

**OPPORTUNITY ENTERPRISE AND HOUSING DEVELOPMENT
REVIEW BOARD
OPPORTUNITY ENTERPRISE EVALUATION
AND PRIORITIZATION POLICY**

This Policy was adopted on the ~~xx~~ day of July, 2026 by the Board of Directors of the Opportunity Enterprise and Housing Development Review Board, a public body politic and corporate, created by the Opportunity Enterprise and Housing Development Act, Sections 6-34-1, et seq., NMSA 1978.

~~Revised on January 16, 2025~~

PURPOSE AND IMPLEMENTATION

The purpose of the Opportunity Enterprise Evaluation and Prioritization Policy (“Policy”) is to provide a systematic, transparent approach to ranking projects that meet the overarching goals of creating and expanding economic development opportunities statewide for consideration of enterprise assistance.

The Policy shall be implemented by the Opportunity Enterprise and Housing Development Review Board (~~“Board” or “OE Board”~~) and may, at times, be waived by the Board if the Board determines that a deviation from its adopted policy is necessary. Such waiver will be reflected on the agenda of the public meeting at which the waiver is considered.

SECTION 1.0 DEFINITIONS

1. **“Act”** means the Opportunity Enterprise Act, Sections 6-34-1 through 6-34-15, NMSA 1978, as the same may be amended and supplemented.
- ~~2. **“Board”** means the Opportunity Enterprise Review Board created by the Act.~~
2. **“Commercial Development Project Review Committee”** means a standing committee appointed by the chairman of the OE Board from members of the OE Board pursuant to the bylaws to review proposed Enterprise Assistance applications to be recommended for funding from the Fund.
3. **“Economic Development Opportunities”** means the advancement of an environmentally sustainable economic development goal of the state as determined by the ~~authority~~NMFA, in coordination with the NMEDD, and includes the creation of jobs, the provision of needed services and commodities to diverse communities across the state and the increase of tax and other revenue collections resulting from the project.
4. **“Enterprise Assistance”** means opportunity enterprise financing, an opportunity enterprise lease or an opportunity enterprise loan.

5. **“Enterprise Development Project”** means a commercial real estate development project primarily occupied by businesses unrelated to the opportunity enterprise partner that involves the purchase, planning, designing, building, surveying, improving, operating, furnishing, equipping or maintaining ~~of~~ land, buildings or infrastructure to create or expand economic development opportunities within the state.
6. **“Fund”** means the Opportunity Enterprise Revolving Fund.
7. **“NMEDD”** means the New Mexico Economic Development Department.
8. **“NMFA”** means the New Mexico Finance Authority.
- ~~8.9.~~ **“OE Board”** means the [Opportunity Enterprise and Housing Development Review Board created by the Act.](#)
- ~~9.10.~~ **“Opportunity Enterprise Partner”** or **“Partner”** means a domestic corporation, a general partnership, a limited liability company, a limited partnership, a public benefit corporation, a nonprofit entity or other private business entity or combination thereof that the [authority-NMFA](#) determines is or will be engaged in an enterprise that creates or expands economic development opportunities within the state and is eligible for enterprise assistance pursuant to the Act.
- ~~10.11.~~ **“Policy”** means this Opportunity Enterprise Evaluation and Prioritization Policy.
- ~~11.12.~~ **“Project Application”** means a written document made publicly available by the [authority-NMFA](#) and filed with the [authority-NMFA](#) for enterprise assistance for the purpose of evaluating, in consultation with the NMEDD, the applicant’s qualifications and proposed project or projects for types of enterprise assistance which may be provided by the [authority-NMFA](#) under the Act.
- ~~12.13.~~ **“Rural”** means any area in New Mexico that does not meet the definition of Urban.
- ~~13.14.~~ **“Urban”** means a continuously built-up area located in New Mexico with a population of 60,000 or more, as determined by the most recently available population data. An Urban area may include one or more municipalities, census-designated places, or other contiguous developed areas.
- ~~14.15.~~ **“Unrelated - Opportunity Enterprise Partner”** or **“Partner”** means that the business ownership relationship between the developer and the tenant is limited. The developer or a third-party will not have control/ownership of the tenant. A Partner (Developer) should not have more than 30% affiliation with the tenant.
- ~~15.16.~~ **“Unrelated – Percentage of Occupancy”** **Percentage of occupancy** means that the project developer/partner should not have more than 30% ownership of intended tenant or 30% occupancy of the proposed project.

SECTION 2.0 ECONOMIC DEVELOPMENT GOALS AND FUND DIVERSIFICATION

Section 2.1 Economic Development Goals

~~In 2025, the vision laid out in the State~~ State prioritized key industries that effectively leverage the State's unique assets, including national laboratories, military installations and abundant natural resources, to build a sustainable and resilient financial future for New Mexico. ~~20-year comprehensive statewide strategic plan is that "New Mexico will have a diverse and robust economy that engages local talent, cultivates innovation, and delivers prosperity for all New Mexicans."~~

~~The Act created the Opportunity Enterprise Revolving Fund to finance Enterprise Development Projects and directs that projects demonstrating local support and financial need shall be prioritized for enterprise assistance. The sponsors of the Act identified examples of projects consistent with these economic development objectives, including site-ready industrial spaces, manufacturing hubs, commercial kitchens, maker spaces, speculative development, mixed-use development, adaptive reuse, redevelopment of vacant facilities, infill development, and reconstruction of blighted properties.~~

Consistent with the State's strategic focus on high growth sectors, economic development goals, priority in awarding financial assistance will be given to Enterprise Development Projects that:

- ◆ Support a diversified, resilient, and inclusive economy;
- ◆ Create or retain high-quality, family-supporting jobs across New Mexico;
- ◆ Attract private-sector investment and stimulate economic growth;
- ◆ Advance innovation, entrepreneurship, workforce development, and business expansion;
- ◆ Support the growth of targeted industries, including aerospace and defense, sustainable and green energy, advanced manufacturing, biosciences, cybersecurity and information technology, and other strategic industries identified by the State; and
- ◆ Demonstrate measurable community benefit and contribute to long-term economic prosperity.

Section 2.2 Fund Diversification

The OE Board promotes investment in projects and communities with the aim of attracting private capital, creating and expanding economic opportunity, and revitalizing areas experiencing economic decline. To ensure enterprise assistance is distributed to diverse communities throughout the state, the following geographic and project diversity concentration limitations are established:

1. **Project:** Enterprise assistance will be limited to no more than \$17,500,000 per Enterprise Development Project.
2. **Location:** At least 30% of the Fund must be dedicated to projects in Rural communities.

3. **Applicant:** Opportunity Enterprise Partners, including any person with an ownership interest in an Opportunity Enterprise Partner, may only participate in one Project application per application round and may not receive more than one assistance in a calendar year.

SECTION 3.0 PROJECT APPLICATION AND REVIEW CRITERIA

Section 3.1 Opportunity Enterprise Assistance Project Applications

The OE Board seeks Project Applications from Enterprise Development Projects expected to advance Economic Development Opportunities and ~~with the ability to~~ proceed expeditiously. Project Application forms for enterprise assistance will be made available through an application system operated by the NMFA. ~~Applicants must first demonstrate financial need by passing the “But For Test”.~~ Applicants ~~passing able to demonstrate the need for financial assistance the “But For Test”~~ are given access to the complete Project Application, which requests additional project information and documentation necessary for the OE Board to rank and prioritize Project Applications according to the criteria detailed in 3.3. In order to be considered for enterprise assistance, applicants shall submit a complete Project Application in the manner requested by NMFA.

Section 3.2 Demonstration of Need (“But For Test”)

~~The But For Test is intended to determine whether Enterprise Assistance is necessary for an Enterprise Development Project to proceed.~~ Consistent with the Act and NMAC, prior to providing financing NMFA must determine ~~applicants must demonstrate~~ that other means of financing the proposed Enterprise Development Project are unavailable or insufficient to complete the project as proposed.

~~Applicants shall provide a detailed narrative describing:~~

- ~~• The total sources and uses of funds for the Enterprise Development Project;~~
- ~~• Efforts undertaken to secure financing from private, public, philanthropic, or other sources;~~
- ~~• The amount and terms of financing obtained or available;~~
- ~~• Any financing gap remaining after consideration of available funding sources; and~~
- ~~• How Enterprise Assistance will enable the project to proceed, be completed, or achieve its intended economic development outcomes.~~

Applicants should describe in part one of the application any specific barriers encountered in obtaining sufficient financing, including limitations related to loan proceeds, collateral requirements, repayment terms, pricing, timing, risk allocation, or other factors affecting project feasibility.

~~Where available, applicants should submit supporting documentation, which may include financing commitments, term sheets, correspondence from prospective funding sources, lender feedback, funding applications, or evidence of financing denials. Evidence of prior financing denials may strengthen an application but is not required if the applicant otherwise demonstrates that available financing is insufficient to complete the Enterprise Development Project.~~

The [Authority NMFA](#) and [OE](#) Board may consider the extent to which Enterprise Assistance fills a demonstrated financing gap, leverages other sources of capital, and is necessary for the project to proceed in substantially the form proposed.

Section 3.3 Evaluation and Review Criteria

The [OE](#) Board will prioritize and recommend applications [to the NMFA](#) that are able to efficiently leverage the Fund and proceed expeditiously. Wherever possible, the points will be awarded incrementally and will be evaluated and prioritized using the following criteria:

1. **Location of Developer:** Developer of project headquartered in New Mexico will receive more points than a “National” developer who is headquartered outside of the state.
2. **Community Impact and Support:** Community Impact and Support. Priority will be given to projects that demonstrate meaningful economic and community benefits within the project area or service area. Applicants shall provide evidence of community benefit and support, including a description of the project's anticipated impacts on economic opportunity, job creation, business development, workforce development, economic diversification, and alignment with applicable local, regional, or state economic development priorities.
 - a. **Community Needs** The provision of needed services and commodities to diverse communities across the state. Attracts businesses through favorable terms with tiered rates for local small businesses and the increase of tax and other revenue collections resulting from the project. Additionally, local businesses not just as tenants but as integral parts of a vibrant, sustainable community that adds long-term value to their projects
 - b. **Environmental Impacts** of the project, including sustainable design elements such as Water Conservation efforts or obtaining any type of LEED Certification.
 - c. **Square Footage of project** will be evaluated by the size of the building that is put into inventory for a community. This can have implications for the types of business that is attracted to a location.
 - d. **Apprentice and Training** Points may be awarded to Enterprise Development Projects that utilize participants from registered New Mexico apprenticeship programs or other [Authority NMFA](#)-approved workforce training programs. For purposes of this section, "participant" includes individuals employed or engaged by the borrower, developer, general contractor, construction manager, subcontractors, or other entities performing work on the Enterprise Development Project.

Borrowers receiving points under this section shall provide reporting, in a form prescribed by the Authority, sufficient to verify participant utilization on the project.

- e. **Redevelopment** contributes to the revitalization of a community. Those projects that remediate brownfields, renovation of unused properties and repurposing areas that are not contributing to a location’s economy.
3. **Project Location and Building Type** – Projects located in Rural communities receive greater points. Total investment in rural community will have a greater economic impact than those projects located in more heavily populated community.
- a. **Building/Business Type** is evaluating the type of business that will have the most impact on location. Manufacturing, Office/Commercial and retail all play important role in the economy and have different levels of impacts based on types of jobs that are created.
4. **Applicant Need and Readiness.** Availability of private capital to support the project and likelihood of success will be measured.
- a. **Qualified Development Team** – the application must demonstrate that the proposed Enterprise Development Partner is experienced in successfully completing similar projects on time and with the resources budgeted.
 - b. **Leveraging of Private Capital and Cap on OE Funding** – Applications seeking to leverage secured private investment will be prioritized. Applicants will be required to submit evidence of secured private capital to be leveraged by the enterprise assistance. Applications relying on public funding for more than 49% of total project costs will not receive any points.
 - c. **Readiness to Proceed** Priority will be given to projects that are able to begin the project expeditiously:
 - i. **High Readiness** – Projects will be determined to be of High Readiness if they have adequate site control and zoned correctly for the proposed project, long-term leases or a contract to purchase the land and has identified final project costs through a feasibility study or through an experienced third-party cost estimator. Projects of High Readiness can enter into contracts, have permitting nearly completed, Plans and Specs for the project, Environmental Assessment nearly complete and have enterprise assistance within three (3) months of receiving OE board approval, including having secured additional funds necessary to complete the project.
 - ii. **Moderate Readiness** – Projects will be determined to be of Moderate Readiness if they have existing or near-term (within six (6) months) site control, has applied for the re-zoning for the project, identified a final scope of work and estimated final project costs. Projects of Medium Readiness can

enter into contracts for enterprise assistance within six (6) months of receiving OE ~~board~~ Board approval.

- iii. **Low Readiness** – Projects will be determined to be of Low Readiness if they do not have site control and are not zoned correctly for the proposed project, have not identified a final scope of work and do not have estimated final project costs, and do not have a feasibility study or market plan for the proposed project.

5. **Project Designation:** Priority will be given to projects that support targeted industries identified by the State of New Mexico and projects that contribute to economic diversification in communities historically dependent on a single industry or sector.

Points may be awarded to projects that directly support one or more of the State's targeted industries, including:

- ◆ Aerospace and Defense
- ◆ Biosciences
- ◆ Cybersecurity and Information Technology
- ◆ Advanced Manufacturing
- ◆ Sustainable and Green Energy

Section 3.4 Recommendation to the NMFA for Enterprise Assistance

A review team comprised of staff from NMFA and NMEDD will evaluate each Project Application using the criteria contained in this Policy. Evaluated applications will be prioritized and presented to and vetted by the ~~OE Commercial Development Project Review~~ Committee. The OE Board may accept all or a portion of the recommendation made by the OE Commercial Development Committee. Projects Applications meeting a minimum score of 60 and a High or Moderate Readiness determination ~~ed able to expeditiously proceed with the project~~ will be placed on a priority list that ~~is the Commercial Development Committee~~ recommend~~ed~~ to the Board. Projects recommended by the OE Board to NMFA must be able to ~~that cannot~~ demonstrate to the OE Board's satisfaction 1) the ability to proceed within six months of NMFA ~~board~~ Board approval and, 2) proper site control, including zoning which is permissive or allowable, ~~may not appear on the priority list.~~

~~A separate Financing Application will be used to augment information provided in the Project Application and will be submitted immediately after submitting the Project~~ In the priority order recommended by the OE Board, NMFA will underwrite Application. ~~NMFA will review prioritized~~ applications using its own rules and underwriting policies to determine whether enterprise assistance should be provided, and the terms and conditions of any enterprise assistance offered.

NMFA will report back to the OE-Board on the status of recommended projects. OE Board recommendations are in no way a guarantee that a Project will receive enterprise assistance from the Opportunity Enterprise Revolving Fund.

Location of Developer	Up to 5
In-state = 5 points Out-of-state = 0 points	Up to 5
Community Impact and Need	Up to <u>450</u>
<p>Community Support</p> <p>Projects will be evaluated based on their demonstrated economic and community benefits, including impacts on economic opportunity, job creation, business development, workforce development, economic diversification, and alignment with applicable local, regional, or state economic development priorities. Applications must demonstrate meaningful community benefit and support. Points will be awarded based on the depth of community engagement and support documented in the application, including public meeting records, stakeholder outreach, letters of support, and public body resolutions.</p> <p>Projects submitting evidence of having engaged the community directly impacted by the project (e.g., local businesses, community organizations, and residents) – 10 points</p> <p>Projects submitting letters of support demonstrating alignment with local plans, economic development strategies, or development district priorities (e.g., local governments, tribal governments, economic development organizations, or elected officials) – 5 points</p> <p>REQUIRED: All projects must submit a Feasibility Study or Market Analysis as part of the Financial Application.</p>	Up to <u>1510</u>

<p>Community Need</p> <p>Projects will be evaluated based on their ability to provide needed services, commodities, employment opportunities, and economic activity to communities across New Mexico. Consideration will be given to projects that support community revitalization, including projects located within designated Metropolitan Redevelopment Areas (MRAs), attract businesses through favorable lease terms, support local business growth, and increase tax and other public revenues.</p> <p>Developers may demonstrate support for community development by fostering long-term viability, offering lease rates at or below market rates for comparable properties, providing discounts or tiered pricing structures for local businesses, or investing in community revitalization efforts, including projects located within designated MRAs.</p> <p>15 Points—Demonstrates substantial community benefit through multiple measures, including affordable lease terms, support for local businesses, and/or significant community revitalization impacts.</p> <p>10 Points—Demonstrates moderate community benefit through affordable lease terms, support for local businesses, and/or community revitalization efforts.</p> <p>5 Points—Demonstrates limited but meaningful support for community development and long-term viability.</p>	<p>Up to 15</p>
<p>Environmental Impact</p> <p>Demonstration of sustainable results will be included in the overall impact evaluation of a project and will take into consideration energy efficiency, water conservation, waste reduction and projects that participate in LEED Certification:</p> <p>*Water Conservation, Water Reclamation, Waste Reduction or Environmental projects such as “brownfields” _____5 <i>points</i></p> <p>*Silver LEED Certification or higher _____ 3 <i>points</i></p> <p>*Basic LEED Certification or minimal environmental impacts _____ 2 <i>points</i></p>	<p>Up to 5</p>
<p>Total Square Footage of Project</p> <p>up to 10,000 sq ft _____ 5 <i>points</i></p> <p>10,001 to 50,000 sq ft _____ 7 <i>points</i></p> <p>50,001 sq ft or more _____ 10 <i>points</i></p>	<p>Up to 10</p>

<p>Apprenticeship and Workforce Training Points may be awarded to projects that utilize participants from registered New Mexico apprenticeship programs or other Authority NMFA-approved workforce training programs. Participants may be employed by the borrower, contractor, subcontractor, or other entities performing work on the project. Borrowers receiving points must provide documentation sufficient to verify participation.</p>	Up to 5
<p>Redevelopment Includes projects that contribute to revitalization of a community and includes adaptive reuse, redevelopment of vacant facilities, infill developments and projects that address blight regardless of their location.</p>	Up to <u>5</u>

Location and Building Type	Up to 20
<p>Project Location based upon population from most recent federal decennial census.</p> <p>*Project Location</p> <p>Rural areas <i>15 points</i></p> <p>Urban areas <i>0 points</i></p>	Up to 15
<p>Building/Business Type</p> <p>Retail development <i>2 points</i></p> <p>Office/Commercial development <i>3 points</i></p> <p>Light Manufacturing development <i>4 points</i></p> <p>Heavy Manufacturing/Industrial development <i>5 points</i></p>	Up to 5

Applicant Need and Readiness	Up to 25
<p>Qualified Development Team The proposed Enterprise Partner must demonstrate that the proposed development team (e.g., the project owner, developer, general contractor, architect, and management and/or sales team) is experienced in successfully completing similar projects on time and with the resources budgeted.</p>	Up to 5
<p>Leveraging of Private Capital Enterprise assistance leveraging private investment and not overly dependent on public funding are awarded maximum points:</p> <p>*Total OE funding is up to 10% of the total project costs 10 points</p> <p>*Total OE funding is more than 10%-25% of total project costs 5 points</p> <p>*Total OE funding greater than 25%-49% of the total project costs 0 points</p>	Up to 10
<p>Project Readiness Priority will be given to Projects that have site control, are properly zoned, have a schematic set of construction plans, and are otherwise able to begin the project within six-months.</p> <p>*High Readiness Determination 10 points 3-months after NMFA bBoard approval</p> <p>*Moderate Readiness Determination 5 points 6-months after NMFA bBoard approval</p> <p>*Low Readiness Determination 0 points Beyond 6 months from board-NMFA Board approval</p>	Up to <u>10</u>
Project Designation	Up to 10

<p>Target Industry – Projects that operate within one or more of NMEDD’s target industries:</p> <ul style="list-style-type: none"> - Aerospace and Defense - Biosciences - Cybersecurity and Information Technology - Advanced Manufacturing - Sustainable and Green Energy 	<p>Up to 5</p>
<p>Economic Diversification – Projects that contribute to economic diversification in communities historically dependent on a single industry or economic sector.</p>	<p>Up to 5</p>