

Tax Credit Workgroup

Meeting Minutes

Date: Thursday, September 26, 2024

Agenda:

1. Director Robert Cename presented a detailed slide deck.
 - a. Director Cename provided a brief recap of the previous meeting.
 - b. He then explored some tax credit policy options. Dir. Cename listened to reactions that included both benefits and drawbacks to each policy option.
 - c. Director Cename then spoke at length about the CHAP Tax Credit.
 - d. Finally, two stakeholders presented a slide deck with their respective views of the CHAP tax credit.
- I. Reactions to slide decks
 - a. Recap + Policy Options
 - i. During the brief recap of August's session, members once again expressed the lack of education and awareness of the Newly Constructed Tax Credit. One member expressed worry that confusion surrounding requirements would lead to a decrease in tax credit usage.
 - ii. When learning of the various policy options, some members posed the question, "what are we trying to incentivize?" Some members discussed the need to incentivize development, while others mentioned the need to incentivize homebuyers and ensuring renters are also considered. Ideally a tax credits would exist to take care of both of these incentives.
 - b. Historic (CHAP) Tax Credit
 - i. A city employee who is knowledgeable of the CHAP Tax Credit shared that they assist developers through the application process. They often hold meetings where they discuss what design elements are allowed/required. The employee recognized a developer needs a lot of support the first couple of projects until they become more familiar with the credit and process.
 - ii. One member asked what neighborhoods tend to use the tax credit. It was shared that neighborhoods across the city use the tax credit. In the past few years, the city has seen an uptick in usage in Canton and Fells Point.
 - c. Stakeholder Perspective
 - i. Presentation led by Eric Holcomb & Caitlin Audette
 - ii. One member said that there seemed to be a larger upfront cost to developers who use the CHAP Tax Credit due to the materials or designs needed. Another member responded that some developers choose to use this tax credit because others around them are using them. Additionally, some developers use the tax credit as an affordability tool.

Others mentioned developers do not use the tax credit because they believe it would slow them down.

- iii. Presentation led by Developer Kyara Gray Uqdah
- iv. She shared firsthand knowledge and anecdotes regarding financing projects with the CHAP Tax Credit. She and her team have become very familiar with the tax credit along with its requirements, so they feel comfortable using it for multiple projects. She also expressed that some folks use the credit as a marketing tool. One of the members expressed that education is necessary for lenders, developers, and buyers.

II. Next Meeting

- a. Tuesday, Oct 22, 2024