

## Santa Fe Habitat for Humanity and the Affordable Housing Tax Credit Program

The State of New Mexico Affordable Housing Tax Credit Program is critical to the success of Santa Fe Habitat for Humanity. Santa Fe Habitat has been using the Affordable Housing Tax Credit since its inception and it enables the organization to build at least 2 extra homes each year.

Habitat for Humanity builds homes for low income households that are below 60% of the Area Median Income. This means that a family of 4 earning less than \$37,320 can purchase a Habitat home. Habitat is able to provide homeownership opportunities for very low-income households by selling homes as much as \$100,000 below market prices and providing 0% interest mortgages. Habitat is able to sell homes below market through the utilization of volunteer workers and is able to offer 0% interest loans by obtaining donations to provide the capital.

The strength of the Affordable Housing Tax Credit is its ability to leverage resources. Perhaps the best way to illustrate this impact is with an example using the actual figures from a recent Santa Fe Habitat completion.

Appraised Value of 4 Bedroom Home	\$235,000
Down Payment Assistance (Santa Fe County)	\$20,000
Down Payment Assistance (Fed. Home Loan Bank)	\$7,000
HUD Grant for Land	\$15,000
Donations of Materials	\$10,000
First Mortgage	\$149,532
Soft Second Mortgage to Habitat	\$45,946
Tax Credits Used	\$20,000
Home Owner Monthly Mortgage Payment	\$415.36

In summary, the \$20,000 in Affordable Housing Tax Credits has leveraged:

\$20,000 in local government funding

\$22,000 in federal funding

\$40,000 in individual donations

\$10,000 in corporate donations

\$48,000 in volunteer labor

**AND** created a house for a low-income household worth \$235,000 – that is a return on investment ratio of 1 to 11.75.

Of course, the numbers only tell part of the story. The impact of the Tax Credit Program on the human level can be illustrated by sharing the story of a family that moved into their new Habitat home last month thanks to the tax credit program and the generosity of our faithful donors.

Marianne and Lazaro met in 2011 and feel in love. After a brief period trying to make ends meet in another state, economic conditions forced Lazaro to move to Texas and Marianne to move to Santa Fe where family members promised support. The support never materialized and Marianne – out of gas, time and money – had to move into a homeless shelter with her 3 children from a previous marriage. After several months, Marianne was able to move into transitional, supportive housing and after a year in transitional housing, Lazaro was able to re-join her. Lazaro is working at a restaurant part time and going to community college part time and Marianne is also working part time and going to the community college to become a Certified Nurses' Assistant. Lazaro and Marianne applied for a Habitat home, saved for a down payment, contributed 500 hours of their own sweat equity and have moved out of transitional housing into their new Habitat home with their 3 children.