NEW MEXICO FINANCEAUTHORITY

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

This revised Opportunity Enterprise Evaluation and Prioritization Policy was adopted on July 16, 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.

I. 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 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.

II. DEFINITIONS

A. "**Act**" means the Opportunity Enterprise and Housing Development Act, Sections 6-34-1 through 6-34-15, NMSA 1978, as the same may be amended and supplemented.

B. **"Commercial Development Project Review Committee"** means a standing committee appointed by the chair 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.

C. "**Economic Development Opportunities**" means the advancement of an environmentally sustainable economic development goal of the state as determined by the 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.

D. "**Enterprise Assistance**" means opportunity enterprise financing, an opportunity enterprise lease or an opportunity enterprise loan.

E. **"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 land, buildings or infrastructure to create or expand economic development opportunities within the state.

F. "**Fund**" means the Opportunity Enterprise Revolving Fund.

G. "**NMEDD**" means the New Mexico Economic Development Department.

H. "**NMFA**" means the New Mexico Finance Authority.

I. "**OE Board**" means the Opportunity Enterprise and Housing Development Review Board created by the Act.

J. "**Opportunity Enterprise Partner**" or "**Partner**" **or "Applicant"** 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 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.

K. "**Policy**" means this Opportunity Enterprise Evaluation and Prioritization Policy.

L. "**Project Application**" means a written document made publicly available by the NMFA and filed with the 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 NMFA under the Act.

M. "**Rural**" means any area in New Mexico that does not meet the definition of Urban.

N. **"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.

O. **"Unrelated - Opportunity Enterprise Partner" or "Partner" or "Applicant"** 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 thirty percent (30%) affiliation with the tenant.

P. **"Unrelated – Percentage of Occupancy"** means that the project developer/partner should not have more than thirty percent (30%) ownership of intended tenant or thirty percent (30%) occupancy of the proposed project**.**

III. ECONOMIC DEVELOPMENT GOALS AND FUND DIVERSIFICATION

A. Economic Development Goals

In 2025, the State of New Mexico ("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. Additionally, infill development projects also is a strategy in many communities that are being used to attract new opportunities throughout the state.

Consistent with the State's strategic focus on high growth sectors, 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 space, biosciences, clean energy and water, advanced computing, which includes artificial intelligence, quantum computing and cybersecurity, and other sectors that are strategic and important for statewide economic development, and defense; and
- Demonstrate measurable community benefit and contribute to long-term economic prosperity.

B. 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 thirty (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.

IV. PROJECT APPLICATION AND REVIEW CRITERIA

A. Opportunity Enterprise Assistance Project Applications

The OE Board seeks Project Applications from Enterprise Development Projects to advance Economic Development Opportunities and proceed expeditiously. Project Application forms for enterprise assistance will be made available through an application system operated by the NMFA. Applicants able to demonstrate the need for financial assistance 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.

B. Demonstration of Need ("But For Test")

Consistent with the Act and NMAC, prior to providing financing NMFA must determine that other means of financing the proposed Enterprise Development Project are unavailable or insufficient to complete the project as proposed. Applicants should describe in part one of the application 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. The 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.

C. 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 an out-of-state developer who is headquartered outside of the state.

2. **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 jobs, 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 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 NMFA, sufficient to verify participant utilization on the project.

e. **Redevelopment** contributes to the revitalization of a community. Those projects that remediate brownfields, infill development, renovation of unused properties and repurpose areas that are not contributing to a location's economy.

3. **Site Readiness and Building Type.** The Board will evaluate those projects which have been designated as a strategic economic development site and the impact of business types which will have the most impact on the communities, in the following criteria:

a. Participating in the NMEDD's Strategic Site Readiness Program which helps communities get sites ready for future development.

b. 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 forty-nine percent (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 are zoned correctly for the proposed project, long-term leases, or a contract to purchase the land, and have 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, have 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 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, 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 Space
- Biosciences
- Clean Energy and water
- Advanced Computing and Artificial Intelligence
- Cybersecurity and Information Technology
- Advanced Manufacturing
- Defense

6. **Additional Considerations.** *Project Location: Projects located in rural communities will receive an additional ten (10) points.

D. 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 Board's Commercial Development Committee.

The OE Board may accept all, or a portion of the recommendations made by the OE Commercial Development Committee. Applications meeting a minimum score of sixty (60) and a High or Moderate Readiness determination will be placed on a priority list that the Commercial Development Committee recommends to the OE Board. Projects recommended by the OE Board to NMFA must be able to demonstrate to the OE Board's satisfaction 1) the ability to proceed within six (6) months of NMFA Board approval; and 2) proper site control, including zoning which is permissive or allowable.

In the priority order recommended by the OE Board, NMFA will underwrite 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 Fund.

Location of Developer	**Up to 5**
In-state = 5 points Out-of-state = 0 points	5 Points
Community Impact and Need	**Up to 45**
Community Support 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. Projects submitting evidence of having engaged the community directly impacted by the project (e.g., local businesses, community organizations, and residents) – **10 points** 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** **REQUIRED*: All projects must submit a Feasibility Study or Market Analysis as part of the Financial Application.***	Up to0

Community Need Projects will be evaluated based on their ability to provide jobs, 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. Developers may demonstrate support for community development by completing a community needs survey, conducting community town halls meetings, meetings with lawmakers, volunteers, community leaders or local organizations and associations and letters of support for the proposed development. Developers could offer 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. **10 Points** – Demonstrates substantial community benefit by a completion of a Community Needs Assessment which defines some of the following: Define Your Community, Identify Your Assets in the community, Collect Community Data, compile a Community Needs Assessment Report and Creates an Action Plan that includes support of a MRA or other community designated area. **5 Points** – Demonstrates support of a development by securing support from the community by having community meetings, surveys or letters of support from community leaders. Ability to demonstrate a development is in a designated MRA as an example **2 Points** – Demonstrates limited but meaningful support for community development and long-term viability.	Up to 10
Environmental Impact 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: *Water Conservation, Water Reclamation, Waste Reduction or Environmental projects such as "brownfields" *5 points* *Silver LEED Certification or higher *3 points* *Basic LEED Certification or minimal environmental impacts *2 points*	Up to 5
Total Square Footage of Project up to 10,000 sq ft *5 points* 10,001 to 50,000 sq ft *7 points* 50,001 sq ft or more *10 points*	Up to 10

Apprenticeship and Workforce Training Points may be awarded to projects that utilize participants from registered New Mexico apprenticeship programs or other 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.	Up to 5
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.	Up to 5

Site Readiness and Building Type	**Up to 20**
Strategic Site Readiness Projects that have participated in the New Mexico's Site Readiness Program which helps communities get sites ready for future development.	10 Points
Building/Business Type Retail development *4 points* Office/Commercial development *6 points* Light Manufacturing development *8 points* Heavy Manufacturing/Industrial development *10 points*	Up to 10

Applicant Need and Readiness	**Up to 20**
Qualified Development Team The proposed Enterprise Partner must demonstrate that the proposed development team (e.g., the project owner, developer, general contractor, architect, management and/or sales team) is experienced in successfully completing similar projects on time and with the resources budgeted.	Up to 5
Leveraging Private Capital Enterprise assistance leveraging private investment and not overly dependent on public funding are awarded maximum points: *Total OE funding is up to 25% of the total project costs 5 *points* *Total OE funding is more than 25% up to 49% of total project costs *3 points* *Total OE funding greater than 49% of the total project costs *0 points*	Up to 5

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 (6) months. *High Readiness Determination — *10 points* *3 months after NMFA Board approval* *Moderate Readiness Determination — *5 points* *6 months after NMFA Board approval* *Low Readiness Determination — *0 points* *Beyond 6 months from NMFA Board approval*	Up to 10

Project Designation	**Up to 10**
Target Industry. Projects that operate within one or more of NMEDD's target industries: - Aerospace and Space - Biosciences - Clean Energy and water - Advanced Computing and Artificial Intelligence - Cybersecurity and Information Technology - Advanced Manufacturing - Defense	Up to 5
Economic Diversification. Projects that contribute to overall the economic diversity through developments that are unique to the local or regional economy.	Up to 5

***Additional Consideration**	
***Project Location.** Projects located in rural communities will receive an additional 10 points.	10 Points