

STATE BOARD OF FINANCE
October 13, 2020 – 1:00 PM
Summary Minutes

Location:

Via videoconference at the following locations:

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

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

Board members present:

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

Others present:

Tara Hagan:	Treasurer's Office
Brandee Mooneyhan:	Attorney General's Office
Stephen Aichroth:	Business and Industry, Housing Division
Michael Holliday:	Business and Industry, Housing Division
Fred Eoff:	PFM Financial Advisors

Agenda Item 2 – Public Comment.

No public comment in Carson City or Las Vegas. No written public comment.

Agenda Item 3 – For discussion and possible action – Approval of the Board of Finance minutes from the meeting held on August 11, 2020.

No public comment in Carson City or Las Vegas.

Treasurer Conine moved to approve the minutes. Motion passed unanimously.

Agenda Item 4 – For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$24,000,000 of Multi-Unit Housing Revenue Bonds (Springview by Vintage Apartments), for the purpose of construction of a 180-unit affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by the Vintage Housing Development and Greenstreet Development groups. Aegon USA Realty Advisors will be

the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$24,000,000 of multi-unit housing revenue bonds for acquisition and new construction of a 180-unit family apartment complex in Reno located at 2355 Clear Acre Lane. He noted that the bonds will be used to provide for new construction of a 180-unit affordable family apartment complex in the Reno which is centrally located to the University of Reno, downtown and the north valley. The rental housing will serve 180 households across a spectrum of income ranging from 50% to 60% of the area medium income (AMI). The project will be developed by Vintage Housing and Greenstreet Development. The Housing Division (Division) will be the conduit issuer on the project and there will be no liability for the repayment of the bonds for the State of Nevada. The project will be structured in two phases; the construction phase and the permanent phase where they will pay down the full amount and use tax credit equity to reduce the permanent debt. The project will leverage approximately \$12.625 million in equity through the purchase of 4% low income housing tax credits.

Mr. Holliday presented the financials noting the proposed direct bond would be purchased by Citibank N.A. The bonds will be held by Citibank or an affiliate and not sold to the public. He noted the loan proceeds will be advanced to the borrower on a 'draw down' basis as needed to fund construction expenditures. At conversion to the permanent phase the loan will be reduce to ~\$22.8 million upon receipt of the additional tax credit equity installments.

Controller Byrne asked if the City of Reno has reviewed and approved this project and wondering if this was welcomed by the City.

Mr. Michael Holliday stated that the City of Reno has reviewed and approved the project and are very much in favor of a new low-income housing development in the city.

Controller Byrne moved to approve Agenda Item 4. Motion passed unanimously.

Agenda Item 5 – For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$7,000,000 of Multi-Unit Housing Revenue Bonds (Pinewood Terrace Apartments), for the purpose of acquisition and rehabilitation of a 50-unit affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Integra Property Group. Red Oak Equity Partners, LLC will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$7,000,000 of multi-unit housing revenue bonds for acquisition and renovation of a 50-unit family apartment complex in Reno located at 1455 Evelyn Way. He noted that the bonds will be used to provide for acquisition and renovation of affordable apartment complex in the Reno. The rental housing will serve 180 households across a spectrum of income ranging from 30% to 60% of the area medium income (AMI). The project will

be developed by Integra Property Group. The Division will be the conduit issuer on the project and there will be no liability for the repayment of the bonds for the State of Nevada. The project will be structured in two phases; the construction phase and the permanent phase where they will pay down the full amount and use tax credit equity to reduce the permanent debt. The project will leverage approximately \$3.11 million in equity through the purchase of 4% low income housing tax credits.

Mr. Holliday presented the financials noting both the permanent and construction phase will be provided by Federal Housing Administration (FHA) and underwritten by Truist Bank in its capacity as an FHA delegated underwriter. The Division will always be fully collateralized as to both principal and interest. At closing, collateral will be provided by a fully drawn FHA 223(f) loan and borrower contributed cash. The Division bonds are expected to be outstanding for up to 18 months and will be fully retired from the escrowed collateral upon the date the Project is 'placed in service' for tax purpose. Mr. Holliday noted the bonds will be sold through a public offering by Stifel Nicholas.

Treasurer Conine moved to approve Agenda Item 5. Motion passed unanimously.

Agenda Item 6 - For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of Single-Family Mortgage Revenue Bonds, in an amount not to exceed \$75,000,000 to be issued in one or more series. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division's request to approve the administrator's findings of fact pertaining to the issuance in an amount not to exceed \$75,000,000 for single-family mortgage revenue bonds. He noted the bonds will have an expected bond rating of AA+ by Standard & Poor's and will be issued in multiple series to provide mortgage financing assistance for single family residential housing for qualified homebuyers. He stated that for more than thirty years the Division has operated a mortgage assistance program for first time homebuyers and over that period of time, the division has issued and retired over two (2) billion dollars of single-family mortgage bonds. J.P. Morgan will serve as the underwriter with bond and tax opinions provided by Kutak Rock LLP.

Michael Holliday with the Division stated the \$75 million of tax-exempt single-family mortgage revenue bonds will be issued in multiple series through the end of the calendar year. He noted the program has over \$135 million in reservations received for the prior 2019 and 2020 issuances and that the Division anticipates marketing or refunding these issues into a long-term bond structure on or prior to December 20, 2021. He noted this request will exhaust the remainder of the 2017 Private Activity Bond Cap held by the Division which would otherwise expire on December 31, 2020.

Controller Byrne moved to approve Agenda Item 6. Motion passed unanimously.

Agenda Item 7 – For discussion and possible action: Discussion and possible action (a) regarding the State Treasurer's quarterly investment report for the quarter ended June 30, 2020 and (b) to

approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP).

Ms. Hagan presented the overview of the State Treasurer's quarterly investment report for the quarter ending June 30, 2020 noting performance of both portfolios was as expected given current market conditions and stated the interest returned to state agencies for fiscal year 2020 was \$57.90 million of which \$20.49million was distributed to the General Fund.

No questions or comments.

Treasurer Conine moved to approve Agenda Item 7. Motion passed unanimously.

Agenda Item 8 – Public Comment

No public comment in Carson City or Las Vegas. Public comment closed.

Meeting adjourned at 1:15 pm.