Governor Brian Sandoval
Chairman

Members
Treasurer Dan Schwartz
Controller Ron Knecht
David Funk
Steven Martin

State of Nevada
STATE BOARD OF FINANCE

PUBLIC NOTICE

AGENDA

MEETING OF THE STATE BOARD OF FINANCE
Tuesday, June 13, 2017
8:30 A.M.

Locations:
Via videoconference at the following locations:

Old Assembly Chambers
Capitol Building, Second Floor
101 N. Carson Street
Carson City, NV 89701

Grant Sawyer State Office Building
555 E. Washington Avenue, Suite 5100
Las Vegas, NV 89101

Agenda Items:

1. Public Comment
Comments from the public are invited at this time. Pursuant to NRS 241.020(2)(d)(7), the Board intends to limit to 10 minutes the time for an individual to speak and may impose reasonable restrictions on place or manner for such comment, No restriction will be imposed based on viewpoint. Comment will only be received on matters relevant to the Board's jurisdiction. The Board may discuss but is precluded from acting on items raised during Public Comment that are not on the agenda.

2. **For discussion and possible action:** Approval of the Board of Finance minutes from the meeting held on March 14, 2017.

   Presenter: Tara Hagan, Chief Deputy Treasurer

3. **For discussion and possible action:** Discussion and possible action on the Nevada Housing Division's request to approve the Findings of Fact pertaining to the issuance of up to $45,000,000 of Multi-Unit Housing Revenue Bonds (Steamboat at the Summit Apartments), for the purpose of construction of a 360-unit affordable housing rental project in Reno, Nevada. The project owner/developer will be Steamboat by Vintage, LP which is made up of entities owned or controlled by Vintage Housing Development, Inc. and

Greenstreet Companies. LLC. AEGON USA Realty Advisors, LLC will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: C.J. Manthe, Administrator, Housing Division

4. **For discussion and possible action:** Discussion and possible action on the Nevada Housing Division's request to approve the Findings of Fact concerning the issuance of up to $189,940,732 of mortgage credit certificates in one or more issues. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

   Presenter: C.J. Manthe, Administrator, Housing Division

5. **For discussion and possible action:** Discussion and possible action:

   (a) reviewing and accepting the State Treasurer's quarterly investment report for the quarter ended March 31, 2017 and
   (b) to approving or disapproving the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP), as required by NRS 355.045.

   Presenter: Tara Hagan, Chief Deputy Treasurer

6. Board Members' comments, including discussion of future agenda items and status of past, present and future projects or other matters within the Board's jurisdiction.

7. Public Comment
   Comments from the public are invited at this time. Pursuant to NRS 241.020(2)(d)(7), the Board intends to limit to 10 minutes the time for an individual to speak and reserves the right to impose other reasonable restrictions on place or manner for such comment, No restriction will be imposed based on viewpoint. Comment will only be received on matters relevant to the Board's jurisdiction. The Board may discuss but is precluded from acting on items raised during Public Comment that are not on the agenda.

ADJOURNMENT

Notes:
Items may be taken out of order; items may be combined for consideration by the public body; and items may be pulled or removed from the agenda at any time.

Prior to the commencement and conclusion of a quasi judicial proceeding that may affect the due process rights of an individual, the Board may refuse to consider public comment. See NRS 233B.126.

The State Board of Finance is pleased to make reasonable accommodations for persons with physical disabilities. Please call (775) 684-7109 if assistance is needed.

Tara Hagan, Secretary to the Board may be contacted at (775) 684-5600 to obtain copies of supporting materials, which are available to the public at 101 N. Carson St., Carson City, NV 89701.

THIS AGENDA HAS BEEN POSTED IN THE FOLLOWING PUBLIC LOCATIONS:

- **Capitol Building, 1st & 2nd Floors, Carson City, Nevada**
- **Legislative Building, Carson City, Nevada**
- **Nevada State Library, Carson City, Nevada**
- **Blasdel Building, Carson City, Nevada**
- **Grant Sawyer Building, Las Vegas, Nevada**
- **City Halls in Reno, Elko and Henderson, Nevada**

Also online at: http://www.nevadatreasurer.gov/Finances/Board/BOF_Home/ and https://notice.nv.gov/

STATE BOARD OF FINANCE
March 14, 2017 – 8:30 AM
Summary Minutes

Location:
Via videoconference at the following locations:

Laxalt Building 401 N. Carson Street Carson City, NV 89701	Governor's Office Conference Room 555 E Washington Avenue, Suite 5100 Las Vegas, NV 89101

Governor Sandoval called the meeting to order at 8:32 a.m.

Board members present:
Governor Brian Sandoval – Carson City
Treasurer Dan Schwartz – Carson City
Controller Ron Knecht – Carson City
Dave Funk – Carson City
Steve Martin – Las Vegas

Others present:
Tara Hagan – Nevada Treasurer's Office
Budd Milazzo – Nevada Treasurer's Office
Lori Chatwood – Nevada Treasurer's Office
Kimberly Arnett – Nevada Treasurer's Office
CJ Manthe – Nevada Housing Division
Michael Holliday – Nevada Housing Division
Colleen Platt – Nevada Housing Division
Fred Eoff – Public Financial Management, Inc.
Dylan Locate – Public Financial Management, Inc.
Ryan Henry – Sherman & Howard
Evan Dale – Department of Administration
Dennis Belcourt – Office of the Attorney General

Agenda Item 1 – Public Comment.

There were no public comments in Carson City or Las Vegas.

Agenda Item 2 – Approval of the Board of Finance minutes from the meeting held on November 8, 2016.

Dave Funk motioned to approve Agenda Item 2. Controller Knecht seconded the motion. Motion passed unanimously.

Agenda Item 3 – Discussion and possible action on a resolution approving the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement pertaining to the Mineral County School

District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2017, to be guaranteed in the maximum principal amount of $2,500,000.

Lori Chatwood presented the resolution approving a report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement pertaining to the Mineral County School District (MCSD). The Guarantee program allows school districts to take advantage of the Permanent School Fund backing their bonds and therefore, take advantage of a AAA rating, access to the market and cost savings for the districts. Mineral County is proposing a guarantee in the amount of $2,500,000. She added that as of November 8, 2016, MCSD had $495,000 of outstanding principal guaranteed of their available $40,000,000 by the Permanent School Fund program. Ms. Chatwood stated that with the approval of this guarantee the District would be at $2,995,000. The Department of Taxation has determined that MCSD has the ability to make timely payments and does not anticipate the need to have its tax rate increased for the refunding of these bonds. She added that the Treasurer's office contacted the MCSD and discovered that the majority of the bond proceeds would be used for heat pump projects. Controller Knecht asked what the funds would be utilized for to which projects. Ms. Chatwood responded that the funds will be utilized to fix boilers, sewer lines, and exterior paint but the majority would be used on heat pump projects.

Controller Knecht motioned to approve Agenda Item 3. Steve Martin seconded the motion. Motion passed unanimously.

<u>Agenda Item 4</u> – Discussion and possible action on the Nevada Housing Division's request to approve the Findings of Fact pertaining to the issuance of up to $7,500,000 of Multi-Unit Housing Revenue Bonds (Madison Palms Senior Apartments).

CJ Manthe requested approval of the Findings of Facts pertaining to the issuance of up to $7,500,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for acquisition and renovation of a 54 unit (Madison Palms Senior Apartments) in the Gateway District of North Las Vegas. The project is part of a larger senior housing development totaling 126 units. The other 72 units will be financed separately with a combination of 9% low income tax credits. The bonds will be structured in two phases, Construction Phase and Permanent Phase. The project is being financed by Citi Bank. Governor Sandoval questioned how the developer will determine who has access to this housing, as senior housing is currently in demand in Nevada. Ms. Manthe responded that it is typical for the developer to have a waiting list and take applications on a first come, first serve basis. Ms. Manthe stated that the applicants will have to meet the requirements of having their income at or below 60% for the Clark County area. The developer stated that it does give preference to Veterans. Governor Sandoval asked how they define senior and Ms. Manthe responded that they define senior by age which is 55 and older. Governor Sandoval asked when the construction would commence and the developer responded that they anticipate closing the bonds in May 2017 and starting construction in late May 2017 with an anticipated completion date of December 2018. Governor Sandoval asked what the average rent cost was and the developer responded that it ranges from $335 to $710 per month. All units are 2 bedroom and utilities are included in the rent cost.

Controller Knecht asked if the interest rates are higher than they have been on similar projects and if so is that because of the recent rise in the overall market interest rates. The developer responded that yes that is the case and that he doesn't think that the rates on this project will be any different than what they have seen on other more recent projects.

Treasurer Schwartz asked if there is an acute shortage of senior housing. Ms. Manthe responded that there is a critical shortage of housing for seniors and the Housing Division will continue to look for new opportunities to build more housing.

Dave Funk motioned to approve Agenda Item 4. Steve Martin seconded the motion. Motion passed unanimously.

<u>Agenda Item 5</u> – Receive report on bond expenditures as of December 31, 2016.

Tara Hagan reported that excluding the 2016 issuances there is a little over $67.19 million of unspent bond proceeds explaining the majority of this amount is for the Nevada System of Higher Education (NSHE) which are proceeds earmarked for the upgrade of the Thomas and Mack facility in Las Vegas. She stated that the 2014 issuances have met the three year or 85% spend down requirement from the federal regulations with about $14,000,000 or 8.5% remaining from those issuances. Ms. Hagan noted that excluding the 2016 issuances, the State has expended over 97% of bond proceeds. She stated that the Treasurer office is grateful for the partners in the other State agencies and noted that they continue to see marked improvement of agencies spending down prior year bond proceeds.

Lori Chatwood reported that the Debt Management division of the Treasurer's Office has worked in conjunction with the various State agencies on utilizing the new custodian accounts for the bond series beginning in 2015 to better manage each project, its cash flow and its state funding. She noted that the custodian account helps the agencies spend the older bond proceeds first and that this new procedure has been an enormous success.

Controller Knecht asked if NSHE's only bond issuance is the 2015 amount of $86.23 million and if only the $21 million remains unspent. Ms. Hagan responded that yes, NSHE has $21 million in unspent proceeds from its 2015 issuance and all other bond proceeds have been spent.

No action required.

<u>Agenda Item 6</u> – Discussion and possible action on a request to approve an outside bank account with Bank of America for the Department of Employment, Training and Rehabilitation.

Tara Hagan requested the Board approve an outside bank account for the Department of Employment, Training and Rehabilitation (DETR). Ms. Hagan explained that NRS 356.005 requires the State Board of Finance approve state agency requests to establish outside bank accounts. Ms. Hagan noted that DETR is entering into a new state contract through a Request for Proposal process to issue debit cards for the issuance of unemployment benefits. She stated that DETR will not incur any charges for this bank account, and noted that the account will facilitate the need to immediately revoke the monies if there is an issue with a participant.

Governor Sandoval asked if this is considered an in -state bank account and Ms. Hagan responded that yes, it is considered an in-state bank account.

Treasurer Schwartz asked who supervises or monitors the bank account and Ms. Hagan responded that DETR would reconcile the account and the STO would assist in the reconciliation process if needed.

Dave Funk motioned to approve Agenda Item 6. Controller Knecht seconded the motion. Motion passed unanimously.

<u>Agenda Item 7</u> – Discussion and possible action regarding the State Treasurer's quarterly investment report for the quarter ended December 31, 2016 and to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP).

Tara Hagan reported that the performance of the LGIP for the period ending December 31, 2016 was 0.68% which was 0.14% higher than the stated benchmark performance. She reported that the performance of the General Portfolio was 0.90% and that the internally managed portion of the portfolio outperformed its stated benchmark by 0.48%. Ms. Hagan noted that the interest distributed to State agencies from the General Portfolio has more than doubled in calendar year 2016 versus the interest distributed in 2016. She stated that the increase in interest distributed was a direct result of the improved performance and increased yield in the portfolio.

Dave Funk sought clarification regarding the $100 million in the Washington Federal Checking account and why it has been there for such a long period of time. Ms. Hagan replied that those monies were yielding 0.40% and remained in the account for approximately 18 months. She noted that the amount in this account has been reduced to $50 million and currently earns 0.65%; she stated the remaining $50 million was split equally and that half was invested in a 6-month certificate of deposit at a rate of 0.75% and 9-month certificate of deposit at a rate of 0.90%.

Controller Knecht motioned to approve Agenda Item 7. David Funk seconded the motion. Motion passed unanimously.

Controller Knecht motioned to approve the investment report as well as the investment policies. David Funk seconded the motion. Motion passed unanimously.

<u>Agenda Item 8</u> – Board members' comments including discussion of future agenda items and status of past, present and future projects or other matters within the Board's jurisdiction.

There were no comments from the Board members.

<u>Agenda Item 9</u> – Public Comment

There were no comments in Carson City or Las Vegas.

No action on adjournment.

Meeting was adjourned at 9:17 a.m.

DRAFT

State of Nevada
DEPARTMENT OF BUSINESS & INDUSTRY
Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

DATE:	May 22, 2017
TO:	State Board of Finance
AGENDA ITEM:	Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning the Multi-Unit Housing Revenue Bonds (Steamboat at the Summit Apartments)
PETITIONER:	CJ Manthe – Administrator, Nevada Housing Division CJ Manthe

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A. Time and Place of Meeting:

8:30 a.m., Tuesday, June 13, 2017, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact ("Findings") of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (Steamboat at the Summit Apartments).

C. The Findings relate to the issuance of up to $45,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 360-unit family apartment complex located in Reno at the intersection of Highway 341 (Geiger Grade Road) and South Virginia Street.

D. The Housing Division will issue up to $45,000,000 of multi-unit housing revenue bonds which will be structured in two phases, Construction Phase and Permanent Phase. The Construction Phase loan amount will be approximately $43,000,000. Loan proceeds will be advanced to the Borrower on a "draw down" basis as needed to fund construction expenditures. At conversion to Permanent Phase the loan will be reduced to an approximate permanent amount of $34,430,000 using tax credit equity installments, and will commence monthly principal amortization with a 35-year term. The bond issuance will also satisfy the Internal Revenue Code Section 42 Low-Income Housing requirement that tax-exempt debt in an amount at least equal to 50% of the tax credit depreciable basis be outstanding through the date until a project is "placed in service." The debt will be placed directly with Citibank and will not be publicly offered. The borrower/ownership entity will be a limited partnership named Steamboat by Vintage, LP. The limited partnership will be controlled by Vintage Partners LLC as general partner, whose sole member will be Vintage Housing Holdings LLC. AEGON USA Realty Advisors, LLC will act as investor limited partner and will provide an equity investment of approximately $23,015,000 of equity through the purchase of 4% low income housing tax credits. The proposed private placement financing structure is in compliance with NRS and NAC Chapter 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings of Fact, by the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as its "Multi-Unit Housing Revenue Bonds (Steamboat at the Summit Apartments)."

G. Attorney Opinion:

The Findings of Fact of the Administrator of the Housing Division have been reviewed by the Housing Division's Legal Counsel; and assuming the factual matter stated therein is accurate, and except for the bond issue cash flow analyses and other financial and statistical data included therein as to which no opinion is expressed, the findings comply with the requirements of NRS 319.190, 319.260 and 319.270.

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

Multi-Unit Housing Revenue Bonds
Steamboat at the Summit Apartments

In accordance with the requirements of NRS 319.190, 319.260 and 319.270, and based upon the memorandum of support, the Administrator of the Nevada Housing Division finds that:

1. There exists a shortage of decent, safe and sanitary housing at rental rates that eligible families can afford within the Reno, Nevada rental housing markets, as determined by the Administrator.

2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which families of low income families can afford.

3. The proposed multifamily project will increase the supply and improve the quality of decent, safe and sanitary rental housing for eligible families.

4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Reno, Nevada.

5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

estimated by the Housing Division as necessary for debt service on the bonds issued for the financing of the proposed project.

BY: ______________________ DATE: 5/24/17

CJ Manthe
Administrator
Nevada Housing Division

pfm

1200 Fifth Avenue
Suite 1220
Seattle, WA 98101
206.264.8900

pfm.com

May 14, 2017

CJ Manthe
Administrator
Nevada Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

Re: Multi-Unit Housing Revenue Bonds
(Steamboat at the Summit Apartments) Series 2017

Dear Ms. Manthe:

This Memorandum is provided in support of the request by the Nevada Housing Division to the State of Nevada Board of Finance for approval of the Findings of Fact for the Multi-Unit Housing Revenue Bonds (Steamboat at the Summit Apartments), Series 2017 and authorization for issuance of up to ***$45,000,000*** of Nevada Housing Division multi-unit housing revenue bonds to fund construction of affordable family housing development in Reno ("Project").

Background:

As financial advisor to the Nevada Housing Division ("Division"), Public Financial Management has been tasked to review the application submitted to the Division for financing of the Project. The scope of our work included a review of the application to the Division, the lender financing commitment, the tax credit equity investor letter of intent, the funding sources and uses and operating pro-forma provided by the borrower. Additionally, we have had direct conversations with the borrower, representatives of the lender, and representatives of the equity investor, Division counsel and Division staff. This Memorandum is a summary of our review and key factors supporting the Findings of Fact to be submitted to the State of Nevada Board of Finance.

Summary of the Proposed Project:

The Project will be 360 units in a newly constructed affordable family housing complex located on a series of parcels being aggregated to a single 18.4 acre site in the Truckee Meadows area of south Reno at the intersection of Highway 341 (Geiger Grade Road) and South Virginia Street. The Project consists of one, two and three-bedroom walk up units in 15 buildings as well as a 4,180 sq. ft. community clubhouse. The Project sponsor has provided a more extensive narrative description of the Project which is included as Exhibit C.

Detailed unit rent income and rent restrictions are summarized in the Project Operating Profile contained in Exhibit A.

Project Development:

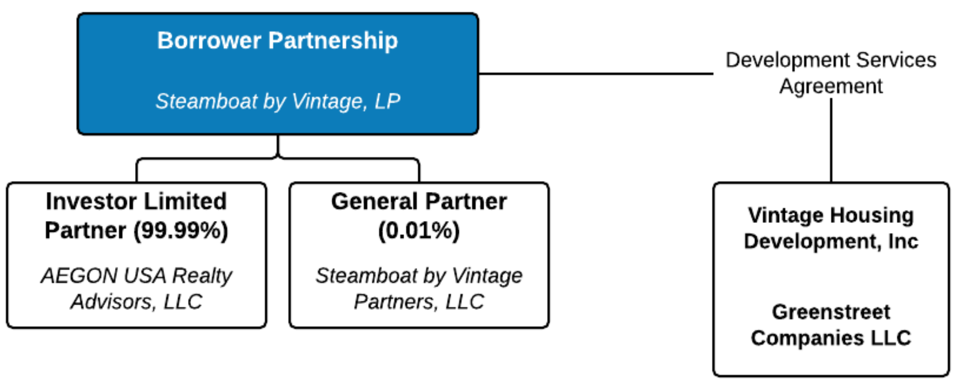
The Project will be co-developed by Vintage Housing Development and Greenstreet Companies, LLC. These development partners have financed and built in excess of 15,000 residential units of market rate and affordable multifamily housing, with over 3,000 units in the Reno-Sparks area.

Vintage Housing is based in Newport Beach, California and has been developing and operating apartment homes for income qualified residents and seniors for over ten years throughout California, Nevada, Washington, Oregon and Missouri. Vintage is led by Michael Gancar and

Ryan Patterson. In June, 2015 Vintage completed an investment arrangement with Los Angeles based firm Kennedy Wilson whereby Kennedy Wilson acquired a 61% ownership interest in Vintage Housing in exchange for a $78 million equity investment. The capital injection is intended to facilitate an expansion of Vintage's development activities and allow recapitalization and rehabilitation of existing multifamily tax credit properties approaching the 15 year point in their life cycles. Michael Gancar and Ryan Patterson will continue to manage Vintage Housing's activities.

Greenstreet Communities is a privately owned multifamily housing development company based in Reno, Nevada. The company was co-founded by Dane Hillyard and Jim Zaccheo who are both fully active with the company. Dane Hillyard has been actively engaged in multifamily development since graduating from USC in 1980. He has accumulated 35 years of real estate development experience and has been responsible for the acquisition, development and management of over 7,500 residential single family and multifamily units in California and Nevada. Jim Zaccheo spent five years with KPMG Peat Marwick following graduation from the University of Nevada in 1990. Prior to co-founding Greenstreet Companies he served as the chief financial officer for a variety of real estate development companies with responsibility for oversight of corporate accounting and securing construction and equity capital funding. Jim has been responsible for the development of nearly 5,000 residential single family and multifamily units during his 20 years of experience in the real estate development business.

The borrower/ownership entity will be a limited partnership named Steamboat by Vintage, LP. The limited partnership will be controlled by Vintage Partners LLC as general partner, whose sole member will be Vintage Housing Holdings LLC. AEGON USA Realty Advisors, LLC will act as investor limited partner and will provide an equity investment of approximately $22,750,000 in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low income housing tax credits.



Project Manager:

Upon completion the Project will be managed by FPI Property Management. FPI has been actively engaged in property management since 1968 and is one of the largest full service property management companies in the United States. FPI manages in excess of 60,000 units including numerous units of senior affordable housing properties similar to the proposed Vintage at Virginia project. FPI manages 19 properties in the State of Nevada.

Summary of the Financing:

The financing is proposed as a direct bond purchase by Citibank N.A. The bonds will be held by Citibank or an affiliate and not sold to the public. The bond structure will consist of two phases, Construction Phase and Permanent Phase.

The Construction Phase loan amount is projected to be approximately $43,000,000. Loan proceeds will be advanced to the Borrower on a “draw down” basis as needed to fund construction expenditures. Monthly debt service payments will be interest only and the interest rate is currently estimated by the lender to be approximately 4.49%

At conversion to Permanent Phase the loan will be reduced to approximately $31,430,000 upon receipt of additional tax credit equity installments. Loan amortization by monthly utilizing a 35 year principal amortization factor. The permanent loan interest rate will be fixed and is estimated to be approximately 4.80% inclusive of Division and Trustee annual fees. Citibank reserves the option to require prepayment of the loan in full at the end of the 18th year following closing.

Maximum Permanent Loan-to-Value: 90%

Maximum Permanent Loan-to-Cost: 80%

Debt service coverage: 1.15 to 1.00 per lender requirements.

Reserves:

The Borrower will fund deposits to a replacement reserve initially set at $300/unit/year. Minimum required replacement reserve deposits may be adjusted based on a new physical needs assessment acceptable to Citibank which will be required for each successive five year period until loan maturity.

The Borrower will also fund an Operating Reserve in the approximate amount of $782,000.

Sources and Uses

Sources of Funds	Construction Phase	Permanent Phase
Bond Proceeds	$43,391,317	$31,430,000
LIHTC Equity	6,904,248	22,746,555
WCHC Home/HTF Loan	750,000	750,000
Project Cashflow Prior to Conversion	2,081,634	2,081,634
NHD GAHP Loan	3,000,000	3,000,000
Deferred Development Fee		5,968,746
Total Sources	$56,127,199	$65,976,935

Uses of Funds	Construction Phase	Permanent Phase
Land Cost	$2,865,000	$2,865,000
Site Work	4,000,000	4,000,000
Construction Costs	34,366,667	34,366,667
Soft Costs	3,033,691	3,038,691
Impact Fees	4,833,360	4,833,360
Contingencies	2,106,464	2,106,464
Construction Financing & Interest	4,388,454	5,348,063
Permanent Financing	533,563	789,213
Operating Reserve		782,000
Development Fee		7,847,477
Total Uses	$56,127,199	$65,976,935

Investor Letter:

Citibank ("Purchaser") will sign an initial investor letter stipulating that it is a Qualified Institutional Buyer (as defined in Rule 144A of the Securities Act of 1933). Unless the Bonds are subsequently rated "A" or higher by either Moody's Investors Service or Standard & Poor's, in order to sell or transfer the Bonds the Purchaser must deliver to the Trustee a subsequent investor letter signed by the proposed transferee to substantially the same effect as the initial investor letter

Conclusion:

Exhibit A to this memorandum provides detail on the derivation of projections for rental income and operating expenses and a cash flow projection demonstrating that revenue sources net of operation expenses are sufficient to provide for debt service on the loan. Exhibit B provides a detailed summary of the loan to be provided by Citibank Community Capital.

In summary, we are of the opinion that the proposed financing for the Project reflects prudent affordable housing underwriting criteria and terms which are consistent with Division regulatory provisions. The proposed Project is viewed positively in the local community as evidenced by the endorsement from the City of Reno. A tax-exempt financing issued through the Division is essential under Federal law to qualify the Project for 4% Low Income Housing

Tax Credits without which construction of affordable housing at the proposed restricted income levels would not be possible without significant additional subsidy.

In our opinion, the Project meets the requirements of NRS 319.260 and meets the requirements of NAC 319.712, and we recommend it for submittal to the Board of Finance for approval with debt issuance to be subject to receipt of final loan and equity approval and related third party documentation.

Sincerely,

PFM Financial Advisors LLC

Fred Eoff
Director

Enclosures:
Exhibit A: Project Operating Pro Forma
Exhibit B: Bond/Loan Term Sheet
Exhibit C: Borrower Project Narrative

EXHIBIT A

Steamboat at the Summit
Operating Proforma

2017

Unit Mix	% AMI Restriction	Number Units	% of Units	Res. SF	Allowable Monthly Rent	Less Utility Allowance	Adjusted Allowable Monthly Rent	Monthly Revenues	Yearly Revenues
1 Bedroom/1 Bath	<30%	1	0%	615	$ 383	$ 56	$ 327	$ 327	$ 3,924
	<60%	89	25%	615	$ 767	$ 56	$ 711	$ 63,279	$ 759,348
2 Bedroom/2 Bath	<30%	1	0%	918	$ 460	$ 72	$ 388	$ 388	$ 4,656
	<50%	1	0%	918	$ 766	$ 72	$ 694	$ 694	$ 8,328
	<60%	178	49%	918	$ 920	$ 72	$ 848	$ 150,944	$ 1,811,328
3 Bedroom/2 Bath	<30%	1	0%	1145	$ 530	$ 87	$ 443	$ 443	$ 5,316
	<50%	1	0%	1145	$ 886	$ 87	$ 799	$ 799	$ 9,588
	<60%	43	12%	1145	$ 1,062	$ 87	$ 975	$ 41,925	$ 503,100
3 Bedroom/3 Bath	<60%	45	13%	1145	$ 1,062	$ 87	$ 975	$ 43,875	$ 526,500
Total Units		**360**						**$302,674**	**$3,632,088**

Debt Factors

Senior Loan Amount	$31,430,000
Loan Term	35
Initial Senior Loan Rate	4.80%
Senior Annual Debt Service	$1,855,645

NHD GAHP Loan

GAHP Loan Amount	$3,000,000
GAHP Loan Rate	3.00%
Loan Term	35
Debt Service	$90,000.00

Partnership Fees

Development Fee	$7,847,477
Deferred Development Fee	$5,968,746
Asset Management Fee	$10,000

Trend Assumptions

Income	2.00%
Expenses	3.00%
Vacancy	5.00%

Steamboat at the Summit
Operating Proforma

EXHIBIT A

	Factors	2019	2020	2021	2022	2023	2024	2025	2026	2027
Income										
Annual Gross Rental Income	2.00%	$3,632,088	$3,704,730	$3,778,824	$3,854,401	$3,931,489	$4,010,119	$4,090,321	$4,172,127	$4,255,570
Other: Ancillary Revenue		84,000	79,730	87,394	89,142	90,925	92,743	94,598	96,490	98,420
Total Residential Income		$3,716,088	$3,784,460	$3,866,218	$3,943,543	$4,022,414	$4,102,862	$4,184,919	$4,268,617	$4,353,990
Less: Residential Vacancy	5.00%	(185,804)	(189,223)	(193,311)	(197,177)	(201,121)	(205,143)	(209,246)	(213,431)	(217,699)
Effective Gross Income		**$3,530,284**	**$3,595,237**	**$3,672,907**	**$3,746,366**	**$3,821,293**	**$3,897,719**	**$3,975,673**	**$4,055,187**	**$4,136,290**
Adjusted Effective Gross Income		**1,277,739**	**$3,358,488**							
Expenses	3.00%									
Administrative		89,533	$92,219	$94,986	$97,835	$100,770	$103,793	$106,907	$110,114	$113,418
Utilities		381,111	392,544	404,321	416,450	428,944	441,812	455,066	468,718	482,780
Operating & Maintenance		210,204	216,510	223,005	229,696	236,586	243,684	250,995	258,524	266,280
Payroll		420,671	433,291	446,290	459,679	473,469	487,673	502,303	517,372	532,893
Taxes & Insurance		62,222	64,089	66,011	67,992	70,031	72,132	74,296	76,525	78,821
Property Management		44,721	117,547	128,552	131,123	133,745	136,420	139,149	141,932	144,770
Replacement Reserves		$0	18,540	114,577	118,014	121,555	125,201	128,957	132,826	136,811
Total Operating Expenses		**$1,208,462**	**$1,334,740**	**$1,477,742**	**$1,520,788**	**$1,565,101**	**$1,610,716**	**$1,657,674**	**$1,706,012**	**$1,755,773**
Adjusted Operating Expenses		**$1,026,068**	**$1,315,214**							
Net Operating Income		**$251,671**	**$2,043,274**	**$2,195,166**	**$2,225,577**	**$2,256,192**	**$2,287,002**	**$2,318,000**	**$2,349,174**	**$2,380,517**
Senior Debt Service		$0	$309,274	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645
Debt Service Coverage			**661%**	**118%**	**120%**	**122%**	**123%**	**125%**	**127%**	**128%**
Cash Flow After Senior Debt/Expenses		**$251,671**	**$1,734,000**	**$339,521**	**$369,932**	**$400,547**	**$431,358**	**$462,355**	**$493,529**	**$524,872**
Cumulative Cash Flow		**$251,671**	**$1,985,671**	**$2,325,192**	**$2,695,125**	**$3,095,672**	**$3,527,030**	**$3,989,384**	**$4,482,914**	**$5,007,786**
Asset Mgt & Investor Service Fee	3.00%	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668
Deferred Dev Fee Pymt		0	650,000	328,912	359,005	389,292	419,765	450,414	481,231	512,204
Cumulative DDF Paid		0	650,000	978,912	1,337,917	1,727,210	2,146,974	2,597,389	3,078,619	3,590,824
DDF Balance		5,968,746	5,318,746	4,989,834	4,630,829	4,241,536	3,821,772	3,371,357	2,890,127	2,377,922
Allocation for GAHP Loan Payment		0	0	0	0	0	0	0	0	0
GAHP Loan Interest		0	0							
GAHP Loan Principal		0	0	0	0	0	0	0	0	0
GAHP Loan Balance		3,000,000	3,090,000	3,180,000	3,270,000	3,360,000	3,450,000	3,540,000	3,630,000	3,720,000
Surplus after DDF & GAHP Loan		**$241,671**	**$1,073,700**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXHIBIT A

Steamboat at the Summit
Operating Proforma

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Income										
Annual Gross Rental Income	$4,340,681	$4,427,495	$4,516,045	$4,606,366	$4,698,493	$4,792,463	$4,888,312	$4,986,078	$5,085,800	$5,187,516
Other: Ancillary Revenue	100,388	102,396	104,444	106,533	108,663	110,837	$113,053	$115,315	117,621	119,973
Total Residential Income	$4,441,070	$4,529,891	$4,620,489	$4,712,899	$4,807,157	$4,903,300	$5,001,366	$5,101,393	$5,203,421	$5,307,489
Less: Residential Vacancy	(222,053)	(226,495)	(231,024)	(235,645)	(240,358)	(245,165)	(250,068)	(255,070)	(260,171)	(265,374)
Effective Gross Income	**$4,219,016**	**$4,303,396**	**$4,389,464**	**$4,477,254**	**$4,566,799**	**$4,658,135**	**$4,751,297**	**$4,846,323**	**$4,943,250**	**$5,042,115**
Adjusted Effective Gross Income										
Expenses										
Administrative	$116,820	$120,325	$123,935	$127,653	$131,482	$135,427	$139,489	$143,674	$147,984	$152,424
Utilities	497,263	512,181	527,547	543,373	559,674	576,465	593,759	611,571	629,918	648,816
Operating & Maintenance	274,269	282,497	290,971	299,701	308,692	317,952	327,491	337,316	347,435	357,858
Payroll	548,880	565,347	582,307	599,776	617,770	636,303	655,392	675,053	695,305	716,164
Taxes & Insurance	81,186	83,621	86,130	88,714	91,375	94,116	96,940	99,848	102,843	105,929
Property Management	147,666	150,619	153,631	156,704	159,838	163,035	166,295	169,621	173,014	176,474
Replacement Reserves	140,915	145,143	149,497	153,982	158,601	163,359	168,260	173,308	178,507	183,862
Total Operating Expenses	**$1,806,999**	**$1,859,732**	**$1,914,018**	**$1,969,902**	**$2,027,432**	**$2,086,657**	**$2,147,626**	**$2,210,392**	**$2,275,008**	**$2,341,528**
Adjusted Operating Expenses										
Net Operating Income	**$2,412,017**	**$2,443,664**	**$2,475,446**	**$2,507,351**	**$2,539,367**	**$2,571,478**	**$2,603,671**	**$2,635,931**	**$2,668,242**	**$2,700,587**
Senior Debt Service	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645	$1,855,645
Debt Service Coverage	**130%**	**132%**	**133%**	**135%**	**137%**	**139%**	**140%**	**142%**	**144%**	**146%**
Cash Flow After Senior Debt/Expenses	**$556,372**	**$588,019**	**$619,802**	**$651,707**	**$683,722**	**$715,833**	**$748,026**	**$780,287**	**$812,598**	**$844,942**
Cumulative Cash Flow	**$5,564,158**	**$6,152,178**	**$6,771,980**	**$7,423,686**	**$8,107,408**	**$8,823,241**	**$9,571,268**	**$10,351,554**	**$11,164,152**	**$12,009,094**
Asset Mgt & Investor Service Fee	13,048	13,439	13,842	14,258	14,685	15,126	15,580	16,047	16,528	17,024
Deferred Dev Fee Pymt	543,325	574,580	605,959	637,449	16,609	0	0	0	0	0
Cumulative DDF Paid	4,134,149	4,708,729	5,314,688	5,952,137	5,968,746	5,968,746	5,968,746	5,968,746	5,968,746	5,968,746
DDF Balance	1,834,597	1,260,017	654,058	16,609	(0)	(0)	(0)	(0)	(0)	(0)
Allocation for GAHP Loan Payment	0	0	0	0	652,428	700,707	732,447	764,240	796,069	827,918
GAHP Loan Interest					122,400	106,499	88,673	69,360	48,513	26,087
GAHP Loan Principal	0	0	0	0	530,028	594,208	643,774	694,880	747,556	801,831
GAHP Loan Balance	3,810,000	3,900,000	3,990,000	4,080,000	3,549,972	2,955,764	2,311,990	1,617,110	869,555	67,723
Surplus after DDF & GAHP Loan	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXHIBIT A

Steamboat at the Summit
Operating Proforma

	2038	2039
Income		
Annual Gross Rental Income	$5,291,266	$5,397,092
Other: Ancillary Revenue	122,373	$124,820
Total Residential Income	$5,413,639	$5,521,912
Less: Residential Vacancy	(270,682)	(276,096)
Effective Gross Income	**$5,142,957**	**$5,245,816**
Adjusted Effective Gross Income		
Expenses		
Administrative	$156,997	$161,707
Utilities	668,280	688,329
Operating & Maintenance	368,594	379,652
Payroll	737,649	759,779
Taxes & Insurance	109,107	112,380
Property Management	180,003	183,604
Replacement Reserves	189,378	195,060
Total Operating Expenses	**$2,410,009**	**$2,480,509**
Adjusted Operating Expenses		
Net Operating Income	**$2,732,948**	**$2,765,307**
Senior Debt Service	$1,855,645	$1,855,645
Debt Service Coverage	**147%**	**149%**
Cash Flow After Senior Debt/Expenses	**$877,304**	**$909,663**
Cumulative Cash Flow	**$12,886,398**	**$13,796,060**
Asset Mgt & Investor Service Fee	17,535	18,061
Deferred Dev Fee Pymt	0	0
Cumulative DDF Paid	5,968,746	5,968,746
DDF Balance	(0)	(0)
Allocation for GAHP Loan Payment	859,769	891,601
GAHP Loan Interest	2,032	0
GAHP Loan Principal	67,723	0
GAHP Loan Balance	0	0
Surplus after DDF & GAHP Loan	**$790,014**	**$891,601**

$45,000,000
Nevada Housing Division
Multi-Unit Housing Revenue Bonds, Series 2017
(Steamboat at the Summit Apartments)

Bond/Loan Term Sheet

Borrowing Entity:	Steamboat by Vintage, LP, A limited partnership comprised of Steamboat by Vintage Partners, LLC (general partner) and Aegon USA Realty Advisors, LLC (limited partner).
Lender:	Citibank, N.A.
Principal Amount:	*Construction Phase:* Not to exceed $45,000,000 *Permanent Phase:* -Not to exceed 90% loan to value based on final appraisal. -Expected to be approximately $31,500,000
Bond Type:	This transaction will be a loan provided by the Lender to the Housing Division to be used to fund an interim tax-exempt construction bond issue which will convert to a permanent loan following construction completion and satisfaction of loan conversion criteria. The loan rate will be variable during the Construction Phase and fixed during Permanent Phase. The fixed rate to go into effect upon conversion to the Permanent Phase will be locked at Closing.
Bond Dated:	As of Closing Date
Interest Payments:	Monthly. Loan is interest only through the date of conversion to Permanent Phase which is estimated to occur 18 following start of construction.
Principal Payments:	Monthly, commencing at conversion to Permanent Phase
Denominations:	Bonds will amortize in equal monthly "loan" form with fractional dollar principal amortization.
Maturity:	30 years from date of conversion to permanent loan.
Interest Rate:	Construction Phase: Variable, estimated to be approximately 4.80% (including Division & Trustee fees) adjusted monthly

	<u>Permanent Phase:</u> Fixed rate estimated to be approximately 5.10% (including Division & Trustee fees). The permanent rate will be locked at Closing
Redemption:	1) Prepayment without penalty during the Construction Phase unless the loan is reduced to less than the Permanent Phase Loan Amount in which case the Borrower is subject to a yield maintenance penalty on the amount below the Permanent Phase Loan Amount. 2) Prepayment during the Permanent Phase is subject to a yield maintenance penalty. 3) Citibank will require repayment of the loan in full 18 years from date of Closing.
Indenture Funds:	1) Project Fund a) Note Proceeds Account b) Borrower Equity Account 2) Closing Costs Fund 3) Expense Fund 4) Rebate Fund
Fees:	1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in arrears 2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in arrears 3) Lender Origination Fee @ 1.00% of the Maximum Loan Amount
Bond Rating:	Not rated

Steamboat at the Summit Apartments
South Virginia Street and Highway 341 (Geiger Grade Road)
Portions of APN # 017-011-20, 017-011-21, and 017-011-23 (18.41 acres)

Project Description

Steamboat at the Summit Apartments is a proposed new construction family rental community to be located in the south Truckee Meadows near the intersection of Highway 341 (Geiger Grade Road) and South Virginia Street. The 360-unit development will provide a state-of-the art, energy efficient, high-quality lifestyle, full of social interaction and stimulating indoor and outdoor activities at a price affordable to working families (at or below 60% of area median income). Every aspect of the buildings, floor plans, community facilities and outdoor spaces, as well as this ideal South Reno location, are designed to specifically fill a gap of housing needs not being met for moderate-income households in Northern Nevada.

Location

The proposed development is well located on a series of parcels totaling 18.41 acres on the southeast side of the intersection of Geiger Grade Road and South Virginia Street. This South Reno site is located across the street from the Summit Mall, providing families with full services just across the street. The shopping center has a multitude of retail services including shops, restaurants, beauty and hair salons, a credit union, and a movie theater, providing residents with convenient, walkable services across the street from the site.

There are also two shopping centers approximately 1.5 miles west of the site and one shopping center 1.6 miles north of the site. Collectively, these centers provide residents with easy access to a Walmart Supercenter, Raleys grocery store, CVS pharmacy, several banks and ATMs, an urgent care clinic, and numerous restaurants, salons, and retail opportunities. The Renown South Meadows Medical Center is about a 5-minute drive from the site. Children at Steamboat at the Summit Apartments would attend Brown Elementary School, Depoali Middle School, and Damonte Ranch High School. With the passage of WC-1 in November 2016, the Washoe County School District plans several expansion projects in the South Meadows to accommodate new growth, including a $30 million addition to Damonte Ranch High School, providing 800 seats of classroom space.

There is an RTC Intercity stop at the Summit Mall, which runs on weekdays from the Downtown Reno 4th Street Station to the Nevada Department of Transportation in Carson City. This will allow Steamboat the Summit residents with quick access to job centers in downtown Reno and Carson City.

Building Description

Steamboat at the Summit will consist of 360 one, two, and three-bedroom walk-up units in 15 buildings as well as a 4,180 SF community clubhouse. The attractive building design includes multiple rooflines and gables, balconies, window cornices, and other articulation to increase curb appeal and reduce the perceived scale of the apartment buildings. The buildings will be finished primarily in colored stucco.

There will be four unit types at Steamboat at the Summit: 90 one-bedroom / one-bath (approx. 615 SF) units, 135 two-bedroom / two-bath (approx. 910 SF) units, 45 two-bedroom / two-bath (approx. 940 SF) units and 90 three-bedroom / two-bath (approx. 1,145 SF) units.

The new apartments will be generously sized, and include washers and dryers, dishwashers, microwaves, garbage disposals, pantries, and extensive cabinet and closet storage. Every unit will have an exterior patio or balcony to allow residents their own private outdoor space. The finishes will be wood cabinetry, hard surfaced countertops, vinyl flooring in the kitchen, entry, dining area, bathroom and laundry. The living and bedrooms will be carpeted with low ply carpeting.

Steamboat at the Summit will be built to high energy-efficiency standards, and will include high efficiency heating and cooling equipment, EnergyStar appliances, low-E argon thermal pane windows, high R-value wall and attic insulation, and automatic timer thermostat controls. The development will also promote water conservation with extensive xeriscape landscaping.

Project Amenities

Interior Amenities—The residence will be anchored by a central community clubhouse featuring a large community kitchen and covered veranda. The residence staff offices will be located near the main entry for daily resident interaction. There will be a fully equipped fitness facility, including a large screen TV, cardio equipment, weights and group exercise and yoga area. The building will also contain changing rooms and restrooms for the swimming pool and spa and a dog wash and grooming room.

Outdoor Amenities—Steamboat at the Summit will provide plenty of outdoor activities for our residents to enjoy. The site will contain a fenced swimming pool as well as several outdoor recreation areas. The site is bordered on the western boundary by the year-round flowing Steamboat Creek, which will provide residents with natural outdoor recreation, with a new pedestrian and biking path along the creek. There will be three children's play areas or tot lots throughout the project, as well as a ski and bike salon. Steamboat at the Summit will also include a community barbecue area where the staff will offer regular barbecue events, which will also be available for resident use. The development will include approximately 650 parking spaces.

Target Population and Demand

Steamboat at the Summit will be a family development affordable to households with incomes at or below 60% of area median income (AMI). The project will set aside 5 HOME units at 30% and 50% of AMI.

The residence will serve a growing need in the Truckee Meadows for barrier-free and affordable family housing. As a result of the improved economy and the entry of new industries, like the Tesla Gigafactory and Switch's SuperNAP, Northern Nevada has been experiencing an affordable housing crisis. The Johnson Perkins Griffin 3rd-Quarter 2016 Apartment Survey, reports similar dire demand in the overall multi-family rental market, with average vacancies at a near all-time low of 2.24%. Average vacancy rates for one-, two-, and three-bedroom units were 2.00%, 1.41%, and 2.75% respectively.

The Survey notes: "Although several projects are under construction, supply within the major apartment projects in the region is expected to remain extremely tight over the coming year. Vacancies are expected to remain extremely low, and rental rates should continue to show increases. A rush to construct new units continues, with several major new projects in the planning stages."

The proposed rents at Steamboat at the Summit will be significantly below market rents in Washoe County. The proposed 1-bedroom rents will be approximately $694, the 2-bedroom rents will be approximately $828, and the 3-bedroom rents will be approximately $952. For comparison, the market rents in the Johnson Perkins Griffin study for all apartments averaged $1,054, with rents in the South Meadows averaging $1,074. Average rents for one-bedroom units were $923, for two-bedroom units were $973, and for 3-bedroom units were $1,420. The 2017 HUD Fair Market Rents for Washoe County at $706 for a one-bedroom, $920 for a two-bedroom, and $1,339 for a three-bedroom.

Development Team
Reno-based Greenstreet Companies and Vintage Housing are the developers of Vintage at the Crossings. Together, the principals of Greenstreet Companies and Vintage Housing have financed and built over 15,000 residential units of market rate and affordable multifamily housing, with over 3,000 units in the Reno-Sparks Area.

Nevada housing developments include:

- Silver Creek Apartments, Reno (1998), 376 units – market rate apartments (condominium conversion)
- Boulder Creek Apartments, Sparks (1999), 250 units - family affordable apartments
- Portofino, Henderson (2000), 205 units – senior affordable apartments
- Villas at D'Andrea (2001), 256 units – market rate apartments
- CitiVista Senior Apartments, Reno (2001), 152 units – senior affordable apartments
- Diamond Creek Apartments, Reno (2001), 288 units – family affordable apartments
- The Bluffs, Reno (2003), 300 units - family affordable apartments
- Triana Apartment Homes, Reno (2003), 175 units – market rate condominiums
- Vintage at Seven Hills, Henderson (2004) 244 units - senior affordable apartments
- Waterstone Apartment Homes, Reno (2004), 203 units – market rate apartments

- Fallen Leaf Apartment Homes, Reno (2005), 245 units – market rate condominiums
- Caviata Apartment Homes, Reno (2005), 184 units – market rate apartments
- Vintage at Laughlin (2007) 150 units - senior affordable apartments
- Vista Creek Apartments, Laughlin (2007) 300 units - family affordable apartments
- Vintage at the Crossings, Reno (2016), 230 units – senior affordable apartments

Property Management

Steamboat at the Summit will be managed by FPI Property Management. This Folsom-based company started in 1968 and today is one of the largest full service property management companies in the United States. FPI has 60,000 units in its portfolio including several thousand units of affordable housing similar to Steamboat. FPI staff manages the property onsite with its own personnel. All employees go through a rigorous FPI training program and typically have years of experience in managing affordable living communities. More about FPI can be found on their website: www.fpimgt.com.

Development Finance

Greenstreet Companies and Vintage Housing receive consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund-raising and public policy development. Since 2005, Praxis has secured the financing for over 45 affordable housing developments in Nevada, totaling over 3,500 units and $540 million in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

Financing and Schedule

The financing for Steamboat at the Summit will include tax-exempt bonds issued by the Nevada Housing Division (NHD) and purchased direct by Citibank and equity from the sale of non-competitive 4% Low Income Housing Tax Credits. The developers also plan to apply for gap financing through the new NHD Growing Affordable Housing Program (GAHP) as well as HOME funds from the Washoe County HOME Consortium. The GAHP funding is designed to help innovative quality affordable housing projects meet the necessary underwriting criteria to utilize the NHD tax-exempt bond and 4% Low-Income Housing Tax Credit programs.

The site is located within zip code 89521, which is a HUD Small Area Difficult Development Area (SADDA) in 2017, qualifying Steamboat at the Summit for a 130% boost in tax credit eligible basis. The eligible basis boost is worth about $5.5 million in additional tax credit equity. The SADDA is a new initiative by HUD, begun in 2016, which provides additional incentives for the creation of affordable housing in middle to upper income zip codes. (The household income in the immediate vicinity of the proposed Steamboat at the Summit is about 125% of AMI.)

The estimated total development cost is $66.6 million, or about $185,000 per unit.

Steamboat at the Summit will close in approximately August 2017, with construction completion by February 2019 and conversion in November 2020.

Steamboat at the Summit Apartments
South Virginia Street and Highway 341 (Geiger Grade Road)
Portions of APN # 017-011-20, 017-011-21, and 017-011-23 (18.41 acres)

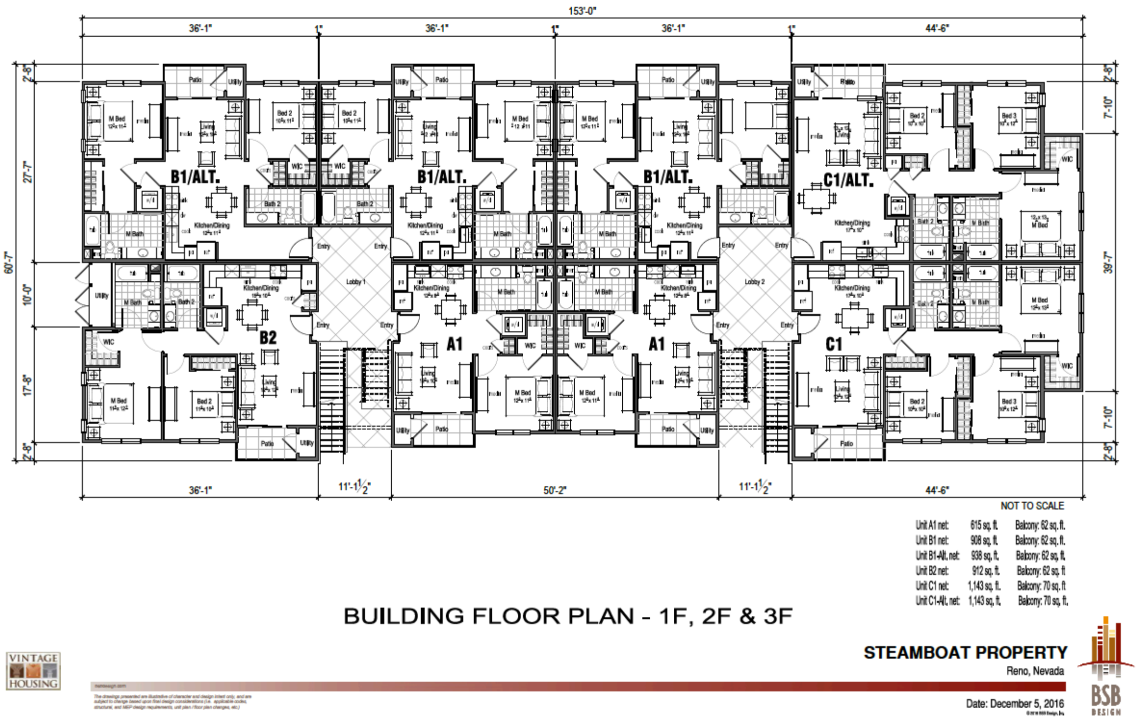
Aerial View

Steamboat at the Summit Apartments
South Virginia Street and Highway 341 (Geiger Grade Road)
Portions of APN # 017-011-20, 017-011-21, and 017-011-23 (18.41 acres)

Conceptual Site Plan

Steamboat at the Summit Apartments
South Virginia Street and Highway 341 (Geiger Grade Road)
Portions of APN # 017-011-20, 017-011-21, and 017-011-23 (18.41 acres)

Preliminary Building Floor Plans



Steamboat at the Summit Apartments

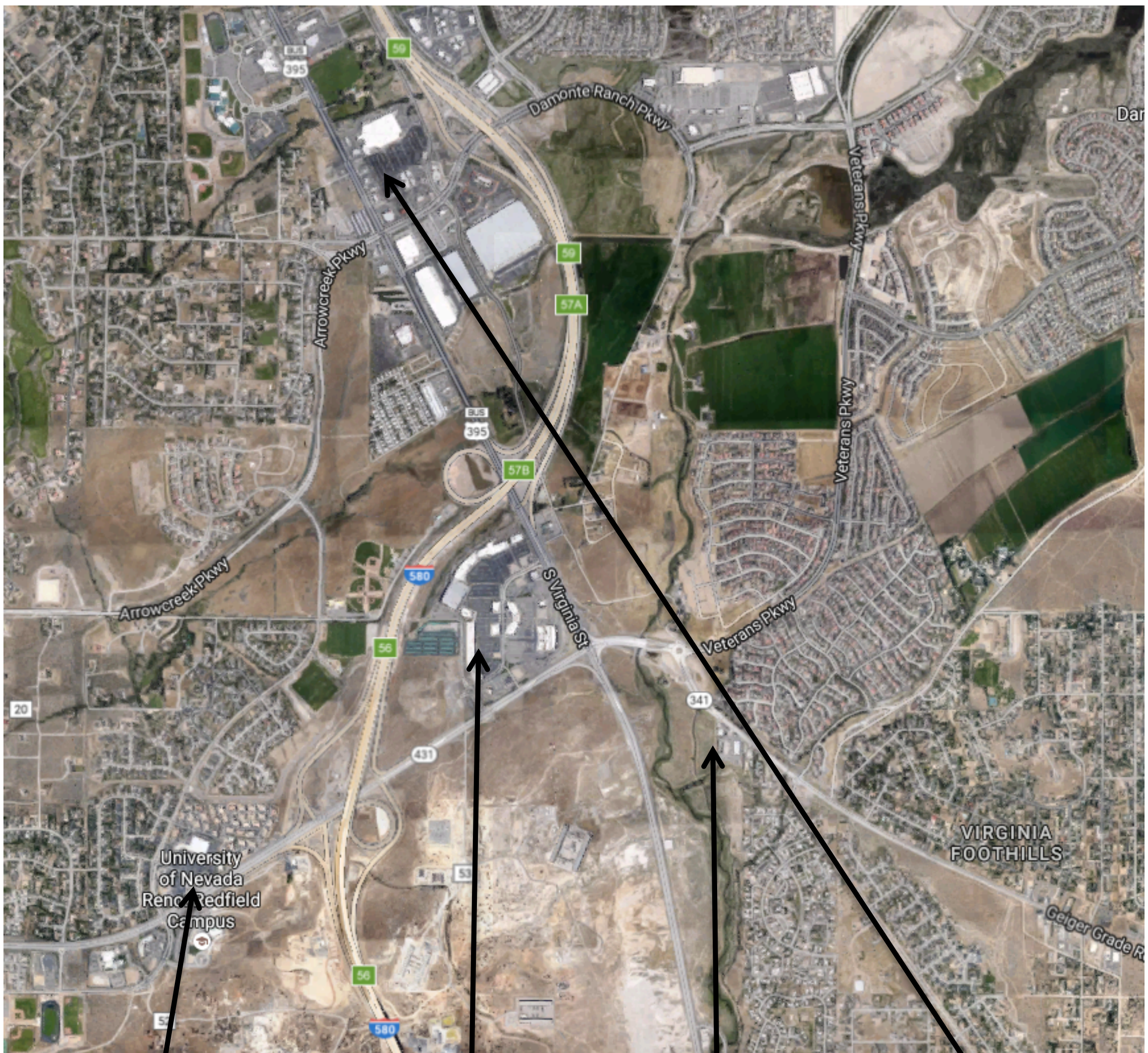
South Virginia Street and Highway 341 (Geiger Grade Road)

Portions of APN # 017-011-20, 017-011-21, and 017-011-23 (18.41 acres)

Preliminary Elevations

Steamboat at the Summit Apartments
South Virginia Street and Highway 341 (Geiger Grade Road)
Portions of APN # 017-011-20, 017-011-21, and 017-011-23 (18.41 acres)

Amenities Map



Raley's Supermarket, Banks, Restaurants, and Retail

Summit Mall

SITE

Walmart Supercenter, CVS Pharmancy, Urgent Care Clinic, Salons, Retail, and Restaurants

RESOLUTION NO. 8311

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RENO, NEVADA, TO TRANSFER TO THE DIRECTOR OF THE NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY ALL OF THE CITY OF RENO'S PRIVATE ACTIVITY BOND CAP FOR 2017 TO VINTAGE HOUSING DEVELOPMENT, INC. FOR THE BENEFIT OF THE PROJECT IDENTIFIED AS "STEAMBOAT AT THE SUMMIT APARTMENTS" AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), imposes an annual dollar limit (the "State Ceiling") on the amount of private activity bonds (which, as defined herein, would include "Bonds") which can be issued in each State, the interest on which is exempt from federal income taxes, and provides that each state may determine the method by which its State Ceiling for each year is to be allocated among the issues of the state; and,

WHEREAS, under the provisions of Chapter 348A of the Nevada Revised Statutes, as amended (the "Allocation Act"), and Regulations thereunder adopted by the Director of the Department of Business and Industry (the "Director") in NAC Chapter 348A (the "Allocation Regulations"), Nevada's Volume Cap is allocated between the Director and local governments; and,

WHEREAS, in accordance with the provision of the Allocation Act and Allocation Regulations, the Director has determined that the City's share of the State Ceiling (hereafter referred to as "Volume Cap") for 2017 is approximately $12.5 million, none of which has already been used by the City; and,

WHEREAS, Vintage Housing Development, Inc. (Project Sponsor) needs $41.80 million in volume cap for its project and has requested that the City transfer all its 2017 Volume Cap to the State of Nevada Department of Business and Industry for the purpose of contributing to financing the new construction of the Steamboat at the Summit Apartments that will provide decent, safe and sanitary dwellings, with all the units committed to persons of low income and at affordable rents; and,

WHEREAS, Section 348A.040 of the Nevada Revised Statutes authorizes the Director to adopt regulations to facilitate the use of the Volume Cap; and,

WHEREAS, the Director has adopted such regulations and through Section 348A.220 of the Allocation Regulations provides a procedure whereby the City may, by resolution, transfer all or any portion of its Volume Cap to the Director to induce the Director to provide financing to a project which will provide a public benefit to the citizens of the City of Reno; and,

WHEREAS, State of Nevada Department of Business and Industry (the Department) is a recognized government eligible to provide the services and pursuant to NRS 315.983(1)(a); and,

WHEREAS, the City desires to transfer all its 2017 Volume Cap allocation to the Department for assistance to construct the Steamboat at the Summit Apartments; and,

WHEREAS, the City anticipates that it will incur no cost or liability in connection with the issuance of the Bonds; and,

WHEREAS, this Council has determined that there is a need for affordable rental housing in the City (such as those provided by the new rental units at Steamboat at the Summit Apartments), and low income residents of the City will benefit from the Steamboat at the Summit Apartments;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reno, Nevada, as follows:

Section 1. Transfer. The City of Reno, Nevada hereby transfers all its 2017 Volume Cap allotment to the Director of the Department of Business and Industry with the understanding that the Director will utilize to contribute to the issuance of private activity bonds for the following project:

Amount	Project
All of the City of Reno's 2017 Volume Cap allocation*	Steamboat at the Summit Apartments, a proposed 360-rental unit apartment community for low income residents located on the southeast side of the intersection of Geiger Grade and South Virginia Street, Reno, Nevada.
* Applicant needs $41.80 million in Volume Cap and has requested that City transfer all of its Volume Cap to the Director and requests that the Director augment from State's allocation the remainder. In the event that sufficient Volume Cap is not available for the Project, the Director is requested to confer with the City for other allocations.	

Section 2. Public Benefit. This Council determines that the City of Reno, Nevada, will benefit from the financing through increased availability of funds for barrier-free and affordable multi-family rental housing within the City.

Section 3. Fees. The project sponsor shall pay all fees, in accordance with NAC 348A.300.

Section 4. City Representative. Any communication with the City regarding this matter should be with Elaine Wiseman, Housing and Neighborhood Development, Community Development Department, by phone at 775-334-3853 or e-mail at wisemane@reno.gov. Correspondence by United States Postal Service should be mailed to PO Box 1900, Reno, Nevada 89505.

Section 5. Filing. The City Clerk is hereby directed to deliver to the Director and to the secretary of the State Board of Finance a certified copy of this resolution and any other report, accounting or document necessary to accomplish this transfer within five days after the adoption of this resolution.

Section 6. Authority of City Manager or Assistant Manager. Without any further action by this Council, the City Manager or any Assistant City Manager is authorized and directed (i) to enter into any project agreement regarding the transfer and use of this City's Volume Cap, pre-financing conditions and rights and obligations of the City and developer of the project; (ii) to approve any changes to the project name, description of financing arrangements and any project agreements entered into between the City and project owners to reflect changes in the project as it qualifies for financing; and (iii) to make any certifications or representations and enter into any agreements necessary to complete, document, account for and effectuate this transfer.

Section 7. General Provisions. The officers of the City are hereby authorized and directed to take all action necessary to effectuate the provision of this resolution. The provisions of this resolution shall be liberally construed to effectively carry out its purposes. This Resolution shall be in full force and effect forthwith after its adoption. If any provision in this resolution is deemed void, invalid or unenforceable by a court of competent jurisdiction, then such offending provision shall be deemed, from the very beginning to be modified to bring it within the limits of validity, but if it cannot be so modified, then it shall be severed from this resolution and all of the remaining provisions shall remain in full force and effect.

Upon motion by Council Member Duerr, seconded by Council Member Jardon, the foregoing Resolution was adopted this 8th day of March, 2017, by the following vote of the Council:

AYES:	Duerr, Jardon, Bobzien, Schieve		
NAYS:	Brekhus, Delgado, McKenzie		
ABSTAIN:	None	ABSENT:	None

APPROVED this 8th day of March, 2017.

Hillary Schieve

HILLARY L. SCHIEVE, MAYOR

ATTEST:

for Beverly Brady-Brnadom

ASHLEY D. TURNEY, CITY CLERK

CITY OF RENO CORPORATE SEAL WASHOE COUNTY, NEVADA

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

1830 College Parkway, Suite 200
Carson City, NV 89706

DATE: May 22, 2017

TO: State Board of Finance

AGENDA ITEM: Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning Mortgage Credit Certificate Program and Issuance of Mortgage Credit Certificates in One or More Issues

PETITIONER: CJ Manthe – Administrator, Nevada Housing Division CJ Manthe

----

A. Time and Place of Meeting:

8:30 a.m., Tuesday, June 13, 2017, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact ("Findings") of the Administrator of the Housing Division concerning the issuance of up to $189,940,732 of mortgage credit certificates in one or more issues, as herein submitted to the Board of Finance.

C. Staff Recommendation: The Administrator of the Housing Division, in consultation with the financial advisors and legal counsel to the Division and institutions which have established mortgage credit certificate programs, recommends the approval of the Administrator's Findings of Fact by the Board of Finance with respect to the issuance of mortgage credit certificates in one or more issues.

G. Attorney Opinion:

The Findings of Fact of the Administrator of the Housing Division have been reviewed by the Housing Division's Legal Counsel; and assuming the factual matter stated therein is accurate, and except for the cash flow analyses and other financial and statistical data included therein, as to which no opinion is expressed, the findings comply with the requirements of NRS 319.190, 319.260 and 319.270.

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

Multi-Unit Housing Revenue Bonds
Mortgage Credit Certificate Program Issuance

In accordance with the requirements of NRS 319.190, 319.260 and 319.270, and based upon the memorandum of support, the Administrator of the Nevada Housing Division finds that:

1. There exists a shortage of decent, safe and sanitary housing which eligible persons and families can afford within the State's housing market, as determined by the Administrator.

2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary housing in such housing market area at prices which persons or families of low and moderate income can afford or to provide sufficient mortgage financing for residential housing occupancy by such persons or families.

3. A mortgage credit certificate is a certificate issued by certain state or local governments that allows a taxpayer to claim a tax credit for some portion of the mortgage interest paid during a given tax year.

4. Section 25(c) of the Internal Revenue Code of 1986, as amended (the "Code"), permits a state or political subdivision to establish a qualified

mortgage credit certificate program. In general, a qualified mortgage credit certificate program is a program under which the issuing authority elects not to issue an amount of private activity bonds that it may otherwise issue during the calendar year under Section 146 of the Code, and in their place, issues mortgage credit certificates to taxpayers in connection with the acquisition of their principal residences. Section 25(a)(1) provides, in general, that the holder of a mortgage credit certificate may claim a federal income tax credit equal to the product of the credit rate specified in the certificate and the interest paid or accrued during the tax year on the remaining principal of the indebtedness incurred to acquire the residence. Section 25(c)(2)(A)(iii)(III) generally provides that residences acquired in connection with the issuance of mortgage credit certificates must meet the purchase price requirements of Section 143(e) of the Code.

5. In order to qualify to receive a mortgage credit certificate, the homebuyer must qualify for a conventional, FHA, VA, RHS or other home mortgage loan from a lending institution and must meet the other requirements of the mortgage credit certificate program.

6. The mortgage credit certificate program proposed by the Administrator will increase the supply or improve the quality of decent, safe and sanitary housing for eligible homebuyers in the State.

7. The Housing Division is authorized to issue bonds which are private activity bonds within the scope of Section 146 of the Code.

8. The Administrator proposes that the Housing Division issue mortgage credit certificates in lieu of private activity bonds that the Housing Division would otherwise issue, as contemplated by Section 25(c) of the Code.

9. The Housing Division will not underwrite mortgage loans under the mortgage credit certificate program. Rather, all underwriting and execution of required state and federal certifications or affidavits will be performed by participating lenders. The Housing Division will review applications to determine compliance with applicable Internal Revenue Service requirements. Participating lenders will process the underlying mortgage loans using standard procedures which will be

periodically reviewed and modified, as necessary, by the Housing Division.

10. Mortgage credit certificates are not, and will not be, a debt or obligation of the Housing Division, the State or any agency or department of the State. The Housing Division's mortgage credit certificate program will establish a State-specific program that satisfies the provisions of Section 25(c) of the Code. The revenues and expenses of the proposed mortgage credit certificate program will, other than administrative expenses relating to the establishment and monitoring of the program, not be borne by the Housing Division and the program will not adversely affect the financial position of the Housing Division.

Approval is requested of the Board of Finance, as contemplated by NRS 319.270, for the issuance of mortgage credit certificates in lieu of private activity bonds.

BY: CJ Manthe DATE: 5/24/17

CJ Manthe
Administrator
Nevada Housing Division

State of Nevada
DEPARTMENT OF BUSINESS & INDUSTRY
Housing Division
1830 East College Parkway, Ste 200
Carson City, NV 89706
Tel.: (775) 687-2240 Fax: (775) 687-4040
E-Mail: NHDinfo@housing.nv.gov

NEVADA
HOUSING DIVISION

DATE: May 22, 2017

TO: CJ Manthe, Administrator

FROM: Michael Holliday, Chief Financial Officer

RE: Mortgage Credit Certificate Program 2017A

* *

This memo is in regard to preparing Nevada Housing Division 2017 mortgage credit certificate program which will provide Mortgage Credit Certificates (MCC) to all eligible Nevada residents. The Division will not be issuing debt to fund the program but will use up to $189.9 million of private activity bond volume cap carry forward from 2014 and 2015 which will expire otherwise at the end of calendar year 2017 and 2018 respectively.

Some of the highlights of a Mortgage Credit Certificate (MCC) program are as follows:

- An MCC is a direct companion to a mortgage loan
- An MCC provides a federal income tax credit of up to 30% of the interest paid on a mortgage loan (maximum $2,000 credit per year).
- Beneficiaries are first-time homebuyers (have not owned a home in prior 3 years) and qualified veterans
- Most borrowers save $2,000 annually
- Assists borrowers with tight ratios to qualify for loans
- Tax benefits accrue to homeowner instead of tax-exempt bond investor

The following is an example based upon an average loan:

Description	**Amount**
Loan Amount	$200,000
Interest Rate	4.75%
Interest Amount	$9,500
First year MCC savings	$2,000
Monthly Savings	$167
Ten year savings	$20,000

Quick Glance at Performance of Prior Mortgage Credit Certificate Issues

Prior Issues Authorized by the Board of Finance	Number of Families Served through Mid-May 2017	Amount of Corresponding Mortgages (in millions)	Amount of Estimated Tax Savings Over Life of Mortgage (in millions)
2014A	589	$106.3	$11.8
2015A	515	$100.4	$10.3
2016A	77	$ 14.9	$ 1.5
Total	**1,181**	**$221.6**	**$23.6**

Current Trend Calendar Jan. – May 19th, 2017

Month	Total Families Served	Veterans Served
January 2017	57	6
February 2017	67	7
March 2017	100	7
April 2017	101	10
May (through 19th) 2017	76	9
Total 2017 Through May 19th	**401**	**39**

The Division is currently offering this program statewide, and as the second chart above illustrates, the program is providing benefits to an increasing number of families each month. The MCC program can be combined with the Division's other home buyer programs, such as the Home is Possible down payment grant program, to offer even more benefits to hard-working and responsible Nevada families. The Division staff follows established administrative processes to manage the program and ensure compliance with Internal Revenue Service regulations associated with the program.

Realtors and Lenders across Nevada receive training and updates on how to use the MCC program to benefit their clients. The training is available online, using webinars, and in person. These private sector business partners view the MCC program as a vital financial incentive for Nevada families.

This memo is in support of requesting the issuance of up to $189,940,732 in mortgage credit certificates in one or more issues. Please see attached Findings of Facts for additional information regarding this agenda item.

Dan Schwartz
State Treasurer

STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (BoF) Members

FROM: Tara Hagan, Chief Deputy Treasurer

SUBJECT: 6_13_17 BoF Agenda Item #5– State Treasurer Quarterly Investment Reports

DATE: June 6, 2017

Agenda Item #5
Discussion and possible action:

(a) reviewing and accepting the State Treasurer's quarterly investment report for the quarter ended March 31, 2017 and

(b) approving or disapproving the Treasurer's Investment Policy Statements for the General Portfolio and the Local Government Investment Pool (LGIP), as required by NRS 355.045.

Current Performance:
The attached reports indicate performance for the quarter ending March 31, 2017.

- The performance for LGIP assets was 0.935% which is 0.235% in excess of the benchmark return of 0.70%.

- The total General Portfolio weighted return for period ending March 31, 2017 is 1.21%.

  - The performance of the internally managed portion of the General Portfolio was 0.985% which is 0.47% in excess of the custom blended benchmark return of 0.51%.

  - Chicago Equity Partners (CEP) manages $300 million in General Portfolio assets of which the mandate is to manage against the *Bloomberg Barclays US Intermediate A or Better Government/Credit* index. The performance since inception net of fees is 0.71%. As of March 31, 2017, CEP has reported income and realized gains for the fiscal year to be $2.92 million. The hard dollar fees paid since inception to CEP as of March 31, 2017 were $597,784.

CARSON CITY OFFICE
101 N. Carson Street, Suite 4
Carson City, Nevada 89701-4786
(775) 684-5600 Telephone
(775) 684-5623 Fax

STATE TREASURER PROGRAMS
Governor Guinn Millennium Scholarship Program
Nevada Prepaid Tuition Program
Unclaimed Property
College Savings Plans of Nevada
Nevada College Kick Start Program

LAS VEGAS OFFICE
555 E. Washington Avenue, Suite 4600
Las Vegas, Nevada 89101-1074
(702) 486-2025 Telephone
(702) 486-3246 Fax

Website: NevadaTreasurer.gov E-mail: StateTreasurer@NevadaTreasurer.gov

- MacKay Shields (MKS) manages $300 million in General Portfolio assets of which the mandate is to manage against the *Bloomberg Barclays US Intermediate A or Better Government/Credit* index. The performance since inception net of fees is 1.11%. As of March 31, 2017, MKS estimates its annual investment income to be $6.25 million. The hard dollar fees paid since inception to MKS as of March 31, 2017 were $599,162.

Recommendation:
I respectfully request consideration and approval of the quarterly investment reports and the Treasurer's investment policies for the General Portfolio and the LGIP.

State Treasurer
www.NevadaTreasurer.gov

INVESTMENTS

GENERAL PORTFOLIO

FISCAL YEAR 2017
Period Ending
March 31, 2017

Overview

Investment of the State of Nevada General Fund Portfolio is a function performed by the State Treasurer, who, by the provisions of NRS 355, has adopted policies for the prudent and conservative investment of these funds. The Board of Finance shall review investment policies at least every three months and approve any changes. The General Portfolio encompasses governmental, proprietary, enterprise and fiduciary funds of the State. Investment objectives include safety of principal, portfolio liquidity and market return.

Investment Guidelines

The permissible investments of the General Portfolio include United States Treasury and Agency securities, repurchase agreements, high quality corporate notes and commercial paper, negotiable certificates of deposit, municipal bonds and banker's acceptances. These securities are diversified to prevent over-concentration in a specific maturity, a specific issuer, or a specific class of securities. The targeted duration of the portfolio is one and a half years, with no security extending longer than ten years.

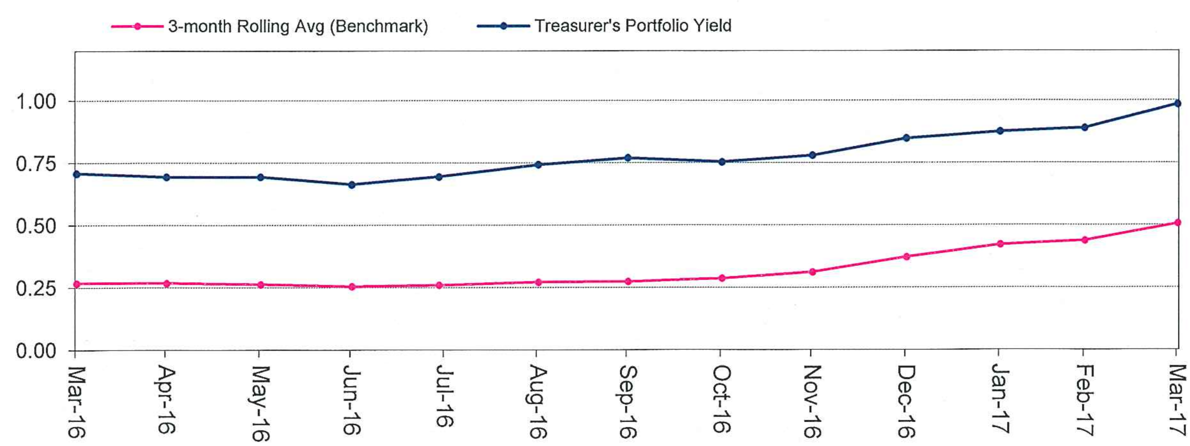
The State Treasurer maintains a conservative, moderately active investment strategy. Cash flow forecasts are prepared to identify operating cash requirements that can be reasonably anticipated. In order to maintain sufficient liquidity, a portion of the portfolio is structured so that securities mature concurrently with cash needs in the short and medium term. Monies deemed to have a longer investment horizon, are invested to take advantage of longer term market opportunities.

While the short term general fund and a portion of the longer term investments are managed in house by the Treasurer, two firms, Chicago Equity Partners and MacKay Shields have been hired to manage the bulk of the longer term general fund assets.

In House Performance

As of March 31, 2017, the yield on the portion of the General Portfolio managed in house was 0.985%. A three month rolling average of this benchmark for this period was .51% with a duration of 218 days. The duration of the in-house managed portfolio was .44 years or 160 days.

General Fund Performance vs. Benchmark

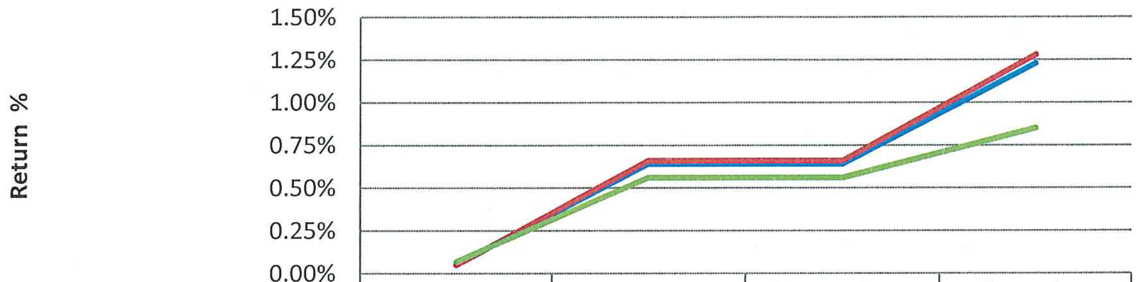


Outside Manager Performance

The performance since inception for period ending March 31, 2017 for manager Chicago Equity Partners (CEP) is 0.85% and for Mackay Shields (MKS) is 1.28%*. Both of these returns are based on time-weighted rate of return which is defined as the compounded growth rate of $1 over the period being measured. These funds have been assigned the *Bloomberg Barclays Intermediate A or better Government Credit benchmark*. The benchmark as of March 31, 2017 was 1.23%. The Nevada statutory requirements prevent managers from investing in certain securities and fewer corporate notes which is the cause of the difference in manager performance versus the benchmark. ***CEP inception date is September 2015 and MKS is December 2015.**

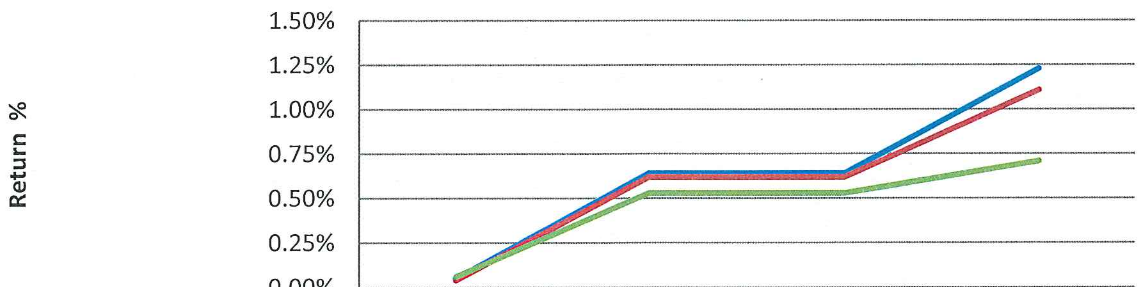
Outside Managers' Performance vs. Benchmark

Performance as of March 31, 2017(Gross of Fees)



	Latest Mo	Latest 3 Mo	Year to Date	Inception
(BENCHMARK) BARCLAYS INTERMEDIATE U.S. GOVT/CREDIT	0.05%	0.64%	0.64%	1.23%
MKS Performance	0.05%	0.66%	0.66%	1.28%
CEP Performance	0.07%	0.56%	0.56%	0.85%

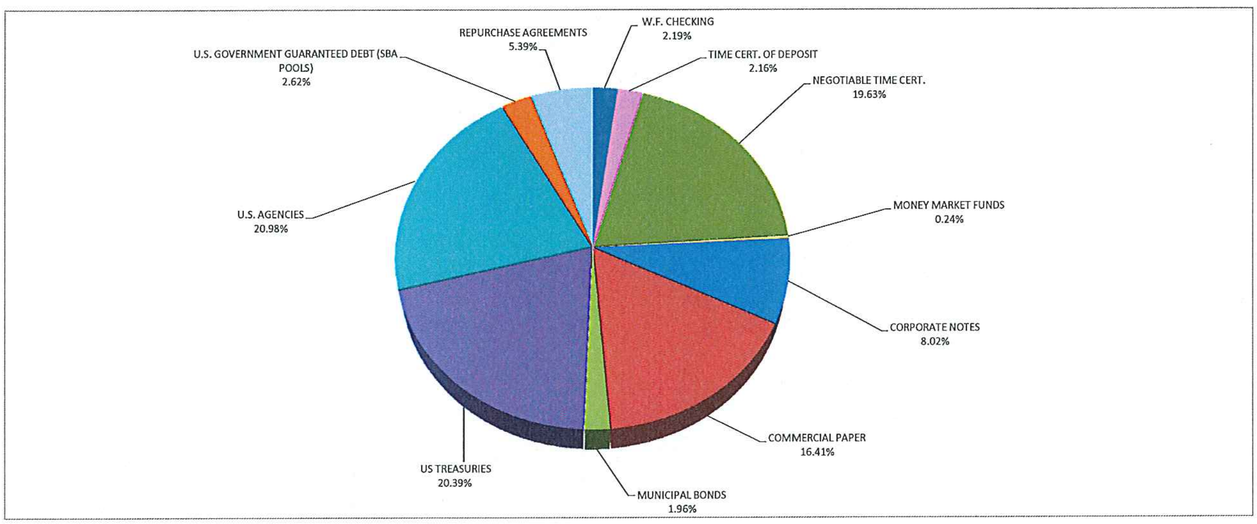
Performance as of March 31, 2017(Net of Fees)



	Latest Mo	Latest 3 Mo	Year to Date	Inception
(BENCHMARK) BARCLAYS INTERMEDIATE U.S. GOVT/CREDIT	0.05%	0.64%	0.64%	1.23%
MKS Performance	0.04%	0.62%	0.62%	1.11%
CEP Performance	0.06%	0.53%	0.53%	0.71%

GENERAL PORTFOLIO
Amortized Book Value and Purchased Interest

	March 31, 2017 Amortized Book Value Treasurer In-House	March 31, 2017 Amortized Book Value Chicago Equity Partners	March 31, 2017 Amortized Book Value Mackay Shields	December 31, 2016 Amortized Book Value Treasurer In-House	December 31, 2016 Amortized Book Value Chicago Equity Partners	December 31, 2016 Amortized Book Value Mackay Shields
WASHINGTON FEDERAL CHECKING ACCT.	$ 50,681,251			$ 100,560,739		
TIME CERTIFICATES OF DEPOSIT	50,000,000			0		
NEGOTIABLE CERTIFICATES OF DEPOSIT	455,004,829			375,509,253		
MONEY MARKET FUNDS	2,659,461	2,463,821	503,883	2,349,690	1,603,429	149,966
ASSET-BACKED SECURITIES	0			0		
MORTGAGE-BACKED SECURITIES	0			0		
CORPORATE NOTES	70,126,916	26,778,581	89,050,838	70,433,189	25,293,926	89,275,037
COMMERCIAL PAPER	380,218,091			419,347,783		
MUNICIPAL BONDS	45,329,733			24,026,378		
U.S. TREASURIES	15,063,836	248,862,072	208,720,854	19,975,128	250,130,770	208,483,861
U.S. AGENCIES	454,763,879	26,542,575	4,999,558	355,432,912	26,886,527	4,999,406
U.S. GOVERNMENT GUARANTEED DEBT	60,741,270			65,261,240		
REPURCHASE AGREEMENTS	125,000,000			0		
TOTAL	$ 1,709,589,265	$ 304,647,049	$ 303,275,133	$ 1,432,896,313	$ 303,914,651	$ 302,908,270
GRAND TOTAL	$		**2,317,511,447**	$		**2,039,719,234**



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	March 31, 2017	March 31, 2016
TOTAL PORTFOLIO	$2,317,511,447	$2,066,176,524

State of Nevada
Office of the State Treasurer
Schedule of General Fund Interest Revenue

	Quarter Ended 09/30/2016	Quarter Ended 12/31/2016	Quarter Ended 03/31/2017	Quarter Ended 06/30/2017	FY 2017 Totals
Average Daily Balances of Funds					
General Fund	140,705,275	489,385,799	477,415,360		369,168,811
All Funds	2,166,844,878	2,257,249,472	2,362,951,352		2,262,348,567
Annualized Interest Rate					
Cash Basis (see Note 1)	0.7604%	0.6979%	0.7887%		0.7490%
Accrual Basis	0.7094%	0.6495%	0.7417%		0.7002%
Interest Distribution for General Fund (Cash Basis)					
General Fund Interest Collected	269,878	857,468	931,376		2,058,723
General Fund Interest Revenue - Distributed	269,878	857,468	931,376		2,058,723
Undistributed General Fund Interest Revenue	-	-	-		-
Interest Distribution for All Funds (Cash Basis)					
All Funds Interest Collected	4,104,544	3,963,396	4,610,083		12,678,024
All Funds Interest Revenue - Distributed	4,104,544	3,963,396	4,610,083		12,678,024

Note 1 Interest is distributed to statutorily approved funds and budget accounts based on the cash basis of accounting. Under the cash basis of accounting, earnings are distributed in the quarter received but not necessarily in the quarter they were earned. Therefore, some of the receipts included in the Actual General Fund interest collected line were actually earned in the prior period and some of the earnings included in the General Fund interest revenue - accrual basis line will not be collected until a subsequent period.

Overview

The State of Nevada Local Government Investment Pool (LGIP) was established as an alternative investment program to be utilized by local governments for their public funds. This program's operation is the responsibility of the State Treasurer who, by the provisions of state statute, has adopted guidelines for the prudent investment of these pooled funds. Any local government, as defined by NRS 354.474, may deposit its public monies into this fund for purposes of investment. As of March 31, 2017, there were 87 members of the LGIP, which includes cities, counties, school districts, and various special districts. The LGIP's foremost investment objectives include safety of principal, portfolio liquidity, and market return, which are consistent with a conservative, short duration portfolio.

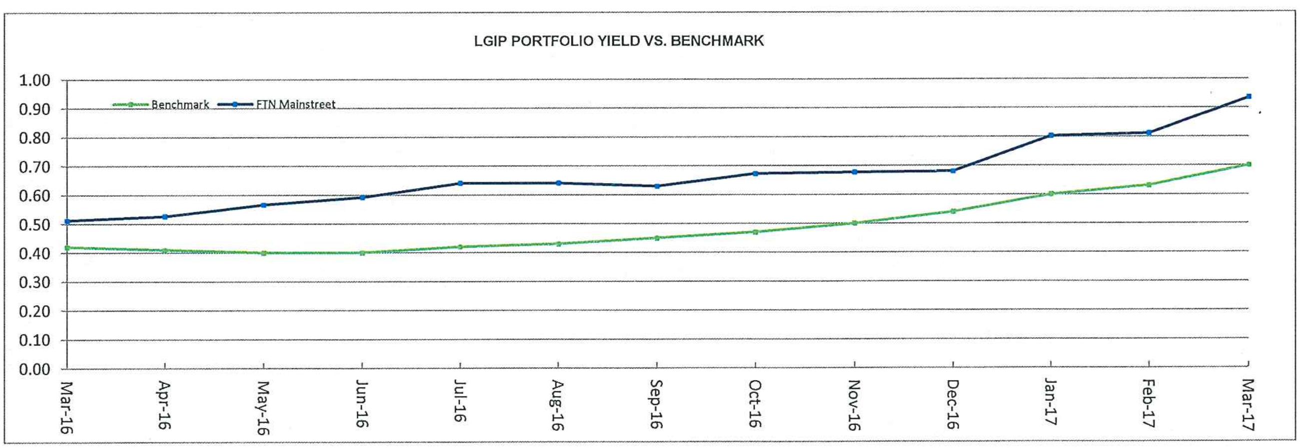
Investment Guidelines

The permissible investments of the LGIP include United States Treasury and Agency securities, repurchase agreements, high quality commercial paper, negotiable certificates of deposit, municipal bonds and banker's acceptances. These securities are diversified to prevent over-concentration in a specific maturity, a specific issuer, or a specific class of securities. The average maturity of the portfolio must not exceed 150 days, and no single security may be longer than two years.

The State Treasurer maintains a conservative investment strategy, which incorporates the matching of maturing securities to the cash needs of the participants. Approximately 20% of the fund matures on a daily basis, ensuring sufficient liquidity to meet both anticipated and unanticipated withdrawals. Additionally, at approximately 60% of the fund matures within 90 days, compared to the policy requirement of 50%. This requirement minimizes the risk that the market value of portfolio holdings will fall significantly due to adverse changes in general interest rates.

Performance

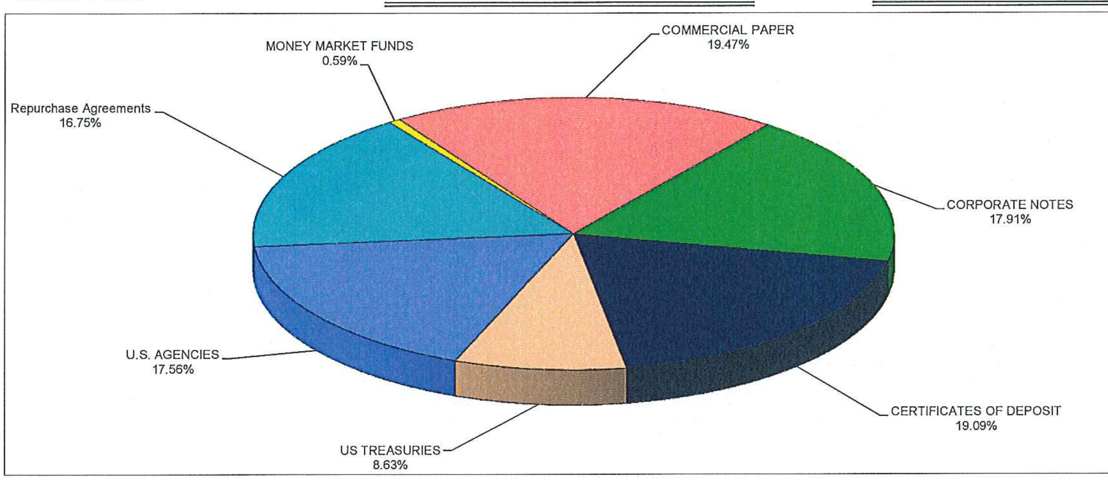
FTN Financial began managing the LGIP portfolio in July 2015. As of March 31 2017, the LGIP's portfolio yield was 0.935%, and the blended benchmark was 0.70%. The average duration of the LGIP portfolio was 122 days.



Administration

The State Treasurer has adopted an Investment Policy relating specifically to the LGIP. The State Board of Finance shall review and approve or disapprove the policies established by the State Treasurer for investment of money of the LGIP at least every four months. The State Treasurer hereby confirms all LGIP investments are in compliance with the Terror-Free Investment Policy and the Divestiture Policy. The State Treasurer may contract with an independent auditor to review LGIP transactions for accuracy and fairness in reporting.

	March 31, 2017		December 31, 2016	
	Amortized Book	Purchased Interest	Amortized Book	Purchased Interest
MONEY MARKET FUNDS	$ 5,793,609		$ 263,549,046	
COMMERCIAL PAPER	191,739,835		114,940,750	
CORPORATE NOTES	176,054,888	351,365	145,494,665	81,908
CERTIFICATES OF DEPOSIT	188,000,062		138,000,000	
MUNICIPAL BONDS				
U.S. TREASURIES				
NOTES	84,922,278	16,304	74,916,320	37,698
BILLS				
U.S. AGENCIES	172,910,639	361	106,884,006	3,693
ASSET-BACKED SECURITIES	-		687,380	
REPURCHASE AGREEMENTS	165,000,000		-	
TOTAL	$ 984,421,310	$ 368,030	$ 844,472,166	$ 123,299
GRAND TOTAL	$	984,789,340	$	844,595,465



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	March 31, 2017	March 31, 2016
TOTAL PORTFOLIO	$984,789,340	$679,978,783

APPENDIX

Securities Sales Pursuant to General Portfolio Investment Policy Statement (IPS)

Pursuant to Appendix B, Sale of Portfolio Securities in the General Portfolio IPS, if an individual security does not conform within IPS limitations there must be 'best judgement' guidelines to remedy or correct non-compliance. The IPS requires that once a security has fallen out of regulatory compliance, the State Treasurer documents the process as follows:

- Compliance issues are documented in writing within 24 hours of identification to the Chief Deputy Treasurer.
- The cause of the compromise is evaluated based on the specifics of the security to include par value, collateral value, and maturity date.
- The security is monitored until it matures, re-complies or is sold.
- Upon completion, the information is reported to the State Board of Finance.

The table below details any security sales pursuant to Appendix B, Sale of the Portfolio Securities in the General Portfolio:

Security	**CUSIP**	**Par Value**	**Collateral Value**	**Maturity**	**Disposition**	**Gain/(Loss)**	**Percentage of the Portfolio**
ABBVIE* Inc.	00287YAK5	$1,000,000	NA	11/6/18	Sold 5/3/16	$5,130	0.057%
Sherwin Williams Co.*	824349AP1	$785,000	NA	12/15/17	Sold 5/10/17	($1,272)	0.055%

*Credit rating of the security was downgraded by one or more nationally recognized rating agencies.