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Taos affordable housing development awarded \$10M boost

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Developer Stephen Crozier plans to build 26 new affordable housing units and rehabilitate 44 existing units in Taos to help address its "severe housing shortage."

Crozier's firm, Tierra Realty Trust based in Santa Fe, was recently awarded \$10 million in tax credits from the New Mexico Mortgage Finance Authority to subsidize the project, known as Tierra Montosa Phase II.

The plan is to rehabilitate 44 units in the existing Tierra Montosa development, located near the intersection of Gusdorf Road and Cruz Alta Road. The project will also include the construction of 26 new units on the east side of Gusdorf Road.

"As an infill site within one mile of Taos Plaza and the retail core, Tierra Montosa provides substantial and much needed affordable housing to the area," the project application reads. The Mortgage Finance Authority gives out the tax credits under the federal low-income housing tax credit program. The state awards those credits through an application process, and developers can then sell the credits to investors for cash.

Units in developments that receive tax credits must be set aside for tenants with incomes that are, at most, 60 percent of the area median income — \$30,480 for a family of four, according to 2016 figures.

Rent for these units is also capped and adjusted to meet a tenant's income.

According to the tax credit application for Tierra Montosa Phase II, 12 units will be reserved for households making 30 percent or less of the median income, 34 units will be for those making 50 percent or less, and 24 for be for those making 60 percent or less.

One-quarter of the units will be set aside for individuals with kids, and another 20 percent will be reserved for special needs residents, the application says.

Rehabilitation of existing units means several improvements, including a new roof, new exterior stucco and insulation, new LED light fixtures, and new landscaping with low-flow irrigation.

The project application said existing tenants would have to be relocated while renovation work is done, but the goal was to keep all residents on site during construction.

According to the project application, Tierra Realty Trust, and its nonprofit partner, Golden Spread Rural Frontier Coalition, will charge a \$1.2 million developer fee.

Crozier and his company have used the same tax credit model to build a number of low-income developments in Taos, including Loma Parada, El Cerrito and Taos Haus.

The addition of 26 new units in Tierra Montosa Phase II should do something to help the local demand for low-income housing, but studies have found the shortfall between the supply of units and the demand is considerably greater.

A 2012 report found that, at the time, Taos was short by about 400 additional affordable housing units to meet the existing need.

Based on employment data, the report also found half of the new units would need to be set aside for those making less than \$16,000 a year.



Pictured is Tierra Realty Trust's "Taos Haus" development.

Courtesy photo

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