



Odette Ramos

Baltimore City Councilwoman

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Testimony

22-0220 –Study and Report - Tax Increment Financing Support with Amendments

Chair Costello and Members of the Ways and Means Committee:

I am writing to respectfully request your support of 22-0220 –Study and Report -Tax Increment Financing with amendments.

This legislation requires the Department of Finance, in conjunction with additional agencies, to provide a report to the City Council about the impact of the current Tax Increment Financing (TIF), ways to improve the TIF policies in our city, and examine how we can use TIFs to eliminate vacant and abandoned properties.

Tax Increment Financing is a tool used by Baltimore City and other jurisdictions to provide infrastructure costs for allowing developments to occur. The City floats bonds to provide funding to the development based on the amount of the predicted property tax revenue, and pays back those bonds as property tax revenue is received.

TIFs have been controversial in our city, because of how the deals are structured and the benefits to the community (for instance affordability). They have also been applied inequitably, thus our desire to include the Office of Equity in as a partner in this work. The report would outline these challenges to our TIF policies.

In some cases TIFs have produced the impact desired to provide the cost if infrastructure changes to make a development occur. This legislation would provide information to the Council about the actual impact of the TIFs already in place.

TIFs have also failed in various places across the City and have not had desired impact. This study and report will examine those failures and provide guidance as to how to change the TIF policy.

We also know that eliminating vacant and abandoned properties in our city will require significant subsidy. This study will allow us to explore the possibility of using TIFs as a way to create subsidy for this purpose.

The amendments from the Department of Finance and the Law Department are important for clarity, especially to fulfill my request for this report to be conducted in collaboration with experts, advocates, and additional agencies. The amendments also extend the deadline from 90 days to 180 days.

Thank you for your consideration of this legislation. It is critical to get this TIF work right so that we can make the necessary changes to our policies to ensure they are applied equitably, ensure that developments

resulting from the TIFs provide community benefit such as affordable housing, and also that TIFs might be used to help us in our quest to eliminate vacant and abandoned properties.

Please vote a favorable report with amendments for 22-0220.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Odette", is positioned above the typed name.

Odette Ramos
Baltimore City Councilwoman, District 14