



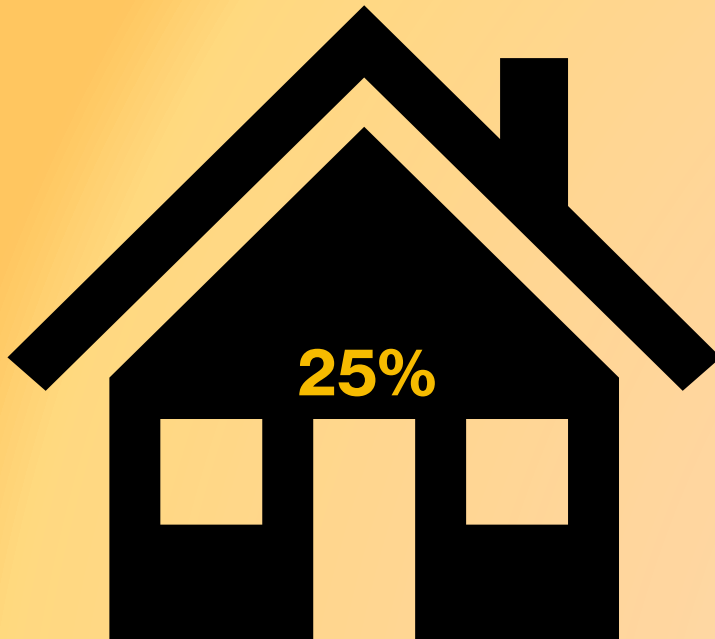
NEW MEXICO
FINANCE AUTHORITY

Update on the Colonias Infrastructure Board, Project Fund, and Pilot Project

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NMFA Oversight Committee - October 5-6, 2026



**of FY 2027 CIB Funding
= \$25M set-aside**

A pilot to fund the infrastructure that makes attainable housing buildable

- The **pilot concept** and a **25% FY 2027 funding set-aside**.
- Post the proposal for **public review and comment**.
- Return **final guidelines** for Colonias Infrastructure Board (CIB) consideration at the **December 2026** meeting.

Infrastructure – not homes – is the real cost barrier in the Colonias

New housing cannot connect to water, sewer, stormwater, or roads without entitlement, engineering, utility, and regulatory work being completed first.

These site-readiness requirements apply to every project, but they hit affordable and workforce housing hardest, where thin margins can't absorb the up-front cost.

Colonias Infrastructure Act • NMSA 1978, Ch. 6, Art. 30

Utility connections

Electrical, water, and sewer connections – plus service upgrades and extensions.

Stormwater management

Connections to municipal systems or upgrades to handle new-development runoff.

Transportation networks

Roads, sidewalks, and pedestrian access serving the new homes.

Public infrastructure funding lowers the builder's cost – and the buyer's price

Local governments identify sites

Publicly owned land or private land with negotiated rights-of-way, supporting ~15–25 homes.



CIB funds site readiness

Utilities, stormwater, and transportation built and publicly owned once in service.



Builders face lower cost

Infrastructure covered up front reduces the investment required for new construction.

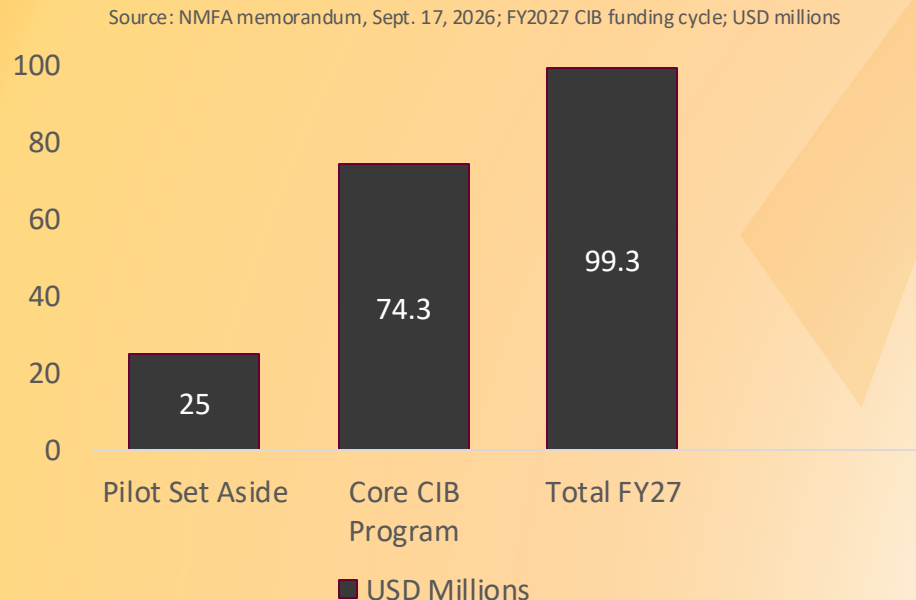


Homes priced attainably

Below-market purchase price /rents and deed restrictions for at least 10 years.

THE SET-ASIDE IN CONTEXT

A \$25M set-aside is 25% of FY 2027 –
leaving \$74.3M for the core program



\$99.3M

FY 2027 Severance
Tax Bond funding
expected

\$25M

Pilot set-aside – funds
4–6 developments of
~15–25 units each

The \$25M figure is anchored to national
infrastructure cost data for 4–6 pilot
developments – a bounded, one-cycle
commitment.

The pilot keeps CIB's proven terms – and removes the one that blocks builders

STANDARD CIB AWARD TERMS – RETAINED:

- **90% grant / 10% loan** structure preserved.
- Loan at **0.25% net effective interest**, repayable over 20 years after a 2-year construction period.
- **No prepayment penalty** – local governments require developers to pay off the loan as projects complete.

*PILOT-SPECIFIC CHANGES:

- **10% local match waived** – the housing development itself brings non-CIB funding.
- Homes offered at **below-market purchase price**.
- **Deed restrictions for at least 10 years** protect affordability.
- CIB funds only **publicly owned infrastructure** once placed into service.

*subject to public comment



Eligibility is tightly scoped to keep the pilot measurable

➤ **Local governments only**

Counties, municipalities, mutual domestic associations, and special districts serving designated Colonias.

➤ **Public infrastructure only**

Funded infrastructure must be publicly owned once constructed and placed into service.

➤ **Site identified for ~15–25 homes**

Publicly owned property, or private land with negotiated rights of way.

➤ **Home connections – conditional**

Eligible on affordable projects if named in the community's adopted Affordable Housing Act Plan.

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