



AIA
New Mexico

NEWS RELEASE

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New Mexico Architects Slam Cuts to State's Green Building Incentive Program

Cuts Would Hit Tribal Communities and Low-Income Residents Hardest

Albuquerque, N.M., October 7, 2016 – AIA New Mexico, the state component of the American Institute of Architects that represents almost 400 licensed architects, today urged state officials to reconsider proposed cuts to New Mexico's Low-Income Housing Tax Credit (LIHTC) program - cuts that endanger ongoing projects in tribal and low-income communities.

In a letter to the New Mexico Mortgage Finance Authority, AIA New Mexico President Andre Larroque, stated that the proposed changes to the LIHTC Program Qualified Allocation Plan totally eliminate longstanding, established criteria for encouraging sustainable design, including the use of healthy building materials and water conservation techniques.

"These critical factors are important to the health and well-being of residents, can lower long-term costs and should be reinstated," Larroque wrote. "The penalties in the plan...will result in geographical inequity, a reduction in construction quality and is contrary to the statewide mandate of the program."

The architects also criticized proposed caps on the fees New Mexico architects can charge for their services under the program. Currently the fees typically represent only .1 percent of the total cost of occupancy, construction and maintenance on a 50-year-old building. But capping these fees "at well below what is an acceptable business profit margin will subsequently reduce levels of design innovation, lower project value, and dramatically reduce the number of highly qualified architects willing and able to take on LIHTC projects," the letter states.

The Low Income Housing Tax Credit (LIHTC or Tax Credit) program was created in 1986 as part of the Federal Tax Reform Act. It acts as an incentive for individuals and corporations to invest in the

construction or rehabilitation of low income housing and has become the most important resource for creating affordable housing in the United States today. The Tax Credit provides the investor a dollar-for-dollar reduction in personal or corporate federal income tax liability for a 10-year period for projects which meet the program's requirements. The New Mexico Mortgage Finance Authority (MFA) is the agency that administers the program for the state.

"Our chapter understands the strains and hard choices New Mexico's budget crisis has forced on state officials, and we stand ready to help our state in any way we can to weather this financial storm," Larroque said. "But cutting the incentives contained in this otherwise innovative state program will cost the state more money in the long run, endanger the environment and hurt communities least able to fend for themselves."

About AIA New Mexico

AIA New Mexico's mission is to serve as the unifying voice of all AIA Chapters in New Mexico, in service to the architectural profession. It is dedicated to legislative and governmental advocacy as a leader in shaping the built environment for the public good. As the state chapter of The American Institute of Architects, AIA New Mexico actively advocates at both the state and federal level.

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