

**St. Joseph
Low Income Housing Testimony
9-13-10**

Nancy Kelley Low Income Housing Testimony

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1 SENATOR GROSS: Any other questions? Thank
2 you very much.

3 MS. WINNER: Well, thank you all. We
4 appreciate you working at this.

5 SENATOR GROSS: Next is Nancy Kelley. Ms.
6 Kelley? Please state your name for the record and
7 proceed.

8 MS. KELLEY: My name is Nancy Kelley. I'm
9 here representative of two entities. First as a
10 member of the St. Joseph Advisory Commission on Aging
11 appointed by the City Council of St. Joseph. As well,
12 I am a Property Manager, Senior Housing - Senior
13 Affordable Housing for Fairway Management.

14 Earlier this year, our panel on the
15 Advisory Commission, we network and are the eyes and
16 ears for the Council in the senior community. A
17 social worker approached us at a meeting that day,
18 with "What can I do?" and the "What can I do?" is a 94
19 year old lady was living in the Drury Inn because they
20 could not find her an apartment. She looks to me and
21 I'm the only representative of property on this panel
22 and I said, "I'm full and I have a waiting list." All
23 of Fairway properties are full, and from what I know
24 of other senior, including family - it's not isolated
25 just to senior - it's family property in the income

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1 guideline levels for affordable housing in the St.

2 Joseph, northwest Missouri area is critical.

3 We have high waiting lists and tax credits
4 going forward need to provide housing, quality of life
5 housing for this type of audience, a very large
6 audience. And the audience is coming because of the
7 term, "baby boomer." They are hitting our market in
8 the senior quadrant excessively every day. Ten to
9 twelve years ago, we would have a 78 year old
10 clientele and, pretty much, you could figure within
11 the next three years, they rotated out. Health,
12 death, sometimes, for many reasons, that 78 year old,
13 over an average of three years, rotated out of the
14 market, opening availability.

15 Well, today's market, our average resident
16 in the senior market right now is 78 years old, and
17 that resident is not going anywhere. They are living
18 longer because of good health and independent living
19 and a neighborhood that understands them, a
20 neighborhood of designated senior housing, and they're
21 able to stay in their home with the home services
22 that's coming available through good medicine.

23 Well, on the other hand, we've got the 62
24 year old banging on the door now. Typical, white
25 female, 62, divorced, raised her children, was

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1 secondary in the home, secondary to retirement
2 benefits, divorced, and the baby boomer era, from our
3 studies that we did to put together this information
4 for the City of St. Joseph, the baby boomer era is
5 still to date the largest divorce rate era of history.
6 And those women, predominately those women from that
7 era are coming to the market in droves.

8 My last renter was a 63 year old making
9 \$8,800 a year. Affordable housing for quality of life
10 type living is all that is available to her. There
11 didn't look to be inheritance coming, or job
12 opportunity where she could make money to afford
13 anything in market value.

14 We presently went through a study in July
15 where 23 apartments became available in the St. Joseph
16 designated senior region. We had 282 pending approved
17 applications to pick 23 applicants out of, and that is
18 just those that took the time to fill out an
19 application. They come to the door of a property
20 manager and the minute you say wait list, they just
21 shrug, "What do I do?" I hear it every day. And they
22 go away. The majority are living with families.

23 Recently, we had a fire in St. Joseph of a
24 senior property, a senior tax credit property, and it
25 displaced 40 people, and Red Cross was calling, "Where

1 are these people going to go?" Well, 98 percent went
2 to live with family until quarters could be found that
3 they could afford. One couple died in the fire.

4 It is a critical issue going forward for
5 affordable tax credit housing. We have - yesterday's
6 youth is now the baby boomer senior. They're not
7 ready to give in to low quality tenement dwelling.
8 They want what they see, tax credit affordable housing
9 that's available today, and those that are now
10 existing, stay longer. I rarely ever have an opening.
11 My transition is typically death or assisted living.

12 MR. STOGEL: We are well aware of the
13 importance of low income credit, which I guess is your
14 predominant tool, both federal and State. Fairways is
15 part of - where's your home office?

16 MS. KELLEY: Home office is Columbia,
17 Missouri.

18 MR. STOGEL: Part of-

19 MS. KELLEY: It is. We are one of the
20 umbrella companies.

21 MR. STOGEL: That you're testifying about-

22 MS. KELLEY: Seven beautiful properties here
23 in St. Joseph.

24 MR. STOGEL: Jefferson(ph) have a very, very
25 long and successful run and it's a very good

1 development. So we appreciate, you know, the
2 continued interest.

3 Housing production is very important to
4 lots of communities. We've heard from St. Louis to
5 rural Missouri the need for affordable housing, so
6 there's a committee led by another Commission member,
7 Mark Gardner, who is trying to get thoughts on that
8 improvement to report back to the larger Commission.
9 So I would clearly welcome your active involvement
10 with your home company and other folks in your company
11 with the Commission to find a way to make the State
12 credit program better.

13 People in the audience who are unfamiliar
14 with the math, the State low income program is the
15 largest single dollar volume credit in the aggregate.
16 This streams in over ten years. And it's the second
17 highest redemption amount in the last fiscal year.

18 The overwhelming input to the Commission -
19 and for the record, that was the low - once upon a
20 time, too, so it's a very good program, but the cost
21 of it has risen to the point where it is the largest
22 and the total State tax credits that are issued, some
23 come from some 1.7 billion dollars.

24 The expected redemptions this years are 641
25 million, that leaves about a billion, 50 million that

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1 will come in FY-12 to 18 and of that, about 8,700 and
2 46 million to be precise, that are low income. And so
3 it's a very large percentage, and if you look at the
4 total credits that are authorized, it's - that number
5 jumps from 1.7 to 2.4 billion and the total general
6 obligation debt to the State is only 6 billion
7 dollars.

8 So on a comparative basis, I mean it's a
9 very valuable program and produces a lot of good
10 results, creates a lot of jobs - hard to measure in
11 terms of a dollar for the credits and a dollar
12 payback, but we appreciate your stories. I know them
13 to be true because I've been business.

14 There is an active committee working on the
15 low income credit to come up with new ideas so that
16 housing production for the very reasons you clearly
17 stated can be advanced, and we welcome your firm's
18 participation with that sub-committee. We'll get you
19 to Mark Gardner's information - I'm sure that's Mark
20 Gardner, while he's a developer, very active in low
21 income.

22 MS. KELLEY: And from my position with the
23 City Council of St. Joseph, the Commission on Aging,
24 I speak for them, that we encourage you to continue
25 looking at this. Rather I was in the program as a

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1 part of it as an employee, as well, it is such a need.
2 When we see them every day and turn them away. Thank
3 you.

4 SENATOR GROSS: Thank you for being here.
5 Okay, a couple of other folks signed in. Did you want
6 to testify? Mark - sorry I can't read your last name.
7 Mark? Okay. And the other one is Frank?

8 UNKNOWN: I think he just left.

9 SENATOR GROSS: Anyone else that would like
10 to testify before the Commission? In that case, we'll
11 take a break until 4:45, at least, and see who shows
12 up. Thank you.

13 (WHEREIN, a recess was taken, 4:30 p.m. to
14 7:10 p.m.)

15 SENATOR GROSS: Okay, the Commission will
16 come back to order and session, taking public
17 testimony. Steve Stogel and myself are Co-Chairmen of
18 the Committee. We have staff here from the
19 Commission's office and we're happy to hear what the
20 good folks from the greater northwest, great northwest
21 have to tell us about tax credits. Who was it that
22 used to say that, "Great Northwest"? Somebody used to
23 say that, great Northwest.

24 Next on the list, thank you for signing in,
25 is Dave Leyland. Dave, your testimony will be

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1 recorded for all the Commission members and the public
2 to see, but you're going to give us whatever is on
3 your mind.

4 MR. LEYLAND: I appreciate that.

5 SENATOR GROSS: You have ten minutes to say
6 what you're going to say, and state your name for the
7 record, please, and proceed.

8 MR. LEYLAND: Yes. My name is Dave Leyland
9 and I'm an Executive Director for Community Action
10 Partnership, Greater St. Joe. First of all, I'd like
11 to say thank you for allowing me to speak on behalf of
12 thousands of Missourians who depend on projects
13 created by tax credit programs.

14 I'd like to specifically inform the
15 Commission about the hundreds of people who have
16 benefitted from projects funded through the low income
17 housing tax credit program.

18 Community Action Partnership is a private
19 non-profit agency that serves that counties of Andrew,
20 Buchanan, Clinton, and DeKalb. Every year, over 6,000
21 people walk through our doors. Each family and
22 individual needs specialized help and Community Action
23 Partnership provides help through a variety of long-
24 term, short-term strategies, including Head Start,
25 youth programs, utilities assistance, affordable

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1 housing and community development.

2 In partnership with the Missouri Housing
3 Development Commission, the City of St. Joseph, and
4 area developers, Community Action Partnership in St.
5 Joe is removing housing as a barrier to ending the
6 cycle of poverty. We have partnered with developers
7 to create more than 400 housing units, including
8 apartments and single family homes for people living
9 at or near the poverty line. To date, 386 units have
10 been developed in St. Joseph using the low income
11 housing tax credit program. We have partnered with a
12 variety of developers who have demonstrated a sincere
13 commitment to creating quality housing in our
14 community.

15 Community Action Partnership is extremely
16 proud of the projects created by these partnerships.
17 We're especially proud of the dramatic change that has
18 occurred in the downtown area of St. Joseph.

19 Where once stood dilapidated buildings,
20 there are now renovated structures that have been
21 built respecting the heritage of St. Joseph, while
22 providing safe and decent housing. Many people who
23 reside in those units created by the low income
24 housing tax credit programs are working families who
25 now have an option to live in safe and decent housing.

1 Considering rents that exceed well beyond 60 percent
2 of a person's income, working families and senior
3 citizens must make harsh choices when deciding what
4 bills will be paid or whether or not to keep making
5 payments on their health insurance policy.

6 I urge the Commission today to please
7 consider the impact on the people who depend daily on
8 programs that have been funded with tax credits such
9 as the low income housing tax credit program. And I
10 thank you.

11 SENATOR GROSS: Thank you. We appreciate
12 it.

13 MR. STOGEL: 386 units?

14 MR. LEYLAND: Yes.

15 MR. STOGEL: What's the time frame for that
16 production?

17 MR. LEYLAND: Oh, it's been over the past -
18 it's happened there for eight, so about, I'd say at
19 least nine years.

20 MR. STOGEL: About 40 a year?

21 MR. LEYLAND: Around there, yeah.

22 MR. STOGEL: I'm not sure of the spread, but
23 there's about - what's the right number, 2,200, 2,400
24 units a year? It would be interesting to see a map of
25 how it's spread across the State.

1 MR. LEYLAND: Yes.

2 MR. STOGEL: The low income credit is the
3 completely largest-

4 MR. LEYLAND: Yes.

5 MR. STOGEL: -of the credits that reflect
6 credits that are already issued, and it's the second
7 largest expected redemption for this year, and so it's
8 a matter of intense debate. We've formed a sub-
9 committee with a - a committee with Commission member,
10 Mark Gardner-

11 MR. LEYLAND: Yes.

12 MR. STOGEL: -who is a developer and-

13 MR. LEYLAND: Yes, I know Mark well.

14 MR. STOGEL: You know Mark?

15 MR. LEYLAND: Yes, sure do.

16 MR. STOGEL: Well, I suggest that you call
17 Mark and try to share your ideas because it's one of
18 the very active committees. They're looking at that,
19 the low income and the affordable housing-

20 MR. LEYLAND: Yes.

21 MR. STOGEL: -program, and these comments
22 are being invited and the Commission would like to
23 hear from that ever growing committee what to do to be
24 helpful, to make the credit more efficient, preserve
25 it, and continue the work that is very popular in all

Leyland (cont)

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1 the parts of the State. But it's got about 900
2 million dollars expected redemptions or more-

3 MR. LEYLAND: Yes.

4 MR. STOGEL: -between now and FY-18.
5 That's a very big number when you-

6 MR. LEYLAND: Big.

7 MR. STOGEL: -6 billion dollars in general
8 obligation debt. We really hope that the committee
9 headed by Mark will come back with some exciting new
10 ideas to make it more effective so it can continue in
11 a stronger fashion. Anybody else? Mark and I would
12 like you to include any constructive comments that you
13 have to Mark.

14 MR. LEYLAND: Thank you. They've done
15 remarkable work here in our communities. Thank you.

16 MR. STOGEL: Any questions of us sir?

17 MR. LEYLAND: No, I don't have any. Thank
18 you.

19 SENATOR GROSS: Thanks for coming.

20 MR. LEYLAND: Thank you.

21 SENATOR GROSS: Next, Gary Clapp. Mr.
22 Clapp, we're glad you're here.

23 MR. CLAPP: Hi.

24 SENATOR GROSS: State your name for the
25 record and proceed.

Leyland (cont.)

Testimony for the Missouri Tax Credit Review Commission
Dave Leyland, Executive Director
Community Action Partnership of Greater St. Joseph
September 13, 2010

Thank you for allowing me to speak on behalf of the thousands of Missourians who depend on projects created by Tax Credits to programs.

I would like to specifically inform the commission about the hundreds of people who have benefited from projects funded through the Low Income Housing Tax Credit program.

Community Action Partnership is a private non profit agency that serves the counties of Andrew, Buchanan, Clinton and DeKalb. Every year, over 6,000 people walk through CAP's doors. Each family and individual needs specialized help, and CAP provides help through a variety long-term and short-term strategies, including Head Start, youth programs, utilities assistance, affordable housing and community development.

In partnership with the Missouri Housing Development Commission, the City of St. Joseph and area developers, CAP St. Joe is removing housing as a barrier to ending the cycle of poverty. We have partnered with developers to create more than 400 housing units, including apartments and single family homes, for people living at or near the poverty line.

To date 386 Units have been developed in St. Joseph using the Low Income Housing Tax Credit program. We have partnered with a variety of developers who have demonstrated a sincere commitment to create quality housing in our community. CAPSTJOE is extremely proud of the projects created by these partnerships. We are especially proud of the dramatic change that has occurred in the downtown area of St. Joseph. Where once stood dilapidated building there are now renovated structures that have been built respecting the heritage of St. Joseph while providing safe and decent housing.

Many people who reside in the units created by the Low Income Housing Tax Credit Program are working families who now have an option to live in safe and decent housing. Considering rents that exceed well beyond 60 Percent of a persons income – working families and senior citizens must make harsh choices when deciding what bills will be paid, or whether or not to keep making payments on their health insurance policy. I urge this commission to please consider the impact on the people who depend daily on programs that have been funded with tax credits, such as the Low Income Housing Tax Credit Program. Thank you.