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1

Presentation to NMFA Oversight Committee

Economic Development Revolving Fund Update

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August 29, 2022

- Statewide Economic Development Finance Act ("SWEDFA") was established in 2003 to help stimulate the economy, particularly in rural and underserved areas of the state by creating financing tools that put New Mexico on par with neighboring states

- SWEDFA requires that NMFA provide two reports to the NMFA Oversight Committee during the interim. This is the NMFA's first report for 2022

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♦ The Economic Development Revolving Fund ("EDRF") is the Fund created under SWEDFA from which NMFA makes loans. EDRF is segregated into <u>four</u> sub-accounts:

- ❑ **Smart Money** is a State funded loan participation program

- ❑ **Collateral Support Participation** was a Federally funded loan participation program

- ❑ **Essential Services Working Capital Program** provided direct working capital loans to essential service providers

- ❑ **Cannabis Microbusiness Program (CMP)** provides start up capital to licensed cannabis micro-businesses

♦ EDRF is one of six funds NMFA is authorized to operate for community and economic development purposes

Economic Development Revolving Fund

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| Program	Original Portfolio			Active Portfolio	
	# Loans	$ Approved	%		$ Balance
Child Care Revolving Fund	1	50,000	0%	0	0
Primary Care	19	11,524,659	2%	4	641,463
Behavioral Health	6	3,615,000	2%	4	1,842,641
Essential Services*	16	5,584,850	2%	11	2,229,776
CMP*	5	935,000	1%	5	935,000
Smart Money*	6	7,621,593	1%	2	1,857,901
Collateral Support Program*	16	8,336,120	2%	4	1,996,897
New Market Tax Credits	28	306,000,000	86%	16	154,654,000
NMTC Small Loan Pool	8	10,760,000	6%	8	10,760,000
Total	**105**	**354,427,222**	**100%**	**54**	**174,917,678**

*Programs operated out of the Economic Development Revolving Fund
Balances as of 08.01.2022; all borrowers current on debt service payments

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Total Active Projects by County

Approved $ Per Capita

County	# Projects	$ Approved
Bernalilllo	19	$66,392,681
Cibola	4	$27,827,000
McKinley	2	$22,000,000
Chaves	1	$15,000,000
Eddy	1	$15,000,000
Santa Fe	6	$13,799,000
Dona Ana	9	$10,811,431
Grant*	2	$2,692,500
Lea*	1	$2,327,000
Taos	2	$1,465,000
Colfax	1	$1,000,000
Hidalgo	2	$850,000
Rio Arriba	1	$600,000
Los Alamos	2	$369,000
Curry	1	$250,000
San Juan	1	$ 150,000

*One project building health clinics in both Grant and Lea counties is split between the two counties

Per Capita
$1,054
$1

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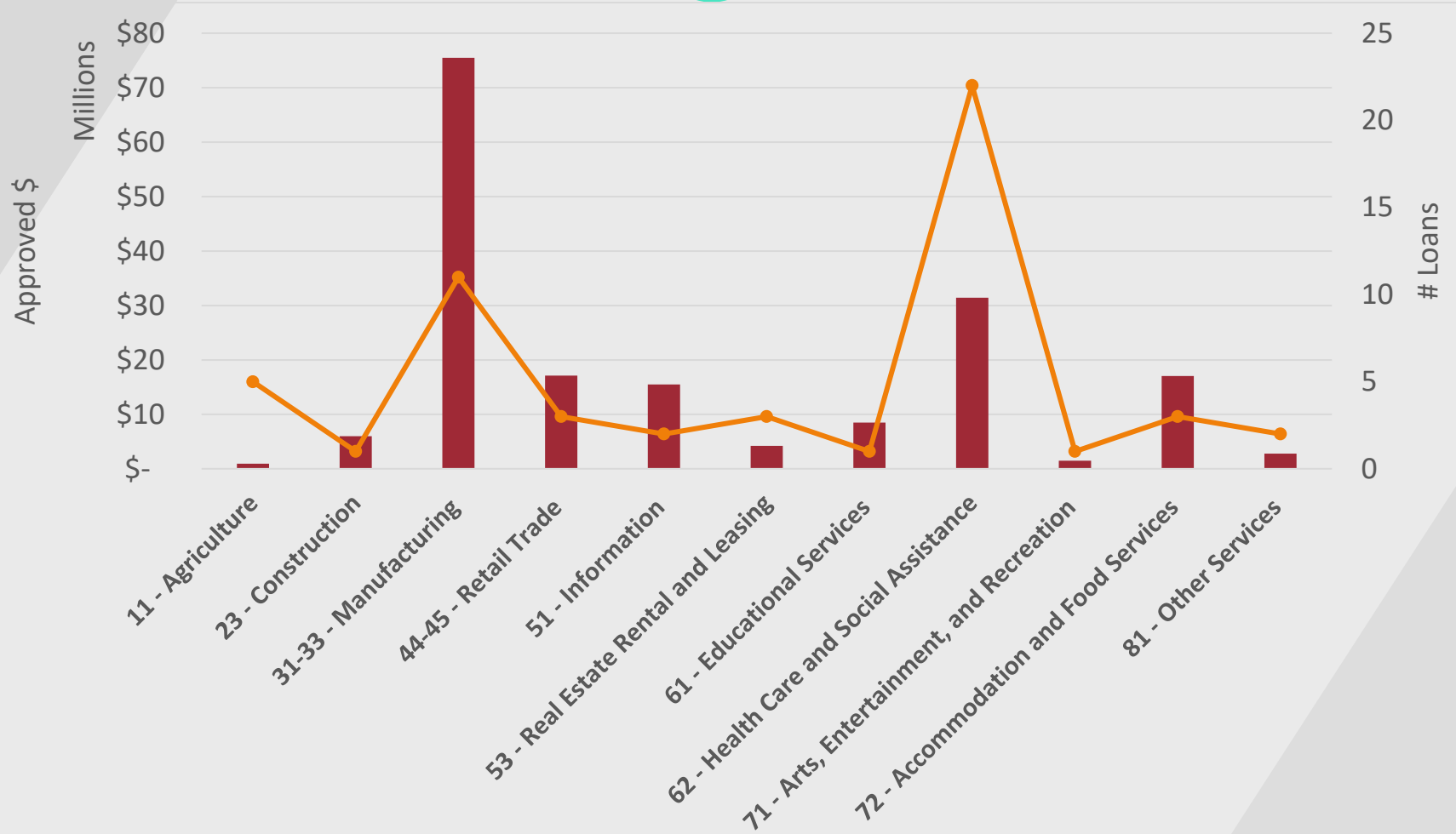© GeoNames, Microsoft, TomTom
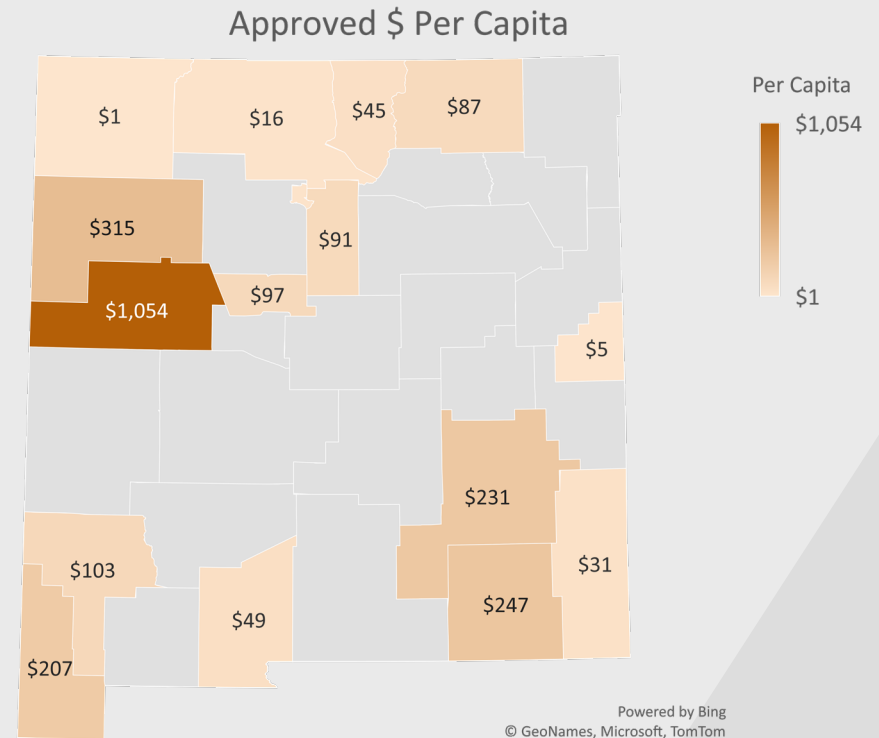
Total Active Projects by County

Approved $ per Capita
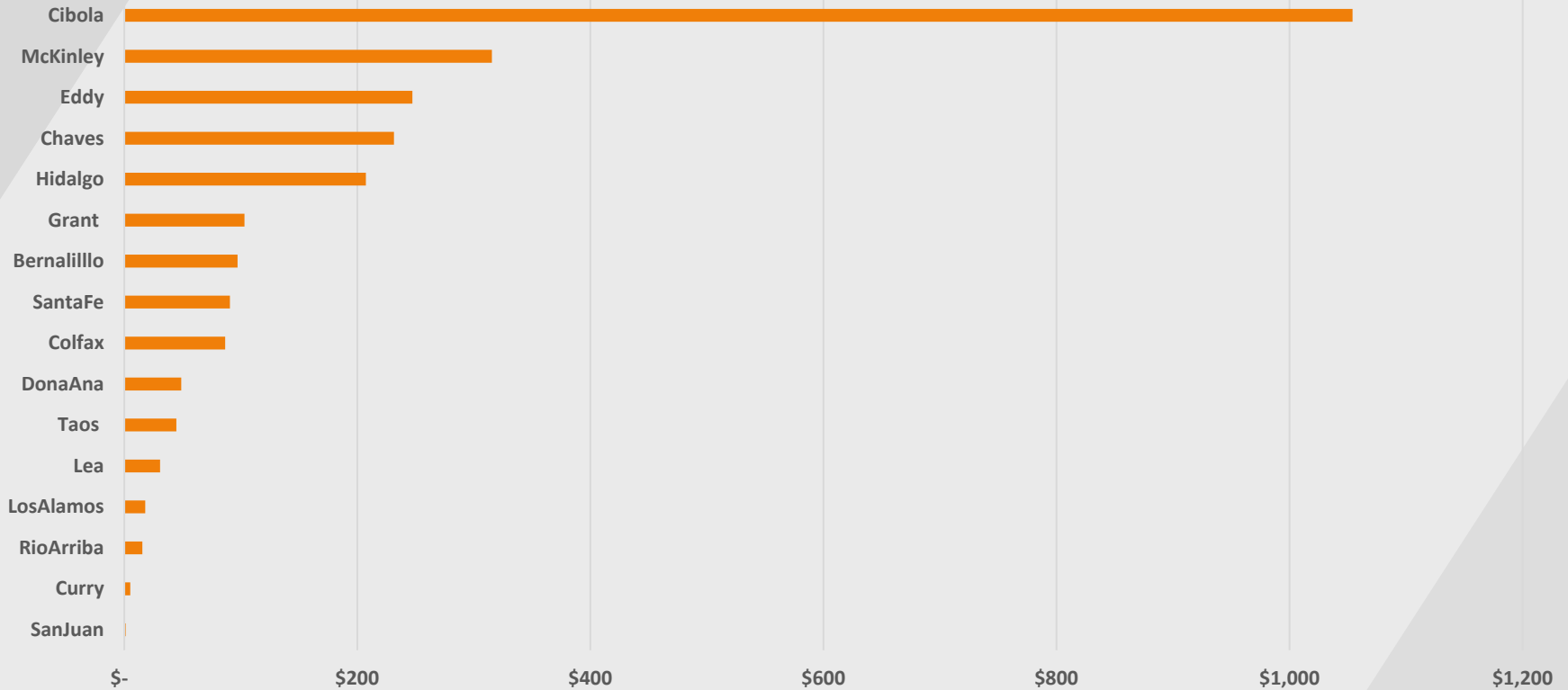
Total Active Projects by Industry

Program Constraints

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8

◆ Limited Capital.

Program	Source of Capital	Original Appropriation	Funds Reverted for Solvency	Net Original Balance	Funds Available to Lend
Child Care Revolving Fund	Federal Funds	$ 250,000	$ (200,000)	$ 50,000	$ -
Primary Care	General Fund	$ 9,000,000	$ (9,810,000)	$ (810,000)	$ 920,000
Behavioral Health	Cigarette Tax Bonds	$ 2,500,000	$ -	$ 2,500,000	$ 245,500
Essential Services*	NMFA Operating Funds	$ 5,600,000	$ -	$ 5,600,000	$ -
CMP*	NMFA Operating Funds	$ 5,000,000	$ -	$ 5,000,000	$ 4,065,000
Smart Money*	General Fund	$ 12,000,000	$ (6,900,000)	$ 5,100,000	$ 845,000
Collateral Support Program*	Federal Funds	$ 8,168,350	$ -	$ 8,168,350	$ -
New Market Tax Credits	Federal Funds	$ 306,000,000	$ -	$ 306,000,000	$ -
NMTC Small Loan Pool	Federal Funds	$ 15,000,000	$ -	$ -	$ -
Total		$ 363,518,350	$ (16,910,000)	$ 331,608,350	$ 6,075,500

◆ Temporary provision enacted in 2011 that allows lending from the Economic Development Revolving Fund without prior legislative authorization sunsets June 30, 2023.

◆ Primary Care and Behavioral Health Capital Funds need the capacity to fund working capital. Currently limited to building and equipment only.