



# **NM Affordable Housing Tax Credit**

**Development 101**

**August 15-16, 2013**

New Mexico Mortgage Finance Authority



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# 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



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# Eligible Projects

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

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# 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

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# Ineligible Donations

Examples of contributions that are not eligible:

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

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# 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

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# Use Restrictions

Term of use restrictions:

- 5 years for Single Family Housing
- 10 years for Multifamily Housing



# Questions?