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**BALTIMORE CITY COUNCIL
WAYS AND MEANS
COMMITTEE**

Mission Statement

The Committee on Ways and Means (WM) is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include: budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

**The Honorable Eric T. Costello
Chairman**

PUBLIC HEARING

**Tuesday, October 1, 2024
10:00 AM**

COUNCIL CHAMBERS

Council Bill #24-0226R

Informational Hearing - East Baltimore Development Incorporated Audit

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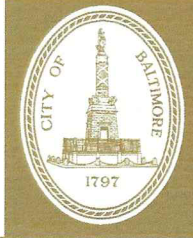
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BILL SYNOPSIS

Committee: Ways and Means

Resolution: 24-0226R

Informational Hearing – East Baltimore Development Incorporated Audit

Sponsor: Councilmember Stokes & Councilmember Glover

Introduced: August 26, 2024

For the purpose of requesting that representatives from East Baltimore Development Incorporated (EBDI) brief the Council regarding the status of the ongoing revitalization of an 88-acre portion of East Baltimore and the upcoming forensic audit of EBDI, including considerations for auditor selection, community involvement, and clarification of financial outlay.

Agency Reports

Baltimore Development Corporation	None as of this writing
Department of Audits	Comments
Department of Real Estate	Defers to Audits

Analysis

Background

The East Baltimore Development Inc. (EBDI), established in 2001, is a 501[c][3] non-profit that works to revitalize, re-energize, and rebuild the East Baltimore neighborhood. It is supported and made up by multiple public and private partners, including the City of Baltimore, Johns Hopkins Institutions, the Annie E. Casey Foundation, and the State of Maryland. Since its inception, EBDI has focused primarily on an ongoing \$1.8 billion revitalization project of 88 acres near Johns Hopkins Hospital, including the now-renamed Eager Park, Henderson Crossing, and Preston Place. While the organization has garnered mixed opinions and controversies throughout the decades, related to displacement and the lack of community involvement, it has been dedicated to providing affordable housing, community reinvestment, digital equity & access, food access, public arts & placemaking, and opportunities for former residents to return to the East Baltimore community.



On October 1st at 10 AM, EBDI, for the first time since its creation, will come before the Ways and Means Committee to discuss the status of the ongoing revitalization of an 88-acre portion of East Baltimore and the upcoming forensic audit of EBDI. The Committee will also ask for data on contractors, minority business enterprises, women business enterprises, local work retention and average hourly wage.

Additional Information

Fiscal Note: None.

Information Source(s): 24-0226R, East Baltimore Development, Inc., Urban Institute, Johns Hopkins News-Letter, Baltimore Sun, Baltimore City Code, and all agency reports received as of this writing.

Analysis by: Niya N. Garrett
Analysis Date: 09/26/2024

Direct Inquiries to (410) 396-1268

Resolution 24-0226R

Agency Reports

SEE ATTACHED



MEMORANDUM

To: The Honorable President and Members of the City Council
c/o Natawna Austin, Executive Secretary

From: Christine Griffin, Deputy Director of Policy and Government Relations

Date: September 9, 2024

Re: 24-0226R Informational Hearing – East Baltimore Development Incorporated Audit

The Department of Audits is reporting herein on 24-0226R Informational Hearing - East Baltimore Development Incorporated Audit. The purpose of this resolution is to request that representatives from East Baltimore Development Incorporated (EBDI) brief the Council regarding the status of the ongoing revitalization of an 88-acre portion of East Baltimore and the upcoming forensic audit of EBDI, including considerations for auditor selection, community involvement, and clarification of financial outlay.

East Baltimore Development Incorporated (EBDI) is a 501[c][3] non-profit that works to revitalize, re-energize, and rebuild the East Baltimore neighborhood.

The City Auditor is not charged with, nor does he have the authority to, perform a forensic audit of an external non-profit. However, Article V. §8(a) outlines the Auditor's general powers as pertaining to the purpose of the resolution as the following:

- the Auditor may audit the expenditure of City-granted funds by any public or private agency that receives such funds,
- may audit City contracts, grants, subgrants and other agreements as required by the terms and conditions of these instruments and, when the contracts, grants, subgrants and other agreements require that audits be conducted by other auditors, review such audits, and
- shall make such other audits as the Comptroller or the Board of Estimates may request, provided that those requested audits do not, in the judgment of the City Auditor, unduly hinder the performance of regular audits.

Any such agreement between the City and EBDI must be approved by the Board of Estimates. Prior to approval, the Department of Audits reviews agreements to ensure consistent auditing language is included in the executed contract.

Per the City Charter, the Comptroller has "general supervision of the Department of Audits and the activities of the City Auditor." **A representative from the Comptroller's Office will be attending the hearing and looks forward to a productive discussion.**



MEMORANDUM

To: The Honorable President and Members of the City Council
c/o Natawna Austin, Executive Secretary
From: Christine Griffin, Deputy Director of Policy and Government Relations
Date: September 11, 2024
Re: 24-0226R Informational Hearing – East Baltimore Development Incorporated Audit

Position: Defer

The Department of Real Estate (DORE) has been asked to report on City Council bill 24-0226R Informational Hearing - East Baltimore Development Incorporated Audit.

The purpose of this resolution is to request that representatives from East Baltimore Development Incorporated (EBDI) brief the Council regarding the status of the ongoing revitalization of an 88-acre portion of East Baltimore and the upcoming forensic audit of EBDI, including considerations for auditor selection, community involvement, and clarification of financial outlay.

The DORE has nothing to report on CCB 24-0226R. The agency is not involved with EBDI's revitalization efforts or operations. The DORE is deferring to the Department of Audits.

**CITY OF BALTIMORE
COUNCIL BILL 24-0226R
(Resolution)**

Introduced by: Councilmembers Stokes, Glover, Ramos, Porter, Torrence, Middleton

Introduced and read first time: August 26, 2024

Assigned to: Ways and Means Committee

REFERRED TO THE FOLLOWING AGENCIES: Baltimore Development Corporation, Department of Audits, Department of Real Estate

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing - East Baltimore Development Incorporated Audit**

3 FOR the purpose of requesting that representatives from East Baltimore Development
4 Incorporated (EBDI) brief the Council regarding the status of the ongoing revitalization of an
5 88-acre portion of East Baltimore and the upcoming forensic audit of EBDI, including
6 considerations for auditor selection, community involvement, and clarification of financial
7 outlay.

8 **Recitals**

9 Since entering into a partnership with the City, Johns Hopkins, and private developers in
10 2001, EBDI's proposed \$1.8 billion revitalization project in East Baltimore has been marred by
11 delay, controversy, and erosion of trust among community residents.

12 Following a 2011 investigative report by the *Daily Record* titled "Too Big to Fail: Betting a
13 Billion on East Baltimore" that highlighted questions and controversies surrounding
14 revitalization efforts, the City Council called for an informational hearing with representatives
15 from EBDI to discuss progress on the project and allocation of future investment, but the hearing
16 never came to fruition.

17 Accordingly, the City Council has not been formally briefed on updates or operational
18 outcomes associated with EBDI's ongoing revitalization project. Additionally, members of the
19 Broadway East Community group have recently determined a forensic audit of EBDI is necessary
20 to clarify questions from both investors and community members.

21 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That the City
22 Council requests that representatives from EBDI brief the Council regarding the status of the
23 ongoing revitalization of an 88-acre portion of East Baltimore and the upcoming forensic audit of
24 EBDI, including considerations for auditor selection, community involvement, and clarification
25 of financial outlay.

26 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the President and
27 Chief Executive Officer and Chief Real Estate Officer of EBDI and the Mayor's Legislative
28 Liaison to the City Council.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.