



New Mexico Housing Trust Fund

Northwest New Mexico Council of Governments

April 2024

We Are Housing New Mexico



MFA is the state's designated housing agency tasked with providing opportunities for the full spectrum of housing needs, from homelessness to homeownership.

Our Vision

All New Mexicans will have quality affordable housing opportunities.

Our Mission

MFA is New Mexico's leader in affordable housing. We provide innovative products, education and services to strengthen families and communities.

MFA provides resources to:

- offer emergency shelter
- administer rental assistance and subsidies
- build affordable rental and homeownership communities
- Modify or rehabilitate aging homes
- supply down payment assistance and affordable mortgages

History

From its establishment in 2005 up to July 1, 2022, the state appropriated \$61,050,000 to the NMHTF.

Beginning July 1, 2023, MFA received its first STB earmark in the amount of \$37.53 million.

This year, in addition to the STB earmark funding that will become available July 1, 2024, the legislator made its largest one-time appropriation to the NMHTF, of \$50 million.

In total there has been \$186 million appropriated to the NMHTF. 67% of which occurred since July 1, 2023.

Historically, NMHTF was used exclusively for housing development. Statutory changes to the NMHTF in 2020 permitted funding a wider range of activities.



New Mexico Housing Trust Fund Areas

Certified Use <i>State Board of Finance</i>	Strategic Impact Area <i>MFA Board of Directors</i>	Activity <i>Policy Committee</i>
Homeownership & Wealth Building	Create homeownership opportunities through downpayment assistance	<ul style="list-style-type: none"> • HomeForward downpayment assistance • FirstDown Plus downpayment assistance
Housing Development & Preservation	Create more housing	<ul style="list-style-type: none"> • Low Income Housing Tax Credit gap financing • Single family development loan financing • Single family development grant financing
	Preserve existing affordable housing	<ul style="list-style-type: none"> • Preservation loan financing • Restoring Our Communities • Weatherization • Housing improvement program • HOME rehabilitation • Housing innovation
Homeless Shelter and Support Services for Vulnerable Populations* (<i>non-SBOF activities</i>)	Create stable housing environments	<ul style="list-style-type: none"> • Program development to address special needs populations • Landlord Collaboration/Landlord Guarantee • Eviction Prevention/Homeless Prevention • Re-Entry/RHP model programs

Low Income Housing Tax Credits

- The QAP is the State of NM's plan for allocating its tax credits.
- It is prepared annually, consistent with IRC §42(m).
- Approval Process – Approved by Governor.

<http://www.housingnm.org/developers/lihtc/current-and-prior-tax-credit-rounds>

Don't forget about the FAQs as these are incorporated into the 2024 QAP by reference.

<http://www.housingnm.org/developers/lihtc/applications-faq>

HOME Program

- New Construction, Rehabilitation, Acquisition & Rehab, Limited Refinancing
- Generally 0%-3% rate
- 2-year construction and up to 40-year permanent period
- With 9% LIHTC – Limited by a maximum of \$1,000,000 per project for CHDOs/\$400,000 for non-CHDOs
- Without 9% LIHTC – Limited by a maximum of \$1,000,000 per project for CHDOs/\$800,000 for non-CHDOs

National Housing Trust Development

National Housing Trust Fund

- New Construction, Rehabilitation, Acquisition & Rehab, Limited Refinancing
- 0% rate
- Minimum 30-year term period
- With 9% LIHTC – Limited by the maximum per-unit subsidy limits and a maximum of \$400,000 per project
- Without 9% LIHTC – Limited by the maximum per-unit subsidy limits and a maximum of \$1,500,000 per project

New Mexico Housing Trust Development

New Mexico Housing Trust Fund

- New Construction, Rehabilitation, Acquisition & Rehab, Infrastructure
- New interest rate policy:
 - 9% LIHTC – Base interest rate of 3%*
 - 4% LIHTC – Base interest rate of 2%*
 - No LIHTC – 1% interest rate

* 1% discount for rural, senior, tribal, permanent supportive. 1% increase if request exceeds funding limits.
- New funding limits:
 - Construction - \$3,000,000
 - Permanent - \$2,000,000
- 2-year construction period and up to a 40-year term

Primero

- Primero is funded through MFA's Housing Opportunity Fund
 - Maximum Loan: \$3,500,000 or funds available at the time of application
- Funding high-risk projects and priority is giving to MFA's Primero Selection Preference:
 - Tribal Housing, Colonias Housing, Housing Rehabilitation, and Manufactured Housing Assistance
- Eligible activities for multifamily and single-family development projects:
 - Pre-development, acquisition, construction, conversion, or rehabilitation
- Loan Terms: Up to 5 years for pre-development
- Interest Rate: Typically 3.0% per annum, 1% loan fee due at closing

New Mexico State Tax Credit

Program Basics:

- Used to fund affordable housing for low to moderate income occupants
- Provides tax credits to eligible individuals and businesses that provide donations to MFA-approved affordable housing projects approved by MFA, or to the charitable trust administered by MFA
- Credits on income taxes, gross receipts taxes (GRT) and compensating taxes (excluding local option GRT imposed by a municipality or county, or the government GRT)
- Donations can include land, buildings, cash or services
- Credit is equal to up to 50% of the value of the donation (i.e. \$2,000 donation = \$1,000 tax credit)
- Minimum accepted donation is \$200; maximum is \$2,000,000

Opportunities for Housing Creation

Available Programs*

- Low Income Housing Tax Credit
- Home Rental
- New Mexico Housing Trust Fund
- National Housing Trust Fund
- Tax Exempt Bond
- Tax Credit Assistance Program
- State Tax Credit
- Single Family Development Grant
- Primero

To discuss any potential housing projects and different funding requirements, please request a meeting on the MFA website here:

<https://housingnm.org/developers/developer-meeting-request-form>

*These programs are available to developers and service providers not individual community members.

Opportunities for Homeownership

Available Programs*

- FirstDown Plus
- HomeForward

**To find an MFA-Participating Lender,
please visit:**

<https://housingnm.org/homebuyers/mfa-participating-lenders>

*These programs are available to individual community members.

Open RFPs, RFQs & NOFAs

Single Family Development Grant Pilot Program NOFA

The New Mexico Single Family Development Pilot Program will address housing the need for single-family development in rural and Tribal areas that are currently not being served through other MFA programs. This pilot program will work with applicants to fill a financing gap of “shovel ready” projects.

Restoring Our Communities NOFA

Restoring Our Communities was designed to help meet New Mexico’s need for affordable housing units while assisting communities in reducing vacant and abandoned houses that reduce values within the community. The program will provide funding for the acquisition, rehabilitation, and resale of single-family houses with a goal to increase homeownership opportunities for low-moderate- and middle-income households.

Housing Innovation Program NOFA

The Housing Innovation Program is a resource to address housing needs that are currently not being served through other MFA programs and an opportunity for eligible applicants to fund a community-tailored housing solution. Through the program, MFA looks to assist underserved populations, cultivate new partnerships, and fund projects that may be scalable.

Visit [housingnm.org](https://housingnm.org/rfps/rfps-rfq) to view all open NOFAs and stay up-to-date on current and future programs: <https://housingnm.org/rfps/rfps-rfq>

Affordable Housing Act

What is the Affordable Housing Act?

The Affordable Housing Act provides a statutory exception to the Anti-Donation Clause in the New Mexico Constitution. Under the act, municipalities, counties, and school districts may make contributions for affordable housing development.

The following contributions are allowed under the Act:

- Donate or pay for:
 - Land
 - Buildings
 - Costs of acquisition, development, construction, financing and operating affordable housing
 - Infrastructure necessary to support affordable housing
- Award a reduction or abatement of taxes or fees otherwise imposed on a market-rate project

How can your community participate?

To participate under the Affordable Housing Act, a local government must have:

- New Mexico Mortgage Finance Authority (MFA) approved Affordable Housing Plan
- Affordable Housing Ordinance before a donation can be made for an affordable housing project.

Thank you!

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