



Takoma Park City Council Meeting – October 16, 2019 Agenda Item 2

Voting Session

Housing and Economic Development Strategic Plan

Recommended Council Action

Adopt Housing and Economic Development Strategic Plan Resolution and Goals, Objectives and Strategies

Context with Key Issues

The City Council authorized the development of a strategic plan for the purpose of ensuring that a “range of safe, quality, and stable housing options are available for residents of varying incomes” and “to attract new businesses to the community and prepare for economic development within the City and the region.” Utilizing the expertise of a strategic planning consultant firm and with the valuable input from the City Council and community over a four-year period, the City Council and staff worked together to develop a Housing and Economic Development Strategic Plan.

The recommendations identified in the draft Strategic Plan include continuation of the City’s rent stabilization program, as well as increase economic development capacity, encourage business retention and expansion, and stimulate the construction of new moderate and higher density infill development and mixed-use residential development. Additionally, the Plan supports policies that further goals and objectives for workforce development, financial literacy, and entrepreneurship cultivation. By encouraging the preservation and development of a diverse range of quality housing that is affordable across all income levels, the City will work toward achieving its objective of creating a higher quality of life for current and future residents.

Once adopted, the Council will need to draft policy, amend City Code, and set criteria regarding a number of implementing tools. Among them are the following:

- Adoption of housing targets, consistent with the regional targets adopted by the Metropolitan Washington Council of Governments and those to be considered by Montgomery County
- Criteria for use of the Housing Reserve and other City funding sources
- Enhancements to the effectiveness of the Rent Stabilization program, including consideration of modification of the capital improvements process for ease of use
- Criteria for the granting of Payments in Lieu of Taxes (PILOTs)
- New or modified real property tax credits
- Adoption of criteria for assessing a higher vacant building property tax
- Recommended changes to the County’s zoning and allowable use provisions

Council Priorities

Housing

A Livable Community for All: Ensure that a range of safe, high quality, affordable and stable housing options and opportunities are available to all residents in neighborhoods throughout the community.

Economic Development

Community Development for an Improved & Equitable Quality of Life: Ensure that all may benefit from economic well-being, a high quality of life and a stable tax base

Environmental Considerations

We believe the recommendations included in the draft Housing and Economic Development Strategic Plan, once finalized and adopted by the Council, will present the City with opportunities to improve the environment, create energy savings, and improve water quality. We are also cognizant of the interest and need to minimize transportation distances to goods and services and to reduce greenhouse gas emission and will analyze how the strategic plan can encourage the use of cleaner modes of transportation including public transit, biking, and walking.

Fiscal Considerations

Many of the costs associated with the implementation of the strategic plan were considered during the FY20 budget process. Some funds may be supplemented through applications to county, state, and federal grants and other relevant funding. These efforts are needed for the City to build a strong economic base, preserve existing housing, create housing affordability for prospective residents, and strengthen existing policies.

Racial Equity Considerations

The Housing and Economic Development Strategic Plan identifies and acknowledges the need to address ongoing racial inequities. There has been a commitment to embed matters of racial equity in the plan's structure, staff analysis, and decision-making.

The City of Takoma Park is a culturally diverse community and because of our commitment to racial equity, we are working strategically and collaboratively to build pathways that will increase participation and leadership from diverse constituencies in our City, amplify the voices of diverse participants, and build a racial equity lens into our strategic planning and implementation work under the Strategic Plan. Additionally, we recognize the need for adaptation as we encounter different perspectives and additional information.

We believe the recommendations included in the draft Strategic Plan, once finalized and adopted by the Council, will identify opportunities that will positively impact all residents and especially people of color, including immigrants and refugees.

Attachments and Links

- Draft Resolution
- Draft 2019-2030 City of Takoma Park Housing and Economic Development Strategic Plan
- [Project Page: Housing and Economic Development Strategic Plan](#)

Introduced by:

CITY OF TAKOMA PARK, MARYLAND

RESOLUTION 2019-xx

**RESOLUTION ADOPTING THE CITY OF TAKOMA PARK
HOUSING AND ECONOMIC DEVELOPMENT STRATEGIC PLAN**

WHEREAS, the City of Takoma Park acknowledges the fundamental human right to adequate housing as part of the right to an adequate standard of living as recognized in the [1948 Universal Declaration of Human Rights](#) and in the [1966 International Covenant of Economic, Social and Cultural Rights](#); and

WHEREAS, human rights are interdependent, indivisible, and interrelated, and therefore, the human right to adequate housing is interrelated with the right to work, earning a living and education, as well as other rights; and

WHEREAS, as a City we have the responsibility to enact legislation and take other measures within our available resources to facilitate realization of these rights and ensure safe, habitable and affordable housing; steady economic, social and cultural development; and full and productive employment; and

WHEREAS, the City of Takoma Park is a small, densely developed community in the Metropolitan Washington, D.C. region and, as such, is affected by regional market, transportation and environmental forces; and

WHEREAS, the City has been able to withstand pressure on residential rent prices due to its long-standing rent stabilization program, but has been increasingly affected by rising home purchase prices in the region; and

WHEREAS, there has been little new development in the City since the 1970's, which has limited the financial stability and growth of Takoma Park businesses and has led to a lack of diversity of housing types in the community; and

WHEREAS, a very large portion of the commercial and residential building stock is older and not energy efficient, with 70% of residential structures built before 1940; and

WHEREAS, the City has a relatively small commercial tax base and no industrial base and its largest employer – the Washington Adventist Hospital – has recently moved; and

WHEREAS, the Purple Line light rail transit line is being constructed on the northern side of the City, bringing with it both opportunities and challenges; and

WHEREAS, many Takoma Park residents have financial pressures due to inadequate income and high expenses, particularly high housing costs; approximately 27% of homeowners and 43% of renters have housing expenses that represent 30% or more of their monthly income, thereby meeting the Federal definition of housing burdened; and

WHEREAS, the aforementioned issues, along with the impacts of climate change and the City's commitment to actively use race equity as a guiding principle in decision-making, caused the City Council and City Staff to identify a need for and develop a Housing and Economic Development Strategic Plan for the period 2019 through 2030; and

WHEREAS, the themes of the Strategic Plan fall into these categories:

- Preserve existing businesses and affordable housing in Takoma Park, including in revitalizing areas
- Produce more housing and opportunities for businesses to start and grow across the income spectrum and in neighborhoods across the City to meet the diverse housing and economic needs
- Protect renters, homeowners, and local businesses from discrimination and displacement; and protect our environment from destruction; and

WHEREAS, the Plan calls for increased efforts to support the existing residential and business communities while also increasing the number and types of housing units and improving economic self-sufficiency of residents and business owners throughout the City; and

WHEREAS, the Council acknowledges its responsibility to assist the larger region on meeting affordable housing goals and greenhouse gas reduction targets; and

WHEREAS, to implement this Strategic Plan, Council will need to take action on some of the strategies, including:

- Adoption of housing targets, consistent with the regional targets adopted by the Metropolitan Washington Council of Governments and those to be considered by Montgomery County
- Criteria for use of the City's Housing Reserve and other City funding sources
- Enhancements to the effectiveness of the Rent Stabilization program, including consideration of modification of the capital improvement process for ease of use
- Criteria for the granting of Payments in Lieu of Taxes (PILOTs)
- New or modified real property tax credits
- Adoption of criteria for assessing a higher vacant building property tax
- Recommended changes to the County's zoning and allowable use provisions; and

WHEREAS, a schedule for such Council actions should be established by February 2020; and

WHEREAS, other steps to advance this Plan are to be prepared by City staff, including presentation of indicators to measure success, the preparation of annual implementation plans, and biannual presentations to Council on the status of work on the Plan; and

WHEREAS, this Strategic Plan significantly advances the Council's Priorities for 2019-2020 and will guide this and future Councils when setting policies and adopting budgets, will assist City staff in the development of annual implementation plans and work plans, and will be reviewed and, if necessary, updated periodically as conditions and needs change in the City of Takoma Park.

NOW, THEREFORE, BE IT RESOLVED THAT, the Council of the City of Takoma Park hereby adopts the 2019-2030 City of Takoma Park Housing and Economic Development Strategic Plan.

Adopted this xxth day of _____, 2019.

Attest:

Jessie Carpenter, CMC
City Clerk

Building A Livable
Community
for All

City of Takoma Park
*Draft 2019-2030 Housing and
Economic Development
Strategic Plan*

October 16, 2019 draft

Building a Livable Community for All: Housing and Economic Development Strategic Plan

OVERVIEW

With the adoption of this Takoma Park Housing and Economic Development Strategic Plan, the City Council is putting in place the coordinated approach needed to move Takoma Park towards a “Livable Community for All” for this and future generations. This Plan is aggressive, as it must be in a time of increasing housing and economic development pressures and climate change, and considers every action through a race equity lens.

The goals, objectives and strategies presented here are the result of a multi-year process of research, staff facilitation, community discussion and Council consideration.

This Strategic Plan is designed to cover the period from 2019 through 2030. It will guide this and future Councils when setting policies and adopting budgets, will assist City staff in the development of annual implementation plans, and will be reviewed periodically as conditions, needs and available resources change in the City of Takoma Park, and as part of biannual staff status presentations before the City Council.

The City of Takoma Park is a densely developed, largely residential municipality of almost 18,000 people living within 2.4 square miles in Montgomery County, Maryland, and bordered by Washington, D.C. and Prince George’s County. Its residential housing stock is about half multifamily (mostly rent-stabilized) buildings and half single family detached homes. The City has had almost no new housing units or commercial buildings constructed or redeveloped since the 1970’s.

As the City looks to meet its critical housing needs, housing development initiatives are interlaced with the City’s economic development initiatives, particularly in light of the positive and negative challenges of the coming Purple Line light rail line along Takoma Park’s borders, the closing of the community’s hospital in the heart of the city, and the changing Washington, D.C. area market forces.

In 2016, the Takoma Park City Council authorized the development of a community-wide strategic plan for housing and economic development. Now completed, this plan, through a set of recommended policies and strategies, identifies steps to help meet the goals of having a range of safe, high quality, affordable, and stable housing available throughout the community and having options for employment, business support, and economic well-being equitably available to Takoma Park’s residents and businesses.

This plan also calls for actions to align with regional housing targets adopted by the Board of the Metropolitan Washington Council of Governments in response to the 2019 report, “*The Future of*

Housing In Greater Washington: A Regional Initiative to Create Housing Opportunities, Improve Transportation, and Support Economic Growth.”

In moving forward on the recommendations of the strategic plan, the City intends to consider every action through a race equity lens, take into account the climate change resiliency needs of our existing and future residential and commercial properties, and develop a financial base to support ongoing City services that has less dependence on residential real property tax.

The overall vision for this work is to ensure:

A community that protects the rights of all people; embraces and provides equitable access to opportunities for people of all ages, races, ethnicities, citizenship status, abilities, gender identities, and sexual orientations; maintains and enhances the physical characteristics of its residential and commercial neighborhoods; and is safe, sustainable, accessible and affordable across socioeconomic groups.

HOUSING AND ECONOMIC DEVELOPMENT STRATEGIC PLAN GOALS & OBJECTIVES

In laying out a pathway to make that vision a reality, the Strategic Plan has two overarching goals associated with Housing and Economic Development, as defined below.

Goal 1: Housing

Ensure that a range of safe, high quality, affordable and stable housing options are equitably available in neighborhoods throughout the community.

Goal 2: Economic Development

Ensure that all may benefit from economic well-being, a high quality of life, and a stable tax base.

Objectives

The Plan's objectives are categorized under the headings "Preserve," "Produce," and "Protect," which, in turn, have their own associated objectives, strategies, and indicators. The categories are defined as follows:

- **PRESERVE** existing businesses and affordable housing in Takoma Park, including in revitalizing areas.
- **PRODUCE** more housing and opportunities for businesses to start and grow across the income spectrum and in neighborhoods across the City to meet the diverse housing and economic needs.
- **PROTECT** renters, homeowners and local businesses from discrimination and displacement, and protect our environment from destruction.

PRESERVE

Preserve existing businesses and affordable housing in Takoma Park, including in revitalizing areas.

Objectives:

- 1. Preserve the affordability of the existing multifamily housing stock.**
- 2. Conserve and improve the physical condition of the existing low to moderate cost housing stock.**
- 3. Improve the capacity of residents, property owners and business owners to maintain their property, manage residential (tenant, homeowner, common ownership) associations or business organizations, and access resources.**
- 4. Retain and strengthen local businesses.**
- 5. Seek local, county, state and federal decisions, policies, legislation, regulations, partnerships and funding that support objectives 1-4.**

Objective #1: Preserve the affordability of the existing multifamily housing stock.

Strategy A: Continue the rent stabilization program for multifamily buildings that lack other housing affordability protections; assess the existing rent stabilization program and consider modifications to enhance its effectiveness.

Strategy B: Provide support for multifamily buildings that include housing affordability protections for a majority of their units through direct or indirect government assistance such as Payment in Lieu of Taxes (PILOT) agreements, grants, tax credits, etc.; develop criteria for PILOT agreements and work to extend housing affordability agreements.

Strategy C: Encourage and support improvements for energy efficiency as a way to keep multifamily housing stock affordable, taking into account the recommendations of the City's Sustainability and Climate Action Plan.

Objective #2: Conserve and improve the physical condition, safety, resiliency, and energy efficiency of the existing low to moderate cost housing stock.

Strategy A: Pursue grant funds, incentives and partners that can facilitate residential building improvements such as upgrading or replacement of major systems (e.g., mechanical, electrical, HVAC or plumbing), windows, elevators, interior and exterior

materials, universal design elements, lighting, landscaping and aesthetics; such efforts should be informed by consultation with tenants, tenant organizations, common ownership communities, landlords and management companies.

Strategy B: Facilitate partnerships and policy changes, including zoning text amendments, that would permit or encourage commercial or nonprofit use in portions of residential buildings or property to promote economic stability of the property; community outreach will be a part of many of these initiatives.

Strategy C: Work to ensure that programs designed to facilitate building and energy-efficiency improvements, such as the capital improvements process for rent-stabilized buildings, are easy to use and effective.

Objective #3: Improve the capacity of residents, property owners and business owners to maintain their property, manage residential (tenant, homeowner, common ownership) associations or business organizations, and access resources.

Strategy A: Provide capacity-building trainings, either directly or via partners; when appropriate, require trainings as a condition of some grants or incentive programs.

Strategy B: Pursue grant opportunities and incentive programs that may address major issues (such as needed safety or building improvements or the lack of technology systems), thereby allowing residential and business organization to focus on ongoing operations.

Strategy C: Expand opportunities for economic self-sufficiency such as workforce development initiatives and trainings for Takoma Park residents and businesses to increase skills and allow them time to focus on property maintenance and operations.

Strategy D: Provide support to property owners and business owners through means such as grants and tax credits to allow such owners to maintain their property; such grants and tax credits should be targeted to those situations meeting criteria set by Council.

Objective #4: Retain and strengthen local businesses.

Strategy A: Create and grow connections between local businesses and the resources of the City, County and other partners, including through increased outreach and systematic collection of information about local businesses and their needs; connect with all businesses, whether or not they are represented by a business association.

Strategy B: When City officials become aware of redevelopment plans and when such plans move forward, work to keep local businesses in Takoma Park (in the same or different location in the city) through agreements, incentives, and an understanding of the needs and assets of individual businesses and of commercial areas; particularly consider race equity when crafting agreements and incentives.

Strategy C: Intentionally celebrate and promote local businesses; such efforts may be direct or indirect and may include events, media promotion, citations, tours, etc.

Strategy D: Develop citywide business support services through partnerships that provide business training, coaching and consulting services to Takoma Park businesses and entrepreneurs.

Objective #5: Seek local, county, state and federal decisions, policies, legislation, regulations, partnerships and funding that support objectives 1-4.

Strategy A: In support of these objectives, advocate for county, state and federal decisions, policies, legislation, regulations and funding; such actions may include Minor Master Plans or Sector Plans, County zoning map or text changes, modifications to municipal taxing authority and Enterprise and Opportunity Zone provisions, and policies, partnerships or funding related to energy efficiency and transportation.

Strategy B: In support of these objectives, adopt local policies, legislation and regulations, establish criteria for programs, and allocate funding; set criteria for the Housing Reserve.

Strategy C: Consider all advocacy and action through a race equity lens.

PRODUCE

Produce more housing and opportunities for businesses to start and grow across the income spectrum and in neighborhoods across the City to meet the diverse housing and economic needs.

Objectives:

- 1. Increase the number of units and variety of housing types across the affordability spectrum that are attractive to a diverse demographic and do not result in economically segregated communities or increase existing economic segregation.**
- 2. Encourage the construction of new moderate and higher density infill commercial, residential and mixed-use development and redevelopment.**
- 3. Cultivate entrepreneurship among residents.**
- 4. Attract new businesses to Takoma Park and facilitate the growth of existing businesses, particularly those that help meet workforce development, local ownership, or other goals defined by this plan.**
- 5. Implement and enforce antidiscrimination and race equity provisions in City of Takoma Park, Montgomery County, State of Maryland and federal policies and regulations.**
- 6. Seek local, county, state and federal decisions, policies, legislation, regulations, partnerships and funding that support objectives 1-5.**

Objective #1: Increase the number of units and variety of housing types across the affordability spectrum that are attractive to a diverse demographic and do not result in economically segregated communities or increase existing economic segregation.

Strategy A: Encourage and facilitate the creation and expansion of housing types that are under-represented in Takoma Park, or in a particular section of Takoma Park, and desired by existing and new residents of various incomes, needs, abilities and family configurations; work to change County allowable use and zoning provisions to accomplish this.

Strategy B: Adopt housing targets and work to meet them, consistent with the regional housing targets adopted by the Board of the Washington Metropolitan Area Council of Governments.

Strategy C: Encourage and facilitate ways to allow purchase or rental of single-family homes by people of moderate incomes, through initiatives such as broadening down payment assistance programs, increasing available tax credits, encouraging use of

accessory dwelling provisions, encouraging donations of property, exploring shared equity arrangements with outside partners, and educating residents and real estate professionals about these opportunities.

Strategy D: Encourage infill housing development, such as single-family detached homes, townhouses, and multifamily structures; build in such a way as to be resilient to the effects of climate change; and, where possible, use grants, credits or other methods to lower purchase prices, maintenance costs, and energy costs to allow for greater affordability.

Objective #2: Encourage the construction of new moderate and higher density infill residential, commercial and mixed-use development and redevelopment.

Strategy A: As part of master planning efforts for the City or a portion of it, work to allow for new moderate and higher density development and mixed-use residential development.

Strategy B: Encourage moderate and higher density development and redevelopment through means such as supporting applications during the development review process and providing or encouraging financial assistance for projects.

Strategy C: Develop and maintain partnerships with local, regional and national nonprofit, for profit and governmental entities that can facilitate such developments.

Strategy D: Encourage development and redevelopment locations and site plans that create attractive, welcoming, character-rich, safe, walkable, bikeable, transit-accessible developments and neighborhoods throughout the community, consistent with recommendations of plans that address these attributes.

Strategy E: Assess a higher property tax on developed vacant residential structures to encourage reuse or redevelopment.

Strategy F: New construction and redevelopment should be built with climate change in mind, taking into account the recommendations of the City’s Sustainability and Climate Action Plan; that is, minimizing greenhouse gases, emphasizing energy efficiency and being able to minimize or withstand flooding; seek changes to County zoning text, building codes or other requirements to help facilitate these concepts.

Objective #3: Cultivate entrepreneurship among residents.

Strategy A: Work with local business owners, commercial landlords, business associations and outside partners to facilitate creation of spaces to start and grow businesses, such as “pop-up” spaces, vending, traditional retail, commercial kitchens, studios or workshops, and non-traditional office and collaboration spaces; changes to County allowable use provisions or zoning code may be needed.

Strategy B: Expand residents’ knowledge of financial options through business outreach programs; work to publicize and support such programs.

Strategy C: Connect staff of the City and other partners to existing and potential business owners and entrepreneurs.

Objective #4: Attract new businesses to Takoma Park and facilitate the growth of existing businesses, particularly those that help meet workforce development, local ownership, or other goals defined by this plan.

Strategy A: Utilize benefits provided by Enterprise and Opportunity Zones to encourage business investments.

Strategy B: Market development and redevelopment opportunities in the Takoma Langley Crossroads, New Hampshire Avenue Corridor, and Long Branch areas, as well as opportunities that may arise from zoning changes pursuant to a minor master plan of an area that includes but is not limited to the former hospital site.

Strategy C: Promote high-density development and redevelopment in targeted areas to improve the quality, quantity and accessibility of commercial space.

Strategy D: Improve the attractiveness of the City to business owners by improving transportation accessibility, streetscapes, safety, opportunities for public art, and the quality of business spaces.

Strategy E: Assess a higher property tax on developed vacant commercial structures to encourage reuse or redevelopment.

Objective #5: Implement and enforce antidiscrimination and race equity provisions in City of Takoma Park, Montgomery County, State of Maryland and federal policies and regulations.

Strategy A: Implement and enforce antidiscrimination and race equity provisions as new development is considered and produced and as assistance is provided to residents and businesses, as well as work toward greater protections for individuals and communities often marginalized because of immigration status, tenancy, age, ability, race or ethnicity, or economic status.

Objective #6: Seek local, county, state and federal decisions, policies, legislation, regulations partnerships and funding that support objectives 1-5.

Strategy A: In support of these objectives, advocate for county, state and federal decisions, policies, legislation, regulations and funding; such actions may include Minor Master Plans or Sector Plans, County zoning changes, modifications to municipal taxing authority and Enterprise and Opportunity Zone provisions, and policies, partnerships or funding related to energy efficiency and transportation.

Strategy B: In support of these objectives, adopt local policies, legislation and regulations, establish criteria for programs, and allocate funding; set criteria for the Housing Reserve.

Strategy C: Consider all advocacy and action through a race equity lens.

PROTECT

Protect renters, homeowners and local businesses from discrimination and displacement, and protect our environment from destruction.

Objectives:

1. Ensure homeownership and rental opportunities are available in welcoming, character-rich, safe, walkable and bikeable neighborhoods throughout the community
2. Provide opportunities for economic self-sufficiency for Takoma Park residents and businesses
3. Implement and enforce antidiscrimination and race equity provisions in City of Takoma Park, Montgomery County, State of Maryland and federal policies and regulations.
4. Plan, build, and maintain properties, buildings and neighborhoods with environmental sustainability as a major consideration, including climate change resiliency and greenhouse gas reduction.
5. Seek local, county, state and federal decisions, policies, legislation, regulations, partnerships and funding that support these objectives.

Objective #1: Ensure homeownership and rental opportunities are available in welcoming, character-rich, safe, walkable and bikeable neighborhoods throughout the community.

Strategy A: Use master planning, development and policy-making opportunities to make the City of Takoma Park attractive, welcoming, character-rich, safe, walkable, bikeable and transit-accessible.

Objective #2: Provide opportunities for economic self-sufficiency for Takoma Park residents and businesses to avoid displacement.

Strategy A: Undertake and promote the work of partners on workforce development and business assistance programs to build economic self-sufficiency for individuals and businesses to remain in Takoma Park.

Strategy B: Facilitate the provision of assistance to residents to avoid eviction or utility disconnection, to address food insecurity and unsafe situations, and to obtain needed health and mental health assistance.

Objective #3: Implement and enforce antidiscrimination and race equity provisions in City of Takoma Park, Montgomery County, State of Maryland and federal policies and regulations.

Strategy A: Implement and enforce antidiscrimination and race equity provisions to avoid displacement of, or improper actions against, individuals and businesses in Takoma Park as well as work toward greater protections for individuals and communities often marginalized because of immigration status, tenancy, age, ability, race or ethnicity, or economic status.

Objective #4: Plan, build, and maintain properties, buildings and neighborhoods with environmental sustainability as a major consideration, including climate change resiliency and greenhouse gas reduction.

Strategy A: Use the City's Sustainability and Climate Action Plan to guide development and redevelopment.

Objective #5: Seek local, county, state and federal decisions, policies, legislation, regulations, partnerships and funding that support objectives 1-4.

Strategy A: In support of these objectives, advocate for county, state and federal decisions, policies, legislation, regulations and funding; such actions may include Minor Master Plans or Sector Plans, County zoning changes, modifications to municipal taxing authority and Enterprise and Opportunity Zone provisions, and policies, partnerships or funding related to energy efficiency and transportation.

Strategy B: In support of these objectives, adopt local policies, legislation and regulations, establish criteria for programs, and allocate funding; set criteria for the Housing Reserve.

Strategy C: Consider all advocacy and action through a race equity lens.