PUBLIC NOTICE

AGENDA

MEETING OF THE STATE BOARD OF FINANCE
December 21, 2023
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
Governor's Conference Room, Fifth Floor
555 E. Washington Avenue, Suite 5100
Las Vegas, NV 89101

Agenda Items:

1. Roll Call.

   Presenter: Lori Hoover, Chief Deputy, Nevada State Treasurer's Office

2. Public Comment.
   Comments from the public are invited at this time. Pursuant to NRS 241.020(3)(d)(7), the Board intends to limit to 3 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. Comments 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.

   Presenter: Joe Lombardo, Governor of the State of Nevada

3. **For discussion and possible action:** on the Board of Finance minutes from the meeting held on October 19, 2023.

   Presenter: Joe Lombardo, Governor of the State of Nevada

4. **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 $43,500,000 of Multi-Unit Housing Revenue Bonds (Decatur and Rome Senior Apartments), for the purpose of construction of a 276-unit affordable senior housing rental project in Las Vegas, Nevada. The project developers are Ovation Design and Development and Coordinated Living of Southern Nevada, Decatur Rome LLC. will be the managing member and Bank of America will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

   Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

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 $27,735,000 of Multi-Unit Housing Revenue Bonds (Sutro Senior Sanctuary), for the purpose of construction of a 170-unit senior affordable housing rental project in Reno, Nevada. The project owner/developer will be Sutro Senior Sanctuary LLC, American Covenant Senior Housing Foundation will act as the Managing Member, and WNC & Associates will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

   Presenter: Stephen 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 Administrator's Findings of Fact pertaining to the issuance of up to $30,000,000 of Multi-Unit Housing Revenue Bonds (Carville Park Apartments), for the purpose of an acquisition and rehabilitation of a 52-unit affordable housing rental project and conversion into a 209-unit affordable rental project in Reno, Nevada. The project developers are the Northern Nevada Building & Construction Trades Council and The Canopy Companies. The borrower/ownership entity will be 1244 Carville Drive LLC. Canopy HoldCo LLC will act as the managing member, Devcorp will be a special member and R4 Capital will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

   Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

7. **For discussion and possible action:** Discussion and possible action to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool dated July 2022. Approval of the Board of Finance is required pursuant to NRS 355.045.

Presenter: Steven Hale, Deputy Treasurer of Investments

8. Public Comment.
Comments from the public are invited at this time. Pursuant to NRS 241.020(3)(d)(7), the Board intends to limit to 3 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. Comments 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) 684-5753 if assistance is needed.

Lori Hoover, Secretary to the Board, may be contacted at (775) 684-5753 to obtain copies of supporting materials, which are available to the public at 101 N. Carson St., Suite 4, 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**

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

STATE BOARD OF FINANCE
October 19, 2023 – 1:00 pm
Summary Minutes

Location:
Via videoconference at the following locations:

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

Treasurer Conine called the meeting to order at 1:00 pm.

Board members present:
Governor Joe Lombardo – Las Vegas
Treasurer Zach Conine – Las Vegas
Controller Andy Matthews – Carson City
David R. Navarro – Las Vegas
Benjamin Edwards – Virtual

Others present:

Lori Hoover:	Treasurer's Office
Jeff Landerfelt:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Kevin Doty:	Attorney General's Office
Stephen Aichroth:	Nevada Housing Division
Christine Hess:	Nevada Housing Division
Ben Keickhefer:	Governor's Office
Jim Wells:	Governor's Office
John Peterson:	JNA Consulting Group
Whitney Weller:	Brinshore Development
Deena:	SNRHA
Bill Fisher:	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 September 13, 2023.

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

Agenda Item 4 – For possible action 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 $29,000,000 of Multi-Unit Housing Revenue Bonds (Marble Manor I Apartments), for the purpose of construction of a 138-unit affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of a

Nevada limited partnership and the Richman Group who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Stephen Aichroth with the Nevada Housing Division's presented the request to approve the Administrator's Findings of Fact pertaining to the issuance of up to $29,000,000 of Multi-Unit Housing Revenue Bonds for the Marble Manor I Apartments. He noted that the bonds will be used for the new construction of a 138-unit affordable family apartment complex. The rental housing will serve 108 family households at or below 60% area median income with 30- units at market rate. This development is the first of a proposed five phase complete reconstruction of the Marble Manor Complex. Brinshore Development was selected via competitive process for this undertaking by the Southern Nevada Regional Housing Authority and this is the first submission to the Nevada Board of Finance.

Chief Financial Officer Christine Hess provided a brief overview of the financial structure. She noted that the Board of Finance's approval of this first phase allows Brinshore and the Southern Nevada Regional Housing Authority to submit for a $35,000,000 Choice Neighborhood Grant through HUD for the remaining four phases. For this phase currently under construction, multiple funding sources including $10,000,000 Community Housing Fund Loan from Clark County, Federal Home Loan Bank, AHP funds, specific City of Las Vegas loans, and State Affordable Housing Tax Credit are in the deal. She reviewed the bonds placed today will be a direct placement with JP Morgan and there is no liability to the state of Nevada for the issuance of these bonds. The borrower group will include the Richmond Group as the investment limited partner providing an equity investment of approximately $18,970,000 in exchange for the tax credits.

Treasurer Conine noted Brinshore is in the room and expressed he is glad to have them in the state and see this project come to fruition as that area has been in need of investment for a long time.

Motion to approve this agenda item from Treasurer Conine. Motion passed unanimously.

<u>**Agenda Item 5**</u> **– 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 $53,000,000 of Multi-Unit Housing Revenue Bonds (Henderson at Raiders Way Apartments), for the purpose of construction of a 304-unit family affordable housing rental project in Henderson, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Rise Residential and PNC Real Estate, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4). The Henderson at Raiders Way project was originally approved by the Board of Finance in May of 2022 for an amount of up to $38 million in Multi-Unit Housing Revenue Bonds.

Mr. Aichroth presented the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to $53,000,000 of Multi-Unit Housing Revenue Bonds for the Raiders Way Apartments south of the Raiders Headquarters. He noted that the rental housing will provide affordability restrictions to 304 families. This project was originally approved at the May of 2022 Board of Finance meeting for $38,000,000. This request is now for an additional $15,000,000, totaling $53,000,000 for the benefit of the project. The developers RISE Residential are relatively new to the state as this will be their first affordable housing project in Nevada.

Ms. Hess provided a brief overview of the financial structure noting that this proposal is a direct bond purchase by Cedar Rapids Bank & Trust and will consist of two phases which are construction and permanent. There will be an additional taxable construction loan of $5.9 million which will not be issued by the division. The equity investor will be PNC Bank which will provide approximately $38,181,000 in tax credit equity. In addition, this project has received an award of $15.7 million in Home Means Nevada Funding.

Treasurer Conine inquired about the rundown of the project as it's been around for some time and has gotten more expensive. He acknowledged that RISE Residential has a good reputation in Texas.

Bill Fisher with RISE Residential thanked the Treasurer and complimented the State of Nevada for aggressively dealing with affordable housing issues. He noted that RISE is 22-year-old mission driven women owned business and has developments in five other states which goes back to 2003. They have worked closely with the City of Henderson who specifically targeted this area for affordable housing and rezoned this site. They have permittable plans in front of them at this point in time and expect to close this year but no later than January of next year. He explained that the primary reason they are back before the Board is due to an internal revenue service test, costs, and interest rates increase which has driven the total project cost up. He noted they now need additional buy-in cap in order to meet a critical IRS test. He stated that they are on track now and have been working on the investment memorandum partnership agreement with PNC Bank. He concluded his comment acknowledging that the state awarded them funds they certainly intend to use, and the project wouldn't be feasible without their support.

Governor Lombardo inquired about the average percentage of rise of costs.

Mr. Fisher noted it's gone up pre-pandemic approximately 30% and interest rates has gone up as well which has nearly doubled the interest budget and has affected the permanent loan which has taken sources out of the project. Construction costs, additional interest rate costs, and having to qualify for a smaller loan due to higher interest rates are the factors in where they are today, he stated.

Motion to approve this agenda item from Treasurer Conine. Motion passed unanimously.

<u>Agenda Item 6</u>- 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 $200,000,000 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 of up to $200,000,000 of Single-Family Mortgage Revenue Bonds. He noted that the bonds can be issued in multiple series to provide Mortgage Financing for Single Family Residential Housing for qualified home buyers. For more than 30 years the Nevada Housing Division has operated a mortgage assistance program for first time home buyers. Over this time, the division has issued and retired over $2 billion of Single Family Mortgage Bonds. This particular approval is for both taxable and tax-exempt bonds which will allow their home ownership programs to continue unimpeded over the course of the next year and will help to support their Home Means Nevada Home Buyers Assistance Program called the Home First which is anticipated to assist 500 Nevada home buyers.

Ms. Hess noted since 2019 the division has issued $561 million in long-term bonds and with those funds the division has purchased 1,844 loans, totaling just over $500 million. She noted they've been very active 2023 and anticipate spending the remaining $60 million in long-term bonds by early 2024. Their most recent issuance at the end of September shows how the division has pivoted to preserve volume cap as their issuance was blended with approximately $75 million of taxable bonds and $15 million of tax-exempt bonds. She expressed this was only possible because of the Home Means Nevada initiative funds to support the down payment program. Their current annual issuance of bonding authority is roughly $300 million annually so the $200 million in authority would represent about two-thirds of the years production. They will be supporting two programs with this issuance which are the Home is Possible (HIP) First-Time Homebuyers Program and the Home First Program which provides $15,000 in down payment assistance through the use of Home Means Nevada Funds. She explained they provided significant backup documentation to show how much good the State's work is doing in this space. She highlighted that the average purchase price is around $300,000 so that's $300,000 in HIP First Time Homebuyers and 297 Home First loans. The average annual income in HIP First-Time Homebuyers is $75,000 and for Home First is $64,000. In First-Time Homebuyers 70% are in Clark County and in the Home First Program 90% are in Clark County.

Member Navarro expressed his gratitude within this program. He commented that when he and his wife bought their first home, they got to use downpayment assistance through a grant at the time which was through Home at Last and was one of their proudest days of their lives, so he is very glad that the state is still making this a priority and that it is on their agenda today.

Motion to approve this agenda item from Member Navarro. Motion passed unanimously.

Agenda Item 7- ~~**For possible action: Presentation on issuance of Certificates of Participation.**~~

a. ~~**For possible action:** Discussion and possible action on a resolution approving a lease purchase agreement and related documents and providing other matters related to the refinancing of a state office building located within the Capitol Complex in Carson City known as Capitol Complex 1.~~

b. ~~**For possible action:** Discussion and possible action on a lease purchase agreement and related documents and providing other matters related to the refinancing of a facility used as a detention facility for the State Department of Corrections.~~

c. ~~**For possible action:** Discussion and possible action on a resolution approving a lease purchase agreement and related documents and providing other matters related the refinancing of nursing/science/education building and a student activities/administration building for Nevada State University (formerly known as Nevada State College).~~

Agenda item 7 has been withdrawn from the agenda.

Agenda Item 8 **– For discussion and possible action:** regarding the State Treasurer's quarterly investment report for the quarter ended June 30, 2023.

Steven Hale Deputy of Investments provided an overview of the investment report for the quarter ending June 2023. They are seeking the Boards review and approval of the quarterly investment report and began with page 95 of the materials. He pointed out that the graphic shows the front end of the yield curve shifted upward over the course of the year. He explained that it's been successive quarters as you go up the chart. He reviewed page 102 showing the progression of interest distributed each quarter of fiscal year 2023. Starting at $21 million the first quarter and culminating in a substantial $83 million in the fourth quarter for a total of $214 million which is a single-year record for this state. He noted they were able to enhance returns further by reducing overall portfolio duration from 1.5 to 1.1 which allowed them to reinvest quickly in the higher rates offered by the yield curve. He referred back to page 98 on the bottom chart showing the historical interest distributed in the last four years. This year they generated $214 million where they significantly outperformed. He noted they are currently generating 5.3 to 5.5% on the entire yield curve. Governor Lombardo gave the team kudos.

Mr. Hale reviewed that LGIP had assets under management (AUM) of $1.77 billion with the yield to maturity at 4.65%. Also, the general portfolio AUM on June 30th was $8.9 billion on book value basis. 81% of that was managed internally and 19% by external investment managers. The overall portfolio yield to maturity for the quarter was 3.6%.

Motion to approve this agenda item from Member Navarro. Motion passed unanimously.

Agenda Item 9 **– For discussion and possible action:** on the approval of the amended State Treasurer's investment policy statement for the LGIP Portfolio pursuant to NRS 355.045.

Mr. Hale requested approval of the amended investment policy statement noting it contains language approving taxable municipal bonds and securities issued by Limited Liability Companies. He noted there are only minor changes.

Motion to approve this agenda item from Member Navarro. Motion passed unanimously.

Agenda Item 10 – Public Comment

No public comment in Carson City or Las Vegas.

Governor Lombardo thanked Whitney Weller from Brinshore and Bill Fisher from RISE Residential for their participation and bringing their companies forward to provide housing in Southern Nevada.

Ms. Weller thanked the Board for their vote of confidence as they are looking forward to kicking off this project that's been years in the making with housing authority and they are finally making real progress. She appreciated their support and looks forward to working together.

Meeting adjourned at 1:25 pm.

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

1830 E. College Parkway, Suite 200
Carson City, NV 89706

DATE:	December 1, 2023
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 (Decatur and Rome Senior Apartments)
PETITIONER:	Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

1:00 p.m., Thursday, December 21, 2023, 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 (Decatur and Rome Senior Apartments).

C. The Findings relate to the issuance of up to $43,500,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 276-unit senior apartment complex located on the northwest corner of N. Decatur Blvd and W. Rome Blvd, Las Vegas, Nevada (the “Project”).

D. The Housing Division will issue up to $43,500,000 of multi-unit housing revenue bonds which will be provided as a direct placement with Citibank. The bonds are expected to be reduced to approximately $16,500,000 following completion of construction and permanent loan conversion. Bank of America, N.A. and Citibank will provide additional construction period bridge financing of approximately $27,000,000 to fund project costs in advance of final tax credit equity installments. The borrower/ownership entity will be Decatur Rome LLC. Decatur Rome Manager, LLC will act as a 0.01% Managing Member and Bank of America, N.A. as 99.99% Investor Member. Bank of America will provide an equity investment of approximately $37,395,000 in exchange for the 4% low-income housing tax credits to be allocated for the Project. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 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, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (Decatur and Rome Senior Apartments)."

G. Attorney Opinion:

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

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

Multi-Unit Housing Revenue Bonds
Decatur and Rome Senior 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 senior housing at rental rates that eligible seniors can afford within the 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 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: ______________

Steve Aichroth
Administrator
Nevada Housing Division

November 17, 2023

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

Re: Multi-Unit Housing Revenue Bonds
(Decatur and Rome Senior Apartments) Series 2024

Mr. Aichroth:

This Review and Opinion is provided in support of the request by the Nevada Housing Division ("Division") to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Decatur and Rome Senior Apartments project ("Project"). The Division is requesting authorization from the State of Nevada Board of Finance for issuance of up to $43,500,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of this affordable seniors housing property located in Las Vegas, Nevada.

PFM Financial Advisors LLC ("PFM") has reviewed the Application of the borrower for financing of the Project and related supporting material submitted to the Division. We have also discussed the Project and financing with representatives of the borrower, lender, and Division staff.

The proposed permanent financing will be a fixed rate issue of tax-exempt securities issued by the Nevada Housing Division and purchased by Citibank, N.A. ("Citibank"). A construction period bridge financing will be jointly provided by Bank of America, N.A. ("BofA") and Citibank. The overall financing is reviewed in greater detail in Exhibits A, B and D.

The proposed Project is viewed positively in the local community and is endorsed by Clark County. A tax-exempt financing by the Division of this Project is necessary for compliance with Federal tax rules to qualify the Project for 4% Low Income Housing Tax Credits. Equity proceeds from the sale of these credits for construction of this new affordable seniors housing at the proposed restricted income levels are necessary to achieve successful funding of this Project.

In our opinion, the Project and the proposed financing meet the requirements of NRS 319.260 and NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Debt issuance will be subject to receipt of final loan and equity approval and loan, bond, and tax documentation.

The following Exhibits A and B have been prepared by PFM. Exhibits C and D were submitted by the Borrower.

Exhibit A: Project Overview and Plan of Finance
Exhibit B: Project Operating Proforma
Exhibit C: Borrower Finance Plan Statement
Exhibit D: Borrower Provided Additional Narrative

Sincerely,

PFM Financial Advisors LLC

F.R. Eoff

Fred Eoff
Director

EXHIBIT A

Project Overview and Plan of Finance

The Project

The Project will be construction of a new affordable senior rental development to be located on the northwest corner of N. Decatur Blvd. and W. Rome Blvd. in Las Vegas, NV. The proposed property will be a 276-unit senior rental development situated on a site of approximately 9.45 acres. The Project consists of three three-story apartment buildings as well as 38 stand-alone one-story "tiny homes". It will be configured with studio, one-bedroom, and two-bedroom units. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the configuration of the 276 units, size and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile

Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent [1]	Less Utility Allowance [2]	Tenant Share Monthly Rent [2]	Total Monthly Revenue	Total Annual Revenue
Tiny Home - Studio							
< 49% AMI	5	400	$743	$0	$743	$3,715	$44,580
< 59% AMI	5	400	$895	$0	$895	$4,475	$53,700
Tiny Home - 1 Bedroom							
< 49% AMI	14	400	$796	$0	$796	$11,144	$133,728
< 59% AMI	14	400	$958	$0	$958	$13,412	$160,944
1 Bedroom							
< 49% AMI	76	685	$796	$0	$796	$60,496	$725,952
< 59% AMI	37	685	$958	$0	$958	$35,446	$425,352
2 Bedroom							
< 49% AMI	85	909	$955	$0	$955	$81,175	$974,100
< 59% AMI	40	909	$1,150	$0	$1,150	$46,000	$552,000
Total Project Units	**276**					**$255,863**	**$3,070,356**

[1] 2023 Income Limits (Las Vegas-Henderson-Paradise, NV MSA) Ancillary Income: $54,282

[2] Owner Paid Utilities

Project Developers

Ovation Design and Development Inc. 6021 South Fort Apache Road Las Vegas, NV 89148	Coordinated Living of Southern Nevada Inc. 5625 S. Hollywood Blvd Las Vegas, NV 89122

Ovation Design and Development, Inc. is an affiliate of Ovation Contracting, Inc. Since 1984, Ovation and its founder, Alan Molasky, have built over 11,000 multifamily rental units in Southern Nevada, six of which were funded by HUD 221(d)(4) and one by a 241(a) loan. In addition, Ovation has completed fourteen affordable senior communities totaling over 2,064 units.

Coordinated Living of Southern Nevada, Inc ("CLSN") is a Nevada non-profit whose mission is to promote the development affordable housing so that low-income Nevadans and their families can thrive in a setting that promotes individual growth, autonomy, choice, and dignity. Since its formation in 2013, CLSN has partnered with Ovation Design and Development Inc. to develop ten affordable senior projects totaling approximately 1,500 units. Another 208 unit facility is under construction with an expected opening in Summer 2024.

Greater detail regarding the experience of the developers is contained in Exhibit D.

Borrower Entity

The borrower/ownership entity will be Decatur Rome, LLC. Decatur Rome Manager, LLC will act as 0.0099% Managing Member and Bank of America, N.A. will be the 99.999% Investor Member and will provide an equity investment of approximately $37,395,000 in exchange for 4% low-income housing tax credits to be allocated to the Project.

The periodic advances of the equity investment by Bank of America are expected to occur as follows (subject to adjustment):

- 1st Installment - $3,739,000 at Construction Start (February 2024)
- 2nd Installment - $33,456,000 at Conversion (October 2026)
- 3rd Installment - $200,000 at Delivery of IRS Form 8609 (April 2027)

Contractor

Ovation Contracting Inc.
6021 South Fort Apache Road
Las Vegas, NV 89148

Ovation Contracting, Inc. has the same ownership and officers as Ovation Design and Development, Inc., and therefore the same level of experience and expertise. Ovation Contracting, Inc. will remain as the general contractor and financial guarantor.

Debt Plan of Finance:

Permanent Project financing will be accomplished using debt provided by a direct placement with Citibank. Tax-exempt bonds in an amount not to exceed $43,500,000 will be issued by the Division. The bonds are expected to be reduced to approximately $16,500,000 following completion of construction and permanent loan conversion.

Bank of America, N.A. and Citibank will provide additional construction period bridge financing in the respective amounts of approximately $23,000,000 and $4,000,000 to fund project costs in advance of final tax credit equity installments.

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at $250/unit/year. The minimum required replacement reserve deposits may be adjusted based on periodic future physical needs assessments.

The Borrower will also be required to fund an Operating Reserve initially set at $625,000.

Sources and Uses:

The source and application of funds during both construction and permanent phases of the Project are summarized in Table B, below:

Table B: Sources and Uses of Funds

Sources of Funds	Construction Phase	Permanent Phase	
NHD Bond Proceeds	$ 43,500,000	$ 16,500,000	
Bridge Loan (Taxable) (net)	337,479		
LIHTC Equity	3,735,973	37,359,733	
Clark County CHF	12,500,000	12,500,000	
HMNI	7,500,000	7,500,000	
Deferred Developer Fee		5,243,719	
	$ 67,573,452	$ 79,103,452	

Uses of Funds			$/Unit
Construction Hard Costs	$ 50,131,969	$ 50,131,969	$ 181,638
Soft Costs	8,612,840	8,612,840	31,206
Construction Period Interest	5,610,860	5,610,860	20,329
Contingencies	3,217,783	3,217,783	11,659
Operating & Repair Reserves		1,240,000	4,493
Developer Fee		$ 10,290,000	37,283
	$ 67,573,452	$ 79,103,452	$ 286,607

Bond/Loan Term Summary:

Borrower: Decatur Seniors, LLC

- A limited liability corporation comprised of Decatur Seniors Manager LLC as 0.005% managing member, Bank of America, N.A. as 99.99% investor member and Ovation Affordable Housing, Inc. as 0.005% Special Member.

Permanent Lender: Citibank N.A.

Bond Structure:

Construction Phase

- Estimated at $43,500,000
- Rate estimated at 7.62% (including Division/Trustee fees) as of 11/17/2023.
- Term – 36 months from initial loan closing date, plus one 6-month extension.

Permanent Phase:

- Estimated at $16,500,000
- Rate estimated at 7.28% (including Division and Trustee fees) as of 11/7/2023
- Amortization factor is 40 years.
- Maturity – 18 years following Closing Date
- Loan/Value – 90%
- Debt Service Coverage – Minimum of 1.15 to 1.00

Fees: 1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance
2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance

Bond Rating: Not rated.

		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
INCOME											
Annual Gross Rental Income		$ 3,194,398	$ 3,258,286	$ 3,323,452	$ 3,389,921	$ 3,457,720	$ 3,526,874	$ 3,597,411	$ 3,669,360	$ 3,742,747	$ 3,817,602
Other: Ancillary Revenue		$ 56,475	$ 57,604	$ 58,757	$ 59,932	$ 61,130	$ 62,353	$ 63,600	$ 64,872	$ 66,169	$ 67,493
Total Residential Income		$ 3,250,873	$ 3,315,891	$ 3,382,209	$ 3,449,853	$ 3,518,850	$ 3,589,227	$ 3,661,011	$ 3,734,232	$ 3,808,916	$ 3,885,095
Less: Residential Vacancy/Discounts		$ (162,544)	$ (165,795)	$ (169,110)	$ (172,493)	$ (175,942)	$ (179,461)	$ (183,051)	$ (186,712)	$ (190,446)	$ (194,255)
Proforma Gross Income		**$ 2,625,080**	**$ 3,150,096**	**$ 3,213,098**	**$ 3,277,360**	**$ 3,342,907**	**$ 3,409,766**	**$ 3,477,961**	**$ 3,547,520**	**$ 3,618,470**	**$ 3,690,840**
EXPENSES											
Administration		$ 90,017	$ 92,718	$ 95,499	$ 98,364	$ 101,315	$ 104,355	$ 107,485	$ 110,710	$ 114,031	$ 117,452
Operating & Maintenance		$ 241,166	$ 248,401	$ 255,853	$ 263,529	$ 271,434	$ 279,577	$ 287,965	$ 296,604	$ 305,502	$ 314,667
Utilities		$ 376,644	$ 387,943	$ 399,582	$ 411,569	$ 423,916	$ 436,634	$ 449,733	$ 463,224	$ 477,121	$ 491,435
Staff Payroll & Benefits		$ 475,842	$ 490,118	$ 504,821	$ 519,966	$ 535,565	$ 551,632	$ 568,181	$ 585,226	$ 602,783	$ 620,866
Property Management		$ 138,975	$ 141,754	$ 144,589	$ 147,481	$ 150,431	$ 153,439	$ 156,508	$ 159,638	$ 162,831	$ 166,088
Taxes & Insurance		$ 70,653	$ 72,772	$ 74,956	$ 77,204	$ 79,520	$ 81,906	$ 84,363	$ 86,894	$ 89,501	$ 92,186
Replacement Reserves		$ 73,202	$ 75,398	$ 77,660	$ 79,990	$ 82,390	$ 84,861	$ 87,407	$ 90,029	$ 92,730	$ 95,512
Proforma Operating Expenses		**$ 1,393,174**	**$ 1,509,104**	**$ 1,552,960**	**$ 1,598,103**	**$ 1,644,571**	**$ 1,692,404**	**$ 1,741,642**	**$ 1,792,326**	**$ 1,844,499**	**$ 1,898,206**
Effective Net Operating Income		**$ 1,231,906**	**$ 1,640,992**	**$ 1,660,138**	**$ 1,679,257**	**$ 1,698,336**	**$ 1,717,362**	**$ 1,736,319**	**$ 1,755,194**	**$ 1,773,971**	**$ 1,792,634**
Senior Debt Service		$317,726	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906
Debt Service Coverage		388%	129%	131%	132%	134%	135%	137%	138%	140%	141%
Residual Receipts		**$ 914,180**	**$ 370,086**	**$ 389,233**	**$ 408,352**	**$ 427,431**	**$ 446,456**	**$ 465,413**	**$ 484,288**	**$ 503,065**	**$ 521,728**
LP Asset Mgt Fee		$ 7,500	$ 7,725	$ 7,957	$ 8,195	$ 8,441	$ 8,695	$ 8,955	$ 9,224	$ 9,501	$ 9,786
DDF Payments		$ 906,680	$ 362,361	$ 381,276	$ 400,156	$ 418,989	$ 437,761	$ 456,458	$ 475,064	$ 493,565	$ 511,942
DDF Balance		$ 4,337,039	$ 3,974,678	$ 3,593,402	$ 3,193,246	$ 2,774,257	$ 2,336,496	$ 1,880,038	$ 1,404,973	$ 911,409	$ 399,466
Surplus Cash		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Partnership Surplus Allocation	**25%**		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NHD Surplus Allocation	**75%**				$ -	$ -	$ -	$ -	$ -	$ -	$ -
HMNI Loan Interest	**1.00%**	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
HMNI Loan Principal		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HMNI Loan Balance		$ 7,650,000	$ 7,725,000	$ 7,800,000	$ 7,875,000	$ 7,950,000	$ 8,025,000	$ 8,100,000	$ 8,175,000	$ 8,250,000	$ 8,325,000

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	4.50%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	$5,243,719
HMNI Loan:	$7,500,000

Permanent Loan Amount	$16,500,000
Loan Term	40
Core Loan Rate	6.98%
NHD & Trustee Factor	0.30%
Total Loan Rate	7.28%
Annual Debt Service	$1,270,906

		2036	2037	2038	2039	2040	2041	2042	2043	2044
INCOME										
Annual Gross Rental Income		$ 3,893,954	$ 3,971,833	$ 4,051,270	$ 4,132,295	$ 4,214,941	$ 4,299,240	$ 4,385,224	$ 4,472,929	$ 4,562,388
Other: Ancillary Revenue		$ 68,843	$ 70,220	$ 71,624	$ 73,056	$ 74,518	$ 76,008	$ 77,528	$ 79,079	$ 80,660
Total Residential Income		$ 3,962,797	$ 4,042,052	$ 4,122,893	$ 4,205,351	$ 4,289,458	$ 4,375,248	$ 4,462,752	$ 4,552,008	$ 4,643,048
Less: Residential Vacancy/Discounts		$ (198,140)	$ (202,103)	$ (206,145)	$ (210,268)	$ (214,473)	$ (218,762)	$ (223,138)	$ (227,600)	$ (232,152)
Proforma Gross Income		**$ 3,764,657**	**$ 3,839,950**	**$ 3,916,749**	**$ 3,995,084**	**$ 4,074,985**	**$ 4,156,485**	**$ 4,239,615**	**$ 4,324,407**	**$ 4,410,895**
EXPENSES										
Administration		$ 120,976	$ 124,605	$ 128,343	$ 132,194	$ 136,159	$ 140,244	$ 144,451	$ 148,785	$ 153,249
Operating & Maintenance		$ 324,107	$ 333,830	$ 343,845	$ 354,160	$ 364,785	$ 375,729	$ 387,000	$ 398,611	$ 410,569
Utilities		$ 506,178	$ 521,363	$ 537,004	$ 553,114	$ 569,708	$ 586,799	$ 604,403	$ 622,535	$ 641,211
Staff Payroll & Benefits		$ 639,492	$ 658,677	$ 678,437	$ 698,790	$ 719,754	$ 741,347	$ 763,587	$ 786,495	$ 810,090
Property Management		$ 169,410	$ 172,798	$ 176,254	$ 179,779	$ 183,374	$ 187,042	$ 190,783	$ 194,598	$ 198,490
Taxes & Insurance		$ 94,951	$ 97,800	$ 100,734	$ 103,756	$ 106,869	$ 110,075	$ 113,377	$ 116,778	$ 120,282
Replacement Reserves		$ 98,378	$ 101,329	$ 104,369	$ 107,500	$ 110,725	$ 114,046	$ 117,468	$ 120,992	$ 124,622
Proforma Operating Expenses		**$ 1,953,491**	**$ 2,010,402**	**$ 2,068,986**	**$ 2,129,293**	**$ 2,191,374**	**$ 2,255,281**	**$ 2,321,070**	**$ 2,388,794**	**$ 2,458,512**
Effective Net Operating Income		**$ 1,811,165**	**$ 1,829,548**	**$ 1,847,763**	**$ 1,865,791**	**$ 1,883,611**	**$ 1,901,204**	**$ 1,918,545**	**$ 1,935,613**	**$ 1,952,384**
Senior Debt Service		$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906	$1,270,906
Debt Service Coverage		143%	144%	145%	147%	148%	150%	151%	152%	154%
Residual Receipts		**$ 540,260**	**$ 558,642**	**$ 576,857**	**$ 594,885**	**$ 612,706**	**$ 630,298**	**$ 647,640**	**$ 664,708**	**$ 681,478**
LP Asset Mgt Fee		$ 10,079	$ 10,382	$ 10,693	$ 11,014	$ 11,344	$ 11,685	$ 12,035	$ 12,396	$ 12,768
DDF Payments		$ 399,466	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DDF Balance		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Surplus Cash		**$ 130,714**	**$ 548,260**	**$ 566,164**	**$ 583,871**	**$ 601,361**	**$ 618,613**	**$ 635,604**	**$ 652,311**	**$ 668,710**
Partnership Surplus Allocation	**25%**	$ 32,678	$ 137,065	$ 141,541	$ 145,968	$ 150,340	$ 154,653	$ 158,901	$ 163,078	$ 167,177
NHD Surplus Allocation	**75%**	$ 98,035	$ 411,195	$ 424,623	$ 437,903	$ 451,021	$ 463,960	$ 476,703	$ 489,233	$ 501,532
HMNI Loan Interest	**1.00%**	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 72,532	$ 68,748	$ 64,795	$ 60,676	$ 56,391
HMNI Loan Principal		$ 98,035	$ 411,195	$ 424,623	$ 437,903	$ 451,021	$ 463,960	$ 476,703	$ 489,233	$ 501,532
HMNI Loan Balance		$ 8,301,965	$ 7,965,769	$ 7,616,146	$ 7,253,243	$ 6,874,754	$ 6,479,542	$ 6,067,634	$ 5,639,077	$ 5,193,936

Borrower Financing Representation

Proposed Project: Decatur and Rome Senior Apartments

To facilitate review and approval of financing by the Nevada State Board of Finance for the proposed project the sponsor/borrower should demonstrate it has evaluated reasonable alternative financing providers/programs. Select Option A and provide the requested information. Should the sponsor/borrower prefer not to provide, or be unable to provide, information requested in Option A, select Option B.

A narrative discussion of the rationale for selection of your proposed lender would be helpful and can be provided in the Sponsor/Borrower Statement section. This would be particularly useful should you select Option B.

☐**Option A**

Lender	Rate	Fees

☒**Option B**

Sponsor/Borrower Statement:

"Citi's terms were very competitive. Citi is willing to offer 40-year amortization and their spreads are lower than other lenders we have spoken to, including those with Freddie Mac and Fannie Mae products. In addition, on previous deals they agreed to keep their spreads low despite the fact that the market shifted after they sent out their initial term sheet. Lastly, because of our existing relationship they will be more flexible in locking the rate several months early, which could be valuable if rates start moving again before closing."

By Charity Cage

Title Treasurer- Board of Directors

Firm Coordinated Living of Southern Nevada

Decatur and Rome Senior Apartments
6635 N Decatur Blvd.
Las Vegas, NV 89131
APN: 125-24-701-041 (9.45 acres)

Project Narrative

Decatur and Rome Senior Apartments is a planned 276-unit affordable senior rental development, including 38 stand-alone "tiny homes," to be located on the northwest corner of N. Decatur Blvd. and W. Rome Blvd in the northwest area of the city of Las Vegas. The development will provide a state-of-the art, energy efficient, high-quality lifestyle, full of social interaction and stimulating indoor and outdoor activities. The Apartments is being co-developed by Ovation Design and Development, Inc. and Coordinated Living of Southern Nevada, Inc. ("Coordinated Living"), a Nevada non-profit whose mission is to promote the development of affordable housing so that low-income Nevadans and their families can thrive in a setting that promotes individual growth, autonomy, choice and dignity.

All of the units at Decatur and Rome Senior Apartments will be affordable to households below 60% of AMI, with the weighted average income targeting to be approximately 52.5% of AMI. The developer will also explore the "Average Income Test" allowed under the tax credit program to create true mixed-income rental housing, ranging from 30% to 80% of AMI.

The proposed development is located on a 9.45-acre parcel owned by the City of Las Vegas, which was transferred to the City from the federal Bureau of Land Management (BLM) under a Patent specifically to promote the creation of affordable housing. Ovation has successfully developed two affordable housing developments, Agate I & II, and is in the process of developing its third affordable housing development, Pebble & Eastern Senior Apartments, on formerly BLM land transferred for affordable housing.

Physical Description
Decatur and Rome Senior Apartments includes 178 units in an "E"-shaped three-story elevator building and 60 units in two three-story buildings. The campus also includes 28 studios and 10 one-bedroom units with loft one-story "tiny homes."

The site plan includes extensive landscaping, courtyards, walking paths and recreational facilities as well as ample carport parking throughout the campus, with many spaces convenient to the front entrances of units. The site plan skillfully balances the demands of parking and open space with the goal of maximizing the number of residential units on the City-owned parcel. The Mediterranean-style design incorporates color and architectural details (trellises, columns, shutters, awnings, etc.) to break up the massing of buildings and increase its curb appeal.

Approximately 2.5 acres of the campus is devoted to a "tiny home" community of 38 stand-alone tiny home units (400 SF living area, not including loft sleeping space). The attractive and innovative small units incorporate open floor plans with windows and skylights and sliding doors that open to private back porches. The tiny homes are organized back porch-to-back porch to create an internal common, with a meandering walking path and sitting and barbeque areas. A central community clubhouse with laundry and a living room unifies this portion of the campus.

The proposed unit mix for Decatur and Rome Senior Apartments is as follows:

	#	%
Tiny Home Units		
Studio Units	28	10.1%
1 Bedroom/1 Bath	10	3.7%
Elevator Apartment Units		
1 Bedroom / 1 Bath	113	40.9%
2 Bedroom / 1 Bath	125	45.3%
Total	276	100.0%

The development will meet LEED-Gold standards and be built to Universal Design Standards to promote accessibility and aging in place. The buildings will include high efficiency heating and cooling equipment including EnergyStar appliances, low-E vinyl thermal pane windows, high R-value wall and attic insulation. The development will promote sustainable building techniques using low- or no-VOC paints, carpeting, padding, and adhesives, and formaldehyde-free particleboard and will promote water conservation with low-flow fixtures and extensive xeriscape landscaping.

Unit amenities may include:

- Open Floor Plans,
- Chef-Inspired Kitchens,
- Granite or Quartz Countertops,
- Hard Surface Flooring,
- Ample Cabinet Space,
- Full Kitchen Appliance Package,
- Luxurious Bathrooms, and,
- Accessible Showers.

Decatur and Rome Senior Apartments will also include an array of security measure to ensure that residents at the development are secure and safe. Proposed security features to be installed may include indoor and outdoor surveillance cameras, pass-code entry system, motion sensors, alarm systems, gated entrance, light in all hallways, walkways, parking lots, and stairwells, and smoke detectors.

Interior Common Space Amenities—The residents at Decatur and Rome Senior Apartments will enjoy a full complement of community space amenities. There may be a food pantry, business center as well as wellness center and facilities for meetings and social gatherings. The large elevator building may also contain a fitness room, kitchen, and a game area. The campus may include a separate one-story clubhouse also available to residents. Common area laundry facilities and a reading/media room are also anticipated. Residents may have access to an on-site WIFI and basic cable free of cost in all common area spaces.

Outdoor Amenities—Decatur and Rome Senior Apartments will provide plenty of outdoor activities for its residents. The site may contain a swimming pool and jacuzzi as well as diverse outdoor recreation areas, including a community garden and pet park. Outdoor spaces may include extensive landscaping, picnic tables, benches and barbecues, as well as carport parking for residents. Ovation may also provide an on-site bus stop if allowed by the RTC.

Location and Neighborhood
Decatur and Rome Senior Apartments is located in a mixed density residential area, with nearby land zoned for medium-density residential and commercial developments. It is adjacent to Decatur Pines Senior Apartments, a new construction 150-unit affordable senior development, and Silver Sky at Deer Springs Assisted Living, both owned and operated by Nevada HAND.

The site is surrounded by an upscale and amenity-rich neighborhood. Directly adjacent to the property is Shadow Mountain Market Place and Crossroads Towne Center Shopping Mall. Both shopping centers contain many retail shops including a Costco Wholesale, Seafood City, Ashley HomeStore, Best Buy, Walgreens Pharmacy, a Walmart Supercenter and Bed Bath & Beyond. Within the same shopping centers, residents have access to a Wells Fargo Bank, FedEx, Western Union, Bank of America, and many restaurants.

The Decatur and Rome Senior Apartments site is also near many community services. The Nevada Department of Motor Vehicles is located 1.0 miles from the project site. Pinnacle Community Services is located 2.0 miles east from the site and offer quality residential support to individuals with intellectual disabilities. This includes medical services such as nursing services and medication management, daily living support and a day program. The Antioch Community Services Center is located 2.4 miles east of the property. The community center offers counseling to address traumas, abuse, depression, anxiety, and other mental health issues.

Nearby parks and recreational centers include Aviary Park (1.2 miles), Deer Springs Park (1.6 miles) and Silver Mesa Recreation Center, 4.4 miles south of the project site. Silver Mesa Recreation Center offers access to a swimming pool, basketball court, community room, gymnasium, playground, and a community room for social gatherings.

There is one bus stop located directly adjacent to the property: RTC Southern NV Route 103 runs through Shadow Mountain Marketplace to Mobility Training Center.

Resident Population and Market Demand
Decatur and Rome Senior Apartment will be a senior-restricted development available to households with at least one member aged 55 or above. All of the units at Decatur and Rome Senior Apartments will be affordable to households below 60% of AMI. 180 units (65.2%) will be affordable to seniors at or below 49% of area median income (AMI). 96 units (34.8%) will be affordable to families at or below 59% of AMI. The weighted average income targeting and rent level for all of the units will be approximately 52.5% of AMI.

The developer will also explore the use of the "Average Income Test" created by Congress under the Consolidated Appropriations Act of 2018 in order to expand the affordability window of the development to create true mixed-income rental housing. Section 42 of the Internal Revenue Code (IRC) includes a new option for the Minimum Set-Aside (MSA), which allows projects to serve households with income of up to 80% of AMI or as low as 20% of AMI, as long as the average income remains below 60% of AMI (or is this case, below 52.5% of AMI).

The need for affordable senior housing in the Las Vegas Valley is well documented. The City of Las Vegas 2020-2025 Consolidated Plan & Action Plan identifies 17,184 households with a senior resident that make below 50% of the area median income. Over 21,500 renter households face a severe housing cost burden, spending more than 50% of their income on housing, and over 21,000 additional renter households spend more than 30% of their income on housing costs. While cost burden is a significant problem for households at 80% AMI and below, it is particularly difficult for those at 50% and 60% AMI and below, especially those on fixed incomes, which includes most elderly people. The City's 2015-2020 Consolidated Plan stated that people over the age of 65 will make up over 20% of the population by 2035 (up from 12% in 2012).

According to the 2021 Nevada Housing Division Annual Affordable Apartment Survey, "Taking Stock," the supply of affordable senior housing units in Clark County was extremely low and only further tightened in comparison to 2020, with responding properties reporting a vacancy rate of 1.7% for a one-bedroom and 1.6% for a two-bedroom. These vacancy rates have been consistently low over the past several years, indicating a severe need for affordable senior housing in Clark County and the surrounding areas. The addition of 276 new units on the Decatur and Rome Senior Apartments site will meet a growing need for barrier-free and affordable housing for seniors in the Las Vegas Valley.

Development Team Experience

Decatur and Rome Senior Apartments is co-developed by Ovation Design and Development, Inc. ("ODDI"), and Coordinated Living of Southern Nevada, Inc., a Nevada non-profit corporation whose mission is to promote the development of affordable housing in Nevada. Ovation Contracting, Inc., an affiliate of ODDI, will serve as a general contractor. Ovation Business services, dba Ovation Property Management, also an affiliate of ODDI, will act as the property manager.

The project will be owned by a Nevada limited liability company, Decatur Rome, LLC. The 0.005% Managing Member will be a Nevada limited liability company, Decatur Rome Manager, LLC, and the 0.005% Special Member will be Ovation Affordable Housing, Inc. Coordinated Living will be the 51% member and Ovation Affordable Housing, Inc. the 49% Member and Manager of the Managing Member.

Ovation Design and Development, Inc. (formerly known as OAH Development, Inc.)

Since 1984, Ovation and its Founder, Alan Molasky have built over 11,000 multifamily rental units in Southern Nevada, six of which were funded by HUD 221(d)(4) and one by a 241(a) loan. In addition, Ovation/Coordinated Living on many of the projects, have completed fourteen affordable senior communities, all with Federal funds, totaling over 2,064 units:

- Acapella Senior Apartments (142-unit senior mixed income community) opened in June 2012;
- Minuet Senior Apartments (75-unit senior mixed income community) opened in June 2013;
- Tempo Apartments (101 senior tax credit community) opened in April 2014;
- Duet Apartments (80-unit senior mixed-income community) opened in March 2015;
- Ensemble Apartments (182-unit senior tax credit community) opened in June 2015;
- Tempo Phase II (a 75-unit senior tax credit community) opened in February 2016;
- Ensemble Phase II (a 188-unit senior tax credit community) opened in June 2016;
- Minuet Senior Apartments Phase II (60-unit senior mixed-income community) opened in June 2017;
- Tempo III (105-unit senior mixed-income community) completed construction in June 2018;
- Harmony Senior Apartments (272-unit senior tax credit community) completed in June 2019,
- Crescendo Senior Apartments (193-unit senior tax credit community) began construction in September 2018 and opened at the end of 2019,
- Melody Senior Apartments (201-unit senior tax credit community) began construction in April 2019 and opened in the summer of 2020,
- Arioso Senior Apartments (195-unit senior tax credit community) began construction in June 2020 and opened in the fall of 2021, and
- Capriccio Senior Apartments (195-unit senior tax credit community) began construction October 2021 and opened in spring of 2023.

Ovation/Coordinated Living are currently developing five other affordable housing developments, totaling 1,231 units in the Las Vegas area in addition to Decatur and Rome Senior Apartments:

- Russell IV Senior Apartments (208-unti senior tax credit community) began construction December 2022.
- Pebble and Eastern Senior Apartments (195-unit senior tax credit community) will begin construction in August 2023.
- Torrey Pines Senior Apartments (190-unit senior tax credit community) will begin construction early 2024.
- South Nellis Permanent Supportive Housing (50-unit permanent supportive housing tax credit community) will begin construction late 2024.
- West Henderson Affordable Family Apartments (389-unit family tax credit community) will begin construction early 2026.

<u>Coordinated Living of Southern Nevada, Inc. (“Coordinated Living”)</u>
Coordinated Living is a Nevada non-profit whose mission is to promote the development of affordable housing so that low-income Nevadans and their families can thrive in a setting that promotes individual growth, autonomy, choice, and dignity. Since its formation in 2013, Coordinated Living has partnered with Ovation Design and Development to develop ten

affordable senior projects totaling approximately 1,500 units currently in operations. Another 208 units is under construction with an expected opening in Summer 2024.

Coordinated Living will act in numerous capacities on Decatur and Rome Senior Apartments project. First, Coordinated Living will be a 51% member of the managing member entity. Second, Coordinated Living will co-develop the Apartments with Ovation and will in turn receive a portion of the developer fee, which will allow it to further its resident services mission. Third, Coordinated Living will act as an applicant for HOME, FHLBSF AHP or other public monies funds, and will in turn ensure compliance under the various program rules. Finally, we anticipate that Coordinated Living will contract with the Resident Services Coordinator at the development.

With its non-profit affordable housing mission, Coordinated Living will act as an asset manager for the Decatur and Rome Senior Apartments property, perhaps exercising the non-profit Right of First Refusal at the end of the 15-year tax credit compliance period to ensure long-term affordability.

Praxis Consulting Group, LLC

Ovation and Coordinated Living 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 100 affordable housing developments, mostly in Nevada, totaling over 11,900 units and $2.3 billion 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.

Supportive Services

Since its inception in 2014, Coordinated Living of Southern Nevada (Coordinated Living), in partnership with Ovation Property Management, has been providing supportive services to residents in affordable housing communities across the Valley.

Residents of Decatur and Rome Apartments will be able to take part in Coordinated Living's extensive on-site resident services programming, which includes daily activities, social, health, education and nutrition programming, transportation services and referrals to dozens of service agencies in the surrounding community. The Apartments will contract with a Resident Services Coordinator who will assist residents with remaining financially and physically self-sufficient. Services will include programs such as nutrition education through the University of Nevada Cooperative Extension, meal delivery to those who are eligible, homemaker assistance through the County Homemaker Health Aide Program, credit counseling and legal aid from Consumer Credit Counseling Services, transportation assistance, and visits by the County mobile book van. The Service Coordinator will also assist residents in accessing resources available to low-income elderly in the community, such as home health care and homemaker assistance, taxi vouchers, rental rebates, and emergency food.

The Apartments maintains a monthly newsletter/calendar featuring health and wellness workshops, exercise courses and dance classes, community game nights, hobby groups and clubs, movie viewings, and weekly social outings and events. On-site services are offered in various community spaces, including a multi-purpose room with kitchen, an exercise room, a game room, and a small library with donated books and puzzles. In addition, an outdoor swimming pool/spa is available for individual use and aquatics classes. Ovation and CLSN plan to offer a comparable active social calendar to residents at the Decatur and Rome Apartments.

The community spaces in an Ovation/Coordinated Living development are actively programmed and always busy. On any given day, one can find coffee brewing in the community kitchen, someone playing piano in the multipurpose room and residents enjoying the beautiful outdoor commons and pool area on a hot summer day. A randomly selected week in April at the Ensemble development included the following activities:

- Anthem/CareMore Visiting Physicians;
- Walmart & 99¢ Store Free Shopping Shuttle;
- “Acoustic Jam & Sing Along;”
- Food Rescue Distribution;
- Gym Zumba w/Jeanie;
- Residents’ 10₡ Bingo! ;
- “Dress for a Mess!”;
- DIY Glass Sun Catcher!;
- “Stay Strong, Stay Healthy” Fitness Class w/UNR! ;
- RTC Bus Pass Distribution;
- Anthem/CareMore Q & A Table!;
- “Seniors Eating Well” Nutrition Classes w/UNR!;
- Garden Club Meeting; and,
- Hair Cuts! Bldg. I Salon!

Coordinated Living partners with many local nonprofit social services organizations to provide on-site staff support with services. Recently, Coordinated Living began work on the Food Rescue program where it partners with Three Square to distribute food to seniors at Ovation’s senior properties. Over the last two years, Coordinated Living and Three Square have distributed over 1 million pounds of food to seniors at Ovation’s senior properties. This is food that would otherwise have been discarded by grocery stores, and it goes a long way to combat food insecurity which is prevalent among seniors.

In addition to food services, Coordinated Living partners with the Southern Nevada Transportation Coalition through Jewish Nevada to provide transportation for grocery shopping and recreational outings for the senior residents at all Ovation properties. Coordinated Living also collects and distributes donations of furniture and household items to needy residents, provide emergency rental assistance, and plans to add other services as needed in the future.

The continual coordination of on-site support services through long-time ongoing collaboration with Coordinated Living's community partners is an essential component to Coordinated Living's successful supportive service package.

In addition to highlighted services above, Coordinated Living partners with local community agencies to assist residents with the following services:

- accessible transportation for shopping, medical and recreation,
- partnerships with multiple food banks to promote senior hunger programs through on-site pantry distributions, governed on-site food pantries at all communities,
- 24-hour amenities to help combat senior isolation,
- medical insurance forums from all major insurance companies,
- personal and community safety educational forums,
- State of Nevada and Clark County support through multiple non-profit aging and disabilities organizations,
- on-site public library partnerships,
- mental health and brain health outreach programs,
- on-site immunization clinics,
- on-site wellness centers and physician visits,
- hospice and advance directives workshops,
- on-site beauty salon services,
- furniture and household items donations,
- rental assistance,
- Veterans' assistance programs,
- homeless initiative placement partnerships,
- collaboration with fitness and nutrition outreach programs,
- master gardeners for on-site organic edible gardening,
- intergenerational artistic ensemble social events,
- on-site resident volunteer opportunities,
- continual live entertainment and extensive monthly calendars of events that are specifically designed to meet the economic, physical, social, and psychological needs of low-income seniors in order to promote health, security, happiness, autonomy and usefulness.

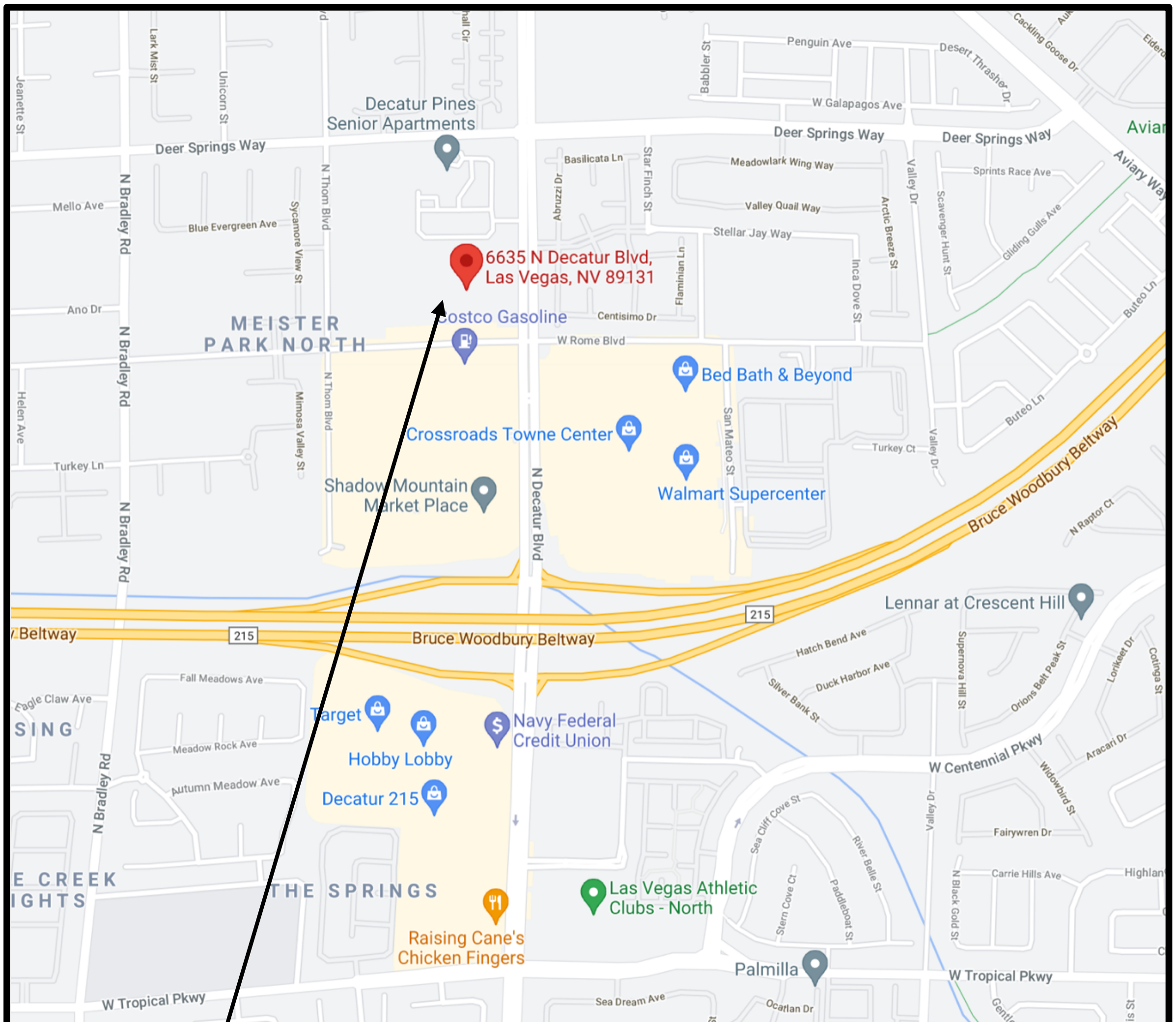
Financing

The financing for the Decatur and Rome Senior Apartments will include tax-exempt bonds issued by the Nevada Housing Division (NHD), equity from the sale of non-competitive 4% Low Income Housing Tax Credits, HOME/LIHTF funds, Clark County Community Housing Fund (CHF) and NHD Home Means Nevada Initiative (HMNI) funds. Both the Clark County CHF and NHD HMNI Funds are pass-through American Rescue Plan Act ("ARPA") State and Local Fiscal Recovery Fund monies from the U.S. Treasury that were set aside for affordable housing purposes in Nevada.

Decatur and Rome Senior Apartments will close in February 2024 and start construction in March 2024 with construction completion by January 2026 and conversion in December 2026.

Decatur and Rome Senior Apartments
6635 N Decatur Blvd.
Las Vegas, NV 89131
APN: 125-24-701-041 (9.45 acres)

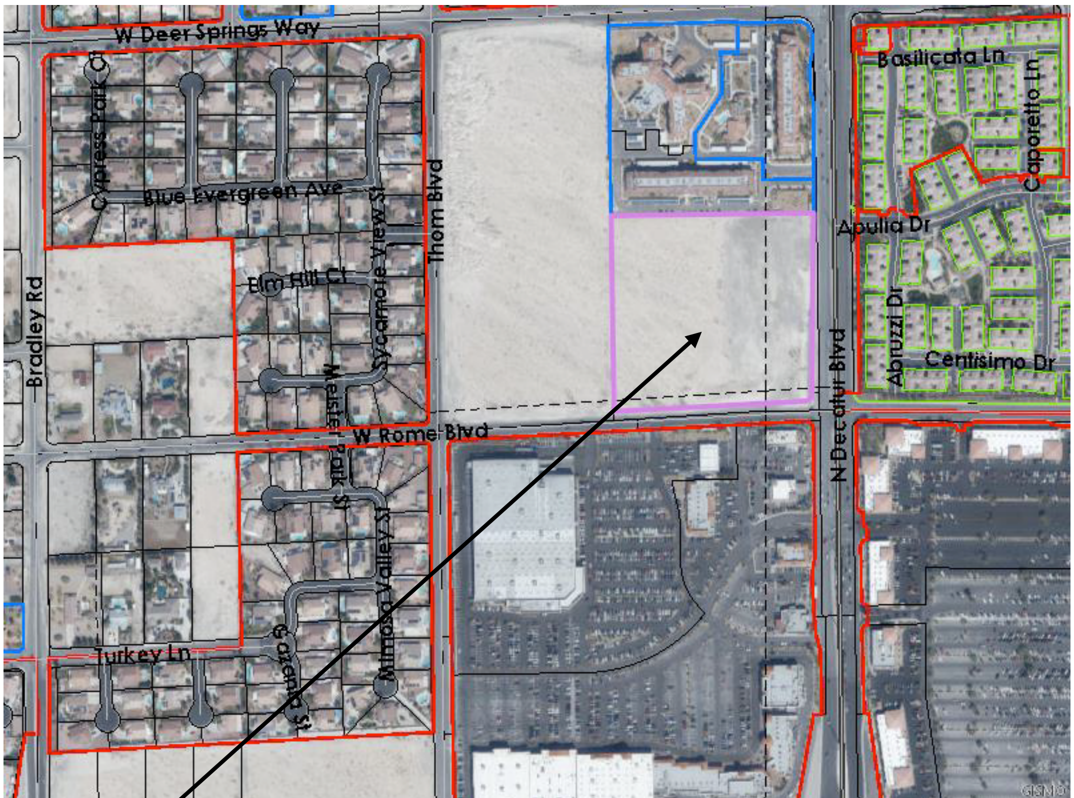
Location Map



Project Site

Decatur and Rome Senior Apartments
6635 N Decatur Blvd.
Las Vegas, NV 89131
APN: 125-24-701-041 (9.45 acres)

Aerial Photo



Project Site

Development Executive Summary

Development: Decatur and Rome Senior
Development Type: New Construction
BoF Meeting Date: 12.21.23

Administrator's Summary

This bond issuance will be used to provide for the construction of a 276-unit affordable Senior apartment complex in Las Vegas. The rental housing will serve 276 households at or below 60% of area median income with 38 units constructed as tiny homes on the site. The site is conveniently located near retail, health services, and transportation options. This project will create new affordable units which will retain the rent restrictions for 30 years. Ovation Design and Development and Coordinated Living of Southern Nevada have completed 14 affordable senior communities resulting in over 2000 afordable senior units. They are also currently developing 5 other affordable housing developments, in addition to Decatur and Rome Senior Apartments, creating another 1231 units.

- 276 Senior Units
- New construction
- 100% Affordable Rents
- 96 units at <60% AMI, 180 units at <50% AMI
- Studios= 10 units, 1 bedroom units = 141, 2 bedroom units = 125
- Studio rents $229.00 less than market rate
- 1 bedroom rents $388.00 less than market rate
- 2 bedroom rents $481.00 less than market rate
- Cost per unit = $286,607
- Cost per bond cap allocation = $157,608
- Developer –Ovation and Coordinated Living of Southern Nevada
- Equity Investor – Bank of America
- Loan – Citibank and Bank of America
- $43.5 M in Bond Proceeds trips $37.4M in LIHTC Equity (47.2% of total development cost)

	Decatur and Rome Apartments	Program Average	Notes
Total Tax-exempt Bond ask	$ 43,500,000	$ 33,700,000	
Total Development Cost	$ 79,103,452	$ 63,531,671	Average of last 10 New Construction projects previously approved
Size of site	9.45 Acres	5.605	
Total # of Units	276	175	Average of last 10 New Construction projects previously approved
Cost Per Unit	$ 286,607	$ 365,034	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	$ 157,608	$ 192,705	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	0.00%	n/a	0 units in this project
Percentage of Units at 60% AMI	34.78%	82.0%	96 Units in this project
Percentage of Units at 50% AMI	65.22%	13.0%	180 units in this project
Percentage of Units at 40% AMI	0.00%	1.0%	0 units in this project
Percentage of Units at 30% AMI	0.00%	4.0%	0 units in this project
Veteran's Preference	Yes	Yes	

	Decatur and Rome Apartments	Estimated Market Rate	Notes
Average Studio Rent	$ 819	$ 1,048	Zumper.com 11.23
Average 1 Bedroom Rent	$ 854	$ 1,242	Zumper.com 11.23
Average 2 Bedroom Rent	$ 1,017	$ 1,498	Zumper.com 11.23
Average Vacancy Rate	n/a	9.30%	Avison Young September 2023

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

1830 E. College Parkway, Suite 200
Carson City, NV 89706

DATE: December 1, 2023

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 (Sutro Senior Sanctuary)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

1:00 p.m., Thursday, December 21, 2023, 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 (Sutro Senior Sanctuary).

C. The Findings relate to the issuance of up to $27,735,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a combined 170-unit senior apartment complex located along Sutro Street in Reno at 839 and 696 Sutro St, Reno, Nevada (the "Project").

D. The Housing Division will issue up to $27,735,000 of multi-unit housing revenue bonds which will be publicly offered. Both construction and permanent financing for the project will be provided by a HUD 221(d)4 loan, underwritten by Churchill Stateside Group, LLC in their capacity as a HUD delegated underwriter/servicer ("Lender)". The Division will use this loan as collateral in support of the issuance of the tax-exempt bonds. The Division bonds will be fully collateralized as to both principal and interest at all times. The Division bonds are expected to be outstanding for up to 30 months and will be fully retired upon the date the Project is "placed in service" for tax purposes. The borrower/ownership entity will be Sutro Senior Sanctuary, LLC. American Covenant Senior Housing Foundation Inc. will act as a 0.01% Managing Member and WNC & Associates Inc. will be the 99.99% Investor Member. WNC & Associates Inc. will provide an equity investment of approximately $19,616,684 in exchange for the 4% low-income housing tax credits to be allocated for the Project. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 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, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (Sutro Senior Sanctuary)."

G. Attorney Opinion:

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

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

Multi-Unit Housing Revenue Bonds
Sutro Senior Sanctuary

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 senior housing at rental rates that eligible seniors 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 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 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: __________________

Steve Aichroth
Administrator
Nevada Housing Division

November 30, 2023

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

Re: Multi-Unit Housing Revenue Bonds
(Sutro Senior Sanctuary) Series 2024

Mr. Aichroth:

This Review and Opinion is provided in support of the request by the Nevada Housing Division ("Division") to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Sutro Senior Sanctuary project ("Project"). The Division is requesting authorization for issuance of up to $27,735,000 of Nevada Housing Division multi-unit housing revenue bonds to fund the construction of two residential rental properties in Reno, Nevada

PFM Financial Advisors LLC ("PFM") has reviewed the Application of the borrower for financing of the Project and related supporting material submitted to the Division. We have also discussed the Project and financing with representatives of the borrower, lender and the Division staff.

The Project financing will be a fixed rate Insured Permanent Loan pursuant to a commitment from the U.S. Department of Housing and Urban Development ("HUD"). The bonds issued by the Division will be short term and fully collateralized. The financing structure is reviewed in greater detail in Exhibit A.

The proposed Project is viewed positively in the local community and is endorsed by the City of Reno. A tax-exempt financing by the Division of this Project is necessary for compliance with Federal tax rules to qualify the Project for 4% Low Income Housing Tax Credits. Without equity proceeds from the sale of the credits the construction of this affordable housing at the proposed restricted income levels would not be possible without significant additional subsidy.

In our opinion, the Project and the proposed financing meet the requirements of NRS 319.260 and NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Debt issuance will be subject to receipt of definitive loan and equity approval and final loan, bond and tax documentation.

The following Exhibits A and B have been prepared by PFM. Exhibits C and D were submitted by the Borrower.

Exhibit A: Project Overview and Plan of Finance
Exhibit B: Project Operating Proforma
Exhibit C: Borrower Finance Plan Statement
Exhibit D: Project Overview Narrative

Sincerely,

PFM Financial Advisors LLC

FR. Eoff

Fred Eoff
Director

Project Overview and Plan of Finance

The Project

The Project will be the construction of two residential rental facilities located at 839 Sutro Street and 696 Sutro Street in Reno, NV. The proposed development includes 170 units across two sites. The Project consists of two multi-story apartment buildings. It will be configured with studio, one-bedroom, and two-bedroom units. The development is situated with immediate access to many essential services, including Washoe County Senior Services, the Washoe County Health District, and Community Services Agency. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the configuration of the 170 units, size and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile

Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent [1]	Less Utility Allowance [2]	Tenant Share Monthly Rent [2]	Total Monthly Revenue	Total Annual Revenue
Studio							
< 30% AMI	2	500	$519	$0	$519	$1,038	$12,456
< 50% AMI	3	500	$866	$0	$866	$2,598	$31,176
< 60% AMI	60	500	$1,039	$0	$1,039	$62,340	$748,080
1 Bedroom							
< 30% AMI	2	600	$556	$0	$556	$1,112	$13,344
< 50% AMI	10	600	$1,185	$0	$1,185	$11,850	$142,200
< 60% AMI	75	600	$1,113	$0	$1,113	$83,475	$1,001,700
2 Bedroom							
< 30% AMI	1	800	$668	$0	$668	$668	$8,016
< 50% AMI	3	800	$1,424	$0	$1,424	$4,272	$51,264
< 60% AMI	14	800	$1,336	$0	$1,336	$18,704	$224,448
Total Project Units	170					$186,057	$2,232,684
						Ancillary Income	$8,160

[1] 2023 Income Limits (Washoe County, Reno, NV MSA)
[2] Owner Paid Utilities

Project Sponsor

American Covenant Senior Housing Foundation, Inc
234 Shelter Valley Dr.
Kalispell, MT 59901

Project Developer

Two Sparks Development LLC
450 Sinclair St
Reno, NV 89501

Two Sparks Development is committed to being a long-term partner in addressing the housing crisis in Reno. A major component of that is balancing the number of market rate and affordable projects that they develop. With respect to the affordable housing component of their plan, they are committed to delivering 1,000 affordable units to Reno by 2032.

Borrower Entity

The borrower/ownership entity will be Sutro Senior Sanctuary, LLC. American Covenant Senior Housing Foundation, Inc. will act as 0.01% Managing Member and WNC & Associates, Inc. will be the 99.99% Investor Member and will provide an equity investment of approximately $19,616,684 in exchange for 4% low-income housing tax credits to be allocated to the Project.

The periodic advances of the equity investment by WNC are expected to occur as follows (subject to adjustment):

- 1st Installment - $2,942,502 at Syndicator Admission (February 2024)
- 2nd Installment - $6,767,756 at Construction Completion (January 2026)
- 3rd Installment - $5,885,005 at 100% tax credit qualified occupancy (May 2026)
- 4th Installment – $4,021,421 at Delivery of IRS Form 8609 (July 2026)

Contractor

Slaten Construction
397 US 395
Washoe Valley, NV 89704

Property Manager

Weststates Property Management
106 Front St.
Elko, NV 89801

Headquartered in Nevada, Weststates Property Management Company manages over 70 properties, containing more than 2,700 units throughout Nevada and Idaho

Debt Plan of Finance:

Both construction and permanent financing for the Project will be provided by a HUD 221(d)4 loan. This HUD loan is being underwritten by Churchill Stateside Group, LLC in their capacity as a HUD delegated underwriter/servicer ("Lender"). This loan is taxable. In order to satisfy criteria of the Low-Income Housing Tax Credit (LIHTC) program which requires a threshold amount of tax-exempt debt for project financing, the Division will use this loan as collateral in support of the issuance of tax-exempt bonds.

The Division bonds will be fully collateralized as to both principal and interest at all times. Initially, collateral will be provided by all bond proceeds and borrower contributed cash deposited to an escrow account held by the Trustee. As the Borrower initiates construction draws against the HUD 223(d)4 loan, those proceeds will be deposited with the Trustee in a sub-account to the escrow and an equivalent amount of bond proceeds will be released for project construction expenditures. The Division bonds are expected to be outstanding for up to 30 months and will be fully retired from the escrowed collateral upon the date the Project is "placed in service" for tax purposes.

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at $250/unit/year. The minimum required replacement reserve deposits may be adjusted based on periodic future physical needs assessments.

The Borrower will also be required to fund operating and repair reserves initially set at $1,640,886.

Sources and Uses:

The source and application of funds during both construction and permanent phases of the Project are summarized in Table B, below:

Table B: Sources and Uses of Funds

Sources of Funds	Construction Phase	Permanent Phase	
Tax-Exempt Bond Proceeds	$27,735,000	$14,420,000	
LIHTC Equity	$2,942,502	$19,616,684	
NHD GAHP Loan	$3,000,000	$3,000,000	
WCHC HOME Loan	$3,000,000	$3,000,000	
Nevada HTF	$2,000,000	$2,000,000	
FHLB AHP	$1,000,000	$1,000,000	
Washoe County AHTF	$1,000,000	$1,000,000	
Developer Note		$800,000	
Deferred Developer Fee		$3,378,207	
	$40,677,502	$48,214,891	
Uses of Funds			**$/Unit**
Land Cost	$1,765,000	$1,765,000	$10,382
Construction Hard Costs	$31,508,003	$31,508,003	$185,341
Soft Costs	$3,717,380	$3,825,900	$22,505
Contingencies	$2,283,035	$2,283,035	$13,430
Operating and Repair Reserves		$1,640,886	$9,652
Capitalized Interest	$1,404,084	$1,404,084	$8,259
Developer Fee		$5,787,983	$34,047
	$40,677,502	$48,214,891	$283,617

Bond Terms/Summary

Principal Amount:	Not to exceed $27,735,000
Bond Type/Rate:	Fixed Rate
Bond Dated:	As of Closing Date
Security:	Bonds fully collateralized as to principal and interest through final maturity or earlier optional redemption with US Treasury securities or equivalent rated money market funds consisting of US Treasury securities.
Principal Payments:	At maturity, or earlier optional redemption
Denominations:	Denominations of $5,000 and multiples thereof
Maturity:	30 months following closing (mandatory tender)
Optional Redemption:	Subject to redemption prior to maturity in connection with a permissible prepayment of the Mortgage Loan.
Interest Rate:	Subject to pricing
Indenture Funds:	1) Bond Fund a. Initial Deposit Account 2) Project Fund 3) Collateral Fund 4) Cost of Issuance Fund 5) Rebate Fund
Fees:	1) Issuer Annual Fee @ 0.40% (40 bp) paid semiannually in advance 2) Trustee Annual Fee @ 0.05% (5 bp) paid semiannually in advance
Bond Rating:	"AAA" by Moody's (expected)
Bond Sale:	Public Offering
Bond Counsel:	TBD
Underwriter:	TBD
Underwriter Counsel:	TBD

		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
INCOME											
Annual Gross Rental Income		$ 2,322,884	$ 2,369,342	$ 2,416,729	$ 2,465,064	$ 2,514,365	$ 2,564,652	$ 2,615,945	$ 2,668,264	$ 2,721,629	$ 2,776,062
Other: Ancillary Revenue		$ 8,490	$ 8,659	$ 8,833	$ 9,009	$ 9,189	$ 9,373	$ 9,561	$ 9,752	$ 9,947	$ 10,146
Total Residential Income		$ 2,331,374	$ 2,378,002	$ 2,425,562	$ 2,474,073	$ 2,523,554	$ 2,574,025	$ 2,625,506	$ 2,678,016	$ 2,731,576	$ 2,786,208
Less: Residential Vacancy/Discounts		$ (116,569)	$ (118,900)	$ (121,278)	$ (123,704)	$ (126,178)	$ (128,701)	$ (131,275)	$ (133,901)	$ (136,579)	$ (139,310)
Proforma Gross Income		**$ 2,214,805**	**$ 2,259,102**	**$ 2,304,284**	**$ 2,350,369**	**$ 2,397,377**	**$ 2,445,324**	**$ 2,494,231**	**$ 2,544,115**	**$ 2,594,998**	**$ 2,646,897**
EXPENSES											
General Administrative		$ 92,139	$ 94,903	$ 97,750	$ 100,683	$ 103,703	$ 106,815	$ 110,019	$ 113,320	$ 116,719	$ 120,221
Operating		$ 211,809	$ 218,163	$ 224,708	$ 231,449	$ 238,393	$ 245,544	$ 252,911	$ 260,498	$ 268,313	$ 276,362
Maintenance		$ 71,080	$ 73,213	$ 75,409	$ 77,671	$ 80,002	$ 82,402	$ 84,874	$ 87,420	$ 90,042	$ 92,744
Payroll		$ 199,449	$ 205,433	$ 211,596	$ 217,944	$ 224,482	$ 231,216	$ 238,153	$ 245,297	$ 252,656	$ 260,236
Taxes & Insurance		$ 71,611	$ 73,759	$ 75,972	$ 78,251	$ 80,599	$ 83,016	$ 85,507	$ 88,072	$ 90,714	$ 93,436
LIHTC Monitoring		$ 8,116	$ 8,359	$ 8,610	$ 8,868	$ 9,135	$ 9,409	$ 9,691	$ 9,982	$ 10,281	$ 10,589
Property Management		$ 125,526	$ 129,291	$ 133,170	$ 137,165	$ 141,280	$ 145,519	$ 149,884	$ 154,381	$ 159,012	$ 163,783
Replacement Reserves		$ 45,088	$ 46,441	$ 47,834	$ 49,269	$ 50,747	$ 52,270	$ 53,838	$ 55,453	$ 57,116	$ 58,830
Proforma Operating Expenses		**$ 824,818**	**$ 849,562**	**$ 875,049**	**$ 901,301**	**$ 928,340**	**$ 956,190**	**$ 984,876**	**$ 1,014,422**	**$ 1,044,855**	**$ 1,076,200**
Effective Net Operating Income		**$ 1,389,987**	**$ 1,409,539**	**$ 1,429,234**	**$ 1,449,068**	**$ 1,469,037**	**$ 1,489,134**	**$ 1,509,355**	**$ 1,529,693**	**$ 1,550,143**	**$ 1,570,697**
Senior Debt Service		$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916
Debt Service Coverage		128%	130%	131%	133%	135%	137%	139%	141%	142%	144%
Residual Receipts		**$ 302,071**	**$ 321,623**	**$ 341,318**	**$ 361,152**	**$ 381,120**	**$ 401,218**	**$ 421,438**	**$ 441,777**	**$ 462,226**	**$ 482,781**
LP Asset Mgt Fee		$ 9,000	$ 9,270	$ 9,548	$ 9,835	$ 10,130	$ 10,433	$ 10,746	$ 11,069	$ 11,401	$ 11,743
DDF Payments		$ 293,071	$ 312,353	$ 331,770	$ 351,317	$ 370,991	$ 390,784	$ 410,692	$ 430,708	$ 450,826	$ 35,696
DDF Balance		$ 3,085,136	$ 2,772,783	$ 2,441,014	$ 2,089,696	$ 1,718,705	$ 1,327,921	$ 917,229	$ 486,521	$ 35,696	$ -
Surplus Cash		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 435,342**
Partnership Surplus Allocation	**25%**		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 108,836
NHD Surplus Allocation	**75%**				$ -	$ -	$ -	$ -	$ -	$ -	$ 326,507
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		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 326,507
GAHP Loan Balance		$ 3,180,000	$ 3,270,000	$ 3,360,000	$ 3,450,000	$ 3,540,000	$ 3,630,000	$ 3,720,000	$ 3,810,000	$ 3,900,000	$ 3,663,493

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	3.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	$3,378,207
GAHP Loan:	$3,000,000

Permanent Loan Amount	$14,420,000
Loan Term	40
Core Loan Rate	7.10%
NHD & Trustee Factor	0.00%
Total Loan Rate	7.10%
Annual Debt Service	$1,087,916

		2036	2037	2038	2039	2040	2041	2042	2043	2044
INCOME										
Annual Gross Rental Income		$ 2,831,583	$ 2,888,215	$ 2,945,979	$ 3,004,899	$ 3,064,997	$ 3,126,297	$ 3,188,823	$ 3,252,599	$ 3,317,651
Other: Ancillary Revenue		$ 10,349	$ 10,556	$ 10,767	$ 10,982	$ 11,202	$ 11,426	$ 11,654	$ 11,888	$ 12,125
Total Residential Income		$ 2,841,932	$ 2,898,771	$ 2,956,746	$ 3,015,881	$ 3,076,199	$ 3,137,723	$ 3,200,477	$ 3,264,487	$ 3,329,776
Less: Residential Vacancy/Discounts		$ (142,097)	$ (144,939)	$ (147,837)	$ (150,794)	$ (153,810)	$ (156,886)	$ (160,024)	$ (163,224)	$ (166,489)
Proforma Gross Income		**$ 2,699,835**	**$ 2,753,832**	**$ 2,808,909**	**$ 2,865,087**	**$ 2,922,389**	**$ 2,980,836**	**$ 3,040,453**	**$ 3,101,262**	**$ 3,163,287**
EXPENSES										
General Administrative		$ 123,827	$ 127,542	$ 131,368	$ 135,309	$ 139,369	$ 143,550	$ 147,856	$ 152,292	$ 156,861
Operating		$ 284,653	$ 293,193	$ 301,989	$ 311,048	$ 320,380	$ 329,991	$ 339,891	$ 350,087	$ 360,590
Maintenance		$ 95,526	$ 98,392	$ 101,344	$ 104,384	$ 107,515	$ 110,741	$ 114,063	$ 117,485	$ 121,009
Payroll		$ 268,043	$ 276,084	$ 284,367	$ 292,898	$ 301,685	$ 310,735	$ 320,057	$ 329,659	$ 339,549
Taxes & Insurance		$ 96,239	$ 99,126	$ 102,100	$ 105,163	$ 108,318	$ 111,567	$ 114,914	$ 118,362	$ 121,913
LIHTC Monitoring		$ 10,907	$ 11,234	$ 11,571	$ 11,918	$ 12,276	$ 12,644	$ 13,024	$ 13,414	$ 13,817
Property Management		$ 168,696	$ 173,757	$ 178,970	$ 184,339	$ 189,869	$ 195,565	$ 201,432	$ 207,475	$ 213,699
Replacement Reserves		$ 60,595	$ 62,413	$ 64,285	$ 66,214	$ 68,200	$ 70,246	$ 72,353	$ 74,524	$ 76,760
Proforma Operating Expenses		**$ 1,108,486**	**$ 1,141,741**	**$ 1,175,993**	**$ 1,211,273**	**$ 1,247,611**	**$ 1,285,039**	**$ 1,323,591**	**$ 1,363,298**	**$ 1,404,197**
Effective Net Operating Income		**$ 1,591,349**	**$ 1,612,091**	**$ 1,632,916**	**$ 1,653,814**	**$ 1,674,778**	**$ 1,695,797**	**$ 1,716,863**	**$ 1,737,964**	**$ 1,759,090**
Senior Debt Service		$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916	$1,087,916
Debt Service Coverage		146%	148%	150%	152%	154%	156%	158%	160%	162%
Residual Receipts		**$ 503,433**	**$ 524,175**	**$ 544,999**	**$ 565,898**	**$ 586,861**	**$ 607,881**	**$ 628,946**	**$ 650,047**	**$ 671,174**
LP Asset Mgt Fee		$ 12,095	$ 12,458	$ 12,832	$ 13,217	$ 13,613	$ 14,022	$ 14,442	$ 14,876	$ 15,322
DDF Payments		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DDF Balance		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Surplus Cash		**$ 491,337**	**$ 511,717**	**$ 532,167**	**$ 552,681**	**$ 573,248**	**$ 593,859**	**$ 614,504**	**$ 635,172**	**$ 655,852**
Partnership Surplus Allocation	**25%**	$ 122,834	$ 127,929	$ 133,042	$ 138,170	$ 143,312	$ 148,465	$ 153,626	$ 158,793	$ 163,963
NHD Surplus Allocation	**75%**	$ 368,503	$ 383,788	$ 399,126	$ 414,511	$ 429,936	$ 445,394	$ 460,878	$ 476,379	$ 491,889
GAHP Loan Interest	**3.00%**	$ 90,000	$ 90,000	$ 90,000	$ 83,462	$ 73,531	$ 62,839	$ 51,362	$ 39,077	$ 25,958
GAHP Loan Principal		$ 368,503	$ 383,788	$ 399,126	$ 414,511	$ 429,936	$ 445,394	$ 460,878	$ 476,379	$ 491,889
GAHP Loan Balance		$ 3,384,990	$ 3,091,203	$ 2,782,077	$ 2,451,029	$ 2,094,624	$ 1,712,069	$ 1,302,553	$ 865,250	$ 399,319

Borrower Financing Representation

Proposed Project:

To facilitate review and approval of financing by the Nevada State Board of Finance for the proposed project the sponsor/borrower should demonstrate it has evaluated reasonable alternative financing providers/programs. Select Option A and provide the requested information. Should the sponsor/borrower prefer not to provide, or be unable to provide, information requested in Option A, select Option B.

A narrative discussion of the rationale for selection of your proposed lender would be helpful and can be provided in the Sponsor/Borrower Statement section. This would be particularly useful should you select Option B.

☐**Option A**

Lender	Rate	Fees

☒**Option B**

Sponsor/Borrower Statement:

The selection of Churchill was based upon the needs of the project. HUD 221(d)4 loans have a lower interest rate as well as lower liability as it is a HUD guaranteed loan.

By____

Title **Executive Director, Managing Member**

Firm **Sutro Senior Sanctuary, LLC**

TWO SPARKS
Ignite Opportunity

Sutro Senior Sanctuary

Affordable Housing for: Veterans • Seniors • Disabled

June 2023

Table of Contents

Project Overview

Summary

The Sutro Senior Sanctuary, an affordable housing initiative specially designed for seniors, aims to introduce 170 low-income units to Reno, Nevada. The project is divided across two strategically positioned sites on Sutro Street. Our northern location, at 839 Sutro St, is set to accommodate 105 units, while the southern location, at 696 Sutro St, will provide an additional 65 units. All 65 units in the southern location will be reserved for veterans and a preference to veterans will be given for the 105 units in the northern location.

This thoughtful scattered-site development offers an optimal setting for our senior community, boasting convenient proximity to a myriad of local resources dedicated to enriching senior living. Such amenities include the exemplary Washoe County Senior Services Center and easily accessible public transportation, all designed to enable our residents to lead rewarding and independent lives.

Senior-Focused Community

Located Near Senior Resources

Access to Public Transportation

Project Overview

Project Team

Each member of the Senior Sutro Sanctuary team brings their unique experience and unrelenting passion for success to each project we undertake. The group has collectively bought, designed, built, improved, managed and sold hundreds of properties in multi-family, condo, senior and affordable housing over the last 4+ decades with completed projects in 11 states.

Developer:	Two Sparks Development
Consultant:	Evergreen International
Architect:	Cathexes
General Contractor:	Slaten Construction
Property Manager:	Weststates Property Management
Legal Counsel:	Coats Rose, P.C.
Project Auditing:	Tidwell Group

Project Timeline

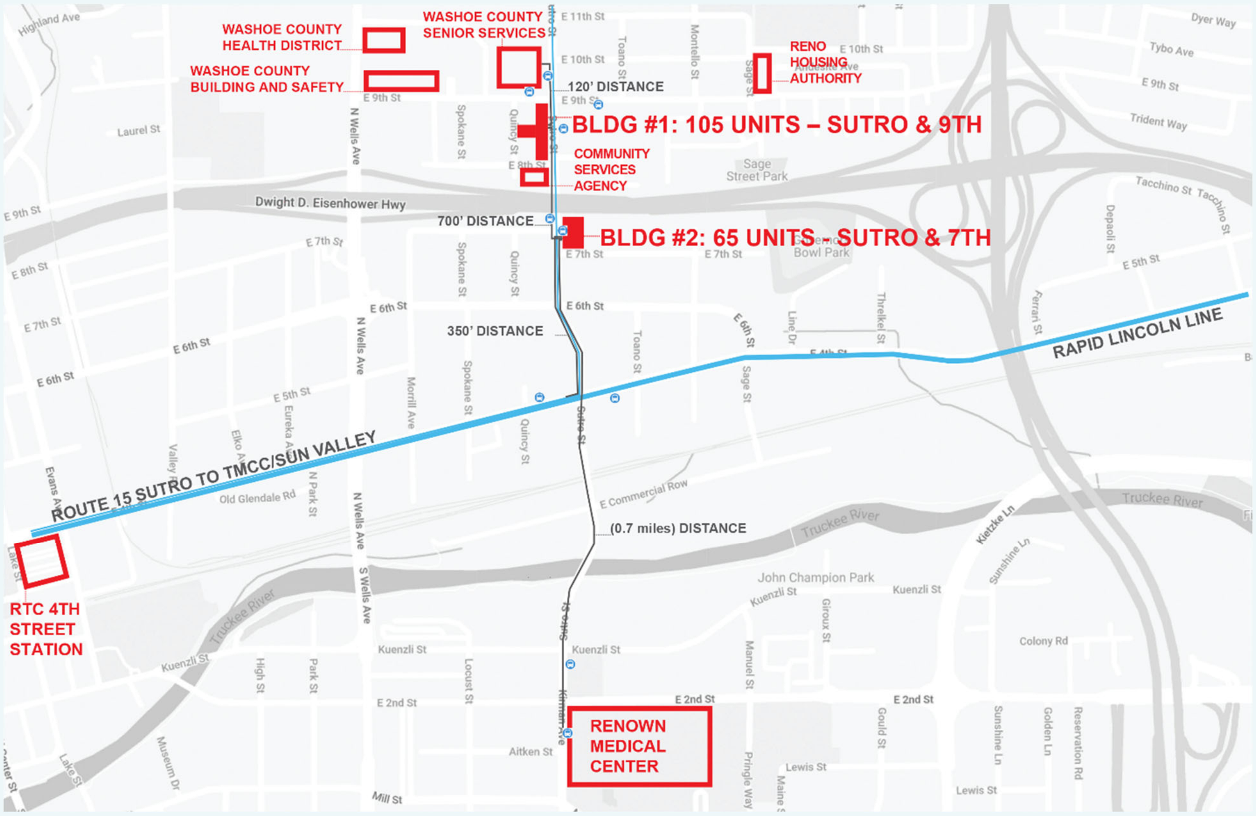
Closing	Anticipated on or before October 31, 2024
Completion	18 months after closing
First Unit Leased	17 months after closing
Last Unit Leased	20 months after closing

Unit Count and Mix

Unit count, type and size are all within the existing density bonuses available for qualified affordable housing. No zoning change is required, and the combined sites will total 170 units including studio, one-bedroom and two-bedroom units.

Unit Type	North Site	South Site	Total
Studio	35	28	63
One Bedroom	59	30	89
Two Bedroom	11	7	18
TOTAL	**105**	**65**	**170**

Vicinity Map



Sutro Senior Sanctuary is strategically situated with immediate access to numerous essential services, augmenting the convenience and quality of life for its residents. These facilities include:

- The Washoe County Health District, which provides a broad spectrum of health services and resources.
- Washoe County Senior Services, offering specialized services and programs for seniors.
- Washoe County Building and Safety, ensuring the safety and compliance of local structures.
- City of Reno Housing Authority, offering assistance and resources related to housing.
- Community Services Agency in Reno, providing a host of community support services.

The project boasts excellent connectivity to public transportation, with five bus stops for RTC routes 2, 5, and 15, three of which are conveniently located at Sutro and 9th, and two more at Sutro and 7th. In addition, the RTC Rapid Transit 4th St Station is within easy reach.

Moreover, the Renown Medical Center is also within the vicinity, ensuring residents have immediate access to healthcare facilities.

Site Plans

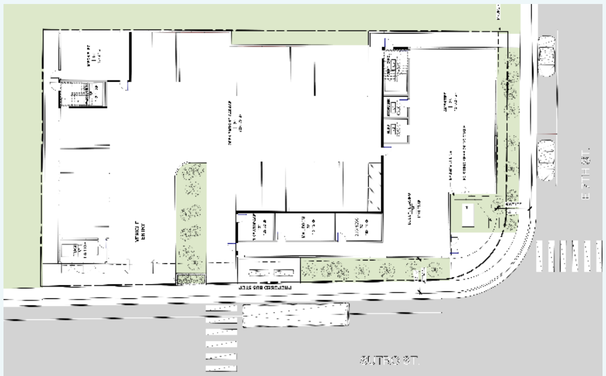
North Site Plans

MAIN LEVEL PLAN

SECOND LEVEL PLAN

Site Plans

South Site Plans



SITE PLAN

SECOND LEVEL PLAN

Nevada Housing Division Multi-family Tax-Exempt Bond Program

Development Executive Summary

Development: Sutro Senior Sanctuary
Development Type: New Construction
BoF Meeting Date: 12.21.23

Administrator's Summary

This bond issuance will be used to provide for the construction of a 170-unit affordable Senior apartment complex in Reno on non-adjacent parcels . The rental housing will serve 170 households at or below 60% of area median income with 105 units constructed on one (North) site and 65 units constructed on the other (South). The 65 unit South site will be reserved for veterans, with a veteran's preference in place for the 105 unit North site. Both sites are conveniently located near retail, health services, and transportation options. This project will create new affordable units which will retain the rent restrictions for 30 years. Two Sparks is a Nevada based developer and this will be their first application before the Board of Finance, with the intent to deliver an additional 800 affordable units in the next ten years.

- 170 Senior Units
- New construction
- 100% Affordable Rents
- 149 units at <60% AMI, 16 units at <50% AMI, 5 units at <30% AMI
- Studios= 65 units, 1 bedroom units = 87, 2 bedroom units = 18
- Studio rents $165.00 less than market rate
- 1 bedroom rents $371.00 less than market rate
- 2 bedroom rents $204.00 less than market rate
- Cost per unit = $283,617
- Cost per bond cap allocation = $163,147
- Developer –Two Sparks Development LLC
- Equity Investor – WNC & Associates, Inc
- Loan – HUD 221(d)4
- $27.7 M in Bond Proceeds trips $19.6 M in LIHTC Equity (40.7% of total development cost)

	Sutro Senior Sanctuary	Program Average	Notes
Total Tax-exempt Bond ask	$ 27,735,000	$ 33,700,000	
Total Development Cost	$ 48,214,891	$ 63,531,671	Average of last 10 New Construction projects previously approved
Size of site	0.94 Acres	5.605	
Total # of Units	170	175	Average of last 10 New Construction projects previously approved
Cost Per Unit	$ 283,617	$ 365,034	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	$ 163,147	$ 192,705	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	0.00%	n/a	0 units in this project
Percentage of Units at 60% AMI	87.64%	82.0%	149 Units in this project
Percentage of Units at 50% AMI	9.41%	13.0%	16 units in this project
Percentage of Units at 40% AMI	0.00%	1.0%	0 units in this project
Percentage of Units at 30% AMI	2.94%	4.0%	5 units in this project
Veteran's Preference	Yes	Yes	

	Sutro Senior Sanctuary	Estimated Market Rate	Notes
Average Studio Rent	$ 1,015	$ 1,180	Johnson Perkins Q2 2023
Average 1 Bedroom Rent	$ 1,108	$ 1,479	Johnson Perkins Q2 2023
Average 2 Bedroom Rent	$ 1,314	$ 1,518	Johnson Perkins Q2 2023
Average Vacancy Rate	n/a	2.19%	Johnson Perkins Q2 2023

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

1830 E. College Parkway, Suite 200
Carson City, NV 89706

DATE: December 1, 2023

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 (Carville Park Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

____

A. Time and Place of Meeting:

1:00 p.m., Thursday, December 21, 2023, 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 (Carville Park Apartments).

C. The Findings relate to the issuance of up to $30,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 209-unit family apartment complex located at 1244 Carville Dr., Reno, Nevada (the "Project").

D. The Housing Division will issue up to $30,000,000 of multi-unit housing revenue bonds which will be either be purchased by the AFL-CIO Housing Improvement Trust or sold via a public offering. Both construction and permanent financing for the project will be provided by a HUD 221(d)4 loan, underwritten and serviced by Merchants Capital. The Project is being co-developed by the Northern Nevada Building & Construction Trades Council (DevCorp) and The Canopy Companies. The Project financing will be accomplished with a combination of short-term notes issued by the Division which will be 100% cash collateralized during a short-term escrow period (expected to be 36 months). At that point the Project is expected to have received the Certificate of Occupancy and the Division short-term notes will be redeemed. The HUD 221(d)4 loan will continue in place as the long-term permanent loan. The borrower/ownership entity will be 1244 Carville Drive, LLC. An affiliate of The Canopy Company (Canopy HoldCo, LLC) will act as a 0.09% Managing Member, DevCorp will be a 0.01 Special Member and R4 Capital will be the 99.90% Investor Member. R4 Capital will provide an equity investment of approximately $20,154,000 in exchange for the 4% low-income housing tax credits to be allocated for the Project. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 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 acquisition and rehabilitation 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, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (Carville Park Apartments)."

G. Attorney Opinion:

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

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

Multi-Unit Housing Revenue Bonds
Carville Park 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 family 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: __________________

Steve Aichroth
Administrator
Nevada Housing Division

December 1, 2023

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

Re: Multi-Unit Housing Revenue Bonds
(Carville Park Apartments) Series 2024

Mr. Aichroth:

This Review and Opinion is provided in support of the request by the Nevada Housing Division ("Division") to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Carville Park Apartments project ("Project"). The Division is requesting authorization for issuance of up to $30,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund acquisition and rehabilitation of this affordable multifamily property in Reno.

PFM Financial Advisors LLC ("PFM") has reviewed the Application of the borrower for financing of the Project and related supporting material submitted to the Division. We have also discussed the Project and financing with representatives of the borrower, lender and Division staff.

The proposed construction period financing will be a combination of a HUD 221(d)4 mortgage loan and subordinate bridge loans. Post-construction permanent financing will be provided by the HUD loan. Both the permanent and bridge loans will be underwritten and serviced by Merchants Capital. The AFL-CIO Housing Improvement Trust will purchase the MBS securing the HUD 221(d)4 loan and will also participate in the bridge financing as a co-lender with Merchants Capital. The overall financing is reviewed in greater detail in Exhibits A & B.

The proposed Project is viewed positively in the local community and is endorsed by the City of Reno. A tax-exempt financing by the Division of this Project is necessary for compliance with Federal tax rules to qualify the Project for 4% Low Income Housing Tax Credits. Equity proceeds from the sale of these credits are necessary to achieve successful funding of this Project at the affordable restricted rents.

In our opinion the Project and the proposed financing meet the requirements of NRS 319.260 and NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Debt issuance will be subject to receipt of final loan and equity approval and loan, bond, and tax documentation.

The attached Exhibits A and B were prepared by PFM, and Exhibits C and D were submitted by the Borrower.

Exhibit A: Project Overview and Plan of Finance
Exhibit B: Project Operating Proforma
Exhibit C: Borrower Finance Plan Statement
Exhibit D: Project Overview Narrative

Sincerely,

PFM Financial Advisors LLC

F.R. Eoff

Fred Eoff
Director

EXHIBIT A

Project Overview and Plan of Finance

The Project

Carville Park Apartments is currently owned by the Northern Nevada Building and Trades Council Development Corporation (DevCorp).

Project construction will entail a reconfiguration and rehabilitation of the existing affordable multi-family rental property. The resulting property will consist of ten (10) 2-story residential buildings and one (1) single story community center. Additional amenities will include a modernized leasing office, mail area, outdoor sitting areas, a fully equipped fitness center, bike racks, a business center, library, multi-purpose space, and a laundry room. Greater detail regarding the reconfiguration of the existing "quad" concept floorplans and amenities is included in Exhibit D.

Summary details of the configuration of the 209 units, size and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile

Unit Mix	AMI Restriction	Number Units	Unit Size (SF)	Allowable Monthly Rent [1]	Project Based Section 8 [3]	Total Monthly Revenue	Total Annual Revenue
Studio	<50% AMI	52	302	$866	$1,197	$62,244	$746,928
Studio	<50%	52	337	$866	$1,227	$63,804	$765,648
Studio	<50%	52	358	$866	$1,247	$64,844	$778,128
1-Bdrm	<50%	52	488	$928	$1,477	$76,804	$921,648
2-Bdrm (Mgr.)		1	n.a.				
Total Project Units		209				$267,696	$3,212,352
						Ancillary Income	$54,282

[1] 2023 Income Limits (Washoe County/Reno, NV MSA)

[3] Per HUD Section 8 project contract

Project Developers

Northern Nevada Building & Construction Trades Council
Development Corporation
1819 Hymer Ave., Suite 106
Sparks, NV 89431

DevCorp has been serving its mission of providing affordable housing to the low-income residents of northern Nevada since 1978. It has decades of experience owning, developing, operating, and managing affordable communities in the Reno area.

The Canopy Companies
801 E. Quincy Street
San Antonio, TX 78203

The Canopy Companies is an affordable housing development company with a focus on historic preservation and environmental sustainability, and considerable experience utilizing and prioritizing union labor.

Contractor
LR Contracting
350 West Hubbard Street
Chicago, IL 60654

Property Management

Northern Nevada Building & Construction Trades Council
1819 Hymer Ave., Suite 106
Sparks, NV 89431

Borrower Entity
The borrower/ownership entity will be 1244 Carville Drive LLC, a Nevada limited liability corporation. Canopy HoldCo, LLC, a Wyoming limited liability company, will act as the 0.09% Managing Member. Devcorp will be a 0.01% Special Member, and R4 Capital will be the 99.90% Investor Member and will provide an equity investment of approximately $20,154,000 in exchange for 4% low-income housing tax credits to be allocated for the Project.

The periodic advances of the equity investment by R4 Capital are expected to occur as follows (subject to adjustment):

- 1st Installment - $4,031,000 at Closing (Mar 2024)
- 2nd Installment - $12,092,000 at substantial completion (Mar 2026)
- 3rd Installment - $4,031,000 at stabilization and delivery of Fm 8609 (Oct 2026)

Debt Plan of Finance:

The borrower is choosing to use a HUD 221(d)4 loan providing both construction and permanent financing for the Project. However, this mortgage cannot be tax-exempt. The federal statute authorizing the Low-Income Housing Tax Credit (LIHTC) program requires that in order to qualify for LIHTC tax credits, the Project must utilize tax-exempt debt at a minimum of 50% of the depreciable basis of the newly constructed Project. The standard way to achieve this is to issue tax-exempt notes to be outstanding at least until construction is complete and the Project receives a Certificate of Occupancy (COO). At that point the tax-exempt notes are no longer necessary for purposes of the LIHTC rules and can be fully redeemed.

Thus, the Project financing will be accomplished with a combination of a long-term HUD loan and short-term tax-exempt notes issued by the Division (the latter of which will be 100% cash collateralized during a short-term escrow period of 36 months). The HUD 221(d)4 mortgage loan will continue in place as the long-term permanent debt.

Sources and Uses:

The source and application of funds during both construction and permanent phases of the project are summarized in Table B, below:

Table B: Sources and Uses of Funds

Sources of Funds	Construction Phase	Permanent Phase	
NHD Bond Proceeds	$30,000,000		
HUD 221(d)4 Loan		$23,785,000	
HIT Bridge Loan (Taxable)	12,818,961		
Equity Proceeds (LIHTC + Fed. Energy)	4,030,863	20,154,315	
Nevada Infrastructure Bank		7,000,000	
State Tax Credits	2,760,000	2,760,000	
Cash Flow During Construction	70,000	70,000	
Partnership Member Contributions	200	200	
Deferred Developer Fee		2,412,191	
	$49,680,024	$56,181,706	

Uses of Funds			$/Unit
Acquisition of Buildings & Property	$11,880,190	$11,880,190	$56,843
Construction Hard Costs	22,244,660	22,244,660	106,434
Soft Costs	3,620,490	3,620,490	17,323
Financing Cost	1,884,169	1,884,169	9,015
Construction Period Interest	5,033,000	5,033,000	24,081
Contingencies	2,586,515	2,586,515	12,376
Operating & Repair Reserves		1,951,858	9,339
Developer Fee	2,431,000	6,980,824	33,401
Deposit to Collateral Account			
	$49,680,024	$56,181,706	$268,812

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at $250/unit/year. The minimum required replacement reserve deposits may be adjusted based on periodic future physical needs assessments.

The Borrower will also be required to fund an Operating and Repair Reserve initially set at approximately $1,951,858.

Bond/Mortgage Term Summary:

Dated Date: As of Closing Date

Credit Support: Series 2024 Note: 100% cash/US Treasury collateralized.

Principal Amount: Series 2024 Note: $30,000,000

Maturity: 36 months following Closing (mandatory tender)

Bond Structure: The Series A Note will be 100% collateralized by bond proceeds deposited into an escrow account with Zions Bank at closing. Periodically the borrower will make loan draws from the HUD 221(d) mortgage loan and the mortgage lender will advance those draws to Zions for deposit to the Collateral Account. Upon receipt of each of those deposits, Zions will release an equivalent amount of Note proceeds which will be disbursed to pay project costs.

Upon delivery of the certificate of occupancy for the Project, the escrow will be terminated and 100% of the 2024 Note will be redeemed from funds on deposit in the Collateral Account. This termination is expected to occur on or prior to the April 1, 2027 mandatory redemption date (approximated).

Bond/Mortgage Rates:	The Note rate will be fixed at pricing. • The Series 2024 Note rate is estimated to be approximately 3.00% (as of November 30, 2023) exclusive of Division and Trustee fees. • The HUD 221(d)4 mortgage will bear a rate estimated at 6.65% (as of November 20, 2023)
MBS Payment Dates:	Principal and interest paid monthly.
Bond Amortization:	Interest only through mandatory tender date of April 1,2027
Mortgage Amortization:	Interest only through April 1, 2027, and then 40-year amortization to follow.
Optional Redemption:	1) The Series 2024 Note is subject to redemption prior to maturity in connection with a permissible prepayment of the Mortgage Loan.
Indenture Funds:	1) Note Fund a. Initial Deposit Account 2) Project Fund 3) Collateral Fund 4) Cost of Issuance Fund 5) Rebate Fund
Fees:	1) Issuer Annual Fee @ 0.40% (50 bp) paid semiannually in advance 2) Trustee Annual Fee @ 0.05% (5 bp) paid semiannually in advance
Bond Sale:	Public Offering or direct placement with AFL-CIO HIT
Rating:	“Aaa” by Moody’s Investors Service

		2026	2027	2028	2029	2030	2031	2032	2033	2034
INCOME										
Annual Gross Rental Income		$ 3,212,352	$ 3,276,599	$ 3,342,131	$ 3,408,974	$ 3,477,153	$ 3,546,696	$ 3,617,630	$ 3,689,983	$ 3,763,782
Other: Ancillary Revenue		$ 56,512	$ 57,642	$ 58,795	$ 59,971	$ 61,170	$ 62,394	$ 63,642	$ 64,915	$ 66,213
Total Residential Income		$ 3,268,864	$ 3,334,241	$ 3,400,926	$ 3,468,945	$ 3,538,324	$ 3,609,090	$ 3,681,272	$ 3,754,897	$ 3,829,995
Less: Residential Vacancy/Discounts		$ (163,443)	$ (166,712)	$ (170,046)	$ (173,447)	$ (176,916)	$ (180,454)	$ (184,064)	$ (187,745)	$ (191,500)
Proforma Gross Income		**$ 3,105,421**	**$ 3,167,529**	**$ 3,230,880**	**$ 3,295,497**	**$ 3,361,407**	**$ 3,428,635**	**$ 3,497,208**	**$ 3,567,152**	**$ 3,638,495**
EXPENSES										
Administration		$ 75,218	$ 77,475	$ 79,799	$ 82,193	$ 84,659	$ 87,198	$ 89,814	$ 92,509	$ 95,284
Operating & Maintenance		$ 213,918	$ 220,336	$ 226,946	$ 233,754	$ 240,767	$ 247,990	$ 255,429	$ 263,092	$ 270,985
Utilities		$ 307,114	$ 316,327	$ 325,817	$ 335,592	$ 345,660	$ 356,029	$ 366,710	$ 377,711	$ 389,043
Solar Generation		$ (65,426)	$ (67,389)	$ (69,410)	$ (71,493)	$ (73,638)	$ (75,847)	$ (78,122)	$ (80,466)	$ (82,880)
Staff Payroll & Benefits		$ 376,092	$ 387,375	$ 398,996	$ 410,966	$ 423,295	$ 435,994	$ 449,074	$ 462,546	$ 476,422
Supportive Services		$ 36,847	$ 37,952	$ 39,091	$ 40,264	$ 41,472	$ 42,716	$ 43,997	$ 45,317	$ 46,677
Property Management		$ 108,690	$ 110,864	$ 113,081	$ 115,342	$ 117,649	$ 120,002	$ 122,402	$ 124,850	$ 127,347
Insurance		$ 75,345	$ 77,605	$ 79,934	$ 82,332	$ 84,801	$ 87,346	$ 89,966	$ 92,665	$ 95,445
Replacement Reserves		$ 62,700	$ 64,581	$ 66,518	$ 68,514	$ 70,569	$ 72,686	$ 74,867	$ 77,113	$ 79,426
Proforma Operating Expenses		**$ 1,190,498**	**$ 1,225,126**	**$ 1,260,771**	**$ 1,297,463**	**$ 1,335,234**	**$ 1,374,114**	**$ 1,414,138**	**$ 1,455,338**	**$ 1,497,749**
Effective Net Operating Income		**$ 1,914,923**	**$ 1,942,403**	**$ 1,970,109**	**$ 1,998,034**	**$ 2,026,174**	**$ 2,054,521**	**$ 2,083,071**	**$ 2,111,815**	**$ 2,140,746**
Seller Ground Lease		$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Senior Debt Service		$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604
Debt Service Coverage		113%	114%	116%	117%	119%	121%	122%	124%	126%
Residual Receipts		**$ 213,319**	**$ 240,800**	**$ 268,505**	**$ 296,430**	**$ 324,570**	**$ 352,917**	**$ 381,467**	**$ 410,211**	**$ 439,142**
LP Administrative Fee		$ 10,000	$ 10,300	$ 10,609	$ 10,927	$ 11,255	$ 11,593	$ 11,941	$ 12,299	$ 12,668
DDF Payments		$ 203,319	$ 230,500	$ 257,896	$ 285,503	$ 313,315	$ 341,325	$ 369,526	$ 397,912	$ 12,896
DDF Balance		$ 2,208,872	$ 1,978,372	$ 1,720,476	$ 1,434,973	$ 1,121,659	$ 780,334	$ 410,808	$ 12,896	$ -
Surplus Cash		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 413,579**
Partnership Surplus Allocation	**25%**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 103,395
NIB Surplus Allocation	**75%**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 310,184
NIB Loan Interest	**6.25%**	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500
NIB Loan Principal		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (127,316)
NIB Loan Balance		$ 7,437,500	$ 7,875,000	$ 8,312,500	$ 8,750,000	$ 9,187,500	$ 9,625,000	$ 10,062,500	$ 10,500,000	$ 10,627,316

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	3.50%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	$2,412,191
NIB Loan	$7,000,000

Permanent Loan Amount	$23,785,000
Loan Term	40
Core Loan Rate	6.65%
NHD & Trustee Factor	0.00%
Total Loan Rate	6.65%
Annual Debt Service	$1,701,604

		2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
INCOME											
Annual Gross Rental Income		$ 3,839,058	$ 3,915,839	$ 3,994,156	$ 4,074,039	$ 4,155,520	$ 4,238,630	$ 4,323,403	$ 4,409,871	$ 4,498,068	$ 4,588,030
Other: Ancillary Revenue		$ 67,537	$ 68,888	$ 70,266	$ 71,671	$ 73,104	$ 74,566	$ 76,058	$ 77,579	$ 79,130	$ 80,713
Total Residential Income		$ 3,906,595	$ 3,984,727	$ 4,064,422	$ 4,145,710	$ 4,228,624	$ 4,313,197	$ 4,399,461	$ 4,487,450	$ 4,577,199	$ 4,668,743
Less: Residential Vacancy/Discounts		$ (195,330)	$ (199,236)	$ (203,221)	$ (207,285)	$ (211,431)	$ (215,660)	$ (219,973)	$ (224,372)	$ (228,860)	$ (233,437)
Proforma Gross Income		**$ 3,711,265**	**$ 3,785,491**	**$ 3,861,200**	**$ 3,938,424**	**$ 4,017,193**	**$ 4,097,537**	**$ 4,179,488**	**$ 4,263,077**	**$ 4,348,339**	**$ 4,435,306**
EXPENSES											
Administration		$ 98,142	$ 101,087	$ 104,119	$ 107,243	$ 110,460	$ 113,774	$ 117,187	$ 120,703	$ 124,324	$ 128,054
Operating & Maintenance		$ 279,114	$ 287,488	$ 296,113	$ 304,996	$ 314,146	$ 323,570	$ 333,277	$ 343,276	$ 353,574	$ 364,181
Utilities		$ 400,714	$ 412,736	$ 425,118	$ 437,871	$ 451,007	$ 464,537	$ 478,474	$ 492,828	$ 507,613	$ 522,841
Solar Generation		$ (85,366)	$ (87,927)	$ (90,565)	$ (93,282)	$ (96,080)	$ (98,963)	$ (101,932)	$ (104,990)	$ (108,139)	$ (111,383)
Staff Payroll & Benefits		$ 490,715	$ 505,436	$ 520,599	$ 536,217	$ 552,304	$ 568,873	$ 585,939	$ 603,517	$ 621,623	$ 640,271
Supportive Services		$ 48,077	$ 49,519	$ 51,005	$ 52,535	$ 54,111	$ 55,734	$ 57,406	$ 59,129	$ 60,902	$ 62,730
Property Management		$ 129,894	$ 132,492	$ 135,142	$ 137,845	$ 140,602	$ 143,414	$ 146,282	$ 149,208	$ 152,192	$ 155,236
Insurance		$ 98,308	$ 101,257	$ 104,295	$ 107,424	$ 110,647	$ 113,966	$ 117,385	$ 120,907	$ 124,534	$ 128,270
Replacement Reserves		$ 81,809	$ 84,264	$ 86,791	$ 89,395	$ 92,077	$ 94,839	$ 97,685	$ 100,615	$ 103,634	$ 106,743
Proforma Operating Expenses		**$ 1,541,408**	**$ 1,586,352**	**$ 1,632,617**	**$ 1,680,244**	**$ 1,729,273**	**$ 1,779,745**	**$ 1,831,704**	**$ 1,885,192**	**$ 1,940,256**	**$ 1,996,941**
Effective Net Operating Income		**$ 2,169,857**	**$ 2,199,139**	**$ 2,228,583**	**$ 2,258,180**	**$ 2,287,920**	**$ 2,317,791**	**$ 2,347,784**	**$ 2,377,885**	**$ 2,408,083**	**$ 2,438,364**
Seller Ground Lease		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Senior Debt Service		$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604	$1,701,604
Debt Service Coverage		128%	129%	131%	133%	134%	136%	138%	140%	142%	143%
Residual Receipts		**$ 468,253**	**$ 497,535**	**$ 526,979**	**$ 556,576**	**$ 586,316**	**$ 616,187**	**$ 646,180**	**$ 676,281**	**$ 706,479**	**$ 736,760**
LP Administrative Fee		$ 13,048	$ 13,439	$ 13,842	$ 14,258	$ 14,685	$ 15,126	$ 15,580	$ 16,047	$ 16,528	$ 17,024
DDF Payments		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DDF Balance		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Surplus Cash		**$ 455,205**	**$ 484,096**	**$ 513,137**	**$ 542,319**	**$ 571,630**	**$ 601,062**	**$ 630,600**	**$ 660,234**	**$ 689,951**	**$ 719,736**
Partnership Surplus Allocation	**25%**	$ 113,801	$ 121,024	$ 128,284	$ 135,580	$ 142,908	$ 150,265	$ 157,650	$ 165,059	$ 172,488	$ 179,934
NIB Surplus Allocation	**75%**	$ 341,404	$ 363,072	$ 384,853	$ 406,739	$ 428,723	$ 450,796	$ 472,950	$ 495,176	$ 517,463	$ 539,802
NIB Loan Interest	**6.25%**	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500	$ 437,500
NIB Loan Principal		$ (96,096)	$ (74,428)	$ (52,647)	$ (30,761)	$ (8,777)	$ 13,296	$ 35,450	$ 57,676	$ 79,963	$ 687,542
NIB Loan Balance		$ 10,723,412	$ 10,797,840	$ 10,850,488	$ 10,881,249	$ 10,890,026	$ 10,876,730	$ 10,841,279	$ 10,783,604	$ 10,703,641	$ 10,601,339

Borrower Financing Representation

Proposed Project:

To facilitate review and approval of financing by the Nevada State Board of Finance for the proposed project the sponsor/borrower should demonstrate it has evaluated reasonable alternative financing providers/programs. Select Option A and provide the requested information. Should the sponsor/borrower prefer not to provide, or be unable to provide, information requested in Option A, select Option B.

A narrative discussion of the rationale for selection of your proposed lender would be helpful and can be provided in the Sponsor/Borrower Statement section. This would be particularly useful should you select Option B.

☐ **Option A**

Lender	Rate	Fees

☒ **Option B**

Sponsor/Borrower Statement:

Carville Park, a residential complex in Reno, Nevada, is set for an extensive renovation that aims to improve the quality of life for its residents while ensuring long-term affordability and sustainability. This redevelopment project is a significant undertaking, involving a multiple financing sources. The following narrative provides a high-level summary of the proposed financing structure and key participants. The financing structure of the Carville Park redevelopment is a multifaceted arrangement, involving various sources of funds and intricate financial mechanisms. The primary elements in this structure include the AFL-CIO Housing Investment Trust (AFL-CIO HIT), Short Term Cash Collateralized Tax-Exempt Bonds, and a construction to permanent loan program, HUD 221(d)(4).

Financing Structure

Short Term Cash Collateralized Tax-Exempt Bonds

The redevelopment project will use Short Term Cash Collateralized Tax-Exempt Bonds, a financing tool created by Tiber Hudson LLC. These municipal issuer bonds have a short maturity date (around 3 years) and are subject to mandatory tender after an initial period. This bond issuance ensures the project meets the "50% test" under the Internal Revenue Code, qualifying it for 4% low-income housing tax credits. The bonds, sold to public investors by an underwriter, are rated at the highest level and fully funded at closing. The bond proceeds are held under a bond trust indenture with a trustee, guaranteeing full cash-collateralization at all times.

HUD 221(d)(4)

The HUD 221(d)(4) program is a vital component of the financing structure for the Carville Park redevelopment. This program, authorized by the National Housing Act, provides construction and permanent financing to projects like Carville Park. Benefits include:

- Proceeds are sized on a 1.15x amortizing Debt Service Coverage Ratio (DSCR) which are not subject to resizing at conversion.
- 24–36-month construction period converting to a 40-year fixed rate loan at completion
- Attractive fixed rate long term debt w/ 40-year amortization schedule
- AFL-CIO HIT is active in Ginnie Mae MBS market

Team

The Carville Park redevelopment project, aimed at improving resident quality of life and building a more sustainable community, is bolstered by the financial support and expertise of strategic partners. Merchants Bank of Indiana, the originating bank for the HUD 221(d)(4) loan, leverages its experience with AFL-CIO HIT and Short-Term Cash Collateralized Tax-Exempt Bonds to ensure smooth financing. Furthermore, Stifel, a full-service wealth management and investment banking firm, serves as the bond underwriter, responsible for marketing and selling the bonds, thus providing liquidity.

The financing team was primarily chosen due to their prior experience of successfully collaborating and financing projects alongside the AFL-CIO HIT. This experience is a crucial factor in reducing the project's risk.

AFL-CIO HIT

The AFL-CIO Housing Investment Trust (AFL-CIO HIT) is crucial in the project's financing structure, investing based on the Nevada State Infrastructure Bank's contribution, pending standard review and approval. AFL-CIO HIT's participation optimizes the HUD

221(d)(4) structure via split construction/perm rates, allowing the borrower to lower the long-term rate by raising the construction period rate. Additionally, AFL-CIO HIT fosters a strong borrower/lender relationship, providing vital project support beyond financial aspects. Benefits of AFL-CIO HIT involvement include:

<u>Optimized HUD 221(d)(4) Structure</u> One of the primary benefits of AFL-CIO HIT's involvement in the Carville Park redevelopment project is the optimization of the HUD 221(d)(4) structure. This is achieved through split construction/perm rates, which effectively allows the borrower to buy down the permanent (long-term rate) by increasing the rate during the construction period. This optimization of the HUD 221(d)(4) structure reduces the financing costs for the project and allows for greater financial flexibility.

<u>Enhanced Borrower/Lender Relationship</u> Beyond the economic benefits, the involvement of AFL-CIO HIT enhances the borrower/lender relationship for the Carville Park redevelopment project. This strengthened relationship provides an essential support system for the project, ensuring that the borrower has access to the financial resources and expertise necessary for successful redevelopment.

Borrower Signature:

1244 Carville Drive LLC
a Nevada limited liability company

By: Canopy HoldCo LLC
a Wyoming limited liability company, its managing member

By: Canopy ParentCo LP
a Wyoming limited partnership, its sole member

By: V. Atkins
Victor S. Atkins, its general partner

Background

Carville Park Apartments (the "Property") is a 52-unit (208-bed) 100% subsidized Section 8 project currently serving low-income residents with an emphasis on the elderly and disabled. Spanning 4.4 acres, the 2-story garden style community has been owned and operated as affordable housing by the Northern Nevada Building & Construction Trades Council Development Corporation since its original construction in 1979.

Metro Area	Reno-Sparks MSA
Address	1244 Carville Drive
City, State	Reno, Nevada
Zip Code	89512
Census Tract	18.01

Today, as Reno, like many cities, faces an increasingly severe shortage of affordable housing, the existence of projects like Carville Park Apartments has grown in importance. The housing crisis has reached a tipping point, leaving the most vulnerable members of the community with limited options for a place to call home. The demand for affordable housing, especially among those with the lowest incomes, continues to rise while the number of available units dwindles at an alarming rate.

Affordable Demand: ▲ +20%

Over the past 10-years, the number of elderly households living in the Reno metro with annual incomes at or below $34,499 has increased by +2,951 (20.3%).

Affordable Supply: ▼ -34%

Over the same period, the metro has seen a 34% reduction in the supply of rental housing affordable to low-income households (at 3x rent to income).

Carville Park Apartments currently makes up a significant portion of the affordable housing available for those at the lowest income levels and ensuring its long-term preservation and affordability is imperative for not only the residents but the community as a whole. The Partnership's objective is to preserve and ensure the long-term affordability of a project that constitutes ± 30% of the metro's supply of federally subsidized units.[a]

Property Location, Access & Amenities

Located in the East University neighborhood of Reno, Nevada, the Property's offers residents' direct access to a wide array of parks, senior and low-income supportive services, public services, and other facilities and amenities.

The Property's convenient location ensures easy access to everything our residents may need. Just north of downtown Reno, it places residents within reach of the active city center while maintaining a neighborhood feel. The proximity to major transportation routes and public transit options is a significant advantage. With the freeway less than five minutes away and two bus lines (5 and 15), located just steps from the Property, residents can travel with ease and freedom. What truly sets the location of the Property apart is its seamless connection to essential amenities. Multiple grocery stores and food banks are conveniently located nearby, making it possible for residents to access fresh and affordable food options. Additionally, being within walking distance of Washoe County Senior Services is a tremendous asset. This will allow residents direct access to a range of specialized programs, support networks, and social activities specifically tailored to their needs.

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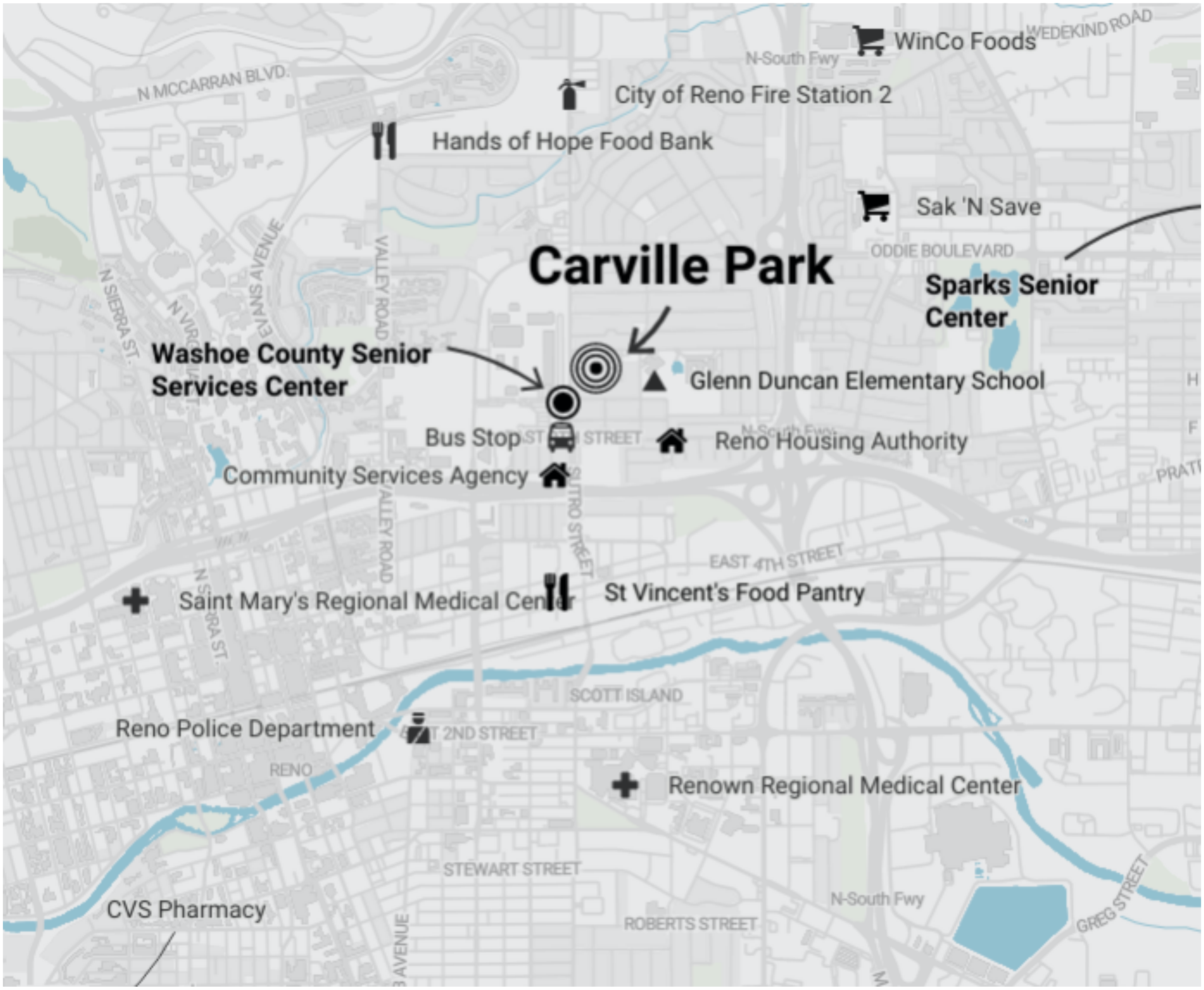
[a] **Supply** Carville Park's 208 federally assisted units represent nearly 30% of the current supply of project-based units in the Reno-Sparks HUD Metro Area — 700 units in total.

Source: HUD Resource Map

Qualified Census Tract [a]	**Yes**
Low-Income Community [b]	**Yes**
Low Median Household Income Area [c]	**Yes**
High Need Senior Well-Being Area [d]	**Yes**

High Level of Social Vulnerability Area [e]	**Yes**
Limited English Proficiency Area [f]	**No**
Untapped Solar Potential Area [g]	**Yes**



[a] **Qualified Census Tracts** are those in which 50% or more of the households are income eligible and the population of all census tracts that satisfy this criterion does not exceed 20% of the total population of the respective area.

[b] **Low-Income Communities** are census tracts in which the poverty rate is at least 20 percent, or the median family income does not exceed the greater of 80 percent statewide median family income or 80 percent of metropolitan area median family income.

[c] **Low Median Household Income Areas** are areas in which the median household income is much lower than that of the county as well as the state.

[d] **High Need Senior Well-Being Areas** are areas where a much larger percentage of the population is over the age of 65, including a larger population of seniors living alone and seniors with a disability than the surrounding areas.

[e] **High Level of Social Vulnerability Areas** are census tracts which has a high level of social vulnerability as determined according to the Social Vulnerability Index developed by the Centers for Disease Control and Prevention of the U.S. Department of Health and Human Services.

[f] **Limited English Proficiency Areas** are areas with a higher level of limited English proficient individuals (those 5 years or older who self-identify as speaking English less than "very well") as compared to the state.

Source: LEP.gov

[g] **Untapped Solar Potential Area** is an area that the state of Nevada has been identified as having low usage and high potential for solar.

Source: ESRI

Vision

As the Property sits today, the unit mix is entirely comprised of 4-bed/4-bath “quad” units with the residents of each “quad” sharing a central communal living area (kitchen, living room, patio, etc.). Due to the unique unit mix, the Property is leased to tenants on a “by-the-bed” basis with the existing section 8 HAP contract providing subsidies for up to 208 residents.

The Partnership envisions renovating the Property into a vibrant, environmentally sustainable and amenity rich community with the ability to continue its affordability in perpetuity. The Property will continue to serve low-income tenants with an emphasis on the elderly. Our primary goal is to improve the quality of life for our residents by providing them with the environment, amenities, and services they need to thrive.

To achieve this, we plan to convert the existing shared "quad" units into 208 private studios and 1-bedroom units, each with a full kitchen, bathroom, and living space. The individual studios and 1-bedroom units will offer residents more privacy, independence, and a comfortable living space.

Along with the reconfiguration of units, the redevelopment plan includes repairs and upgrades to the Property’s interior, exterior, and common areas, as well as the installation of new energy efficient appliances, fixtures, and finishes. We will also be improving the building's energy efficiency with the installation of new windows, HVAC systems and energy-efficient lighting. The Project envisions adding a range of new amenities and services, including on-site health services, recreational activities, and community events.

Overall, our goal is to create a community that offers residents a high quality of life and a safe, comfortable, and affordable home. This redevelopment project will help to achieve that goal, while also creating high-quality jobs and economic opportunities for the local community.

Social, Environmental & Economic Impact

Affordable housing is a crucial element in addressing the diverse needs of communities, and the redevelopment of Carville Park Apartments is poised to make a significant difference in the lives of many residents. The following section delves into the various social, environmental, and economic impacts of this transformative initiative, exploring how it preserves at-risk housing, improves health and wellness, increases access to resources, incorporates sustainable design, creates high-quality jobs, and ensures long-term affordability. Furthermore, we'll discuss the AFL-CIO HIT Matching Funds' role in bolstering the project's economic impact, demonstrating the far-reaching benefits of prioritizing affordable housing redevelopment.

Social Impact: Preserve At-risk Affordable Housing

There is a widespread shortage of affordable and available housing both nationally and locally, especially for the lowest-income renters. This Project would preserve and drastically improve existing affordable homes primarily occupied by low and extremely low-income seniors, a vulnerable population in need of safe, stable, and affordable housing. Preserving the affordability and improving the quality of the Property will have wide-spread benefits not just for the residents but also for the community.

It will offer a home and a community atmosphere to some of the area’s lowest-income residents, with direct access to public transportation, parks, government and nonprofit services, and other facilities. The Project will seamlessly blend into the neighborhood, minimizing disruption since the Property is already serving as affordable housing. Moreover, the Project will extend the existing in place restrictions, ensuring the Property remains affordable well into the future. By creating a stable and affordable property, the Project aims to provide low-income seniors with a long-term and secure home while benefiting the community by preserving much-needed affordable housing for a vulnerable population.

Social Impact: Improve Health and Wellness of Residents

A key objective of the Project is to improve the health and wellness of its residents by providing private and self-sufficient units, along with low or no-cost on-site supportive services. The updated unit floor plans will address health concerns related to communal living, especially highlighted by the COVID-19 pandemic. By providing private and self-sufficient homes, residents will have better control over their environment which can reduce the spread of illness. The Project also aims to offer on-site supportive services that cater to the needs of the residents addressing issues such as food insecurity, social isolation, access to basic healthcare, and educational support. The Project recognizes that providing supportive services to residents is essential for improving the overall health and well-being of the community. By offering on-site services, the Project will increase the utilization of these services, providing greater access to health, social, and educational resources. Ultimately, the Project's focus on improving the health and wellness of its residents will not only benefit the individuals living at the Property but will also contribute to a healthier and more sustainable community.

Social Impact: Increase Access to Affordable Housing and Resources

The Project aims to increase access to and awareness of affordable housing opportunities and available resources by implementing effective outreach and marketing strategies that target diverse and underserved eligible persons. The Project recognizes the importance of connecting with hard-to-reach populations and intends to employ a variety of methods to achieve this, including direct outreach, community partnerships, events, tours, brochures and marketing materials, and on-site assistance. To ensure equal housing opportunity, the Project will operate without any barriers to obtaining housing, regardless of an individual's race, color, religion, national origin, gender, familial status, disability, sexual orientation, gender identity, or gender expression. The Equal Housing Opportunity logo or slogan will be prominently displayed in advertising, marketing materials, and on project signs, and staff will be trained both on fair housing policy and on how to appropriately offer support and assistance to potential residents. The Project will also track applicant feedback to monitor the effectiveness of the program and will continually develop more effective outreach strategies based on the findings. These efforts will help ensure that the Project is effectively marketed to diverse and underserved communities, and that all eligible people are aware of the resources available to them.

Social Impact: Increase Population Served by the Property

Due to the current SRO unit mix, leasing is limited to single person households—capping the number of people the Property can serve at 208. However, by converting the SRO “quad” units into standalone studio and one-bedroom units, the Property will be able to lease to single as well as two person households — expanding the renter pool and potentially doubling the property’s capacity.

Social Impact: Commitment to Long Term Affordability

NNBCTC DevCorp has a long-standing history as an affordable housing provider within the community and is committed to ensuring the Project's long-term affordability. The Partnership plans to take the following measures to ensure affordability extends beyond the traditional 30-year period, including:

> NNBCTC DevCorp will serve as the special member of Partnership. NNBCTC DevCorp will serve as the co-managing member of the new Partnership and will have the ability to exercise control and/or influence over major partnership decisions. This will help to ensure NNBCTC DevCorp’s long-term ownership of the Property and ability to ensure its continued affordability.

> NNBCTC DevCorp will have a purchase option and perpetual ROFR on any sale. NNBCTC DevCorp will have a Right of First Refusal (ROFR) to purchase the Partnership in the event of liquidation and one (or more) purchase options, granting the non-profit the right to acquire the interests of any remaining partners at a specified point in time(s). This purchase option will ensure that NNBCTC DevCorp has the ability to regain full control of the Property.

These strategic steps demonstrate the Partnership’s shared vision and the NNBCTC DevCorp’s commitment to another 50 years of service and provide the legal mechanisms to ensure the Property remains affordable for many years to come.

Environmental Impact: Sustainable Design, Construction & Operations

The Project aims to be a leading example of sustainable residential housing design, construction and operations. The Project's commitment to high-quality and sustainable building practices is evident in the design choices and selection of environmentally friendly materials and energy efficient and water saving fixtures and finishes. The Projects plans for 100% of the units to be ENERGY STAR certified multifamily units meeting the ENERGY STAR Multifamily New Construction National program requirements and Nevada state energy requirements. The Project is pursuing the integration of solar panels on roofs and newly constructed car ports, to further reduce the Property's environmental impact. The renovated units will consume at least 50 percent less energy for heating and cooling as compared to a non-energy-efficient unit, with the building envelope at least 10 percent more efficient than that of a similar non-efficient unit. These goals align with Nevada's Climate Strategy objectives, including reducing greenhouse gas emissions and increasing energy production from zero carbon dioxide emissions sources. The Project is committed to sustainable building practices and ensuring that its operations promote environmental sustainability while providing high-quality, affordable housing for its residents.

Environmental Impact: PV Solar Generation – Net Zero Consumption

The current construction scope includes the installation of a solar production and storage system on rooftops and car ports – the system has been sized to off-set nearly all the Project's forecast energy needs.

Solar System

Projected energy consumption, solar system generation and net energy consumption.

Energy Consumption / Production		**Annual**
Energy Generation: PV Solar		557,231 kWh
Energy Consumption		668,678 kWh
Energy Generation Surplus / (Gap)		**(111,447 kWh)**
Net Energy Offset		83.33%
Utility Expense Reduction	**$**	**65,297**

Equipment: Mission Solar MSE430SX9Z Panels (812x)

Source: The Canopy Companies, Internal Estimates • BigSun Solar Study

See Exhibit 1B for additional detail.

Economic Impact: Creation of High-Quality Jobs

The Partnership is dedicated to ensuring that all individuals working on the Project are fairly compensated, both during the construction phase and throughout operations. All construction will be performed under a to be negotiated project labor agreement to ensure that construction work is performed under equitable conditions. In addition to construction jobs, the Project will create permanent positions offering workers a living wage with full benefits and a pension. The Project also intends on participating in the northern Nevada apprenticeship program in order to help address the community needs of training the next generation of skilled workers with an emphasis on adding more women and minorities to the profession.

The Project plans for more than 50% of work within each construction trade performed by residents of Nevada, with more than 15% of the work within each construction trade performed by disadvantaged workers, and more than 15% of the work within each construction trade performed by apprentices (including at least 5% first-year apprentices).

The Project would create approximately 131 high-quality construction jobs (263,890 hours) as well as six permanent positions. By honoring prevailing wages, prioritizing union labor and embracing the use of apprentices, the Project will create sustainable and equitable high-quality jobs, improving the economic outcomes for hard working residents of Nevada.

Economic Impact ($'000s USD)

Construction phase's projected local, state and federal economic impact: estimates include direct, indirect and induced economic benefits.

Economic Impact	Direct	Indirect	Induced	Total
Output Generated	$27,077	$6,816	$16,202	**$50,096**
Gross Wages + Benefits Generated	$18,124	$2,464	$5,385	**$25,972**
Number of Jobs Generated	147	40	99	**286**
Hours of Work Generated	294,375	76,865	183,744	**554,984**
Average Hourly Wage + Benefits	**$61.6**	**$32.1**	**$29.3**	**$46.8**
State and Local Taxes Generated	$1,000	$279	$823	**$2,102**
Federal Taxes Generated	$3,520	$503	$1,163	**$5,186**
Total Taxes Generated	**$4,521**	**$781**	**$1,985**	**$7,287**

Source: AFL-CIO HIT, Internal Estimates

Economic Impact: +$65M of matching Funds from AFL-CIO HIT

The Partnership has secured a Letter of Interest from the AFL-CIO Housing Investment Trust to invest based on the investment provided by the Nevada State Infrastructure Bank, subject to the Trust's standard review and approval process. An infusion of outside capital into the community, such as the investment from the AFL-CIO Housing Investment Trust, will have far-reaching impacts beyond just this particular project – it will trigger further economic development, stimulate job creation, and draw in subsequent investments. Moreover, the funds enable the Nevada State Infrastructure Bank to successfully maximize its investment – achieving a 20-fold leverage in the case of Carville Park Apartments – which will enable the Bank to finance an increased number of affordable units.

Pension Matching Investment

Summary of the investment commitment(s) made by the AFL-CIO Housing Investment Trust (AFL-CIO HIT), the funding request from the Nevada State Infrastructure Bank (NIB) and the multiplier the Bank is expected to generate on it's investment.

Source of Funds	Investment
AFL-CIO HIT Investment: Construction financing through direct tax credit equity bridge loan	14,000,000
AFL-CIO HIT Investment: Construction financing through purchse of tax exempt private activity bonds	30,000,000
AFL-CIO HIT Investment: Construction and permanent financing through purchse of HUD 221(d)(4).	23,875,000
AFL-CIO HIT Investment: Total	**67,875,000**
NV State Infrastructure Bank Investment	7,000,000
NIB Investment Multiplier	**9.70x**

NIB Investment Multiplier = AFL-CIO HIT Total Investment / NIB Investment

Source: The Canopy Companies, Internal Financial Projections •

Construction Scope

Over the 21-month construction period, the redevelopment plan includes investing $24M (hard cost) to fully reconfigure, renovate, redesign, and modernize the units, and update and reimagine the common spaces and resident amenities. The construction scope prioritizes energy efficient upgrades and those aimed at extending the useful life of the Property while lessening its environmental impact.

Building Characteristics

Select building characteristics, including: building construction, construction materials, and building area.

Information	
Residential Buildings:	Ten (10) 2-story residential buildings
Community Buildings:	One (1) single story community center
Construction Type:	Garden, 1 & 2-story
Built:	1979
Rentable Building Area:	70,966 SF
Gross Building Area:	82,095 SF
Number of Units:	209
Roof:	Pitched, Asphault Shingle
Foundation:	Pier and Beam
Structure:	Wood Frame

Unit Interior: “Quad” Conversion

The proposed conversion of the ±1,500 SF "quad" floorplans aims to transform the existing layout into four individual units, maximizing space utilization and enhancing privacy for the occupants. Currently, the quad floorplan consists of four Single Room Occupancy (SRO) units surrounding a shared common kitchen and living area, which does not cater to the modern needs of occupants seeking more personal space and autonomy.

To achieve this conversion, each quad will be divided into one 495 SF one-bedroom, one-bathroom unit, and three separate studio apartments each with a private bathroom, ranging from 292 SF to 361 SF. This redesign will eliminate the shared common areas, giving each unit its own dedicated living, cooking, and bathing facilities. This change will not only provide added convenience for the residents but will also increase the overall appeal of the units to prospective renters.

In order to create these individual units, the existing floorplan will undergo strategic partitioning, bearing in mind optimal functionality and efficient use of space. The one-bedroom unit will be designed to accommodate a separate bedroom, a bathroom, a compact kitchen, and a living area, while the studio apartments will incorporate open-concept layouts that combine living and sleeping areas, a bathroom, and a small kitchenette.

Unit Interior: Finishes & Amenity Package

The unit interiors will be completely renovated and updated to create contemporary and stylish private 1-bedrooms and studios. Each unit will be equipped with its own kitchen, featuring a sink, fridge, stove, and microwave, along with new modern cabinets and countertops. We will also install new stylish flooring and modernize the existing bath areas, along with adding accessibility upgrades. Throughout the units, the old fixtures and finishes will be replaced with sophisticated and stylish water and energy saving upgrades and energy efficient LED lights to improve the Property’s efficiency and reduce energy consumption. Our goal is to create functional and efficient living spaces while improving the residents' health, wellness, and happiness. We will incorporate thoughtful and creative design to enhance the residents' independence, privacy, and comfort. Additionally, we will prioritize resident safety by adding fire suppression and alarm monitoring. The Property's updates aim to provide residents with an inviting and comfortable living space, while promoting energy conservation and sustainability.

The preliminary scope of work includes…

- New individual kitchens including ENERGYSTAR rated appliances, new cabinetry, solid surface countertops, upgraded hardware & water conscious fixtures.
- Modernize existing bath areas including new vanity, solid surface countertops, plumbing, hardware, and water efficient fixtures.
- Full replacement of existing lighting with energy efficient LED lighting.
- Full replacement of existing carpet flooring with resilient LVT.
- Full replacement of interior doors, baseboards, and trim.
- New plugs and switches throughout.

Buildings: Exterior Modernization & Upgrades

To better serve residents and create a modern and high-end atmosphere, the Property's exterior and amenities will undergo a complete transformation. All buildings will be repainted and updated with new siding and railings, while patios and balconies will be repainted and repaired. Large, energy-efficient windows and sliding doors will be installed, promoting sustainability while bringing additional light into the units.

The preliminary scope of work includes…

- Full repaint.
- New high efficiency windows and patio doors.
- New siding, facia, soffits, and trim (repair when possible).
- Modernize railings & patio surrounds.
- Substantial repairs to exterior stairs, treads, and landings.
- Updated signage and landscaping.

Buildings: Community Center & Amenities

The community center and leasing office will be updated and reconfigured to better suit residents' needs. Onsite amenities will include a newly designed lobby area, a modernized leasing office, a mail area, outdoor sitting areas, a fully equipped fitness center, bike racks, a business center, a library, a multi-purpose space, and a laundry room. These amenities are designed to offer residents a range of options for relaxation, socialization, and physical activity, all within the comfort of their community.

The preliminary scope of work includes…

- Modernize common spaces and amenities, including lobby, leasing office, mail area, rec room, flex space, laundry room, library, business center, bike racks, outdoor areas and sitting areas

Buildings: Overhaul of Existing Systems

The Property was constructed in 1979 and many key building systems are almost 50-years old and are rapidly approaching the end of their effective useful life. The building systems will be revamped, and the components updated, repaired, or replaced as needed. The primary objective of all non-cosmetic upgrades will be to maximize the remaining useful life of the existing structures.

The preliminary scope of work includes…

- Full roof replacement.
- Full HVAC upgrade.
- Installation of ENERGYSTAR water heaters.
- Substantial replacement of existing domestic water and drain lines.
- Electrical panel replacement & rewire.
- Fire suppression and alarm system

Energy Generation: PV Solar & Storage System

As part of its commitment to sustainability, the Project plans to install roof mounted solar panels and/or solar panels on newly constructed carports at the Property. The system is forecast to generate 390,000 kWh annually, offsetting ± 100% of the Property's total energy consumption, reducing the Property's environmental impact.

The Property is ideally located in an Untapped Solar Potential Area that the state of Nevada has identified as having low usage and high potential for solar.

Uses ('000 USD)

Projected base case development uses of funds from acquisition through stabilization / loan conversion.

Use of Funds	Amount
Purchase Price	11,000
Transaction & Closing Costs	80
Construction Contract	18,400
GC Contingency: 5.0%	920
GC Profit & Overhead: 14%	2,705
P&P Bonds & Insurance: 1%	220
Owner Contingency: 10%	2,224
Soft Development Costs	3,338
Capitalized Carrying Charges	608
Capitalized Interest	5,033
Financing Costs & Fees	1,905
Syndication Costs	100
Net Working Capital	1,884
Developer Profit	6,980
Total	**55,398**

Development Team & Ownership Structure

The Project is a joint venture between the Northern Nevada Building & Construction Trades Council Development Corporation, a Nevada nonprofit with the mission of providing affordable housing to the residents of northern Nevada, and Canopy, an affordable housing development company with a focus on historic preservation and environmental sustainability, and significant experience utilizing and prioritizing union labor.

Developer / Managing Member: The Canopy Companies

At The Canopy Companies ("Canopy" or "Developer"), our mission is to weave together the threads of community, history, and affordability to create a vibrant tapestry of thriving communities. We are passionate about revitalizing communities by preserving their rich heritage and fostering strong, meaningful connections among our residents. Our commitment to affordable housing is unwavering, as we believe that everyone deserves a welcoming, nurturing place to call home.

With a focus on integrity, transparency, and collaboration, we aim to build trust with our investors and partners, ensuring that our projects yield benefits for all stakeholders involved. Through innovative thinking and a dedication to going the extra mile, we strive to deliver Projects that make a real impact on the community.

As an emerging commercial real estate firm, Canopy may be small, but we are mighty in spirit. Our close-knit team has consistently demonstrated resilience, creativity, and fearlessness in embracing the path less traveled—this has now become a cornerstone of the company's culture.

The principals bring over 25 years of combined experience investing, developing and operating in the multifamily space, overseeing the acquisition, renovation, stabilization, and sale of properties with a total capitalized value of more than $500 million across eight states. Through its projects, Canopy has generated hundreds of construction jobs and permanent positions.

Through a hands-on and proactive approach, the Canopy team possesses the expertise required to take complex projects from idea to fruition. The effective management of challenging and involved construction projects is one of the teams' greatest strengths. The company has a proven track record of architecting and delivering on projects that address the specific needs of all stakeholders through thoughtful corporate structuring, utilization of state and federal tax incentives and forging genuine relationships with our partners and residents.

Development Experience

The Canopy executive team's extensive experience makes them an ideal partner for the Project under consideration. Their expertise in temporary resident relocation (both on and off-site) demonstrates their commitment to minimizing disruption for tenants during the development process. Their knowledge of tenant and project-based rental assistance, including new voucher issuance and mark-up-to-market contracts, ensures that they can navigate complex financial structures effectively.

Furthermore, the team's experience in union labor relations, including the negotiation of Project Labor Agreements (PLAs) and Collective Bargaining Agreements (CBAs), highlights their ability to work cooperatively with labor organizations. They also understand potential pension withdrawal liability exposure, which is crucial for managing long-term financial risks.

The Canopy team's experience with state and federal tax credits, such as low-income housing and historic preservation tax credits, shows their proficiency in securing crucial funding for multifamily development projects. This expertise is invaluable for the Project under consideration, as it may require a combination of these tax credits to achieve its goals.
Overall, the Canopy team brings the level of experience necessary to successfully develop a multifaceted and intricate project such as Carville Park Apartments.

Sponsor / Special Member: NNBCTC Development Corp.

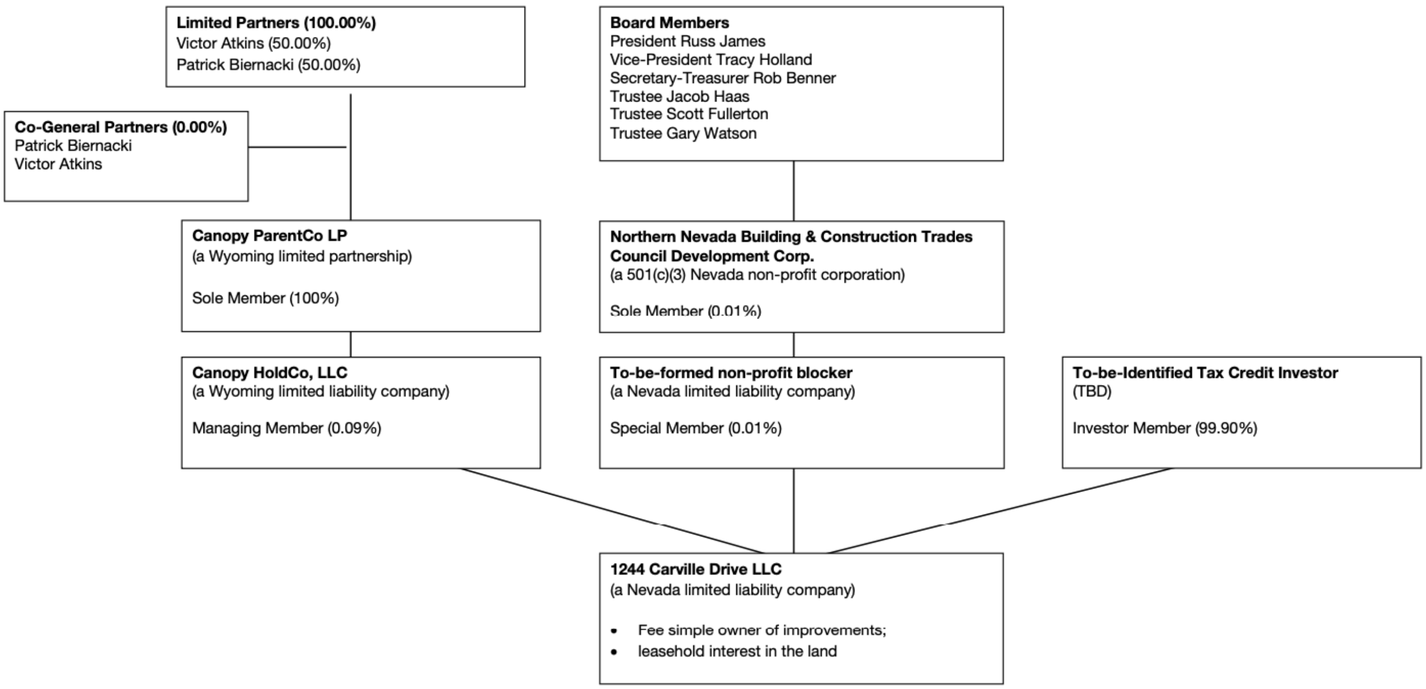
The Northern Nevada Building & Construction Trades Council Development Corporation ("NNBCTC DevCorp") has been serving its mission of providing affordable housing to the low-income residents of northern Nevada since 1978. It has decades of experience owning, developing, operating, and managing affordable communities in the Reno area.

Ownership Structure

The Property will be 100% owned by 1244 Carville Drive LLC (the "Company"). The Northern Nevada Building & Construction Trades Council Development Corporation or its to be formed wholly owned subsidiary will hold a 0.01% Special member interest in the Company. A wholly owned affiliate of The Canopy Companies will hold a 0.09% Managing

Member Interest in the Partnership. A to be determined tax credit investor will hold a 99.90% Investor Member Interest in the Company.

Organizational Chart (Proposed)



Nevada Housing Division Multi-family Tax-Exempt Bond Program

Development Executive Summary

Development: Carville Park
Development Type: Acquisition and Reha
BoF Meeting Date: 12.21.23

Administrator's Summary

This bond issuance will be used to provide for the acquisition and rehabilitation of a 52-unit affordable family apartment complex in Reno with the result being an affordable family development with 209 units. The rental housing will serve 208 households at or below 60% of area median income with one unit reserved for an onsite manager. The site is conveniently located near retail, schools, health services, and transportation options. This project will preserve and create additional new affordable units which will retain the rent restrictions for 30 years. The Northern Nevada Building & Construction Trades Council is a Nevada based developer and this will be their first application before the Board of Finance.

- 209 Family Units
- Acquisition and Rehabilitation
- 100% Affordable Rents
- 52 units at <60% AMI, 157 units at <50% AMI
- Studios= 156 units, 1 bedroom units = 52, 2 bedroom units = 1 (manager)
- Studio rents $314.00 less than market rate
- 1 bedroom rents $551.00 less than market rate
- Cost per unit = $266,812
- Cost per bond cap allocation = $143,540
- Developer –Northern Nevada Building & Construction Trades Council
- Equity Investor – R4 Capital
- Loan – HUD 221(d)4
- $30.0 M in Bond Proceeds trips $20.1 M in LIHTC Equity (35.9% of total development cost)

	Carville Park	Program Average	Notes
Total Tax-exempt Bond ask	$ 30,000,000	$ 27,045,000	
Total Development Cost	$ 56,181,706	$ 51,109,288	Average of last 10 Acquisition and Rehabilitation projects previously approved
Size of site	4.39 Acres	6.85	
Total # of Units	209	183	Average of last 10 Acquisition and Rehabilitation projects previously approved
Cost Per Unit	$ 266,812	$ 269,407	Average of last 10 Acquisition and Rehabilitation projects previously approved
Bond Cap used Per Unit	$ 143,540	$ 144,052	Average of last 10 Acquisition and Rehabilitation projects previously approved
Percentage of Units above 60% AMI	0.00%	n/a	1 unit in this project (manager)
Percentage of Units at 60% AMI	24.90%	67.0%	52 Units in this project
Percentage of Units at 50% AMI	74.64%	31.0%	156 units in this project
Percentage of Units at 40% AMI	0.00%	1.0%	0 units in this project
Percentage of Units at 30% AMI	0.00%	2.0%	0 units in this project
Veteran's Preference	Yes	Yes	

	Carville Park	Estimated Market Rate	Notes
Average Studio Rent	$ 866	$ 1,180	Johnson Perkins Q2 2023
Average 1 Bedroom Rent	$ 928	$ 1,479	Johnson Perkins Q2 2023
Average 2 Bedroom Rent	n/a	$ 1,518	Johnson Perkins Q2 2023
Average Vacancy Rate	n/a	2.19%	Johnson Perkins Q2 2023