



## MEMORANDUM

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

From: Michael Braverman, Housing Commissioner *MEB*

Date: October 4, 2019

Re: **City Council Bill 19-0150R, Investigative Hearing - Entities Receiving City Funds: Are They Holding Up Their End of the Bargain?**

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The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 19-0150R for the purpose of inviting representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events, the Director of the Department of Finance, the Director of the Mayor's Office of Minority and Women-Owned Business Development, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for the development and contracting of diversity in minority small businesses and responsible for the achievement of the City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event industry to appear before the City Council to discuss the capital funding subsidies that the City of Baltimore has provided to certain organizations that lease any portion of their venue to the public for catered events; to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation; to discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

Tax Increment Financing (TIF) and PILOT programs have been used in many successful projects around the City of Baltimore to encourage the redevelopment of neighborhoods and commercial zones. Without TIF and PILOT programs, typically underdeveloped districts may never have the opportunity to be redeveloped. Development projects must comply with the City's MBE/WBE laws related to capital construction projects, but such laws are not applicable to the operation of such establishments who lease any portion of their venue to the public for catered events. DHCD has no objection to the discussion of the City's TIF and PILOT programs effectiveness in meeting MBE/WBE goals.

DHCD has reviewed City Council Resolution 19-0150R and has **no objection** to the passage of the Resolution.