' first majority Black city.⁶² This led George Clinton of The Parliament and others to refer to the nation's capital as "Chocolate City."⁶³

However, the racial makeup of the District would look drastically different in the coming years.⁶⁴ From 2000 to 2013, 20,000 Black residents were displaced from the District of Columbia.⁶⁵ DC was one of seven cities in the country that accounted for nearly half of the nation's gentrification.⁶⁶ According to the "urban policy startup" Metro Ideas Project, "gentrification is a term for the arrival of wealthier people in an existing urban district, resulting in an increase in rents and property values, often pushing out many of the low-income, longtime residents." This "pushing out" is referred to as displacement.⁶⁷

Today, DC is 43.5% Black, with most Black residents living in Wards 4, 5, 7, and 8. The highest concentration of Black residents are in Ward 7 (91.5%) and Ward 8 (91.6%), and the highest concentration of white residents is in Ward 3 (81.4%).⁶⁸

⁶⁸ DC Health Matters, "<u>Summary Data for City: District of Columbia</u>," 2023. For more on segregation in the District, see <u>CORE's REIA</u> on <u>Bill 24-0700</u>, the "Advisory Neighborhood Commission Boundaries Act of 2022."



⁵³ CORE has previously written about the history colonization, land use, and genocide of Indigenous people in the area now known as the District of Columbia. See REIA for <u>PR 24-0928, the Congress Heights Small Area Plan</u>.

⁵⁴ Jenne Mason Fogle, "<u>History of Washington, D.C.</u>," Britannica.

⁵⁵ National Archives. "<u>Slaves Built the White House and Capitol - See the Records</u>," August 15, 2016.

⁵⁶ Ibid.

⁵⁷ "<u>Slave Code for the District of Columbia</u>," Digital Collections, Library of Congress.

 ⁵⁸ Urban Institute. "<u>Demographic Change in Washington, D.C.: Taking the Long View</u>," March 29, 2011.
 ⁵⁹ Ibid.

⁶⁰ Linda Zou, "White Flight May Still Enforce Segregation," American Psychological Association, October 25, 2021.

⁶¹ Kathryn Zickuhr, "Discriminatory Housing Practices in the District: A Brief History," D.C. Policy Center, October 24, 2018.

⁶² David Rusk, "<u>Goodbye to Chocolate City</u>," D.C. Policy Center, July 20, 2017.

⁶³ George Clinton referred to DC as "Chocolate City" in his 1975 song of the same name because DC was seen as a "metaphorical utopia where Black folks' majority status translated into an assertion of self-consciousness, self-determination and self-confidence." See: Kenneth Carroll, "<u>The Meanings of Funk</u>," *The Washington Post*, February 1, 1998.

⁶⁴ For more insight on the District's changing racial makeup since the 70s see, "<u>How the Region's Racial and Ethnic Demographics</u> <u>Have Changed since 1970</u>." D.C. Policy Center. January 13, 2020.

⁶⁵ Jason Richardson, Bruce Mitchell, and Juan Franco, "<u>Shifting Neighborhoods: Gentrification and Cultural Displacement in</u> <u>American Cities</u>," National Community Reinvestment Coalition, March 18, 2019.

⁶⁶ Ibid.

⁶⁷ Cate Irvin. "Gentrification: What It Is and Why It Matters," Metro Ideas Project. August 17, 2017.

SLAVERY ERA DATABASE

PROVISION SUMMARY

Bill 25-0152 requires the Commissioner of the DC Department of Insurance, Securities and Banking (DISB) to establish a "slavery era database" within 180 days of the bill's effective date.

This database must include records of enslavers' insurance policies on people they enslaved during "the era of slavery" (including policies issued by any predecessor of an insurer⁶⁹). Additionally, the bill requires all insurers to research and report to DISB any records of enslaver insurance policies that have "provided coverage for injury to, or death of, enslaved people."⁷⁰

The Commissioner must maintain this database and make it available to the Reparations Task Force, so that it can be used to create reparation proposals.

BACKGROUND

>>> WHY INCLUDE INSURANCE RECORDS IN THE SLAVERY ERA DATABASE?

As previously discussed, the insurance industry is inexorably linked with the Atlantic slave trade—the trade of humans and goods from Africa to the Americas.⁷¹ As investors, traders, and enslavers realized just how profitable the slave trade could be, they began to partner with banks and emerging companies to provide life insurance to protect their "investments"—African people who they had captured and forced into enslavement.^{72,73} In some instances, life insurance allowed traders and enslavers to recoup "three-quarters of an [enslaved person's] value in the event of an untimely death."⁷⁴

Many modern-day American companies have participated in and profited from insurance on enslaved people. For example, current Fortune 100 company New York Life was previously known as Nautilus Insurance Company.⁷⁵ In 1847, "insurance policies on [enslaved persons] accounted for a third of all the firm's policies."⁷⁶ Aetna and US Life also sold insurance policies to those that enslaved people.^{77,78} JP Morgan Chase

76 Ibid.

⁶⁹ A predecessor of an insurance company may include organizations and companies that have merged or otherwise bought an original insurance company since the time of chattel slavery. It may also include organizations that provided insurance for enslavement but did not identify as an insurer at the time.

 $^{^{\}rm 70}$ See the Introduction for Bill 25-0152.

⁷¹ Sharon Ann Murphy, "<u>Securing Human Property: Slavery, Life Insurance, and Industrialization in the Upper South</u>," Journal of the Early Republic, 2005.

⁷² Rachel L. Swarns, "<u>Insurance Policies on Slaves: New York Life's Complicated Past</u>," The New York Times, December 18, 2016, sec. U.S.

⁷³ See Eric Williams, "<u>Capitalism & Slavery</u>," 1944; also see Philip Curtin, "<u>The Atlantic Slave Trade: A Census</u>." University of Wisconsin Press, 1972; and Marcus Rediker, <u>The Slave Ship: A Human History</u>, Penguin Random House, 2008.

⁷⁴ Rachel L. Swarns, "<u>Insurance Policies on Slaves: New York Life's Complicated Past</u>," The New York Times, December 18, 2016, sec. U.S.

⁷⁵ Ibid; Also see the New York Public Library Archives and Manuscripts, "<u>Nautilus Insurance Company Slavery Era Ledgers</u>," 1845-2002.

⁷⁷ "<u>Aetna Apologizes for Slave Insurance</u>," Los Angeles Times, March 11, 2000.

⁷⁸ Rachel L. Swarns, "<u>Insurance Policies on Slaves: New York Life's Complicated Past</u>," The New York Times, December 18, 2016, sec. U.S.

and Wells Fargo, which are multi-billion dollar companies today, previously allowed enslaved people to be used as collateral for loans.^{79,80}

To understand how trading companies benefitted from insurance claims on enslaved Africans, consider one of the largest traders of enslaved people in US history, Franklin & Armfield. The company was headquartered in Alexandria, Virginia and operated in the District.⁸¹ In 1831, a Franklin & Armfield ship crashed in the Bahamas. Eleven enslaved persons escaped and were declared free by the British governor. Franklin & Armfield was able to collect \$37,555 in insurance claims on the enslaved people it lost.⁸²

Providing insurance for the Atlantic slave trade became so profitable that not only did it aid the expansion of new industries in the slave-based US South—including industrial coal mines, railroad buildings, and iron

manufacturing⁸³—but it also influenced development of general life insurance as we know it.⁸⁴ While CORE does not discuss it in-depth here, racism is still extremely present in the modern-day insurance industry, affecting the lives of Black residents.⁸⁵

The insurance industry is inexorably linked with the Atlantic slave trade.

>>> DO SIMILAR DATABASES EXIST?

There are several similar databases maintained by universities, jurisdictions, and research projects.⁸⁶ These

databases include original documentation from the slavery era—defined as 1619 through 1865.

For example, the California Department of Insurance has its own database, which includes records of insurance policies taken out by enslavers to protect their investment on enslaved people.⁸⁷ The California Department of Insurance's Slavery Era Insurance Registry was required by legislation similar to Bill 25-0152.⁸⁸ The database and a corresponding report⁸⁹ are now available for all people to review in public viewing rooms and libraries.⁹⁰

Another example like the bill's required slavery era database is the Northeast Slavery Records Index.⁹¹ This database includes records of enslaved people and their enslavers in the states of "New York, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, and New Jersey."⁹² Records include slave trade transactions, birth certificates, cemetery records (when available), ship inventories, and other legal

⁸⁵ For more on how racism is present in the insurance industry, see CORE's REIAs on <u>Bill 24-0225</u> (on insurance governance), <u>Bill 24-0111</u> (on car insurance discounts), <u>Bill 24-0410</u> (on flood insurance), <u>Bill 25-0124</u> (on prior authorizations for health insurance), and <u>Bill 25-0141</u> (on copays and health insurance), and <u>Bill 24-0150</u> (on auto and homeowner insurance).

⁹² CUNY Academic Commons. "Northeast Slavery Record Index," 2017.



⁷⁹ Nick Godt, "<u>J.P. Morgan & Co. Sued for Profiting From Slavery</u>," The New York Sun, September 26, 2006.

⁸⁰ Darryl Fears, "<u>Seeking More Than Apologies for Slavery</u>," The Washington Post, June 20, 2005.

⁸¹ Chris Myers Asch and George Derek Musgrove, "<u>Chocolate City: A History of Race and Democracy in the Nation's Capital</u>." University of North Carolina Press, 2017.

⁸² See the Virginia Encyclopedia – Virginia Humanities entry on <u>John Armfield</u>.

⁸³ Karen Ryder, "'<u>To Realize Money Facilities</u>': <u>Slave Life Insurance, the Slave Trade, and Credit in the Old South</u>," in New Directions in Slavery Studies: Commodification, Community, and Comparison, 2015, 53–71.

⁸⁴ Tim Armstrong, "<u>Slavery, Insurance, and Sacrifice in the Black Atlantic</u>," in Sea Changes: Historicizing the Ocean, January 1, 2004, 167-185.

⁸⁶ Learning for Justice. "<u>Teaching Hard History Online Archives and Databases</u>." Learning for Justice, July 10, 2019.

⁸⁷ Ibid.

⁸⁸ California Department of Insurance. "<u>Slavery Era Insurance Policies - SB 2199</u>," September 30, 2000.

⁸⁹ California Department of Insurance. "<u>Slavery Era Insurance Registry Report</u>," May 2002.

⁹⁰ California Department of Insurance. "<u>Slavery Era Insurance Registry</u>," September 2000.

⁹¹ Learning for Justice. "<u>Teaching Hard History Online Archives and Databases</u>." Learning for Justice, July 10, 2019.

documents and personal narratives.⁹³ New York's portion of the database—referred to as the New York Slavery Records Index—includes records from 1525 through 1865.^{94,95}

RACIAL EQUITY CONSIDERATIONS

STRENGTH: INFORMATION GATHERING

The database will provide District government officials and the Reparations Task Force crucial and valuable information. This information could ensure that proposals made by the task force and put in place within the reparations fund program are informed by the historical harms perpetuated by the District government and insurers on enslaved Africans and their descendants.

OPPORTUNITY: CLEAR DIRECTIVE

It is unclear if or how the reparations task force *must* utilize the findings in the database to inform their reparation proposals. For this reason, it is unclear how the database creation will impact outcomes for the District's Black residents.

OPPORTUNITY: PUBLIC AVAILABILITY

The bill does not require that the database be available to residents or the wider public. CORE recognizes that a major intention of the database is to gather original documentation and help the Reparations Task Force make informed proposals. However, a *public* database could also allow for fully informed public feedback on reparations proposals, along with improving education on the violent and intentional decisions that supported the institution of slavery, Jim Crow, and the continued institutional and structural racism that followed.

A public database could also help other jurisdictions with their reparation proposals, ultimately contributing to racial equity, education, and reparation efforts across the region and the US more broadly.

OPPORTUNITY: INVOLVE LOCAL INSTITUTIONS

During the public hearing, Tonia Wellons of the Greater Washington Community Foundation mentioned:

Our City is rich with research institutions, philanthropy, developers, lawyers, universities, and economists who have the full access to historic documents and records – at a federal and local level; and we have a unique opportunity to once again lead where others have fallen short by documenting the story of our ancestors and devising a plan for full repair.

The inclusion of a broad array of institutions, including local universities, could potentially enhance the District's research capabilities for the database and the reparations program more generally—similar to how Evanston, Illinois partnered with Northwestern University.⁹⁶

⁹⁶ Stephanie Kulke. "Northwestern Scholar Establishes Reparations Research Collaborative." Northwestern, October 11, 2022.



⁹³ CUNY Academic Commons. "<u>Northeast Slavery Record Index</u>," 2017.

⁹⁴ CUNY Academic Commons. "<u>NESRI: New York Slavery Records Index</u>," 2017.

⁹⁵ Learning for Justice. "Teaching Hard History Online Archives and Databases." Learning for Justice, July 10, 2019.

REPARATIONS TASK FORCE

PROVISION SUMMARY

The bill establishes the Reparations Task Force, which must "study and develop reparation proposals for African Americans" who have experienced the effects of the institution of slavery, de jure discrimination (mandated by law) and de facto discrimination (occurring, though not mandated by law), and institutional and systemic racism.

Task Force Research and Recommendations

Specifically, the task force must study and develop reparation proposals that consider the:

- effects of enslavement (including the transatlantic and domestic slave trade from 1565 to 1865)
- de jure and de facto discrimination, in which freed enslaved people and their descendants experience "economic, political, education, and social discrimination"
- "lingering negative effects of the institution of slavery"
- discrimination that Black people presently experience within the District and the nation
- ways in which educational materials deny the effects of the institution of slavery and how it is a crime against humanity
- role of "Northern complicity" in the "southern-based" institution of slavery
- direct benefits of enslavement to public and private societal institutions (which the bill describes as "higher education, corporate, religious, and associational")
- lingering effects of the institution of slavery on Black people living in the District presently.

To do this, the bill requires that the task force gather documentation or evidence on the slavery era (the period of 1619 to 1865) to research and provide facts around the institution of slavery, de jure and de facto discrimination, institutional racism (historically and presently), and other lingering negative effects that Black people currently experience in the District and nation as a result.

The bill also requires the task force to recommend appropriate ways to inform the public about its findings and recommend how its findings can inform:

- reparation proposals
- a formal apology from District government
- the elimination of District policies and laws that perpetuate the negative effects of the institution of slavery
- the reversal of past and present harms from the institution of slavery
- how compensation should be calculated
- what form of compensation should be given (and in what ways it should be given)
- other possible forms of reparations.

The task force's research, findings, and recommendations must be compiled in a report to the Council and the Mayor a year from the task force's first meeting date (which the bill outlines should be no later than June 1, 2024). The task force must end after December 31, 2025 or after it has compiled and submitted the required report to the Mayor and the Council (this end date provision is unclear to CORE and will be discussed below).



Task Force Membership

The bill outlines that the task force must be made up of nine members (five appointed by the Mayor and four appointed by the Council), with the following qualifications:

- a Chair (who must be a member appointed by the Mayor and elected by the task force)
- a Co-Chair (who must be a member appointed by the Council and elected by the task force)
- one academic expert on civil rights (appointed by the Mayor)
- two members of a civil society or reparations organization (appointed by the Mayor)
- one additional member (appointed by the Mayor)
- three additional members (appointed by the Council).

Additionally, no more than four members of the task force can be Councilmembers. Also, members must be from "diverse backgrounds to represent interests of communities of color throughout the District, have experience working to implement racial justice reform, and, to the extent possible, represent geographically diverse areas of the District."

All task force membership terms exist as long as the task force exists, and any vacancies shall be filled following the membership guidelines outlined above.

For task force operations, the bill states that matters can be voted and decided on as long as at least five task force members are present. Additionally, task force members get financial reimbursement and per diem for up to 12 meetings. (Per diem is a set allowance provided by an employer—in this case, the District—to cover expenses such as meals, travel, or lodging.⁹⁷)

Task Force Authority

The bill gives the Task Force authority to:

- hold public hearings and request witnesses to attend or write testimony
- request the creation of materials (such as books, memos, reports, and correspondence)
- require people to testify by using a subpoena (written order⁹⁸) from the Superior Court
- gather useful information from leaders of any District government agency, but the task force must keep this information confidential if the information is already deemed confidential (and agencies must cooperate with the task force).

Additionally, the task force has the authority to do the following as long as there are funds available:

- employ people that can assist the task force (such as administrative, technical, or legal assistance)
- appoint and fix task force personnel compensation, meaning the task force members can set pay
 rates for any personnel appointed to work with the task force
- gather supplies by contract (through the District's contracting process)
- enter into contracts for research purposes (like surveys and report preparation).

⁹⁸ "<u>Subpoena</u>." LII / Legal Information Institute, n.d.



⁹⁷ "<u>Per Diem</u>." Defense Travel Management Office, n.d.

RACIAL EQUITY CONSIDERATIONS

STRENGTH: CLEAR DIRECTION AND ADEQUATE AUTHORITY AND RESOURCES

The task force's charge is clear: study the slavery era and produce a report that recommends how the District could issue reparations for the historical and continued impacts of enslavement. The bill provides strong guidance and gives the task force the authority and resources to support its mission.

Additionally, the bill provides task force members with financial reimbursement and per diem for meetings and ensures personnel are compensated for assisting the task force. This component of the bill ensures that being members of or working with the task force does not cause an economic burden or exclude someone from participating. Such measures help ensure participation of residents who experience economic inequities. In the District, this is particularly important for Black residents because of the racial wealth gap and income gap caused by systemic racism.⁹⁹

OPPORTUNITY: MANDATORY NEXT STEPS

It is unclear if or how the District government *must* act on the recommendations of the taskforce. Even if the task force's recommendations would make significant progress toward racial equity, the District is not required to implement their recommendations.

OPPORTUNITY: SUBSTANTIAL INCLUSION AND ENGAGEMENT OF BLACK RESIDENTS

As written, the task force established by the bill can be composed entirely of people who are not members of the harmed community—the Black community—and without any personal or intimate connection with the subject matter. Although the bill details qualifications such as being an expert on civil rights or a member of a civil society or reparations organization, ultimately, these qualifiers do not guarantee that these members will be Black District residents who have been directly impacted by enslavement.

Further, the bill states that members of the task force must be from "diverse backgrounds to represent interests of communities of color throughout the District." However, *communities of color* were not the victims of chattel slavery in the United States or the District—Black people were. Given this issue of reparations is specific to Black people who have historically and continue to be harmed by this country's and the District's history of enslavement, it is critical that Black residents are intentionally and substantially involved in the District's efforts to repair past harms.

This is not to say that the task force should consist of *only* Black members. It could be argued that because Black people were victims of enslavement, and Black residents continue to be victimized by the legacies of enslavement, it is not the responsibility of Black people to right these wrongs. However, legislation aimed at reparations for enslavement should explicitly name Black residents as the harmed community and ensure their involvement in the crafting of reparations.

OPPORTUNITY: CLARIFICATION OF TASK FORCE DATES

As written, even if the task force's report is not submitted by December 31, 2025, the task force would not be allowed to continue.

If the task force is allowed to sunset before its report is completed, there may be a domino effect that ultimately leads to the reparations project ending prematurely and maintenance of the status quo of racial inequity in the District. Specifically, the District would not receive comprehensive recommendations on reparations from the task force and the reparations fund would not be utilized, which would lead to the dispersal of the funds for other purposes (see the Reparations Fund section of this REIA).

⁹⁹ "<u>The Racial Wealth Gap in Washington, D.C.</u>" The MITRE Corporation, December 2021.



OPPORTUNITY: PUBLIC AVAILABILITY OF REPORT

As written, the bill requires the task force to submit "a written report of its findings and recommendations to the Mayor and Council." Additionally, the task force is required to "recommend appropriate ways to educate the public of the Task Force's findings." However, neither of these mandates require the task force to make the full report publicly available. Publicizing the report could contribute to a racially equitable community engagement process. By ensuring government transparency, District residents could see how their input was or was not utilized by the task force when making recommendations for reparations.

A public report could also help other jurisdictions with their reparation proposals, ultimately contributing to racial equity, education, and reparation efforts across the region and the US more broadly.

OPPORTUNITY: EXPLICIT CONSIDERATION FOR DISPLACED RESIDENTS

The bill details what the task force should study and consider when making recommendations for reparations, but none of these considerations include displaced District residents. CORE recognizes that the specifics of eligibility for receiving reparations and what form(s) reparations will take are yet to be determined. However, it is critical for the District to begin this process with the consideration of Black residents who have been displaced by the District's history of systemic racism.

Gentrification, eminent domain, and mass incarceration are three examples of displacement driven by systemic racism:

Gentrification

According to the "urban policy startup" Metro Ideas Project, "gentrification is a term for the arrival of wealthier people in an existing urban district, resulting in an increase in rents and property values, often pushing out many of the low-income, longtime residents." This "pushing out" is referred to as displacement.¹⁰⁰ The District was previously reported as one of seven cities in the country that accounted for nearly half of the nation's gentrification.¹⁰¹ From 2000 to 2020, nearly 58,000 Black residents were displaced from the District of Columbia.¹⁰²

Eminent Domain

Eminent domain is a legal tool used by governments to take possession of private property. ¹⁰³ For example, the District used eminent domain to claim land previously owned—for 80 years—by descendants of George Pointer. Pointer was a formerly enslaved Black man who purchased his freedom through working to build the C&O Canal.^{104,105} The Pointers' family land was developed into "an all-white school that eventually

¹⁰⁰ Cate Irvin. "Gentrification: What It Is and Why It Matters," Metro Ideas Project. August 17, 2017.

¹⁰¹ Jason Richardson, Bruce Mitchell, and Juan Franco, "<u>Shifting Neighborhoods: Gentrification and Cultural Displacement in</u> <u>American Cities</u>," National Community Reinvestment Coalition, March 18, 2019.

¹⁰² Steven Overly, Delece Smith-Barrow, Katy O'donnell, and Ming Li. "<u>Washington Was an Icon of Black Political Power. Then Came</u> <u>Gentrification</u>." POLITICO, April 15, 2022.

¹⁰³ The legal authority for eminent domain is provided by the Fifth Amendment of the United States Constitution and by local DC law. The Fifth Amendment, in part, states that no person shall "be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without justification."

¹⁰⁴ Martin Austermuhle, "<u>A Black Family's Land Was Taken For A D.C. Park And School. Now The Park Will Bear Their Name</u>," *DCist*, June 11, 2021.

¹⁰⁵ For more on the life and work of George Pointer, see: "<u>Captain George Pointer - Great Falls Park</u>," U.S. National Park Service, September 7, 2020.

became Lafayette and the park that sits behind it."¹⁰⁶ In 2021, Lafayette Park underwent renovation and was renamed Lafayette-Pointer Park.¹⁰⁷

Other examples of racial displacement in the District include the 1920's eviction of over 200 Black residents who were settled along today's Broad Branch Road and the systematic removal of Black residents from Fort Reno.¹⁰⁸ In 1930, the District "took possession" of 20 homes "occupied by African-Americans" in Fort Reno to build what is now known as Alice Deal Middle School. The efforts to clear Black residents from the Fort Reno area began in the late 1920s and eventually were supported and executed by the National Capital Park and Planning Commission (NCPPC) until the final resident was removed in 1951.¹⁰⁹

These examples of eminent domain highlight not only the District's theft of housing and land from Black residents, but also its racist denial of Black residents' opportunity to build generational wealth. Reparations is one way for the District to pay back the debt it owes to these residents, their descendants, and many others who are not named here.

Mass Incarceration

The issue of the displacement of Black District residents cannot be discussed without mentioning mass incarceration. While the US has the highest incarceration rates among other countries, the District has one of the highest per capita rates¹¹⁰ in the nation (and therefore, the world). ^{111,112} The Prison Policy Initiative reported that in 2021 the District incarcerated 899 people for every 100,000 people. For comparison, the same report cites the US per capita rate at 664. ¹¹³

Additionally, in all three of the District's correctional institutions—the Department of Corrections (93%), the Department of Youth Rehabilitation Services (94%), and the Bureau of Prisons (96%)—the majority of the people the District imprisons are Black.¹¹⁴

¹¹⁴ Data reflects the most recent publicly available. Because of differences in timing and data collection methods, it would be inaccurate to compare data points across facilities to each other. The Bureau of Prisons collects ethnicity data separate from race data. Hispanic and Latino people incarcerated in DYRS and DOC are included in the "other race" category. <u>Council for Court</u> <u>Excellence</u> (September 2020), <u>Department of Corrections</u> (July 2022), <u>Department of Youth Rehabilitation Services</u> (percentage of newly committed youth by race, FY2020).



¹⁰⁶ Martin Austermuhle, "<u>A Black Family's Land Was Taken For A D.C. Park And School. Now The Park Will Bear Their Name</u>," *DCist*, June 11, 2021.

¹⁰⁷ "Lafayette-Pointer Recreation Center," DC Department of Parks and Recreation, n.d.

¹⁰⁸ Neil Flanagan, "<u>The Battle of Fort Reno</u>," Washington City Paper, November 2, 2017.

¹⁰⁹ Ibid.

¹¹⁰ This means that the District is among the jurisdictions that incarcerate the most residents out of every 100,000 residents. ¹¹¹ Prison Policy Initiative, "<u>States of Incarceration: The Global Context 2021</u>," September 2021.

¹¹² In 2019, there was a debate about where the District ranks for per capita incarceration. One <u>report</u> used data for people held in prisons, jails, immigration detention, and juvenile justice facilities, including DC residents incarcerated in federal prisons across the country. Because the District does not have a state prison, it does not house residents who are convicted of felony offenses, they are instead incarcerated through the Federal Bureau of Prisons. Another <u>report</u> used data only for DC's Department of Corrections, leaving out residents convicted of felonies. These differences in data sources lead to differences in where the District ranks, however, the sentiment remains: the District is incarcerating residents at extreme rates. For an overview of the debate on which data set is best to represent the District's incarceration rates and whether DC's rates should be compared to states' rates, see Martin Austermuhle, "<u>District Of Corrections: Does D.C. Really Have The Highest Incarceration Rate In The Country?</u>," *WAMU*, September 10, 2019.

¹¹³ Prison Policy Initiative, "Appendix 1 - States of Incarceration: The Global Context 2021," September 2021.

DC is unique in comparison to other states in that there is no state prison and therefore, residents convicted of felonies are imprisoned in federal facilities across the country.¹¹⁵ This furthers the harm caused by displacement via imprisonment. Separation from community challenges rehabilitation and reentry and has impacted thousands of Black District residents and their families over the last twenty years.^{116, 117}

When embarking on the project of reparations, it is crucial to consider Black residents who the District government displaced as a result of the continued legacy of enslavement, systemic racism, discriminatory

actions, and policy decisions. Because of this, displaced Black residents should be included in the District's attempts to repair harm. If they are not included in the District's reparations project, it would be a continuation of the harm caused by the District and missed opportunity for wrong to be made right. A reparations project that does not include displaced Black residents would be incomplete.

A reparations project that does not include displaced Black residents would be incomplete.

OPPORTUNITY: CONSCIOUS ELIGIBILITY REQUIREMENTS

Given the task force's mandate, they may make recommendations about eligibility requirements to receive reparations. Should eligibility requirements include lineage requirements, racial equity concerns regarding the ability (or inability) to trace lineage must be addressed. There could be eligible community members who come from single parent households that may lack knowledge of complete familial history. Additionally, some members of the community may lack the finances or time needed to research their lineage. It is also important to acknowledge that some community members may be unable to inquire about lineage and family history due to generational fear and racial trauma.

¹¹⁷ Although located in Lorton, Virginia, Lorton Correctional Complex was a part of DC's prison system for 91 years. The complex was originally called Lorton Reformatory and was a "new way to house and reform" incarcerated people through learning trade skills like metalworking and brickmaking. For more on the history of Lorton Correctional Complex, see Joanne Tang, "<u>Here's a</u> <u>Fascinating Story about the Old Lorton, Virginia Prison</u>," July 9, 2020. <u>The old reformatory is now developed into a suburban</u> <u>neighborhood</u>.



¹¹⁵ After the Lorton Correctional Complex—located in Lorton, Virginia, but a part of the DC prison system—closed in 2001, everyone convicted of a felony in DC was transferred out of Lorton into the custody of the Federal Bureau of Prisons. Since this change, no one convicted of a felony is detained in a District facility to complete their sentence. See, "<u>Organization of the Department of Corrections</u>," DOC, September 10, 2018.

¹¹⁶ To read about the experience of DC resident, Nokomis Hunter, who was sentenced to 11 years in prison at the age of 17 and spent his sentence between five federal prisons—some thousands of miles away from his home and family—and the broader impact on the closure of Lorton, see "<u>D.C. Inmates Serve Time Hundreds Of Miles From Home. Is It Time To Bring Them Back?</u>," *WAMU*, August 17, 2017.

REPARATIONS FUND

PROVISION SUMMARY

Bill 25-0152 establishes the Reparations Foundation Fund to be administered by the Office of the Chief Financial Officer of DC (OCFO). This fund pulls resources from:

- sales tax revenue (0.5% from the total sales tax revenue generated)
- Department of Motor Vehicles (DMV) fines and fees (0.5% from the total DMV fine and fee revenue generated)
- appropriated funds (meaning funds set aside for the purpose of reparations)
- gifts
- grants and
- donations.

Money from these sources can be added to the fund prior to the establishment of the reparations program. As money is pooled from these sources, the fund must distribute them to pay reparations based on the research and recommendations from the Reparations Task Force. Lastly, the bill specifies that any local reparations provided are considered in addition to any federally offered reparations. Should federally offered reparations be made available, the bill's reparations program does not replace federally offered reparations.

If a reparations program has not been established by September 30, 2028, then the pooled resources in the fund must be distributed to the Child Trust Fund¹¹⁸ (a District baby bonds program for residents adopted or born to a District family and remain residents for at least 16 years before turning 18) and the Small Business Capital Access Fund (a District fund program for small businesses, including small business enterprises and certified business enterprises). With this provision, each of these funds get 50% of the pooled resources intended for the reparations fund.

BACKGROUND

>>> WHY REPARATIONS?

As outlined in the historical analysis section of this REIA, the ideology that Black people in America were less than human was written into law and permeated American society. The effects of this ideology resulted in vastly different economic realities for Black residents and white residents in the District (inequities which are directly tied to enslavement). Specifically, the District's racialized gaps in wealth, income, and employment are all factors that contribute to racially inequitable economic outcomes.

While reparations cannot undo these harms, they can begin to repair them. Importantly, reparations can be financial or come in other forms. However, due to this section's focus on the Reparations Foundation *Fund*, our discussion will center on economic aspects and indicators.

¹¹⁸ For more on this fund, see CORE's REIAs on <u>Bill 24-0236</u> (on the original baby bonds program) and <u>Bill 24-1034</u> (on amendments to the baby bonds program).

WHERE DOES SALES TAX REVENUE COME FROM? HOW DOES IT RELATE TO **RACIAL EQUITY?**

The District's sales tax revenue includes money that comes from taxing personal property and services. Personal property that is subject to the District's sales tax may include items bought from a store. Services subject to the sales tax include tickets to events and buildings (like sporting events, concerts, and the venues that these events take place in), hotel and car rentals, and the use of commercial spaces like parking lots. These are just some examples of property and services that are subject to the District's sales tax. The District's tax laws include a detailed explanation of what is subject to the sales tax.

Generally, the sales tax is 6% of the price of the item or service. This means that 6% of the price of the item or service is calculated, then added on to the original price of the item or service. For example, if someone purchases a book in the District that costs \$20, the sales tax for that book is \$1.20 (20*0.06=1.20). So, the final price for the book would be \$21.20, assuming no other fees are added to the cost of the book. Certain items and services are taxed at higher rates than others. For example, the District's tax law requires that soft drinks be taxed at 8%, restaurant meals at 10%, and hotel stays at 14.95%.¹¹⁹

Sales tax is applied based on the purchase or use of a property or service—meaning that all people purchasing an item or service in the District pay the sales tax at the same rate. But while the required tax payment is the same for everyone, sales taxes take up a higher proportion of income for people with lower incomes.

Research highlights that sales taxes are regressive taxes because everyone pays the same rate regardless of their income.¹²⁰ (In contrast, income taxes are *progressive* taxes, because people with higher incomes face higher tax rates.)

In the District, Black residents are disproportionately represented in lower income brackets, due to historic and ongoing racial discrimination and denial of economic opportunities.¹²¹ Specifically, racial inequities in education,¹²² hiring discrimination,¹²³ job segregation,¹²⁴ and wealth inequities contribute to racial inequities in income.¹²⁵ It within this context that Bill 25-0152 is analyzed.

WHAT IS INCLUDED IN DEPARTMENT OF MOTOR VEHICLES FINES AND FEES? **HOW DO THEY RELATE TO RACIAL EQUITY?**

The Department of Motor Vehicles (DMV) handles fines and fees related to motor vehicles—including driver's license application fees, ¹²⁶ car registration and inspection fees, ¹²⁷ insurance lapse fees, ¹²⁸ excise taxes, ¹²⁹ and payments for parking and traffic tickets.¹³⁰

¹³⁰ Department of Motor Vehicles. "Ticket Services," n.d.



¹¹⁹ Office of the Chief Financial Officer. "Tax Rates and Revenues, Sales and Use Taxes, Alcoholic Beverage Taxes and Tobacco Taxes," n.d.

¹²⁰ Center on Budget and Policy Priorities. "Advancing Racial Equity With State Tax Policy," November 15, 2018.

¹²¹ D.C. Policy Center. "<u>DC Racial Equity Profile</u>." Council Office of Racial Equity, 2021.

¹²² Ibid.

¹²³ Center for American Progress. "African Americans Face Systematic Obstacles to Getting Good Jobs," December 5, 2019.

¹²⁴ D.C. Policy Center. "<u>DC Racial Equity Profile</u>." Council Office of Racial Equity, 2021.

¹²⁵ Ibid.

¹²⁶ Department of Motor Vehicles. "Vehicle Registration Fees." n.d.

¹²⁷ Ibid.

¹²⁸ Ibid.

¹²⁹ Department of Motor Vehicles. "Vehicle Registration Fees." n.d. In this context, excise taxes are taxes paid for DC car titles, and vary based on the weight of the vehicle and other characteristics. There are many cars that are exempt from DC title excise taxes, such as cars that are 100% electrically operated.

Aside from differences in fee amount based on car characteristics, a majority of the fees associated with car registration, inspection, ownership, licensing, and operation are the same for all residents, regardless of their income. These fees are required by the government for all people that wish to own and operate a vehicle in the District. Similar to a sales tax, motor vehicle fines and fees are regressive because everyone pays the same amount, no matter how much income they earn. While these fees are not technically referred to as taxes, they are seen as a regressive tax particularly because these fees are a government-required step to car ownership and use.¹³¹ This regressive nature is critical to recognize, given that Black residents are disproportionately represented in lower income bands.¹³²

In addition to fees, the DMV accepts payment for traffic and parking fines. Given that these fines will contribute to the Reparations Foundation Fund, it is important to understand the role that enforcement and fines play in outcomes for Black, Indigenous, and other residents of color.¹³³

As noted by Tzedek DC, over 97% of fines and fees collected by the District each year come from parking and traffic tickets and recent research shows that people receiving traffic tickets in DC are disproportionately Black.¹³⁴ Similarly, traffic and parking tickets are issued more often in majority-Black District neighborhoods as compared to majority-white District neighborhoods. For example, research highlights how majority-Black District neighborhoods are more likely to be impacted by automated traffic cameras due to the high level of segregation in the District.¹³⁵

Overall, the current research indicates that Black residents are more likely to be impacted by traffic and parking related penalties, fines, and fees.¹³⁶ However, this should not be interpreted as actions being different across racial groups. Instead, it shows that while residents of all races may speed, park in places that signage says they shouldn't, or are involved in other traffic violations—Black residents are punished at higher rates and neighborhoods with Black residents are policed for these actions more heavily.

The District's fees and fines landscape not only impacts Black residents in terms of enforcement, but also by reinforcing the systems that criminalize poverty and maintain the Black-white racial wealth gap.^{137,138,139} Research has found that penalties, fines, and fees "can disproportionately harm families of color, both due to discriminatory practices in issuing fines and in the systemic issues of income and wealth inequities that

¹³¹ Internal Revenue Service. "Comparing Regressive, Progressive, and Proportional Taxes," n.d.

¹³² D.C. Policy Center. "<u>DC Racial Equity Profile</u>." Council Office of Racial Equity, 2021.

¹³³ The racial equity impact of fines and fees is a recurring theme in our Racial Equity Impact Assessments (REIAs). For additional reference, please see our discussion of the topic in REIAs for: <u>Bill 24-0416</u> (on revising the criminal code), Bill <u>24-0237</u> (on clean hands certification), <u>Bill 24-0096</u> (on fairness in renting), and <u>Bill 24-0444</u> (on urban forest preservation).

 ¹³⁴ "Driving DC to Opportunity: Wealth Should Not Determine Who Gets to Keep Their Driver's License," Tzedek DC, n.d.
 ¹³⁵ William Farrell, "Predominately Black Neighborhoods in D.C. Bear the Brunt of Automated Traffic Enforcement," D.C. Policy Center, June 28, 2018.

¹³⁶ Zicuhr, Kathryn. "<u>Applying a Racial Equity Lens to Fines and Fees in the District of Columbia</u>." The D.C. Policy Center, April 22, 2019.

¹³⁷ Social Justice Platform. "<u>A Systems Analysis of the Black-White Racial Wealth Gap in the District of Columbia</u>." The MITRE Corporation.

¹³⁸ Zicuhr, Kathryn. "<u>Applying a Racial Equity Lens to Fines and Fees in the District of Columbia</u>." The D.C. Policy Center, April 22, 2019.

¹³⁹ Kijakazi, Kilolo. "<u>The Color of Wealth in the Nation's Capital</u>." The Urban Institute, Duke University, The New School, and the Insight Center for Community Economic Development.

make it more difficult for these families to pay."^{140,141} This is because the same fines and fees—in which everyone pays the same amount regardless of their income—are more of a financial burden for those with less income and wealth. Consider that in 2019, Black households in the District made up 75% of households that earned less than \$10,000 dollars per year.¹⁴² In addition, the median household income for Black families in the District (\$53,629) is about one third of the median income for a white household in the District (\$160,914), further highlighting the financial burden of fines and fees on Black residents.^{143,144}

Naturally, paying these fines—or not paying these fines—comes at a higher cost for residents living on fixed incomes and for those with low and extremely low incomes. Ultimately, fines and the enforcement of them within the current economic landscape in the District serve as a regressive tax that criminalizes people, especially Black residents, for being poor.¹⁴⁵

RACIAL EQUITY CONSIDERATIONS

STRENGTH: FUND ESTABLISHMENT

Black residents and residents that are descendants of enslaved Africans have been intentionally and forcefully subjected to the brutality and violence of enslavement, de facto segregation, de jure segregation, and the continued effects of these decisions. Reparations allow the District to acknowledge, begin to repair, and take accountability for the violence that the District government perpetuated through these decisions and the resulting effects. CORE commends these efforts, especially the bill's provision that ensures that any District reparations will not take away from any future federally offered reparations.

STRENGTH + OPPORTUNITY: DELIBERATE CONSIDERATION OF SYSTEMIC RACISM

As noted previously, the bill allows the Reparations Task Force to consider reparation proposals that include direct monetary compensation *and* other non-monetary policies and initiatives. CORE commends this, because it demonstrates the profound understanding that the District's reparation efforts must operate within the context of existing systemic racism to truly make progress toward racial equity.

Systemic racism is a system that reinforces itself—meaning one-time changes can only have a limited effect if they are not combined with other efforts. Research from the MITRE Corporation illustrates this consideration: their research shows that a change in circumstance, such as closing the Black-white racial income gap for one generation, would still eventually lead to future generations of Black residents being disproportionately represented in the District's lower income bands.¹⁴⁶

¹⁴² The D.C. Policy Center. "<u>DC Racial Equity Profile</u>." Council Office of Racial Equity, 2021.

 ¹⁴⁵ "<u>B24-0237 - Clean Hands Certification Equity Amendment Act of 2021</u>." DC Legislation Information Management System. See the testimony submitted by the American Civil Liberties Union, as included in the Committee Report.
 ¹⁴⁶ "<u>The Racial Wealth Gap in Washington, D.C.</u>" The MITRE Corporation, December 2021.



¹⁴⁰ Zicuhr, Kathryn. "<u>Applying a Racial Equity Lens to Fines and Fees in the District of Columbia</u>." The D.C. Policy Center, April 22, 2019.

¹⁴¹ CORE is citing the original source in this sentence, which has led us to use the term "families of color." When CORE uses terms such as "communities of color" or "families of color" to match the original source, we are referring to Black, Indigenous, Latinx, Asian American, Pacific Islander, and Native Hawaiian populations. We match the original source in this situation but also acknowledge that each community of color has a unique history and experience of racism in the United States, and particularly, in the District of Columbia. While it is sometimes more efficient to reference "families of color" in narrative text, policies and actions must respond to the historical trauma each community has faced by naming individual communities.

¹⁴³ Ibid.

¹⁴⁴ DC Health Matters. "<u>DC Household Incomes</u>," March 2022.

While this is just one example of how possible reparations distribution could interact with systemic racism, it is important to recognize that the District's reparations will operate within this complex context. Systemic racism must be a consideration as the task force conducts research and makes proposals.

OPPORTUNITY: REEXAMINATION OF FUNDING SOURCES

Bill 25-0152's Reparation Foundation Fund structure relies on regressive fines and fees, which may limit the bill's positive impact.

CORE recognizes that funding reparations is incredibly important to ensure that the District begins to repair the harms perpetuated from enslavement, discrimination, and systemic racism. However, sourcing reparation funding from fines and fees continues the cycle of exploiting Black residents and residents descended from enslaved Africans for District government programs and purposes. This structure may specifically limit the bill's positive impact in two ways:

- 1) While the bill does not impact traffic enforcement practices in the District, its reliance on regressive fines and fees depends on people violating traffic laws, rules, and regulations—actions we don't want to have happen. In addition, the revenue generated from the related DMV fines can often be due to the overpolicing of Black residents.
- 2) While the bill does not impact sales tax regulations in the District, by relying at least partially on sales tax to fund reparations, the bill requires possible eligible recipients of reparations to pay into the fund itself.

OPPORTUNITY: REEXAMINATION OF FUND REALLOCATION

Bill 25-0152's Reparation Foundation Fund has a sunset provision to move the funds to the Child Trust Program and the Small Business Capital Access Fund if no reparations program has been established by September 30, 2028. Importantly, this keeps reparation funds from being reallocated to the general fund or remaining unspent. CORE recognizes that the goal of this is to ensure that the reparations funds remain targeted to Black residents. While this goal is important, it is also critical to note that this proposal may limit the bill's positive impact in two ways:

- 1) It may not fully allow reparations to take on the various forms that could truly make progress toward racial equity in the District, because the funds can only flow to these two programs.
- 2) It may result in reparations-eligible residents not receiving any of the funds intended for reparations, because access to these two programs depends on residents meeting specific eligibility criteria. CORE recognizes that the Child Trust Fund and the Small Business Capital Access Fund serve important roles for the District, and that Black residents may directly access these funds if they are eligible to be a beneficiary of the two previously listed funds. And while many Black residents may meet these criteria, it is likely that many others do not—reducing the number of Black residents and residents descended from enslaved Africans that may receive funds intended for reparations.

Specifically, let's review the Child Trust Fund program as an example. To be eligible for this program, a resident must meet all of the following criteria:

- be born on or after October 1, 2021 (and their birth must be covered under Medicaid)
- remain a DC resident for at least sixteen years before turning eighteen and live in the District for the twelve months immediately before turning eighteen years old
- have a valid, unique social security number or other form of identification
- be part of a family household that is enrolled in Medicaid and has a household income at or below 300% of the federal poverty guidelines. (Three hundred percent of the federal poverty guidelines in tax year 2023 is \$83,250 for a household of four.)



These criteria illustrate that the reparation funds—if unspent by September 30, 2028—would flow to a group very limited by age, medical insurance coverage, and income. As mentioned previously, some residents in this group would be Black residents and residents descended from enslaved Africans, and they would benefit. However, these beneficiaries would be a much smaller group than those who would be eligible for reparations more broadly.

The bill's focus is to ensure that Reparation Foundation Fund resources reach Black residents and residents that are descendants of enslaved Africans. The Council should consider how this provision places limitations on who may access the funds, should this situation occur.

OPPORTUNITY: LEARNING FROM OTHER EFFORTS

Many other jurisdictions are taking on reparation efforts for their residents. There is a great deal to learn from other reparation efforts across the US, including 1) the limitations of "purpose-restricted" reparations (that focus on a specific policy goal or purpose) and 2) the importance of pairing nonfinancial reparation efforts with financial reparations (going beyond a check directly to residents).

Examples of these approaches are discussed below.

Example 1: Evanston, Illinois

Evanston, Illinois offers a financial reparation that specifically focuses on increasing homeownership rates for Black residents. Specifically, one program includes \$25,000 toward homeownership and repair costs.¹⁴⁷ During Sarah Moore Johnson and Raymond C. Odom's public testimony for Bill 25-0152, they explained:

Given that Evanston's history of residential segregation was the harm that most clearly resulted in economic deprivation of the city's Black people, the City Council decided to make Black residents of Evanston from 1916 to 1969 (or their descendants) the potential beneficiaries of the reparation funds and agreed that the funds would provide benefits in the areas of home ownership, home improvement, and mortgage assistance.¹⁴⁸

This is an example of recognizing a direct policy decision that harmed the city's Black residents and ensuring that funds directly addressed a root cause of racial inequity in homeownership. However, because this program is targeted to homeownership, it's unlikely to reach Black residents of Evanston that do not wish to own a home in the city or be a homeowner in any capacity.

Example 2: Providence, Rhode Island

Another example of reparation efforts in other jurisdictions can be found in Providence, Rhode Island. The city's budget includes funds for programs that the city's reparations task force identified as important avenues to address the city's policy decisions and their impact on Black and Indigenous residents.^{149,150} This reparation initiative does not include direct cash payments to Black and Indigenous residents—instead, it includes investments in areas recommended by the city's reparation task force.¹⁵¹

¹⁴⁷ Richardson, Kimberly. "<u>Adoption of Resolution 37-R-27, Authorizing the Implementation of the Evanston Local Reparations</u> <u>Restorative Housing Program and Program Budget</u>," March 22, 2021.

¹⁴⁸ See the public testimony for Bill 25-0152.

¹⁴⁹ California Task Force to Study and Develop Reparation Proposals for African Americans. "<u>Executive Summary - The California</u> <u>Reparations Report</u>," June 29, 2023.

¹⁵⁰ WPRI.com. "<u>Providence Finalizes Plan to Invest \$124M in Federal COVID Money</u>." May 20, 2022.

¹⁵¹ California Task Force to Study and Develop Reparation Proposals for African Americans. "<u>Executive Summary - The California</u> <u>Reparations Report</u>," June 29, 2023.

With this model, however, it is worth noting that several of the programs and areas include eligibility requirements and depend on residents being able to access institutions that have historically excluded Black and Indigenous residents.¹⁵²

These examples offer a learning opportunity to the Council as the District's reparations program is considered.

Specifically, when offering reparations in the form of a program, it is crucial to note the following:

- Individual agency and choice are at the center of achieving racial equity, and Black District
 residents should be able to benefit from reparation efforts directly and personally, regardless of their
 interaction or participation in a specific policy area (such as homeownership). Notably, when white
 enslavers were given reparations after the abolition of slavery in the District, they were able to
 exercise full agency and choice—there were no restrictions on how they used the money they received
 from the government.
- Additionally, restrictive eligibility requirements for reparation efforts can cause Black residents with a variety of lived experiences to be excluded, which may limit the positive impacts of nonfinancial reparations.

OPPORTUNITY: INCLUSION OF DISPLACED RESIDENTS

The Council and Reparations Task Force should consider how the fund can also benefit Black people and descendants of enslaved Africans that were once residents of the District, but have since been displaced to other areas.

Systemic racism, discriminatory actions, and policy decisions contribute to racial inequities in education,¹⁵³ hiring discrimination,¹⁵⁴ job segregation,¹⁵⁵ and wealth inequities. In turn, these racial inequities contribute to racial inequities in income.¹⁵⁶ Racial inequities in income have exacerbated the mass displacement of Black residents, especially in instances where the cost of living in the District is no longer sustainable.

As mentioned previously, Black residents have experienced displacement from the District in other ways as well—including eminent domain, gentrification, and mass incarceration.

CORE applauds the existing effort to ensure reparations are achieved in the District, and encourages displaced Black residents be considered in proposals about the use of the reparation fund.

OPPORTUNITY: ADDRESSING UNINTENDED CONSEQUENCES

The Council and Reparations Task Force should consider ensuring that reparations are not considered as annual income for Black residents and residents descended from enslaved Africans. As written, the bill does not explicitly establish whether reparations can be considered income if they are dispersed to residents as financial compensation. Making this explicit can ensure that residents are not losing their benefits or paying higher taxes because of the reparations program.

¹⁵² Amy Russo. "<u>Elorza Signs Providence's \$10M Reparations Budget. Here's What's in It</u>." The Providence Journal, November 18, 2022.

¹⁵³ The D.C. Policy Center. "<u>DC Racial Equity Profile</u>." Council Office of Racial Equity, 2021.

¹⁵⁴ Center for American Progress. "African Americans Face Systematic Obstacles to Getting Good Jobs," December 5, 2019.

¹⁵⁵ The D.C. Policy Center. "<u>DC Racial Equity Profile</u>." Council Office of Racial Equity, 2021.

¹⁵⁶ Ibid.

CONCLUSION

If the Reparations Task Force puts together comprehensive recommendations for reparations as envisioned, and if the Reparations Foundation Fund, as proposed, is distributed to those eligible—what would that mean for racial equity?

The answer is complicated. It's important to note that the specifics of the reparations program are currently broad, leaving the details to be decided by the Reparations Task Force. This makes the racial equity impact of the bill dependent on a variety of factors that are not yet decided on.

Our conclusion below highlights aspects of the bill that will likely make progress toward racial equity in the District, along with racial equity considerations that may limit the bill's ability to do so. Keep in mind that making progress toward racial equity means the District is moving toward race no longer predicting opportunities and outcomes. It does *not* mean the District is moving in a manner that is proportional in scope or pace to deep racial inequities. It does *not* mean that all who have been harmed will be positively impacted.

As mentioned, aspects of the bill will likely make progress toward racial equity. Some of these include:

- the establishment of the Reparations Foundation Fund, ensuring that the District's reparation efforts are resourced
- the establishment of the Reparations Task Force, ensuring the creation of clear reparations recommendations based on the effects of enslavement, de jure discrimination, de facto discrimination, Jim Crow, and structural and institutional racism
- the financial resourcing of task force meetings and hired personnel
- the bill's clarification that any District-led reparation efforts do not affect residents' eligibility for federal-led reparation efforts.

However, aspects of the bill limit the bill's positive impacts. We highlight these aspects as opportunities for reexamination—to further the bill's progress toward racial equity.

For example, fines, fees, and sales taxes currently contribute to the Reparations Foundation Fund. These financial sources are regressive and burden Black residents to a greater extent and at a greater frequency than white residents. In addition, relying on fines, fees, and sales taxes means that Black residents—the fund's beneficiaries themselves—will make reparations possible by paying into the fund. This structure is not reparative. To truly repair, the District should not rely on Black residents' labor, the District's targeted overpolicing, or the racially inequitable sales tax system. Doing so reinforces the District's centuries-long pattern of relying on Black people's labor and efforts to further the District's goals.

Additionally, not explicitly calling for the substantial inclusion, participation, and feedback of Black residents in the task force's membership and engagement may reinforce the frequent exclusion that Black residents face in government feedback processes.

Lastly, not explicitly mandating that the insurance record database and the task force's report be publicly available may limit the public's ability to: 1) be fully informed about the basis of the task force's recommendations and 2) give fully informed feedback on the reparation fund's dispersal.

Decisions made over the last 400+ years perpetuated systemic racism as we know it presently. Systemic racism today shows up in the quality of the air we breathe, the distance we travel to school, the food that we have access to, the ways that we can manage our health, the financial resources available to us to survive, the opportunities we can consider, and our overall quality of life. The effects of enslavement extend



beyond the enslaved individuals to their descendants, their communities, the District's institutions, and our societal structures.

Past and present decisions around the District's reparative efforts for enslavement have—and will continue to have—lasting impacts for generations to come. When slavery was abolished in the District, it was decided that *white enslavers* should be compensated and in a way *that allowed agency and choice*. Now—over 150 years later—the District aims to give reparations to Black residents and residents descended from enslaved Africans. The structure of these reparations will determine the extent to which they make progress toward racial equity in the District of Columbia.



ASSESSMENT LIMITATIONS

Alongside the analysis provided above, the Council Office of Racial Equity encourages readers to keep the following limitations in mind:

We generally do not provide policy solutions or alternatives to address our racial equity concerns. While Council Period 25 Rules allow our office to make policy recommendations, we focus on our role as policy analysts—we are not elected policymakers or committee staff. In addition, and more importantly, racially equitable policymaking takes time. We would need more time to ensure comprehensive research and thorough community engagement inform our recommendations.

Assessing legislation's potential racial equity impacts is a rigorous, analytical, and organized undertaking—but it is also an exercise with constraints. It is impossible for anyone to predict the future, implementation does not always match the intent of the law, critical data may be unavailable, and today's circumstances may change tomorrow. Our assessment is our most educated and critical hypothesis of the bill's racial equity impacts.

Regardless of the Council Office of Racial Equity's final assessment, the legislation can still pass. This assessment intends to inform the public, Councilmembers, and Council staff about the legislation through a racial equity lens. If a REIA is issued for a bill, committees must summarize and respond to the assessment in their committee report (a public document which accompanies the bill and explains the committee's reasoning, analysis of relevant issues, and hearing testimony, among other items contextualizing the legislation). Committee reports can be found via the <u>Legislative Information Management System (LIMS)</u> after a bill's mark up.

If a REIA identifies a negative impact on racial equity, the bill may be placed on the non-consent agenda at the next legislative meeting. However, a REIA is not binding.

This assessment aims to be accurate and useful, but omissions may exist. Given the density of racial equity issues, it is unlikely that we will raise *all* relevant racial equity issues present in a bill. In addition, an omission from our assessment should not: 1) be interpreted as a provision having no racial equity impact or 2) invalidate another party's racial equity concern.



APPENDIX

This timeline includes examples of how systemic and institutional racism created barriers and led to racial inequities.

YEAR	EVENT
1790	Congress passes the Residence Act, creating the seat for the federal government and establishing the city of Washington, District of Columbia.
1808	Black Codes passed into law. The codes enforced strict curfews, imprisoned freed Black Americans unable to present documents verifying "good character" and proof of freed status, barred them from jobs in well-paid sectors, and denied them ownership of restaurants. The codes governed all aspects of life and behavior for Black Americans in the District of Columbia and lasted for over 50 years.
	In essence: if Black Americans followed the law, they were denied of wealth and asset building opportunities. If Black Americans did not, they were given fines or jail time.
1860s	The Compensated Emancipation Act provided slaveholders up to \$300 per freed slave, in exchange for their "losses." People who were newly freed were only given up to \$100— <i>if</i> they chose to leave the United States. Otherwise, formerly enslaved Black people were not compensated at all.
1862	Legislation set aside a portion of Black-paid taxes to Black schools. These funds were only a small fraction of what white schools received.
1901	Congress codified District laws, but without civil rights provisions. Segregation was made legal.
1930s- 40s	Redlining emerged; a practice that "graded" areas of cities based on several factors—including race. People living in lower-graded areas were denied both bank mortgages and subsidized Federal Housing Administration insurance products. Racial covenants, which barred selling or renting a property to people who were not white, also segregated neighborhoods.
	Black families and other families of color were effectively forced to remain renting substandard housing.
1950s	Black families continued to be excluded from most suburban developments, confining them to central cities while federal housing policy drew white families, and their tax dollars, out to the segregated suburbs. Racial covenants continued to make it difficult for Black people to find suitable housing.
1960s- 70s	Urban renewal swept through DC. Largely Black SW neighborhoods were targeted by eminent domain. More than 500 acres were bulldozed, along with 1,500 businesses—including many Black-owned businesses—and 6,000 homes. Approximately 23,000 residents, predominantly Black, were displaced with little compensation. The 5,800 new homes were to be for 13,000 middle- and upper-middle-class residents.
	Zoning policy sustained and entrenched racial and economic segregation. Some areas of the city were zoned exclusively for single-family units, unaffordable to the Black homeowner who has been excluded from high-paying jobs through relentless education and employment discrimination.
1980s	Local and national drug, policing, and sentencing policies disparately impacted Black residents.
Source:	Adapted from The Racial Wealth Gap in Washington, D.C. (MITRE), The Color of Wealth in the Nation's Capital

Source: Adapted from <u>The Racial Wealth Gap in Washington, D.C.</u> (MITRE), <u>The Color of Wealth in the Nation's Capital</u> (Urban Institute), and Discriminatory Housing Practices in the District: A Brief History (DC Policy Center).

