

PROGRAM: The MFA's Housing Tax Credits: Allocations and Compliance

AGENCY: The Mortgage Finance Authority and its partners

DESCRIPTION: The Housing Tax Credit Program (HTC) provides federal income tax credits to individuals or organizations that develop affordable housing through either new construction or acquisition and rehabilitation. The tax credits provide a dollar for dollar reduction in the developer's tax liability for a ten year period. Tax credits can also be used by nonprofit or public developers to attract investment to an affordable housing project by syndicating, or selling, the tax credit to investors.

ELIGIBILITY: In order to receive tax credits a developer must set-aside a number of units for occupancy by households below 60% of area median income. The rents charged to these households may not exceed 30% of the median income. These units must remain affordable for a minimum of 30 years. This program is a resource provided by the Internal Revenue Service. In addition to tax credits, the financing "gap" for certain HTC projects may be filled with a below market rate HOME loan. Tax credits and rental HOME loans are awarded annually through a competitive application process according to the state's Qualified Allocation Plan.

STRUCTURE: Section 42 of the IRS Code requires MFA to develop and implement a compliance monitoring program. That monitoring program is contained within MFA's Housing Credit Compliance Manual. Sections of the manual include occupancy and tenant eligibility, establishing a project's qualified basis, income verification, and rent restrictions and lease requirements, among others. The Housing Credit Compliance Manual is provided here for your reference.

QUALIFICATIONS/CRITERIA:

- Compliance forms include the 2006 Income and Rent Limits, Annual Compliance Report, Owners Certification, Housing Credit Training, and the Compliance Manual.
- For links to pdf and MS Word compliance forms, visit <http://www.housingnm.org/AssetManagement/amCompliance.htm>
- Allocations forms include 2006 Qualified Allocation Plan, HOME TC guidelines, 2006 Design Standards, Green Building Criteria, Credit Application Package, 2006 Income and Rent Limits, Carry Over Package, Final Allocation Package, HUD 4571.2 Special Needs Definition, and RD Definition Farm Labor Housing.
- For links to pdf and MS Word allocation forms, visit http://www.housingnm.org/Developer/HTC_Allocations.htm
- For Allocation questions, contact Jerusha Daniels: Housing Tax Credit Specialist, Direct Line: (505) 767-2251, Toll free in NM: (800) 444-6880
- For Compliance questions, contact Matt Archuleta: Program Specialist, (505) 767-2273
- Visit the MFA's homepage at <http://www.housingnm.org/> or call (505) 843-6880 (800) 444-6880 (Toll free in New Mexico)