



Missouri

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

Missouri's 2011 QAP lists preservation of existing affordable housing as one of its six housing priorities. Developments that are not considered for the preservation priority but that do not contemplate the acquisition and rehabilitation of existing housing are encouraged and given extra consideration. The QAP does not have a numerical criteria system but MHDC will prioritize developments that have project-based rental assistance or operating subsidy or have a loan made prior to 1985 from any of the following loan programs: HUD 202/811, 221(d)(3) or (d)(4), 236 or USDA RD 515. Projects can also qualify under this priority through participation in HUD's Mark-to-Market restructuring program or by having a previous allocation of LIHTC prior to 1996. Rehabilitation projects seeking 9% credits must have construction costs equaling 40% of more of the total replacement costs. Proposals determined to meet the preservation priority quality for a 30% basis boost.

Allocations (2003-2009)

Properties Preserved: 51

Apartments Preserved: 2,517

State Low Income Housing Tax Credits

In 2011, Missouri allocated \$113,200,000 towards its state tax credit program. The state credits are administered separately from the federal program, and bear a 10 year credit period. The contents of the QAP, except where otherwise noted, also apply to the allocation of state tax credits.

Private Activity Bonds with 4% Tax Credits

Allocations (2003-2009)

Properties Preserved: 85

Apartments Preserved: 9,244

Additional Info: Historically, Missouri has preserved a significant amount of affordable housing with its bond authority and 4% tax credits.

Housing Trust Funds

The Missouri Housing Trust Fund provides grants to organizations providing housing assistance to individuals. The Trust Fund receives a portion of the recording fees generated for every real estate transaction in the state. In 2011, \$3.72 million was available for funding. Of that, \$635,000 was allocated towards construction/rehabilitation.

St. Louis

The City of St. Louis created the Affordable Housing Trust Fund in 2001 and dedicated revenues from a local use tax (\$5 million in 2006) to the Trust Fund. The Affordable Housing Commission uses Trust Fund dollars to provide below market loans to for-profit developers and forgivable, deferred payment loans to non-profits for construction and permanent financing. The revenue source is a sales tax on out-of-state purchases over \$2,000. In 2010, \$4 million was available in grant and loan funding from the Affordable Housing Trust Fund. Fund monies are intended for use in the development of housing and the provision of housing related services that address the goals of developing and preserving affordable and accessible housing, preventing homelessness and/or providing services for the homeless. Projects funded by the AHTF must benefit people with incomes at or below 80% area median income. The Trust Fund must use 40% of its funds to assist households with incomes at or below 20% area median income.

The Coalition for the Missouri Housing Trust Fund works to build revenues for the state housing trust fund through legislation that would increase the document recording fee.

PLEASE NOTE: Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).

Other Preservation Incentives

The Affordable Housing Assistance Program (AHAP) housing production tax credit is used as an incentive for Missouri businesses and/or individuals to participate in affordable housing production. This state tax credit is earned by an eligible donor for the donation of cash, equity, services, or real or personal property to a non-profit community-based organization for the purpose of providing affordable housing assistance activities or market rate housing in distressed communities.

The AHAP tax credit is a one-time credit that may be allocated to an eligible donor for up to 55% of the total value of an eligible donation. There are two types of AHAP tax credits: Production credits for donations related to construction, rehabilitation, and rental assistance activities and Operation Assistance credits for donations that help fund the operation costs of the non-profit organization. The program offers \$10 million in Production credits (which allows for rehabilitation) and \$1 million in Operation Assistance credits annually.

In December 2010, it was recommended by the Commission that Gov. Jay Nixon cut the \$140 million-a-year Historic Tax Credit program down to \$75 million a year while also eliminating its ability to pair it with Low-Income Housing Tax Credits. Missouri's historic tax credit program is the biggest in the nation and has fueled much of the redevelopment in places like downtown St. Louis. Governor Nixon will consider these recommendations when proposing reforms to the tax credit system in the spring Legislative session.

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

According to Missouri's 2011 QAP, MHDC encourages developments that use sustainable building techniques in new construction. Preference is given to energy efficiency and overall sustainability of the proposal.

Other Green Incentives Relevant to Preservation

The Department of Natural Resources Energy Center administers Missouri's Weatherization Assistance Program. Missouri encourages using weatherization funding on multifamily projects. For complete information on MO's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

Missouri's 2011 QAP gives preference to projects which will be part of community development plans or which are located in D.R.E.A.M. communities or Qualified Census Tracts. A project's ability to act as a catalyst for economic development or neighborhood revitalization, infill of existing stable neighborhoods, location in a community with demonstrated new employment opportunities, and a proven need for workforce housing will be considered in the allocation process.

Proposals that are part of a larger mixed-use economic development area qualify for a 30% basis boost. To qualify, projects must: be part of a mixed-use development area that includes different housing types for different household income levels, new retail/office/light industrial space that creates new permanent jobs; be part of a TOD plan, which must be centered around and integrated with a transit stop. The plan must be mixed-use, mixed-income, pedestrian friendly and of appropriate density for a TOD. To qualify, the development must be located within 5 blocks of a light-rail transit stop; transit service at the stop must be frequent (15 - 30 minutes); transit service must offer increased mobility choices and good transit connections.