

## A tale of two Santa Fe streets

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*Circle Drive on Tuesday January 29, 2019 Luis Sanchez Saturno/The New Mexican*

Circle Drive and Calle Nueva Vista are worlds apart.

Calle Nueva Vista, on Santa Fe's southwest side, is a mix of mostly modest newer tract houses and mobile homes.

Circle Drive, which runs a ridge on the city's north side, is dotted with gated estates.

Property tax data for the homes on the two streets illustrate some of the inequities of a state law designed to protect longtime homeowners from being taxed out of their homes because of rising property values.

The Circle Drive homeowners benefit disproportionately more from the law than those on Calle Nueva Vista.

Under the law, which took effect in 2001, the market value of a residential property for tax purposes cannot be increased more than 3 percent a year as long as the owner of the property remains the same. Newly purchased homes are taxed at full market value.



Circle Drive is a dirt road that connects with Bishops Lodge Road, featuring sweeping mountain and valley views. The road is lined with juniper and piñon. Out-of-state residents own 16 of the 40 homes, and an online listing for a rental shows it goes for up to \$18,000 a month. A home on the market for \$10.5 million recently sold.

Calle Nueva Vista, which crosses Rufina Street, is a land of asphalt and concrete. The street has speed bumps. There is a small, city-owned park that is full of weeds and has a single picnic table. There are 126 homes on Calle Nueva Vista; only two are owned by out-of-state residents. One home is on the market for \$277,700.

Of the homeowners on Circle Drive, a total of 33, or nearly 83 percent, received a property tax break last year from the law setting the 3 percent cap on annual increases in residential market values. A total of 74, or nearly 59 percent, of the homeowners on Calle Nueva Vista got a tax cut. Owners of only four of the 32 mobile homes received a break.

The homes on Circle Drive have an average market value of more than \$1.6 million, according to market values set by the Santa Fe County Assessor's Office. The average tax break was \$1,918 last year. The biggest tax reduction for a Circle Drive homeowner was nearly \$10,500.



The homes on Calle Nueva Vista have an average market value of nearly \$147,000. The average tax break was \$117 in 2018. The biggest tax cut for a Calle Nueva Vista homeowner was just under \$500.

About a dozen of the homeowners on Calle Nueva Vista received no tax break because they recently purchased the properties.

Mike Loftin, CEO of Homewise, a nonprofit that works to get families into homes, is a critic of the law setting the 3 percent cap on annual increases in residential market values.

“It’s grossly unfair to people new to buying a home,” Loftin said. “Why should someone who owns a \$10 million house have their property taxes capped?”

An advisory group appointed by Mayor Alan Webber to make recommendations to ease the city’s housing crunch didn’t consider the effects of the 3 percent cap.

A Circle Drive resident, who spoke on condition of anonymity because of the public nature of his job, said the 3 percent cap is doing what it was supposed to do: reducing tax bills for longtime homeowners in neighborhoods like Santa Fe’s east side so they can stay in their homes.

“It’s not perfect,” he said of the cap. “It’s a nightmare trying to be fair to everybody.”