

### Comparison of 3 versions of funding for communities North of federally defined Colonias

*Draft based on discussions and multiple presentations to the NMFA Legislative Oversight Committee to attempt to address the needs of various severely disadvantaged communities throughout the Northern area of the state (North of the 150 Mile mark as defined in the Colonias Act).*

<b>LCS 202 #</b>	<b>Fund Name</b>	<b>Qualifying Entity</b>	<b>Funding Source</b>	<b>Amount Funded</b>	<b>Funding Mechanism</b>	<b>Fiscal Impact</b>
194556.1	Colonias Infrastructure Fund	<p>( from definition section on page 1) "Colonia" means a rural community with a population of twenty-five thousand or [less located within one hundred fifty miles of the United States-Mexico border] fewer that:</p> <p>(1) has been designated as a colonia by the municipality or county in which it is located because of</p> <p>(a) lack of potable water supply;</p> <p>(b) lack of adequate sewage systems; or</p> <p>(c) lack of decent, safe and sanitary housing;</p> <p>(2) has been in existence as a colonia prior to November 1990; and</p> <p>(3) has submitted appropriate documentation to the board to substantiate the conditions of this subsection, including documentation that supports the designation of the municipality or county;</p>	Senior Severance Tax Bonds (5%) Share w/ all "colonias" in the state (no geographical limitation) such that the same pot of \$14.3M is distributed throughout the entire state to fund similar projects	\$14.3M	Annually the State Board of Finance shall allocate 5% of the estimated senior severance tax bonds to colonias Infrastructure fund for various infrastructure projects.	There is estimated to be 154 designated colonias in the eleven most Southern counties in the state. Should the definition change be enacted there is estimated to be an additional 150 colonias bringing the approximate amount of eligible entities to over 300. If the annual distribution amount is not increased substantially, then the available funds would be spread thinly or there would be more competition for limited funding among the approximately 300 disadvantaged communities;

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195002.2	New Mexico Disadvantaged Community Assistance Fund	(from definition section on pages 3-4) "disadvantaged community" means an unincorporated rural community or an association organized under the provisions of the Sanitary Projects Act or Laws 1947, Chapter 206, Sections 1 through 15, Laws 1949, Chapter 79, Sections 1 through 19, or Laws 1951, Chapter 52, Sections 1 through 19: (1) all of whose members live with a lack of: (a) potable water supply; (b) adequate sewage systems; or (c) decent, safe and sanitary housing; (2) that is ineligible for funding under the colonias infrastructure project fund; (3) that is ineligible for funding under the tribal infrastructure project fund; and (4) that has submitted appropriate documentation to the board to substantiate the conditions of this subsection	Severance Tax Bonds (5%) STB (additional STB "carve-out") Senior	\$14.3M	Annually the State Board of Finance shall allocate 5% of the estimated senior severance tax bonds to for Disadvantaged Community Assistance Fund for various infrastructure projects	The August 2013 Bonding Estimate reflects \$186.2M for capital outlay from STB's for the 2014 legislative session, this proposal would decrease the amount available for capital outlay by an estimated \$14.3M

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195002.1	New Mexico Disadvantaged Community Assistance Act	<p>(from definition section on page 6) "disadvantaged community" means an unincorporated rural community or an association organized under the provisions of the Sanitary Projects Act or Laws 1947, Chapter 206, Sections 1 through 15, Laws 1949, Chapter 79, Sections 1 through 19, or Laws 1951, Chapter 52, Sections 1 through 19:</p> <p>(1) all of whose members live with a lack of:</p> <p>(a) potable water supply;</p> <p>(b) adequate sewage systems; or</p> <p>(c) decent, safe and sanitary housing;</p> <p>(2) that is ineligible for funding under the colonias infrastructure project fund;</p> <p>(3) that is ineligible for funding under the tribal infrastructure project fund; and</p> <p>(4) that has submitted appropriate documentation to the board to substantiate the conditions of this subsection</p>	The funding is appropriated by the legislature from the PPRF after all debt service is paid.	PPRF	Using an annual process that identifies projects throughout the annual cycle, staff will present these to the NMFA Legislative Oversight Committee and request an appropriation from the PPRF available funds based on identified needs.	The availability of the PPRF for this type of appropriation will fluctuate based on the debt of the PPRF. If additional loans are sold on the market the need of the PPRF first and foremost will be applied to debt and associated costs. As the NMFA increases loans in the near future and goes to the bond market to sell those loans, the amount of obligations to the PPRF increases thereby decreasing the amount available for this proposed funding mechanism.
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