



Santa Fe Habitat for Humanity and New Mexico Affordable Housing Tax Credits

Interested in donating property, buildings, cash, or services to Santa Fe Habitat for Humanity's affordable housing project? Check to see if you and your donation are eligible to receive a tax credit in the amount of 50% of the total donation value.

Purpose

Santa Fe Habitat for Humanity (SFHFH) in its partnership with the New Mexico Mortgage Finance Authority (MFA) offer New Mexico Affordable Housing Tax Credits to individuals and businesses that provide donations to an eligible project or projects approved by MFA. The state of New Mexico offers credits on income taxes, gross receipts taxes, and compensating taxes (excluding local option gross receipts tax imposed by a municipality or county, or the government gross receipts tax) to any eligible individual or business that donates land, properties, buildings, cash, or services for an SFHFH affordable housing project approved by MFA. As a project sponsor, SFHFH utilizes the program to generate contributions for the development of single-family units targeted to households at or below 80% Area Median Income (AMI).

How Does the Affordable Housing Tax Credit Work?

SFHFH will partner with eligible individuals and for-profit developers that are able to legally do business in New Mexico. Qualified affordable housing activities are defined as: land acquisition, building acquisition, construction, remodeling, improvement, rehabilitation, conversion, or weatherization for a residential housing project approved by MFA. Eligible projects include only single-family housing and must remain affordable for a minimum of five years.

SFHFH uses their credit reservations to solicit donations for eligible projects and projects may be submitted to SFHFH at any time. Upon successful review of an application, MFA issues a tax credit reservation to SFHFH for the qualified affordable housing project. MFA issues investment vouchers to donors for the lesser of 1) 50% of the value of their donations, or 2) the amount applied for by the donor. The investment voucher will be issued once SFHFH and MFA receive evidence of the donation and ascertain that the applicant has completed all requirements set for the project. The whole tax credit or a fraction thereof may be redeemed the first year or carried forward for up to five years. The credit is equal to up to 50% of the value of the

donation and the minimum accepted donation is five-hundred dollars with the maximum accepted donation is two million dollars (\$2,000,000).

The investment vouchers will be issued only after MFA has received from SFHFH evidence of the donation being irrevocably and unconditionally contributed, expended, or devoted. In addition, the project must meet certain readiness requirements including, but not limited to, 1) obtaining other financing commitments and 2) recording of a Land Use Restriction Agreement. SFHFH is responsible for providing evidence of all eligible donations and satisfactory valuation documentation.

Santa Fe Habitat for Humanity does not accept any liability with respect to the information forth herein. Information does not constitute legal, tax, accounting, investment, or other professional advice. Please consult professional advisors prior to acting on the information set forth herein.

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