



Tribal Infrastructure Fund

PRESENTED BY THE INDIAN AFFAIRS DEPARTMENT



New Mexico

Indian Affairs Department

Indian Affairs Committee Meeting
September 08, 2017



Tribal Infrastructure Act
§6-29 to §6-29-9 New Mexico Statute Annotated 1978

Ensure adequate financial resources for infrastructure development

Provide for the planning and development of infrastructure

Develop infrastructure in tribal communities to improve quality of life and encourage economic development

IAD

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Qualified Projects



1. Planning, Designing, Constructing, improving, expanding or equipping:
 - *Water and Wastewater Facilities*
 - *Major Water systems*
 - *Electrical Power Lines*
 - *Communications Infrastructure*
 - *Roads*
 - *Health Infrastructure*
 - *Emergency Response Facilities*
 - *Infrastructure needed to encourage economic growth*



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Qualified Projects



2. Developing Engineering feasibility reports
 3. Inspecting construction of qualified projects
 4. Providing special engineering services
 5. Completing environmental assessments or archeological clearances or other surveys for infrastructure projects
 6. Acquiring land, easements or ROWs
 7. Paying legal costs and fiscal agent fees associated with the development of qualified projects
- *Comprehensive Plans are NOT qualified planning projects*

Board Certification

Board of Finance allocates a percentage of the estimated senior severance tax bonding capacity each year for tribal infrastructure projects

The TIF Board certifies the need for issuance of bonds to the Board of Finance

Sale of the bonds are appropriated to the tribal infrastructure project fund

Any unexpended balance of TIF projects reverts within six months of project end date



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Performance Period



- **Planning** projects must be completed within **24 months** from the date of the **execution** of the Intergovernmental Agreement (IGA)
- **All non-planning projects, including construction and design** projects must be completed within **36 months** from the date of the execution of the Intergovernmental Agreement (IGA)

Project Fund Distribution

Indirect Costs not allowed, including Master Planning

Entity **MUST** obligate 5% within the first 6 months of bond sale



Tribal Infrastructure Fund Application

Tribal entities eligible for funding are required to submit a **Tribal Infrastructure Fund Application (TIFA)**

With project readiness documents



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Application Review



TIF Review Committee reviews each **TIFA**

Each complete application is placed on a **Tribal Comprehensive Project List (TCPL)** of applications



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TIF Review Committee (TRC)

TRC is a **TIF Board Sub-Committee** comprised of:

- Members of the TIF Board
- Staff designated from the various agencies represented on the Board
- Appropriate infrastructure experts as may be deemed necessary.



TIF Review Committee (TRC)



TRC conducts an in-depth review of all project applications

Scoring based on:

- *Critical Need*
- *Readiness*
- *Entity Capacity*
- *Leveraging*



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Scoring Metric



Category

- **1** Critical Need
- **2** Readiness
- **3** Capacity
- **4** Leveraging

Possible Points

30

30

25

15

TOTAL

100



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Tribal Infrastructure Board Guidelines & Procedures

November 4, 2016



3. Definitions

Project – The components of infrastructure improvements for which 1) the applicant is currently seeking TIF funds or 2) the applicant has previously submitted an application and received an award of TIF funds .

These components may include planning, design, and construction efforts, separate or combined, in a variety of different project delivery methods.

Leveraging – A tribe’s contribution to a particular effort, described as a dollar amount. Leveraging may include cash match and in-kind support that contributes directly toward the particular project that is the subject of the application. A cash match may be from any secured source of funds: tribal, federal, or state government; philanthropic organizations; etc. In-kind support may include the value of land, staff time for project management, staff time for grant administration, and other justifiable expenses. Leveraging may include funds for necessary project costs that cannot be paid with severance tax bond revenues, i.e., indirect costs, either as cash match or in-kind support.

7. Terms & Conditions

The Board has set forth terms and conditions that apply to all Tribes applying for project funding.

1. Tribes awarded TIF funding shall obligate at least 5% of the bond proceeds for the project within 6 months of the date of bond sale.
2. Tribes awarded TIF funding shall obligate at least 85% of the bond proceeds within 3 years of the date of bond sale
3. All projects, except for projects delineated within an application as planning projects, must be completed within thirty-six (36) months from the date of the execution of the IGA.
4. All projects delineated in the application as “planning projects” must be completed within twenty-four (24) months of the date of execution of the IGA.
5. Each tribe may apply for up to 15% of the total annual TIF allocation for a project. The Board reserves the right to alter this cap based on fund availability. The Board’s alteration of this cap must be made at a Board meeting no later than the second quarter of each calendar year.
6. Tribes awarded TIF funding are to attend TIF trainings required by IAD.

11.2 Deadlines

Requests for payment shall be submitted by the tribe to IAD in the form prescribed by IAD. IAD has the right to reject a payment request for the Project unless and until it is satisfied that the expenditures in the Request for Payment are for permissible purposes within the meaning of the Project Description and that the expenditures and the tribe are otherwise in compliance with the IGA. Notice of Obligation (NOO) and BOF’s Bond Disbursement Rule 2.61.6.

Application Score Sheet

1. CRITICAL NEED

(30 Total possible points):

PART A.

Select the most applicable sentence (from 1-3) and allocate points accordingly:

1. Applicant provided a detailed justification with ample references (where applicable) to studies, reports, community and stakeholder support, political endorsements, and other relevant, quantifiable data describing the critical need (Allocate 10-15 Points) _____ Applicant
2. Provided a somewhat detailed justification with some references (where applicable) to studies, reports, community and stakeholder support, political endorsements, and other data describing the critical need (Allocate 4-9 Points) _____ Applicant failed
3. to provide a sufficient justification, failed to provide (where applicable), studies, reports, community and stakeholder support, political endorsements, or any other supporting data describing the critical need (Allocate 0-3 Points) _____

PART B.

Select the most applicable sentence (from 1-3) and allocate points accordingly: Applicant provided

1. a detailed solution with ample references (where applicable) to studies, reports and other relevant, quantifiable data that demonstrate the viability of this solution (Allocate 10-15 Points) _____
2. Applicant provided a somewhat detailed justification with some references (where applicable) to studies, reports and other data that demonstrate the viability of this solution (Allocate 4-9 Points) _____
3. Applicant failed to provide a sufficient justification, failed to provide (where applicable), studies, reports, or any other supporting data that demonstrate the viability of this solution (Allocate 0-3 Points) _____

2. READINESS:

(30 total Possible Points):

PART A.

Select Either Option 1 or Option 2 (not both) and then select the most applicable sentence (in sub-part a and in sub-part b) within the chosen option. Allocate points accordingly

OPTION 1: If the project is specifically requesting funding for planning only, use the criteria in this section:

a) Select the most applicable sentence (from 1-3) and allocate points accordingly

1. The project has identified all applicable components of the planning phase, including community input; coordination and collaboration; feasibility studies; preliminary engineering reports; conceptual designs; and financial and business feasibility studies; in a timeline and narrative explanation. (Allocate 7-8 Points) _____
2. The project has identified some but not all of the applicable components of the planning phase as described above in a timeline and narrative explanation. (Allocate 3-6 Points)
3. The project has not identified any of the applicable components of the planning phase as described above in a timeline and narrative explanation. (Allocate 0-2 Points) _____

b) Select the most applicable sentence (from 1-3) and allocate points accordingly

1. The project has official and documented approval, with surveys, for land use for easements, rights of way, or new facilities, as applicable OR the project renovates or rehabilitates an existing facility. (Allocate 7-8 Points) _____
2. The project has identified some but not all of the applicable components of the land use approval process as described above in a timeline and narrative explanation. (Allocate 3-6 Points) _____
3. The project has not identified any of the applicable components of the land use approval process as described above in a timeline and narrative explanation. (Allocate 0-2 Points)

OPTION 2: If the project is requesting funding for *any other project*, including projects with a planning component plus other components, use the criteria in this sub-section:

a) Select the most applicable sentence (from 1-4) and allocate points accordingly

1. The project has completed all applicable components of the planning phase, including community input; coordination and collaboration; feasibility studies; preliminary engineering reports; conceptual designs; and financial and business feasibility studies. (Allocate 6-8 Points) _____
2. The project has completed some of the above components of the planning phase, and has clearly identified all applicable components in a project timeline. (Allocate 3-5 Points)
3. The project has not completed any of the above components of the planning phase, but has identified some applicable components in a project timeline. (Allocate 1-2 Points)
4. The project has not completed any of the above components of the planning phase and has not identified them in the project timeline. (Allocate 0 Points) _____

b) Select the most applicable sentence (from 1-4) and allocate points accordingly

1. The project has official and documented approval, with surveys, for land use for easements, rights of way, or new facilities, OR the project renovates or rehabilitates an existing facility. (Allocate 6-8 Points) _____
2. The project has completed some of the above components of the land approval process, and has clearly identified all applicable components in a project timeline. (Allocate 3-5 Points) _____
3. The project has not completed any of the above components of the land approval process, but has identified some applicable components in a project timeline. (Allocate 1-2 Points) _____



4. The project has not completed any of the above components of the land approval process and has not identified them in the project timeline. (Allocate 0 Points) _____

PART B. Select the most applicable sentence (from 1-3) and award points accordingly

1. The project has a timeline and narrative explanation that clearly describe how the project will complete all aspects of development within the maximum time period for the TIF funding, 24 months for planning projects only, or 36 months for all other projects. (Allocate 6-8 Points) _____
2. The project has a timeline and narrative that partially describe how the project will complete all aspects of development within the maximum time period for the TIF funding. (Allocate 3-5 Points) _____
3. The project has a timeline and narrative but they do not adequately describe how the project will complete all aspects of development within the maximum time period for TIF funding, OR the project lacks a timeline or narrative. (Allocate 0-2 Points) _____

PART C. Select the most applicable sentence (from 1-3) and award points accordingly

1. For planning projects only, the project budget was developed by a qualified planner, or engineer, or engineering firm, and includes all components of the project's development. For all other projects, the project budget was developed by a qualified engineer or engineering firm, and includes all components of the project's development. (Allocate 5-6 Points) _____
2. For planning projects only, the project budget was developed by a qualified planner, engineer, or engineering firm, and includes most but not all components of the project's development. For all other projects, the project budget was developed by a qualified engineer or engineering firm, and includes most but not all components of the project's development that are required. (Allocate 3-4 Points) _____
3. The project budget was not developed by a qualified planner, engineer, or engineering firm (as applicable), or lacks a number of components of the project's development. (Allocate 0-2 Points) _____

TOTAL POINTS FOR READINESS: _____



3. CAPACITY

(25 Total Possible Points)

Select the most applicable sentence (from 1-4) and allocate points accordingly:

1. Within the past three (3) years, all of the Applicant's TIF awards were fully closed within the timeframe allotted under the IGA or an approved extension and the Applicant has submitted all required reports for TIF pursuant to the IGA and other applicable IAD-issued memoranda on time. (Allocate 15-25 Points) _____
2. Within the past three (3) years, all of the Applicant's TIF awards were fully closed within the time frame allotted under the IGA or an approved extension and the Applicant has submitted most of the required reports for TIF pursuant to the IGA and other applicable IAD-issued memoranda on time. (Allocate 7-14 Points) _____
3. Within the past three (3) years, the Applicant has had TIF awards that were not fully closed within the timeframe allotted under the IGA or an approved extension and has not submitted most of the required reports for TIF pursuant to the IGA and other applicable IAD-issued memoranda on time. (Allocate 0-6 Points) _____
4. Within the past three (3) years, the Applicant has not received TIF funding and will be assessed based on Board's review of results of Applicant's most recent audit. (Allocate 5-10 Points) _____





TOTAL POINTS FOR CAPACITY: _____

4. LEVERAGING

(15 Total Possible Points)

Select the most applicable sentence (from 1-3) and allocate points accordingly:

1. The project has secured, by the time of the Applicant's final TIF Board presentation date 50% or more of the total project cost from sources other than TIF. **(Allocate 11-15 Points)**
2. The project has secured, by the time of the Applicant's final TIF Board presentation date, between 25-49% of the total project cost from sources other than TIF. **(Allocate 5-10 Points) _____**
3. The project has secured, by the time of the Applicant's final TIF Board presentation date, between 0-24% of the total project cost from sources other than TIF. **(Award 0-4 Points)**



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Project Prioritization



- Emphasis on addressing specific health, safety, welfare, or economic development needs
- Projects are ready to proceed within the time allotted for the grant
- Demonstrated past timely expenditure and compliance with requirements for grant funding
- Supported by a high percentage of funds or in-kind contribution in relation to the amount of the TIF Funding



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TIF Board Project Awards



TIF Review Committee gives the ranked list to the Board for review.

Top-ranking proposals are invited to make a short presentation to the Board

Board votes on TIF awards

Awards depend on sufficient funds in the Project Fund

Board's decision as to TIF project awards will be accepted and final



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TIF Awards

Award letters will be sent to all Grant Awardees

Attached to the letter will be a SOW and Project Budget template

SOW needs to be filled out, can be copied and pasted from application

Budget template must be filled out and detailed in order to be accepted



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Early Termination on Incomplete Projects

Board may terminate a project if a project is not moving quickly enough or no activity

Funds of terminated projects revert back to the Severance Tax Bond fund



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TIF Funding



Fiscal Year of Award	Amount of STB Award
FY2012	\$13,207,965.00
FY2013	\$16,640,011.00
FY2014	\$14,235,640.00
FY2015	\$14,000,875.00
FY2016	\$12,158,068.00
FY2017	\$5,222,482.95

FY 2017 TIF Funding



Forty-nine (49) TIF Applications were received for this year's funding cycle

Fifteen (15) Tribes, Pueblos and Nation applied for TIF Funding

Nine (9) were selected to present their proposal before the TIF Board on September 7, 2017



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TIF Projects – Zuni Teen Life Center



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TIF Project – Taos Water & Sewer Expansion



HB 5 – Capital Outlay Project Changes

Sponsors: *Patricia A. Lundstrom (D) and George A. Dodge, Jr. (D)*



1. Initial draft of Bill:
 - *Description of Act (in-part): “...suspending a portion of the severance tax bonding capacity allocations for ... tribal ... infrastructure projects...”*
 - *Specifically, the Bill proposed amending NMSA 1978 §7-27-10.1, adding the language “{f}or each year except 2017”, in reference to DFA allocating severance tax bonding capacity to tribal infrastructure projects– effectively suspending TIF funding entirely for FY 2017*
2. House Appropriations and Finance Committee Amendment:
 - *Struck all language to do with suspending the TIF fund.*
3. Amended version passed the House: Y:37 N:29
4. Sent to Senate Finance Committee.
 - *A Committee Amendment was made – striking the part of the House Amendment that reinstated TIF – i.e. they wanted the original draft to stand, with respect to suspending TIF for FY 2017*
 - *The Senate-amended version passed: Y:40 N:1*
5. The House did not concur with the Senate Amendments
 - *Bill Died*

SB 112 – Capital Outlay Project Changes – Carlos R. Cisneros/Stuart Ingle - *Bill Died in Committee*

TIF Board Members

9 voting

- Board Chair - Secretary of IAD (or designee)
- Secretary of DFA (or designee)
- Secretary of DOH (or designee)
- Executive Director of NMFA (or designee)
- Governor Appointee from a Pueblo
- Governor Appointee from Jicarilla
- Governor Appointee from Mescalero
- Governor Appointee from Navajo

4 non-voting

- Representative from BIA Albuquerque
- Representative from BIA Navajo
- Representative from IHS Albuquerque
- Representative from IHS Navajo



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Thank You.



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