



# City of Baltimore

City Council  
City Hall, Room 408  
100 North Holliday Street  
Baltimore, Maryland 21202

## Legislation Details (With Text)

|                        |  |                      |              |              |  |
|------------------------|--|----------------------|--------------|--------------|--|
| <b>File #:</b>         | 18-0103R   | <b>Version:</b>      | 0            | <b>Name:</b> | Informational Hearing - The Decline of the Small Business Lending in Baltimore |
| <b>Type:</b>           | City Council Resolution  | <b>Status:</b>       | Withdrawn    |              |  |
| <b>File created:</b>   | 9/17/2018  | <b>In control:</b>   | City Council |              |  |
| <b>On agenda:</b>      |  | <b>Final action:</b> | 7/6/2020     |              |  |
| <b>Enactment date:</b> |  | <b>Enactment #:</b>  |              |              |  |
| <b>Title:</b>          | Informational Hearing - The Decline of the Small Business Lending in Baltimore<br>For the purpose of inviting representatives from banking institutions doing business in Baltimore, representatives from the Johns Hopkins University's 21st Century Cities Initiative and other representatives from the local academic community, community leaders, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for economic development to appear before the City Council to explain the decline in small business lending in Baltimore and to discuss ways in which Baltimore can reverse this trend. |                      |              |              |  |
| <b>Sponsors:</b>       | Mary Pat Clarke, Bill Henry, President Young, Sharon Green Middleton, Brandon M. Scott, Kristerfer Burnett, Zeke Cohen, Ryan Dorsey, Leon F. Pinkett, III, Robert Stokes, Sr., Shannon Sneed, Edward Reisinger, John T. Bullock  |                      |              |              |  |
| <b>Indexes:</b>        | Baltimore City, Decline, Informational Hearing, Lending, Small Business  |                      |              |              |  |
| <b>Code sections:</b>  |  |                      |              |              |  |
| <b>Attachments:</b>    | 1. 18-0103R~1st Reader, 2. BDC 18-0103R, 3. Finance 18-0103R, 4. MOMWB 18-0103R  |                      |              |              |  |

| Date       | Ver. | Action By  | Action  | Result |
|------------|------|--|---|--------|
| 7/6/2020   | 0    | City Council   | Withdrawn   |        |
| 11/19/2018 | 0    | Taxation, Finance and Economic Development Committee | Scheduled for a Public Hearing                            |        |
| 9/20/2018  | 0    | The City Council                                     | Refer to Baltimore Development Corporation                |        |
| 9/20/2018  | 0    | The City Council                                     | Refer to Minority and Women's Business Opportunity Office |        |
| 9/20/2018  | 0    | The City Council                                     | Refer to Dept. of Finance                                 |        |
| 9/17/2018  | 0    | City Council   | Assigned  |        |
| 9/17/2018  | 0    | City Council   | Introduced  |        |

\* **Warning:** This is an unofficial, introductory copy of the bill.  
The official copy considered by the City Council is the first reader copy.

### Introductory\*

### City of Baltimore Council Bill (Resolution)

R

Introduced by: Councilmember Clarke

A Resolution Entitled

A Council Resolution concerning

### **Informational Hearing - The Decline of the Small Business Lending in Baltimore**

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

### **Recitals**

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

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

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

It is clear, based on the Johns Hopkins University's 21<sup>st</sup> Century Cities Initiative report, that small business loans that were available only 10 years ago are now in short supply, both in the number of loans made and the amount loaned. Robust access to capital is essential for small businesses. Without it, many small businesses cannot expand their workforce or innovate to meet the ever-changing needs of the marketplace. Indeed, inadequate access to credit may even lead to small businesses closing or relocating to markets that can meet their needs, threatening the growth and health of our neighborhoods.

**Now, therefore, be it resolved by the City Council of Baltimore,** That the Council invites representatives from banking institutions doing business in Baltimore, representatives from the Johns Hopkins University's 21st Century Cities Initiative and other representatives from the local academic community, community leaders, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for economic development to appear before the City Council to explain the decline in small business lending in Baltimore and to discuss ways in which Baltimore can reverse this trend.

**And be it further resolved,** That a copy of this Resolution be sent to the President and Chief Executive Officer of the Baltimore Development Corporation, the Director of the Mayor's Office of Minority and Women-Owned Business Development, Johns Hopkins University's 21st Century Cities Initiative, and the Mayor's Legislative Liaison to the City Council.