

**Presentation to
Public School Capital Outlay Oversight Task Force**

Overview of Opportunity Enterprise and Housing Development Act

Marquita D. Russel, Chief Executive Officer

October 10, 2025



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- ◆ Broad-based finance agency created in 1992 as a government instrumentality
- ◆ Governed by an 11-member independent Board
 - ❑ Approves rules, policies, and projects
 - ❑ Oversees operations and approves budget
 - ❑ Active Committee process provides high level of oversight of NMFA's diverse and complex operations
- ◆ Expansive programming and service to New Mexico
 - ❑ Authorized to operate 25 programs through 13 Acts
 - ❑ New Mexico Finance Authority Act
 - 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
 - Purpose: "assist eligible entities in financing projects" and to promote "achievement of economic development goals..."
- ◆ Administrator of four other Boards and their respective committees and one Executive Task Force
- ◆ Overseen by 24-Member NMFA Oversight Committee

Statutory Authority



Active?	Funded	FY	Program Name	Enabling Act	Policy Partner
✓	✓	1992	Public Project Revolving Fund	New Mexico Finance Authority Act	Legislature
✓		1994	Primary Care Capital Fund	Primary Care Capital Funding Act	DOH
✓	annually	1997	Drinking Water State Revolving Loan Fund	Drinking Water State Revolving Loan Fund Act	NMED
✓	annually	1999	Water and Wastewater Grant Fund	New Mexico Finance Authority Act	Legislature
✓		2001	Water Project Fund	Water Project Finance Act	WTB/Leg
✓	✓	2002	Local Government Planning Fund	New Mexico Finance Authority Act	Various
✓	✓	2003	Economic Development Revolving Fund (Smart Money)	Statewide Economic Development Finance Act	NMEDD
✓	✓	2003	Child Care Revolving Loan Fund	Child Care Facility Loan Act	ECECD
✓		2004	Acequia Project Fund	Water Project Finance Act	WTB/ISC/Leg
✓		2004	Behavioral Health Capital Fund	Behavioral Health Capital Funding Act	HCA
✓		2005	Energy Efficiency & Renewable Energy Bonding Act	New Mexico Finance Authority Act	EMNRD
✓		2005	Local Transportation Infrastructure Fund	New Mexico Finance Authority Act	DOT
✓	✓	2006	New Markets Tax Credit	Statewide Economic Development Finance Act	FNM/NMEDD
✓		2007	Local Government Transportation Fund	New Mexico Finance Authority Act	DOT
✓	annually	2010	Colonias Infrastructure Project Fund	Colonias Infrastructure Finance Act	CIB
✓	✓	2011	Collateral Support Participation Program	Statewide Economic Development Finance Act	NMEDD
✓		2021	Essential Services Working Capital Program	Statewide Economic Development Finance Act	NMEDD
✓		2021	New Markets Tax Credit Small Loan Pool	Statewide Economic Development Finance Act	FNM/NMEDD
✓		2021	Small Business Recovery Loan Fund	Small Business Recovery Act of 2020	Legislature
✓		2021	New Mexico LEDA Recovery Grants	Local Economic Development Act	NMEDD/Leg
✓	✓	2022	Cannabis Microbusiness Program	Statewide Economic Development Finance Act	RLD/NMEDD
✓	✓	2022	Venture Capital Fund	Venture Capital Program Act	(NMEDD)
✓	✓	2022	Charter School Facility Revolving Fund	Charter School Facility Improvement Act	(PSCOC)
✓	✓	2022	Opportunity Enterprise Revolving Fund	Opportunity Enterprise and Housing Development Act	OE&HDB
✓	✓	2024	SSBCI Capital Access Program	Statewide Economic Development Finance Act	NMEDD
✓	✓	2024	Housing Development Revolving Fund	Opportunity Enterprise and Housing Development Act	OE&HDB
✓	✓	2025	Local Solar Access Fund	Local Solar Access Fund	EMNRD



Opportunity Enterprise and Housing Development Review Board

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Two Commercial Development Members
- ◆ The Opportunity Enterprise and Housing Development Act was created in 2022 and substantially expanded in 2024 to add a new fund that finances two types of housing development projects:
 - Workforce housing
 - Affordable housing infrastructure
 - ◆ The expanded Act created a 14-member Board comprised of industry experts that solicits, reviews and selects projects for recommendation to NMFA:
 - Six members are appointed by Legislative Council
 - Two are appointed by the Governor, and
 - Six are Ex-Officio members
 - ◆ The Act created in NMFA two funds:
 - Opportunity Enterprise Revolving Fund
 - Housing Development Revolving Fund**
 - ◆ Housing addition came from recommendations of the Governor's 2023 Housing Task Force
 - ◆ Prior to making a loan, NMFA must determine that other means of financing are unavailable or insufficient before making a loan from either fund.



- ◆ Project Selection guided by OE Board Policy with a stated goal to catalyze below-market housing production across the state.
- ◆ The Act directs the OE Board to give priority to housing projects located in communities that are taking steps to reduce barriers to new housing (streamlining permitting inspections and updating land use and zoning rules to remove invisible barriers)
OE Board articulated a goal of closing project funding gaps of ready projects rather than “lender of last resort” projects.
- ◆ Prioritization policies do not differentiate by type of housing development project (affordable infrastructure v workforce development), type of housing (multi-family v single family), type of development (Greenfield v redevelopment), type of borrower (for-profit v non-profit), nor location of project (rural v urban).
- ◆ Key Definitions
 - Middle Income Workers means families with incomes that fall between the lesser of a local jurisdiction’s upper limit for housing assistance by relevant housing type or by the MFA’s upper limit for housing development assistance and 300% of the US Housing and Urban Development Area Median Income for the county.”
 - “Urban” means a continuously built-up area with a population of 60,000 or more. Urban areas may include one or more municipalities or census designated places.
 - “Rural” means any area not considered Urban.”
 - Other definitions align with Mortgage Finance Authority’s definitions as much as possible.



- ◆ Highlights of the OE Selection Policy
 - Community Need and Alignment (up to 48 points)
 - Project's ability to meet known demand (from a Market Study)
 - Location: Projects in rural communities are awarded points
 - Location Convenience: proximity to amenities, including public transportation
 - Re-Development (infill, adaptive reuse, rehabilitation or redevelopment of vacant properties)
 - Local Preference: projects developed and contracted by a NIM business
 - Training and apprenticeship
 - Universal Design
 - Fund Efficiency (up to 25 points)
 - Fund leverage
 - Funds requested per dwelling unit
 - Duration of assistance
 - Applicant Need and Readiness (up to 15 points)
 - Financial Soundness
 - Qualified Development Team
 - Project Readiness
 - Supportive Land Use Policies (up to 12 points)
 - Incentives, Zoning, Land Use Approvals, Allowance for Varied Housing Types

- ◆ Fund Concentrations
 - No more than 50% to any single county
 - At least 30% must be located in rural communities
- ◆ Statutory Requirements
 - Other means of funding are insufficient or unavailable
 - The project will create or expand economic development opportunities within the state
- ◆ Loan Terms
 - Loan Amount: Maximum of \$15,000,000.
 - Interest Rate: Fixed rate at 60% of the WSJ prime rate, but not less than 3%
 - Loan Term: 15-30 years. Up to three years of interest only period during construction and stabilization. The loan may be paid off in advance with no pre-payment penalty.
 - Collateral: Minimum loan-to-value of 85%. The loan may be subordinated to a loan made to the project by a federally insured financial institution.
 - Minimum equity contribution of 10%.
 - Guarantees required.



- ◆ Three competitive application cycles opened to date.
- ◆ Next application cycle opens at the end of October. Information can be found on NMFA's website: <https://www.nmfinance.com/opportunity-enterprise-housing-development-revolving-fund/>
- ◆ Round One
 - 8 applications for projects located in four counties (Bernalillo, Cibola, Luna, Taos)
 - Total requested funding: \$55,132,540
 - 7 met minimum threshold for prioritization
 - NMFA approved 2 loans
 - Supportive Housing Coalition of New Mexico/San Roque Apartments, Albuquerque
 - \$2,347,103 loan (\$45,651,195 total project cost)
 - Affordable Housing Infrastructure (supporting 137 Multi-Family Rental units)
 - March 2025 NMFA Approval (pending)
 - YSM Development, Taos
 - \$6,342,360 million loan (\$26,406,00 total project costs)
 - 80 For Sale Workforce Housing Units
 - June 2025 NMFA Approval (pending)

- ◆ Round Two
 - ❑ 14 applications for projects located in six counties (Bernalillo, Curry, Dona Ana, Otero, Santa Fe, Taos)
 - ❑ Total application request of \$65,073,129
 - ❑ 6 met minimum threshold for prioritization
 - ❑ NMFA approved 6 loans
 - **Dharma Enterprises, Santa Fe**
 - \$3,419,000 loan (\$26,406,00 total project cost)
 - Workforce Housing Townhome Rental (11 units)
 - June 2025 NMFA Approval (pending)
 - **Inskies Investments, Albuquerque**
 - \$4 million loan (\$4,712,530 total project cost)
 - Multi-Family Workforce Housing (40 units)
 - June 2025 NMFA Approval (pending)
 - **Sendero Alamo, Alamogordo**
 - \$15 million loan (\$17,014,063 total project cost)
 - Multi-Family Workforce Housing (120 units)
 - June 2025 NMFA Approval (pending)
- **Nueva Acequia 4, Santa Fe**
 - \$3,108,000 loan (\$38,300,595 total project cost)
 - Affordable Housing Infrastructure (supporting 106 Multi-Family Rental units)
 - August 2025 NMFA Approval (pending)
- **Spire Development, Albuquerque**
 - \$1.25 million loan (\$15,942,955 total project cost)
 - Affordable Housing Infrastructure (supporting 50 Multi-Family Rental units)
 - August 2025 NMFA Approval (pending)
- **MidTown Santa Fe Productions QOF, Santa Fe**
 - \$15 million loan (\$18,725,00 total project cost)
 - Multi-Family Workforce Housing (98 units)
 - September 2025 NMFA Approval (pending)



- ◆ Round Three
 - ❑ 11 applications in 7 counties (Bernalillo, Dona Ana, Santa Fe, Socorro, Union and Valencia)
 - ❑ Total application requests of \$81,258,533
 - ❑ 7 met minimum threshold for prioritization
 - ❑ NMFA currently underwriting loans

- ◆ Funding Summary
 - ❑ Initial Capitalization: \$125 million
 - ❑ Funds allocated to date: \$52,480,000
 - ❑ Funds set aside for projects in underwriting: \$49,508,533
 - ❑ Awarded funds by county:
 - Bernalillo: \$48,154,533
 - Dona Ana: \$3,500,000
 - Otero: \$15,000,000
 - Santa Fe: \$23,430,181
 - Taos: \$6,342,360
 - Valenica: \$1,500,000

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