



NEW MEXICO
FINANCE AUTHORITY

**Presentation to
Legislative Finance Committee**

New Mexico Finance Authority

Marquita D. Russel, Chief Executive Officer

October 15, 2025

- ❑ **Kathy Keith, Chair**
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 - ❑ **James Kenney**
Secretary, NM Environment Dept
 - ❑ **Ronald Lovato**
 - ❑ **Wayne Propst**
Secretary, NM Dept of Finance & Administration
- ◆ 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	6-21-6.0 Legislature
✓		1994	Primary Care Capital Fund	Primary Care Capital Funding Act	24-1C-4 DOH
✓	annually	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 HCA
✓		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	6-30-1.0 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 Act of 2020	6-32-1 Legislature
		2021	New Mexico LEDA Recovery Grants	Local Economic Development Act	5-10-16 NMEDD/Leg
✓		2022	Cannabis Microbusiness Program	Statewide Economic Development Finance Act	6-25-6 RLD/NMEDD
✓	✓	2022	Venture Capital Fund	Venture Capital Program Act	6-33-3 (NMEDD)
✓	✓	2022	Charter School Facility Revolving Fund	Charter School Facility Improvement Act	6-21-6.16 (PSCOC)
✓	✓	2022	Opportunity Enterprise Revolving Fund	Opportunity Enterprise and Housing Development Act	6-34-12 OE&HDRB
✓	✓	2024	SSBCI Capital Access Program	Statewide Economic Development Finance Act	6-25-6 NMEDD
✓	✓	2024	Housing Development Revolving Fund	Opportunity Enterprise and Housing Development Act	6-34-1 OE&HDRB
✓	✓	2025	Local Solar Access Fund	Local Solar Access Fund	6-21-6.17 EMNRD

Rapid Growth Requires Implementing Efficiency Measures

- ◆ Recent growth is unsustainable without increasing efficiencies wherever possible
 - ❑ Streamlining applications and eligibility processes
 - ❑ Standardizing program processes and procedures (a loan is a loan, a grant is a grant)
 - ❑ Scrutinizing statutes, rules and policies to ensure all requirements are value-based
- ◆ Integrated Business Application (IBA) project – four goals:
 - ❑ Standardization and simplification: processes, language
 - ❑ Reducing manual processes
 - ❑ Trustworthy data and actionable reporting
 - Golden source of data
 - ❑ Sustainability and scalability
- ◆ Comprehensive planning effort:
 - ❑ Sprint zero
 - ❑ Professional RFP drafting, solicitation, and selection process
- ◆ Integration project has been methodically mapped to capture what we do/will do
 - ❑ More than 80 hours of workshops with more than half of the staff
 - ❑ Plotted workflows, priorities, interdependencies across all workstreams
 - ❑ Captured vision of future state and architected foundation to support current and future planned activities

- ❑ **Joe Farr, Chair**
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 - ❑ **Nicole Martinez, Vice Chair**
Mesilla Valley Community of Hope, Las Cruces
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 - ❑ **Isidoro Hernandez**
Housing New Mexico
 - ❑ **Jennifer Garcia Kozlowski**
Boys and Girls Club of Greater Las Cruces, Las Cruces
 - ❑ **Priscilla Lucero**
Executive Director of SWNMCOG
 - ❑ **Laura Montoya**
NM State Treasurer
 - ❑ **Wayne Propst**
NM Dept. of Finance & Administration
 - ❑ **Vacant**
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.

- ◆ Opportunity Enterprise Board has established Rules and Project Selection Criteria to guide its recommendations
 - “Commercial Development” Policy’s goal is to create economic development opportunities statewide.
 - Pursuant to statute, these opportunities include advancement of an environmentally sustainable economic development goal of the state.
 - Rule defines eligible Enterprise Development project as “a commercial real estate development project *primarily occupied by businesses unrelated to the opportunity enterprise partner* that involves the purchase, planning, designing, building, surveying, improving, operating, furnishing, equipping or maintaining of pan, buildings or infrastructure to create or expand economic development opportunities within the state.”
 - Housing Development Policy’s goal is to catalyze below-market housing production across the state.
 - OE Board articulated a goal of closing project funding gaps of ready projects rather than “lender of last resort” projects.
 - The Act directs the OE Board to give priority to 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).
 - Rules define Workforce Housing as “below market housing addressing demand for workforce housing for middle income workers in proximity to employment centers”
 - Middle-Income Workers means family with incomes that fall between the lesser of a local jurisdiction’s upper limit for housing assistance by relevant housing type or by the NM Mortgage Finance Authority’s upper limit for housing development assistance, and 300 percent of the US Housing and Urban Development Area median Income for the county.
 - OE Prioritization policies do not differentiate by industry or by different types of housing projects
 - Commercial Development Evaluation and Prioritization Policy: [OE-CD-OEHDRB-evaluation-policy-1-16-25.pdf](#)
 - Housing Development Evaluation and Prioritization Policy: [OE-HD-OEHDRB-policy-revised-1-16-25.pdf](#)

	Commercial Development	Housing Development
Fund Capitalization	\$120 million	\$125 million
Max Loan	\$17.5 million	\$15 million
Minimum Equity Required	10%	10%
Interest Rate	60% of Wall Street Journal Prime, with a floor of 3%	
Term	Up to 30 years	Up to 40 years
Cash Flow Coverage	1.35x	1.1X
Minimum Loan-to-Value	85%	85%
Lien Position	May be subordinate to a loan made by a federally insured financial institution	
Guarantees	Required from all principals	
County Limits	25%	50%
Other:	Applicant may not occupy more than 30% of the building and may not own or control more than 30% of the tenant	30% must be invested in rural areas

- ◆ Round One
 - ❑ 33 applications totaling \$136,193,106
 - ❑ 7 met minimum threshold for prioritization
 - ❑ NMFA approved 1 loan; funding commitment has expired
- ◆ Round Two
 - ❑ 12 applications totaling \$127,424,715
 - ❑ 6 met minimum threshold for prioritization
 - ❑ NMFA approved 2 loans; one loan has closed, one loan is still pending
- ◆ Round Three
 - ❑ 6 applications \$71,783,779
 - ❑ 2 met minimum threshold for prioritization
 - ❑ NMFA approved 1 loan;
- ◆ Round Four
 - ❑ 71 applications \$39,614,107
 - ❑ 2 met minimum threshold for prioritization
 - ❑ NMFA approved 1 loan;
- ◆ Round Five
 - ❑ 5 applications \$34,844,913
 - ❑ 3 met minimum threshold for prioritization
 - ❑ Applications currently in underwriting



◆ **Commercial Development Active Projects**

- MidTown Santa Fe Productions, Santa Fe
 - \$11,900,000 loan (\$13,229,000 total project costs)
 - August 2024 NMFA Approval (loan closed; project in construction)
- Filmyard, Albuquerque
 - \$6,900,000 loan (\$7,665,000 total project cost)
 - September 2024 NMFA Approval (closing pending)
- NewSpace Nexus, Albuquerque
 - \$14,600,000 million loan (\$16,360,000 total project cost)
 - March 2025 NMFA Approval and August 28, 2025 Amended Approval (closing pending)
- Pacific Cactus, Albuquerque
 - \$4,500,000 million loan (\$6,601,250 total project cost)
 - June 2025 NMFA Approval (closing pending)
- 2808 Central LLC (Q Station Project)
 - \$4 million loan (\$5,300,00 total project cost)
 - July 2025 NMFA Approval (closing pending)

- ◆ Funding Summary
 - ❑ Initial Capitalization: \$125 million
 - ❑ Funds allocated to date: \$52,480,000
- ◆ 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
- ◆ 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
- ◆ 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 loan application requests totaling \$49,508,533
- ◆ 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/>

◆ Workforce Housing Projects

- ❑ YSM Development, Taos (80 For-Sale Single Family Units)
 - \$6,342,360 loan (\$26,406,00 total project costs)
 - June 2025 NMFA Approval (pending)
- ❑ Dharma Enterprises, Santa Fe (11 Rental Townhome Units)
 - \$3,419,000 loan (\$4,170,675 total project cost)
 - Workforce Housing Townhome Rental (11 units)
 - June 2025 NMFA Approval (closing pending)
- ❑ Inskies Investments, Albuquerque (40 apartment units)
 - \$4 million loan (\$4,712,530 total project cost)
 - June 2025 NMFA Approval (closing pending)
- ❑ Sendero Alamo, Alamogordo (120 apartment units)
 - \$15 million loan (\$17,014,063 total project cost)
 - June 2025 NMFA Approval (closing pending)
- ❑ MidTown Santa Fe Productions QOF, Santa Fe (98 apartment units)
 - \$15 million loan (\$18,725,00 total project cost)
 - Multi-Family Workforce Housing (98 units)
 - September 2025 NMFA Approval (closing pending)

◆ Affordable Housing Infrastructure Projects

- ❑ Supportive Housing Coalition of New Mexico/San Roque Apartments, Albuquerque (supporting 137 rental units)
 - \$2,347,103 loan (\$45,651,195 total project cost)
 - March 2025 NMFA Approval (pending)
- ❑ Nueva Acequia 4, Santa Fe (supporting 106 rental units)
 - \$3,108,000 loan (\$38,300,595 total project cost)
 - August 2025 NMFA Approval (closing pending)
- ❑ Spire Development, Albuquerque (supporting 50 rental units)
 - \$1.25 million loan (\$15,942,955 total project cost)
 - August 2025 NMFA Approval (closing pending)

- ◆ For the FY2026 application cycle, 114 applications totaling \$525 million, approximately \$200 million more than available funding:

❑ Water Conservation	3	\$19,480,000
❑ Flood Prevention	8	23,891,527
❑ Water Storage	64	259,380,772
❑ Wastewater	33	218,040,924
❑ Watershed	<u>6</u>	<u>4,285,000</u>
TOTAL	114	525,078,223

- ◆ Water Trust Board and NMFA Board approved \$3.5 million for funding Technical Assistance Program to assist in small system planning and regionalization facilitation
 - ❑ NMFA selected nine technical assistance providers through a competitive procurement
 - ❑ On June 30th the NMFA opened the application for water/wastewater utilities to apply for services provided under the Water Trust Board Technical Assistance program.

- ◆ NM Unit Fund Activities: At its August 27th meeting, the WTB made its first set of recommendations for applications to be considered by the Interstate Stream Commission from the New Mexico Unit Fund
 - Pilot cycle (for planning & design projects) was open from mid – February to the end of March.
 - 21 applications received totaling \$12,841,744: One application was deemed ineligible and one was removed
 - Applications WTB policies prioritize applications using the following criteria:
 - Contribution to regionalization goals. (0-20 points)
 - Contribution to system resiliency. (0-20 points)
 - Contribution to water security. (0-20 points)
 - Contribution to the economic health of the local community. (0-10 points)
 - Ability to protect, enhance, or maintain cultural lifeways or resources. (0-10 points)
 - Level of local community engagement and participation. (0-10 points)
 - Project Urgency (0-10 points)
 - The applications received scores from 51 – 67 points. The WTB approved 11 applications totaling \$4,190,109 that received 60 points or greater