



# New Mexico

## Low Income Housing Preservation in 2010

### Low Income Housing Tax Credits (9% Tax Credits)

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New Mexico's 2011 QAP awards 15 points to all rehabilitation properties incurring average rehabilitation hard costs of \$10,000/apartment or more. In combined new construction and rehabilitation, rehabilitated apartments must account for at least 20% of the total apartments and the separation of rehabilitation costs and new construction costs should be designated in the application. An additional 15 points is awarded to conversion plus rehabilitation properties that convert at least 50% of the existing market rate apartments to low income apartments. There are 15 points available for preserving previously subsidized properties in which rents for 75% of the apartments are currently in excess of HTC Ceiling Rents and will be reduced to HTC Ceiling Rents, or for which use restrictions are to expire on or before December 31st, 2015. Rents will be limited to HTC ceilings despite other subsidy rules, except in properties with project based subsidies that allow for rents in excess of HTC ceilings. Note that projects receiving points from the rehabilitation only category can receive points under the conversion plus rehabilitation OR the preservation category but not both, even if they are otherwise eligible for them.

Rehabilitation expenditures qualify for the 9% tax credit when rehabilitation costs incurred during the 24-month period equal or exceed the greater of \$6,000 per low-income unit or 20% of the adjusted basis.

**Allocations (2003-2009)**

*Properties Preserved:* 10

*Apartments Preserved:* 619

### State Low Income Housing Tax Credits

In 2011, New Mexico allocated \$3,800,000 to its state tax credit program. The state credits are administered separately from the federal program, and carry a 5 year credit period.

### Private Activity Bonds with 4% Tax Credits

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New Mexico has preserved a significant amount of affordable housing with their private activity bond cap and 4% tax credits. Applicants must comply with most of the requirements set forth in the QAP.

**Allocations (2003-2009)**

*Properties Preserved:* 28

*Apartments Preserved:* 2,990

*Additional Info:* In 2007, 100% of New Mexico's 4% tax credits were allocated to preservation. In 2008, none were, and in 2009 preservation was 59% of the total 4% credit allocation in the state.

### Housing Trust Funds

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The New Mexico Housing Trust Fund, run by the Mortgage Finance Agency, was created in 2005. It was funded with a \$10 million start-up appropriation and received another \$3 million during the 2006-2007 legislative season. The Affordable Housing Act of 2006 allowed state funds to support acquisition and construction directly through the fund. Eligible projects include costs of infrastructure, construction, acquisition and rehabilitation necessary to support affordable single family or rental housing. For the first quarter of 2011, requests for funding exceeded the available funds.

**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).*

## **Green Multifamily Preservation Initiatives**

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### ***Green Incentives in State Tax Credit Allocation Plan***

The 2011 QAP awards up to 20 points for properties that benefit communities and the environment through more efficient use of resources, smarter planning, and sustainable development. Developments that commit to achieving LEED silver or higher receive 20 points and projects which commit to achieving LEED certification below silver are eligible for 18 points. Proposals that comply with the Enterprise Green Communities Green Criteria or obtain Build Green New Mexico certification receive 18 points. Between 5 and 15 points can be earned by developments that meet New Mexico's Green Building Criteria which cover: site orientation for efficient capture of solar heat and shading, water conserving landscaping, water efficient fixtures, energy efficient lighting, appliances, and heating, exhaust fans, low-VOC materials, erosion control during construction, and construction waste management.

The QAP also offers the opportunity to enter into the annual Design Competition whose winners receive 15 project points. Rehabilitation proposals are graded for categories in which they go beyond the Mandatory Design Standards.

### ***Other Green Incentives Relevant to Preservation***

The Mortgage Finance Authority administers New Mexico's Weatherization Assistance Program. New Mexico encourages using WAP funds for the weatherization of multifamily developments. For complete information on NM's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

Other incentives include an income tax credit for the installation of solar energy systems.

***For additional information on green initiatives, visit [www.aceee.org](http://www.aceee.org) for more on policies related to energy efficiency or [www.dsireusa.org](http://www.dsireusa.org) for programs that may be available to developers to incentivize renewable energy or energy efficiency.***

## **Sustainable Communities & Transit-Oriented Development Incentives**

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New Mexico's 2011 QAP awards 5 points for projects that contribute to a Community Revitalization Plan.

Locating within 1/2 mile of public transit is a component of complying with "Option C" of New Mexico's Green Building Criteria.