

**Notes**  
**Missouri Tax Credit Review Commission**  
**Sub-Committee of the Low Income Housing Committee**  
**November 30<sup>th</sup>, 2012**

The Missouri Tax Credit Review Commission Low Income Housing Committee met as a Sub-Committee (no quorum established) on November 30, 2012, beginning at 11:00 a.m. The meeting was held at the offices of Gardner Capital, Inc.

Commission members present or absent:

Mark Gardner	Member	Present
Craig Van Matre	Member	Present
Tim Flook	Member	Present
Shannon Weber	Member	Absent
Penny Rector	Member	Absent
Senator Wright-Jones	Member	Absent

Interested parties present via teleconference:

Tom Sullivan  
Sallie Hemenway  
Megan Word  
Jennifer Tidwell  
Jim Moody

Interested parties present in person:

Greg Young

**WELCOME**

Chairmen Gardner welcomed members of the Commission and guests.

**PUBLIC COMMENT**

Chairman Gardner offered the opportunity for those in attendance to provide written or verbal testimony. No public testimony was heard.

**DISCUSSION**

Commissioner Van Matre offered his proposal regarding the “bubble” created by the overlap of the 10 year stream as it converts to the proposed 5 year stream of benefits in today’s budget climate. He proposed that the existing 10 year stream be redeemed by utilizing a ratio system of 75% redeemed over 5 years and 25% be redeemed over the next 2 years. Statutory language would be required to affect this. Sallie Hemenway and Chairman Gardner will work together to create a spreadsheet that will address this in further detail. Commissioner Van Matre will provide his comments in greater detail to Chairman Gardner.

Chairman Gardner offered his thoughts on the need for affordable housing in today’s recessionary environment and stated the need for low income housing is even greater than it was in 2010 when the Committee provided recommendations to the Commission. The recession is lasting longer than anticipated and feels the full Commission should take this into consideration when prioritizing the

needs of the state. The Historic Tax Credit, although a worthwhile program, is not a necessity. Commissioner Van Matre offered his opinion of diverting it to an equivalent type of credit for foreclosed property. This would be a temporary diversion of a credit and would have the purpose of providing housing and improving real estate values state wide.

### **TAX CREDIT EFFICIENCIES**

The Commissioners present reiterated three efficiency items: prevailing wage; policy notification and feedback; and policy and goals for housing. The Committee feels this is something the full Commission should take under consideration for discussion to improve the overall efficiency of the program.

Mr. Greg Young, a member of the public, offered again his proposal from 2 years ago. He questioned if the Commission had looked at low or no interest rate loans or grants. The Committee discussed the feasibility of Mr. Young's proposal and the income tax implications of those suggestions would make them cost prohibitive.

### **CONSENSUS**

The consensus of the three members present is that the current report in its entirety should remain as written with the following suggestions for the Commission's discussion:

1. Consider Commissioner Van Matre's suggestion of utilizing a ratio type of system to reduce or eliminate the bubble created while transitioning the credit from a 10 year to a 5 year credit.
2. Discuss improving the efficiency of the program by reviewing the Davis Bacon Act and its implantation state wide.
3. Consider Commissioner Van Matre's suggestion of temporarily diverting the Historic Tax Credit for other purposes such as improvements to foreclosed properties.

Chairman Gardner requested any further discussion or input. None was offered. Meeting adjourned 12:26 p.m.