

Tax Credit Workgroup

Meeting Minutes

Date: Thursday, September 26, 2024

Agenda:

1. Director Robert Cenname presented a detailed slide deck with the following agenda.
 - a. He provided a brief recap of the previous meeting.
 - b. Director Cenname discussed the background, legislative history, and historical trends of the High-Performance Market-Rate Rental Housing Tax Credit.
 - c. An extensive discussion followed the deep dive.
 - d. Unfortunately, the members did not have enough time to discuss policy options.
- I. Reactions to slide decks
 - a. Recap + Deep Dive
 - i. During the brief recap of September's session, one member highlighted the value of historic standards, but expressed worry about relaxed standards as they could lead to inconsistency. Additionally, another member noted that higher standards for historic preservation are more costly. These standards are based on the organization that sets them.
 - ii. A member brought up an older "Downtown Tax Credit," which was created as part of a growth strategy. She then questioned whether the high-performance market rate housing tax credit was created as an incentive for growth. She argued that the current system may be confusing for residents and needs to be simplified.
 - b. Discussion
 - i. A member questioned whether the cost of the tax credit is proportional to the value brought to the city. As a result, some city officials highlighted that the Department of Finance is conservative and performs cost/benefit analyses for tax credits and other benefits. Another member stated that development itself is beneficial to the city.
 - ii. One member brought up the city's high property tax and questioned whether decreasing this tax would benefit developers. One developer expressed that a decrease could help push more projects across the finish line. One city employee reminded the group that the high tax rate is due to a smaller tax base in comparison to the surrounding counties. Another employee mentioned being open to looking at other revenue sources, so the tax rate would have more flexibility.
- II. Next Meeting
 - a. Tuesday, Nov 26, 2024