



**Presentation to the
NMFA Legislative Oversight Committee
by the New Mexico Finance Authority**

**Report from the
Colonias Infrastructure Board**

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Colonias Infrastructure Act

- Created by the 2010 Legislature (with an effective date of July 1, 2011) to assist Colonias in New Mexico:
 - A rural community with a population of 25,000 or less located within 150 miles of the United States-Mexico border that:
 - Has been designated a Colonia by a municipality or county due to:
 - Lack of potable water;
 - Lack of adequate sewage systems;
 - Lack of decent, safe and sanitary housing;
 - Has been in existence as a Colonia prior to November 1990;
 - Colonia communities must provide documentation to the Colonias Infrastructure Board that supports the designation by the municipality or county.
 - There are 171 Colonias within NM's 12 southern-most counties
 - The Act allows funding to be used for a variety of infrastructure projects:
 - Water
 - Wastewater
 - Solid Waste Disposal
 - Roads
 - Housing
 - Flood Control

Colonias Infrastructure Act

- Created by the 2010 Legislature with an effective date of July 1, 2011
- The Act establishes the 12-member Colonias Infrastructure Board (“CIB”)
- The Act earmarks a portion of annual Senior Severance Tax Bond proceeds for a variety of infrastructure projects
- The first STB distribution was made available in 2012, and 14 application cycles have been completed to date:

Colonias Cycle	Applications Received		CIB Awards Made		Additional Funds	Total Funding
	#	Amount	#	Amount	Leveraged	Provided
2012	75	\$40,360,527	38	\$12,411,965	\$13,141,403	\$25,553,368
2013	59	\$37,736,894	35	\$16,887,736	\$8,357,897	\$25,245,633
2014	77	\$40,351,172	37	\$12,719,872	\$10,437,286	\$23,157,158
2015	54	\$38,154,397	28	\$15,922,643	\$7,916,095	\$23,838,738
2016	36	\$30,842,183	13	\$11,460,915	\$5,366,034	\$16,826,949
2017	32	\$18,176,363	10	\$4,347,476	\$539,568	\$4,887,044
2018	30	\$16,100,000	17	\$9,519,823	\$962,324	\$10,482,147
2019	29	\$17,100,000	25	\$14,671,481	\$16,839,638	\$31,511,119
2020	31	\$25,528,474	26	\$19,996,093	\$4,346,896	\$24,342,989
2021	47	\$40,011,730	33	\$25,808,519	\$3,341,823	\$29,150,342
2022	54	\$77,248,074	34	\$35,144,468	\$18,744,275	\$53,888,743
2023	48	\$90,666,959	30	\$66,144,992	\$34,742,646	\$100,887,638
2024	40	\$77,700,837	36	\$59,577,119	\$3,901,018	\$63,478,137
2025	43	\$63,674,427	32	\$51,216,427	\$6,839,386	\$58,055,813
TOTAL	655	\$613,652,037	394	\$355,829,529	\$135,476,289	\$491,305,818



Colonias Infrastructure Board

- The CIB is comprised of 7 Voting Members
 - Secretary of the Department of Finance and Administration
 - Secretary of the Environment Department
 - Chief Executive Officer of the NM Finance Authority
 - Four members appointed by Legislative Leaders
 - President Pro Tempore of the Senate (Mary Kay Papen)
 - Minority Leader of the Senate (Janice Baca Argabright)
 - Speaker of the House (Jose Luis Segura)
 - Minority Leader of the House (Vacant)

- The CIB is comprised of 5 Advisory (non-voting) Members. The Executive Directors of:
 - South Central Council of Governments (Jay Armijo)
 - Southwest New Mexico Council of Governments (Priscilla Lucero)
 - Southeastern New Mexico Economic Development District (Dora Batista)
 - New Mexico Counties (Joy Esparsen)
 - New Mexico Mortgage Finance Authority (Isidoro Hernandez)



Colonias Infrastructure Board Committees

- Pursuant to the Act, the Board meets at least quarterly
- Committees meet approximately six times per year
- Policy Committee recommends changes to:
 - Board Rules
 - Policies
 - By-Laws
- Project Review Committee
 - Vets project recommendations
- Each Committee is comprised of 3 voting members and all non-voting members
- In addition to Board Committees, the rules and policies provide for the Colonias Infrastructure Board to be advised by a multi-agency Project Management Team



Program Responsibilities

- Duties of the CIB
 - Promulgate rules governing acceptance, evaluation and prioritization of applications
 - Policy setting
 - Project prioritization and recommendations
 - Requests for reconsideration
 - Oversight of Project Management Team
- Duties of the NMFA
 - Provide staff support to the Board
 - Administer the project fund
 - Process, review and evaluate applications
 - Determine terms and conditions for financial assistance
 - Administer qualified projects that receive financial assistance



Broad Project Eligibility

- Eligible Project
 - “a capital outlay project selected by the board for financial assistance that is primarily to develop colonias infrastructure, and may include a water system, a wastewater system, solid waste disposal facilities, flood and drainage control, roads and housing infrastructure, but does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies.”

- Eligible Applicant
 - “a county, municipality or other entity recognized as a political subdivision of the state.”



Board Operates with Rules and Policies

- Board policies and rules established through a transparent and public process.
Rules address
 - Application Process
 - Requests for Reconsideration of Board action
 - Interaction with the NM Finance Authority Board
- All other aspects of project prioritization and funding are set in policy
- Awards are delivered as 90% grant / 10% loan. Loans have a term of 20 years and are made at a 0% interest rate with a modest $\frac{1}{4}$ of 1% administrative fee.
- Funding Timeline ensures efficient use of funds.
 - Clients provided four months from approval to submit evidence of readiness
 - Clients provided two years to draw funds
 - Loan repayments begin after the project is complete



2025 Award Cycle

- The CIB had a \$51,216,427 to award as part of the 2025 application cycle.
- At its May 15, 2025 meeting, the CIB recommended 32 awards totaling \$51,216,427.
 - Four applicants who had submitted a total of 11 applications could not be considered for awards because they did not meet regulatory compliance.
 - The CIB extended the compliance deadline to August 8, 2025 for those 4 applicants
- At its September 18, 2025 meeting, the CIB will consider five additional awards totaling \$5,598,000
 - One applicant withdrew six of its eight applications totaling \$6,860,000
 - The CIB will also consider increasing five awards made in May by \$3,550,199 for cost-overruns already identified
- If the CIB approves the recommendations of staff, the CIB will have made 37 awards totaling \$60,364,626 for the 2025 application cycle
- Staff is recommending to the CIB that the remaining \$20.2 million be made available to emergency grants to projects in designated Colonias that have occurred as a result of natural disasters.

Funding

- Funding Timeline ensures efficient use of funds
 - Clients provided four months from approval of award to submit readiness to proceed items (“RTP”)
 - Clients provided two years to draw funds
 - Loan repayments begin after the project is complete

Colonias Cycle	Awarded		Awards Secured		Open Awards		% of Funds Expended	% Projects Completed
2012	\$12,411,965	38	\$12,411,965	38	\$0	0	100%	100%
2013	\$16,887,736	35	\$16,887,736	35	\$0	0	100%	100%
2014	\$12,719,872	37	\$12,719,872	37	\$0	0	100%	100%
2015	\$15,922,643	28	\$15,922,643	28	\$0	0	100%	100%
2016	\$11,460,915	13	\$11,460,915	13	\$0	0	100%	100%
2017	\$4,347,476	10	\$4,347,476	10	\$0	0	100%	100%
2018	\$9,519,823	17	\$9,519,823	17	\$0	0	100%	100%
2019	\$14,671,481	25	\$14,671,481	25	\$0	0	100%	100%
2020	\$19,996,093	26	\$19,996,093	26	\$0	0	100%	100%
2021	\$25,808,519	33	\$25,808,519	33	\$2,014,378	2	99%	97%
2022	\$35,017,868	33	\$35,017,868	33	\$4,573,435	12	87%	64%
2023	\$66,144,992	30	\$66,144,992	30	\$47,235,758	25	29%	5%
2024	\$59,577,119	36	\$55,480,329	34	\$58,143,398	36	2%	0%
2025	\$51,216,427	32	\$0	0	\$51,216,427	32	0%	0%
TOTAL	\$355,702,929	393	\$300,389,712	359	\$163,183,396	107	46%	72%

*2025 cycle was awarded on May 15, 2025; current RTP submission deadline date is October 31, 2025



Next Application Cycle: Timeline

- Applicant Training (January 21, 2026)
- On-line Application begins (January 26, 2026)
- Application evaluations by Project Management Team (March 2026)
- Consideration of policy waivers (April 2026)
- Recommendation for funding (May 2026)
- Financial Structure Approval by NMFA (June 2026)
- Training for award recipients (June 2026)
- Four months to meet award conditions (October 2026))
- Funding agreements secured thereafter
- Applicants must demonstrate the ability to timely spend down the awards prior to applying for additional funds