



NEW MEXICO
FINANCEAUTHORITY

1

Lending Opportunities for New Mexico Communities

Presenters

Ron Cruz, Director of Lending

Carmela Manzari, Senior Finance Manager

- ◆ Introduction
 - ◆ What is NMFA?
 - ◆ How can NMFA help with bridge/gap funding?

- ◆ Public Lending Programs
 - ◆ Public Project Revolving Fund
 - ◆ Drinking Water State Revolving Loan Fund
 - ◆ Water Project Fund
 - ◆ Colonias Infrastructure Fund
 - ◆ Local Government Planning Fund

- ◆ Questions?

- ◆ Government instrumentality created in 1992
 - Governed by an 11-member Board of Directors, including NMML & NMC
 - Overseen by the NMFA Legislative Oversight Committee
 - Staffed with 66 diverse financial professionals
- ◆ Broad-based finance agency
 - Administrator of six Boards and their respective Committees
 - Authorized to operate 24 programs through 13 Acts
 - New Mexico Finance Authority Act (Section 6-21-2):
 - Purpose: “...to coordinate the planning and financing of state and local public projects ... and to improve cooperation among the executive and legislative branches of state government and local governments in financing public projects.”
 - Statewide Economic Development Finance Act (Section 6-25-6):
 - Purpose: “assist eligible entities in financing projects” and to promote “achievement of economic development goals...”



NMFA Authorized Programs

4

| Active | Funded | FY | Program Name | Enabling Act | Statute | Partner |
|--------|----------|------|---|--|-----------|-------------|
| ✓ | ✓ | 1992 | Public Project Revolving Fund | New Mexico Finance Authority Act | 6-21-6.0 | Legislature |
| ✓ | | 1994 | Primary Care Capital Fund | Primary Care Capital Funding Act | 24-1C-4 | DoH |
| ✓ | ✓ | 1997 | Drinking Water State Revolving Loan Fund | Drinking Water State Revolving Loan Fund Act | 6-21A-4 | NMED |
| | | 1999 | Water and Wastewater Grant Fund | New Mexico Finance Authority Act | 6-21-6.3 | Legislature |
| ✓ | annually | 2001 | Water Project Fund | Water Project Finance Act | 72-4A-9 | WTB/LEG |
| ✓ | ✓ | 2002 | Local Government Planning Fund | New Mexico Finance Authority Act | 6-21-6.4 | Various |
| ✓ | ? | 2003 | Economic Development Revolving Fund (Smart Money) | Statewide Economic Development Finance Act | 6-25-6.1 | NMEDD |
| | | 2003 | Child Care Revolving Loan Fund | Child Care Facility Loan Act | 24-24-4.0 | ECECD |
| | | 2004 | Acequia Project Fund | Water Project Finance Act | 72-4A-9.1 | WTB/ISC/Leg |
| ✓ | ✓ | 2004 | Behavioral Health Capital Fund | Behavioral Health Capital Funding Act | 6-26-4 | HSD |
| | | 2005 | Energy Efficiency & Renewable Energy Bonding Act | New Mexico Finance Authority Act | 6-21D-5 | EMNRD |
| | | 2005 | Local Transportation Infrastructure Fund | New Mexico Finance Authority Act | 6-21-6.8 | DOT |
| ✓ | | 2006 | New Markets Tax Credit | Statewide Economic Development Finance Act | 6-25-6.1 | FNM/NMEDD |
| | | 2007 | Local Government Transportation Fund | New Mexico Finance Authority Act | 6-21-6.12 | DOT |
| ✓ | annually | 2010 | Colonias Infrastructure Project Fund | Colonias Infrastructure Finance Act | 6-30-8 | CIB |
| ✓ | ? | 2011 | Collateral Support Participation Program | Statewide Economic Development Finance Act | 6-25-13 | NMEDD |
| ✓ | | 2021 | Essential Services Working Capital Program | Statewide Economic Development Finance Act | 6-25-13 | NMEDD |
| ✓ | | 2021 | New Markets Tax Credit Small Loan Pool | Statewide Economic Development Finance Act | 6-21-6.12 | FNM/NMEDD |
| ✓ | | 2021 | Small Business Recovery Loan Fund | Small Business Recovery and Stimulus Act | 6-32-3 | Leg/SIC |
| ✓ | | 2021 | New Mexico LEDA Recovery Grants | Local Economic Development Act | 5-10-16 | NMEDD/Leg |
| ✓ | x | 2022 | Cannabis Microbusiness Program | Statewide Economic Development Finance Act | 6-25-13 | RLD/NMEDD |
| ✓ | ✓ | 2022 | Venture Capital Fund | Venture Capital Program Act | 6-33-3 | (NMEDD) |
| ✓ | ✓ | 2022 | Charter School Facility Revolving Fund | Charter School Facility Improvements Act | 6-21-6.16 | (PSCOC) |
| ✓ | ✓ | 2022 | Opportunity Enterprise Fund | Opportunity Enterprise Act | 6-34-12 | OERB |

Key departments for you to know

5

- ❑ The **Lending Department** serves as your primary contact for new projects and funding needs. This team will answer all your questions, brainstorm on funding solutions, and help you navigate NMFA's programs to find the best fit for your project. The Lending Team is led by Ron Cruz.
- ❑ After a loan application is submitted, the **Credit Department** provides an analysis of the application to measure credit quality and risk. This team is also responsible for identification, mitigation and monitoring of risk within all NMFA portfolios. The Credit Team is led by Rick Herrman.
- ❑ The **Client Services Department** coordinates loan and grant closings, facilitates pay-offs, and answers your questions about activity statements and invoices. The Client Services Team is led by Leslie Medina.

Public Project Revolving Fund

Drinking Water State Revolving Loan Fund

Water Project Fund

Colonias Infrastructure Fund

Local Government Planning Fund

- ◆ As NMFA's flagship program, the PPRF provides **low-interest financing with no application fees, no closing costs, and no administrative fees.**
- ◆ PPRF loans range from \$10,000 to over \$100,000,000 at highly competitive interest rates with no fees and no closing costs.
- ◆ Disadvantaged funding at zero percent interest is offered through the PPRF to qualified entities as determined by the community's Median Household Income.
- ◆ NMFA presents to the Legislature an entity authorization list for eligible projects and loan refinancing annually, which allows NMFA the flexibility to meet the project timing needs of New Mexico communities. Entities that want to apply for financing over \$1 million must be on the legislative authorization list.
- ◆ NMFA has made over 2,200 loans from the PPRF fund totaling approximately \$4.89 billion. (Estimated as of April 30, 2024)

- ◆ Municipalities
- ◆ Counties
- ◆ Indian Nations, Tribes or Pueblos
- ◆ School Districts
- ◆ Charter Schools
- ◆ Higher Education
- ◆ Agencies or Institutions of the State
- ◆ Special Districts/Political Subdivisions
- ◆ Affordable Housing – to come

PPRF

Eligible Project Types

9

- ◆ Roads
- ◆ Solid Waste Infrastructure, Water and Wastewater Systems
- ◆ Electric and Broadband Utility
- ◆ Police and Fire Safety
- ◆ Public Schools/Higher Education
- ◆ Industrial Parks
- ◆ Convention Centers
- ◆ Hospitals/Healthcare
- ◆ Energy Efficiency Projects
- ◆ Property Development/Special Assessment Districts
- ◆ Hotels
- ◆ Fairgrounds/Rodeos
- ◆ Museums
- ◆ Community Centers
- ◆ Golf Courses
- ◆ Housing (Teacherages/Workforce)
- ◆ Quality of Life Projects
- ◆ Refunding of existing loans



Sample PPRF Application

Not sure where to start? Give us a call and we'll help you figure out what could work.

Oct 27, 2021 11:31 am Prepared by DBC Finance (Finance 8.700 Entries) Page 1

SOURCES AND USES OF FUNDS

Loan Phase 1

| Phase A PPRF | Phase B PPRF | Total |
|--------------|--------------|------------|
| 459,000.00 | 51,000.00 | 510,000.00 |
| 168,300.00 | | 168,300.00 |
| 627,300.00 | 51,000.00 | 678,300.00 |

| Phase A PPRF | Phase B PPRF | Total |
|--------------|--------------|------------|
| 459,000.00 | 51,000.00 | 510,000.00 |
| 168,300.00 | | 168,300.00 |
| 627,300.00 | 51,000.00 | 678,300.00 |

Oct 27, 2021 11:31 am Prepared by DBC Finance (Finance 8.700 Entries) Page 4

BOND DEBT SERVICE

2022 Infrastructure Loan Phase 1

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---------------|-----------|--------|------------|--------------|
| 05/01/2023 | 5,000 | 0.920% | 17,454.32 | 22,454.32 |
| 05/01/2024 | 7,000 | 1.000% | 13,824.98 | 20,824.98 |
| 05/01/2025 | 6,000 | 1.120% | 13,754.98 | 21,754.98 |
| 05/01/2026 | 18,259 | 1.260% | 13,665.38 | 31,924.38 |
| 05/01/2027 | 18,489 | 1.400% | 13,435.32 | 31,924.32 |
| 05/01/2028 | 18,748 | 1.560% | 13,176.48 | 31,924.48 |
| 05/01/2029 | 19,041 | 1.690% | 12,884.00 | 31,925.00 |
| 05/01/2030 | 19,363 | 1.800% | 12,562.22 | 31,925.22 |
| 05/01/2031 | 19,711 | 1.890% | 12,213.68 | 31,924.68 |
| 05/01/2032 | 20,082 | 2.250% | 11,843.12 | 31,925.12 |
| 05/01/2033 | 20,534 | 2.780% | 11,391.26 | 31,925.26 |
| 05/01/2034 | 21,104 | 3.000% | 10,830.42 | 31,924.42 |
| 05/01/2035 | 21,737 | 3.090% | 10,187.30 | 31,924.30 |
| 05/01/2036 | 22,409 | 3.170% | 9,515.62 | 31,924.62 |
| 05/01/2037 | 23,119 | 3.250% | 8,805.26 | 31,924.26 |
| 05/01/2038 | 23,871 | 3.360% | 8,053.90 | 31,924.90 |
| 05/01/2039 | 24,673 | 3.450% | 7,251.82 | 31,924.82 |
| 05/01/2040 | 25,524 | 3.510% | 6,400.60 | 31,924.60 |
| 05/01/2041 | 26,430 | 3.570% | 5,504.72 | 31,924.72 |
| 05/01/2042 | 27,363 | 3.630% | 4,561.52 | 31,924.52 |
| 05/01/2043 | 28,357 | 3.680% | 3,568.24 | 31,925.24 |
| 05/01/2044 | 29,400 | 3.730% | 2,524.70 | 31,924.70 |
| 05/01/2045 | 30,497 | ** % | 1,428.08 | 31,925.08 |
| 05/01/2046 | 31,299 | 2.000% | 625.98 | 31,924.98 |
| | 510,000 | | 225,453.90 | 735,453.90 |

Oct 27, 2021 11:31 am Prepared by DBC Finance (Finance 8.700 Entries) Page 7

UNIVERSAL BOND SOLUTION

Loan Phase 1

| Period Ending | Proposed Principal | Proposed Debt Service | Existing Debt Service | Total Ag Debt Service | Revenues | Unused Revenues | Debt Serv Coverage |
|---------------|--------------------|-----------------------|-----------------------|-----------------------|-----------|-----------------|--------------------|
| 05/01/2023 | 5,000 | 22,454 | | 27,454 | 51,025 | 23,571 | 200.00% |
| 05/01/2024 | 7,000 | 20,825 | | 27,825 | 51,025 | 23,200 | 200.00% |
| 05/01/2025 | 6,000 | 21,755 | | 27,755 | 51,025 | 23,270 | 200.00% |
| 05/01/2026 | 18,259 | 31,924 | 30,018 | 61,942 | 129,502 | 67,553 | 200.00% |
| 05/01/2027 | 18,489 | 31,924 | 30,018 | 61,942 | 129,502 | 67,553 | 200.00% |
| 05/01/2028 | 18,748 | 31,924 | 30,018 | 61,942 | 129,502 | 67,553 | 200.00% |
| 05/01/2029 | 19,041 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2030 | 19,363 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2031 | 19,711 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2032 | 20,082 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2033 | 20,534 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2034 | 21,104 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2035 | 21,737 | 31,924 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2036 | 22,409 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2037 | 23,119 | 31,924 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2038 | 23,871 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2039 | 24,673 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2040 | 25,524 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2041 | 26,430 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2042 | 27,363 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2043 | 28,357 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2044 | 29,400 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2045 | 30,497 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| 05/01/2046 | 31,299 | 31,925 | 30,018 | 61,943 | 129,502 | 67,553 | 200.00% |
| | 510,000 | 735,454 | 114,309 | 849,763 | 3,108,048 | 2,258,285 | 200.00% |



Sample PPRF Application



NEW MEXICO FINANCE AUTHORITY

PUBLIC PROJECT REVOLVING FUND BUILDING APPLICATION

I. GENERAL INFORMATION

A. APPLICANT ENTITY

Application Date: _____

Applicant Entity: _____

Address: _____

County: _____

Federal Employer Identification Number (EIN) as issued by the IRS: _____

Legislative District: _____ Senate: _____ House: _____

Phone: _____ Fax: _____ Email Address: _____

Individual Completing Application: _____

Address: _____

Phone: _____ Fax: _____ Email Address: _____

B. CONSULTING PROFESSIONALS (Bond/Legal Counsel, Architect, Engineer, etc.), if available:

Firm: _____

Contact: _____

Address: _____

Phone: _____ Fax: _____ Email Address: _____

Page 1 of 4

Revised 01-16-2007

NEW MEXICO FINANCE AUTHORITY

PUBLIC PROJECT REVOLVING FUND EQUIPMENT APPLICATION

I. GENERAL INFORMATION

A. APPLICANT ENTITY

Application Date: _____

Applicant Entity: _____

Address: _____

County: _____

Federal Employer Identification Number (EIN) as issued by the IRS: _____

Legislative District: _____ Senate: _____ House: _____

Phone: _____ Fax: _____ Email Address: _____

Individual Completing Application: _____

Address: _____

Phone: _____ Fax: _____ Email Address: _____

II. PROJECT SUMMARY

A. Project Description. Complete the following information, using additional paper if necessary. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

1. Description of Equipment: _____

Revised 01-16-2007

Page 1 of 3

RESOLUTION NO. _____

AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY.

WHEREAS, the _____ ("Governmental Unit") is a qualified entity under the New Mexico Finance Authority Act, Section 6-21-1 through 6-21-31, NMFA 1978 ("Act"), and the _____ ("Government Body") is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the Governmental Unit; and

WHEREAS, the New Mexico Finance Authority ("Authority") has initiated a program for financing of projects from the public project revolving fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application ("Application") for financial assistance from the Authority for public projects; and

WHEREAS, the Governing Body intends to undertake acquisition, construction and improvement of _____ ("Project") for the benefit of the Governmental Unit and its citizens; and

WHEREAS, the application prescribed by the Authority has been completed and submitted to the Governing Body and this resolution approving submission of the completed Application to the Authority for its consideration and review is required as part of the Application;

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE _____

Section 1. That all action (not consistent with the provision hereof) heretofore taken by the Governing Body and the officers and employees thereof directed toward the Application and the Project, be and the same is hereby ratified, approved and confirmed.

Section 2. That the completed Application submitted to the Governing Body, be and the same is hereby approved and confirmed.

Section 3. That the officers and employees of the Governing Body be and the same is hereby directed and requested to submit the completed Application to the Authority for its review, and are further authorized to take such other action as may be requested by the Authority in its consideration and review of the Application and to further proceed with arrangements for financing the Project.

EXHIBIT C

FORM OF RECEIPT

RE: _____ Loan Agreement by and between the _____ New Mexico, and the _____ New Mexico Finance Authority (the "Loan Agreement")

TO: _____

LOANS: _____

REQUESTION INCLUDES: _____

NAME AND ADDRESS OF PAYEE: _____

AMOUNT OF PAYMENT: _____

PERIOD OF PAYMENT: _____

Each obligation, item of cost or expense mentioned herein is the cost of the Project, is due and payable, in and from the _____ New Mexico Finance Authority (the "Loan")

All representations contained in the Loan Agreement and the related closing documents remain true and correct and (or) _____ New Mexico, it and its branch or any of its constituent companies, and its officers and employees, shall and undertake its obligation to complete the acquisition of the Project in accordance with the terms of the Loan Agreement and the related closing documents.

Capitalized terms used herein, are used as defined or used in the Loan Agreement.

DATED: _____

By: _____

Title: _____

(Print Name and Title)

Approval, closing, and reimbursement process

DWSRLF offers low-cost financial assistance to water systems to:

- ◆ Finance repair and replacement of drinking water infrastructure
- ◆ Ensure compliance with drinking water regulations
- ◆ Protect drinking water quality and public health

Benefits

- ◆ Broad eligibility, Low interest rates
- ◆ Loan repayment period up to 30 years, following a two-year construction period
- ◆ 25% - 75% subsidy (subject to availability) for construction projects and disadvantaged communities
- ◆ Funding requests accepted several times each year
- ◆ Technical Assistance provided to unsuccessful applicants

The Drinking Water State Revolving Loan Fund received three new programs from the Infrastructure Improvements and Jobs Act (IIJA) / Bipartisan Infrastructure Law (BIL).

- ◆ **Lead Service Line Replacement** – Lead service line surveys are eligible for funding. Up to 75% principal forgiveness.
- ◆ **Emerging Contaminants** – Focus on PFAS/PFOS but all items on the [Contaminant Candidate List \(CCL\)](#) list are eligible. This program is intended to be 100% principal forgiveness.
- ◆ **General Supplemental** – Similar to the base DWSRF but with higher funding levels. Up to 75% principal forgiveness.

DWSRF is jointly administered by NMFA and the New Mexico Environment Department - Drinking Water Bureau (NMED-DWB).

Water Trust Board awards are generally a **combination of grants and loans**, depending on the financial capacity of the applicant.

Estimated available funding for the 2024 WTB cycle was \$130 - \$135 million.

What kinds of water projects can be funded?

- ◆ Water storage, conveyance and delivery
- ◆ Flood prevention
- ◆ Water conservation or treatment, recycling and reuse
- ◆ Watershed restoration and management
- ◆ Endangered Species Act collaborative implementation

Policy amendments to the Water Project Fund are designed to help applicants:

- ◆ Reduced planning document requirements
- ◆ Additional time to meet regulatory compliance requirements
- ◆ Match requirement waivers for some systems
- ◆ Loan requirement waivers for some systems
- ◆ Grants for “design-only” projects for some systems, allowing a system to prepare needed plans that can be used with a variety of funding sources

ESTIMATED TIMELINE for 2025

July 2024: Notice of Intent period opens

August – September 2024: On-line Project Application open

September 2024: All applications due

September – October 2024: Application Evaluations

October 2024: Approval of projects for legislative authorization

January 2025: Readiness Application due

March 2025: Regulatory Compliance Deadline

April 2025: WTB meeting; expected WTB recommendations

Exact dates will be available at <https://www.nmfinance.com/water-project-fund/>

The Colonias Infrastructure Fund helps certain communities in southern New Mexico develop their basic infrastructure for water and wastewater, solid waste disposal, flood and drainage control, roads and housing.

- ◆ Applicants: Local governments, including counties, cities and mutual domestic water consumers associations.
- ◆ Projects: Planning, design, and construction
- ◆ Terms: 90% grant, 10% loan, with provisions for loan waivers. The loans are structured with terms of up to 20 years at 0.25% interest.
- ◆ Projects must benefit existing Colonia to be eligible

Overview

- ◆ Provides grants up to \$50,000 for planning-related documents
- ◆ Communities can qualify for two grants per 24-month period, not to exceed \$100,000
- ◆ Matching funds are determined by a community's MHI, and local water rates as compared to state averages
- ◆ Local match waivers are based on urgent needs and/or declining economic development
- ◆ Applications accepted monthly through EnABLE, NMFA's online application system.
- ◆ More information and the LGPF EnABLE Enrollment Form are available at www.nmfinance.com/local-government-planning-fund/

Eligible Entities

- ◆ Municipalities
- ◆ Counties
- ◆ Mutual Domestics
- ◆ Public Water Associations and Co-ops
- ◆ Irrigation Districts
- ◆ Indian nations, tribes or Pueblos located wholly or partially in NM
- ◆ Agencies or Institutions of the State

Eligible Plans

- ◆ Preliminary Engineering Reports
- ◆ Environmental Information Documents
- ◆ Asset Management Plans
- ◆ Water Conservation Plans
- ◆ Comprehensive Plans
- ◆ Economic Development Plans (LEDA)
- ◆ Metropolitan Redevelopment Act Plans
- ◆ Economic Development Feasibility Studies
- ◆ Affordable Housing Plans, Archaeological Studies, Flood Inundation Maps – to come

LGPF Grants up to \$50,000

What can NMFA do for your community?

NMFA Lending Department

Ron Cruz, Rcruz@nmfa.net, (505) 629-7967

Carmela Manzari, Cmanzari@nmfa.net, (505) 629-7928

Ryan Olguin, Rolguin@nmfa.net, (505) 216-8592

Todd Nordby, Tnordby@nmfa.net, (505) 699-1935

John DuBois, Jdubois@nmfa.net, (505) 699-7504



New Mexico Finance Authority

207 Shelby Street
Santa Fe, NM 87501

(505) 984-1454 Toll-free: (877) ASK-NMFA

nmfinance.com
Lending@nmfa.net

***New Mexico's Partner in Building
Economic Prosperity and Stronger Communities***