



City of Takoma Park

SWOT Analysis: Strengths, Weaknesses,
Opportunities, and Threats



Takoma Park Strategic Planning

The City of Takoma Park has engaged The Cloudburst Group to undertake specific activities that will ultimately inform the development of a Strategic Plan for Housing and Economic Development programs and policies.

Cloudburst's scope of work includes three main activities that collect both hard data and subjective, anecdotal comments from residents, stakeholders, elected officials and City staff.

These activities are:

- 1) Data analysis
- 2) Resident survey
- 3) Stakeholder interviews

Each of these activities will guide the development of an actionable Strategic Plan. The quantitative data analysis will be used to determine if the subjective, anecdotal comments received from the survey and stakeholder interviews reflect reality, although the importance of both data, and public perceptions are necessary to inform a Strategic Plan.

Takoma Park Strategic Planning

- This SWOT Assessment was developed using the results of the resident survey which 391 persons responded to. The survey was open to all residents of Takoma Park from May 17, 2017 through June 19, 2017. A “Listening Session” was conducted by City staff on the evening of June 28, 2017; and in-person or teleconference interviews with over 45 community stakeholders and City staff (a list of interviewees will be provided as an Appendix to the Strategic Plan).
- The Cloudburst team compared the subjective comments and opinions from the survey and interviews to the related and available data to synthesize some critical points in this SWOT Assessment. Recurring comments and opinions carried more weight, and in several topics, when data confirmed the comments, those issues are presented in the SWOT lists.
- This does not mean that public perceptions were minimized. In fact, more often, initial interviews lead to additional stakeholders for input, broadening the accumulation of comments and opinions. Cloudburst will continue to schedule relevant stakeholder interviews beyond the SWOT Assessment in an attempt to be as inclusive as possible.

SWOT Definition

An examination of a city's internal strengths and weaknesses, its opportunities for growth and improvement, and the threats the external environment presents to its successful function in specific program and policy areas is considered a **SWOT Assessment**.

A SWOT Assessment is considered an integral component of a Strategic Plan.

SWOT Assessment

A scan of the internal and external environment is an important part of the strategic planning process. Environmental factors internal to the organization usually can be classified as Strengths (**S**) or Weaknesses (**W**). Those external to the organization can be classified as Opportunities (**O**) or Threats (**T**). The first step in a SWOT assessment involves the collection and evaluation of key data. To inform the SWOT assessment, the Cloudburst Group conducted the following environmental scan activities:

- Data analysis
- Resident survey
- Stakeholder and staff interviews

Environmental Scan

Data Analysis
Resident Survey
Stakeholder Interviews

Internal Analysis

Strengths
Weaknesses

External Analysis

Opportunities
Threats

SWOT Assessment

Advantages

The aim of urban strategic planning is to bring municipal government into balance with the external environment, and to maintain and sustain that balance over time. Ultimately, adapting to new circumstances and improving the living conditions of the residents affected.

The SWOT Assessment is just one step in a proper strategic planning process. Cities can accomplish this balance by:

- Reviewing historical data
- Engaging residents and community stakeholders
- Evaluating potential new or revised programs and services with the intent of maximizing organizational performance, ultimately benefitting the residents

SWOT Assessment

Advantages

- SWOT assessment is a preliminary decision-making tool that sets the stage for strategic planning
- SWOT assessment provides a holistic snapshot of the relationship between assets and limitations
- SWOT methodology can condense a large number of situational factors into a manageable number

SWOT Assessment

Limitations

Using a SWOT Assessment is an effective *method* to assess and create a profile of a complex situation. However, in its application toward strategic planning, it is not intended to be an end unto itself, but rather a step in a process to developing a Strategic Plan. This is a subjective process with inherent limitations, but there is no question that a SWOT assessment can provide valuable insight for any strategic planning.

- It can be an oversimplification
 - It is not designed to fully analyze complexities and nuanced issues, but rather to provide high-level bulleted points of reference to be fully explored in the Strategic Plan.

SWOT Assessment

Limitations

- It is primarily a summary tool
 - Doesn't provide a clear plan of action. Taking SWOT issues and translating them into actions is a critical part of the process, but it relies on the ability of whoever is conducting the assessment to identify key factors and use them to develop an effective strategy
 - To accurately assess internal strengths and weaknesses, staff must be committed to the process, honest, and transparent
 - To accurately assess external opportunities and threats, stakeholders must also be transparent and set aside their vested interests

STRENGTHS

Strengths are the qualities that enable the city to accomplish its mission. These are the basis on which success can be made and sustained. Strengths are current factors that have prompted outstanding organizational performance, the beneficial aspects and capabilities of a city, such as:

- What you are well-versed in or what you have expertise in
- Successful programs and services
- The traits, competencies, and qualities your employees possess (individually and as a team)
- Distinct features that give Takoma Park its consistency, transparency, and reputation

WEAKNESSES

Weaknesses are the qualities that prevent cities from accomplishing their mission and achieving full potential, thus creating a disadvantage. These weaknesses deteriorate influences on the city's success and growth, creating negative results. Weaknesses are controllable and therefore should be targeted to minimize or eliminate the relevant elements. Some examples of strategic weaknesses in a city could be:

- Frequent employee turnover
- Complex and lengthy decision making processes, lack of transparency
- Inaccessible staff and elected officials, leading to distrust by residents
- Historical poor performance in programs and services, and/or programs and services that are not used by the residents

OPPORTUNITIES

Strengths and weaknesses are often internal to a city, while opportunities and threats generally relate to external factors. Opportunities and threats are most often out of direct control by the city.

- Opportunities are *positive*, and *external*: they benefit cities that can take advantage of them, but they cannot be ‘produced’ as and when desired
- Opportunities are presented by the environment within which a local government operates. These arise when a city can take benefit from conditions in its environment to plan and execute strategies that enable it to become more successful, and more responsive to the needs of its residents
- Recognizing opportunities, the city can establish long and short term strategies to incorporate them into programming and services

THREATS

Threats arise when conditions in the external environment jeopardize the reliability and effectiveness of the city's mission. They are uncontrollable, and compound the city's vulnerability when they relate to the identified weaknesses. When a threat comes, the stability and sustainability of successful government functions can be at stake. Some examples of threats to a successful functioning city government (within the context of housing and economic development) are:

- Loss of resources to provide financial incentives for development
- New regulations
- Decrease in revenue / increase in expenses
- Disinvestment in neighborhoods
- Empty store fronts
- Loss of confidence from residents

HOUSING SWOT ASSESSMENT

Housing Strengths

STRENGTHS

- 1) **The City administers a variety of programs targeted at maintaining housing affordability and economic/racial/ethnic diversity. Some of the City's most impactful programs - in terms of the number of residents that are affected are Rent Stabilization, Landlord-Tenant Mediation and Rental Housing Licensing.**
- 2) **Unlike neighboring jurisdictions, the city has an even mix of renters and homeowners. This indicates that the housing market provides choices for both consumer groups, which enables socioeconomic integration.**

Housing Strengths

STRENGTHS

- 3) As a result of the Rent Stabilization Law, rental housing in Takoma Park is less expensive than in neighboring jurisdictions. This provides an opportunity for families with lower incomes to live in the city.**

Housing Strengths

Array of funding and programs targeted at maintaining housing affordability and economic/racial/ethnic diversity

- Programs such as rent stabilization, landlord/tenant mediation, tenant capacity building, financial assistance, and Payment in Lieu of Taxes (PILOT) agreements provide the City with a vehicle to achieve its goals of making Takoma Park an affordable place to live for individuals and families of all income levels.
- A total of 1,817 (59%) renter-occupied units in the city are rent stabilized. Rents for rent stabilized units are much lower than market-rate units, maintaining affordable housing opportunities and preventing the pricing-out of long-time residents.
- In FY16, Takoma Park's Housing and Community Services Division, formerly known as the Landlord-Tenant Office, had 2,550 contacts and held two Commission on Landlord-Tenant Affairs (COLTA) hearings to resolve landlord-tenant conflicts.

Housing Strengths

Array of funding and programs targeted at maintaining housing affordability and economic/racial/ethnic diversity

- The City spent a total of \$26,498 in FY16 to provide emergency assistance to 130 households.
- The City has \$50,000 available through its Home Stretch Down Payment Assistance Program.
- The City's PILOT program provides property tax abatement opportunities for affordable housing developers to provide incentives to renovate affordable housing developments and provide local match in support of Low Income Housing Tax Credit (LIHTC) applications.

Housing Strengths

Relatively even mix of renters and homeowners

- According to 2015 American Community Survey 5-Year Estimates, 53% (3,249) of homes in Takoma Park were owner-occupied and the remaining 47% (3,095) were occupied by renters. Housing units in Montgomery County, for comparison, were 66% owner-occupied and 34% renter-occupied. In adjacent communities, housing units were 33% owner-occupied and 67% renter-occupied.
- Purchasing a home in the metro D.C. region is not an affordable or desirable option for every person or family. A mix of renters and homeowners indicates that the city's housing market provides choices for both consumer groups, which fosters cultural and socioeconomic diversity, and helps the City achieve its "A Livable Community for All" priority.

Housing Strengths

Rental housing in Takoma Park is less expensive than in neighboring jurisdictions

- Median gross rent in Takoma Park was \$1,094 in 2015, compared to \$1,627 in Montgomery County and \$1,333 in adjacent communities. This includes market-rate, rent-stabilized, and subsidized units (2015 American Community Survey 5-Year Estimates).
- Takoma Park has many amenities for its residents, including access to transportation, walkability, proximity to D.C., and recreational facilities and programming. Adjacent communities share these characteristics, but lower rents make it more feasible for moderate-income households to afford living in Takoma Park.

Housing Weaknesses

WEAKNESSES

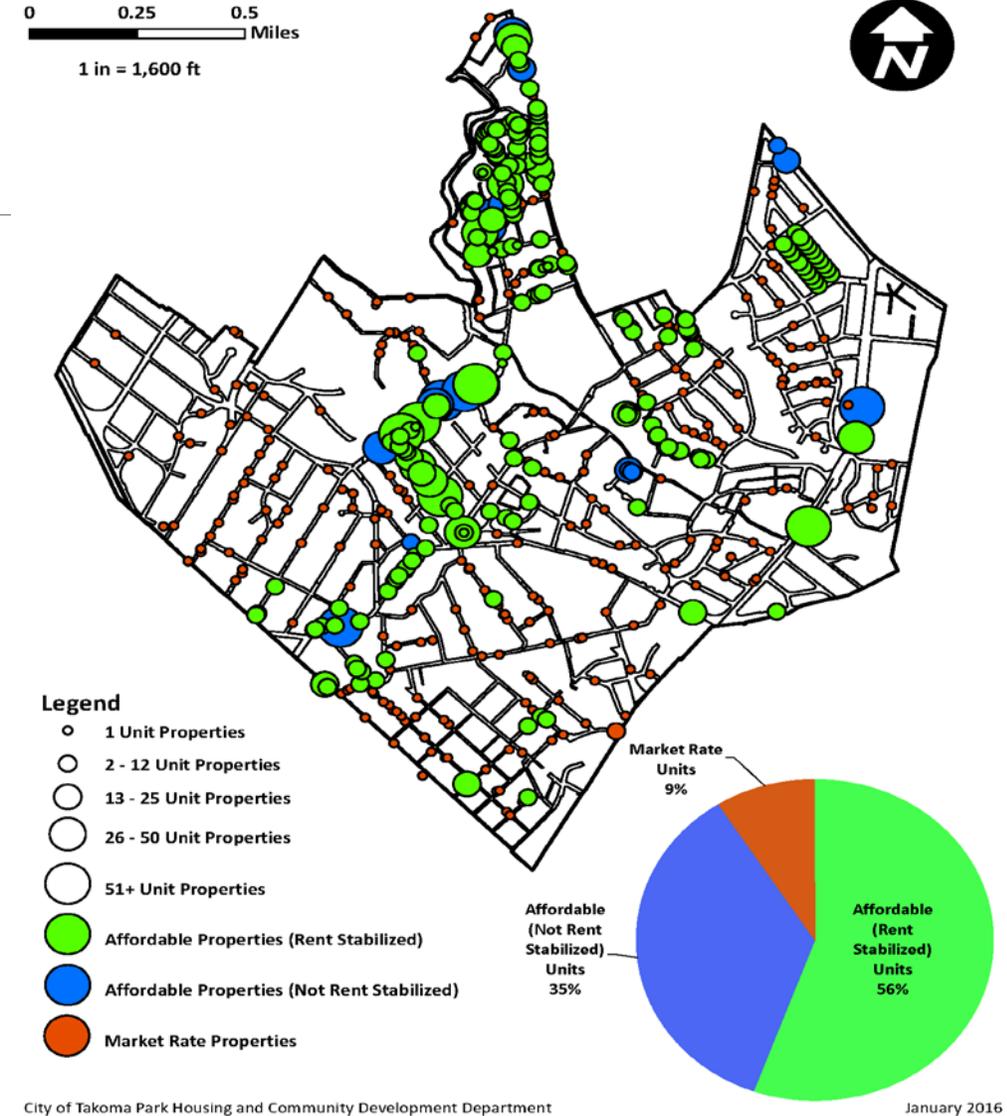
- 1) Rent stabilized and subsidized properties are not dispersed evenly throughout the city
- 2) Little vacant land is available for new construction of housing
- 3) Rental inspection policies combined with rent increase restrictions and low vacancy rates provide less incentive for landlords to improve/maintain their properties above minimum code requirements

Housing Weaknesses

Rent stabilized and subsidized properties are not dispersed evenly throughout the city

These properties tend to be concentrated in certain corridors of Takoma Park, with the largest clusters in the Long Branch/Sligo Creek area and along Maple Avenue, meaning the city's neighborhoods are somewhat segregated by income. This poses a fair housing issue, as it can hinder social mobility for lower income residents. It also makes it more difficult for the City to achieve its "A Livable Community for All" priority – while Takoma Park is socioeconomically diverse overall, there is residential income-based segregation on a neighborhood level.

Takoma Park Multifamily Buildings by Rent Stabilization Status, January 2016



Housing Weaknesses

Little vacant land available for new construction of housing

- According to data and local stakeholders consulted during the outreach process, demand for both renter- and owner-occupied housing is high. Houses were on the market for an average of 47 days between January 2012 and January 2017 according to MLS data provided by local Realtor, Hank Prensky.
- Additionally, apartments have quick turnover and low vacancy rates. According to 2015 American Community Survey 5-Year Estimates, the renter vacancy rate in Takoma Park was 2.7%. Comparatively, the renter vacancy rate for Montgomery County was 3.9% in 2015; nationally, it was 6.4%
- Consequently, there is a sustained need for more affordable, accessible housing stock. However, there is little vacant land available in Takoma Park to build new housing that might meet these needs.

Housing Weaknesses

Annual rental inspection policies combined with rent increase restrictions and low vacancy rates provide less incentive for landlords to improve or maintain their properties above minimum code requirements

- Several stakeholders consulted during the public outreach process, including the manager of the County's Housing Code Enforcement program (contracted by the City to inspect residential properties), noted that owners of multifamily rental properties tend to limit maintenance activities to resolving annual inspection findings, instead of planning capital investments and conducting preventative maintenance.

Housing Weaknesses

Rental inspection policies combined with rent increase restrictions and low vacancy rates provide less incentive for landlords to improve or maintain rental properties above minimum code requirements

- Lack of regular preventative maintenance can contribute to reduced quality of life for residents, especially those in older rental properties that are more likely to have physical housing issues. As the city's housing stock continues to age, there will be an increased need for capital improvements over time.
- Between 2013 and 2016, the County's Housing Code Enforcement Division issued 2,368 citations for Property Maintenance Code violations in the City of Takoma Park, most of which were for large multi-family rental properties.

Housing Opportunities

OPPORTUNITIES

- 1) Construction of the Purple Line and regional economic growth could stimulate potential for mixed-income housing developments
- 2) Redevelopment of the Washington Adventist Hospital site could provide a location for new mixed-income housing

Housing Opportunities

Construction of the Purple Line and regional economic growth could stimulate potential for mixed-income housing developments

- Development of the Purple Line will likely prompt some multifamily development in the Long Branch and Takoma/Langley Crossroads areas of the city. Increased access to transit in these sectors will make these areas more attractive to investors and residential developers, particularly those looking to expand their mixed-use portfolios. Recent zoning changes allow for increased residential density and encourage mixed-use development in existing commercial areas. Developers of new housing with 20 or more units are required to make some units affordable to households at or below 60% of the Area Median Income, due to the County's Moderately-Priced Dwelling Unit Ordinance. Consequently, the benefits of improved transit access and new development would be open to Takoma Park residents of varying incomes.

Housing Opportunities

Redevelopment of the Washington Adventist Hospital site could provide a location for new mixed-income housing

- The city's largest employer, Washington Adventist Hospital, plans to leave its current site in 2019. This leaves a large parcel open for new development that is adjacent to Washington Adventist University and Sligo Creek. The Hospital plans to keep some psychiatric and behavioral health services in Takoma Park and may lease some space to the University. Consequently, redevelopment of this parcel hinges on the collaboration with the Hospital and the University. Similar Adventist organizations have been involved in affordable housing partnerships in other parts of the country, such as Oregon.

Housing Threats

THREATS

- 1) **Aging single-family and multi-family housing stock may increase need for housing rehabilitation**
- 2) **Housing prices are increasing rapidly in Takoma Park and the region**
- 3) **Growing senior population combined with shrinking young adult population, both at higher rates than the rest of the region, will create increased need for affordable, accessible properties**

Housing Threats

Aging single-family and multi-family housing stock may increase need for housing rehabilitation

- Older housing units are more likely to need major maintenance and may need upgrades to meet contemporary quality of life standards. Foundations are more likely to have settlement cracks, and plumbing and electrical systems may need to be upgraded to meet environmental standards and to safely handle modern appliances. Repairs to older housing stock tend to cost more due to lead and asbestos remediation as well as the need to retrofit modern materials and appliances. The costs associated with these repairs will deter new investment from multifamily property owners and increase housing-related expenses for homeowners.
- Homeowners with lower incomes may struggle to afford necessary repairs. Additionally, given the aging population, and that seniors (aged 65+) are more likely to have lower incomes than other age groups (37% of senior households have annual incomes less than \$35,000 compared to 14% for householders aged 25 – 64*), the number of households unable to afford repairs could increase in the future.

Source: American Community 5-Year Estimates, 2011-2015

Housing Threats

Housing prices are increasing rapidly in Takoma Park and the region

- Although rents remain stable due to the City's rent stabilization ordinance, housing prices continue to rise at a fast rate. Upcoming developments like the Purple Line will provide opportunities for new mixed income housing, but will also increase housing prices even more as the area becomes increasingly attractive due to improved transit options. This constrains housing options for moderate-income families who may want to purchase a home in Takoma Park, and may lead to stark income disparities between those who rent and those who own their homes. A growing disparity between income levels of renters and homeowners may result in increased income-based residential segregation in different neighborhoods in Takoma Park, which runs counter to the City's "A Livable Community for All" priority.

Housing Threats

Growing senior population combined with shrinking young adult population, both at higher rates than the rest of the region – will create an increased need for affordable, accessible properties

- Seniors are more likely to have physical disabilities than the general population, are generally on fixed incomes, and may have restrictions on their driving license or be unable to drive at all. Consequently, this segment of the population requires housing that is affordable, accessible, and located near public transit or within walking distance of amenities such as grocery stores, drug stores, and neighborhood retail. According to stakeholders consulted during the outreach process, there is currently a lack of affordable and accessible housing options for seniors in Takoma Park.

ECONOMIC SWOT ASSESSMENT

Economic Strengths

STRENGTHS

- 1) **Capable City staff, as well as competent professionals operating outside community development programs**
- 2) **City's inclusive, sustainable economic development policies and willingness to support small business**
- 3) **State and County economic incentives**

Economic Strengths

STRENGTHS

- 4) **Community support for local businesses**
- 5) **Progressive policies**
- 6) **Increasing population**
- 7) **Residents have a high level of discretionary spending**

Economic Strengths

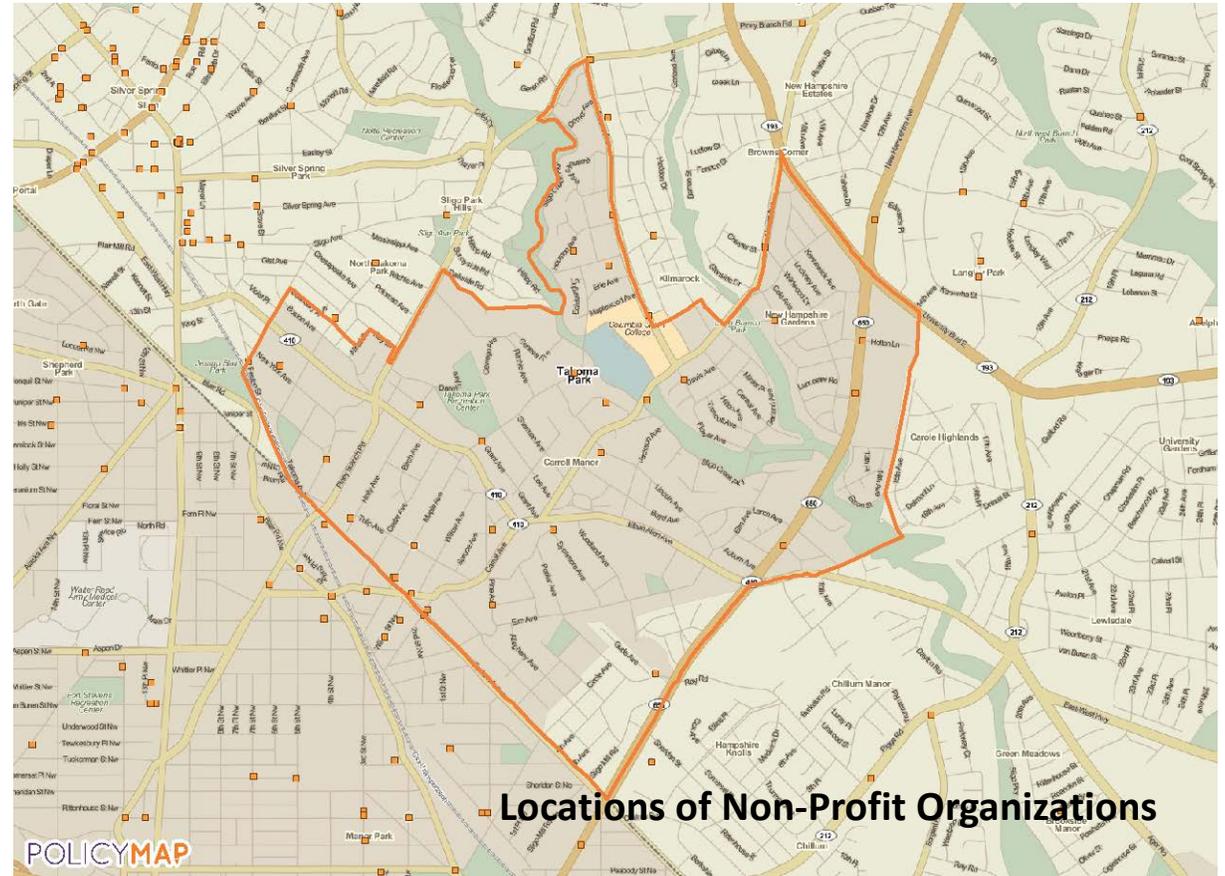
STRENGTHS

- 8) Demographically diverse community
- 9) High educational attainment
- 10) High occupancy rates of commercial area

Economic Strengths

Capable and competent professionals

- Takoma Park has a capable City staff and competent professionals operating outside community development programs, which ensures that programs and initiatives are run effectively. This leads to a high quality of life for residents. Additionally, the city benefits from a strong network of non-profits, noted on the accompanying map, including non-profit lending institutions and business advisory groups.



Economic Strengths

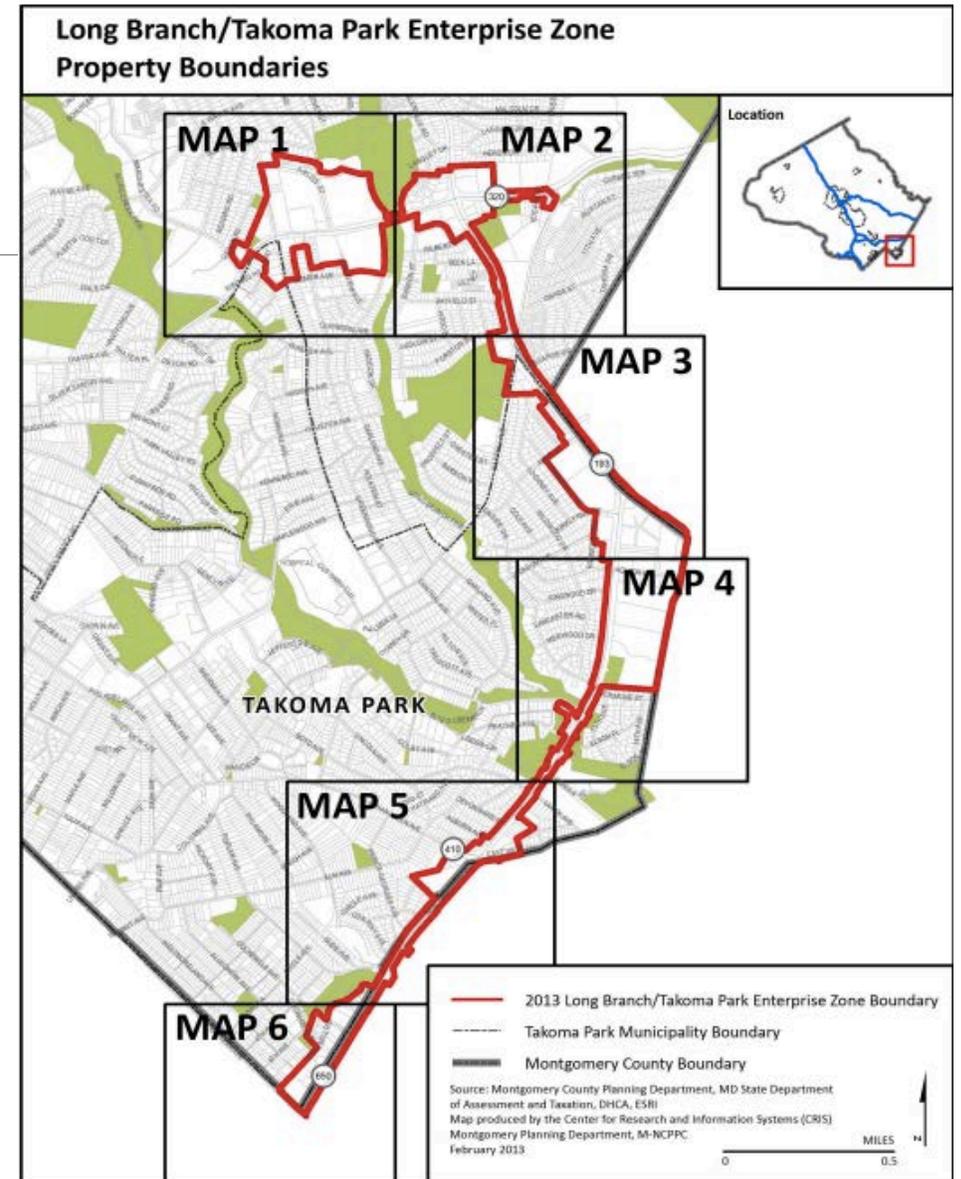
Inclusive Sustainable Economic Development Policies

- The City contracts annually with the Old Takoma Business Association and the Takoma-Langley Crossroads Development Authority to encourage the development and expansion of businesses in commercial areas and in areas that are low-income. Another example of progressive economic policies is that, as of April 19, 2017, a “Racial Equity Impact Statement” is included on all Council agenda items.

Economic Strengths

Enterprise Zone Designation

- The Maryland Enterprise Zone program provides real property and state income tax credits to businesses locating in designated areas in return for job creation and capital investment.
- The Long Branch/Takoma Park Enterprise Zone , illustrated in the accompanying map, is comprised of 125 acres. Its designation expires June 14, 2023.
- Benefits include a graduated 10-year Real Property Tax Credit for increases to real property assessment resulting from new construction or improvement and an exemption from Montgomery County's Development Impact Taxes. These impact taxes, which are otherwise assessed to fund schools and transportation improvements, do not apply in the Enterprise Zone.



Economic Strengths

Other Incentives Include:

- The Takoma Park/East Spring Commercial Revitalization Overlay Zone (CROZ) which provides more flexibility than traditional commercial zones such as the ability to waive or reduce Montgomery County parking and setback requirements during the site plan process, and added density in commercial and mixed-use buildings.

Economic Strengths

Support for local business

- Community support to local businesses as evidenced by the large number of locally-owned, independent businesses located in all commercial areas and programs like Takoma Notes, a micro-lending program that allows local investors the opportunity to invest in local businesses.

Progressive policies

- Community residents are educated and engaged, which leads to the development of innovative programs and the adoption of progressive legislation such as the polystyrene and plastic bag bans. These improve quality of life, and also add to the brand of Takoma Park as a politically active city.

Economic Strengths

Population in Takoma Park is increasing

- From 2010 to 2015, Takoma Park's population grew faster than the State of Maryland, but slower than Montgomery County as a whole. Takoma Park's population increased from 16,853 in 2010 to 17,478 in 2015, an increase of 3.7%.
 - *It is important to note however, that there was an anomaly in the 2010 Census due to a vacant multi-family property under renovation with over 1,000 residents. Takoma Park is largely built out and, short of redevelopment including residential, it is unlikely the population will increase much.*

Residents have a high level of discretionary spending

- The residents of Takoma Park spend a collective \$119,721,000 on retail each year. Not all of this is spent in the city, and there is capacity to add more retail which could contribute to improving business districts or adding more jobs. Furthermore, the accommodation and food services sector is growing, indicating that more restaurants are locating in the area.

Economic Strengths

Demographically diverse

- The population of Takoma Park is 45% white, 33% black or African American, 14% Hispanic, 5% Asian, and 3% identifying as two or more races. In both 2010 and 2015, 30% of the population was foreign born indicating that Takoma Park is a hospitable community for new immigrants.

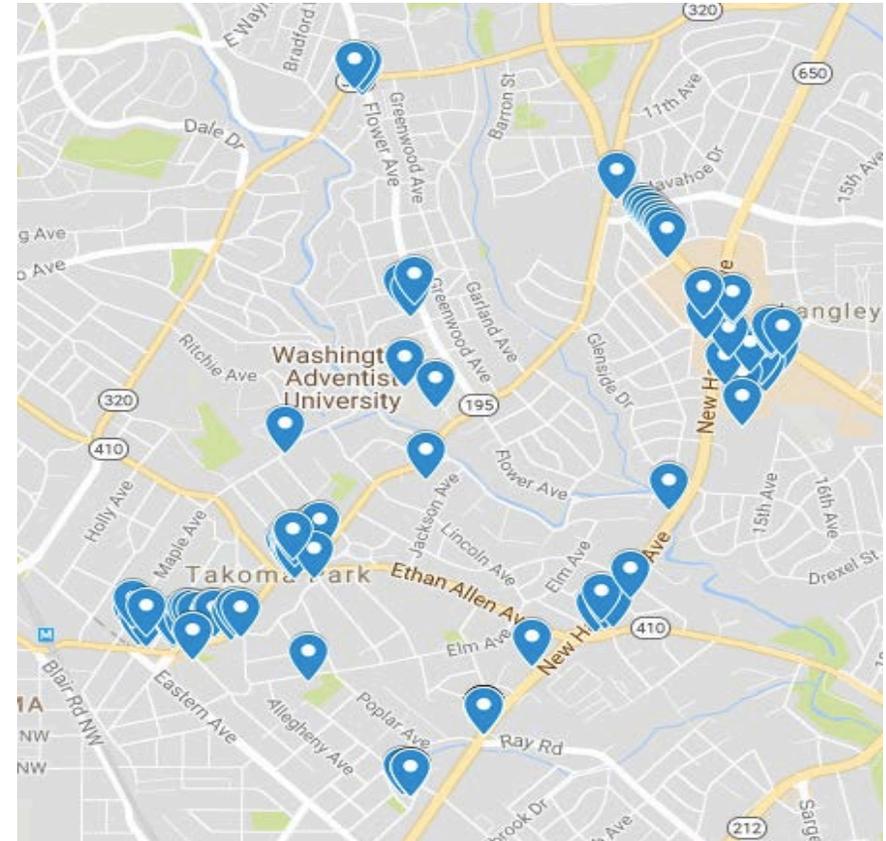
Educational attainment

- Overall, Takoma Park has a higher educational attainment level than state or local averages.

Economic Strengths

High occupancy rates

- Most commercial buildings are occupied as illustrated in the accompanying map. There is a very low commercial vacancy rate, even in buildings that are older or outdated. This leads to vibrant commercial areas. The State has designated the Old Takoma area a Maryland “Main Street” and has designated the entire city a "sustainable community." These designations can attract and leverage public and private development incentives.



Occupied Commercial Properties

Economic Weaknesses

WEAKNESSES

- 1) Can be difficult to coordinate with inter-jurisdictional partners**
- 2) Limited commercial space**
- 3) Lack of business diversity**
- 4) Personal Property Tax**
- 5) Underutilized properties along the New Hampshire Avenue Corridor**
- 6) “Crossroads” and the New Hampshire Avenue Corridor property owners lack incentive to renovate properties to full potential of zoning**

Economic Weaknesses

Can be difficult to coordinate with regional partners

- Working with large regional players, inter-jurisdictional coordination with neighbors (Montgomery County, Prince George's County, and D.C.) can be difficult because Takoma Park is small in comparison. However, banding together would strengthen the advocacy voice of the area and allow the region to have a stronger voice supporting major projects such as the Purple Line. When considering redevelopment, especially in border areas such as the Takoma/Langley Crossroads, regional coordination, or even cross-border coalitions or groups could facilitate coordination on affordable housing, transportation, and financial incentives for developers.

Economic Weaknesses

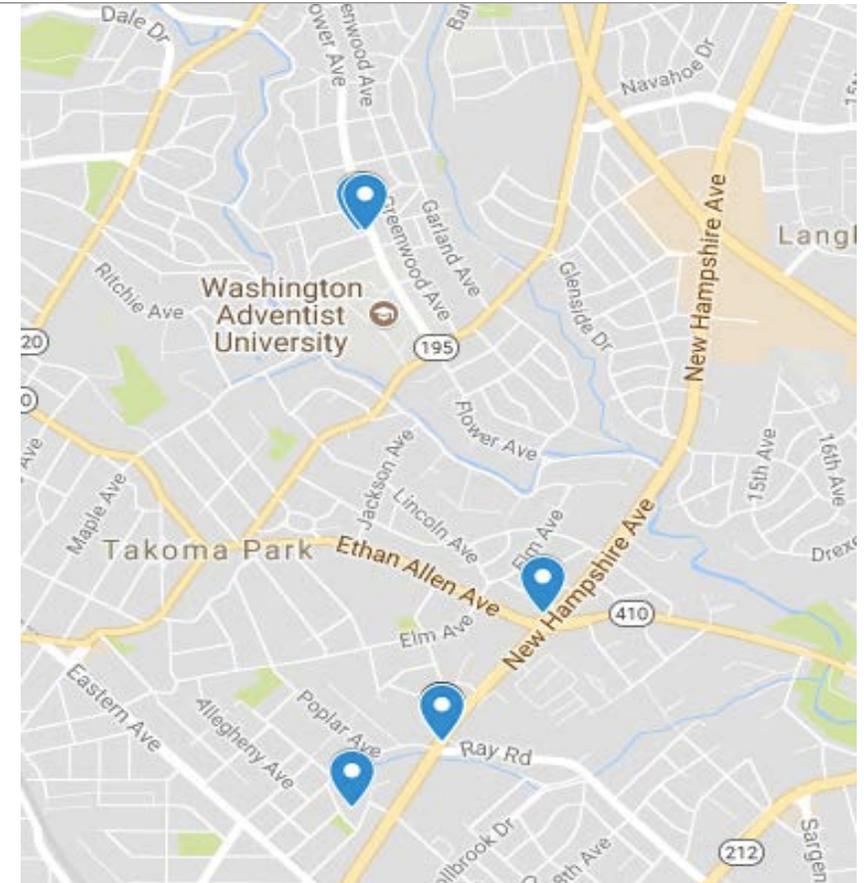
Limited affordable commercial space

- For small businesses looking for commercial space, options are limited. In Old Takoma, there are limited available storefronts, and a lack of Class A office space. New developments have identified co-working as a use, which will provide space for small operators and those who work from home. In the New Hampshire/University Boulevard area, there is one large office building, which is at capacity; most of the tenants are small operators. Retail properties in this area are in high demand and property owners are able to charge higher rents than might be expected for these properties, however, other than in informal markets such as the Crossroads Farmer's Market, there are few opportunities for new and emerging small retail operators to sell their product.

Economic Weaknesses

Limited developable space

- Businesses looking to locate or expand in Takoma Park have few options. There is a lack of Class A office space in the City. Existing, aging office space has low vacancy. A commercial property assessment shows only nine properties in the area have a vacancy, including four empty lots that are privately owned. There is an opportunity to develop the Washington Adventist Hospital, although the owner plans to retain the property, which limits redevelopment options. A lack of new buildings, and a lack of developable property makes it hard to market Takoma Park to new companies looking to locate in the area.



Vacant Commercial Space in Takoma Park

Economic Weaknesses

Personal Property Tax

- The Personal Property Tax (PPT) is levied against all tangible assets and commercial inventory owned by a business. The tax has been cited by small business owners - especially those with large inventories or expensive assets - as a financial burden. The tax applies to all businesses, from chain stores to independent operators. Though other municipalities have eliminated the tax or modified it, Takoma Park has not. While small businesses consider the tax a hardship, economic development representatives did not indicate that it had discouraged new business from opening in the area. A 2016 memo compiled by the City found that:
 - *Most cities in Maryland do not levy this tax fully. Of the 28 designated Maryland Main Street communities, Takoma Park is one of only two cities to levy this tax at 100%.*
 - *The tax is indiscriminately levied. Only 22% of businesses pay, and, due to a confusion with addresses some businesses located outside of the city pay the tax. This has led to misunderstandings and some businesses being assessed large large back-payments.*
 - *Retail businesses often pay more than restaurants and offices due to the inventory they maintain, especially as furniture and fixings are depreciated while inventory is not.*
- The tax is a source of revenue however, it is not being administered fairly, and is a detriment to businesses, especially retailers. There is potential to use this tool more wisely – if it were administered better then the rate could be decreased without losing revenue. The City does not receive sales tax.

Economic Weaknesses

Lack of business diversity

- The industries with the most jobs in Takoma Park are health care and social assistance, educational services, and retail trade. These industries are represented in the top employers. Also represented is the growing industry of accommodation and food service.
- Opportunities for those without a higher degree of educational attainment seem to be clustered in retail and service jobs, which often lack full time employment or benefits. This limits economic opportunity for these residents. One potential way to diversify would be to change zoning and use restrictions to facilitate new industries such as light manufacturing.

Rank	Employer	Employees
#1	Washington Adventist Hospital	1,600
#2	Montgomery College	523
#3	Montgomery County Public Schools	215
#4	City of Takoma Park	212
#5	Washington Adventist University	163
#6	Sligo Creek Center (medical)	133
#7	Republic (restaurant)	63
#8	International House of Pancakes	54
#9	Don Bosco Cristo Rey High School	50
#10	Takoma Park/Silver Spring Co-op	44

Economic Weaknesses

Underutilized properties along New Hampshire Avenue

- The City has recognized underperforming properties along the New Hampshire Avenue Corridor. In 2013 the City partnered with the property owner of 6530 New Hampshire Avenue to devise a feasibility plan for a business incubator, although the project did not receive anticipated funding and has not been redeveloped. A property owner on the same corridor is interested in developing a use that is not allowed by the zoning code. The corridor is currently a mix of commercial activity, housing, and other uses. Future planning should focus on creating an identity for this corridor, and developing properties to increase their value by adding appropriate infrastructure and access points. The Ethan Allen Gateway Streetscape, scheduled for constructed in 2018, will create a better environment for bicycle users and pedestrians, which, in turn could lead to more commercial activity, or another use, depending on community and market preference.

Economic Weaknesses

Property owners in Takoma/Langley Crossroads are not motivated to redevelop their properties without an incentive

- The Takoma/Langley Crossroads encompasses many retail establishments that house both local operators and national chains, many in building stock that is more than 30 years old and automobile oriented. The large parcels in the Takoma/Langley Crossroads are currently occupied by property owners who are not incentivized to change the function of the buildings on their property. The property owners that were interviewed noted that they maintained their properties, but that they did not anticipate changing uses because conversion from predominately retail to multi-family mixed use is a risky and expensive proposition, even though the area is zoned to allow this use.
- Several factors influence changing the building stock in this area including the availability of incentives from the City, the plan for the Purple Line, the ability to maintain business continuity if redevelopment is undertaken, and the affordability of housing in the area.

Economic Opportunities

OPPORTUNITIES

- 1) Proximity to the District of Columbia
- 2) Takoma Park is well served by transit, including bus and metro
- 3) The Purple Line has the capacity to transform the Takoma/Langley Crossroads area significantly
- 4) Takoma Park is bordered by so many other municipalities, there is an opportunity to partner for increased collaboration, especially around development of the Takoma/Langley Crossroads

Economic Opportunities

OPPORTUNITIES

- 5) Large plots of land accessible by transit and on major corridors
- 6) There is capacity to add more retail

Economic Opportunities

Proximity to the District of Columbia

- Being adjacent to D.C. is one of the most important strengths of Takoma Park. Takoma Park's location in the core of a large, economically vibrant economy supports the city's real estate and neighborhood retail as well facilitates the success of smaller, satellite industries and businesses in a larger regional economy. Furthermore, the D.C. region draws in talented workers, some of whom settle in Takoma Park.

Transit accessible

- Takoma Park is well served by transit, including bus and metro. This makes the city an attractive place to live because it reduces residents' commute times and dependence on automobiles.

Economic Opportunities

The Purple Line has the capacity to transform the Takoma/Langley Crossroads area significantly

- In recent years, transit-oriented development has transformed many communities surrounding WMATA stations in the DC-MD-VA area. Furthermore, as D.C. becomes increasingly expensive, major suburban corridors are being redeveloped with multi-family housing to serve the population moving out of the city. The Purple Line will be a catalyst for redevelopment in Takoma Park, especially in the Takoma/Langley Crossroads area.

Takoma Park is bordered by several counties and a municipality, there is an opportunity to partner for increased collaboration, especially around development of the Takoma/Langley Crossroads area

- The Takoma/Langley Crossroads area is split between Montgomery County and Prince George's County. A regional partnership with leadership in both counties contributing resources would contribute to the comprehensive development of the area and provide alignment in zoning, transportation planning, and housing strategies. This could have such benefits as ensuring affordable housing is kept intact, facilitating financing of infrastructure upgrades, and allowing the area to have a louder voice in regional decision making.

Economic Opportunities

Large plots of land near transit and on major corridors

- The large parcels occupied by shopping centers in the Takoma/Langley Crossroads are zoned for multi-family housing and mixed-use commercial development. This is an opportunity to both add more housing to the area, as well as to update building stock, and add different types of uses that diversify the economy.
- Vacant and or underutilized property along the New Hampshire Avenue Corridor can also be redeveloped into uses that support economic growth.

Capacity for more retail

- The residents of Takoma Park spend a collective \$119,721,000 on retail each year. Not all of this is spent in the city, so there is capacity to add more retail in the city which could contribute to improving business districts or adding more jobs.

Economic Threats

THREATS

- 1) The number of minority owned businesses decreased by 10% from 2007 to 2012
- 2) Disparate levels of educational attainment in the population can restrict economic opportunity
- 3) Losing the majority of workers at the Washington Adventist Hospital will impact the economy

Economic Threats

The number of minority businesses decreased by 10% from 2007 to 2012

- The share of all businesses owned by minorities decreased from 50% to 40% in five years. This is a decrease of 27%, from 191 minority-owned businesses in 2007 to 139 in 2012. Some of this decline is due to the 7% decrease in all businesses, but minority-owned businesses declined significantly more. This could be due to a number of factors, from this population not registering their businesses, to a lack of space for these businesses, to a lack of funding available to minority entrepreneurs. Since immigrant and minority populations are more likely to start their own businesses, this is an important group to monitor. However, even at 40% minority ownership of businesses, Takoma Park eclipses the national rate of minority business ownership, which is 29%.

Economic Threats

Disparate levels of educational attainment in the population can restrict economic opportunity

- Although the city's population is highly educated, segments of Takoma Park's population fall behind in rates of educational attainment. This follows national trends, but limits opportunities for some individuals. The Hispanic or Latino population is growing, but displays a lower level of educational attainment than other population subgroups. Of those from a Hispanic or Latino background in Takoma Park, 22.6% (550) have a bachelor's degree or higher, the lowest of any ethnic or racial group in Takoma Park. Among black and African-American residents, 86% (4,960) have a high school degree or higher as compared to 97% of the white population. Lower educational attainment levels often correlate with fewer job opportunities in higher-wage industries. Typically, workers without bachelors degrees are paid less, and have less economic opportunity.

Economic Threats

Relocation of the Washington Adventist Hospital

- The relocation of the Washington Adventist Hospital will lead to the loss of nearly 1,000 jobs. Loss of these jobs may also mean that workers at this facility may leave Takoma Park to move closer to the new location or as their jobs change. It also is a loss of healthcare amenities – which impacts quality of life.

STRENGTHS

- 1) Array of funding and programs targeted at maintaining housing affordability and economic/racial/ethnic diversity
- 2) Even mix of renters and homeowners
- 3) Rental housing in Takoma Park is less expensive than in neighboring jurisdictions

WEAKNESSES

- 1) Rent-stabilized and subsidized properties are not dispersed evenly throughout the city
- 2) Little vacant land available for new construction of housing
- 3) Rental inspection policies combined with rent increase restrictions and low vacancy rates provide less incentive for landlords to improve/maintain their properties above minimum code requirements

HOUSING SWOT

OPPORTUNITIES

- 1) Construction of Purple Line and regional economic growth could stimulate potential for mixed-income housing developments
- 2) Redevelopment of the Washington Adventist Hospital site could provide a location for new mixed-income housing

THREATS

- 1) Aging single-family and multi-family housing stock may increase need for housing rehabilitation
- 2) Housing prices are increasing rapidly in Takoma Park and the region
- 3) Growing senior population combined with shrinking young adult population, both at higher rates than the rest of the region, will create increased need for affordable, accessible properties

STRENGTHS

- 1) Capable City staff
- 2) City's inclusive, sustainable economic development policies
- 3) State and county economic incentives
- 4) Community support for local businesses
- 5) Progressive policies
- 6) Increasing population
- 7) Residents have a high level of discretionary spending.
- 8) Demographically diverse community.
- 9) High educational attainment
- 10) High occupancy rates of commercial area

WEAKNESSES

- 1) Can be difficult to coordinate with inter-jurisdictional partners
- 2) Limited commercial space
- 3) Lack of business diversity
- 4) Personal Property Tax
- 5) Underutilized properties along New Hampshire Ave.
- 6) Property owners in the "Crossroads" and New Hampshire Ave lack incentive to renovate properties to full potential of zoning

ECONOMIC SWOT

OPPORTUNITIES

- 1) Proximity to the District of Columbia
- 2) Takoma Park is well served by transit, including bus and metro
- 3) The Purple Line has the capacity to transform the Takoma/Langley Crossroads significantly
- 4) Takoma Park is bordered by so many other municipalities, there is an opportunity to partner for increased collaboration, especially around development of the Takoma/Langley Crossroads
- 5) Large plots of land accessible by transit and on major corridors
- 6) There is capacity to add more retail

THREATS

- 1) The number of minority owned businesses decreased by 10% from 2007 to 2012
- 2) Disparate levels of educational attainment in the population can restrict economic opportunity
- 3) Losing the majority of workers at the Washington Adventist Hospital site will impact economy