

STATE BOARD OF FINANCE
March 10, 2020 – 1:00 PM
Summary Minutes

Location:

Via videoconference at the following locations:

Old Assembly Chambers	Governor’s Office Conference Room
Capitol Building, Second Floor	555 E Washington Avenue, Suite 5100
101 N. Carson Street	Las Vegas, NV 89101
Carson City, NV 89701	

Governor Sisolak called the meeting to order at 1:00 P.M.

Board members present:

Governor Steve Sisolak – Carson City
Treasurer Zach Conine – Las Vegas
Controller Catherine Byrne – Carson City
Teresa Courier – via telephone
Brian Sagert – Las Vegas

Others present:

Tara Hagan – Chief Deputy Treasurer
Michelle Briggs – Deputy Attorney General
Steve Aichroth – Nevada Housing Division
Michael Holliday – Nevada Housing Division

Agenda Item 2 – Public Comment.

No public comment in Carson City or Las Vegas.

Agenda Item 3 – For discussion and possible action – Approval of the Board of Finance minutes from the meeting held on January 14, 2020.

Controller Byrne moved to approve the minutes. Motion passed unanimously.

Agenda Item 4 – For discussion and possible action: on the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$29,000,000 of Multi-Unit Housing Revenue Bonds (Parkway Plaza Apartments), for the purpose of acquisition and rehabilitation of a 316-unit affordable housing rental project in Carson City, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by the Desola Group. PNC Bank will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division’s (Division) request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$29,000,000 of multi-unit housing revenue bonds for the Parkway Plaza Apartments. He noted that the bonds will be used

for the acquisition and rehabilitation of a 316-unit affordable family apartment complex in Carson City, Nevada. The rental housing will serve residents who are at or below 60% area median income. Mr. Aichroth stated that through this acquisition and rehabilitation process the Division will be able to retain the affordability for these residents and all residents in the complex for the next thirty years while also eliminating predatory attempts to convert the units to market rate. This apartment complex represents over 30% of all low -income housing in Carson City and was built in 1983. The financing for the project will be a direct placement with Freddie Mac and will be underwritten by Hunt Mortgage Capital as a taxable loan. The Division will use this loan as collateral in support of the issuance of tax-exempt private activity bonds in the same amount as the loan. PNC Bank will be the equity investor and will provide approximately \$13.1 million of equity through the purchase of four (4) percent low income housing tax credits.

Controller Byrne thanked the Housing Division for bringing this project to the Board noting the shortage of affordable housing in Carson City and the need to rehabilitate and renovate this complex which is dilapidated and in need of an upgrade.

Treasurer Conine moved to approve Agenda Item 4. Motion passed unanimously.

Agenda Item 5 – **For discussion and possible action:** Discussion and possible action on the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$22,000,000 of Multi-Unit Housing Revenue Bonds (Highland Village Apartments), for the purpose of acquisition and rehabilitation of a 120-unit affordable housing rental project in Henderson, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Horizon Development Consulting, LLC and ELOM, LLC. RBC Tax Credit Equity, LLC will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division’s (Division) request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$22,000,000 of multi-unit housing revenue bonds for the Highland Village Apartments. He noted that the bonds will be used for the acquisition and rehabilitation of a 120-unit family apartment complex in Henderson, Nevada. The rental housing will serve 120 at or below 60% area median income; the project also has a Housing and Urban Development (HUD) contract which subsidizes the rents (to the landlord) to ensure 100% of the tenants do not pay more than 30% area median income Mr. Aichroth stated that through this acquisition and rehabilitation process the Division will be able to retain the affordability for these residents and all residents in the complex for the next thirty years and eliminate predatory attempts to convert the units to market rate. The financing for the project will be provided by a Freddie Mac and underwritten by JLL Capital Markets which is a taxable loan. The Division will use this loan as collateral in support of the issuance of private activity tax-exempt bonds in the same amount as the loan. RBC will be the equity investor and will provide approximately \$9,200,000 of equity through the purchase of four (4) percent low income housing tax credits.

No questions or comments.

Brian Sagert moved to approve Agenda Item 4. Motion passed unanimously.

Agenda Item 6 – Receive and discuss a report on bond expenditures as of December 31, 2019.

Ms. Shafer presented a report on bond expenditures as of December 21, 2019 noting \$38.19 million in unspent proceeds from issuances in calendar year 2018, with most of the remaining proceeds received by the Department of Administration (Public Works). The 2017 issuances have a total of \$9.59 million in unspent proceeds with most of the remaining proceeds received by Public Works and the Department of Conservation and Natural Resources; however, both departments are compliant with Internal Revenue Service guidelines which require 85% of the proceeds to be spent in three (3) years. Ms. Shafer provided an overview of the remaining unspent proceeds by issuance and departments. She concluded her presentation noting the benefits of the reporting which ensures bond proceeds are spent timely and re-purposed as necessary to ensure savings to the State.

No questions or comments.

This was an informational item only and no motion was needed.

Agenda Item – For discussion and possible action: Discussion and possible action (a) regarding the State Treasurer’s quarterly investment report for the quarter ended December 31, 2019 and (b) to approve or disapprove the Treasurer’s investment policies for the General Portfolio and the Local Government Investment Pool (LGIP).

Ms. Hagan presented the overview of the State Treasurer’s quarterly investment report for the quarter ending December 31, 2019 noting performance of both portfolios was as expected given current market conditions and stated the interest returned to state agencies beginning July 1 through December 31 totaled \$29.9 million of which \$10.5 million was distributed to the General Fund.

No questions or comments.

Treasurer Conine moved to approve Agenda Item 4. Motion passed unanimously.

Agenda Item 5 – Public Comment

No public comment in Carson City or Las Vegas.

Meeting adjourned at 1:23pm.