

NEW MEXICO FINANCE AUTHORITY
LOCAL GOVERNMENT PLANNING FUND
PROJECT MANAGEMENT POLICIES

A. PURPOSE

The purpose of the Local Government Planning Fund is to provide up-front capital necessary to allow for proper planning of vital public projects, including water and wastewater preliminary engineering reports, water and wastewater master plans, water conservation plans and comprehensive economic development plans.

B. GOALS

The goal of these planning document policies is to provide guidance to NMFA staff and applicants regarding prioritization of planning grant documents and determination of need for economic development plans.

C. IMPLEMENTATION

These Planning document policies shall be implemented by the New Mexico Finance Authority Board and may, at times, be waived by the Board if it is determined that a deviation from its adopted policies is necessary. Any waiver will be reflected in the minutes of the meeting at which the waiver is considered.

SECTION 1. ECONOMIC DEVELOPMENT PLAN NEED DETERMINATION

Section 1.1 Overview

Funding for the planning fund is appropriated to make grants to qualified entities to evaluate and to estimate the costs of implementing the most feasible alternative for meeting water and wastewater and local economic development project needs. The Planning Document Policies will define the terms and conditions under which the Authority will make grants available from the Fund and to govern the implementation and administration of the Fund.

Section 1.2 General Considerations

Proper planning of public projects is vital to their success. The NMFA will adhere to the rules and regulations that state funding may be made available only for the portion of a Planning Document that the entity cannot cash fund. To help determine an entity's relative ability to fund economic development plans, the NMFA shall analyze the following

The NMFA shall take all steps necessary to determine the priority of the project the amount of funding the entity qualifies for and determining the entities ability to cash fund their planning document

A. Determination of Need of Localities

In accordance with Local Government Planning Fund Rules, the NMFA will determine the amount of a planning document that cannot be funded from available financial resources such as unrestricted cash balances.

Using figures available from the latest census, an entity's relative economic need will be based upon two measures which are computed for the applicant and then compared to the state:

- 1) Are there sufficient jobs available given the working age population? To determine jobs available in relation to working age population (age 16 and above) :

$$\frac{(\text{Employed Persons } 16^{+}_{\text{qualified entity}} / \text{Population } 16^{+}_{\text{qualified entity}})}{(\text{Employed Persons } 16^{+}_{\text{statewide}} / \text{Population } 16^{+}_{\text{statewide}})}$$

- 2) Do these jobs pay a sufficient wage? This is determined solely by the median earnings of those workers

$$\frac{\text{Median earnings of Employed Persons within the Qualified Entity}}{\text{Median earnings of Employed Persons Statewide}}$$

- 3) For a “substantial economic need” to exist, the qualified entity must have either:
 - i) a smaller percentage of its working age population employed than that percentage for the state as a whole; and/or
 - ii) lower median earnings among those employed than the statewide median.
 - iii) An entity’s shortcoming in these areas may be used to prioritize projects for funding.

B. Determination of Need for Projects with Statewide Impact

The Authority or its staff may request and rely on the assistance of other state agencies, e.g. the Department of Finance and Administration or the New Mexico Environment Department in determining the need for economic development projects with statewide impact.

C. Reliance on Outside Expertise

The Authority or its staff may request and rely on the assistance of other state agencies, e.g. the Department of Finance and Administration, the New Mexico Environment Department, New Mexico State Engineer or New Mexico Economic Development Department, in determining the sufficiency or adequacy of an applicant and/or application, as well as in evaluating the completed Planning Document.

Section 1.3 Additional Considerations

A. Project Prioritization

As established in rule, the NMFA may give priority in awarding planning grants to:

- 1) those entities that have not previously received Planning Grant funding,
- 2) those entities that have legally imposed deadlines to adopt a Water Conservation Plan; or
- 3) those entities that have historically not directly benefited from economic development programs within the respective community.

B. Regionalization

For Water and Wastewater public projects, Water Conservation Plans and Long Term Master Plans a discussion of regionalization must be included as a solution for findings covered in the document itself.

Adopted: April 27, 2006