

STATE BOARD OF FINANCE

March 8, 2022 – 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 – Las Vegas
Controller Catherine Byrne – Carson City
Teresa Courier – Carson City
Brian Sagert – via telephone

Others present:

Tara Hagan:	Treasurer's Office
Jeff Landerfelt:	Treasurer's Office
Ian Carr:	Attorney General's Office
Steve Aichroth:	Nevada Housing Division
Michael Holliday:	Nevada Housing Division
Alan Molasky:	Ovation
Lorri Murphy:	Ovation
Aaina Sharma:	Praxis
Marty Johnson:	JNA Consulting
Fred Eoff:	PFM
Kendra Follet:	Sherman & Howard
Mario Trevino:	Rise Residential
Wallace Reed:	Rise Residential

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 – on the Board of Finance minutes from the meeting held on January 11, 2022.

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

Agenda Item 4 – For discussion and possible action: on a resolution designated the 2022 State Infrastructure Bank Bond Resolution; authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Taxable State Infrastructure Bank Bonds, Series 2022A and the State of Nevada, General Obligation (Limited Tax) Taxable State Infrastructure Bank Bonds, Series 2022B

(Social Bonds), in the combined maximum aggregate principal amount not to exceed \$75,000,000; providing the purposes 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.

Deputy Treasurer of Debt Management Jeff Landerfelt presented this agenda item. He noted a typo in the memo included in the material packet on page 10 where the second bullet point should reference NRS 408.55053 rather than NRS 403. Pursuant to NRS 349.255 the State Treasurer's office is requesting Board approval of a resolution to issue taxable general obligation bonds in an amount not to exceed \$75,000,000 as authorized by AB492 in the 2021 regular legislative session to provide initial funding for the Nevada State Infrastructure Bank. He noted that this issuance will be comprised of 2 series. Series 2022A in the maximum par amount of \$40,000,000 will provide funding for loans to qualify borrowers to meet federal grant matching requirements for eligible infrastructure projects. He stated that Series 2022B in the maximum par amount of \$35,000,000 will provide funding for loans to qualified borrowers for social infrastructure projects as permitted with the passage of SB430 in the 2021 regular legislative session with \$20,000,000 targeted to affordable housing and \$15,000,000 targeted to charter schools. He noted that Series 2022B has been designated as a social bond to emphasize the intended purpose of the bond proceeds. Social bonds carry certain obligations to meet the intent of the principles outlined by the International Capital Market Association related to the use of proceeds, processes for project evaluation, management of proceeds, and reporting. He noted that both series will be issued as taxable bonds for State Infrastructure Bank funding. Both bonds will be advertised over 5 years versus the standard 20 years to significantly reduce the interest costs. He stated that the bonds are subject to the Constitutional Debt Limit paid with Ad Valorem Property Tax and were included in the 2021-2023 Affordability Model.

Treasurer Conine thanked Mr. Landerfelt, Governor Sisolak, Mr. Jimenez, and Ms. Hagan, and PFM for putting this together as funding the State Infrastructure Bank has deep importance.

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

Agenda Item 5 – **For discussion and possible action:** Discussion and possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$27,000,000 of Multi-Unit Housing Revenue Bonds (Russell IV Senior Apartments), for the purpose of the new construction of a 208-unit senior affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited liability company, which will consist of entities owned by Ovation Affordable Housing, Inc., Coordinated Living of Southern Nevada, Inc. and Wells Fargo Community Lending and Investment, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Steve Aichroth presented the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$27,000,000 of Multi-Unit Housing Revenue Bonds for the Russell IV Senior Apartments. He noted that the bonds will be used for the construction of a 208-unit senior apartment complex in the Las Vegas Valley. He stated that the rental housing will continue to serve 208 senior households at or below 60% of the area median income. He noted it is a co-development between Ovation Design and Development and Coordinated Living of Southern Nevada. Together they have developed eight affordable senior projects since 2014.

Mr. Holliday explained the financial structure and noted that it is a direct placement with Citibank and Bank of America will be the equity investor. He added that \$27,000,000 in bond cap will trigger \$17,500,000 in private sector equity.

Governor Sisolak commented that they need to expedite more of these affordable housing projects on the street quickly as they have allocated a lot of money to get this done.

Member Sagert moved to approve Agenda Item 5. Motion passed unanimously.

Agenda Item 6- For discussion and possible action: Discussion and possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$36,000,000 of Multi-Unit Housing Revenue Bonds (The Cine Apartments), for the purpose of the new construction of a 269-unit family affordable housing rental project in North Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Rise Residential and 42Equity, who 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 \$36,000,000 of Multi-Unit Housing Revenue Bonds for The Cine Apartments. These bonds will be used to provide for the new construction of a 269-unit affordable family apartment complex in North Las Vegas. He noted that the rental housing will serve 269 households at or below 60% of the area median income. He stated that the developers Rise Residential and 42Equity are new to the State of Nevada. Mr. Holliday reviewed the financial structure and noted that it is a direct placement with R4 Capital Funding and the equity will come from 42Equity. The issuance of the bonds will trigger \$27,240,000 for private sector equity in the project.

Treasurer Conine moved to approve Agenda Item 6. Motion passed unanimously.

Agenda Item 7- For discussion and possible action: Discussion and possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$14,000,000 of Multi-Unit Housing Revenue Bonds (Dakota Crest Apartments and Carriage Stone Senior Apartments), for the purpose of the acquisition and rehabilitation of multifamily rental housing facilities located in Reno, Nevada. Carriage Stone Seniors Apartments is an 84-unit senior project and Dakota Crest Apartments is a 48-unit project for families. The project owner/developer will be a limited partnership, which will consist of entities owned by USA Properties Fund, Inc., Community Services Agency, and WNC & Associates, who 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 \$14,000,000 of Multi-Unit Housing Revenue Bonds for The Dakota Crest Apartments and the Carriage Stone Senior Apartments. These bonds will be used to provide for the acquisition and renovation of two currently affordable properties. Carriage Stone Senior Apartments is an 84-unit affordable family apartment complex in midtown Reno, Nevada. The Dakota Crest Apartments is a 48-unit family complex located between the VA Hospital and the Renown Medical Center. He noted that both complexes were created through the 9% tax credit program which allows for deeply targeted AMIs. He noted that in both projects all apartments are available to those in 50% or less of AMI. By doing this scattered-site bond rehabilitation they can provide the same level of affordability for the next 30 years and not have to

use the limited 9% tax credit capacity. The development team is led by Community Services Agency Development. Mr. Holliday reviewed the financial structure and noted that it is a direct placement with Citibank. WNC & Associates will be the tax credit equity investor. He noted the private sector equity will be \$8,450,000.

Member Courier moved to approve Agenda Item 7. Motion passed unanimously.

Agenda Item 8- For discussion and possible action: Discussion and possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of 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 of Single-Family Mortgage Revenue Bonds which can be used in multiple series to provide mortgage financing for single-family residential housing for qualified home buyers. He noted for more than 30 years the Nevada Housing Division has operated a mortgage assistance program for first-time homebuyers. Over this time the division has issued over \$2,000,000,000 of single-family mortgage bonds. Mr. Holliday noted that these bonds will be a public offering and anticipate doing the issuance between May and July depending on market conditions. He stated this should help between 250-and 270 first-time homebuyers. He noted the average age of the primary borrower is 38 and the average household size is 2.

Controller Bryne moved to approve Agenda Item 8. Motion passed unanimously.

Agenda Item 9- For discussion and possible action: (a) regarding the State Treasurer's quarterly investment report for the quarter ended December 31, 2021. and (b) to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP). Approval of the Board of Finance is required pursuant to NRS 355.045.

Chief Deputy Tara Hagan presented this quarterly report ending on December 31, 2021, and the Local Government Investment Pool. She noted that the assets are over \$2,000,000,000 and the yield at that time was (16) basis points which is (9) basis points ahead of the benchmark. She stated that the General Portfolio assets under management is \$6,410,000,000 and 78% of that is managed internally by the Treasurer's Office and 22% by outside managers with a total yield of (75) basis points. She noted they distributed over \$12,000,000 in interest during the first two quarters of the fiscal year.

Member Courier moved to approve Agenda Item 9. Motion passed unanimously.

Agenda Item 10- Public Comment

No public comment in Carson City or Las Vegas.

Meeting adjourned at 1:19 pm.