



# New Mexico Finance Authority Oversight Committee

Public Project Revolving Fund Overview

July 12, 2016

# Public Project Revolving Fund (“PPRF”)

- The PPRF was created in 1992 to assist a wide range of governmental entities in accessing the capital markets at an all-in cost that is highly competitive.
- The PPRF is the NMFA’s flagship program.
- PPRF Applicants include Municipalities, Counties, School Districts, Higher Education Institutions, Tribes, State Agencies, and other political subdivisions.
- Legislative Authorization is required for projects in excess of \$1,000,000.



Public Project Revolving Fund

# Public Project Revolving Fund (“PPRF”)

- The PPRF is funded from loan repayments and through the NMFA’s share of Governmental Gross Receipts Tax.
- The PPRF maintains a AAA/Aa1 credit rating and the PPRF’s AAA interest rates are passed down to the borrower regardless of underlying credit.
- PPRF bonds are highly sought by investors allowing NMFA to issue bonds in the capital markets at very attractive rates.



# Typical PPRF Loan Revenue Streams

- Fire Protection Fund
- Law Enforcement Fund
- Governmental Gross Receipts Tax
- State Shared Gross Receipts Tax
- Local Option Gross Receipts Tax
- General Obligation (Property Tax)
- Mill Levy
- Enterprise System Revenues
- Local Special Tax (e.g. Lodger's Tax)
- Special Assessments



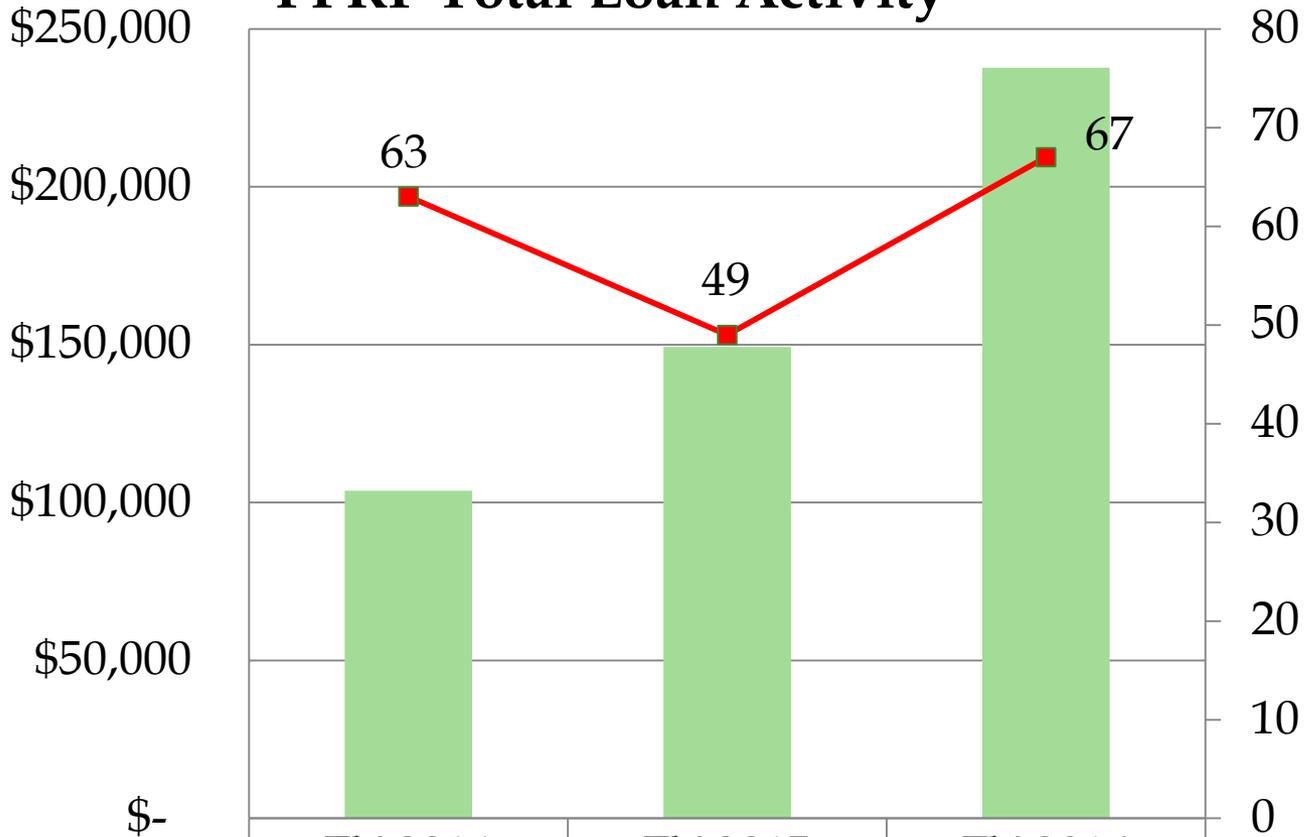
# Public Project Revolving Fund (“PPRF”)

- The PPRF is “the benchmark” for comparing public financing alternatives.
- Since inception, NMFA has made 1,289 PPRF loans totaling over \$2.75 billion.
- Over 667 PPRF loans contained Disadvantaged Funding totaling more than \$82.3 million



## PPRF Total Loan Activity

PPRF Loan Amounts (in thousands)



■ Amount (\$000)	\$103,795	\$149,246	\$237,752
■ Quantity	63	49	67



# PPRF Disadvantaged Funding



# PPRF Disadvantaged Funding

- Disadvantaged Funding is offered through the PPRF to Qualified Disadvantaged Entities as determined by the community's Median Household Income.
- In October 2015, NMFA Oversight approved changes to the PPRF's Rules and Regulations pertaining to Disadvantaged Funding. Changes included:
  - Lowering the 3% disadvantaged rate to 2%;
  - Increased funding maximums from \$200,000 to \$500,000 per fiscal year:
    - Up to \$500,000 per infrastructure loan
    - Up to \$150,000 per equipment loan
  - Revision to MHI qualifying criteria:
    - 100% to 80% of State MHI qualify for 2%
    - 80% and below of State MHI qualify for 0%

# PPRF Disadvantaged Funding since revisions:

Period	# of Disadvantaged Loans	Total \$ of Disadvantaged Loans
January to June, 2015 (2 <sup>nd</sup> half of FY 2015)	12	\$1,775,000
January to June, 2016 (2 <sup>nd</sup> half of FY 2016)	18	\$4,656,123



# PPRF Disadvantaged Funding since revisions:

Entity	Project	Closing Date	Disadvantaged Loan	Market Rate Loan	Total Loan
Socorro CSD	District Improvements	1/22/16	\$500,000 (0%)	\$885,000	\$1,385,000
Village of Tularosa	Fire Pumper	1/22/16	\$150,000 (0%)	\$231,864	\$381,864
Village of Magdalena	Police Vehicles	1/29/16	\$65,288 (0%)	N/A	\$65,288
Grant County	Ft. Bayard FD Brush Truck	2/19/16	\$150,000 (0%)	\$42,503	\$192,503
Dora CSD	Ed Tech Notes	3/18/16	\$150,000 (0%)	N/A	\$150,000
City of Santa Rosa	Assisted Living Improvements and Refunding	3/25/16	\$220,049 (0%)	\$755,219	\$975,268

# PPRF Disadvantaged Funding since revisions:

Entity	Project	Closing Date	Disadvantaged Loan	Market Rate Loan	Total Loan
Grant County	Santa Rita FD Fire Station	4/22/16	\$500,000 (0%)	\$16,303	\$516,303
City of Lordsburg	Joint Utility Infrastructure	4/22/16	\$500,000 (0%)	\$350,504	\$850,504
Guadalupe County	Police Vehicles	4/29/16	\$64,714 (0%)	N/A	\$64,714
Taos SWCD	Admin Building	5/20/16	\$500,000 (0%)	\$1,832,671	\$2,332,671
Union County	Sedan FD Fire Pumper	5/20/16	\$80,605 (0%)	N/A	\$80,605
Colfax County	Detention Center Improvements	5/27/16	\$500,000 (2%)	\$6,316,000	\$6,816,000

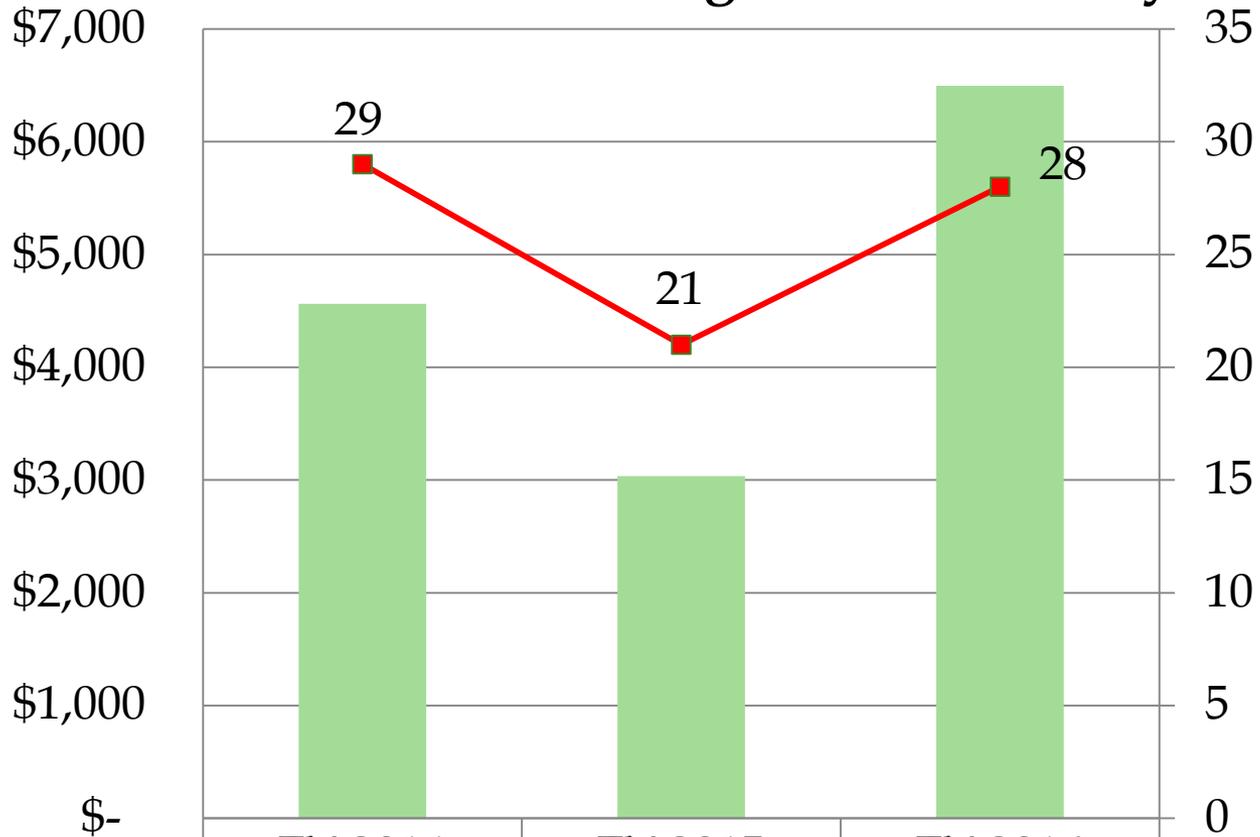
# PPRF Disadvantaged Funding since revisions:

Entity	Project	Closing Date	Disadvantaged Loan	Market Rate Loan	Total Loan
Grant County	Pinos Altos FD Fire Station	5/27/16	\$403,684 (0%)	N/A	\$403,684
Grant County	Tyrone FD Fire Pumper	5/27/16	\$21,405 (2%)	\$177,570	\$198,975
Village of Logan	Fire Pumper	6/17/16	\$150,000 (0%)	\$202,645	\$352,645
Southwest SWA	Roll-Off Truck	6/17/16	\$50,378 (0%)	N/A	\$50,378
City of Sunland Park	Fire Pumper	6/24/16	\$150,000 (0%)	\$1,133	\$151,133
Tucumcari PSD	PSCOC Advance and Improvements	6/24/16	\$500,000 (0%)	\$1,000,000	\$1,500,000



## PPRF Total Disadvantaged Loan Activity

PPRF Loan Amounts (in thousands)



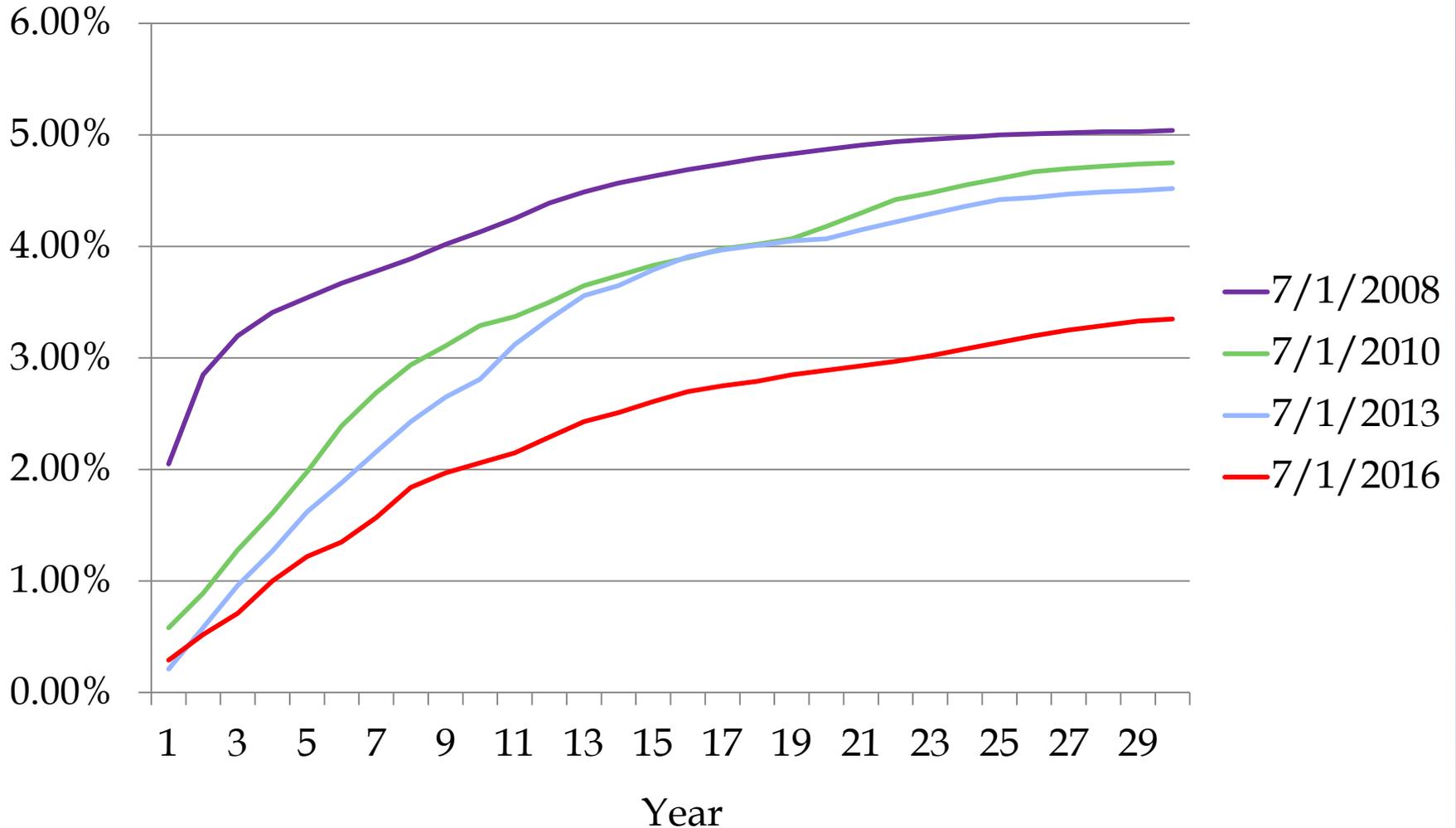
Amount (\$000)	\$4,563	\$3,036	\$6,495
Quantity	29	21	28



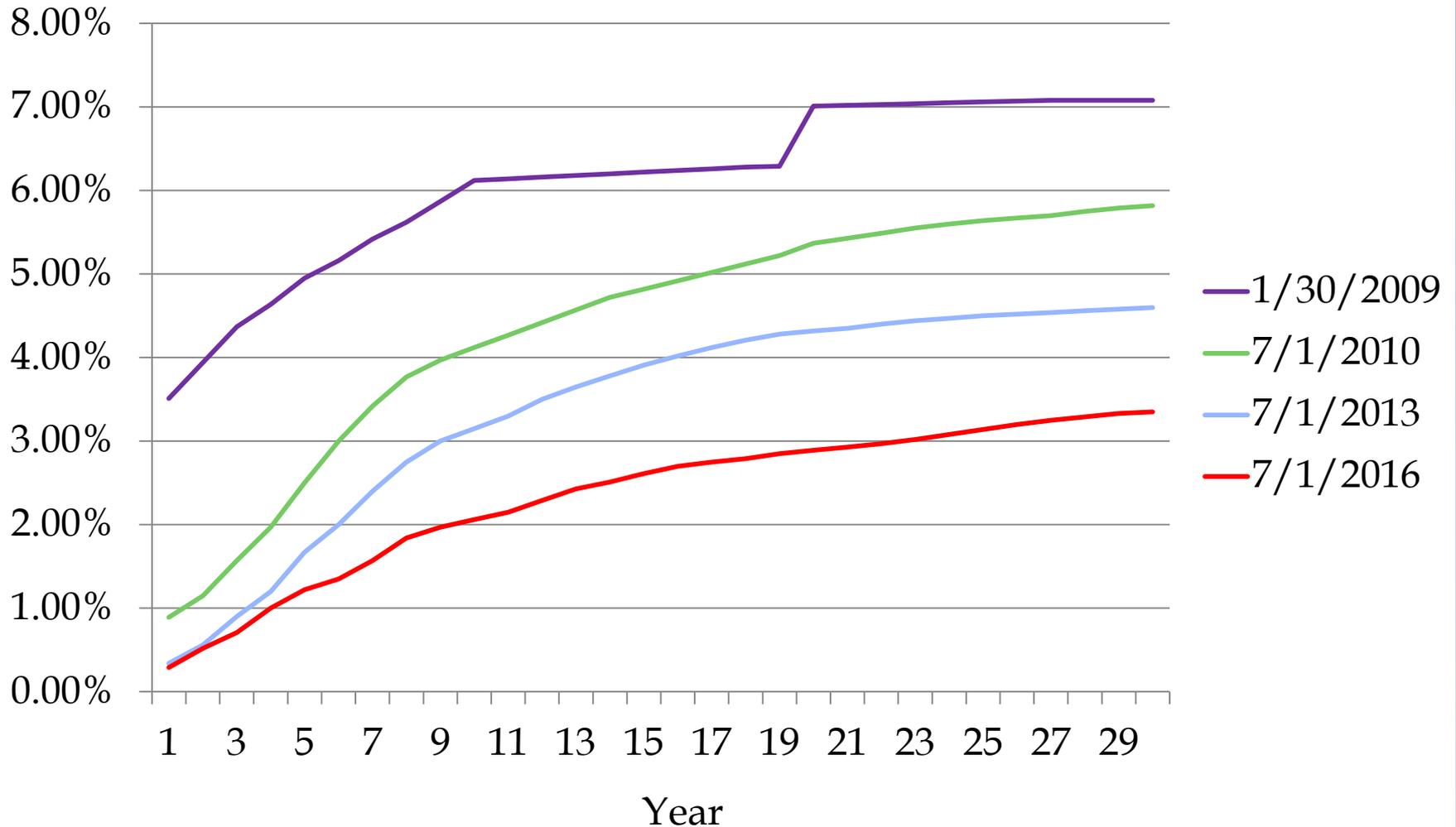
# PPRF Interest Rate Environment and Refunding Activity



## PPRF Tax-Exempt Interest Rates



## PPRF Taxable Interest Rates

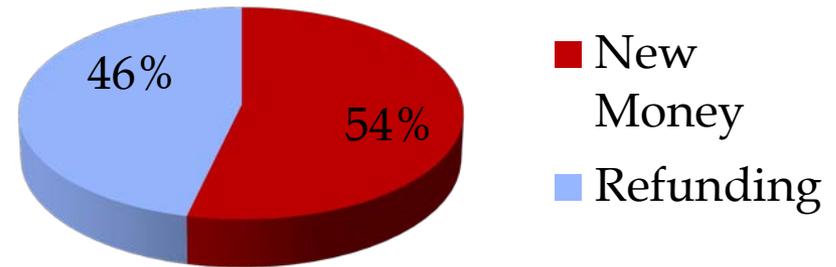
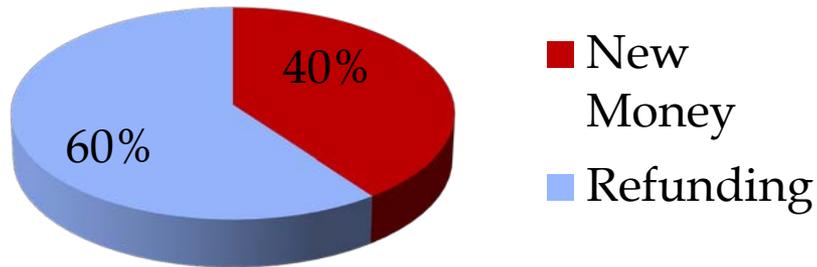




# PPRF Refunding vs. New Money Loans

**FY 2015**

**FY 2106**



<b>New Money</b>	<b>\$60,358,274</b>
<b><u>Refunding</u></b>	<b><u>\$88,888,112</u></b>
<b>Total</b>	<b>\$149,246,396</b>

<b>New Money</b>	<b>\$127,562,472</b>
<b><u>Refunding</u></b>	<b><u>\$110,189,736</u></b>
<b>Total</b>	<b>\$237,752,207</b>



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