COVID-19 Impact in Takoma Park

Takoma Park should be considered a “high-need” area with eligibility for CARES funding and other types of state, federal, and county direct aid for COVID-19 response and recovery.

➢ **Takoma Park has a higher infection rate than Montgomery County.**
  - As of June 12, 2020, the City’s infection rate was 2.3% compared to the County’s rate of 1.3%

➢ **The socioeconomic profile of Takoma Park’s population reveals economic vulnerabilities that existed before the pandemic and accompanying recession.**
  - 7.6% of Takoma Park residents have income below the poverty level, compared to 6.9% for Montgomery County.
  - 21% of residents make less than $35,000 in annual household income.
  - The unemployment rate in Takoma Park is 7.4%, which is higher than the County (6.1%) and the State (4.1%).
  - Takoma Park is unique in the suburban D.C. region in that the City’s population is evenly split between renters and homeowners. In 2015, 52.6% (3,429) of homes were owner-occupied and the remaining 47.4% (3,095) were renter-occupied.
  - Takoma Park’s rent stabilization law promotes affordable housing and is designed to maintain economic and ethnic diversity. The law applies to all individual condominium units and multi-family rentals and limits rent increases to an annual rent stabilization allowance determined by the City.
  - The median income of homeowners in the City is $131,000, while the median income of renters in the City is $48,000.
  - Roughly 32% of all Takoma Park households earn less than the minimum annual income to be able to afford an average rent stabilized apartment, and almost half earn less than is required to afford purchasing a home in the City.
  - In Takoma Park, 39.3% of all renter households and 23.1% of all Takoma Park owner households are cost-burdened, meaning they spend more than 30% of their income on housing and may have difficulty affording other necessities such as food, clothing, transportation, and medical care.
  - 14% of all renter households and 7.9% of all owner households in Takoma Park are severely cost-burdened, which means their housing costs exceed 50% of monthly household income.

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**Note:** The majority of the referenced data was provided by 2010-2014 and 2011-2015 American Community Survey 5 Year Estimates
The majority of Takoma Park’s residents are people of color. Takoma Park has a large immigrant community, with a growing Hispanic population.

- 56.7% of Takoma Park residents are people of color.
- Of the total population in Takoma Park, 34% are Black, 14.5% Hispanic or Latinx, 4.4% Asian, and 3.8% Other. 43.3% are White.
- 31% of the City’s population is foreign-born. Of those, 46% are naturalized U.S. citizens and 54% are not U.S. citizens.
- The majority of Takoma Park’s foreign-born residents are from Africa (43%) and Latin America (37%).
- 18% of the Black population are African-born.
- 34% of residents speak a language other than English at home. The prevailing languages in the City besides English are Spanish, Amharic, and French.
- The City’s Hispanic and Latinx community saw a 3% increase in recent years.

Takoma Park’s Black, brown and immigrant populations are more vulnerable to unemployment and economic hardship as a result of the pandemic.

- Among foreign-born residents, there are language, cultural, and internet access barriers that hinder their ability to obtain government assistance and be successful in job searching.
- The Hispanic and Latinx population has a lower educational attainment level than other population subgroups. 22.6% have a bachelor’s degree or higher, the lowest percentage of people with a college degree of any ethnic or racial subgroup in Takoma Park.
- The educational attainment level of the Black population is lower than that of Takoma’s white population. 82% of white residents have a bachelor’s degree or higher, while 42% or 2,569 of Black residents do.
- The lack of educational attainment historically translates into less opportunity, and lower-paying jobs. White residents of Takoma Park had a 4.9% unemployment rate, while Black residents had a 13% unemployment rate. The Hispanic and Latinx population had a 9.2% unemployment rate.
- Homeownership rates are higher for white families (74%) compared to Black (23%) and Latinx (43%) families in Takoma Park.
Takoma Park's business community has been hard hit by this public health crisis.

- We estimate that Takoma Park has around 1,000 businesses Citywide (the State of Maryland has not provided exact data).
- Many of Takoma Park small businesses, especially immigrant and minority-owned businesses, were already negatively impacted by the construction of the Purple Line prior to the start of the pandemic. Service cut-offs, road closures, traffic, and other construction-related factors were causing dramatic decreases in sales and revenue, with many more years of construction to come. This has compounded the impact of the pandemic on businesses near the Purple Line.
- Since the start of the pandemic, the City’s Economic Development Division has provided direct assistance to 266 businesses.
- City staff estimate that another 800 or so businesses have not interacted with City staff but need assistance as a result of the pandemic. That number reflects 553 businesses that the Takoma Park Economic Development Division has on record, plus another estimated 250 sole proprietors.

Takoma Park residents are double-taxed.

- Montgomery County reimbursements for municipal tax duplication are not sufficient to cover the services provided by the City of Takoma Park that the County does not provide.
- Residents are taxed twice for services they receive once. More information can be found on the City website.

Takoma Park has a significant population of young families and seniors, who are particularly vulnerable to the pandemic.

- 31% of the City's population is over 50 years old, and 10% are over 65 years old.
- The City’s senior population (ages 65+) grew by 24.7% between 2000 and 2015.
- Over 25% of the population is under the age of 19. Almost 15 percent is under the age of 9.
- 38.5% of households have one or more children under 18 years of age, and 20.5% have one or more member 65 years of age and over.
The City of Takoma Park has supported its residents and businesses during the pandemic with emergency services, new online programming, and budget reallocations to create a COVID-19 Relief Fund.

- Takoma Park assisted 266 businesses with direct funding, resource-sharing and/or technical assistance, and connected residents with workforce development services through partnerships with WorkSource Montgomery.

  - The City of Takoma Park created an emergency Mini-Grant Program for small businesses and received 101 applications. 57 businesses have been awarded mini-grants as of June 10, 2020 (grants mostly in the $2,000 range).

  - However, the total need requested by all applicants totaled $799,000. We estimate that businesses that applied represent only about 15% of our business community.

  - Our “Takoma Park Together” campaign is our fundraising effort to provide more mini-grants to the applicants on the waitlist. As part of that effort, Takoma Park To Go restaurants partnered with artists from Chalk Riot to advertise curbside service for Takoma restaurants.

  - Our Economic Development Division is working hard to connect Takoma Park businesses with County, State, and Federal resources. Many of our small businesses are not connected with lending institutions or government resources due to language barriers, lack of experience, or other challenges. As one example, the City partnered with the Latino Economic Development Center to provide technical assistance and training.

  - The City has partnered with WorkSource Montgomery to connect residents to one-on-one employment coaching (now virtual) and monthly hiring pop-ups. Employment webinars hosted by WorkSource Montgomery are promoted by the City.

- Takoma Park supported 80 families facing housing instability with emergency assistance.

  - The City’s Emergency Assistance fund, which preceded the pandemic, is open to low to moderate income families with preventing eviction, utility subsidies, food provisions, prescription assistance, and other housing related matters.

  - 80 families were served by the Emergency Assistance Fund. We have expended $32,225.03, exhausting the fund.

  - We served 47 households who are food insecure; 27 households with eviction prevention; and 6 families were helped with other housing related matters.
• Housing staff assisted families in getting tested, signing up for health insurance, navigating the unemployment benefit system, referrals to Count agencies, finding transportation, obtaining remote work capabilities, and collecting donations and aid for the grieving families of COVID-19 victims. Housing Staff have also coordinated face mask distributions.

• Housing staff have been leveraging a variety of nonprofit partnerships to connect residents with resources. The City of Takoma Park Housing Division has targeted multi-family dwellings for online forums to raise awareness of support services. Most recently, our staff have hosted webinars on rental assistance programs, and Town Halls via phone conference on COVID-19 guidelines.

- **Takoma Park has adapted City operations to fit the COVID-19 environment and provide remote services, while continuing essential services.**
  - Recreation has created online programming to replace recreation and community center activities and classes, plus the Phone a Neighbor program.
  - Permitting and licensing continue online. The Finance Department is accepting fees and fines online or by phone.
  - Public Works has continued regular collection services as normal, as well as hazardous waste drop-offs.
  - Public safety services have continued as normal.
  - Library has developed online offerings and is preparing contactless checkout services. Takoma Park Arts also providing online media.

- **Staff**
  - Our Communications staff created a COVID-19 resource page and sent out postcards with public health advisories.
  - All Council meetings are now provided virtually via Zoom.
  - Non-essential City staff are working remotely.
  - Seven staff members from our Housing and Community Development Department and our Communications Specialist are working full-time on COVID-19 emergency relief and information dissemination.

- **Takoma Park prioritized the creation of a COVID-19 Relief Fund to continue to provide a cushion for vulnerable residents and to expand programming as the City moves into recovery and reopening phases in Fiscal 2021.**
  - The Takoma Park City Council made the difficult decision to reduce Fiscal 2021 expenditures by 2.3% in order to create set-asides for a COVID-19 Relief Fund (CRF) to help struggling businesses and residents that totals $634K.
  - We see these efforts as a complement to the efforts from the County and State as the City is able to act more quickly to provide assistance to those most in need or who face barriers applying for aid from the County and State.
The Takoma Park COVID-19 Relief Fund will cover the continuation of emergency services, unforeseen expenses of the City’s Reopening and Recovery Plan, and new programming to fill in service gaps in Housing and Economic Development.

- City staff see no indication of a slowdown in the demand for these services. City staff predict a surge in housing instability when eviction courts reopen at the end of July. Small businesses are struggling to survive and reopen in the face of plunging sales.

- Both the Mini-Grant Program and the Emergency Assistance Fund had many more applicants in Fiscal 2020 than the original funding allocation allowed. The Takoma Park City Council is dedicating a significant portion of the COVID-19 Relief Fund to assisting waitlisted businesses and expanding eviction prevention efforts and low-income family comprehensive assistance.

- A portion of the COVID-19 Relief Fund will be also be dedicated to a new Healthy Business Program that includes technical advice on reopening for small businesses and an expansion of workforce development services.

Takoma Park has already begun to submit documentation for federal reimbursement to FEMA and is ready to submit reimbursement documentation for CARES funding.

- The City is still in the early stages of cost tracking. The City has tracked $62,912 in FEMA-eligible expenses, including Police hazard pay and PPE for all Departments. The City has tracked $81,246 in CARES-eligible expenses.

- The City expects significant costs to continue to accumulate over the next 6 months. For instance, the City is expecting more than $120K in Public Works hazard pay.

If provided additional funding support from the County, Takoma Park could further expand COVID-19 emergency services and increase the resiliency of City operations without draining funds from other urgent priorities in the City.

We look forward to partnering with Montgomery County to help the residents of Takoma Park bounce back from this crisis.

Contact:

City of Takoma Park
Attn: Jessica Clarke, Deputy City Manager
Email: jessicac@takomaparkmd.gov