Governor Brian Sandoval
Chairman

Members
Treasurer Dan Schwartz
Controller Ron Knecht
Teresa J. Courrier
Steven Martin

State of Nevada
STATE BOARD OF FINANCE

PUBLIC NOTICE

AGENDA

MEETING OF THE STATE BOARD OF FINANCE
Tuesday, November 14, 2017
1:00 P.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 September 12, 2017.

   Presenter: Tara Hagan, Chief Deputy Treasurer

3. Receive a report on bond expenditures as of June 30, 2017.

   Presenter: Kim Arnett, Deputy Treasurer -Investments

4. Receive a report on the sale of General Obligation Bonds by the State of Nevada.

   Presenter: Lori Chatwood, Deputy Treasurer – Debt Management

5. **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 $40,000,000 of Multi-Unit Housing Revenue Bonds (Sky Mountain by Vintage Apartments), for the purpose of construction of a 288-unit affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited liability company, which will consist of an entity owned by Vintage Housing Development and 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: Steve Aichroth, Administrator, Nevada Housing Division

6. **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 $20,000,000 of Multi-Unit Housing Revenue Bonds (North 5th Avenue Apartments), for the purpose of construction of a 176-unit affordable housing rental project in North Las Vegas, Nevada. The project owner/developer will be a limited liability company, which will consist of an entity owned by Nevada HAND, Inc. National Equity Fund will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

   Presenter: Steve Aichroth, Administrator, Nevada Housing Division

7. **For possible action –** Discussion and possible action on Storey County Treasurer's request for approval of Moreton Asset Management as an approved investment advisor pursuant to NRS 355.171, subsection 3.

   Presenter: Tara Hagan, Chief Deputy Treasurer

8. **For discussion and possible action:** Discussion and possible action (a) regarding the State Treasurer's quarterly investment report for the quarter ended September 30, 2017 and (b) to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP).

   Presenter: Tara Hagan, Chief Deputy Treasurer

9. 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.

10. 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
September 12, 2017 – 8:30 AM
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 Sandoval called the meeting to order at 8:30 A.M.

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

Others present:
Tara Hagan – Chief Deputy Treasurer
Lori Chatwood – Debt Management Deputy Treasurer
Dennis Belcourt – Deputy Attorney General
Daralyn Dobson – Nevada Division of Environmental Protection
Kendra Follett – Sherman & Howard
Jason Cooper – Nevada Division of Environmental Protection
Cy Ryan – Capitol Press Office
Tom Lauth – Kutak Rock

Agenda Item 1 – Public Comment.

No public comment in Carson City. Las Vegas had a written public comment which is attached to these minutes. Las Vegas also had a public comment from Zachary (last name inaudible) on behalf of the culinary workers and bartenders union.

Agenda Item 2 – For possible action – Approval of the Board of Finance minutes from the meeting held on August 8, 2017.

Dave Funk moved to approve the minutes. Controller Knecht seconded the motion. Motion passed unanimously.

<u>Agenda Item 3</u> – For possible action – Approval on the issuance of general obligation bonds by the State of Nevada.

Lori Chatwood explained that the proposed bond issuance is comprised of six tax-exempt bond proceeds.

a. **For possible action - Discussion and possible action on a resolution designated the "2017A Capital Improvement Bond Resolution," authorizing the issuance and sale of the State of Nevada General Obligation (Limited Tax) Capital Improvement Bonds, Series 2017A in an aggregate principal amount not to exceed $100,000,000; providing the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment, the security therefor, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.**

   Ms. Chatwood noted that the 2017A Capital Improvement Bonds will be used towards approximately $14.5 million to complete the 2015 Capital Improvement Program; approximately, not to exceed, $68.5 million for the first tranche of the 2017 CIP act; and approximately, not to exceed, $14.5 million for the first tranche of the Reno DMV building. All of the bonds are General Obligation bonds and are paid by the .17 cents property tax of the state. Ms. Chatwood stated that this issuance was considered in the affordability and the Governor's recommended budget which was approved by the Legislature. The portion of the bonds for the Reno DMV are also to be paid with 12% from the pollution control account at the DMV and the remaining 88% will be paid with the state highway fund. In order to issue the DMV bonds there needs to be a certification from the Director of the Governor's Finance Office stating that the money for the DMV building has been or will be appropriated for that payment and Director Wells has certified to that. The Board is being asked to amend the 2015D resolution, which is for the bonds that were issued for the Las Vegas DMV. Public Works has estimated that there is about $2 million which was not used from the 2015D issuance which can be applied to the Reno DMV.

   Governor Sandoval asked Ms. Chatwood when she anticipates the bonds will be sold. Ms. Chatwood stated that the sale date is October 17, 2017 and the money will be available November 7, 2017. Governor Sandoval asked what the rate Ms. Chatwood expected the state to receive as part of the sale. Ms. Chatwood stated that the bonds are projected to be around the 3.25% range.

b. **For possible action – Discussion and possible action on a resolution designated the "2017B Natural Resources and Refunding Bond Resolution"; authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series 2017B or the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2017B, in the aggregate principal amount not to exceed $10,000,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other**

details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.

Ms. Chatwood noted that the 2017B issuance is for Natural Resources and it's in an aggregate principal amount not to exceed $10,000,000. There is approximately $2.5 million of the $5 million authorization that was authorized in the 2017 session for the Tahoe Environmental Improvement programs and $1 million for the Water Grant projects. In the Water Grant projects, NRS 349.986 states there may not be an aggregate principal amount outstanding greater than $125,000,000. Ms. Chatwood stated that as of the issuance expected in October 2017, it is projected that there will be just under $53,000,000 outstanding against that authorization.

Governor Sandoval asked Ms. Chatwood when she anticipates the bonds will be sold. Ms. Chatwood stated that the sale date is October 17, 2017 and the money will be available November 7, 2017.

c. **For possible action – Discussion and possible action on a resolution designated the "2017C Open Space, Parks, Natural Resources and Refunding Bond Resolution"; authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Open Space, Parks, Natural Resources and Refunding Bonds, Series 2017C or the State of Nevada, General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2017C, in the aggregate principal amount not to exceed $15,000,000; providing the purpose for which such bonds are issued, the form, terms, and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.**

Ms. Chatwood noted that the 2017C issuance is for Open Space bonds in the Q1 program. These bonds are looking at an aggregate principal amount not to exceed $15,000,000. Ms. Chatwood noted that included in this amount is the remaining authorization for Parks in an approximate amount of $1.7 million; the remaining authorization for the Department of Wildlife which is approximately $1.9 million; and $1 million for the Division of State Lands for its grant program. As of August 18, 2017 efficiencies were found from refunding the 2008B and 2009E bonds with an approximate 8.11% net value savings or $309,000.

No questions or comments from Board members.

d. **For possible action – Discussion and possible action on a resolution designated the "2017D Bond Bank Bond Resolution"; authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Bonds (Nevada Municipal Bond Bank Project No. 90) Series 2017D, in the maximum aggregate principal amount not to exceed $6,000,000; providing the form, terms, and conditions of such bonds and**

other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.

Ms. Chatwood noted that the 2017D Bond Bank Bonds, in the maximum aggregate principal amount not to exceed $6,000,000 for a sewer project for Carson City. She noted that the Municipal Bond Bank law was changed from requiring a judicial confirmation process each time to ensure it's a natural resource of the state and therefore exempt, the law now allows this Board to make that determination. The Bond Bank Law also requires that we may not have more than $1.8 billion outstanding at any one time. She noted that when we issue on October 1, 2017, we will have just under $90 million outstanding against that authorization.

No questions or comments from Board members.

e. For possible action – Discussion and possible action on a resolution designated the "2017E Revolving Fund Matching Approval Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2017E, in the maximum aggregate principal amount not to exceed $6,600,000.

Ms. Chatwood noted that the 2017E bonds for the Drinking Water Revolving Fund Matching Bonds, in the maximum aggregate principal amount will not exceed $6,600,000. The State is funding an approximate 20% match in order to take advantage of the federal money and which will equate to a total of approximately $33 million in available funds for loans for the Drinking Water program. Ms. Chatwood stated that in order to pay back the bonds from the revenue stream of the loans for the Drinking Water program, the coverage is 1.25 times and should the program work with its retained earnings, as well as the loans, there is over 3 times coverage for the payment of these bonds.

No questions or comments from Board members.

f. For possible action – Discussion and possible action on a resolution designated the "2017F Revolving Fund Matching Approval Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2017F, in the maximum aggregate principal amount not to exceed $4,000,000.

Ms. Chatwood noted that the 2017F for the Water Pollution Control Revolving Fund Matching Bonds, in the maximum aggregate principal amount will not exceed $4,000,000. She noted that the State is funding an approximate 20% match in order to take advantage of the federal money and will receive approximately $20 million in available funds to give loans to our municipalities. Ms. Chatwood stated that in the Water Pollution Control account, the existing loans are at 3.34 times coverage.

Governor Sandoval asked Ms. Chatwood if she had any concluding remarks and Ms. Chatwood stated that she believes this is a very good sale for the state. It is the wishes of the state through the Governor's recommended budget and the legislature that we support these programs. She stated that the issuances are all within the affordability and our constitutional debt limit and they all have strong coverage if they are to be paid with revenues that are available for the bonding outside of our property tax. Ms. Chatwood stated that she sees no reason, at this time, that anything is going against the rules that are allowed with these programs.

No questions or comments from Board members.

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

Agenda Item 4 - For possible action – Discussion and possible action (a) regarding the State Treasurer's quarterly investment report for the quarter ended June 30, 2017 and (b) to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP).

Ms. Tara Hagan presented the June 30, 2017 investment report for the General Portfolio and the Local Government Investment Pool (LGIP) and requested the Board's approval of the investment policies for both funds. Ms. Hagan provided a general market update for the second calendar quarter and noted the Treasury curve continues to flatten which means that short-term yields have risen from the start of the year, while long-term yields are lower than they were in January 2017. She noted this is a direct result of the Federal Open Market Committee recent monetary policies which includes three 0.25% interest rate hikes. She concluded that all the portfolios continue to performance well against their respective benchmarks.

Dave Funk motioned to approve Agenda Item 4. Controller Knecht seconded the motion. Motion passed unanimously.

Agenda Item 5 - 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.

No comments

Agenda Item 6 – Public Comment

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

Governor Sandoval adjourned the meeting at 9:02 a.m.

Public Comment
Nevada State Board of Finances – Sept 12

Good morning. My name is Carrie Rhodes. I work at Boulder Station. I live here in Las Vegas with my family.

My understanding is that you have a goal of building an economy that is fair. And that this board shapes the economic agenda for Nevada. So when the owners of Station Casinos announced a five-hundred million dollar investment fund, I hope you see this as an opportunity.

The fund run by Fertitta Capital could invest in technology and companies that could help Las Vegas and Nevada. Fertitta Capital could invest to ensure an economy that is fair, and they could invest in businesses that make sure economic development in Nevada moves our community forward.

I assume you think five-hundred million dollars is a lot of money. It sure seems like a lot to me. At Station Casinos, where I work, we see millions going into construction projects. And we hear about how successful the owners of Boulder Station are.

I think the company can afford investment because the team-members make it a successful company. I think the owners of Boulder Station can afford to make a five-hundred million dollar investment fund because of our hard work.

So that's why it's important to me that you contact Fertitta Capital. I want these dollars to stay in our community. I want Fertitta Capital dollars to go back to the communities that Station Casinos depends on.

Dan Schwartz
State Treasurer

STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (BoF) Members

FROM: Kim Arnett, Deputy Treasurer - Investments

SUBJECT: 11_14_17 BoF Agenda Item #3 - Bond Expenditure Report

DATE: November 2, 2017

Agenda Item #3

Receive report on bond expenditures as of June 30, 2017.

BACKGROUND:

The State's Debt Management Policy, which was revised and approved in calendar year 2014, requires that a report on the expenditures of bond proceeds shall be presented to the Board of Finance. There are several important reasons for the monitoring of bond proceeds:

1. Federal regulations for the issuance of tax-exempt debt require the issuer to have a reasonable expectation that it will spend 85% of the proceeds, including interest earned on those proceeds, within three years. Although there are no penalties assessed to an issuer if it fails to meet this guideline due to unforeseen circumstances, the IRS has noted that failure to spend proceeds within acceptable timeframes can signify a flag for them to audit the bond transaction. In addition, the IRS requires tax-exempt debt issuers, such as the State to have post-issuance compliance policies and procedures in place.

2. Economically, there is little sense to issue bonds ahead of when they are needed and pay the interest on those proceeds while they go unused.

3. It is hoped that by tracking bond expenditures through this reporting process, the Treasurer's Office, Department of Administration and user departments can identify issues related to the planning and financing of capital improvements and reduce the State's financing costs over time. This information, for example, can assist the State in in determining how to allocate future bond proceeds; a department with remaining unspent proceeds should justify requests for any additional proceeds. This information

may also identify situations where funds can be re-purposed in the Governor's proposed budget and the next CIP bill submitted to the legislature.

4. Also, although these reports do not directly correlate to arbitrage reporting, knowing which bond issuances still have unspent proceeds can help the State identify possible future situations where there may be an arbitrage liability.

SUMMARY OF REPORT RESULTS

Attachment A summarizes the unspent bond proceeds by department and calendar year. Excluding 2017 issuances, there is $93.69 million of unspent bond proceeds, which can be categorized as follows:

- A number of bond issuances were executed in CY 2016, so there is $49.16 million of unspent proceeds from issuances in 2016, most of it received by Public Works. Public Works earmarks the funds for general capital improvement projects.
- CY 2015 issuances have approximately $25.62 million (16.49%) remaining. The majority of the funds remaining are Public Works and Nevada System of Higher Education. Both entities have plans to spend the majority of the funds prior to the 3-year deadline fulfilling the requirement.
- The remaining CY 2014 issuances have met the 3-year/85% spenddown requirement with approximately $12.96 million (7.9%) remaining. The remaining funds belong primarily to Public Works. The majority of the funds have been reallocated to current projects by the 2017 Legislative Session.
- Finally, there remain unspent proceeds ($4.58 million) from bonds sold in 2008-2010 approximately 10-7 years ago. There is also $1.37 million remaining from bond issues dated in 2011.
- Seven entities have not spent all of their proceeds from these years:
    - Department of Administration - $63.86 million
    - Conservation and Natural Resources - $4.23 million
    - Division of Environmental Protection - $304,687
    - State Historic Preservation Office - $847,537
    - State Lands - $4.20 million
    - Nevada System of Higher Education - $11.90 million
    - Department of Transportation - $8.35 million

A discussion of each situation follows. Overall, the State has expended 96.63% of bond proceeds received from state bond issuances excluding bonds sold in 2017.

Department of Administration (Public Works)

The Department of Administration is reporting that it has the following balance of unspent proceeds remaining:

Series	Amount Remaining as of 12.31.2016	Amount Remaining as of 06.30.2017
2016C G.O. Capital Improvement and Cultural Centers Bonds	$37,343,775	$37,551,042
2015C G.O. Natural Resources Refunding Bonds	$1,176	$1,176
2015D G.O. Capital Improvement and Refunding Bonds	$22,253,317	$11,404,852
2015E G.O. Capital Improvement and Refunding Bonds	$545	$545
2014A G.O. Capital Improvement and Cultural Affairs	$11,809,777	$10,804,351
2013F-1 G.O. Nature Resources Bonds	$28	$28
2011A G.O. Capital Improvement & Cultural Affairs Bonds	$1,528,786	$1,370,306
2010C G.O. Capital Improvement Bonds	$262,149	$133,559
2009A G.O. Capital Improvement Bonds (Build America Bonds)	$906,127	$825,130
2008C G.O. Capital Improvement & Cultural Affairs Bonds	$1,246,543	$1,160,336
2006E Capital Improvement Bonds	$1,006,702	$606,189
Total	**$76,358,925**	**$63,857,514**

The following table shows the remaining proceeds, amounts reverted to the Bond Interest and Redemption Fund, amounts repurposed by the 2017 Legislative Session, and projected spending through December 31, 2017.

Series	Amount remaining as of 06.30.2017	Amount Reverted to the Bond Interest and Redemption Fund	Amount Repurposed by the 2017 Legislative Session	Projected Spending through 12.31.2017
2016C	$37,551,042	$0	$0	$3,734,378
2015C	$1,176	$0	$0	$0
2015D	$11,404,852	$0	$0	$10,247,148
2015E	$545	$0	$0	$0
2014A	$10,804,351	$1,485,090	$8,400,000	$7,987,840
2013F-1	$28	$0	$0	$0
2011A	$1,370,306	$0	$1,400,000	$2,331
2010C	$133,559	$23,904	$109,655	$0
2009A	$825,130	$9,582	$689,801	$125,747
2008C	$1,160,336	$33,863	$1,000,000	$588,341
2006E	$606,189	$0	$514,170	$92,019
Total	**$63,857,514**	**$1,552,439**	**$12,113,626**	**$22,777,804**

Public Works staff has, in the past cited, “typical project delays” and the assumption that non-state funding sources should be spent before bond proceeds as the general reasons for delays in spending the above proceeds, which date back seven years or more. Public Works has noted that approximately $12.11 million from 2014 and prior bond issues have been repurposed by the Legislature in 2017. The majority of this amount, $8.4 million (15.13% of the original issuance) can be attributed to the 2014 bond issuance. Public works has noted that it expects to spend down these balances by the end of calendar year 2017.

Department of Conservation and Natural Resources (DCNR)
DCNR is reporting that it has the following balance of unspent proceeds remaining:

Series	**Amount Remaining as of 12.31.2016**	**Amount Remaining as of 6.30.2017**
2016B G.O. Open Space, Parks, and Natural Resource and Refunding Bonds	$998,977	$902,614
2015G G.O. Open Space, Parks, and Natural Resource and Refunding Bonds	$2,007,921	$2,007,921
2014C G.O. Open Space, Parks, and Natural Resources Bonds	$910,649	$910,649
2009D G.O. Open Space, Parks and Cultural Resources Bonds	$53,745	$53,745
2009E G.O. Open Space, Parks and Natural Resources Bonds	$422,007	$352,914
Total	**$4,393,299**	**$4,227,843**

New bond funds from the 2016B issuance are specific to the Department of Wildlife. The agency indicated that the funds are currently being spent on the Lake Mead Fish Hatchery and other projects. The agency is on track to spend the funds in a timely manner.. The remaining funds from the 2015G issue are specific to the Division of State Parks and the Division of State Lands. Both agencies have plans in place to expend the majority of the bond funds towards the Walker River Recreational Area and the Tule Springs area in a timely manner.

For the 2014C issue, remaining funds from this series are for the Division of State Lands with the majority obligated to the Lake Tahoe path system, specifically the bike path between Incline Village and Sand Harbor. The construction for the bike path is currently in progress and should continue through the fall. State Lands expects to fully expend the proceeds by the end of 2017.

DCNR has explained that the 2009D issue can only be used for land/water acquisitions. The Department has indicated that the small land acquisition planned for end of calendar year 2015 came in less than anticipated and some of the funds were returned to the State. Land acquisition opportunities do not usually occur for this small of an amount; therefore, the agency does not anticipate any expenditures at this time. Funds can be expended promptly once additional bonds are sold in this category.

For the 2009E bond issue, remaining bond funds from this series are specific to the Division of State Lands in the amount of $352,914. DCNR has indicated that Division of State Lands has already obligated remaining bond funds to projects and anticipates full expenditure before June 30, 2018.

Division of Environmental Protection (NDEP)
NDEP has $304,687 remaining of the 2015E bond issuance. The agency cited construction project delays; however, NDEP has plans in place to spend the remaining funds by June 30, 2018.

State Historic Preservation Office (SHPO)

SHPO has $847,537 remaining of the initial $1 million distributed in November 2016. The agency has plans in place to spend the balance by December 31, 2018.

State Lands

State Lands is reporting that it has the following balance of unspent proceeds remaining:

Series	Amount Remaining as of 12.31.2016	Amount Remaining as of 6.30.2017
2016D G.O. Natural Resources and Refunding Bonds	$1,502,842	$1,502,842
2014B G.O. Natural Resources and Refunding Bonds	$1,265,113	$1,248,883
2010A G.O. Natural Resources Bonds (Private Placement)	$1,858,807	$644,048
2009C G.O. Natural Resources & Refunding Bonds	$872,339	$367,823
2006B G.O. Natural Resources Bonds	$210,000	$0
2004B G.O. Natural Resources & Refunding Bonds	$175,216	$100,033
Aggregated interest for all Bond Series (2004 – 2010)	$350,940	$331,899
Total	**$6,235,257**	**$4,195,528**

State Lands explained that approximately $913,000 of the 2016D issuance is encumbered for water quality projects currently in design and construction. $1 million of the 2014B issue will be spent on a large water quality project in calendar year 2017, with the remainder spent on an aquatic invasive species project by June 30, 2018. A majority of the 2010A series funds are spent at the time of this report, with a smaller portion of that issue used for forest fuel reduction projects, approximately $300,000, in spring 2018. The 2009C funds remaining are encumbered for forest restoration projects and the intent is to complete the expenditures in spring 2018. The 2004B funds were previously encumbered for the Sand Harbor Comfort Station project and Cave Rock. The funds were not spent and have been repurposed for the Asian Clam project at Sand Harbor that is currently in construction. Finally, the intent by State Lands is to use a large portion of the aggregated interest earnings as part of an upcoming forest restoration project that will be going out to Request for Proposal in the fall/winter of 2017.

Nevada System of Higher Education (NSHE)

NSHE has approximately $11.9 million (14.5%) remaining of the initial proceeds of $86.23 million distributed in 2015. The 2015A issuance is projected to be depleted by the end of calendar year 2017.

Department of Transportation (NDOT)

NDOT has $8.35 million remaining of the 2016 Highway Revenue Improvement and Refunding Bonds remaining. The agency is on track to expend all 2016 funds by December 2017.

Conclusion

After nearly three years of reporting post issuance expenditures to the Board of Finance, the Treasurer's Office along with other using agencies believes the formal process of reporting and monitoring bond expenditures is a successful and worthwhile exercise. The process has encouraged the State to re-purpose bond proceeds when possible for other projects which reduces the total amount of new bond issuances, allowed the Debt Division to utilize custodian accounts to better manage each project's cash flows and funding; and helped to ensure issuances are meeting the IRS 3 year/85% requirement particularly for issuances after 2014. These reports and activities have helped the State save monies with fewer new bond issuances and helped to ensure bond proceeds are spent timely.

ATTACHMENT A

Summary by Year of Issuance

Year	Amount of Proceeds Received	Amount Remaining	% Unspent
2017	$ 185,478,478	$ 185,478,478	100.00%
2016	$ 245,060,908	$ 49,157,507	20.06%
2015	155,330,108	25,618,621	16.49%
2014	$ 164,877,007	$ 12,963,883	7.86%
2013	60,655	28	0.05%
2012	$ 38,441	$ -	0.00%
2011	31,937,577	1,370,306	4.29%
2010 & Prior	$ 2,181,710,444	$ 4,575,676	0.21%
Total*	**$ 2,779,015,139**	**$ 93,686,021**	**3.37%**

*Total excludes 2017 amounts

Unexpended Proceeds by Department

Department	2017	2016	2015	2014	2013	2012	2011	2010 & Prior	Total
	Year of Issuance								
Administration - Public Works	$ -	$ 37,551,043	$ 11,406,573	$ 10,804,351	$ 28	$ -	$ 1,370,306	$ 2,725,214	$ 63,857,515
Colorado River Commission (CRC)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Conservation and Nat'l. Resources (DCNR)	$ -	$ 902,614	$ 2,007,921	$ 910,649	$ -	$ -	$ -	$ 406,659	4,227,843
Division of Environmental Protection	$ -	$ -	$ 304,687	$ -	$ -	$ -	$ -	$ -	304,687
State Historic Preservation Office	$ -	$ 847,537	$ -	$ -	$ -	$ -	$ -	$ -	847,537
State Lands	$ -	$ 1,502,842	$ -	$ 1,248,883	$ -	$ -	$ -	$ 1,443,803	4,195,528
System of Higher Education (NSHE)	$ -	$ -	$ 11,899,440	$ -	$ -	$ -	$ -	$ -	11,899,440
Transportation (NDOT)	$ 185,478,478	$ 8,353,471	$ -	$ -	$ -	$ -	$ -	$ -	193,831,949
Wildlife (NDOW)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Total	**$ 185,478,478**	**$ 49,157,507**	**$ 25,618,621**	**$ 12,963,883**	**$ 28**	**$ -**	**$ 1,370,306**	**$ 4,575,676**	**$ 279,164,499**

Dan Schwartz
State Treasurer

STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (Board) Members

FROM: Lori Chatwood, Deputy Treasurer of Debt Management

SUBJECT: November 14, 2017 Agenda Item #4-Series 2017A-F General Obligation (Limited Tax) Bonds Sale and Refunding Report

DATE: October 30, 2017

Agenda Item #4

Receive a report on the sale of the State of Nevada General Obligation Bonds, Series 2017A-F and the Aggregate Refunding Savings Summary.

BACKGROUND:

At the September 12, 2017 meeting, the Board approved the issuance of six series of general obligation bonds in a maximum aggregate principal amount of $141,600,000.

Following approval by the Board of Finance, the State Treasurer's Office executed a competitive sale on October 17, 2017 in the aggregate principal amount of $115,440,000.

The bonds were well received by investors with each series of bonds receiving a minimum of eight institutional investor bids and the 2017A Series receiving twelve. The spreads were better than anticipated. The couponing included more par bonds which improved the TIC.

The chart on Attachment A reflects the final results of the sale:

- True interest cost (TIC) ranged from ***1.171%*** (Series 2017E-four year amortization) to ***2.694%*** (Series 2017A-twenty year amortization).

- The sale produced total net present value (PV) savings to the State of over ***$1.17 million.***

    - The Series 2017B refundings resulted in PV savings of ***$714,081*** or ***24.752%;***
    - The Series 2017C refundings resulted in PV savings of ***$457,490*** or ***11.992%***

CARSON CITY OFFICE
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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
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Website: NevadaTreasurer.gov E-mail: StateTreasurer@NevadaTreasurer.gov

The three major rating agencies (Fitch, Moody's, and S&P Global) assigned the Series 2017A-D bonds the solid general obligation credit ratings of AA+, Aa2, and AA while affirming the State's existing general obligation debt at the same ratings with a Stable Outlook. Fitch and Moody's also rated the 2017E (Safe Drinking Water Revolving Fund (DWSRF)) and 2017F (Water Pollution Control Revolving Fund (CWSRF)) bonds at AA+ and Aa2 respectively.

In line with S&P Global's AAA rating of the DWSRF Program and Series 2017E, S&P Global raised the State's CWSRF Program and Series 2017F ratings two notches to AAA from AA. The AAA rating applies to all $31,610,000 of the State's currently outstanding CWSRF bonds.

S&P Global stated the AAA rating on the bonds reflects their assessment of the extremely strong enterprise risk score and extremely strong financial risk score associated with the program, resulting from:

- An extremely strong market position, low industry risk, and statewide program diversity; and
- An extremely strong loss coverage score, resulting from annual coverage generated from loan repayments, a high level of retained earnings in the fund, and strong financial policies and practices.

Attachment A

SUMMARY OF 2017A-F BONDS

November 14, 2017 Board of Finance

(Post-Issuance)

Series	Program	Uses	Max. Par Authorized by BoF	Est. Par at 09/12/2017	Estimated Gross Savings ($) or TIC 08/18/17	Estimated PV Savings ($) 08/18/17	Estimated PV Savings (%) Refunded Par 08/18/2017	Actual Par at 10/17/2017	Actual Gross Savings ($) 10/17/17	Actual PV Savings ($) 10/17/17	Actual PV Savings (%) Refunded Par 10/17/2017	Resized True Interest Cost (TIC)	Term (Years)
Series 2017A	Capital Improvement Program	New Money	$ 100,000,000	$ 81,210,000	3.099%	N/A	N/A	$ 85,635,000	N/A	N/A	N/A	2.694%	20
Series 2017B	Tahoe EIP/Water Grants/Marlette Refunding	New Money and Refunding	$ 10,000,000	$ 5,815,000	$ 811,433	$ 414,948	14.38%	$ 5,890,000	$ 1,200,939	$ 714,081	24.752%	2.529%	18
Series 2017C	Open Space/Natural Resources and Refunding	New Money and Refunding	$ 15,000,000	$ 7,845,000	$ 362,279	$ 309,382	8.11%	$ 7,940,000	$ 517,313	$ 457,490	11.992%	2.536%	20
Series 2017D	Municipal Bond Bank-Carson City Sewer Project	New Money	$ 6,000,000	$ 6,000,000	2.863%	N/A	N/A	$ 6,000,000	N/A	N/A	N/A	2.716%	20
Series 2017E	Safe Drinking Water Revolving Fund-Matching	New Money	$ 6,600,000	$ 6,005,000	3.20%	N/A	N/A	$ 6,215,000	N/A	N/A	N/A	2.683%	20
Series 2017F	Water Pollution Control Revolving Fund-Matching	New Money	$ 4,000,000	$ 3,820,000	1.732%	N/A	N/A	$ 3,760,000	N/A	N/A	N/A	1.171%	4
			$ 141,600,000	**$ 110,695,000**	**$ 1,173,712**	**$ 724,330**		**$ 115,440,000**	**$ 1,718,252**	**$ 1,171,571**			

2017A Details

Competitive Sale

Twelve (12) Bids-Winning bid by RBC Capital Markets with a TIC of 2.702426%

Cover Bid-Mesiro Financial with a TIC of 2.713138%

2017B Details

Competitive Sale

Nine (9) Bids-Winning bid by Raymond James and Associates with a TIC of 2.530965%

Cover Bid-Morgan Stanley & Co. LLC with a TIC of 2.536143%

2017C Details

Competitive Sale

Ten (10) Bids-Winning bid by Raymond James and Associates with a TIC of 2.526992%

Cover Bid-Morgan Stanley & Co. LLC with a TIC of 2.539356%

2017D Details

Competitive Sale

Eight (8) Bids-Winning bid by Morgan Stanley with a TIC of 2.727808%

Cover Bid-Raymond James and Associates with a TIC of 2.735518%

2017E Details

Competitive Sale

Eight (8) Bids-Winning bid by Bank of America Merrill Lynch with a TIC of 2.681513%

Cover Bid-Robert W. Baird with a TIC of 2.720809%

2017F Details

Competitive Sale

Nine (9) Bids-Winning bid by Hutchinson, Shockey, Erley with a TIC of 1.170931%

Cover Bid-Morgan Stanley & Co. LLC with a TIC of 1.209587%

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

Multi-Unit Housing Revenue Bonds
Sky Mountain by Vintage 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 and moderate income 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: 10/20/17

Steve Aichroth
Administrator
Nevada Housing Division

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

DATE:	October 19, 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 (Sky Mountain by Vintage Apartments)
PETITIONER:	Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Tuesday, November 14, 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 (Sky Mountain by Vintage Apartments).

C. The Findings relate to the issuance of up to $40,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 288-unit family apartment complex located in Reno located at 4855 Sky Mountain Drive.

D. The Housing Division will issue up to $40,000,000 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 $40,000,000. 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 $24,800,000 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 Project borrower/developer will be a limited partnership (Sky Mountain by Vintage LP), which will consist of Vintage Partners, LLC (owned by Vintage Housing Holdings LLC) and AEGON USA Realty Advisors, LLC. AEGON USA Realty Advisors, LLC will be the equity investor limited partner and will provide approximately $22,750,000 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, to 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 (Sky Mountain by Vintage 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.

pfm

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October 19, 2017

Steven Aichroth
Administrator
Nevada Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

Re: Multi-Unit Housing Revenue Bonds
(Sky Mountain by Vintage Apartments) Series 2017

Dear Mr. Aicroth:

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 (Sky Mountain by Vintage Apartments), Series 2017 and authorization for issuance of up to ***$40,000,000*** 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"), PFM Financial Advisors, LLC 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 borrower's 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 288 units in a newly constructed affordable family housing complex located at 4855 Sky Mountain Drive in northwest Reno in close proximity to I-80 and S. McCarran Boulevard. The project will occupy a site of approximately 10.4 acres and is in close proximity to numerous shopping and other service facilities. The Project will consist of one, two and three-bedroom walk up units in 12 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:

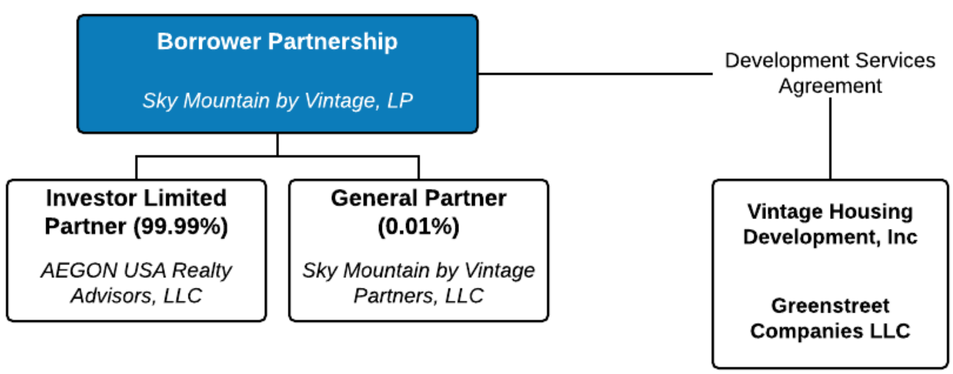
The Project will be co-developed by Vintage Housing Development, Inc. ("Vintage Housing") and Greenstreet Companies, LLC. These development partners have financed and built in excess of 15,000 residential units of market rate and affordable multifamily housing, with over 3,000 units in the Reno-Sparks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

Vintage at the Crossings project and Steamboat at the Summit project, both located in the City of Reno.

Vintage Housing is based in Newport Beach, California and has been developing and operating apartment homes for income-qualified residents and seniors for almost twenty 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 Sky Mountain 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 $18,815,600 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 Sky Mountain by Vintage 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 $40,000,000. 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 4.50%

At conversion to Permanent Phase the loan will be reduced to approximately $24,800,000 upon receipt of additional tax credit equity installments. Loan amortization is monthly utilizing a 35-year principal amortization factor. The permanent loan interest rate will be fixed and locked at closing and is estimated to be approximately 4.90% 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 $625,000.

Sources and Uses

Sources of Funds	Construction Phase	Permanent Phase
Bond Proceeds	$35,540,979	$24,800,000
LIHTC Equity	5,644,704	18,815,681
WCHC Home/HTF Loan	425,000	425,000
Project Cashflow Prior to Conversion	1,399,682	1,399,682
NHD GAHP Loan	3,000,000	3,000,000
Deferred Development Fee		5,316,755
Total Sources	$46,010,365	$53,757,118

Uses of Funds		
Land Cost	$2,525,000	$2,525,000
Hard Costs	32,712,500	32,712,500
Soft Costs	10,772,865	10,994,618
Operating Reserve		625,000
Development Fee		6,900,000
Total Uses	$46,010,365	$53,757,118

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

F.R. Eoff

Fred Eoff
Director

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

Steamboat at the Summit
Operating Proforma

EXHIBIT A

2018

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%	71	25%	615	$ 767	$ 56	$ 711	$ 50,481	$ 605,772
2 Bedroom/1Bath	<30%	1	0%	918	$ 460	$ 72	$ 388	$ 388	$ 4,656
	<50%	1	0%	918	$ 766	$ 72	$ 694	$ 694	$ 8,328
	<60%	142	49%	918	$ 920	$ 72	$ 848	$ 120,416	$ 1,444,992
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%	70	24%	1145	$ 1,062	$ 87	$ 975	$ 68,250	$ 819,000
Total Units		**288**						**$241,798**	**$2,901,576**

Debt Factors

Senior Loan Amount - Permanent	$24,800,000
Loan Term	35
Initial Senior Loan Rate	4.90%
Senior Annual Debt Service	$1,483,024

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	$6,900,000
Deferred Development Fee	$5,316,755
LP Asset Management Fee	$10,000

Trend Assumptions

Income	2.00%
Expenses	3.00%
Vacancy	5.00%

EXHIBIT A

Steamboat at the Summit
Operating Proforma

	Factors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Income											
Annual Gross Rental Income	2.00%	$2,959,608	$3,018,800	$3,079,176	$3,140,759	$3,203,574	$3,267,646	$3,332,999	$3,399,659	$3,467,652	$3,537,005
Other: Ancillary Revenue		68,544	69,915	71,313	72,739	74,194	75,678	77,192	78,736	80,310	81,916
Total Residential Income		$3,028,152	$3,088,715	$3,150,489	$3,213,499	$3,277,769	$3,343,324	$3,410,190	$3,478,394	$3,547,962	$3,618,921
Less: Residential Vacancy	5.00%	(151,408)	(154,436)	(157,524)	(160,675)	(163,888)	(167,166)	(170,510)	(173,920)	(177,398)	(180,946)
Effective Gross Income		**$2,876,744**	**$2,934,279**	**$2,992,964**	**$3,052,824**	**$3,113,880**	**$3,176,158**	**$3,239,681**	**$3,304,475**	**$3,370,564**	**$3,437,975**
Adjusted Effective Gross Income		**2,676,970**									
Expenses	3.00%										
Administrative		$72,302	$74,471	$76,705	$79,006	$81,376	$83,818	$86,332	$88,922	$91,590	$94,338
Utilities		$314,036	$323,457	333,160	343,155	353,450	364,053	374,975	386,224	397,811	409,745
Operating & Maintenance		$173,209	$178,405	183,757	189,270	194,948	200,797	206,821	213,025	219,416	225,998
Payroll		$346,633	$357,032	367,743	378,775	390,139	401,843	413,898	426,315	439,104	452,278
Taxes & Insurance		$51,271	$52,809	54,394	56,026	57,706	59,438	61,221	63,057	64,949	66,897
Property Management	3.50%	100,686	102,700	104,754	106,849	108,986	111,166	113,389	115,657	117,970	120,329
Replacement Reserves		$88,992	$91,662	94,412	97,244	100,161	103,166	106,261	109,449	112,732	116,114
Total Operating Expenses		**$1,147,129**	**$1,180,536**	**$1,214,925**	**$1,250,325**	**$1,286,767**	**$1,324,280**	**$1,362,896**	**$1,402,649**	**$1,443,572**	**$1,485,700**
Operating Expenses Adjustment		**1,057,973**									
Net Operating Income		**$1,618,997**	**$1,753,743**	**$1,778,039**	**$1,802,498**	**$1,827,114**	**$1,851,878**	**$1,876,785**	**$1,901,825**	**$1,926,992**	**$1,952,276**
Contribution to Project		**732,434**									
Senior Debt Service		$370,756	$1,483,024	$1,483,024	$1,483,024	$1,483,024	$1,483,024	$1,483,024	$1,483,024	$1,483,024	$1,483,024
Debt Service Coverage				**120%**	**122%**	**123%**	**125%**	**127%**	**128%**	**130%**	**132%**
Residual Receipts		**$515,807**	**$270,719**	**$295,015**	**$319,474**	**$344,089**	**$368,854**	**$393,760**	**$418,801**	**$443,968**	**$469,251**
LP Asset Mgt Fee		**10,300**	**10,609**	**10,927**	**11,255**	**11,593**	**11,941**	**12,299**	**12,668**	**13,048**	**13,439**
DDF Payments		**505,507**	**260,110**	**284,088**	**308,219**	**332,497**	**356,913**	**381,462**	**406,133**	**430,920**	**455,812**
Other Partnership Fees/Adjusters											
DDF Balance		**4,811,248**	**4,551,138**	**4,267,050**	**3,958,831**	**3,626,334**	**3,269,421**	**2,887,959**	**2,481,826**	**2,050,906**	**1,595,094**
Surplus Cash		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Partnership Surplus Allocation	**100%**				**0**	**0**	**0**	**0**	**0**	**0**	**0**
NHD Surplus Allocation	**0%**				**0**	**0**	**0**	**0**	**0**	**0**	**0**
GAHP Loan Interest	**3.00%**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**
GAHP Loan Principal				**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GAHP Loan Balance		**$3,247,500**	**$3,337,500**	**$3,427,500**	**$3,517,500**	**$3,607,500**	**$3,697,500**	**$3,787,500**	**$3,877,500**	**$3,967,500**	**$4,057,500**

Steamboat at the Summit
Operating Proforma

EXHIBIT A

	2030	2031	2032		2033	2034	2035	2036	2037	2038	2039
Income											
Annual Gross Rental Income	$3,607,745	$3,679,900	$3,753,498		$3,828,568	$3,905,139	$3,983,242	$4,062,907	$4,144,165	$4,227,048	$4,311,589
Other: Ancillary Revenue	83,555	85,226	86,930		88,669	90,442	92,251	$94,096	$95,978	97,898	99,856
Total Residential Income	$3,691,300	$3,765,126	$3,840,428		$3,917,237	$3,995,582	$4,075,493	$4,157,003	$4,240,143	$4,324,946	$4,411,445
Less: Residential Vacancy	(184,565)	(188,256)	(192,021)		(195,862)	(199,779)	(203,775)	(207,850)	(212,007)	(216,247)	(220,572)
Effective Gross Income	**$3,506,735**	**$3,576,870**	**$3,648,407**		**$3,721,375**	**$3,795,803**	**$3,871,719**	**$3,949,153**	**$4,028,136**	**$4,108,699**	**$4,190,873**
Adjusted Effective Gross Income											
Expenses											
Administrative	$97,168	$100,083	$103,085		$106,178	$109,363	$112,644	$116,023	$119,504	$123,089	$126,782
Utilities	422,038	434,699	447,740		461,172	475,007	489,257	503,935	519,053	534,625	550,663
Operating & Maintenance	232,778	239,762	246,955		254,363	261,994	269,854	277,949	286,288	294,877	303,723
Payroll	465,846	479,821	494,216		509,042	524,314	540,043	556,244	572,932	590,120	607,823
Taxes & Insurance	68,904	70,972	73,101		75,294	77,553	79,879	82,275	84,744	87,286	89,905
Property Management	122,736	125,190	127,694	0	130,248	132,853	135,510	138,220	140,985	143,804	146,681
Replacement Reserves	119,598	123,186	126,881		130,688	134,608	138,647	142,806	147,090	151,503	156,048
Total Operating Expenses	**$1,529,067**	**$1,573,712**	**$1,619,672**		**$1,666,985**	**$1,715,692**	**$1,765,834**	**$1,817,454**	**$1,870,595**	**$1,925,303**	**$1,981,625**
Operating Expenses Adjustment											
Net Operating Income	**$1,977,667**	**$2,003,157**	**$2,028,735**		**$2,054,390**	**$2,080,111**	**$2,105,884**	**$2,131,699**	**$2,157,541**	**$2,183,395**	**$2,209,248**
Contribution to Project											
Senior Debt Service	$1,483,024	$1,483,024	$1,483,024		$1,483,024	$1,483,024	$1,483,024	$1,483,024	$1,483,024	$1,483,024	$1,483,024
Debt Service Coverage	**133%**	**135%**	**137%**		**139%**	**140%**	**142%**	**144%**	**145%**	**147%**	**149%**
Residual Receipts	**$494,643**	**$520,133**	**$545,711**		**$571,366**	**$597,087**	**$622,860**	**$648,675**	**$674,516**	**$700,371**	**$726,224**
LP Asset Mgt Fee	**13,842**	**14,258**	**14,685**		**15,126**	**15,580**	**16,047**	**16,528**	**17,024**	**17,535**	**18,061**
DDF Payments	**480,801**	**505,876**	**531,026**		**77,391**						
Other Partnership Fees/Adjusters											
DDF Balance	**1,114,293**	**608,417**	**77,391**		**0**						
Surplus Cash	**($0)**	**($0)**	**($0)**		**$478,849**	**$581,507**	**$606,813**	**$632,146**	**$657,492**	**$682,836**	**$708,163**
Partnership Surplus Allocation	**(0)**	**(0)**	**(0)**	**25%**	**119,712**	**149,272**	**155,715**	**162,169**	**168,629**	**175,093**	**181,556**
NHD Surplus Allocation	**(0)**	**(0)**	**(0)**	**75%**	**359,137**	**432,235**	**451,098**	**469,978**	**488,863**	**507,743**	**526,607**
GAHP Loan Interest	**90,000**	**90,000**	**90,000**		**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,786**	**81,001**
GAHP Loan Principal	**(0)**	**(0)**	**(0)**		**269,137**	**342,235**	**361,098**	**379,978**	**398,863**	**416,958**	**445,606**
GAHP Loan Balance	**$4,147,500**	**$4,237,500**	**$4,327,501**		**$4,148,364**	**$3,896,129**	**$3,625,030**	**$3,335,053**	**$3,026,190**	**$2,700,018**	**$2,335,412**

Steamboat at the Summit
Operating Proforma

	2040	2041	2040	2041
Income				
Annual Gross Rental Income	$4,397,821	$4,485,778	$4,575,493	$4,667,003
Other: Ancillary Revenue	101,853	$103,890	$105,968	$108,087
Total Residential Income	$4,499,674	$4,589,667	$4,681,461	$4,775,090
Less: Residential Vacancy	(224,984)	(229,483)	(234,073)	(238,754)
Effective Gross Income	**$4,274,690**	**$4,360,184**	**$4,447,388**	**$4,536,335**
Adjusted Effective Gross Income				
Expenses				
Administrative	$130,585	$134,503	$138,538	$142,694
Utilities	567,183	584,199	601,725	619,777
Operating & Maintenance	312,835	322,220	331,886	341,843
Payroll	626,058	644,840	664,185	684,110
Taxes & Insurance	92,602	95,380	98,241	101,188
Property Management	149,614	152,606	155,659	158,772
Replacement Reserves	160,729	165,551	$165,551	$165,551
Total Operating Expenses	**$2,039,606**	**$2,099,299**	**$2,155,785**	**$2,213,935**
Operating Expenses Adjustment				
Net Operating Income	**$2,235,084**	**$2,260,885**	**$2,291,603**	**$2,322,400**
Contribution to Project				
Senior Debt Service	$1,483,024	$1,483,024	$1,483,024	$1,483,024
Debt Service Coverage	**151%**	**152%**	**1.55**	**1.57**
Residual Receipts	**$752,060**	**$777,861**	**$808,579**	**$839,376**
LP Asset Mgt Fee	**18,603**	**19,161**	**19,736**	**20,328**
DDF Payments				
Other Partnership Fees/Adjusters				
DDF Balance				
Surplus Cash	**$733,457**	**$758,700**	**$788,843**	**$819,048**
Partnership Surplus Allocation	**188,015**	**194,465**	**202,145**	**209,844**
NHD Surplus Allocation	**545,442**	**564,235**	**586,698**	**609,204**
GAHP Loan Interest	**70,062**	**57,903**	**44,450**	**29,516**
GAHP Loan Principal	**475,379**	**506,332**	**542,248**	**579,688**
GAHP Loan Balance	**$1,930,095**	**$1,481,666**	**$983,868**	**$433,696**

$40,000,000
Nevada Housing Division
Multi-Unit Housing Revenue Bonds, Series 2017
(Sky Mountain by Vintage Apartments)

Bond/Loan Term Sheet

Borrowing Entity:	Sky Mountain by Vintage, LP, A limited partnership comprised of Sky Mountain 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 $40,000,000 *Permanent Phase:* -Not to exceed 90% loan to value based on final appraisal. -Expected to be approximately $24,800,000
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

	Permanent Phase: Fixed rate estimated to be approximately 5.20% (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

Sky Mountain by Vintage
4855 Sky Mountain Drive
Reno, NV 89523
APN # 400-040-07 (10.4 acres)

Project Description

Sky Mountain by Vintage is a proposed new construction family rental community to be located in northwest Reno at 4855 Sky Mountain Drive. The 288-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 northwest 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 portion of a parcel (to be finalized at approximately 10.4 acres) on the west side of Sky Mountain Drive. This site is conveniently located near retail opportunities, restaurants, medical facilities, parks, banks, grocery stores, and schools. Within walking distance of the site are a Home Depot, a daycare center, a dentist's office, an animal hospital, Summit Ridge Park, a Renown Urgent Care Center, and a fitness center. Within a mile and a half, residents will also be able to quickly access four shopping centers, which collectively contain a Walmart Supercenter, Safeway, Savemart, Bank of America, Wells Fargo, church, credit union, barbershop, gas stations, and a Walgreens Pharmacy. The shopping centers also contain numerous retail opportunities and restaurants, including a Kohl's Department Store, Ross Dress for Less, Payless Shoe Store, Staples, O'Reilly Auto Parts Store, Chili's Bar and Grill, and Papa Murphy's. There is also a commercial center under a mile from the site that contains several doctor's and dental offices.

Children at Sky Mountain by Vintage would attend Grace Warner Elementary School (2.3 miles), Clayton Middle School (2.9 miles), and Reno High School (3 miles). With the passage of WC-1 in November 2016, the Washoe County School District plans numerous expansion projects throughout the county to accommodate new growth. This includes the construction of 9 new elementary schools, 3 new middle schools and 3 new high schools.

There are multiple bus stops surrounding the property. Route 3CC & 3CL have five stops within a quarter mile of the site. These routes run west to Robb Drive and Mae Anne and east to the RTC downtown 4th Street Station, which allows residents to connect quickly with other routes throughout the city.

Building Description
Sky Mountain by Vintage will consist of 288 one, two, and three-bedroom walk-up units in 12 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 three unit types at Sky Mountain by Vintage: 72 one-bedroom / one-bath (approx. 615 SF) units, 144 two-bedroom / one-bath (approx. 917.5 SF) units, and 72 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.

Sky Mountain by Vintage will be built to high energy-efficiency standards, and will include high efficiency heating and cooling equipment, EnergyStar appliances, Energy Star rated dual 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

<u>Interior Amenities</u>—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.

<u>Outdoor Amenities</u>—Sky Mountain by Vintage will provide plenty of outdoor activities for residents to enjoy. The site will contain a fenced swimming pool as well as several outdoor recreation areas. There will be a children's tot lot and a community barbeque area where the staff will offer regular barbecue events, which will also be available for resident use.

Target Population and Demand
Sky Mountain by Vintage 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 1st-Quarter 2017 Apartment Survey, reports similar dire demand in the overall multi-family rental market, with average vacancies at a near all-time low of 2.23%, which is 70 basis points lower than the final quarter of 2016. Average vacancy rates for one-, two-, and three-bedroom units were 2.42%, 1.32%, and 2.63% 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 Sky Mountain by Vintage will be significantly below market rents in Washoe County. The proposed 1-bedroom rents will be approximately $767, the 2-bedroom rents will be approximately $920, and the 3-bedroom rents will be approximately $1,062. For comparison, these rents will be between $61-$277 per month less than fair market rents.

Development Team

Reno-based Greenstreet Companies and Vintage Housing are the developers of Vintage at the Crossings and Steamboat at the Summit. 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

- Steamboat at the Summit, Reno (2017), 360 units – family affordable apartments

Property Management
Sky Mountain by Vintage 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 80,000 units in its portfolio including several thousand units of family and senior affordable housing similar to Vintage. 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 50 affordable housing developments in Nevada, totaling over 4,200 units and nearly $600 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 Sky Mountain by Vintage 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 have also applied 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.

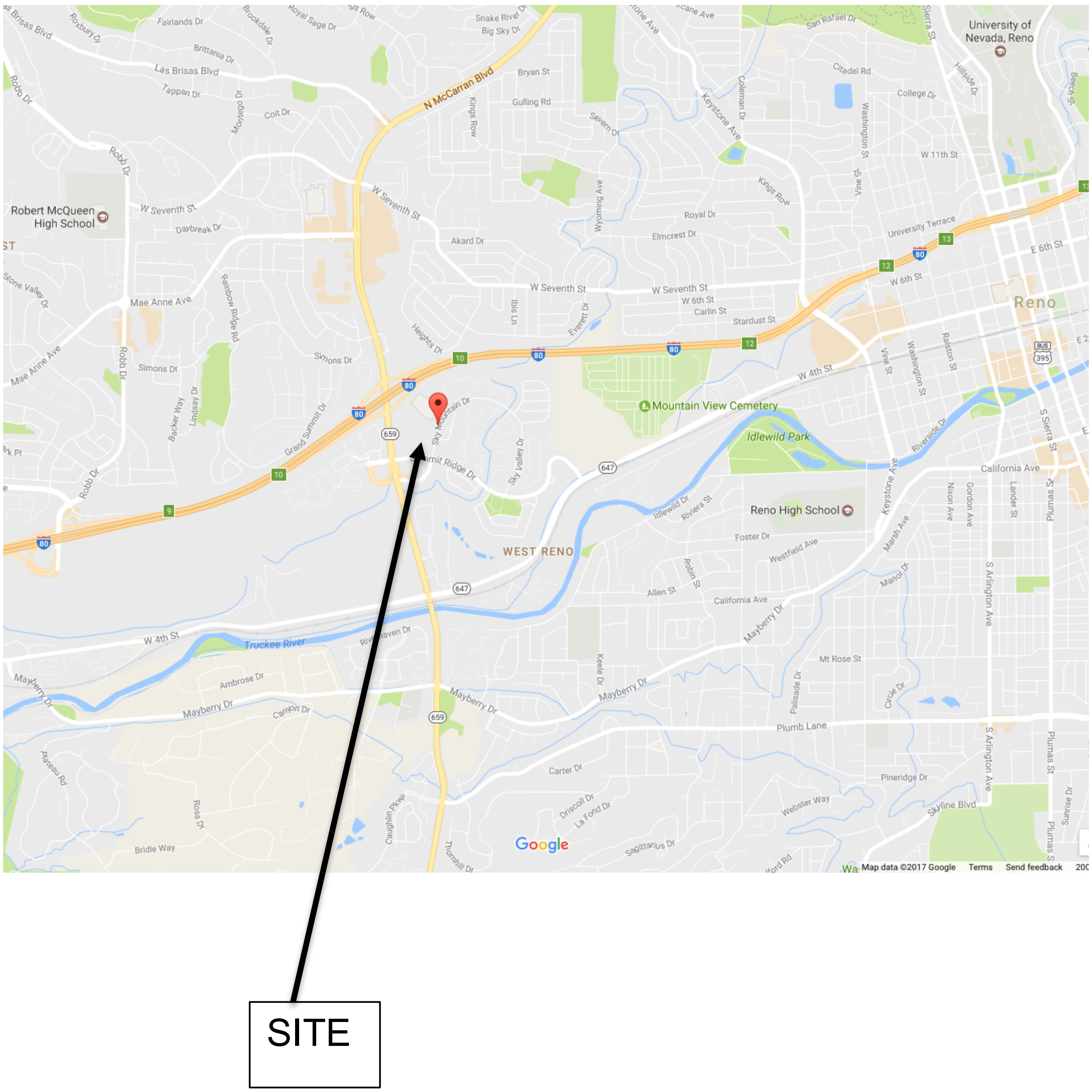
The site is located within zip code 89523, which is a HUD Small Area Difficult Development Area (SADDA) in 2017, qualifying Sky Mountain by Vintage for a 130% boost in tax credit eligible basis. Unfortunately, this zip code is not in an SADDA in 2018. The SADDA status can be maintained as long as a complete bond application is submitted to the Nevada Housing Division by December 31, 2017 and tax-exempt bonds are issued by December 31, 2018. The eligible basis boost is worth about $4.34 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 estimated total development cost is $53.76 million, or about $186,657 per unit.

Sky Mountain by Vintage will close in approximately March 2018, with construction completion by September 2019 and conversion in October 2020.

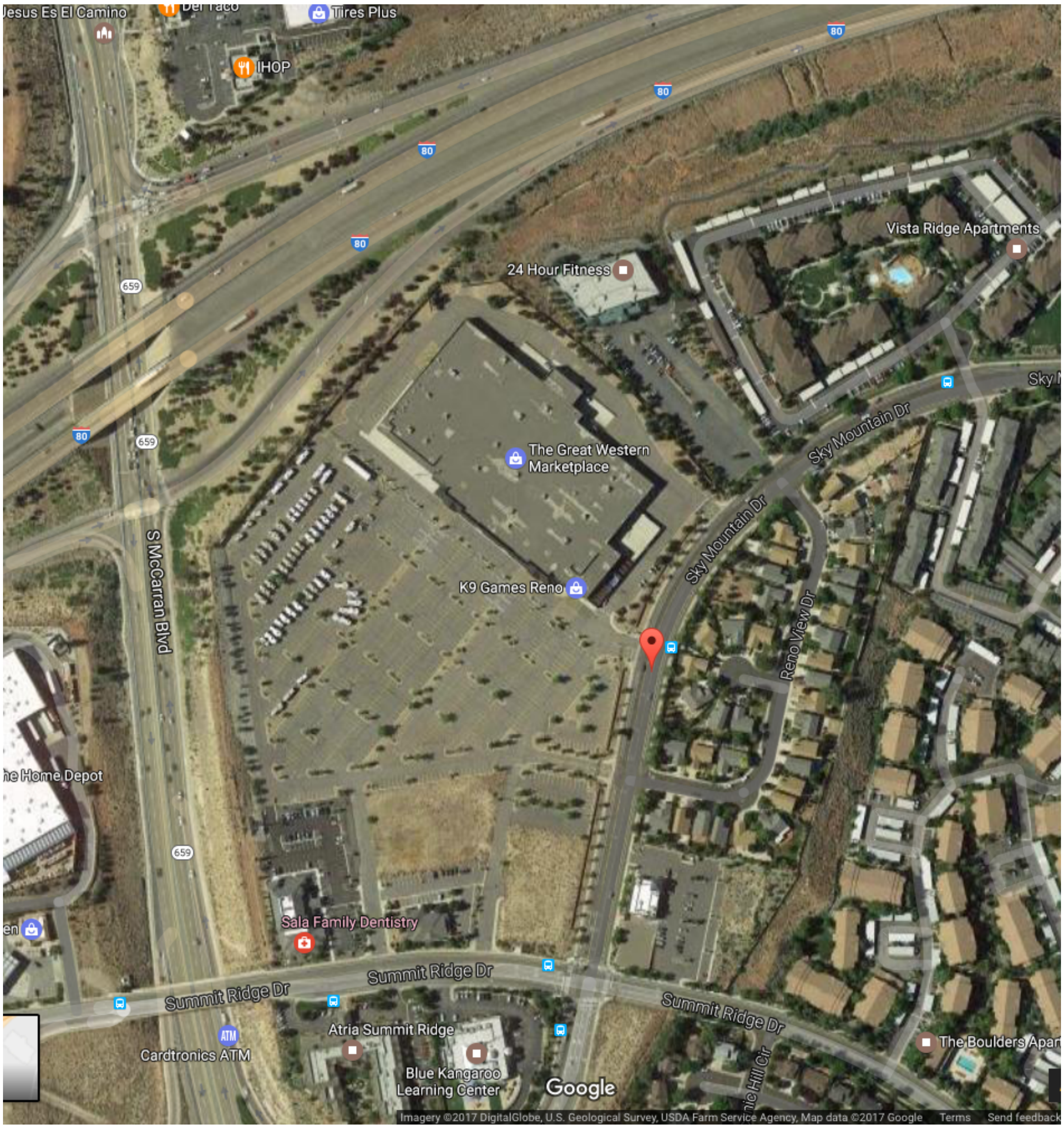
Sky Mountain by Vintage
4855 Sky Mountain Drive
Reno, NV 89523
APN # 400-040-07 (10.4 acres)

Location Map



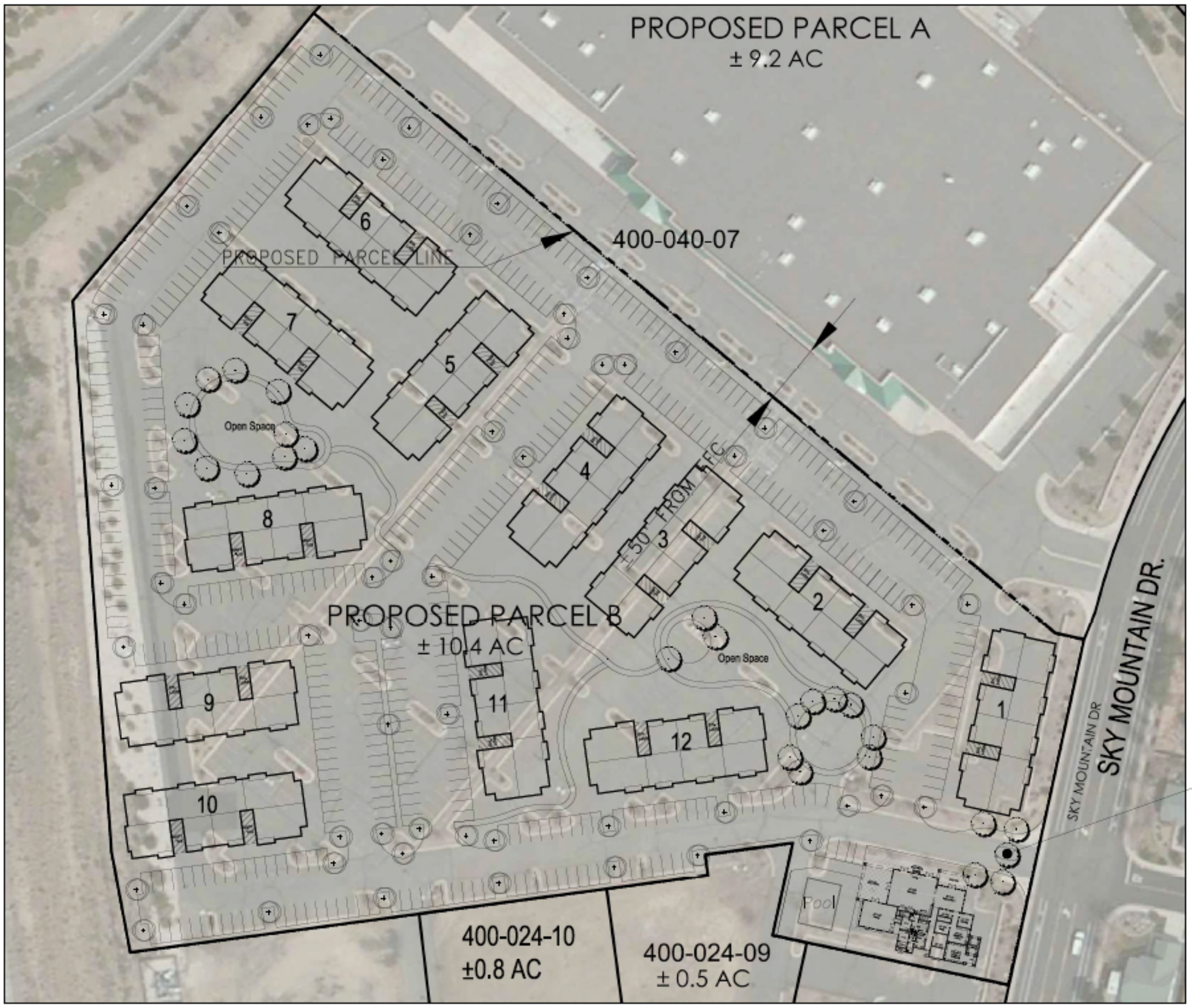
Sky Mountain by Vintage
4855 Sky Mountain Drive
Reno, NV 89523
APN # 400-040-07 (10.4 acres)

Aerial Photo



Sky Mountain by Vintage
4855 Sky Mountain Drive
Reno, NV 89523
APN # 400-040-07 (10.4 acres)

Site Plan



State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

Multi-Unit Housing Revenue Bonds
North 5th Avenue 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 seniors can afford within the North Las Vegas, 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 seniors of low and moderate income can afford.

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

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 North Las Vegas, 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: 10/20/17

Steve Aichroth
Administrator
Nevada Housing Division

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

1830 College Parkway, Suite 200
Carson City, NV 89706

DATE:	October 19, 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 (North 5th Avenue Apartments)
PETITIONER:	Steve Aichroth – Administrator, Nevada Housing Division SA

A. Time and Place of Meeting:

1:00 p.m., Tuesday, November 14, 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 (North 5th Avenue Apartments).

C. The Findings relate to the issuance of up to $20,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 176-unit senior apartment complex located in North Las Vegas located near at the intersection of N. Rome Boulevard and N. 5th Street.

D. The Housing Division will issue up to $20,000,000 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 $18,900,000. 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 $11,500,000 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 Project borrower/developer will be a limited partnership (North 5th Avenue LP), which will consist of Nevada H.A.N.D. and National Equity Fund, Inc. The National Equity Fund, Inc. will be the equity investor limited partner and will provide approximately $9,750,000 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, to 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 (North 5th Avenue 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.

pfm

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pfm.com

October 19, 2017

Steve Aichroth
Administrator
Nevada Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

Re: Multi-Unit Housing Revenue Bonds
(North 5th Avenue Apartments, Series 2017

Dear Mr. Aichroth:

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 (North 5th Avenue Apartments), Series 2017 and authorization for issuance of up to ***$25,000,000*** of Nevada Housing Division multi-unit housing revenue bonds to fund acquisition, renovation and related costs of a senior housing affordable rental project. ("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 a newly constructed 176-unit affordable housing complex on a site of approximately 18 acres site in the City of North Las Vegas near at the intersection of N. Rome Boulevard and N. 5th Street. The residential units are located in garden style buildings with a separate recreation building containing exercise facilities, community room, and library/study/business room. External amenities will include a swimming pool, spa turf area, BBQ/picnic area.

The Project will provide 152 units restricted for tenants with income at or below 60% of area median income and 24 unrestricted market rate units. Details regarding unit mix, and rent restrictions are as summarized in the Project Operating Profile contained in Exhibit A.

Project Sponsor/Borrower:

The Project is being sponsored by Nevada H.A.N.D., Inc. Michael Mullin serves as President of Nevada H.A.N.D. and has over 30 years of experience in real estate and community assistance programs. Nevada H.A.N.D. is based in Las Vegas and has previously developed 7 affordable family properties (972 units) and 28 affordable senior projects (2,211 units) in Nevada. This property is currently owned by a Nevada H.A.N.D. entity. It is being acquired by a new ownership entity in order to generate low income tax credits to be utilized for renovation and updates to the facility.

The borrower/ownership entity will be North 5th Avenue LP, a limited partnership consisting of Nevada HAND, Inc, as general partner and the National Equity Fund, Inc. as limited partner. National Equity Fund maintains their national headquarters in Chicago, Illinois and has been sponsoring affordable housing projects since 1986 and has raised in excess of $13 billion in equity for more than 2,500 properties. National Equity Fund will provide an equity investment of approximately $9,750,000 in exchange for 4% low income housing tax credits available for the Project.

Project Construction:

The Project general contractor will be HAND Construction.

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Upon completion the Project will be managed by HAND Property Management Company. HAND Property Management currently manages all of the properties developed by Nevada HAND.

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 $18,900,000. 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 variable rate interest only at 30-day LIBOR plus 2.00%. At current LIBOR, the rate would be 3.53% inclusive of Division and trustee fees.

At post-construction conversion to Permanent Phase the loan will be reduced to approximately $11,500,000 upon receipt of additional tax credit equity installments. Loan amortization will entail monthly principal amortization (30/35 year factor). The permanent loan interest rate will be fixed at closing and is at current market conditions is estimated to be approximately 4.95%

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.

Total debt loan-to-value: 90.0% maximum LTV per lender requirements.

Debt service coverage: 115% minimum per lender requirements.

Reserves:

The Borrower will fund deposits to a replacement reserve at $250/unit/year. Minimum required 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 amount of $360,000.

Sources and Uses

North 5th Street
Sources and Uses of Funds

Sources of Funds	Construction Phase	Permanent Phase
Bond Proceeds	$18,870,482	$11,523,783
LIHTC Equity	1,965,535	9,730,545
Clark County HOME	425,000	1,200,000
Clark County LIHTF	400,000	400,000
North Las Vegas HOME	600,000	600,000
NEF Settlement	3,496,000	3,496,000
Project Cashflow Prior to Conversion		
NHD GAHP Loan	3,000,000	3,000,000
Deferred Contractor Fee		762,882
Deferred Development Fee		2,446,697
Total Sources	$28,757,017	$33,159,907

Uses of Funds	Construction Phase	Permanent Phase
Land Cost	$1,800,000	$1,800,000
Site Work		
Hard Costs	24,222,831	24,222,931
Soft Costs	1,449,376	1,449,376
Financing Costs	1,284,810	1,284,810
Contingencies		
Construction Financing & Interest		
Lease Up Reserve		100,000
Operating Reserve		359,728
Development Fee		3,942,763
Total Uses	$28,757,017	$33,159,608

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.

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 Clark County. 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,

FR. Eoff

Fred R. Eoff
Director
PFM Financial Advisors, LLC

Exhibit A: Project Operating Proforma
Exhibit B: Bond/Loan Term Sheet

EXHIBIT A

North 5th Avenue Project
Operating Proforma

2018

Unit Mix	% AMI Restriction	Number Units	% of Units	Res. SF	Allowable Monthly Rent	Less Utility Allowance	Adjusted Allowable Monthly Rent	Monthly Revenues	Yearly Revenues
				Restricted Rent Untis					
1 Bedroom/1 Bath	<50%	1	1%				$ 496	$ 496	$ 5,952
	<60%	15	9%				$ 614	$ 9,210	$ 110,520
2 Bedroom/1Bath	<50%	1	1%				$ 604	$ 604	$ 7,248
	<60%	91	52%				$ 746	$ 67,886	$ 814,632
3 Bedroom/2 Bath	<50%	1	1%				$ 687	$ 687	$ 8,244
	<60%	43	24%				$ 850	$ 36,550	$ 438,600
				Market Rate Units					
1 Bedroom		8	5%				$ 850	$ 6,800	$ 81,600
2 Bedromm		8	5%				$ 925	$ 7,400	$ 88,800
3 Bedroom		8	5%				$ 1,050	$ 8,400	$ 100,800
Total Units		**176**						**$138,033**	**$1,656,396**

Debt Factors

Senior Loan Amount - Permanent	$11,523,783
Loan Term	35
Initial Senior Loan Rate	4.95%
Senior Annual Debt Service	$693,506

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	$3,942,763
Deferred Development Fee	$2,446,697
LP Asset Management Fee	$10,000

Trend Assumptions

Income	2.00%
Expenses	3.00%
Vacancy	5.00%

North 5th Avenue Project
Operating Proforma

EXHIBIT A

Income	Factors		2019	2020	2021	2022	2023	2024	2025	2026	2027
Annual Gross Rental Income	2.00%	*per year*	$1,689,524	$1,723,314	$1,757,781	$1,792,936	$1,828,795	$1,865,371	$1,902,678	$1,940,732	$1,979,547
Other: Ancillary Revenue			68,544	69,915	71,313	72,739	74,194	75,678	77,192	78,736	80,310
Total Residential Income			$1,758,068	$1,793,229	$1,829,094	$1,865,676	$1,902,989	$1,941,049	$1,979,870	$2,019,467	$2,059,857
Less: Residential Vacancy	5.00%	*per year*	(87,903)	(89,661)	(91,455)	(93,284)	(95,149)	(97,052)	(98,994)	(100,973)	(102,993)
Effective Gross Income			**$1,670,165**	**$1,703,568**	**$1,737,639**	**$1,772,392**	**$1,807,840**	**$1,843,997**	**$1,880,877**	**$1,918,494**	**$1,956,864**
Adjusted Effective Gross Income			**750,000**								
Expenses	3.00%										
Administrative			$174,029	$179,250	$184,627	$190,166	$195,871	$201,747	$207,799	$214,033	$220,454
Utilities			135,960	140,039	144,240	148,567	153,024	157,615	162,343	167,214	172,230
Operating			290,048	298,749	307,712	316,943	326,452	336,245	346,332	356,722	367,424
Maintenance			99,704	102,695	105,776	108,949	112,218	115,584	119,052	122,623	126,302
Property Management			86,108	88,691	91,352	94,093	96,915	99,823	102,817	105,902	109,079
Replacement Reserves			54,384	56,016	57,696	59,427	61,210	63,046	64,937	66,885	68,892
Total Operating Expenses			**$840,233**	**$865,440**	**$891,403**	**$918,145**	**$945,689**	**$974,060**	**$1,003,282**	**$1,033,380**	**$1,064,382**
Operating Expenses Adjustment			**450,000**								
Net Operating Income			**$300,000**	**$838,128**	**$846,236**	**$854,247**	**$862,150**	**$869,936**	**$877,595**	**$885,114**	**$892,482**
Contribution to Project											
Senior Debt Service			$275,000	$693,506	$693,506	$693,506	$693,506	$693,506	$693,506	$693,506	$693,506
Debt Service Coverage					**122%**	**123%**	**124%**	**125%**	**127%**	**128%**	**129%**
Residual Receipts			**$25,000**	**$144,622**	**$152,730**	**$160,741**	**$168,645**	**$176,431**	**$184,089**	**$191,608**	**$198,976**
LP Asset Mgt Fee			**10,300**	**10,609**	**10,927**	**11,255**	**11,593**	**11,941**	**12,299**	**12,668**	**13,048**
DDF Payments			**14,700**	**134,013**	**141,803**	**149,486**	**157,052**	**164,490**	**171,790**	**178,940**	**185,929**
Other Partnership Fees/Adjusters											
DDF Balance			**2,431,997**	**2,297,984**	**2,156,181**	**2,006,695**	**1,849,643**	**1,685,153**	**1,513,363**	**1,334,423**	**1,148,494**
Surplus Cash			**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Partnership Surplus Allocation	**100%**					**0**	**0**	**0**	**0**	**0**	**0**
NHD Surplus Allocation	**0%**					**0**	**0**	**0**	**0**	**0**	**0**
GAHP Loan Interest	**3.00%**		**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**
GAHP Loan Principal					**0**	**0**	**0**	**0**	**0**	**0**	**0**
GAHP Loan Balance			**$3,247,500**	**$3,337,500**	**$3,427,500**	**$3,517,500**	**$3,607,500**	**$3,697,500**	**$3,787,500**	**$3,877,500**	**$3,967,500**

EXHIBIT A

North 5th Avenue Project
Operating Proforma

	2028	2029	2030	2031	2032		2033	2034	2035	2036	2037
Income											
Annual Gross Rental Income	$2,019,137	$2,059,520	$2,100,711	$2,142,725	$2,185,579		$2,229,291	$2,273,877	$2,319,354	$2,365,741	$2,413,056
Other: Ancillary Revenue	81,916	83,555	85,226	86,930	88,669		90,442	92,251	$94,096	$95,978	97,898
Total Residential Income	$2,101,054	$2,143,075	$2,185,936	$2,229,655	$2,274,248		$2,319,733	$2,366,128	$2,413,451	$2,461,720	$2,510,954
Less: Residential Vacancy	(105,053)	(107,154)	(109,297)	(111,483)	(113,712)		(115,987)	(118,306)	(120,673)	(123,086)	(125,548)
Effective Gross Income	**$1,996,001**	**$2,035,921**	**$2,076,640**	**$2,118,172**	**$2,160,536**		**$2,203,747**	**$2,247,822**	**$2,292,778**	**$2,338,634**	$2,385,406
Adjusted Effective Gross Income											
Expenses											
Administrative	$227,068	$233,880	$240,897	$248,123	$255,567		$263,234	$271,131	$279,265	$287,643	$296,272
Utilities	177,397	182,719	188,200	193,846	199,662		205,652	211,821	218,176	224,721	231,463
Operating	378,447	389,800	401,494	413,539	425,945		438,724	451,885	465,442	479,405	493,787
Maintenance	130,091	133,994	138,014	142,154	146,419		150,811	155,336	159,996	164,796	169,739
Property Management	112,351	115,722	119,194	122,769	126,453		130,246	134,153	138,178	142,323	146,593
Replacement Reserves	70,959	73,088	75,280	77,539	79,865		82,261	84,728	87,270	89,888	92,585
Total Operating Expenses	**$1,096,313**	**$1,129,203**	**$1,163,079**	**$1,197,971**	**$1,233,910**		**$1,270,927**	**$1,309,055**	**$1,348,327**	**$1,388,777**	**$1,430,440**
Operating Expenses Adjustment											
Net Operating Income	**$899,688**	**$906,719**	**$913,561**	**$920,201**	**$926,626**		**$932,819**	**$938,766**	**$944,451**	**$949,857**	**$954,966**
Contribution to Project											
Senior Debt Service	$693,506	$693,506	$693,506	$693,506	$693,506		$693,506	$693,506	$693,506	$693,506	$693,506
Debt Service Coverage	**130%**	**131%**	**132%**	**133%**	**134%**		**135%**	**135%**	**136%**	**137%**	**138%**
Residual Receipts	**$206,182**	**$213,213**	**$220,055**	**$226,696**	**$233,120**		**$239,313**	**$245,260**	**$250,945**	**$256,351**	**$261,460**
LP Asset Mgt Fee	**13,439**	**13,842**	**14,258**	**14,685**	**15,126**		**15,580**	**16,047**	**16,528**	**17,024**	**17,535**
DDF Payments	**192,743**	**199,370**	**205,797**	**212,010**	**217,994**		**120,579**				
Other Partnership Fees/Adjusters											
DDF Balance	**955,751**	**756,381**	**550,583**	**338,573**	**120,579**						
Surplus Cash	**$0**	**$0**	**$0**	**$0**	**$0**		**$103,155**	**$229,213**	**$234,417**	**$239,327**	**$243,925**
Partnership Surplus Allocation	**0**	**0**	**0**	**0**	**0**	**25%**	**25,789**	**57,303**	**58,604**	**59,832**	**60,981**
NHD Surplus Allocation	**0**	**0**	**0**	**0**	**0**	**75%**	**77,366**	**171,910**	**175,812**	**179,495**	**182,944**
GAHP Loan Interest	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**		**90,000**	**90,000**	**90,000**	**90,000**	**90,000**
GAHP Loan Principal	**0**	**0**	**0**	**0**	**0**			**81,910**	**85,812**	**89,495**	**92,944**
GAHP Loan Balance	**$4,057,500**	**$4,147,500**	**$4,237,500**	**$4,327,500**	**$4,417,500**		**$4,430,134**	**$4,438,224**	**$4,442,412**	**$4,442,917**	**$4,439,973**

EXHIBIT A

North 5th Avenue Project
Operating Proforma

	2038
Income	
Annual Gross Rental Income	$2,461,317
Other: Ancillary Revenue	99,856
Total Residential Income	$2,561,173
Less: Residential Vacancy	(128,059)
Effective Gross Income	$2,433,114
Adjusted Effective Gross Income	
Expenses	
Administrative	$305,161
Utilities	238,407
Operating	508,601
Maintenance	174,832
Property Management	150,991
Replacement Reserves	95,363
Total Operating Expenses	**$1,473,353**
Operating Expenses Adjustment	
Net Operating Income	**$959,761**
Contribution to Project	
Senior Debt Service	$693,506
Debt Service Coverage	**138%**
Residual Receipts	**$266,255**
LP Asset Mgt Fee	**18,061**
DDF Payments	
Other Partnership Fees/Adjusters	
DDF Balance	
Surplus Cash	**$248,194**
Partnership Surplus Allocation	**62,049**
NHD Surplus Allocation	**186,146**
GAHP Loan Interest	**90,000**
GAHP Loan Principal	**96,146**
GAHP Loan Balance	**$4,433,827**

$20,000,000
Nevada Housing Division
Multi-Unit Housing Revenue Bonds, Series 2017
(North 5th Avenue Apartments)

Bond/Loan Term Sheet

Borrowing Entity:	North 5th Avenue LP, A limited partnership comprised of Nevada HAND Inc. (general partner) and National Equity Fund, Inc. as (limited partner).
Lender:	Citibank, N.A.
Principal Amount:	*Construction Phase:* Not to exceed $20,000,000 *Permanent Phase:* -Not to exceed 90% loan to value based on final appraisal. -Expected to be approximately $11,500,000
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 3.55% (including Division & Trustee fees) adjusted monthly

	<u>Permanent Phase:</u> Fixed rate estimated to be approximately 5.00% (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

pfm

1200 Fifth Avenue
Suite 1220
Seattle, WA 98101
206.858.5370

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October 16, 2017

Steve Aichroth
Administrator
Nevada Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

Re: Multi-Unit Housing Revenue Bonds
(North 5th Avenue Apartments, Series 20170

Dear Mr. Aichroth:

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 (North 5th Avenue Apartments), Series 2017 and authorization for issuance of up to ***$20,000,000*** of Nevada Housing Division multi-unit housing revenue bonds to fund acquisition, renovation and related costs of a senior housing affordable rental project. ("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 a newly constructed 176-unit affordable housing complex on a site of approximately 18 acres site in the City of North Las Vegas near at the intersection of N. Rome Boulevard and N. 5th Street. The Project will consist of ___ garden style buildings with separate recreation building containing exercise facilities, community room, and library/study/business room. External amenities will include a swimming pool, spa turf area, BBQ/picnic area.

The Project will provide 152 units restricted for tenants with income at or below 60% of area median income and 24 unrestricted market rate units. Details regarding unit mix, and rent restrictions are as summarized in the Project Operating Profile contained in Exhibit A.

Project Sponsor/Borrower:

The Project is being sponsored by Nevada H.A.N.D., Inc. Michael Mullin serves as President of Nevada H.A.N.D. and has over 30 years of experience in real estate and community assistance programs. Nevada H.A.N.D. is based in Las Vegas and has previously developed 7 affordable family properties (972 units) and 28 affordable senior projects (2,211 units) in Nevada. This property is currently owned by a Nevada H.A.N.D. entity. It is being acquired by a new ownership entity in order to generate low income tax credits to be utilized for renovation and updates to the facility

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Project Construction:

The Project general contractor will be HAND Construction.

Project Manager:

Upon completion the Project will be managed by HAND Property Management Company. HAND Property Management currently manages all of the properties developed by Nevada HAND.

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At post-construction conversion to Permanent Phase the loan will be reduced to approximately $11,500,000 upon receipt of additional tax credit equity installments. Loan amortization will entail monthly principal amortization (30/35 year factor). The permanent loan interest rate will be fixed at closing and is at current market conditions is estimated to be approximately 5.00% 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.

Total debt loan-to-value: 90.0% maximum LTV per lender requirements.

Debt service coverage: 115% minimum per lender requirements.

Reserves:

The Borrower will fund deposits to a replacement reserve at $250/unit/year. Minimum required 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 amount of $360,000.

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Sources of Funds	Construction Phase	Permanent Phase
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Deferred Contractor Fee		762,882
Deferred Development Fee		2,446,697
Total Sources	$28,757,017	$33,159,907

Uses of Funds		
Land Cost	$1,800,000	$1,800,000
Hard Costs	24,222,831	24,222,931
Soft Costs	1,449,376	1,449,376
Financing Costs	1,284,810	1,284,810
Lease Up Reserve		100,000
Operating Reserve		359,728
Development Fee		3,942,763
Total Uses	$28,757,017	$33,159,608

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.

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 Clark County. 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,

F.R. Eoff

Fred R. Eoff
Director
PFM Financial Advisors, LLC

Exhibit A: Project Operating Proforma
Exhibit B: Bond/Loan Term Sheet

EXHIBIT B

$20,000,000
Nevada Housing Division
Multi-Unit Housing Revenue Bonds, Series 2017
(North 5th Avenue Apartments)

<u>Bond/Loan Term Sheet</u>

Borrowing Entity:	North 5th Avenue LP, A limited partnership comprised of Nevada HAND Inc. (general partner) and National Equity Fund, Inc. as (limited partner).
Lender:	Citibank, N.A.
Principal Amount:	*<u>Construction Phase:</u>* Not to exceed $20,000,000 *<u>Permanent Phase:</u>* -Not to exceed 90% loan to value based on final appraisal. -Expected to be approximately $11,500,000
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:	<u>Construction Phase</u>: Variable, estimated to be approximately 3.55% (including Division & Trustee fees) adjusted monthly

	Permanent Phase: Fixed rate estimated to be approximately 5.00% (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

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: 11_14_2017 BoF Agenda Item #7 - Discussion and possible action on Storey County Treasurer's request for approval of Moreton Asset Management as an approved investment advisor pursuant to NRS 355.171, subsection 3.

DATE: November 6, 2017

Agenda Item #7
For possible action - Discussion and possible action on Storey County Treasurer's request for approval of Moreton Asset Management as an approved investment advisor pursuant to NRS 355.171, subsection 3.

Please find attached the written request from the Storey County Treasurer.

Recommendation:
I respectfully request consideration and approval of this request.

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

STATE TREASURER PROGRAMS
Millennium Scholarship Program
Nevada Prepaid Tuition Program
Unclaimed Property
Upromise College Fund 529 Plan

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

Internet: http://NevadaTreasurer.gov E-mail: NevadaTreasurer@NevadaTreasurer.gov

STOREY COUNTY CLERK-TREASURER
VANESSA STEPHENS

Dear Tara,

I am writing to request that Moreton Asset Management be approved by the State Board of Finance as an investment advisor authorized to make investment transactions on behalf of Storey County under NRS 355.171.

Moreton Asset Managements is an SEC-registered investment advisor that was founded in 2004. It is a privately-owned company headquartered in Salt Lake City and affiliated with Moreton & Company an insurance broker founded in 1910. Moreton Asset Management has assets under management of $1 Billion Dollars in fixed-income portfolios for institutions. Moreton Asset Management manages funds for institutional clients including counties, cities, school districts, special districts, corporations, and credit unions. Moreton Asset Management has extensive experience managing portfolios with similar guidelines to NRS 355.170 and NRS 355.171. Moreton's core expertise lies in managing assets on behalf of institutional clients that have significant regulatory needs combined with sensitive constituencies, such as taxpayers.

Moreton Asset Management's Portfolio Team meets directly with Storey County and has extensive institutional fixed income portfolio management experience. Jason Williams, the President and portfolio manager has 17 years of capital market and investment advisor experience. Andy Robbins the Chief Operating Officer and portfolio manager has been managing fixed income portfolios for 16 years. Jordan Hansen, the Chief Investment Officer and portfolio manager has 12 years' experience with an emphasis in corporate and municipal securities. Ben Sehy, the customer relations and Portfolio Manager has 9 years' experience of fixed income trading, both in the broker dealer industry and investment advisory services. The career bios for the portfolio management team are attached.

Thank you for taking the time to review this request to approve Moreton Asset Management as an investment advisor authorized to make transactions under NRS 355.171 on Storey County's Behalf.

Sincerely,

Vanessa Stephens

Vanessa Stephens,
Storey County, Treasurer

P.O. DRAWER D, 26 SOUTH B STREET, VIRGINIA CITY, NEVADA 89440 PH: (775) 847-0969 FX: (775) 847-0921 WWW.STOREYCOUNTY.ORG

Dan Schwartz
State Treasurer

STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (BoF) Members

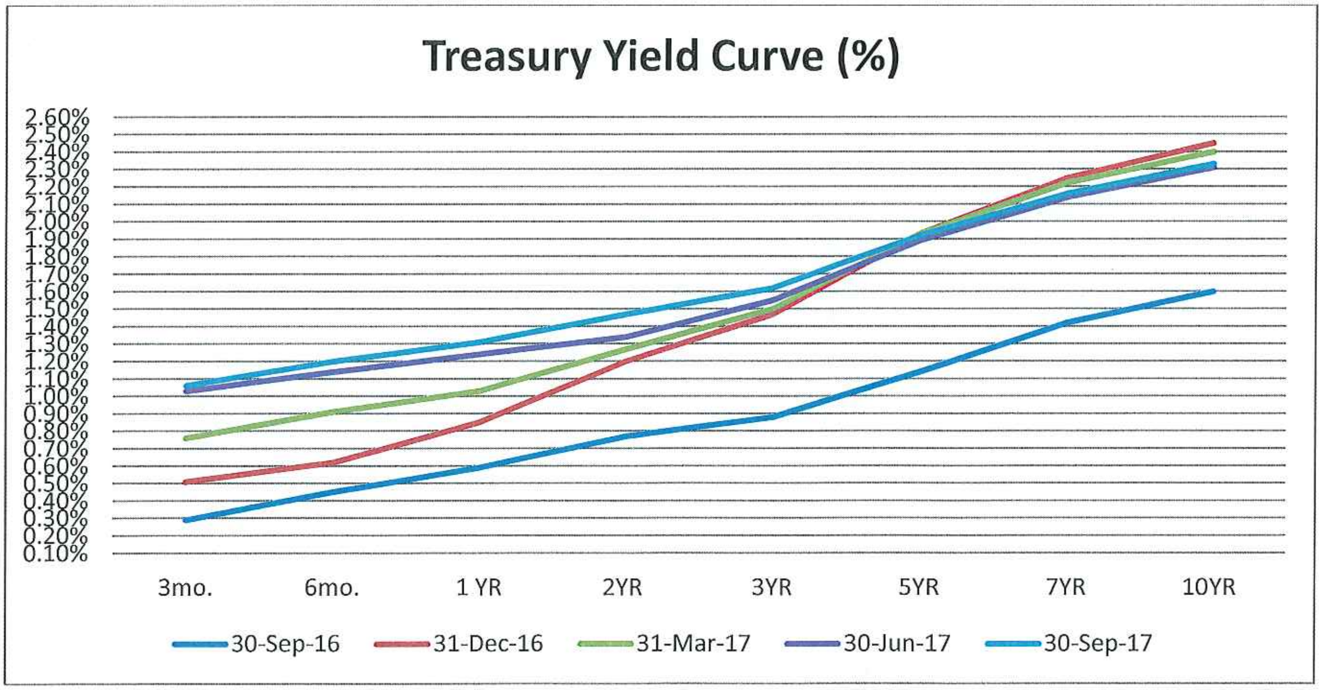
FROM: Tara Hagan, Chief Deputy Treasurer

SUBJECT: 11_14_17 BoF Agenda Item #8– State Treasurer Investment Report

DATE: November 3, 2017

Agenda Item #8
Discussion and possible action (a) regarding the State Treasurer's quarterly investment report for the quarter ending September 30, 2017 and (b) to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP).

Fixed Income Markets
Interest rates rose modestly across the maturities in the past three months (July 1 – September 30), with somewhat larger increases in shorter maturities. As a result, the Treasury curve flattened another 7 basis points. The Federal Reserve has begun its tapering program. The Fed will reduce its holdings of US Treasuries by $6 billion a month and agency mortgage-backed securities by $4 billion a month. The markets attach a high probability (~82%) of a rate increase after the December Federal Open Market Committee (FOMC) meeting.



Current Performance:
The attached reports indicate performance for the quarter ending September 30, 2017.

- FTN Financial began managing the LGIP portfolio in July 2015. The yield to maturity as of September 30, 2017 for LGIP assets was 1.17% which is 0.07% in excess of the benchmark return of 1.10%.

- The yield to maturity as of September 30, 2017 for total assets in the General Portfolio is 1.65% and the effective duration is 1.42 years which is in compliance with the requirement to maintain an effective duration of less than 1.50 years.

    - The yield to maturity of the internally managed portion of the General Portfolio was 1.252% which is 0.49% in excess of the custom blended benchmark return of 0.76%.

    - Chicago Equity Partners (CEP) began managing $200 million in General Portfolio assets on August 3, 2015 with an additional $100 million in 2016 for a total of $300 million.

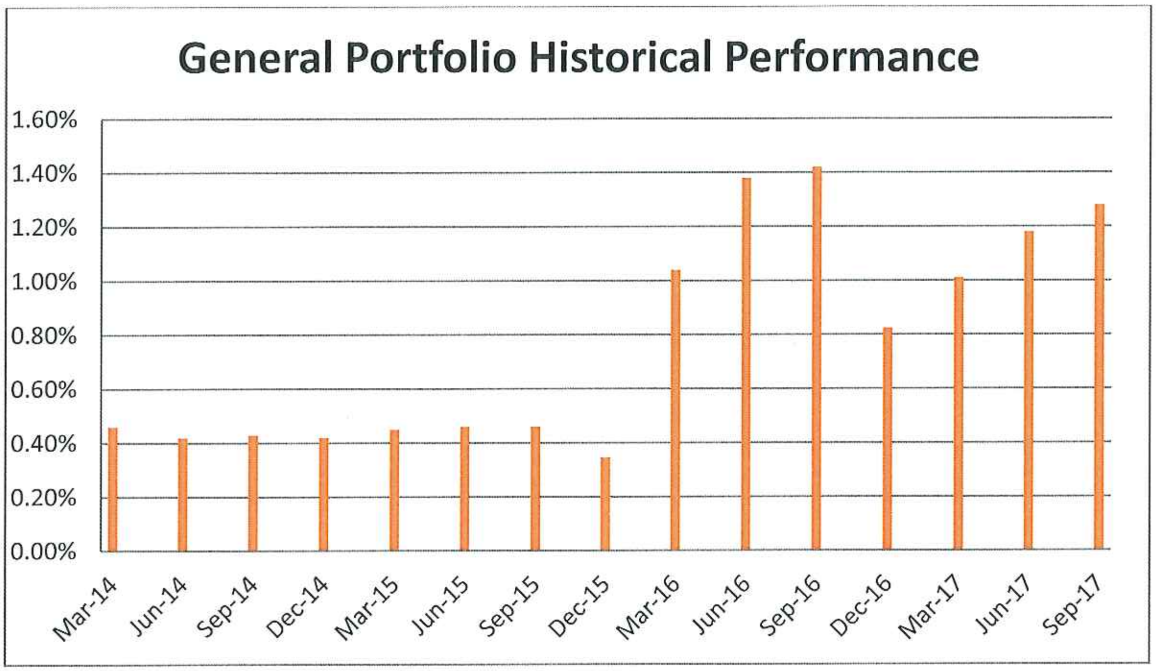
        - The year to date time weighted performance is 1.59%. As of September 30, 2017, CEP has distributed $6.80 million in net interest since inception. The hard dollar fees paid since inception to CEP as of September 30, 2017 were $707,914.

    - MacKay Shields (MKS) began managing $200 million in General Portfolio assets on December 1, 2015 with an additional $100 million for a total of $300 million.

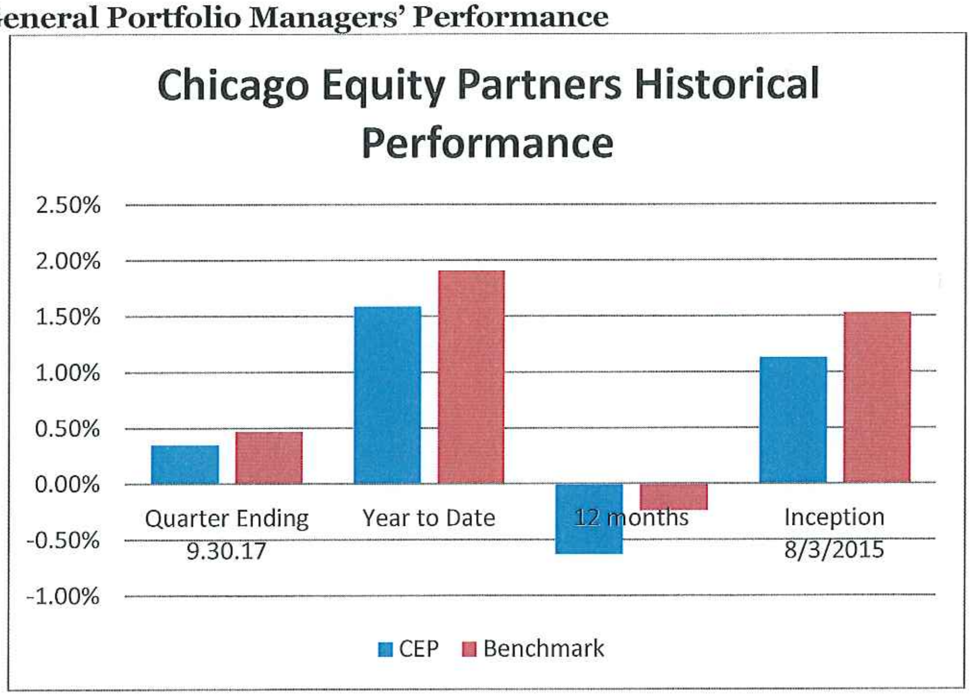
        - The year to date time weighted performance is 1.84%. As of September 30, 2017, MKS has distributed $5.02 million in net interest since inception. The hard dollar fees paid since inception to MKS as of September 30, 2017 were $750,210.

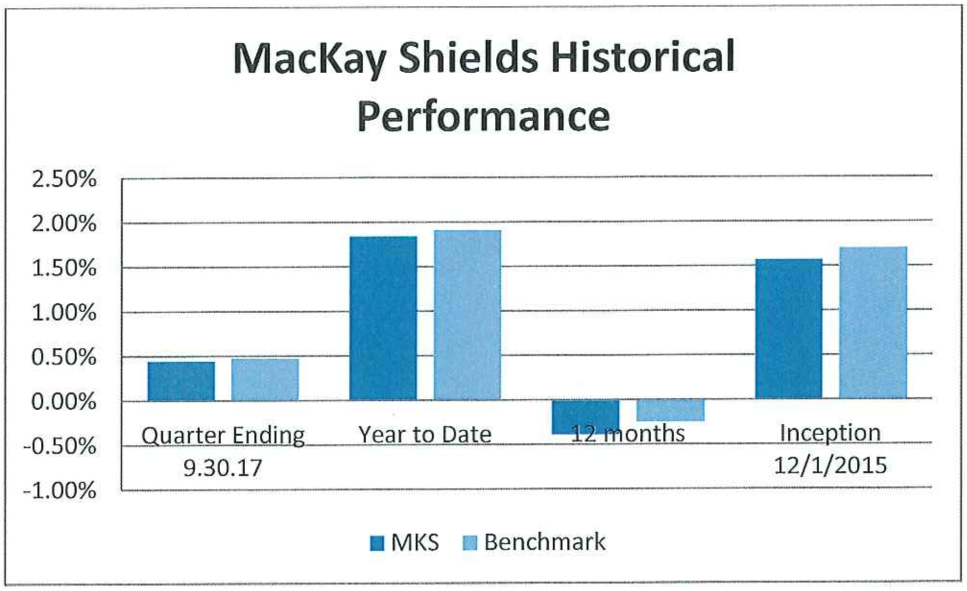
Historical General Portfolio Performance (includes external and internal management)

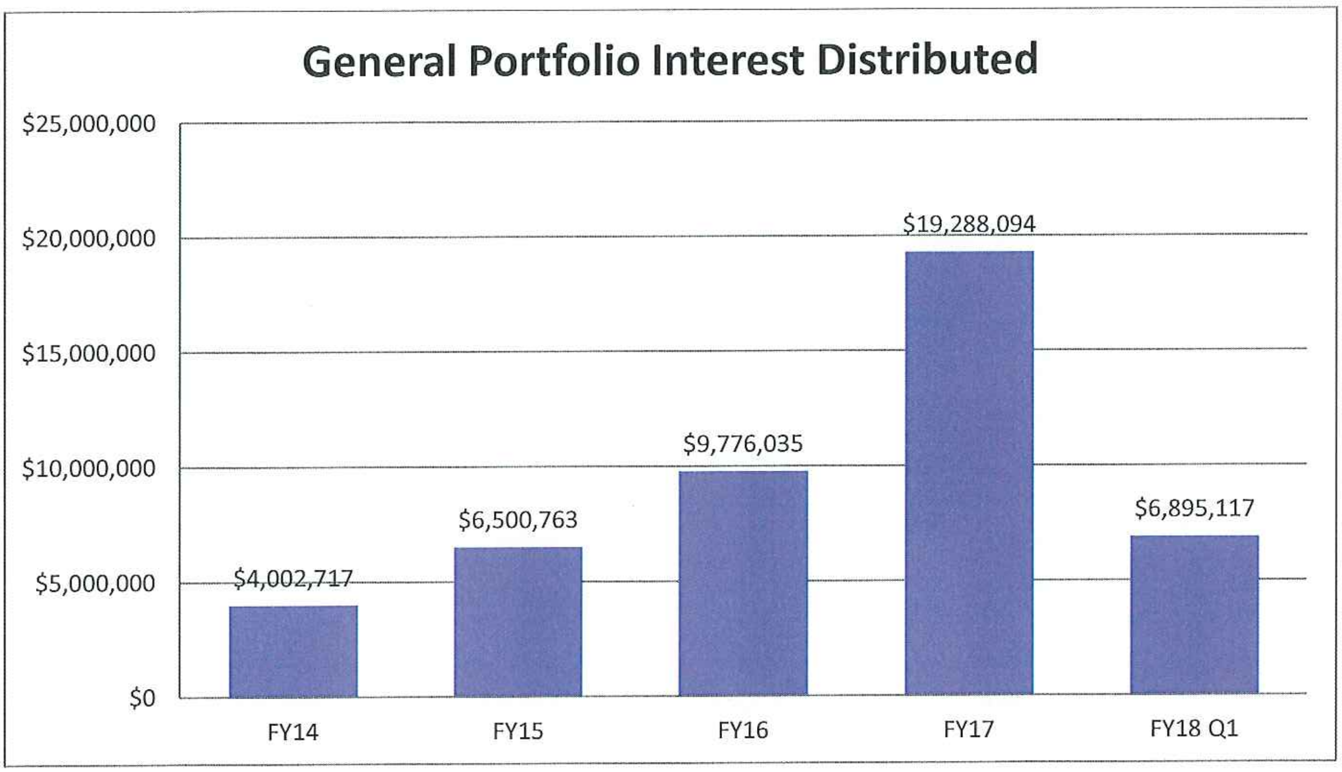
The General Portfolio performance as noted in the graph below began to improve in calendar year 2016 with the longer maturity holdings outperforming the shorter maturity holdings. The managers' performance during mid-2016 was ~2.50% - 3.57%; however, in the 4th quarter of 2016, interest rates rose and fixed income returns on the longer maturity holdings sharply decreased which resulted in substantially lower returns. The increase in interest rates over the past three quarters has increased the return on the shorter maturities which has helped boost performance in 2017.



Historical General Portfolio Managers' Performance







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 2018
Period Ending
September 30, 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 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

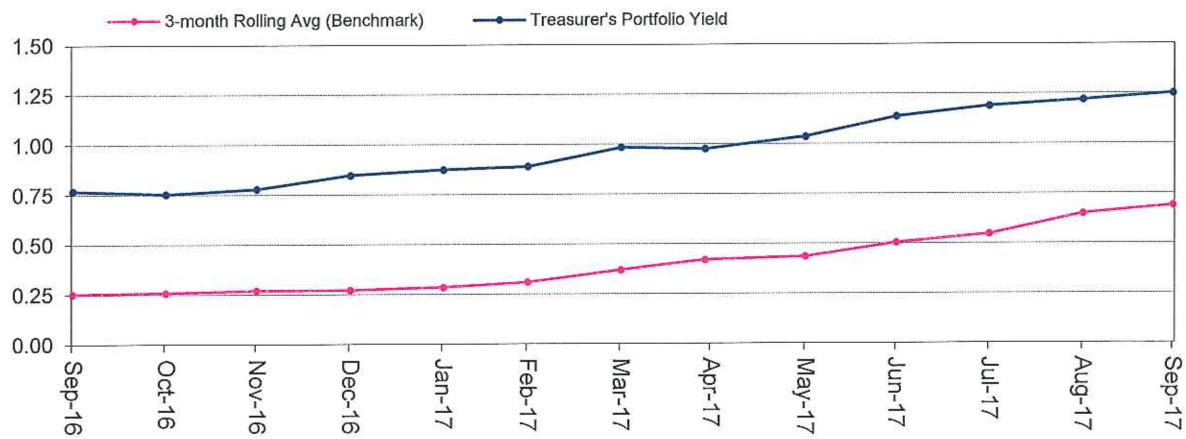
The permissible investments of the General Portfolio include United States Treasury and Agency securities, repurchase agreements, high quality corporate notes and commercial paper, negotiable certificates of deposit, municipal bonds and banker's acceptances. These securities are diversified to prevent 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.

In-House Performance

As of September 30, 2017, the yield on the portion of the General Portfolio managed in-house was 1.252%. A three month rolling average of this benchmark for this period was .76% with the average days to maturity at 218 days. The average days to maturity for the in-house managed portfolio was .44 years or 161 days.

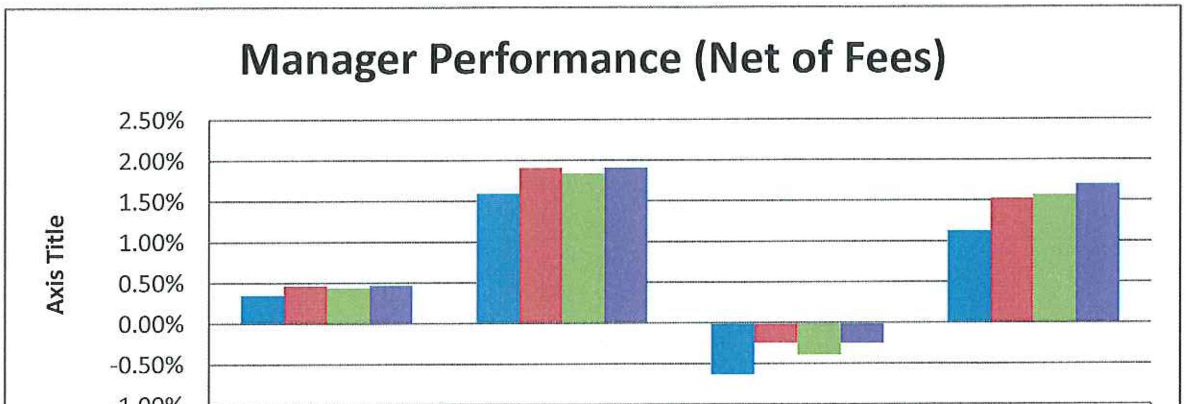
In-House Performance vs. Benchmark



Outside Manager Performance

The performance since inception for period ending September 30, 2017 for manager Chicago Equity Partners (CEP) is 1.13% and for Mackay Shields (MKS) is 1.57%*. 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 Nevada statutory requirements prevent managers from investing in certain securities (supranationals and foreign soverigns), fewer corporate notes and governmental securites longer than 10 years 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

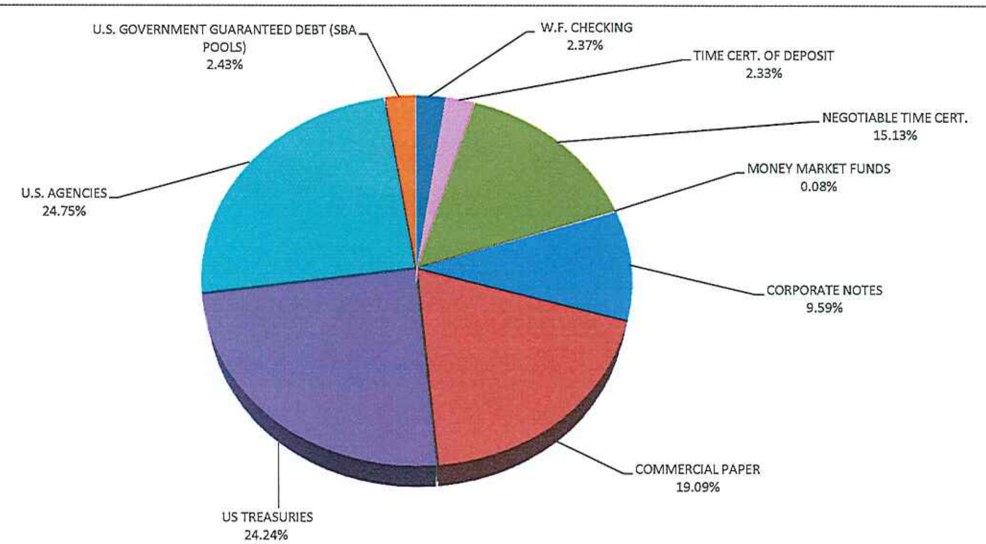


	Quarter Ending 9.30.17	Year to Date	12 months	Inception*
CEP	0.35%	1.59%	-0.63%	1.13%
Benchmark	0.47%	1.91%	-0.24%	1.53%
MKS	0.44%	1.84%	-0.39%	1.57%
Benchmark	0.47%	1.91%	-0.25%	1.70%

*Inception date for CEP is 8.3.15 and 12.1.15 for MKS

GENERAL PORTFOLIO
Amortized Book Value and Purchased Interest

	September 30, 2017 Amortized Book Value Treasurer In-House	September 30, 2017 Amortized Book Value Chicago Equity Partners	September 30, 2017 Amortized Book Value Mackay Shields	June 30, 2017 Amortized Book Value Treasurer In-House	June 30, 2017 Amortized Book Value Chicago Equity Partners	June 30, 2017 Amortized Book Value Mackay Shields
WASHINGTON FEDERAL CHECKING ACCT.	$ 50,905,701			$ 50,774,756		
TIME CERTIFICATES OF DEPOSIT	50,000,000			50,000,000		
NEGOTIABLE CERTIFICATES OF DEPOSIT	325,005,989			477,000,000		
MONEY MARKET FUNDS	1,024,428	567,716	23,723	2,537,402	649,075	276,152
ASSET-BACKED SECURITIES	0			0		
MORTGAGE-BACKED SECURITIES	0			0		
CORPORATE NOTES	89,756,292	22,899,952	93,440,114	68,498,000	22,929,843	87,823,863
COMMERCIAL PAPER	410,165,594			356,000,000		
MUNICIPAL BONDS	0			2,350,000		
U.S. TREASURIES	47,951,586	266,251,858	206,647,896	30,000,000	263,266,334	211,183,137
U.S. AGENCIES	509,888,002	16,975,242	4,999,867	529,900,000	18,967,899	4,999,711
U.S. GOVERNMENT GUARANTEED DEBT	52,212,732			51,119,194		
REPURCHASE AGREEMENTS	0			96,000,000		
TOTAL	$ 1,536,910,323	$ 306,694,766	$ 305,111,599	$ 1,714,179,352	$ 305,813,150	$ 304,282,863
GRAND TOTAL	$		**2,148,716,689**	$		**2,324,275,365**



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	September 30, 2017	September 30, 2016
TOTAL PORTFOLIO	$2,148,716,689	$2,035,614,383

State of Nevada

Office of the State Treasurer

Schedule of General Fund Interest Revenue

	Quarter Ended 09/30/2017	Quarter Ended 12/31/2017	Quarter Ended 03/31/2018	Quarter Ended 06/30/2018	FY 2018 Totals
Average Daily Balances of Funds					
General Fund	600,557,399				600,557,399
All Funds	2,422,777,800				2,422,777,800
Annualized Interest Rate					
Cash Basis (see Note 1)	1.1599%				1.1599%
Accrual Basis	1.1272%				1.1272%
Interest Distribution for General Fund (Cash Basis)					
General Fund Interest Collected	1,709,131				1,709,131
General Fund Interest Revenue - Distributed	1,709,131				1,709,131
Undistributed General Fund Interest Revenue	-				-
Interest Distribution for All Funds (Cash Basis)					
All Funds Interest Collected	6,895,117				6,895,117
All Funds Interest Revenue - Distributed	6,895,117				6,895,117

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 September 30, 2017, there were 88 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.

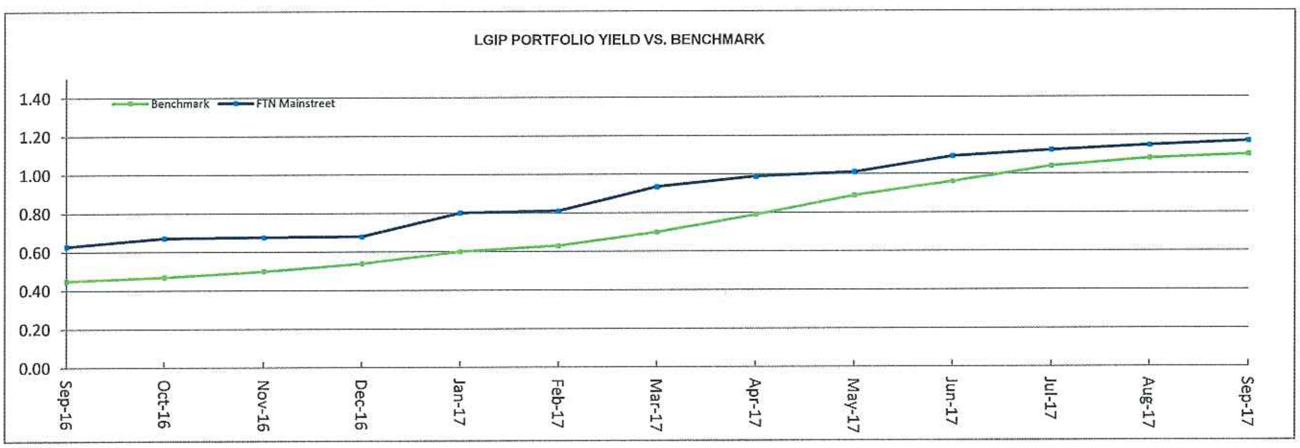
Investment Guidelines

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

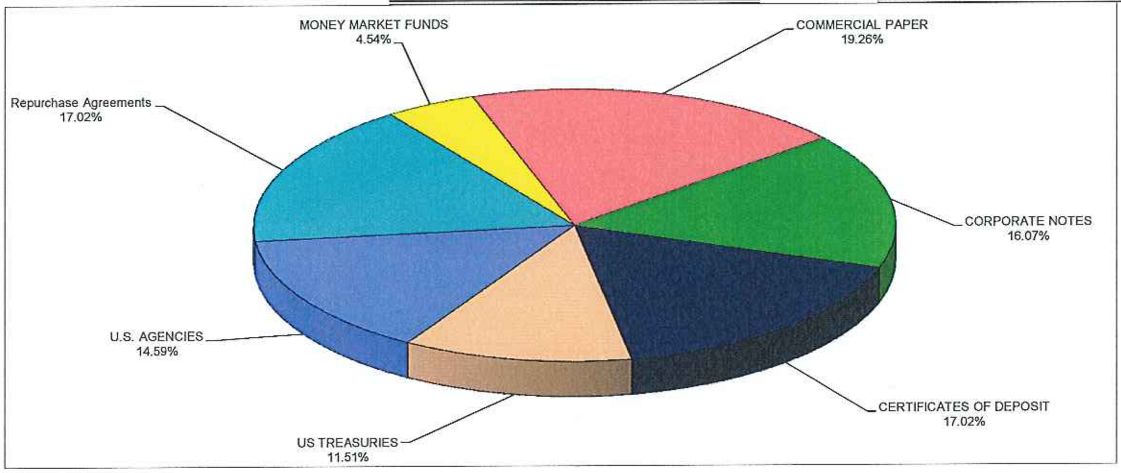
FTN Financial began managing the LGIP portfolio in July 2015. As of September 30, 2017, the LGIP's portfolio yield was 1.17%, and the blended benchmark was 1.10%. The average days to maturity of the LGIP portfolio was 113 days.



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.

	September 30, 2017		June 30, 2017	
	Amortized Book	Purchased Interest	Amortized Book	Purchased Interest
MONEY MARKET FUNDS	$ 45,381,810		$ 12,492,647	
COMMERCIAL PAPER	192,342,772		150,000,000	
CORPORATE NOTES	160,145,087	359,396	157,514,000	99,054
CERTIFICATES OF DEPOSIT	170,016,961		135,000,000	
MUNICIPAL BONDS				
U.S. TREASURIES				
NOTES	114,873,229	54,295	85,000,000	1,537
BILLS				
U.S. AGENCIES	145,687,642		155,000,000	20,222
ASSET-BACKED SECURITIES	-		-	
REPURCHASE AGREEMENTS	170,000,000		135,000,000	
TOTAL	$ 998,447,501	$ 413,692	$ 830,006,647	$ 120,813
GRAND TOTAL	$	998,861,192	$	830,127,460



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	September 30, 2017	September 30, 2016
TOTAL PORTFOLIO	$998,861,192	$766,288,676