



CITY OF TAKOMA PARK, MARYLAND

**HB 929
Support**

House Environment and Transportation Committee

Tuesday March 3, 2022

**HB 929 Department of Housing and Community Development - Opportunity Zone Fund -
Establishment**

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The City of Takoma Park supports and urges favorable consideration of this bill, which establishes a statewide fund to support projects and programs in opportunity zones across the state. This would help catalyze investment in historically disinvested neighborhoods still trying to recover from the effects of the COVID-19 pandemic.

The COVID-19 pandemic particularly impacted communities dealing with vulnerabilities pre-dating the pandemic. Many businesses shut their doors, and people of color and immigrant-owned businesses often lacked the capital to stay open during the pandemic. Investment dried up in many communities due to the recession induced by the pandemic and the various uncertainties created by the pandemic. Just as it seemed like things were beginning to recover, the dual effects of inflation and the crisis in Ukraine have again created an uncertain investment environment and painful economic environment for opportunity zone residents.

Takoma Park has one opportunity zone, Census Tract 7017.03. This Census tract is home to the Takoma Langley Crossroads, a site of many first and second-generation immigrant owned businesses. 5.6% of residents in this tract had limited English proficiency in the 2014-2018 American Community Survey—in the 84th percentile of tracts in Maryland—and 58.6% of residents are people of color. Businesses in this Census tract have needed to navigate the combined effects of the pandemic, the current economic downturn, and the paused construction of the Purple Line, which destroyed many trees in the area and have created other disruptions for area businesses. Takoma Park's opportunity zone encourages investment in multifamily buildings, and the pressures of the pandemic and the upcoming purple line have created an even greater need for investments in the quality of housing for our most vulnerable residents.

There are currently many diffuse sources of investment in opportunity zones, but no dedicated, state fund. The presence of a state fund would help maintain a consistent source of public funding for businesses in opportunity zones through the ups and downs of the business cycle, and offer a source of

catalytic investments in opportunity zone communities that can help attract further private investment. While Takoma Park unequivocally supports the creation of this fund, HB 929 does not direct any appropriations into the fund. For the fund to have any effect it needs to have funding, and the City supports legislation appropriating funding to the program.

In sum, the City of Takoma Park supports HB 929, and encourages a favorable vote.