

**CITY OF BALTIMORE
COUNCIL BILL 18-0103R
(Resolution)**

Introduced by: Councilmembers Clarke, Henry, President Young, Councilmembers Middleton,
Scott, Burnett, Cohen, Dorsey, Pinkett, Stokes, Sneed, Reisinger, Bullock

Introduced and read first time: September 17, 2018

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Baltimore Development Corporation, Department of
Finance, Mayor's Office of Minority and Women-Owned Business Development

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – The Decline of the Small Business Lending in Baltimore**

3 FOR the purpose of inviting representatives from banking institutions doing business in
4 Baltimore, representatives from the Johns Hopkins University's 21st Century Cities Initiative
5 and other representatives from the local academic community, community leaders, the
6 President and CEO of the Baltimore Development Corporation, and other City officials
7 responsible for economic development to appear before the City Council to explain the
8 decline in small business lending in Baltimore and to discuss ways in which Baltimore can
9 reverse this trend.

10 **Recitals**

11 Baltimore is a city of neighborhoods, and Baltimore's neighborhoods are driven in part by
12 their ability to nurture and grow small businesses. Our small businesses, however, are finding it
13 increasingly difficult to obtain the access to capital necessary to grow and innovate, threatening
14 the sustainability of those small businesses, the stability of our neighborhoods, and the overall
15 growth and prosperity of our City.

16 According to a 2018 report published by the Johns Hopkins University's 21st Century Cities
17 Initiative, in 2007, banks and other lenders made 17,084 loans totaling approximately \$457
18 million to Baltimore small businesses. By 2016, Baltimore small businesses only received 8,274
19 loans totaling \$308 million.

20 By contrast, the report notes that bank deposits in the City of Baltimore doubled, from \$13.5
21 billion in 2007 to \$26.5 billion in 2016. Despite the growth in deposits, small business loans
22 from depository banks fell from \$311 million to \$212 million during that same period of time. If
23 Baltimore banks maintained a similar ratio of deposits to small business loans, Baltimore small
24 businesses would have received an additional \$400 million in loans. The report further notes that
25 the average loan size from banks operating in Baltimore to our small businesses shrank
26 precipitously from \$191,819 per loan, in 2007, to \$70,877, by 2016.

27 It is clear, based on the Johns Hopkins University's 21st Century Cities Initiative report, that
28 small business loans that were available only 10 years ago are now in short supply, both in the
29 number of loans made and the amount loaned. Robust access to capital is essential for small

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 businesses. Without it, many small businesses cannot expand their workforce or innovate to
2 meet the ever-changing needs of the marketplace. Indeed, inadequate access to credit may even
3 lead to small businesses closing or relocating to markets that can meet their needs, threatening
4 the growth and health of our neighborhoods.

5 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
6 Council invites representatives from banking institutions doing business in Baltimore,
7 representatives from the Johns Hopkins University’s 21st Century Cities Initiative and other
8 representatives from the local academic community, community leaders, the President and CEO
9 of the Baltimore Development Corporation, and other City officials responsible for economic
10 development to appear before the City Council to explain the decline in small business lending in
11 Baltimore and to discuss ways in which Baltimore can reverse this trend.

12 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the President and
13 Chief Executive Officer of the Baltimore Development Corporation, the Director of the Mayor’s
14 Office of Minority and Women-Owned Business Development, Johns Hopkins University’s 21st
15 Century Cities Initiative, and the Mayor’s Legislative Liaison to the City Council.