

On behalf of

FROM	NAME & TITLE	Robert Cennane, Budget Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 21-0026R – Investigative Hearing-COVID-19 and Small Business Re-Openings		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

March 31, 2021

The Department of Finance is herein reporting on City Council Bill 21-0026R, Investigative Hearing-COVID-19 and Small Business Re-Openings, the purpose of which is to invite the Baltimore Development Corporation (BDC) to provide information on efforts to support small businesses and economic development during the COVID-19 pandemic.

The COVID-19 pandemic has greatly impacted the national, State, and local economies, with many businesses and workers struggling to adapt to the changing health guidelines and restrictions from federal State, and local authorities. In addition, as COVID-19 has continued, the impact has been felt most by small businesses and low-wage workers. Based on employment data from the Maryland Department of Labor, Baltimore City’s leisure and hospitality sector saw a 53% reduction in employment, or 16,279 jobs, in the second quarter of 2020 compared to the second quarter of 2019. In the 2019 State of Downtown report from the Downtown Partnership of Baltimore, 94% of businesses surveyed in the downtown area reported being impacted by COVID-19 and 80% of surveyed businesses reported concern about the impact to their operations.

In March 2020, the City received \$103.6 million as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These funds were used to support costs for the City response to COVID-19, as well as provide community economic support. BDC received \$9.8 million in CARES Act funds for small business support, which provided \$7.5 million in grants to cover a variety of COVID-19 related expenses, \$1.5 million to support the safe re-opening of businesses through Design for Distancing, and \$500,000 in grants to support local manufacturing of personal protective equipment.

Since October 2020, the City has also received nearly \$10.6 million from the State to provide grants specifically to the restaurant industry. BDC also managed this program on behalf of the City, which provided restaurants with grants for operating expenses, infrastructure improvements, and COVID-19 related expenses. The City is expected to receive an additional \$2 million from the State for this purpose and an additional \$50,000 to assist businesses develop online sales and telework infrastructure, for a total of over \$22.4 million distributed to small businesses by BDC since March 2020.

Additional City funded grant programs related to small business include nearly \$10 million in hotel relief managed by Visit Baltimore and \$250,000 for the City’s 8 Main Streets organization managed by the Baltimore Civic Fund.

The Department of Finance will attend the hearing for this Resolution and respond to any fiscal inquiries.

cc: Henry Raymond
Natasha Mehu
Nina Themelis