



Legislation Text

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The official copy considered by the City Council is the first reader copy.

Introductory*

City of Baltimore Council Bill R (Resolution)

Introduced by: Councilmember Henry

A Resolution Entitled

A Council Resolution concerning Community Development TIFs

For the purpose of urging the Department of Housing and Community Development, the Baltimore Development Corporation, and the Department of Finance to work with the City Council to develop a community development-focused TIF process to assist Baltimore's disadvantaged neighborhoods in their efforts to unlock their full potential.

Recitals

As it looks to encourage much needed development in many of our most disadvantaged neighborhoods, Baltimore needs to be making use of every tool in its toolbox. Tax Increment Financing (TIF), which allows development today to be paid for by leveraging the increase in property values expected from the development in the future, has been involved in many large and successful projects around the City's waterfront and in the central business district, but it has been underutilized outside of those areas.

One reason for this lack of utilization is that the infrastructure needs of commercial corridors in much of Baltimore differ from those of the large waterfront parcels and downtown lots mostly targeted for TIFs in the past. A new community development driven focus would be needed to successfully use TIFs in some of the areas that could most benefit from them.

A community development-focused TIF approach would involve identifying a community development initiative, either one large project or multiple scattered-site projects within close proximity to each other that would benefit the community as a whole. Allowable uses would include infrastructure such as roads, utilities, lighting, or parks; government buildings such as libraries or recreation centers; public parking garages; land acquisition, site removal, and relocation; capital and operating costs of infrastructure; and affordable housing creation or rehabilitation.

Once a project, or group of related projects, was identified, the City would create a development district, made up of all of the participating and surrounding properties expected to appreciate in value upon the successful completion of the community development initiative. The initiative could then be supported using the annual increase in the increment of the taxable base of the development district.

By using the increment to pay the debt service on City-issued bonds, the City would be able to provide gap subsidy upfront for the original community development initiative. This approach could enable life changing development in many communities that just need a little extra boost in their efforts to grow and stabilize. The City should take immediate steps to explore the best way to move forward with these much needed community development TIFs.

Now, therefore, be it resolved by the City Council of Baltimore, That the Council urges the Department of Housing and Community Development, the Baltimore Development Corporation, and the Department of Finance to work with it to develop a community development-focused TIF process to assist Baltimore's disadvantaged neighborhoods in their efforts to unlock their full potential.

And be it further resolved, That a copy of this Resolution be sent to the Mayor, the Housing Commissioner, the President and CEO of the Baltimore Development Corporation, the Director of Finance, and the Mayor's Legislative Liaison to the City Council.