

## Tax Credit Workgroup

### Meeting Minutes

**Date:** Tuesday, July 30<sup>th</sup>

#### **Agenda:**

- I. Introductions
- II. Director Robert Cenname presented a detailed presentation deck that walked the group through the High Performance Newly Constructed Tax Credit.
  - a. Director Cenname provided a recap of the previous meeting and introduced Development Tax Credits.
  - b. He also introduced Annie Milli, Director of Live Baltimore, who presented a Residential Housing Market Overview and market potential study.
  - c. Doug Schmidt, Workshop Development, and Chris Mfume, The Civic Group, presented a deck on “Developer Perspective on Tax Credits.”
  - d. Director Cenname quickly summarized the Newly Constructed Tax Credit, due to limited time.
- III. Reactions to slide decks
  - a. Residential Housing Market Overview
    - i. Census data was noted in the deck, including the *#1 reason Americans move if for a newer, better, or larger home*. Individuals were interested in hearing whether the property tax rate and family circumstances including children, factor into the decision. One individual wondered if there was difference between new construction and heavily rehabilitated homes. For the purpose of this presentation both were similar.
    - ii. Director Milli explained a study Live Baltimore commissioned in 2020 that highlighted market potential in Baltimore City. This study recommended housing product types for particular regions based on market potential. A member suggested we overlay findings in the study to the Vacant Strategy Plan. Another member suggested looking into the regulations and demand for condos in the city.
  - b. Developer Perspective on Tax Credits
    - i. The presenters highlighted the importance of customer demand in that a project is not feasible if there is no demand for that particular housing type in the particular neighborhoods. Additionally, the presenters explained the complicated financing aspect of a development project. Steep competition nationally makes it difficult to attract investors who may have heard negative stories about Baltimore City. One member wondered if there was a difference between in the financial analysis between properties distinguished as rentals versus those for homeownership. The financial analysis is that same.

ii. Some brainstormed ideas are written below.

1. A 2-year pilot program where the city supercharges incentives for certain projects within areas of need.
2. A program to provide incentives for projects in areas of need that serve resident at 80% AML.

IV. Next Meeting

- a. August 27, 2024