

New Mexico Finance Authority
810 W. San Mateo Rd., Santa Fe, New Mexico 87505
(505) 984-1454
NMFA Board Meeting Minutes
December 11, 2025
NMFA Board Room

Members Present:

Richard Garcia (via zoom)	Designee, New Mexico Counties
Isaac Romero	Designee, NM Economic Development Dept.
Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Andrew Burke (via zoom)	Public Member, Las Cruces, NM
Ashley Leach	Designee, NM Dept. of Finance and Administration
Ben Shelton	Designee, Energy, Minerals & Natural Resources Dept.
Kelsey Rader (via zoom)	Designee, NM Environment Department
Kathy Keith, Chair	Public Member, Los Alamos Natl. Laboratory
Teresa Costantinidis	Public Member, University of New Mexico
Alison Nichols	Designee, NM Municipal League

Members Absent:

Ronald Lovato	Public Member, Ohkay Owingeh
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1. **Call to Order and Roll Call.** Chair Keith called the meeting to order at 9:01 a.m. A quorum was established.
2. **Approval of Agenda.** Member Costantinidis moved, seconded by Member Romero, to approve the agenda. The motion passed 9 – 0.
3. **Approval of Board Minutes.** Member Shelton moved, seconded by Member Nichols, to approve October 23, 2025, Board Minutes. The motion passed 9 – 0.
4. **Governance Items.**

4.1 Approval of Updated Committee Charters. Staff presented new committee charters in redline that incorporate minor changes pursuant to the Portfolio Management Policy and Debt Management Policy. The charters will now also be reviewed biannually.

Member Costantinidis moved, seconded by Member Burke to approve item 4.1. The motion passed 9-0.

4.2 Committee Appointments. The appointments are as follows.

Audit Committee - Andrew Burke as Chair, Teresa Costantinidis, Joy Esparsen (Richard Garcia as Designee), Martin Suazo, Erin Taylor (Ben Shelton as Designee).

Economic Development Committee- Rob Black as Chair (Isaac Romero as Designee), Teresa Costantinidis, Ron Lovato, Wayne Propst (Ashley Leach as Designee), Erin Taylor (Ben Shelton as Designee)

Finance and Disclosure Committee- Martin Suazo as Chair, Joy Esparsen (Richard Garcia as Designee), AJ Forte (Alison Nichols as Designee), James Kenney (Kelsey Rader as Designee), Wayne Propst (Ashley Leach as Designee)

Public Lending Committee- AJ Forte as Chair (Alison Nichols as Designee), Joy Esparsen (Richard Garcia as Designee), James Kenney (Kelsey Rader as Designee), Ron Lovato, Erin Taylor (Ben Shelton as Designee)

Executive Committee- Kathy Keith as Chair, Martin Suazo, AJ Forte (Alison Nichols as Designee), Rob Black (Isaac Romero as Designee), Andrew Burke.

Member Costantinidis moved, seconded by Member Leach to approve item 4.2. The motion passed 9-0.

- 5. Report from the Chief Executive Officer (“CEO”), Marquita Russel.** The Board received an update on staffing transitions. Member Marcos Trujillo reported his acceptance of the Executive Director position at the Public Schools Facility Authority. Secretary Propst designated Ashley Leach as his replacement. The Board was also informed that Sam Collins departed NMEDD for a position at NMFA, with Secretary Black appointing Deputy Isaac Romero as the new designee. Staff noted that NMFA will be fully staffed and provided updates on recent hires and upcoming transitions.

CEO reported that preparations are underway for the first PPRF Junior Lien issuance planned for early March, which will be marketed alongside the Senior Lien Bonds to assess pricing differences. The inaugural series is expected to include UNM Foundation reimbursements and several smaller GO Bonds. Staff is also updating the Preliminary Offering Statement for the first time in more than 20 years to improve clarity and investor accessibility. The revised POS will be presented at the January Board Meeting along with board training on bond disclosure.

The CIB approved \$20 million in the September 2025 funding cycle for projects affected by recent floods and wildfires. Staff opened an application in October to November, resulting in seven submissions. At its December 2025 meeting, the Board approved funding all seven projects as 100% grants with no local match. Although these projects would normally be brought to the NMFA Board in late January, staff is recommending December consideration due to their emergency nature. Because of this accelerated timeline, the projects did not go before the Public Lending Committee and are being presented directly to the Board with staff’s recommendation.

Informational Only.

6. Other Items.

6.1 Update on Integrated Business Applications (IBA) Project- Planning Phase. Staff updated the board reporting the IBA project has completed its planning phase and remains on schedule, moving into execution with a strong GREEN status. The team has finalized the future-state system design, aligned workflows across all participating platforms, and established the governance and structures needed for

implementation. Release 1, launching in January, will serve as the foundational pilot to validate core functionality, support early application processing, deploy the new general ledger structure, and gather user feedback to inform later phases. A fully structured delivery team—spanning governance, platform-specific development groups, data and security, testing, and change management—is in place to ensure coordinated execution. Immediate priorities include configuring Release 1, onboarding pilot users, initiating training and communications, and monitoring early performance. With planning complete and momentum strong, the project is positioned for a successful pilot and continued progress toward a modernized, integrated NMFA platform.

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7. **Public Lending Committee.** *Committee Members are Mr. A.J. Forte, Chair, (Ms. Alison Nichols), Secretary Wayne Propst (Ms. Ashley Leach), Secretary James Kenney (Ms. Kelsey Rader), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

7.1 Update on Activities. A quorum of the Public Lending Committee met on December 3, 2025, via Zoom. Member Nichols chaired the meeting, with members Joy Esparsen and Kelsey Rader in attendance.

Staff presented seven PPRF projects, one PG, and one DWSRLF request; all were recommended to the Board for approval. Staff presented updates to the Local Solar Access Fund policy. The committee recommended approval. Staff proposed revisions to the Committee Charter. The committee recommended approval of these revisions.

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7.2 Local Solar Access Fund (“LSAF”) Policies. Staff presented the proposed LSAF Policy, which governs a grant program to support planning, design, and installation of solar systems in New Mexico. The policy outlines eligibility criteria, allowable uses of funds, and application requirements for both Technical Assistance Grants—capped at \$50,000 and required to be completed before seeking project funding—and Project Grants, which may award up to \$1,000,000. At least 60% of total funding must benefit rural entities, and no more than 25% may be awarded within a single county. Project applications will be jointly prioritized by NMFA and EMNRD based on community need, low-income impact, critical infrastructure relevance, operating cost savings, energy storage integration, and workforce development potential. Staff worked with EMNRD to align the rules and recommends adoption of the Policy.

Member Suazo moved, seconded by Member Shelton to approve item 7.2. The motion passed 10-0.

8. **Approval of Consent Agenda.** **Member Suazo moved, seconded by Member Costantinidis, to approve the consent agenda. The motion passed 10 – 0.**

9. **Colonias Infrastructure Board (“CIB”) Consent Agenda..**

9.1 Recommendation of 2025 Colonias Infrastructure Emergency Fund. The Board reviewed remaining 2025 funding and, in response to recent natural-disaster impacts in southern New Mexico, opened an emergency application round focused on urgent, ready-to-proceed projects. Seven applications were submitted, all meeting disaster-related eligibility and regulatory requirements. On December 4, 2025, the Board approved all seven as 100% grants, using part of the remaining program balance. The CIB recommends approval of the seven emergency-funding projects.

9.2 Lincoln County. CIF-6979. \$170,000. Roads/Drainage Infrastructure Airplane Canyon Crossing.

9.3 Lincoln County. CIF-6980. \$2,650,000. Roads/Drainage Infrastructure Warrior Drive Crossing.

9.4 Luna County. CIF-6981. \$3,465,000. Flood Prevention China Draw Area Improvements.

9.5 Town of Mesilla (Dona Ana County). CIF-6982. \$105,884. Water Infrastructure Mesilla Water Well #1 Rehabilitation.

9.6 Village of Ruidoso (Lincoln County). CIF-6983. \$4,080,659. Roads/Drainage Infrastructure Ruidoso Disaster Recovery Infrastructure.

9.7 City of Ruidoso Downs (Lincoln County). CIF-6984. \$4,000,000. Roads/Drainage Infrastructure Spaghetti Flats Improvements.

9.8 City of Sunland Park (Dona Ana County). CIF-6985. \$2,500,000. Flood Prevention Findley Court Basin Flood Mitigation.

Member Suazo moved, seconded by Member Leach to approve the CIF projects 9.2-9.8 as presented. The motion passed 9-0. Member Nichols was not present for the vote.

10. Regular Agenda.

10.1 Elephant Butte Water System/New Mexico Water Service Company (“EBW”) (Sierra County). DWE-6973. \$10,110,791. EBW applied to the DWSRLF to design and construct granular activated carbon treatment facilities after testing showed PFAS contamination in its two active wells. The system serves approximately 2,800 residents and relies entirely on these groundwater sources, which currently exceed newly finalized federal PFAS limits. The proposed project will remove PFAS compounds and ensure regulatory compliance, and it is ranked first on the FY 2025 Emerging Contaminants Fundable List.

Member Suazo moved, seconded by Member Costantinidis for approval of item 10.1. The motion passed 10-0.

10.2 New Mexico Highlands University (San Miguel County). PPRF-6952. \$18,153,981. The University is requesting approval to refund and restructure its 2009B and 2012 PPRF loans into a single tax-exempt loan to achieve interest-rate savings. The University has consistently made timely payments and the proposed transaction meets NMFA’s refunding policy, generating an estimated 3.92% net present value savings. The request is compliant with NMFA requirements except for a needed policy waiver: the original loans pledged gross system revenues, and current NMFA policy requires net system revenue pledges for revenue-backed loans. Staff recommended the waiver because universities may not be well-suited to net-revenue pledges and will bring broader policy revisions for Board consideration at a future meeting. The refunding will maintain the existing maturities, convert the taxable 2009B BABs portion to tax-exempt debt, and cover issuance and credit-support costs. The University is pursuing bond insurance in lieu of funding a debt service reserve fund, though a reserve fund structure is included should insurance not be obtained.

Member Suazo moved, seconded by Member Shelton for approval of item 10.2. The motion passed 10-0.

10.3 Sandoval County. PPRF-6964. \$5,000,000. Sandoval County is requesting approval for the final \$5,000,000 tranche of voter-authorized GOB, which NMFA will purchase through the PPRF. These funds will continue improvements to the County's new dispatch center, including enhancements to cell towers, and potential land acquisition for a new tower. The first tranche closed March 2025, and the facility is now fully operational, serving rural areas and tribal communities. This issuance completes the \$11,200,000 in public safety and telecommunications improvements approved by voters in 2024.

Member Suazo moved, seconded by Member Costantinidis for approval of item 10.3. The motion passed 9-0. Member Romero was not present for the vote.

10.4 Sandoval County. PPRF-6963. \$7,500,000. The County is moving forward with a voter-approved issuance of \$7,500,000 in GOB, which NMFA will purchase through the PPRF, to support development of a new Animal Resource Center. The project—funded through a combination of bond proceeds, state capital outlay, county funds, and ARPA dollars—will be built on a 22-acre site near Hwy 550 and I-25. Initial work will extend utilities to the site before construction begins, with the facility expected to open in late 2026 or early 2027. This issuance represents the full amount authorized by voters in 2024.

Member Suazo moved, seconded by Member Shelton for approval of item 10.4. The motion passed 10-0.

10.5 Middle Rio Grande Conservancy District (Bernalillo County). PPRF-6968. \$4,407,773. Equipment Loan. The District has applied to the PPRF to purchase equipment that is well beyond its useful life. Including a bulldozer for earthmoving and site preparation activities; Backhoe machinery for excavation, trenching, and material handling purposes; Mowermax or equivalent right-of-way and vegetation management equipment; Commercial Vehicles, including but not limited to dump trucks, crew cab trucks, trash and recycling trucks. The District has pledged their Net System Revenue as the pledge revenue for this loan.

Member Suazo moved, seconded by Member Costantinidis for approval of item 10.5. The motion passed 10-0.

10.6 City of Truth or Consequences (Sierra County). PPRF-6967. \$790,000. GOB. The City has applied to the PPRF to finance a water infrastructure project and transportation improvements. The Series 2026 GOB will be the third of four bond issuances. In November 2022, the City received voter approval of \$3,000,000 in two separate GOB elections for the purpose of laying off, opening, constructing, repairing, and otherwise improving municipal alleys, streets, public roads and bridges, extending the City's water and wastewater system. This approval is valid for a period of four years. The City will issue GOB in the amount of \$790,000 which NMFA will purchase with the PPRF.

Member Suazo moved, seconded by Member Burke for approval of item 10.6. The motion passed 10-0.

- 11. Economic Development Committee.** *Committee members: Secretary Rob Black, Chair (Mr. Isaac Romero), Secretary Dylan Fuge (Mr. Ben Shelton), Ms. Teresa Costantinidis, Secretary Wayne Propst (Ms. Ashley Leach), and Mr. Ronald Lovato.*

11.1 Update on Activities. A quorum of the Economic Development Committee met on December 2, 2025, via Zoom. Member Sam Collins chaired, with members Ashley Leach and Teresa Costantinidis in attendance.

Staff recommended an investment commitment to Apis & Heritage Legacy Fund II which was recommended for approval. Staff also presented three Opportunity Enterprise Housing Development applications all of which were recommended for approval. One SSBCI 2.0 financing request from Forest Stewards for a commercial property purchase was reviewed and likewise recommended for approval. Staff provided an informational update on the Monthly Program Monitoring Report. The committee reviewed proposed revisions to the Committee Charter. The committee recommended approval of these revisions.

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11.2 Recommended Investment Commitment to Apis & Heritage Legacy Fund II (“A&H Fund”)

Staff recommended for investment based on its mission to expand employee ownership and support wealth-building for low- and moderate-income workers. Founded by a team with deep experience in employee-ownership models, business growth, and investment strategy, A&H Fund has developed a financing approach that removes key barriers to traditional ESOP transactions by replacing large seller notes with mezzanine debt. Fund II aims to raise \$250 million and has already secured significant commitments.

Its strategy focuses on acquiring stable, lower-middle-market companies in essential services and manufacturing, transitioning them to 100% employee ownership, and strengthening their long-term performance. The fund is expected to positively impact New Mexico by supporting succession planning for aging business owners, retaining quality jobs, and keeping profits within local communities. A&H estimates that roughly 1,400 New Mexico companies meet its investment criteria and plans to engage local partners and host annual ESOP convenings to build awareness and deal flow. Staff and representatives from A&H answered questions from the Board.

Staff recommends approval of an investment commitment of up to \$5 million to Apis & Heritage Legacy Fund II from the Venture Capital Program Fund, subject to satisfactory negotiation of legal terms and closing.

Member Suazo moved, seconded by Member Costantinidis for approval of item 11.2. The motion passed 10-0.

11.3 Forest Stewards. SSBC2-6986. \$503,720. Subordinate Interest in Commercial Property Purchase. Staff presented a request from WaFd Bank, submitted on behalf of the Forest Stewards Guild, for up to 49% participation through the SSBCI Loan Participation Program to support the Guild’s purchase of a multi-tenant office building. The Guild currently occupies a majority of the space and plans to offset ownership costs by leasing the remaining suite, which has recently been remodeled and commands strong rental rates. WaFd Bank has approved the primary loan, with NMFA participating on a subordinate basis and sharing repayment proportionally. The structure provides the Guild long-term stability while

maintaining appropriate risk protections for both lenders. Staff and Representatives provided a company background, financing structure, community impact, strength and weaknesses, and closing conditions.

Staff recommends approval of NMFA's purchase of a 49% subordinate interest in WaFd Bank loan for The Forest Stewart Guild. The SSBCI Loan Participation Program will fund \$503,720 of the acquisition of a new owner occupied multiple-tenant industrial/flex space property.

Member Shelton moved, seconded by Member Costantinidis for approval of item 11.3. The motion passed 10-0.

11.4 Plaza Luna Lofts, LP OERF-HD-6989. \$1,500,000. Multi Family LIHTC Project. Spire Development, Inc., on behalf of Plaza Luna Lofts, is requesting \$1,500,000 from the OEHD for infrastructure costs, a new construction, multi-family, rental, low-income housing tax credit project located in Los Lunas, NM. Plaza Luna Lofts will reserve its units for seniors ages 55+. The development will be 57 new apartment homes in a three-story elevator-served building, featuring a mix of 46 one-bedroom and 11 two bedroom units. The project will serve households earning between 30% and 80% of Area Median Income. Staff and Representatives provided a company background, financing structure, community impact, strength and weaknesses, and closing conditions

Staff recommends approval of Plaza Luna Loft's application for an Opportunity Enterprise Revolving Fund Housing Development loan.

Member Suazo moved, seconded by Member Costantinidis for approval of item 11.4. The motion passed 10-0.

11.5 West Central, LLC. OEHD-6975. \$15,000,000. 70-Unit Multi Family Workforce Housing. West Central has requested \$15 million to construct "La Curva", a 70-unit multifamily apartment located in Albuquerque NM. La Curva is a proposed workforce development that will target households earning 80-120% of Albuquerque's AMI. The property will consist of 49 one-bedroom and 21 two-bedroom apartments. La Curva is located east of the Rio Grande River along Central Avenue. Due to its convenient location, La Curva will provide its residents with broad access to employment opportunities, retail and services, and public transportation. The loan will be secured by the land and building constructed at 2401, 2403 and 2411 Central Avenue NW, Albuquerque NM 87104 and will hold a first lien position on the property. In order to meet the policy's 80% loan-to-value (LTV) threshold, the completed project must appraise for at least \$18,750,000. Staff and Representatives provided a company background, financing structure, community impact, strength and weaknesses, and closing conditions.

Staff recommends approval for West Central LLC application for an Opportunity Enterprise Revolving Fund Housing Development pending staff's acceptance of an appraisal in consideration of "below market" rents per policy guidelines as well as DSCR and LTV.

Member Suazo moved, seconded by Member Leach for approval of item 11.5. The motion passed 9-0. Member Shelton was not present for the vote.

11.6 Soluna West, LLC (Bernalillo County). OEHD-6991. \$10,115,300. 52-Unit Sunset Gardens Apartments-Phase I in Southwest Albuquerque. Staff presented a construction project set for three phases under the entity Soluna West, LLC. A 52-unit (Phase I) deed-restricted residential workforce housing development in Albuquerque, NM. A unit mix consists of 15 one-bedroom and 37 two-bedroom

units and on-site amenities include a clubhouse, game room, fitness and business center, and swimming pool and spa. The financing structure of the OERFHD loan consists of a 12-month construction period followed by a three- to six-month lease-up period. The loan will be secured by a first-lien on the property located at 8201 Sunset Gardens SW, Albuquerque, NM, 87105. Phase I of the subject property has an “Upon Stabilization” appraised value of \$12,850,000. The LTV for this request has been calculated as 78.7%.

The Sunset Gardens Apartments will consist of 185 market-rate and affordable Class-A units. The two three-story, low-rise garden residential buildings will be constructed on a vacant undeveloped land parcel located on the southwest side of Albuquerque. Two Rivers, LLC, the owner of record, which James Gifford is the sole managing member of, will convey the subject property to Soluna West, LLC upon successful closing. Sunset Gardens Apartments’ shared on-site amenities. Staff and Representatives provided a phases 2 and 3, company background, financing structure, community impact, strength and weaknesses, and closing conditions. Staff recommends approval of the Soluna West application for an Opportunity Enterprise Revolving Fund Housing Development loan.

Member Costantinidis moved, seconded by Member Romero for approval of item 11.6. The motion passed 10-0.

- 12. Finance and Disclosure Committee.** (*Committee members: Mr. Martin Suazo, Chair, Mr. A.J. Forte (Ms. Alison Nichols), Secretary Wayne Propst (Ms. Ashley Leach), Secretary James Kenney (Ms. Kelsey Rader), and Ms. Joy Esparsen (Mr. Richard Garcia).*)

12.1 Update on Activities. A quorum of the Finance & Disclosure Committee met December 3, 2025, via Zoom. Member Alison Nichols chaired the meeting, with members Joy Esparsen and Kelsey Radar in attendance.

Staff presented the October Investment Report and the Bond Issuance Forecast Report as informational items. The FY 2026 first-quarter Budget Performance Report which the committee recommended approval. Staff also reported on the RFP for Audit and Tax Services, the committee recommended awarding the contract to Novogradac & Company LLP. Finally, the committee reviewed proposed updates to the Charter as part of the biennial review process and recommended approval of the revisions.

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12.2 Q1 2026 Budget Performance Report. Staff presented the FY 2026 first-quarter budget performance report, noting that total revenues are projected to exceed the approved budget by \$14.7 million due primarily to earlier-than-expected SSBCI 1.0 funding. Total expenditures are expected to remain within budget at year-end, though category-level variances are anticipated. Operating expenditures reflect a \$0.7 million increase in personnel costs due to a budgeting error, along with minor shifts in contractual and other operating costs. Non-operating expenditures are projected to decrease by \$0.5 million, largely because certain agency transfers were made directly rather than through NMFA accounts, while loan pass-through activity and grant expenses increased. Capital expenditures are expected to rise by \$1.4 million due to accelerated IBA project costs and expanded project scope. Staff also discussed challenges with the current cost-allocation methodology given the growth and complexity of NMFA programs and outlined plans to present a revised methodology in January 2026 for incorporation into the IBA and FY 2027 budget. Staff recommends that the Board of Directors accept the fiscal year 2026 First Quarter budget performance report.

Member Suazo moved, seconded by Member Romero, for approval of Item 12.2. The motion passed 10-0.

12.3 Recommended Award for Novogradac Auditing and Tax Preparation Services. Staff reported on the RFP process for Audit, Tax, and Accounting Services for the NMTC Program. One proposal was received, and the Evaluation Committee confirmed it met all minimum requirements. Staff recommended awarding the professional services contract to Novogradac & Company LLP at an estimated fee of \$162,600.

Member Costantinidis moved, seconded by Member Suazo, for approval of item 12.3. The motion passed 9-0. Member Romero was not present to vote.

- 13. Audit Committee Report.** *Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Melanie Kenderdine (Mr. Ben Shelton), and Secretary Rob Black (Mr. Sam Collins), and Ms. Teresa Costantinidis.*

13.1 Update on Activities. A quorum of the Audit Committee met December 3, 2025, via Zoom. Member Burke chaired the meeting, with members Sam Collins and Ben Shelton in attendance.

The committee received an update on financial statements, FY 2025 audit and performance indicators. The statements were accepted by the Committee. The committee reviewed and recommended approval of an Internal Audit Advisory Services engagement. Staff reported on the RFP for Audit, Tax, and Accounting Services for the NMTC Program, which received one qualifying proposal, and the committee recommended awarding the contract to Novogradac & Company LLP. Finally, the committee reviewed proposed updates to the Charter as part of the biennial review process and recommended approval of the revisions.

Informational Only.

13.2 Presentation of the Financial Statements and Performance Indicators for September 2025. Staff presented Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Performance Reports, and Notes as of September 30, 2025. Staff recommends acceptance of the September 2025 Financial Statements.

Member Suazo moved, seconded by Member Burke, for approval of item 13.2. The motion passed 10-0.

- 14. Executive Session. Closed meeting to Discuss Limited Personnel Matters Regarding the CEO as Allowed by NMSA 1978, Section 10-15-1(H)(2).**

Chair Keith entertained a motion for the NMFA Board of Directors to go into Executive Session to Discuss Limited Personnel Matters Regarding the CEO as Allowed by NMSA 1978, Section 10-15-1(H)(2).

Member Costantinidis moved, seconded by Member Suazo, that the Board convene in a closed meeting. The motion passed on a roll call vote 10 - 0.

Chair Keith stated “We are now in open meeting. Let the record reflect that no action was taken during the closed meeting and the only things discussed were Limited Personnel Matters Regarding the CEO as Allowed by NMSA 1978, Section 10-15-1(H)(2).”

15. Contract Approval.

15.1 Consideration for Approval of Amendment to CEO Contract. Board members discussed in closed session to approve a four year extension of the CEO’s contract.

Member Suazo moved, seconded by Member Romero, for approval of item 15.1. The motion passed 10-0 on a roll call vote.

16. Next Board Meeting. Thursday, January 22, 2025 9:00 a.m. – 12:00 p.m

17. Adjournment. The meeting adjourned at 12:10 p.m.

AJ forte

Secretary

01 / 22 / 2026

Date