NM Affordable Housing Tax Credit
Development 101

August 15-16, 2013

New Mexico Mortgage Finance Authority
Program Basics

• The State Tax Credit Program provides tax credits to individuals and businesses that make donations to Affordable Housing Projects approved by MFA

• Tax Credit is equal to 50% of the value of the donation

• Minimum donation is $200: Maximum donation is $2,000,000
Eligible Projects

- Single-family homebuyer projects
- Multifamily rental projects
- Transitional housing and emergency shelters.
Eligible Activities

• Activities may include land and building acquisition, construction, remodeling, improvement, rehabilitation, conversion or weatherization.
Eligible Donations

Donations may include:

- Land
- Buildings
- Materials
- Cash
- Services
Ineligible Donations

Examples of contributions that are not eligible:

- Contributions requiring repayment
- Contributions secured by a debt instrument
- Contributions made by an individual or organization related to the project owner
- Contributions of certain restricted properties
Tax Credit Vouchers

Before Vouchers may be issue:

• Donation must be irrevocably and unconditionally contributed
• Project Financing commitments must be secured
• Land Use Restriction Agreement must be recorded
Use Restrictions

Term of use restrictions:

• 5 years for Single Family Housing
• 10 years for Multifamily Housing
Questions?