

Governor Joe Lombardo



Treasurer Zach Conine
Controller Andy Matthews
Benjamin Edwards
David R. Navarro

State of Nevada
STATE BOARD OF FINANCE

PUBLIC NOTICE

AGENDA

MEETING OF THE STATE BOARD OF FINANCE

October 19, 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

101 N. Carson Street, Suite 4
Carson City, Nevada 89701
775-684-5600
Website: NevadaTreasurer.gov/BoF

3. **For discussion and possible action:** on the Board of Finance minutes from the meeting held on September 13, 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 \$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).

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 \$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.

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 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).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

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).

Presenter: Jeff Landerfelt, Senior Deputy Treasurer of Operations

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

Presenter: Steven Hale, Deputy Treasurer of Investments

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.

Presenter: Steven Hale, Deputy Treasurer of Investments

10. 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
September 13, 2023 – 10:30 am
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 10:30 am.

Board members present:

Governor Joe Lombardo – Las Vegas
Treasurer Zach Conine – Las Vegas
Controller Andy Matthews – Las Vegas
David R. Navarro – Virtual
Benjamin Edwards – Las Vegas

Others present:

Kirsten Van Ry:	Treasurer's Office
Jeff Landerfelt:	Treasurer's Office
Cari Eaton:	Treasurer's Office
Emily Nagel:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Kevin Doty:	Attorney General's Office
James Smack:	Controller's Office
Sonja Sibert:	Nevada State University
Kevin Butler:	Nevada State University

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 August 17, 2023.

Treasurer Conine moved to approve the minutes and a second by Member Edwards. Motion passed unanimously.

Agenda Item 4 – For possible action: State of Nevada Fall 2023 General Obligation Bond Issuances.

Deputy Treasurer Cari Eaton provided a high-level overview of this agenda item. She began with page 7 of the materials. She highlighted that the Nevada Legislature authorizes certain projects and funding mechanisms for projects. The State Treasurer's Office, in cooperation with other state agencies which have authority to implement those projects, coordinates the timing, rating agency

presentations, and professional services necessary to issue securities on behalf of the State. She explained that prior to the issuance of securities by the State Treasurer, a resolution describing the authority to issue securities must be approved by the State Board of Finance. She noted that the division of bonds into different series is determined by the State's bond counsel based upon whether the debt is subject to or exempt from the State's debt limit, which is the debt's revenue stream utilized to pay the debt, and the nature of the projects to be financed. All of the proposed bond series are authorized by law and conform to the parameters of the State's Constitutional Debt Limit and the General Obligation Debt Capacity and Affordability Report for the 2023-2025 Biennium. Mrs. Eaton reviewed that the State Constitution in Article 9 limits the outstanding amount of general obligation debt, with certain exceptions, to two percent of the state's assessed property valuation which currently equates to about \$3.8 billion. Currently, about \$900 million of the state's outstanding general obligation debt is subject to the constitutional debt limit, meaning about 24% of the state's constitutional debt capacity is being utilized. The Fall 2023 bond issuance is comprised of four series for a total of \$507 million. She stated that the tentative schedule for the sale is approval by the Board of Finance today, the bond sale on October 25, 2023; and the bond closing and receipt of proceeds on November 16, 2023. Approval of the resolutions must be voted on separately, as agenda sub-items.

- a. **For possible action:** Discussion and possible action on a resolution designated the "2023A Capital Improvement Bond Resolution"; approving the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Capital Improvement Bonds, Series 2023A, in the aggregate principal amount not to exceed \$455,530,000; providing the purpose for which such bonds are issued, the form, terms, and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters. See Attachment A for approval and Attachment A-1 for DMV bond supporting information.

Ms. Eaton provided a brief overview of item 4(a) the first portion is not to exceed \$62.21 million and is the third tranche of the \$280.68 million authorized by AB492 of the 2021 Legislative session for various public works CIP projects. The State Public Works Division has received two prior tranches of bond proceeds for the 2021 CIP authorization that must be spent which is approximately \$47 million prior to spending the proceeds from this issuance. She reviewed that a listing of remaining CIP proceeds is listed in Appendix 1 on page 11 of the meeting materials.

She discussed that the second portion is not to exceed \$261.28 million and is the first tranche of the \$533.7 million authorized by AB1 of the 2023 34th Special Legislative session for various public works CIP projects. The State Public Works Division may spend these proceeds concurrently with prior years' issuances. She reviewed the third portion is not to exceed \$32.05 million and is the first tranche of the \$111.3 million authorized by AB1 for various DMV CIP projects.

The final portion of this series is the LCB portion not to exceed \$100 million for LCB capital improvement projects authorized by AB1. She explained it the first time that LCB has utilized the General Obligation bond process to fund a portion of its capital improvement projects which are typically funded through appropriations. She noted all four components of this series are paid with property taxes and subject to the constitutional debt limit. The board will be approving Attachment A (page 13) to approve this series.

Motion to approve agenda item 4(a) from Member Edwards and a second from Controller Matthews. Motion passed unanimously.

- b. **For possible action:** Discussion and possible action on a resolution designated the "2023B Natural Resources and Open Space Bond Resolution"; approving the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Natural Resources and Open Space Bonds, Series 2023B, in the aggregate principal amount not to exceed \$14,500,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters. See Attachment B for approval.

Ms. Eaton continued with item 4(b) noting it as the first Natural Resources portion which is not to exceed \$12.3 million and is the first tranche of the \$43.31 million authorized by AB1 for various Open Space projects specified in AB84 of the 2019 Legislative Session. The Department of Conservation and Natural Resources has approximately \$7.2 million remaining to spend from past issuances prior to spending the proceeds from this issuance. She provided a listing of remaining Open Space proceeds which is listed in Appendix 1 on page 12 of the materials.

She reviewed that the second Natural Resources portion is not to exceed \$2.2 million and is the first tranche of the \$13 million authorized by AB1 for Environmental Improvement Program projects for the Lake Tahoe Basin specified in AB424 of the 2023 Legislative Session. She noted that DCNR State Lands Division had approximately \$7.2 million remaining to spend from past issuances prior to spending the proceeds from this issuance and stated the listing of remaining EIP Project proceeds is listed in Appendix 1 on page 12 of the materials. Both components of this series are paid with property taxes and exempt from the constitutional debt limit. The board will be approving Attachment B (page 52) to approve this series.

Motion to approve agenda item 4(b) from Controller Matthews and a second from Member Edwards. Motion passed unanimously.

- c. **For possible action:** Discussion and possible action on a resolution designated the "2023C Open Space, Parks and Natural Resources Bond Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Open Space, Parks and Natural Resources, Series 2023C, in the aggregate principal amount not to exceed \$31,005,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters. See Attachment C for approval.

Ms. Eaton reviewed that item 4(c) consists of the series not to exceed \$31.01 million and is the first tranche of the \$43.31 million authorized by AB1 for various natural resource projects specified in AB84 of the 2019 Legislative Session. The Department of Conservation and Natural Resources had approximately \$4.2 million remaining to spend from past issuances prior to spending the proceeds from this issuance. A listing of remaining Open Space proceeds is listed in

Appendix 1 on page 12 of the materials. She noted this series is paid with property taxes and subject to the constitutional debt limit. The board will be approving Attachment C (page 87) to approve this series.

Motion to approve agenda item 4(c) from Member Edwards and a second from Treasurer Conine. Motion passed unanimously.

- d. **For possible action:** Discussion and possible action on a resolution designated the "2023D Safe Drinking Water Revolving Fund Matching Bonds Approval Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2023D, in the aggregate principal amount not to exceed \$6,000,000. See Attachment D for approval and Attachment D-1 for supporting documentation.

Ms. Eaton concluded with the last series in item 4(d) noting that this is needed to provide State matching funds for an anticipated \$30 million federal grant. Per NRS 445A.290, the Treasurer may issue general obligation bonds to provide State matching funds for federal grants as required by the Safe Drinking Water Act when requested by the Administrator of the Nevada Division of Environmental Protection. She explained that the bonds in this series are self-supporting. The debt services are paid with principal and interest payments from loans made by the revolving fund. This debt is exempt from the constitutional debt limit and is not included in the affordability model. The board will be approving Attachment D (page 121) to approve this series.

Motion to approve agenda item 4(d) from Controller Matthews and a second from Member Edwards. Motion passed unanimously.

Agenda Item 5- For discussion and possible action: to request Nevada Department of Public Safety, Parole and Probation approval and authority to utilize an alternate credit card portal provider in its OTIS (Offender Tracking Information System) replacement/modernization system.

Chief Deputy Treasurer Lori Hoover presented this agenda item. She noted that the NRS 356, Section 1465 requires that the State Board of Finance to approve state agency requests to enter into a contract with issuers of credit cards or debit cards or operators of such systems that provide electronic transfer of monies to allow acceptance of credit or debit cards or electronic transfers of money by the agency. She noted that the Nevada Department of Public Safety, Parole and Probation Division is in the process of modernizing their Offender Tracking Information System known as (OTIS). This system does not allow for public facing website to access accounts and pay obligations online. She stated that the new vendor system does offer these functionalities, however, their payment solution will no connect with the Wells Fargo Merchant Service Gateway which is the current service master agreement. She explained that the NCR Payment Solutions is already fully integrated into the new vendor system and provides the online site and acceptance of online payments at no cost of the agency. The NCR Payment Solutions will receive credit card transaction fees as part of the contract. They are requesting consideration and approval of the establishment of this agreement which will allow the Nevada Department of Public Safety, Parole and Probation Division to offer public facing website to access accounts and pay obligations online.

Motion to approve this agenda item from Treasurer Conine and a second by Member Edwards. Motion passed unanimously.

Agenda Item 6- Public Comment

No public comment in Carson City or Las Vegas.

Meeting adjourned at 10:47 am.

DRAFT

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

DATE: September 29, 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 (Marble Manor I)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Thursday, October 19, 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 (Marble Manor I).

C. The Findings relate to the issuance of up to \$29,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 138-unit family apartment complex located at 1310 W McWilliams Ave., Las Vegas, Nevada (the “Project”).

D. The Housing Division will issue up to \$29,000,000 of multi-unit housing revenue bonds which will be directly placed with JP Morgan. The bond structure will consist of two phases: Construction Phase and Permanent Phase. Tax -exempt bonds in an amount not to exceed \$29,000,000 will be issued by the Division during the Construction period. The bonds are expected to be reduced to approximately \$14,100,000 following completion of construction and permanent loan conversion. The borrower entity will be a Nevada limited partnership consisting of a newly created entity serving as a 0.01% General Partner entity and The Richman Group as 99.99% investor limited partner. The Richman Group will provide an equity investment of approximately \$18,970,000 in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low-income housing tax credits 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 (Marble Manor I)."

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
Marble Manor I 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 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 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 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: _____
Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____



September 28, 2023

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

Re: Multi-Unit Housing Revenue Bonds
(Marble Manor I 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 Marble Manor I Apartments project (“Project”). The Division is requesting authorization from the State of Nevada Board of Finance for issuance of up to \$29,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund new construction of this mixed-use family housing property located in Las Vegas.

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, equity investor 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 JPMorgan Chase Bank, N.A. (“JPMorgan”) which will provide both construction period and permanent financing. The overall financing is reviewed in greater detail in Exhibits A and B.

The proposed Project is viewed positively in the local community with funding provided both by the City of Las Vegas and 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 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 was submitted by the Borrower.

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

Sincerely,

PFM Financial Advisors LLC

Fred Eoff
Director

Project Overview and Plan of Finance

The Project

The Project will be the phase one of a five-phase new construction housing project to be located at 1310 W. McWilliams Ave. in Las Vegas. The Project will contain 138 restricted and market rate family rental units be situated on a 4.21-acre site. It will be configured with a mix of one, two, three, four and five-bedroom units and will also contain approximately 4,100 square feet of retail space.

Summary details of the configuration of the 138 units, size and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile								
	Unit Mix	Number Units	Unit Size (SF)	Gross Monthly Rent ¹	Less Utility Allowance	Tenant Share Monthly Rent ²	Total Monthly Revenue	Total Annual Revenue
<u>Standard Restricted Income Units:</u>								
	<u>1 Bedroom</u>							
	< 40% AMI	1	650	\$ 650	\$ 77	\$ 573	\$ 573	\$ 6,876
	< 50% AMI	3	650	\$ 812	\$ 77	\$ 735	\$ 2,205	\$ 26,460
	< 60% AMI	17	650	\$ 975	\$ 77	\$ 898	\$ 15,266	\$ 183,192
	<u>2 Bedroom</u>							
	< 40% AMI	2	1,000	\$ 780	\$ 102	\$ 678	\$ 1,356	\$ 16,272
	< 50% AMI	4	1,000	\$ 975	\$ 102	\$ 873	\$ 3,492	\$ 41,904
	< 60% AMI	19	1,000	\$ 1,170	\$ 102	\$ 1,068	\$ 20,292	\$ 243,504
	<u>3 Bedroom</u>							
	< 40% AMI	1	1,400	\$ 901	\$ 128	\$ 773	\$ 773	\$ 9,276
	<50% AMI	1	1,400	\$ 1,126	\$ 128	\$ 998	\$ 998	\$ 11,976
	<60% AMI	7	1,400	\$ 1,351	\$ 152	\$ 1,199	\$ 8,393	\$ 100,716
<u>HUD RAD Replacement Units:</u>								
	<u>1 Bedroom</u>							
	< 30% AMI	2	650	\$ 822	\$ 77	\$ 745	\$ 1,490	\$ 17,880
	< 40% AMI	2	650	\$ 822	\$ 77	\$ 745	\$ 1,490	\$ 17,880
	< 50% AMI	2	650	\$ 822	\$ 77	\$ 745	\$ 1,490	\$ 17,880
	<u>2 Bedroom</u>							
	< 30% AMI	3	1,000	\$ 997	\$ 102	\$ 895	\$ 2,685	\$ 32,220
	< 40% AMI	3	1,000	\$ 997	\$ 102	\$ 895	\$ 2,685	\$ 32,220
	< 50% AMI	4	1,000	\$ 997	\$ 102	\$ 895	\$ 3,580	\$ 42,960
	<u>3 Bedroom</u>							
	< 30% AMI	2	1,400	\$ 1,400	\$ 128	\$ 1,272	\$ 2,544	\$ 30,528
	< 40% AMI	2	1,400	\$ 1,400	\$ 128	\$ 1,272	\$ 2,544	\$ 30,528
	<u>4 Bedroom</u>							
	< 40% AMI	2	1,550	\$ 1,666	\$ 152	\$ 1,514	\$ 3,028	\$ 36,336
<u>HUD Tenant Choice (TPV) Units:</u>								
	<u>1 Bedroom</u>							
	< 60% AMI	6	650	\$ 1,333	\$ 77	\$ 1,256	\$ 7,536	\$ 90,432
	<u>2 Bedroom</u>							
	< 60% AMI	12	1,000	\$ 1,603	\$ 102	\$ 1,501	\$ 18,012	\$ 216,144
	<u>3 Bedroom</u>							
	<50% AMI	2	1,400	\$ 2,278	\$ 128	\$ 2,150	\$ 4,300	\$ 51,600
	<60% AMI	5	1,400	\$ 2,278	\$ 128	\$ 2,150	\$ 10,750	\$ 129,000
	<u>4 Bedroom</u>							
	<50% AMI	2	1,550	\$ 2,710	\$ 152	\$ 2,558	\$ 5,116	\$ 61,392
	<60% AMI	3	1,550	\$ 2,710	\$ 152	\$ 2,558	\$ 7,674	\$ 92,088
	<u>5 Bedroom</u>							
	<60% AMI	1	1,850	\$ 2,900	\$ 170	\$ 2,730	\$ 2,730	\$ 32,760
<u>Market Rate Units:</u>								
	1-Bdrm	10	650	\$ 1,256		\$ 1,256	\$ 12,560	\$ 150,720
	2-Bdrm	15	1,000	\$ 1,501		\$ 1,501	\$ 22,515	\$ 270,180
	3-Bdrm	5	1400	\$ 2,150		\$ 2,150	\$ 10,750	\$ 129,000
						Total Annual Revenue		\$ 2,121,924
¹ 2023 Income Limits (Las Vegas-Henderson-Paradise, NV MSA and HUD project based voucher contracts for HUD RAD and HUD TPV Units).								
² Assumes 30% of Average Housing Income								

Project Developers

Brinshore Development, LLC
1603 Orrington, Ave.
Evanston, IL 60201

Affordable Housing Program, Inc.
340 N. 112th Street
Las Vegas, NV 89101

Brinshore Development, LLC (“Brinshore”) has been an active developer/owner of affordable multifamily properties since 1995. Initially, Brinshore’s development activities were concentrated in Illinois but in later years they have diversified their efforts and have successfully developed properties in Indiana, Nebraska, Virginia, Washington, DC, Michigan, South Carolina, Arizona, Missouri, Colorado, Texas and Utah. These projects represent 7,641 residential rental units at a combined development cost of approximately \$1,872,000,000. Brinshore maintains its corporate office in Chicago with additional development offices in Houston, Kansas City, Denver and Los Angeles.

Southern Nevada Regional Housing Authority (“SNRHA”) was formed in 2010 through the consolidation of three housing authorities in the Las Vegas Valley. SNRHA operates 2,148 public housing units and 1,457 affordable housing units. SNRHA is the 32nd largest public housing authority in the country. Affordable Housing Program, Inc (“AHP, Inc.”) is a non-profit affiliate of SNRHA formed primarily to function as co-borrower and participant in tax-credit partnerships.

Borrower Entity

The borrower/ownership entity will be a newly created legal entity serving as the 0.001% Managing Member and The Richman Group (“Investor”) as a 99.99% Investor Member. The Managing Member will consist of Brinshore Development, LLC (65%) and Southern Nevada Regional Housing Authority (35%).

The Investor Member will provide an equity investment of approximately \$18,970,000 in exchange for 4% low-income housing tax credits to be allocated to the Project.

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

- 1st Installment - \$3,793,819 at Closing (estimated to be August 2024).
- 2nd Installment - \$9,484,548 at 100% Completion (estimated to be April 2026).
- 3rd Installment - \$5,374,573 Upon a minimum of 93% occupancy and other conditions (estimated to be November 2026).
- 4th Installment - \$316,156 upon receipt of Form 8609 (estimated to be December 2026).

Contractor

Pending final construction bid receipt.

Property Management Company

Pending

Debt Plan of Finance:

The primary debt component of the Project funding will be accomplished using debt provided by a direct placement with JPMorgan Bank. Tax-exempt bonds in an amount not to exceed \$29,000,000 will be issued by the Division during the construction period. The bonds are

expected to be reduced to approximately \$14,100,000 following completion of construction and permanent loan conversion.

The primary Project funding described above is also supplemented by separate HOME loans provided by Clark County and the City of Las Vegas and a CHF loan provided by Clark County.

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at \$500/unit/year. The minimum required replacement reserve deposits may be adjusted based on periodic future physical needs assessments.

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

Table 2: Sources and Uses of Funds

Sources of Funds					
	Construction Phase		Permanent Phase		
NHD Bond Proceeds (Exempt)	\$	27,900,000	\$	14,100,000	
LIHTC Equity	\$	3,795,295	\$	18,976,476	
Las Vegas/Clark County HOME Loans	\$	1,500,000	\$	3,000,000	
Las Vegas Infrastructure Loan	\$	1,000,000	\$	1,000,000	
SNRHA Capital Fund loans	\$	2,032,387	\$	3,209,000	
FHLB AHP Funds	\$	1,000,000	\$	1,000,000	
Clark County CHF Loan	\$	6,542,000	\$	10,000,000	
State of Nevada Tax Credit Equity	\$	2,610,000	\$	2,610,000	
Deferred Developer Fee			\$	807,170	
	\$	46,379,682	\$	54,702,646	
Uses of Funds				\$/Unit	
Sitework	\$	3,950,000	\$	3,950,000	\$ 28,623
Construction Hard Costs	\$	34,187,800	\$	34,187,800	\$ 247,738
Construction Soft Costs			\$	1,177,700	
Non-Construction Soft Costs	\$	2,769,843	\$	2,233,000	\$ 16,181
Financing Costs	\$	2,088,437	\$	3,021,534	\$ 21,895
Contingencies	\$	1,906,890	\$	1,906,890	\$ 13,818
Operating & Repair Reserves			\$	1,090,594	\$ 7,903
Developer Fee	\$	1,476,712	\$	7,135,128	\$ 51,704
	\$	46,379,682	\$	54,702,646	\$ 396,396

Bond/Loan Term Summary:

Permanent Lender: JP Morgan Bank N.A.

Bond Structure: **Construction Phase**

- Estimated at \$27,900,000
- Variable rate at 1-month SOFR plus 1.84% (not including Division/Trustee fees). Rate adjusts monthly. Rate estimated at 7.32% (as of 9/28/23).
- Bonds are interest only.
- Term – 30 months from initial loan closing date, plus one 6-month extension.

Permanent Phase:

- Estimated at \$14,100,000
- Fixed rate at 10-year SOFR Swap Rate plus 1.84% (not including Division and Trustee fees). Rate is locked at closing of the Construction Phase.
- Rate estimated at 6.471% (as of 9/28/23)
- Amortization factor is 35 years.
- Maturity – 18 years following Closing Date
- Payments are monthly principal and interest.
- Loan/Value – 75%
- Debt Service Coverage – Minimum of 1.25 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	2036
INCOME											
Gross Rental Income - Restricted	\$ 1,635,534	\$ 1,668,244	\$ 1,701,609	\$ 1,735,642	\$ 1,770,354	\$ 1,805,761	\$ 1,841,877	\$ 1,878,714	\$ 1,916,288	\$ 1,954,614	\$ 1,993,707
Gross Rental Income - Market	\$ 572,116	\$ 583,558	\$ 595,229	\$ 607,134	\$ 619,277	\$ 631,662	\$ 644,295	\$ 657,181	\$ 670,325	\$ 683,732	\$ 697,406
Other: Ancillary Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Rental Income	\$ 2,207,650	\$ 2,251,803	\$ 2,296,839	\$ 2,342,776	\$ 2,389,631	\$ 2,437,424	\$ 2,486,172	\$ 2,535,896	\$ 2,586,614	\$ 2,638,346	\$ 2,691,113
Less: Residential Vacancy/Discounts	\$ (110,382)	\$ (112,590)	\$ (114,842)	\$ (117,139)	\$ (119,482)	\$ (121,871)	\$ (124,309)	\$ (126,795)	\$ (129,331)	\$ (131,917)	\$ (134,556)
Commercial Activity Revenue											
Proforma Gross Income	\$ 2,097,267	\$ 2,139,213	\$ 2,181,997	\$ 2,225,637	\$ 2,270,150	\$ 2,315,553	\$ 2,361,864	\$ 2,409,101	\$ 2,457,283	\$ 2,506,428	\$ 2,556,557
EXPENSES											
General Administrative	\$ 169,171	\$ 174,246	\$ 179,474	\$ 184,858	\$ 190,404	\$ 196,116	\$ 201,999	\$ 208,059	\$ 214,301	\$ 220,730	\$ 227,352
Operating & Maintenance	\$ 325,914	\$ 335,691	\$ 345,762	\$ 356,135	\$ 366,819	\$ 377,823	\$ 389,158	\$ 400,833	\$ 412,858	\$ 425,244	\$ 438,001
Taxes & Insurance	\$ 175,685	\$ 180,956	\$ 186,384	\$ 191,976	\$ 197,735	\$ 203,667	\$ 209,777	\$ 216,070	\$ 222,553	\$ 229,229	\$ 236,106
Repair/Replacement Reserves	\$ 43,921	\$ 45,239	\$ 46,596	\$ 47,994	\$ 49,434	\$ 50,917	\$ 52,444	\$ 54,018	\$ 55,638	\$ 57,307	\$ 59,027
Proforma Operating Expenses	\$ 714,691	\$ 736,132	\$ 758,216	\$ 780,962	\$ 804,391	\$ 828,523	\$ 853,379	\$ 878,980	\$ 905,349	\$ 932,510	\$ 960,485
Effective Net Operating Income	\$ 1,382,576	\$ 1,403,081	\$ 1,423,781	\$ 1,444,674	\$ 1,465,758	\$ 1,487,030	\$ 1,508,485	\$ 1,530,121	\$ 1,551,933	\$ 1,573,919	\$ 1,596,072
Senior Debt Service	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904
Debt Service Coverage	131%	133%	135%	137%	139%	141%	143%	145%	147%	149%	151%
LP Asset Mgt Fee	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Residual Receipts	\$ 323,672	\$ 344,177	\$ 364,877	\$ 385,770	\$ 406,854	\$ 428,126	\$ 449,581	\$ 471,217	\$ 493,029	\$ 515,015	\$ 537,168
CHF Payment Factors	10%	10%	10%	50%	50%	50%	50%	50%	50%	50%	50%
CHF Loan Payments	\$ 32,367	\$ 34,418	\$ 36,488	\$ 192,885	\$ 203,427	\$ 214,063	\$ 224,790	\$ 235,608	\$ 246,515	\$ 257,507	\$ 268,584
Total CHF Loan Repaid	\$4,874,898										
Surplus Cash After CHF	\$ 291,305	\$ 309,759	\$ 328,389	\$ 192,885	\$ 203,427	\$ 214,063	\$ 224,790	\$ 235,608	\$ 246,515	\$ 257,507	\$ 268,584
DDF Payments	\$ 291,305	\$ 309,759	\$ 206,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ 515,865	\$ 206,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributable Cash	\$ -	\$ -	\$ 122,283	\$ 192,885	\$ 203,427	\$ 214,063	\$ 224,790	\$ 235,608	\$ 246,515	\$ 257,507	\$ 268,584

	2037	2038	2039	2040	2041	2042	2043	2044	2045
INCOME									
Gross Rental Income - Restricted	\$ 2,033,581	\$ 2,074,252	\$ 2,115,737	\$ 2,158,052	\$ 2,201,213	\$ 2,245,237	\$ 2,290,142	\$ 2,335,945	\$ 2,382,664
Gross Rental Income - Market	\$ 711,354	\$ 725,581	\$ 740,093	\$ 754,895	\$ 769,993	\$ 785,393	\$ 801,100	\$ 817,122	\$ 833,465
Other: Ancillary Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Rental Income	\$ 2,744,935	\$ 2,799,834	\$ 2,855,830	\$ 2,912,947	\$ 2,971,206	\$ 3,030,630	\$ 3,091,243	\$ 3,153,067	\$ 3,216,129
Less: Residential Vacancy/Discounts	\$ (137,247)	\$ (139,992)	\$ (142,792)	\$ (145,647)	\$ (148,560)	\$ (151,531)	\$ (154,562)	\$ (157,653)	\$ (160,806)
Commercial Activity Revenue									
Proforma Gross Income	\$ 2,607,688	\$ 2,659,842	\$ 2,713,039	\$ 2,767,300	\$ 2,822,646	\$ 2,879,098	\$ 2,936,680	\$ 2,995,414	\$ 3,055,322
EXPENSES									
General Administrative	\$ 234,172	\$ 241,198	\$ 248,433	\$ 255,886	\$ 263,563	\$ 271,470	\$ 279,614	\$ 288,002	\$ 296,643
Operating & Maintenance	\$ 451,141	\$ 464,675	\$ 478,615	\$ 492,974	\$ 507,763	\$ 522,996	\$ 538,686	\$ 554,846	\$ 571,492
Taxes & Insurance	\$ 243,189	\$ 250,485	\$ 257,999	\$ 265,739	\$ 273,712	\$ 281,923	\$ 290,381	\$ 299,092	\$ 308,065
Repair/Replacement Reserves	\$ 60,797	\$ 62,621	\$ 64,500	\$ 66,435	\$ 68,428	\$ 70,481	\$ 72,595	\$ 74,773	\$ 77,016
Proforma Operating Expenses	\$ 989,300	\$ 1,018,979	\$ 1,049,548	\$ 1,081,035	\$ 1,113,466	\$ 1,146,870	\$ 1,181,276	\$ 1,216,714	\$ 1,253,215
Effective Net Operating Income	\$ 1,618,388	\$ 1,640,863	\$ 1,663,491	\$ 1,686,265	\$ 1,709,180	\$ 1,732,229	\$ 1,755,405	\$ 1,778,700	\$ 1,802,107
Senior Debt Service	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904	\$1,053,904
Debt Service Coverage	154%	156%	158%	160%	162%	164%	167%	169%	171%
LP Asset Mgt Fee	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Residual Receipts	\$ 559,484	\$ 581,959	\$ 604,587	\$ 627,361	\$ 650,276	\$ 673,325	\$ 696,501	\$ 719,796	\$ 743,203
CHF Payment Factors	50%	50%	50%	50%	50%	50%	50%	50%	50%
CHF Loan Payments	\$ 279,742	\$ 290,980	\$ 302,293	\$ 313,681	\$ 325,138	\$ 336,662	\$ 348,250	\$ 359,898	\$ 371,601
Total CHF Loan Repaid	\$4,874.8 ¹								
Surplus Cash After CHF	\$ 279,742	\$ 290,980	\$ 302,293	\$ 313,681	\$ 325,138	\$ 336,662	\$ 348,250	\$ 359,898	\$ 371,601
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributable Cash	\$ 279,742	\$ 290,980	\$ 302,293	\$ 313,681	\$ 325,138	\$ 336,662	\$ 348,250	\$ 359,898	\$ 371,601

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

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>
JP Morgan Chase (Perm)	5.84*	\$141,000
JP Morgan Chase (Constr)	**	\$208,500

*The applicable interest rate shall be the 10-Year SOFR Swap Rate plus 184 bps. The 10-Year SOFR Swap Rate will be subject to a floor of 1.00%. Current indicative rate is 5.84%. The underwriting rate equals the indicative rate plus 25 bps.

**The Construction Loan shall bear interest at a per annum interest rate equal to the one-month Term SOFR plus 200 basis points. Any one-month Term SOFR less than 1.0% shall be deemed to be 1.0%.

☐ Option B**Sponsor/Borrower Statement:**

Brinshore Development has long standing relationships with many nationally recognized lenders and investors. Most recently, we have received favorable terms from JP Morgan Chase. In addition, they have been a collaborative partner and are willing to adjust their terms and loan documents as needed to meet soft lender requirements.

By Whitney Weller

Title Senior Vice President

Firm Brinshore Development

Nevada Housing Division Multi-family Tax-Exempt Bond Program
Development Executive Summary

Development: Marble Manor Apartments
Development Type: New Construction
BoF Meeting Date: 10.19.23

Administrator's Summary

This bond issuance will be used to provide for the construction of a 138-unit affordable family apartment complex in Las Vegas. The rental housing will serve 108 households at or below 60% of area median income, with 30 market rate units. The site is located in the Historic Westside and will be the first of 5 phases in the complete replacement of the current Marble Manor apartments via the awarding of a Choice Neighborhood Grant from HUD. This project will create new affordable units which will retain the rent restrictions for 30 years. Brinshore is a national company and was chosen via a competitive process to work on behalf of the Southern Nevada Regional Housing Authority. This will be the first application in the State of Nevada before the Board of Finance.

- 138 Family Units
- New construction
- 78% Affordable Rents
- 70 units at <60% AMI, 18 units <50% AMI, 13 units <40% AMI, 7 units < 30% AMI, 30 units at Market Rate
- 1 bedroom units = 43, 2 bedroom units = 62, 3 bedroom units = 25, 4 bedroom units = 7, 5 bedroom units = 1
- 1 bedroom rents \$314.00 less than market rate
- 2 bedroom rents \$210.00 less than market rate
- 3 bedroom rents \$244 less than market rate
- Cost per unit = \$396,396
- Cost per bond cap allocation = \$210,145
- Developer –Brinshore Development
- Equity Investor – The Richman Group
- Loan – JP Morgan
- \$29M in Bond Proceeds trips \$18.9M in LIHTC Equity (34.7% of total development cost)

	Marble Manor Apartments	Program Average	Notes
Total Tax-exempt Bond ask	\$ 29,000,000	\$ 33,400,000	
Total Development Cost	\$ 54,702,646	\$ 64,215,337	Average of last 10 New Construction projects previously approved
Size of site	4.21 Acres	6.53	
Total # of Units	138	190	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 396,396	\$ 346,894	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 210,145	\$ 180,894	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	21.73%	n/a	30 units in this project
Percentage of Units at 60% AMI	50.72%	86.0%	70 Units in this project
Percentage of Units at 50% AMI	13.04%	11.0%	18 units in this project
Percentage of Units at 40% AMI	9.42%	0.0%	13 units in this project
Percentage of Units at 30% AMI	5.07%	3.0%	7 units in this project
Veteran's Preference	Yes	Yes	

	Marble Manor Apartments	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 936	\$ 1,250	Zumper.com 9.23
Average 2 Bedroom Rent	\$ 1,285	\$ 1,495	Zumper.com 9.23
Average 3 Bedroom Rent	\$ 1,751	\$ 1,995	Zumper.com 9.23
Average Vacancy Rate	n/a	8.20%	Avison Young June 2023

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

DATE: September 29, 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 (Henderson at Raiders Way)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Thursday, October 19, 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 (Henderson at Raiders Way).

C. The Findings relate to the issuance of up to \$53,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 304-unit family apartment complex located at Bermuda Rd and Welpman Way, Henderson, Nevada (the “Project”).

D. The Housing Division will issue up to \$53,000,000 of multi-unit housing revenue bonds which will be directly purchased by Cedar Rapids Bank & Trust. The bond structure will consist of two phases: Construction Phase and Permanent Phase. The Construction Phase loan amount is projected to consist of approximately \$53,000,000 of tax-exempt debt issued by the Division and an additional taxable construction loan estimated at approximately \$5,884,000 which will not be issued by the Division. The borrower entity will be a Nevada limited partnership consisting of Rise Residential as a 0.01% General Partner entity and PNC Real Estate as 99.99% investor limited partner. PNC Real Estate will provide an equity investment of approximately \$38,181,000 in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low-income housing tax credits 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. 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.

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 (Henderson at Raiders Way).”

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
Henderson at Raiders Way 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 Henderson, 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 Henderson, 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: _____
Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____



October 2, 2023 (Amending prior submittal dated April 11, 2022)

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

Re: Raiders Way Apartments Project

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 Raiders Way Apartments project (Project). The Division is requesting authorization for issuance of up to \$53,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of this new 304-unit affordable family property in Henderson.

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, and Division staff.

The proposed financing is to be a direct placement fixed rate loan with Cedar Grove Bank & Trust which provides both construction and permanent financing. The Project and financing are reviewed in greater detail in Exhibits A, B and D.

The proposed Project is viewed positively in the local community and has support from the council members of the City of Henderson. 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 critical to successful construction of this new project at the proposed restricted income levels.

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.

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

Sincerely,

PFM Financial Advisors LLC

Fred Eoff
Director

PROJECT OVERVIEW AND PLAN OF FINANCE

The Project

The Project consists of land acquisition and construction of a new affordable family facility located in Henderson at Bermuda Road and Welpman Way. It will be a 304-unit facility situated on a site of approximately 9.55 acres and configured with a full range of living units in a single five-story building. Elevators will serve all units above ground level. The Project configuration is summarized in Table A and greater detail regarding the Project configuration and amenities is included in Exhibit D.

Table A: Project Unit & Rent Profile

Unit Mix	AMI Restriction	Number Units	Unit Size (SF)	Gross Monthly Rent ⁽¹⁾	Utility Allowance	Net Monthly Rent	Total Monthly Revenue	Total Annual Revenue
Studio	60%	65	600	\$ 910	\$ 50	\$ 860	\$ 55,900	\$ 670,800
Studio	80%	5	600	\$ 1,214	\$ 50	\$ 1,164	\$ 5,820	\$ 69,840
Studio	HTF	1	600	\$ 455	\$ 50	\$ 405	\$ 405	\$ 4,860
Studio	HOME - Low	1	600	\$ 758	\$ 50	\$ 708	\$ 708	\$ 8,496
Studio	HOME - High	3	600	\$ 965	\$ 50	\$ 915	\$ 2,745	\$ 32,940
1- Bdrm	60%	107	746	\$ 975	\$ 60	\$ 915	\$ 97,905	\$ 1,174,860
1- Bdrm	80%	5	746	\$ 1,300	\$ 60	\$ 1,240	\$ 6,200	\$ 74,400
1- Bdrm	HTF	1	746	\$ 487	\$ 60	\$ 427	\$ 427	\$ 5,124
1- Bdrm	HOME - Low	1	746	\$ 812	\$ 60	\$ 752	\$ 752	\$ 9,024
1- Bdrm	HOME - High	3	746	\$ 1,035	\$ 60	\$ 975	\$ 2,925	\$ 35,100
2-Bdrm	60%	80	1,068	\$ 1,170	\$ 72	\$ 1,098	\$ 87,840	\$ 1,054,080
2-Bdrm	80%	5	1,068	\$ 1,560	\$ 72	\$ 1,488	\$ 7,440	\$ 89,280
2-Bdrm	HTF	2	1,068	\$ 621	\$ 72	\$ 549	\$ 1,098	\$ 13,176
2-Bdrm	HOME - Low	1	1,068	\$ 975	\$ 72	\$ 903	\$ 903	\$ 10,836
2-Bdrm	HOME - High	1	1,068	\$ 1,244	\$ 72	\$ 1,172	\$ 1,172	\$ 14,064
3-Bdrm	60%	19	1,252	\$ 1,351	\$ 84	\$ 1,267	\$ 24,073	\$ 288,876
3-Bdrm	80%	2	1,660	\$ 1,802	\$ 94	\$ 1,708	\$ 3,416	\$ 40,992
3-Bdrm	HTF	1	1,252	\$ 814	\$ 84	\$ 730	\$ 730	\$ 8,760
3-Bdrm	HOME - High	1	1,252	\$ 1,429	\$ 84	\$ 1,345	\$ 1,345	\$ 16,140
Total Project Units		304					\$ 301,804	\$ 3,621,648

⁽¹⁾ 2023 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)

Project Developers

Rise Residential
16812 Dallas Parkway
Dallas, TX 75248

Rise Residential has previously developed 19 multifamily properties providing both market rate and affordable housing units. This will be their first affordable housing project in Nevada.

Borrower Entity

The borrower entity will be a Nevada limited partnership consisting of Rise Residential as a 0.01% General Partner and PNC Real Estate ("PNC") as 99.99% investor limited partner. PNC will provide an equity investment of approximately \$38,181,000 in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low-income housing tax credits.

The periodic advances of the equity investment are structured as follows:

- 1st Installment - \$4,200,000 at Closing (November 2023)
- 2nd Installment - \$7,636,000 at Construction Completion (November 2025)
- 3rd Installment - \$26,345,000 at Stabilization and Delivery of IRS 8609 (March 2026)

Property Management

Westcorp Property Management Company
6655 S. Eastern Avenue
Las Vegas, NV 89119

General Contractor

Burke Construction
385 E. Pilot Road
Las Vegas, NV 89119

Plan of Finance:

The financing is proposed as a direct bond purchase by Cedar Rapids Bank & Trust (“CRBT”). The bonds will be held by CRBT or an affiliate and unless rated “A” or better by Moody’s Investors Service or S&P Global Ratings may be transferred only to institutions meeting the definition of “Qualified Institutional Buyer.”

The bond structure will consist of two phases: Construction Phase and Permanent Phase. The Construction Phase loan amount is projected to consist of approximately \$53,000,000 of tax-exempt debt issued by the Division and an additional construction loan expected to be taxable and not issued by the Division.

Loan proceeds will be advanced to the Borrower on a scheduled basis to fund construction expenditures. Monthly debt service payments during construction will be interest only and the interest rate is estimated to be exclusive of Division and Trustee fees.

Division provided tax-exempt loan will be reduced post-construction utilizing the final tax-credit equity advance leaving a permanent loan of approximately \$34,000,000. The taxable loan will be fully retired.

Maximum Permanent Loan-to-Value: 90%

Debt service coverage: 1.15 to 1.00 per lender requirements.

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at \$250/unit/year. Minimum required replacement reserve deposits to be adjusted annually by the consumer price index.

The Borrower will also be required to fund an Operating Reserve initially set at approximately \$1,250,000.

Sources and Uses:

Table B: Sources and Uses of Funds			
Sources of Funds			
	Construction Phase	Permanent Phase	
NHD Tax-Exempt Bond Proceeds	\$ 53,000,000	\$ 34,000,000	
Bridge Loan	\$ 5,883,607		
LIHTC Equity	\$ 4,199,954	\$ 38,181,402	
HOME Loan	\$ 2,000,000	\$ 2,000,000	
Henderson HTF Funds	\$ 1,000,000	\$ 1,000,000	
HMNI Loan	\$ 15,700,000	\$ 15,700,000	
Deferred Developer Fee		\$ 3,352,159	
	\$ 81,783,561	\$ 94,233,561	
Uses of Funds			Per Unit Costs
Land Cost	\$ 5,000,000	\$ 5,000,000	\$ 16,447
Construction Hard Costs	\$ 67,634,261	\$ 67,634,261	\$ 222,481
Soft Costs	\$ 3,279,000	\$ 3,279,000	\$ 10,786
Construction Period Interest	\$ 5,000,000	\$ 5,000,000	\$ 16,447
Finance and Legal Costs	\$ 870,300	\$ 870,300	\$ 2,863
Operating & Repair Reserves		\$ 1,250,000	\$ 4,112
Developer Fee		\$ 11,200,000	\$ 36,842
	\$ 81,783,561	\$ 94,233,561	\$ 309,979

Bond/Loan Term Summary:

Lender:	Cedar Rapids Bank & Trust
Borrowing Entity:	A limited partnership comprised of Rise Residential (general partner) and PNC Real Estate (equity limited partner).
Bond Type:	This transaction will be a loan provided by the Lender to the Division to be used to fund an interim tax-exempt construction bond issue which will convert to permanent form following construction completion and satisfaction of loan stabilization criteria.
Principal Amount:	<p><u>Construction Phase:</u></p> <ul style="list-style-type: none"> The tax-exempt note is currently estimated at \$53,000,000. As described in the lender proposal, the rate as of August 14, 2023, would be 6.02% (not including Division and Trustee fees). <p><u>Permanent Phase:</u></p> <ul style="list-style-type: none"> Not to exceed 90% loan to value based on the As Completed Rent Restricted Appraised Value. Sized to maintain minimum debt coverage of 1.15x Loan size estimated at approximately \$34,000,000. Permanent loan rate as of August 14, 2023, estimated by the lender to be 6.02% (not including Division and Trustee fees) and will be locked at Closing.

Interest Payments:	Monthly. The loan will be interest only through seven years following Closing.
Principal Payments:	Monthly, commencing with in the eighth year following Closing. Principal payments are determined using a 40-year amortization factor.
Denominations:	Bonds will amortize in monthly “loan” form with fractional dollar principal amortization.
Maturity:	21 years from Closing.
Indenture Funds:	<ol style="list-style-type: none"> 1) Project Fund <ol style="list-style-type: none"> a) Tax-Exempt Bonds Account 2) Cost of Issuance Fund 3) Expense Fund
Fees:	<ol style="list-style-type: none"> 1) Division 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		80.0%									
Annual Gross Rental Income	\$	3,843,322	\$ 3,920,188	\$ 3,998,592	\$ 4,078,564	\$ 4,160,135	\$ 4,243,338	\$ 4,328,205	\$ 4,414,769	\$ 4,503,064	\$ 4,593,125
Other: Ancillary Revenue	\$	154,851	\$ 157,949	\$ 161,107	\$ 164,330	\$ 167,616	\$ 170,969	\$ 174,388	\$ 177,876	\$ 181,433	\$ 185,062
Total Residential Income	\$	3,998,173	\$ 4,078,137	\$ 4,159,700	\$ 4,242,893	\$ 4,327,751	\$ 4,414,306	\$ 4,502,593	\$ 4,592,644	\$ 4,684,497	\$ 4,778,187
Less: Residential Vacancy	\$	(199,909)	\$ (203,907)	\$ (207,985)	\$ (212,145)	\$ (216,388)	\$ (220,715)	\$ (225,130)	\$ (229,632)	\$ (234,225)	\$ (238,909)
Less: Employee Discounts		(9,291)	(9,477)	(9,666)	(9,860)	(10,057)	(10,258)	(10,463)	(10,673)	(10,886)	(11,104)
Effective Gross Income		3,788,974	3,864,753	3,942,048	4,020,889	4,101,307	4,183,333	4,267,000	4,352,340	4,439,386	4,528,174
Adjusted Gross Income		3,031,179									
		85.0%									
EXPENSES											
Administration	\$	295,255	\$ 304,112	\$ 313,236	\$ 322,633	\$ 332,312	\$ 342,281	\$ 352,550	\$ 363,126	\$ 374,020	\$ 385,241
Payroll	\$	387,016	\$ 398,627	\$ 410,586	\$ 422,903	\$ 435,590	\$ 448,658	\$ 462,118	\$ 475,981	\$ 490,261	\$ 504,969
Maintenance	\$	165,500	\$ 170,465	\$ 175,579	\$ 180,847	\$ 186,272	\$ 191,860	\$ 197,616	\$ 203,545	\$ 209,651	\$ 215,940
Utilities	\$	193,508	\$ 199,313	\$ 205,293	\$ 211,452	\$ 217,795	\$ 224,329	\$ 231,059	\$ 237,991	\$ 245,130	\$ 252,484
Property Management	\$	113,669	\$ 115,943	\$ 118,261	\$ 120,627	\$ 123,039	\$ 125,500	\$ 128,010	\$ 130,570	\$ 133,182	\$ 135,845
Replacement Reserves	\$	80,628	\$ 83,047	\$ 85,539	\$ 88,105	\$ 90,748	\$ 93,470	\$ 96,275	\$ 99,163	\$ 102,138	\$ 105,202
Total Operating Expenses	\$	1,235,577	\$ 1,271,508	\$ 1,308,494	\$ 1,346,566	\$ 1,385,757	\$ 1,426,099	\$ 1,467,627	\$ 1,510,376	\$ 1,554,381	\$ 1,599,681
Adjusted Operating Expenses	\$	1,050,241									
Net Operating Income		\$ 1,980,938	\$ 2,593,245	\$ 2,633,554	\$ 2,674,323	\$ 2,715,550	\$ 2,757,234	\$ 2,799,373	\$ 2,841,964	\$ 2,885,005	\$ 2,928,493
Senior Debt Service	\$	1,790,667	\$2,108,000	\$ 2,108,000	\$ 2,108,000	\$ 2,108,000	\$2,336,540	\$ 2,336,540	\$ 2,336,540	\$ 2,336,540	\$ 2,336,540
Debt Service Coverage		1.11x	1.23x	1.25x	1.27x	1.29x	1.18x	1.20x	1.22x	1.23x	1.25x
Residual Receipts	\$	190,271	\$ 485,245	\$ 525,554	\$ 566,323	\$ 607,550	\$ 420,694	\$ 462,832	\$ 505,423	\$ 548,465	\$ 591,953
LP Asset Mgt Fee	\$	25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982	\$ 29,851	\$ 30,747	\$ 31,669	\$ 32,619
DDF Payments	\$	165,271	\$ 459,495	\$ 499,032	\$ 539,005	\$ 579,412	\$ 391,712	\$ 432,981	\$ 285,251	\$ -	\$ -
DDF Balance	\$	3,186,888	\$ 2,727,393	\$ 2,228,361	\$ 1,689,356	\$ 1,109,944	\$ 718,232	\$ 285,251	\$ -	\$ -	\$ -
Surplus Cash	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,426	\$ 516,795	\$ 559,333
Partnership Surplus Allocation	25%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,356		
NHD Surplus Allocation	75%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,069	\$ 387,597	\$ 419,500
HMNI Loan Interest	1.00%	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000
HMNI Loan Principal	\$	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ (14,931)	\$ 230,597	\$ 262,500
HMNI Loan Balance		16,171,000	\$ 16,328,000	\$ 16,485,000	\$ 16,642,000	\$ 16,799,000	\$ 16,956,000	\$ 17,113,000	\$ 17,284,931	\$ 17,211,334	\$ 17,105,834

	2036	2037	2038	2039	2040	2041	2042	2043
INCOME								
Annual Gross Rental Income	\$ 4,684,988	\$ 4,778,688	\$ 4,874,261	\$ 4,971,747	\$ 5,071,182	\$ 5,172,605	\$ 5,276,057	\$ 5,381,578
Other: Ancillary Revenue	\$ 188,763	\$ 192,538	\$ 196,389	\$ 200,317	\$ 204,323	\$ 208,410	\$ 212,578	\$ 216,829
Total Residential Income	\$ 4,873,751	\$ 4,971,226	\$ 5,070,650	\$ 5,172,063	\$ 5,275,505	\$ 5,381,015	\$ 5,488,635	\$ 5,598,408
Less: Residential Vacancy	\$ (243,688)	\$ (248,561)	\$ (253,533)	\$ (258,603)	\$ (263,775)	\$ (269,051)	\$ (274,432)	\$ (279,920)
Less: Employee Discounts	(11,326)	(11,552)	(11,783)	(12,019)	(12,259)	(12,505)	(12,755)	(13,010)
Effective Gross Income	4,618,738	4,711,112	4,805,335	4,901,441	4,999,470	5,099,460	5,201,449	5,305,478
Adjusted Gross Income								
EXPENSES								
Administration	\$ 396,798	\$ 408,702	\$ 420,963	\$ 433,592	\$ 446,599	\$ 459,997	\$ 473,797	\$ 488,011
Payroll	\$ 520,118	\$ 535,721	\$ 551,793	\$ 568,347	\$ 585,397	\$ 602,959	\$ 621,048	\$ 639,679
Maintenance	\$ 222,419	\$ 229,091	\$ 235,964	\$ 243,043	\$ 250,334	\$ 257,844	\$ 265,580	\$ 273,547
Utilities	\$ 260,059	\$ 267,861	\$ 275,896	\$ 284,173	\$ 292,698	\$ 301,479	\$ 310,524	\$ 319,840
Property Management	\$ 138,562	\$ 141,333	\$ 144,160	\$ 147,043	\$ 158,265	\$ 161,430	\$ 164,659	\$ 167,952
Replacement Reserves	\$ 108,358	\$ 111,609	\$ 114,957	\$ 118,406	\$ 121,958	\$ 125,616	\$ 129,385	\$ 133,266
Total Operating Expenses	\$ 1,646,313	\$ 1,694,317	\$ 1,743,733	\$ 1,794,603	\$ 1,855,252	\$ 1,909,327	\$ 1,964,992	\$ 2,022,295
Adjusted Operating Expenses								
Net Operating Income	\$ 2,972,425	\$ 3,016,796	\$ 3,061,602	\$ 3,106,838	\$ 3,144,218	\$ 3,190,133	\$ 3,236,456	\$ 3,283,182
Senior Debt Service								
Senior Debt Service	\$ 2,336,540	\$ 2,336,540	\$ 2,336,540	\$ 2,336,540	\$ 2,336,540	\$ 2,336,540	\$ 2,336,540	\$ 2,336,540
Debt Service Coverage	1.27x	1.29x	1.31x	1.33x	1.35x	1.37x	1.39x	1.41x
Residual Receipts	\$ 635,884	\$ 680,255	\$ 725,061	\$ 770,298	\$ 807,678	\$ 853,592	\$ 899,916	\$ 946,642
LP Asset Mgt Fee								
LP Asset Mgt Fee	\$ 33,598	\$ 34,606	\$ 35,644	\$ 36,713	\$ 37,815	\$ 38,949	\$ 40,118	\$ 41,321
DDF Payments								
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance								
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ 602,286	\$ 645,649	\$ 689,417	\$ 733,584	\$ 769,863	\$ 814,643	\$ 859,798	\$ 905,321
Partnership Surplus Allocation								
NHD Surplus Allocation	\$ 451,715	\$ 484,237	\$ 517,063	\$ 550,188	\$ 577,397	\$ 610,982	\$ 644,849	\$ 678,990
HMNI Loan Interest	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000	\$ 156,242	\$ 151,695	\$ 146,763
HMNI Loan Principal	\$ 294,715	\$ 327,237	\$ 517,063	\$ 550,188	\$ 577,397	\$ 610,982	\$ 644,849	\$ 678,990
HMNI Loan Balance	\$ 16,968,119	\$ 16,797,882	\$ 16,437,819	\$ 16,044,631	\$ 15,624,234	\$ 15,169,494	\$ 14,676,340	\$ 14,144,113

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

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>
Cedar Rapid Bank and Trust	5.65%	\$10,000

☒ Option B**Sponsor/Borrower Statement:**

RISE is one of the largest developers of affordable housing in the country. We have consistently been in the top 15 developers list for the past 10 years.

We have worked with CRBT in Texas and Louisiana and they have been fantastic partners. They expressed their interest in working in Nevada and their private placement product is one of the best options in the market. Our investor is PNC bank. We have also worked with PNC in Texas and Louisiana and they have been fantastic partners.

PNC and CRBT have offered the best terms, condition, and pricing available in the market.

By: Melissa Fisher

Title: President

Firm: RISE Residential

PROPERTY FACTS

ITEM	KEY METRICS
UNITS	304 (45.0 units/acre actual)
STRUCTURES	4 buildings
STRUCTURE TYPE	5 story-elevator served wrap
PARKING	525/50/10
COVERED PARKING	445 +- available
TRANSITIONAL BUFFER AREA	43,800 1/300
TRANSITIONAL BUFFER TREES	30
STREET TREES	10
INTERIOR TREES	20
ENTRYWAY	Opticom laser emergency system
FENCE	Double sided wood and 6.5 masonry columns with 6' metal post
MINIMUM MASONRY	Minimum 100% Brick, Faux Stone and/or Stucco accent combination
GROSS ACREAGE	+- 9.0 acres
NET AREA	+- 6.5 acres
DENSITY REQUESTED	+- 47 units per acre

All amenities, fixtures and sizing are conditioned upon approvals from the City of Henderson.

AMENITY LISTING

Enjoy the best of both worlds...new construction, modern design, stone and/or brick accented exterior design located only minutes from shopping, entertainment, quality schools, and easy access to fast growing West Henderson near the Vegas Raiders performance center. This upscale community offers spacious, studios, one, two, and three-bedroom floor plans with Class A amenities in each unit. The site offers a large clubhouse with pool, clubhouse, fitness center and related amenities. This is a mixed income, workforce and market rate housing development offering well-appointed and fully equipped living units.

AESTHETICS AND DESIGN FEATURES

- Enhanced architectural styles
- Interior landscaping and seasonal color planting
- 15 to 25 interior shade trees
- 5 story building height (wrap parking)
- Meets the area and City of Henderson design standards
- 100% masonry w\faux stone accent
- Over 25,000 square feet (1/2~ acres) of transitional buffer area with 30 evergreen and deciduous trees
- Decorative wrought iron perimeter fencing around the pool and front of the property

APARTMENT FEATURES

- Private patios and balconies with storage
- Ceiling fans in every room
- **Walk-in showers (2 bath units)**
- Garden tubs
- Built in Cabinets
- **Washer/dryers provided**
- Designer kitchen with built in microwaves
- GE, Kenmore or Whirlpool appliance package
- Designer countertops w/Granite or equivalent
- Decorative niches with wood plank flooring or equivalent
- Tile entryways

COMMUNITY FEATURES

- Resort style swimming pool
- Playground areas (age appropriate)
- Fully equipped clubhouse
- Endless Pool\Spa feature
- Fully Equipped Fitness center
- Game Room w\WIFI for gaming
- Shopping & Restaurants a short distance
- Carports for lease
- Community entertainment services
- Gated entry with controlled access
- Opticom laser emergency system at entry gates

Area Map



DRONE SHOTS



Videos: https://www.dropbox.com/s/scnx21d84bfbw25/DJI_0012.MP4?dl=0
https://www.dropbox.com/s/8k0c01a2k0avz12/DJI_0007.MP4?dl=0

**Nevada Housing Division Multi-family Tax-Exempt Bond Program
Development Executive Summary**

Development: Henderson at Raiders Way Apartments
Development Type: New Construction
BoF Meeting Date: 10.19.23

Administrator's Summary

This bond issuance will be used to provide for the construction of a 304-unit affordable family apartment complex in Henderson. The rental housing will serve 279 households at or below 60% of area median income with the balance of 25 units capped at 80% AMI. The site is conveniently located near retail, health services, and schools. This project will create new affordable units which will retain the rent restrictions for 30 years. Rise Residential is a non-Nevada based developer who have considerable affordable housing experience and this will be their first project in Nevada.

- 304 Family Units
- New construction
- 100% Affordable Rents
- 279 units at <60% AMI, 25 units <80% AMI
- Studios= 75 units, 1 bedroom units = 117, 2 bedroom units = 89, 3 bedroom units = 23
- Studio rents \$169.00 less than market rate
- 1 bedroom rents \$325.00 less than market rate
- 2 bedroom rents \$389.00 less than market rate
- 3 bedroom rents \$707 less than market rate
- Cost per unit = \$309,978
- Cost per bond cap allocation = \$174,372
- Developer –Rise Residential
- Equity Investor – PNC
- Loan – Cedar Rapids Bank & Trust
- \$53M in Bond Proceeds trips \$38.2M in LIHTC Equity (40.5% of total development cost)

	Henderson at Raiders Way Apartments	Program Average	Notes
Total Tax-exempt Bond ask	\$ 53,000,000	\$ 33,400,000	
Total Development Cost	\$ 94,233,561	\$ 64,215,337	Average of last 10 New Construction projects previously approved
Size of site	9.55 Acres	6.53 Acres	
Total # of Units	304	190	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 309,978	\$ 346,894	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 174,372	\$ 180,894	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	8.22%	n/a	25 units in this project
Percentage of Units at 60% AMI	89.14%	86.0%	271 Units in this project
Percentage of Units at 50% AMI	1.00%	11.0%	3 units in this project
Percentage of Units at 40% AMI	0.00%	0.0%	0 units in this project
Percentage of Units at 30% AMI	1.64%	3.0%	5 units in this project
Veteran's Preference	Yes	Yes	

	Henderson at Raiders Way Apartments	Estimated Market Rate	Notes
Average Studio Rent	\$ 876	\$ 1,045	Zumper.com 9.23
Average 1 Bedroom Rent	\$ 925	\$ 1,250	Zumper.com 9.23
Average 2 Bedroom Rent	\$ 1,106	\$ 1,495	Zumper.com 9.23
Average 3 Bedroom Rent	\$ 1,285	\$ 1,995	Zumper.com 9.23
Average Vacancy Rate	n/a	8.20%	Avison Young June 2023

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

DATE: September 29, 2023

TO: State Board of Finance

AGENDA ITEM: Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning the 2024 Single Family Mortgage Revenue Bonds

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Thursday, October 19, 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 2024 Single Family Mortgage Revenue Bonds. The Findings relate to the issuance of up to \$200,000,000 in tax-exempt Single Family Mortgage Revenue Bonds in Multiple Series for 2024.

The Housing Division will issue up to \$200,000,000 of Tax-exempt and Taxable Single Family Mortgage Revenue bonds in multiple series through the end of the 2024 calendar year.

C. Background of Agenda Item:

The Housing Division’s financial team and bond counsel will prepare the necessary documents to implement each series issued under this request. Further, the issuances, 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.

D. 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 up to \$200,000,000 in tax-exempt Single Family Mortgage Revenue Bonds in Multiple Series for 2024.

E. 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

**Single Family Mortgage Revenue Bonds
2024 Multiple Series in an Aggregate Amount Not to Exceed \$200,000,000**

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

1. There exists a shortage of decent, safe and sanitary housing at mortgage rates that eligible families can afford within the State of Nevada 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 housing in the State of Nevada housing market areas at prices which families of low and moderate income can afford or to provide sufficient mortgage financing for residential housing for ownership by such persons or families.
3. The proposed Single Family Mortgage Revenue Bond Program and the residential housing thereby financed will increase the supply or improve the quality of decent, safe and sanitary housing for eligible families.
4. The persons to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapters 319 will be for public use and will provide a material public benefit to the State of Nevada.
5. The Housing Division's estimates of revenues to be derived from the Single Family Mortgage Revenue Bond Program Financing, together with all subsidies, grants or

other financial assistance and guarantees issued from other entities to be received in connection with the Single Family Mortgage Revenue Bond Program, together with all bond proceeds and all insurance and guarantees issued from FHA, VA, PMI, Ginnie Mae, Fannie Mae, Freddie Mac, Division bond reserves or from others entities to be received in connection with the mortgage loans, mortgage backed securities, 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.

- 6. Private enterprise has been unable to provide sufficient mortgage financing or loans upon the Housing Division’s reasonably equivalent terms and conditions for housing for purchase by persons and families of low and moderate income.

BY: _____DATE: _____

Steve Aichroth
Administrator
Nevada Housing Division



September 28, 2023

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

Re: Single Family Mortgage Revenue Bonds

Mr. Aichroth:

This Memorandum is provided in support of the request by the Nevada Housing Division (the “Division”) to the State of Nevada Board of Finance for approval of the Findings of Fact for issuance of up to an additional \$200,000,000 of Nevada Housing Division bonds in multiple series to provide mortgage financing for single family residential housing for qualifying homebuyers (the “Project”).

Program Background:

The Division has operated a program providing mortgage loans for first time homebuyers for more than thirty years and has issued and retired more than \$2 billion of single-family mortgage revenue bonds. In addition to serving the broader market the program has included special mortgage programs for military veteran home buyers and teachers.

The most recent issuance of tax-exempt single-family bonds by the Division, Series 2023 D&E, will be issued September 27, 2023. Series 2024A&B is currently planned for issuance in February 2024. It is anticipated that this issue, and other future issues, will contain both tax-exempt and taxable bonds. This structure strategy is in response to greater demand for mortgages provided by the Division program than can be supported with fully tax-exempt issues due to growth of the Division program and limitation of bond volume cap. Final sale timing may be adjusted based on the pattern of mortgage loan demand in coming months. The Series 2024A&B Bonds will be the 25th and 26th series of bonds secured under the Division’s Amended and Restated General Indenture of Trust, dated as of June 1, 2021 (as amended, the “General Indenture”).

As of July 1, 2023, the Division had issued \$708,148,111 of bonds pursuant to the General Indenture of which \$391,408,623 remained outstanding.

In late 2014 the Division supplemented its traditional single-family mortgage revenue bond program funded by issuance of tax-exempt bonds with a newer taxable direct placement mortgage-backed security (MBS) program. The transition to the alternative program was related to market-driven changes in the relationship of the tax-exempt and taxable yield curves and was very effective in the low-rate environment. The Division has been utilizing both programs to provide a wide range of loan offerings to meet the varied needs of Nevada residents. As interest rates have begun to rise the single-family mortgage revenue (Bond) program has been able to produce lower mortgage loan interest rate levels than the taxable MBS program. This rotation was expected, and the Bond program will continue to increase its share of the overall single-family mortgage loan program with the taxable MBS program declining to a minimal level.

Estimated Summary of the Next Financing:

The next issue of the Bond program will be sold as a publicly offered transaction. The Division has had very good success with its prior public offering issues in large part due to its strong AA+ rating by S&P Global Ratings.

The bonds will be fixed rate and sold through a negotiated underwriting with J.P. Morgan serving as senior manager. Bond and tax opinions will be provided by Kutak Rock LLP.

Exhibit A to this memorandum provides a more detailed overview of the likely bond maturity structure, redemption provisions, establishment of funds, security matters and sources and uses.

pfm

107 Spring Street
Seattle, WA 98104
206.858.5370

pfm.com

Conclusion:

In summary, PFM Financial Advisors LLC is of the opinion that the proposed issue is consistent with current state housing agency practices for origination of loans for first time homebuyers. Additionally, the Division's bond underwriting and legal team are experienced with this type of financing and the cash flows supporting timely debt payment will be rigorously evaluated and stress tested by S&P Global Ratings as a key component of their bond rating process.

In our opinion, the Project meets the requirements of NRS 319.260 and meets the requirements of NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Actual debt issuance will be subject to receipt of bond rating, final bond documentation and successful bond sale.

Sincerely,

PFM Financial Advisors LLC

Fred Eoff



Director

Enclosures:

Exhibit A: Bond Term Sheet

\$90,000,000*
Nevada Housing Division
Single-Family Mortgage Revenue Bonds
Series 2024 A&B

Preliminary Bond Term Sheet

Principal Amount:	\$90,000,000*
Dated:	As of Closing Date (estimated to be February 15, 2024)
Interest Payable:	April 1 and October 1 (commencing April 1, 2024)
Bond Structure:	<p><u>Serial Bond Maturities:</u></p> <ul style="list-style-type: none">• Semiannually 4/1/2024 – 4/1/2033 <p><u>Term Bond Maturities:</u></p> <ul style="list-style-type: none">• 10/1/2038• 10/1/2043• 10/1/2045• 4/1/2054 <p>Final bond maturities will be allocated at the time of sale between tax-exempt and taxable bonds based on market conditions, availability of bond volume cap and program cashflow factors.</p>
Denominations:	\$5,000 and integral multiples thereof, fully registered form.
Redemption:	<p><u>Optional Redemption:</u></p> <p>Certain bonds may be subject to optional redemption on any date on or after October 1, 2033 in whole or in part at the option of the Division from any source of available moneys at a redemption price of 100%, plus accrued interest to the date of redemption.</p> <p><u>Special Redemption from Prepayments and Excess Revenues</u></p> <p>Certain bonds may be subject to special redemption on any Business Day at par (100%) plus accrued interest from Prepayments and from Revenues which are not required to make Debt Service Payments under the General Indenture (“Excess Revenues”).</p>

Indenture Funds:	<u>Funds and Accounts Established by the General Indenture:</u> <ul style="list-style-type: none"> • Program Fund • Revenue Fund • Debt Service Reserve Fund • Redemption Fund • Residual Fund
Security:	The General Indenture pledges for payment of the Bonds: <ul style="list-style-type: none"> • Proceeds of the Bonds • Mortgage Loans • Revenues • Balance of all Funds and Accounts (except Rebate Account and Bond Purchase Account)
Eligible Mortgage Loans:	<u>Approved loans:</u> <ul style="list-style-type: none"> • FHA Insured • VA Guaranteed • USDA Guaranteed • Fannie Mae MBS • Freddie Mac MBS
Bond Rating:	S&P Global Ratings “AA+” (expected)
Underwriter:	J.P. Morgan
Bond Counsel:	Kutak Rock LLP
Issuer Counsel:	Platt Law Group

****Preliminary and subject to change***

**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
Academy Mortgage Corporation	1	\$334,248.00	0.33%
All Western Mortgage, Inc.	8	2,200,383.00	2.61%
American Pacific Mortgage Corporation	3	818,889.00	0.98%
Axia Financial, LLC	3	710,394.00	0.98%
Bay-Valley Mortgage Group dba Valley View Home Loans	1	259,218.00	0.33%
Cardinal Financial Company, Limited Partnership	10	2,672,761.00	3.27%
Cherry Creek Mortgage, LLC	1	237,616.00	0.33%
CMG Mortgage, Inc. Dba CMG Financial	13	3,799,015.00	4.25%
CrossCountry Mortgage, LLC.	7	2,260,092.00	2.29%
Data Mortgage, Inc. DBA Essex Mortgage	2	544,789.00	0.65%
Everett Financial, Inc.	10	3,045,973.00	3.27%
Evergreen Moneysource Mortgage Company	8	2,309,124.00	2.61%
Fairway Independent Mortgage Corporation	9	2,567,139.00	2.94%
First Option Mortgage, LLC	2	439,471.00	0.65%
Gateway Mortgage, a division of Gateway First Bank	1	191,468.00	0.33%
Geneva Financial, LLC.	3	824,784.00	0.98%
Greater Nevada LLC dba Greater Nevada Mortgage	4	1,010,571.00	1.31%
Guaranteed Rate, Inc.	5	1,692,500.00	1.63%
Guild Mortgage Company LLC	55	16,444,922.00	17.97%
Highlands Residential Mortgage, Ltd.	3	1,171,390.00	0.98%
HighTechLending Inc	2	554,616.00	0.65%
iServe Residential Lending LLC	3	905,299.00	0.98%
JFK Financial Inc.	2	637,563.00	0.65%
LeaderOne Financial Corporation	2	535,127.00	0.65%
loanDepot.com, LLC	14	4,055,090.00	4.58%
Luminate Home Loans, Inc	8	2,330,790.00	2.61%
ML Mortgage Corp.	3	1,040,243.00	0.98%
Moria Development Inc. DBA Peoples Mortgage Company	1	289,656.00	0.33%
Mortgage Solutions of Colorado, LLC	1	312,240.00	0.33%
Mountain West Financial, Inc	2	644,080.00	0.65%
Movement Mortgage, LLC	5	1,256,392.00	1.63%
Nations Lending Corporation	3	871,782.00	0.98%
Neighborhood Loans, Inc	2	594,041.00	0.65%
New American Funding, LLC	9	2,619,270.00	2.94%

**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
NOVA Financial & Investment Corp.	4	\$1,050,559.00	1.31%
On Q Financial, LLC	1	332,859.00	0.33%
Pacific Residential Mortgage, LLC	4	862,477.00	1.31%
Panorama Mortgage Group, LLC.	7	1,881,035.00	2.29%
Paramount Residential Mortgage Group, Inc.	5	1,674,146.00	1.63%
PFN Lending Group, Inc.	1	294,566.00	0.33%
Planet Home Lending, LLC	7	2,214,746.00	2.29%
Primary Residential Mortgage, Inc	3	897,612.00	0.98%
PrimeLending, a Plains Capital Company	8	2,645,655.00	2.61%
Prosperity Home Mortgage, LLC	2	544,399.00	0.65%
Renew Lending Inc.	8	2,497,919.00	2.61%
Residential Bancorp	4	1,058,474.00	1.31%
RMS & Associates	3	1,016,252.00	0.98%
SecurityNational Mortgage Company	18	5,348,348.00	5.88%
Sierra Pacific Mortgage Company, Inc	9	2,515,216.00	2.94%
Summit Funding, Inc.	10	3,096,262.00	3.27%
Sun West Mortgage Company, Inc	3	907,889.00	0.98%
TJC Mortgage, Inc. dba MortgageRight	1	293,584.00	0.33%
Total Quality Financial, Inc.	1	285,548.00	0.33%
U.S. Bank National Association	1	311,151.00	0.33%
TOTAL	306	\$89,909,633.00	100.00%

**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Battle Mountain	1	\$243,508.00	0.33%
Carlin	2	510,581.00	0.65%
Carson City	4	1,389,219.00	1.31%
Dayton	1	325,600.00	0.33%
Elko	8	2,191,163.00	2.61%
Ely	3	573,855.00	0.98%
Fallon	4	1,214,593.00	1.31%
Fernley	3	903,327.00	0.98%
Gardnerville	1	388,827.00	0.33%
Hawthorne	1	146,791.00	0.33%
Henderson	13	3,961,521.00	4.25%
Indian Springs	2	496,802.00	0.65%
Lamoille	1	196,910.00	0.33%
Las Vegas	182	52,209,144.00	59.48%
Mound House	2	598,459.00	0.65%
North Las Vegas	20	6,578,217.00	6.54%
Pahrump	11	2,867,210.00	3.59%
Reno	21	7,372,212.00	6.86%
Round Mountain	1	162,011.00	0.33%
Sandy Valley	1	343,193.00	0.33%
Sparks	12	4,107,866.00	3.92%
Spring Creek	5	1,397,821.00	1.63%
Sun Valley	2	685,356.00	0.65%
Tonopah	1	135,893.00	0.33%
Winnemucca	3	674,393.00	0.98%
Yerington	1	235,161.00	0.33%
TOTAL	306	\$89,909,633.00	100.00%

**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

COUNTY SUMMARY

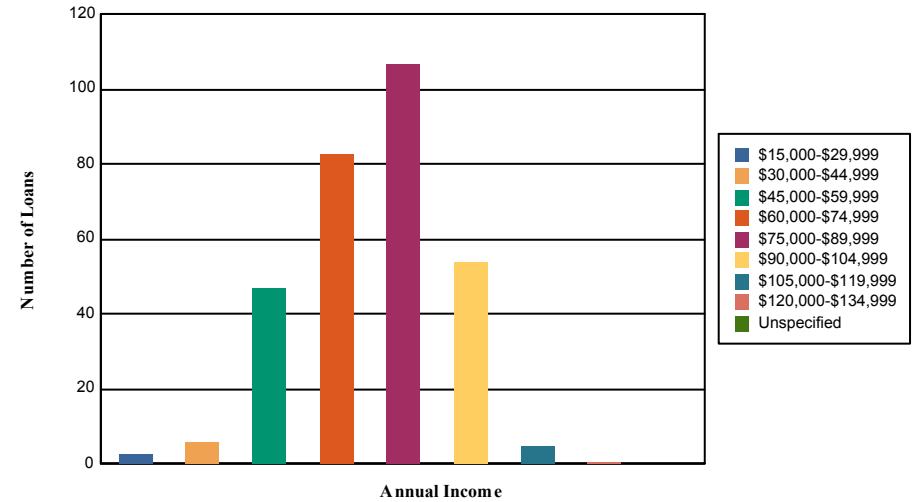
COUNTY	LOANS	AMOUNT	% OF TOTAL
Carson City	2	\$721,537.00	0.65%
Churchill	4	1,214,593.00	1.31%
Clark	218	63,588,877.00	71.24%
Douglas	3	1,056,509.00	0.98%
Elko	16	4,296,475.00	5.23%
Humboldt	3	674,393.00	0.98%
Lander	1	243,508.00	0.33%
Lyon	7	2,062,547.00	2.29%
Mineral	1	146,791.00	0.33%
Nye	13	3,165,114.00	4.25%
Storey	1	382,936.00	0.33%
Washoe	34	11,782,498.00	11.11%
White Pine	3	573,855.00	0.98%
TOTAL	306	\$89,909,633.00	100.00%

**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
\$15,000-\$29,999	3	0.98%
\$30,000-\$44,999	6	1.96%
\$45,000-\$59,999	47	15.36%
\$60,000-\$74,999	83	27.12%
\$75,000-\$89,999	107	34.97%
\$90,000-\$104,999	54	17.65%
\$105,000-\$119,999	5	1.63%
\$120,000-\$134,999	1	0.33%
TOTAL	306	100.00%

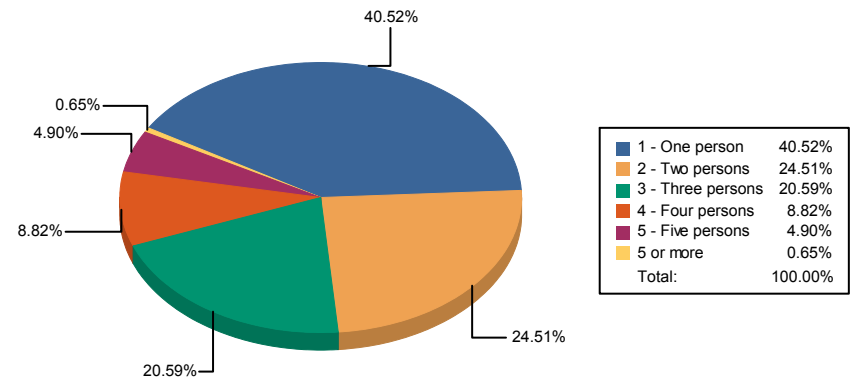


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	124	40.52%
2 - Two persons	75	24.51%
3 - Three persons	63	20.59%
4 - Four persons	27	8.82%
5 - Five persons	15	4.90%
6 - Six persons	1	0.33%
7 - Seven persons	1	0.33%
TOTAL	306	100.00%

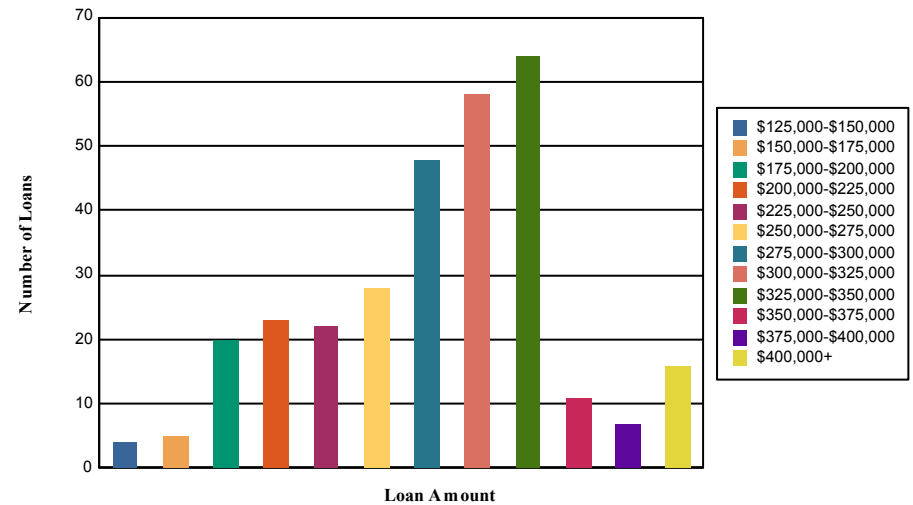


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
\$125,000-\$150,000	4	1.31%
\$150,000-\$175,000	5	1.63%
\$175,000-\$200,000	20	6.54%
\$200,000-\$225,000	23	7.52%
\$225,000-\$250,000	22	7.19%
\$250,000-\$275,000	28	9.15%
\$275,000-\$300,000	48	15.69%
\$300,000-\$325,000	58	18.95%
\$325,000-\$350,000	64	20.92%
\$350,000-\$375,000	11	3.59%
\$375,000-\$400,000	7	2.29%
\$400,000+	16	5.23%
TOTAL	306	100.00%

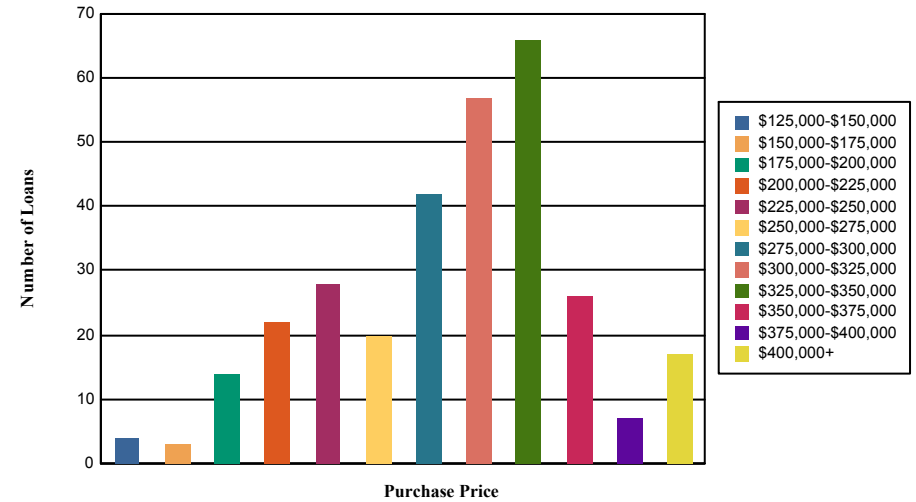


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
\$125,000-\$150,000	4	1.31%
\$150,000-\$175,000	3	0.98%
\$175,000-\$200,000	14	4.58%
\$200,000-\$225,000	22	7.19%
\$225,000-\$250,000	28	9.15%
\$250,000-\$275,000	20	6.54%
\$275,000-\$300,000	42	13.73%
\$300,000-\$325,000	57	18.63%
\$325,000-\$350,000	66	21.57%
\$350,000-\$375,000	26	8.50%
\$375,000-\$400,000	7	2.29%
\$400,000+	17	5.56%
TOTAL	306	100.00%

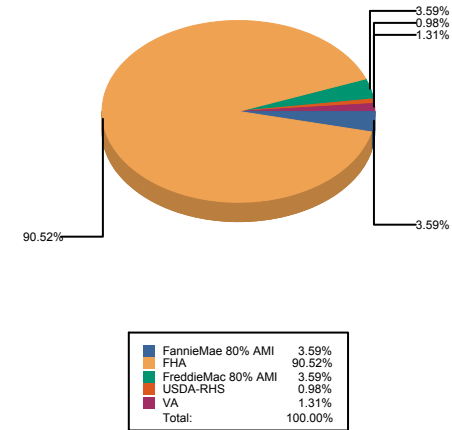


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FannieMae 80% AMI	11	3.59%
FHA	277	90.52%
FreddieMac 80% AMI	11	3.59%
USDA-RHS	3	0.98%
VA	4	1.31%
TOTAL	306	100.00%

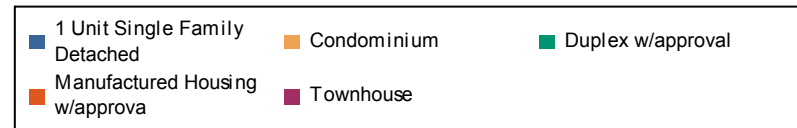
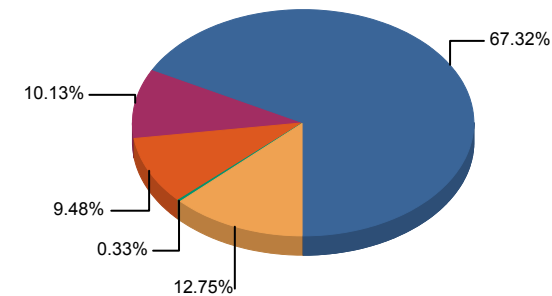


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	206	67.32%
Condominium	39	12.75%
Duplex w/approval	1	0.33%
Manufactured Housing w/approva	29	9.48%
Townhouse	31	10.13%
TOTAL	306	100.00%

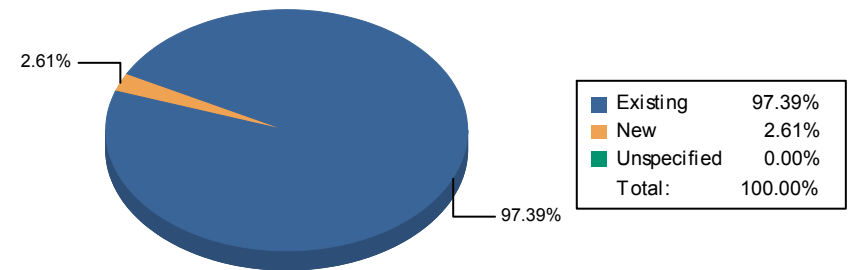


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	298	97.39%
New	8	2.61%
Unspecified	0	0.00%
TOTAL	306	100.00%

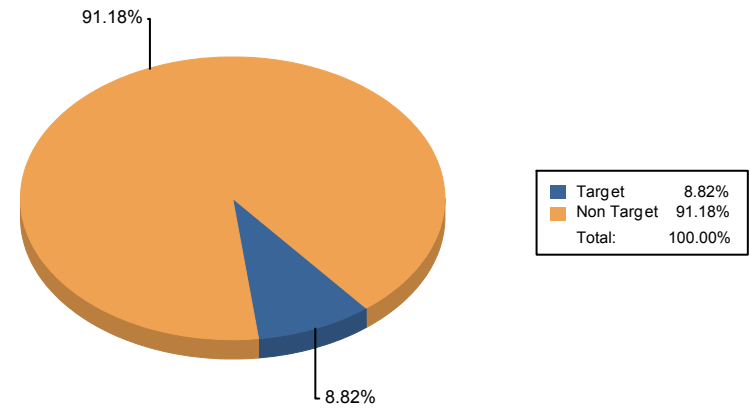


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	27	\$8,219,174.00	8.82%
NON TARGET	279	\$81,690,459.00	91.18%
TOTAL	306	\$89,909,633.00	100.00%

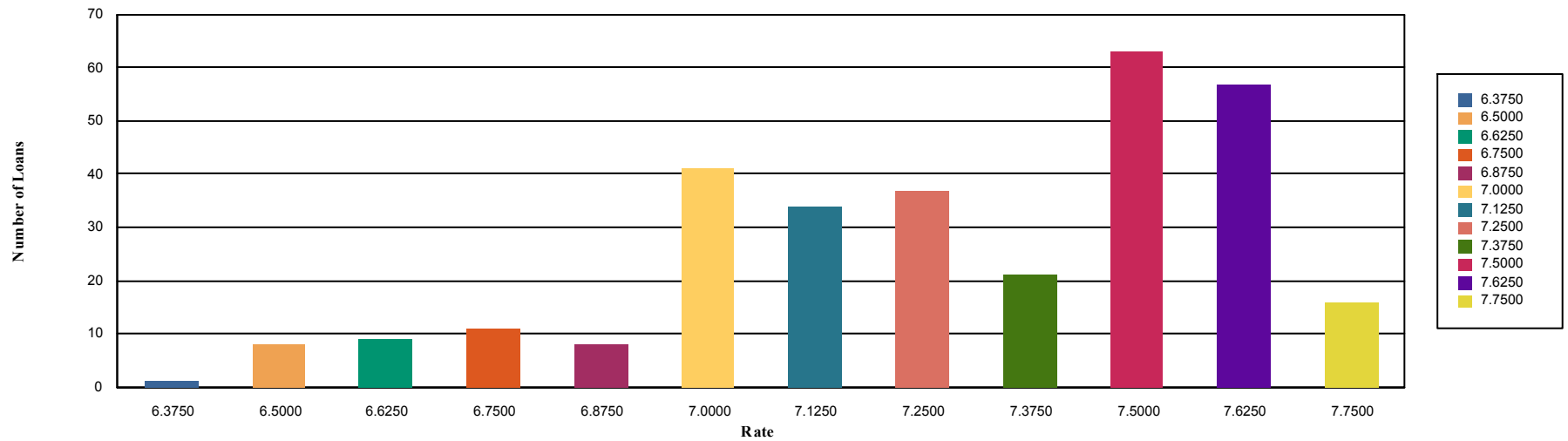


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
6.3750%	1	\$240,404.00	0.33%
6.5000%	8	\$2,297,611.00	2.61%
6.6250%	9	\$2,349,803.00	2.94%
6.7500%	11	\$3,235,915.00	3.59%
6.8750%	8	\$2,280,686.00	2.61%
7.0000%	41	\$11,783,296.00	13.40%
7.1250%	34	\$9,698,540.00	11.11%
7.2500%	37	\$11,288,582.00	12.09%
7.3750%	21	\$6,008,952.00	6.86%
7.5000%	63	\$18,715,689.00	20.59%
7.6250%	57	\$17,044,645.00	18.63%
7.7500%	16	\$4,965,510.00	5.23%
TOTAL	306	\$89,909,633.00	100.00%

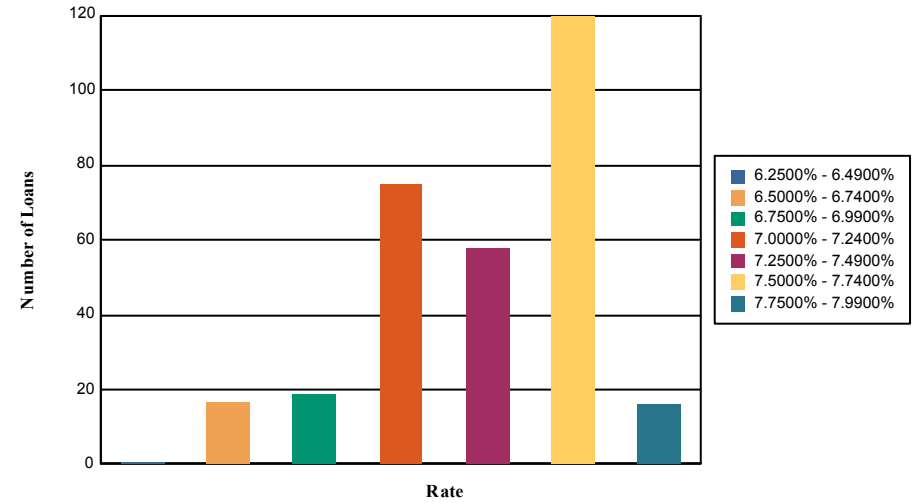


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
6.2500% - 6.4900%	1	0.33%
6.5000% - 6.7400%	17	5.56%
6.7500% - 6.9900%	19	6.21%
7.0000% - 7.2400%	75	24.51%
7.2500% - 7.4900%	58	18.95%
7.5000% - 7.7400%	120	39.22%
7.7500% - 7.9900%	16	5.23%
TOTAL	306	100.00%

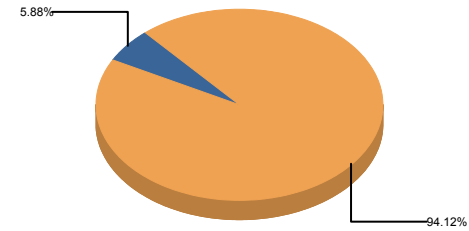


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	18	5.88%
Yes	288	94.12%
TOTAL	306	100.00%



No	5.88%
Yes	94.12%
Total:	100.00%

Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

ADDITIONAL MORTGAGE REPORT

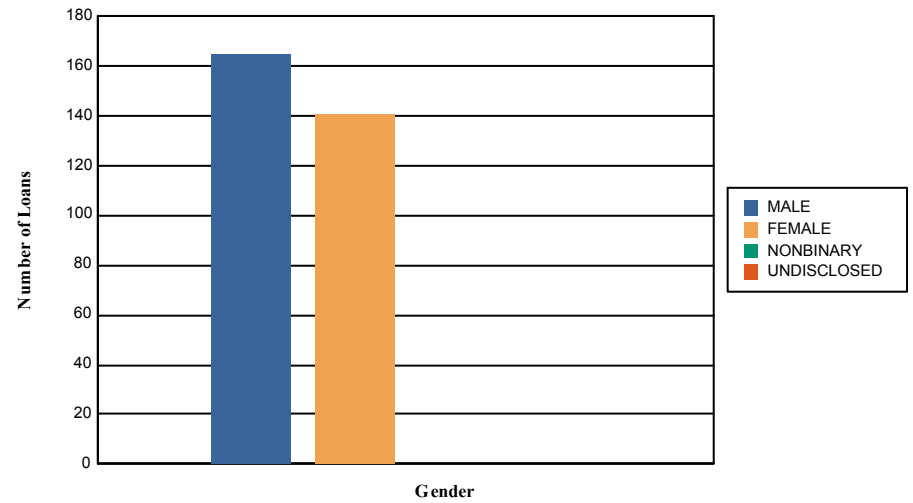
ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN AMOUNT
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**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	165	53.92%
FEMALE	141	46.08%
NONBINARY	0	0.00%
UNDISCLOSED	0	0.00%
TOTAL	306	100.00%

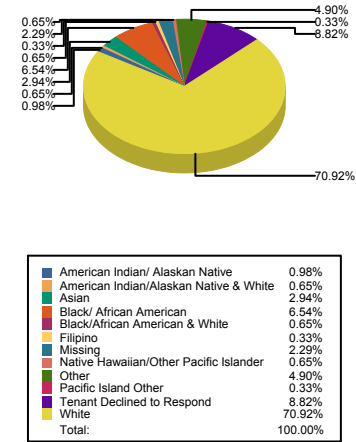


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
American Indian/ Alaskan Native	3	0.98%
American Indian/Alaskan Native & White	2	0.65%
Asian	9	2.94%
Black/ African American	20	6.54%
Black/African American & White	2	0.65%
Filipino	1	0.33%
Missing	7	2.29%
Native Hawaiian/Other Pacific Islander	2	0.65%
Other	15	4.90%
Pacific Island Other	1	0.33%
Tenant Declined to Respond	27	8.82%
White	217	70.92%
TOTAL	306	100.00%



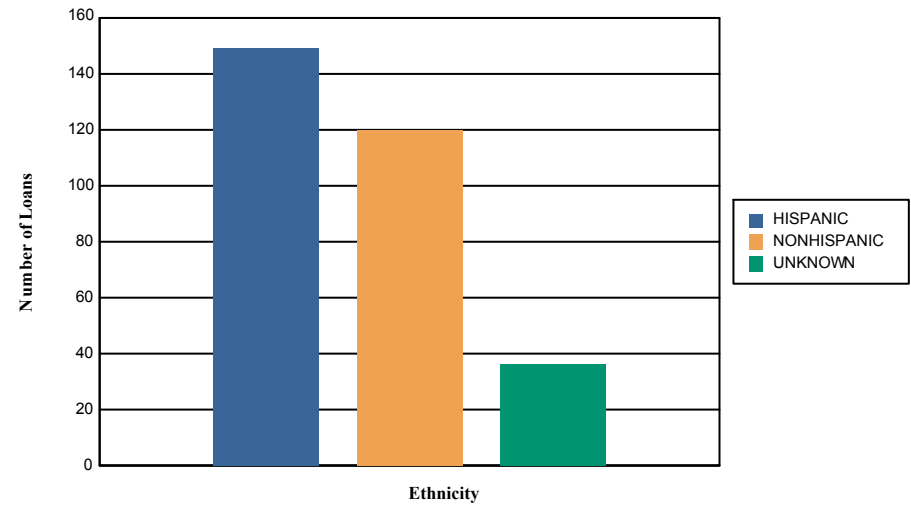
This graphic displays race combinations representing more than 10% of the population

**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

ETHNICITY REPORT

ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	149	\$45,533,566.00	48.69%
NON HISPANIC	120	\$34,074,000.00	39.22%
OTHER	37	\$10,302,067.00	12.09%
TOTAL	306	\$89,909,633.00	100.00%

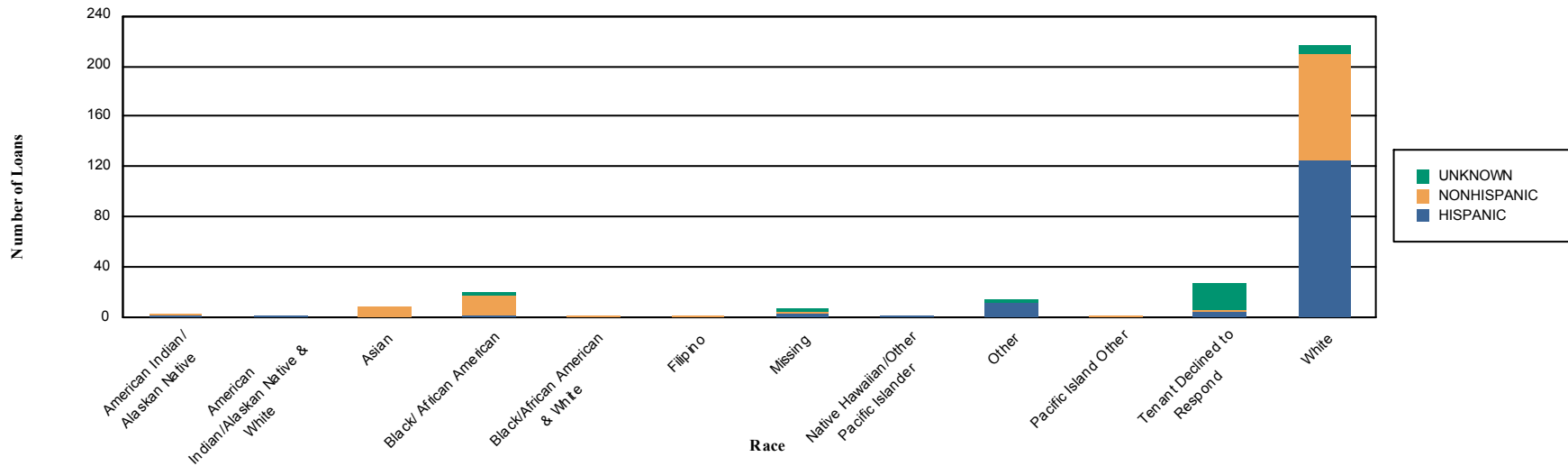


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
American Indian/ Alaskan Native	2	1	0	3	0.98%
American Indian/Alaskan Native & White	1	1	0	2	0.65%
Asian	0	9	0	9	2.94%
Black/ African American	1	17	2	20	6.54%
Black/African American & White	0	2	0	2	0.65%
Filipino	0	1	0	1	0.33%
Missing	3	1	3	7	2.29%
Native Hawaiian/Other Pacific Islander	1	1	0	2	0.65%
Other	11	1	3	15	4.90%
Pacific Island Other	0	1	0	1	0.33%
Tenant Declined to Respond	5	1	21	27	8.82%
White	125	84	8	217	70.92%
TOTAL	149	120	37	306	100.00%

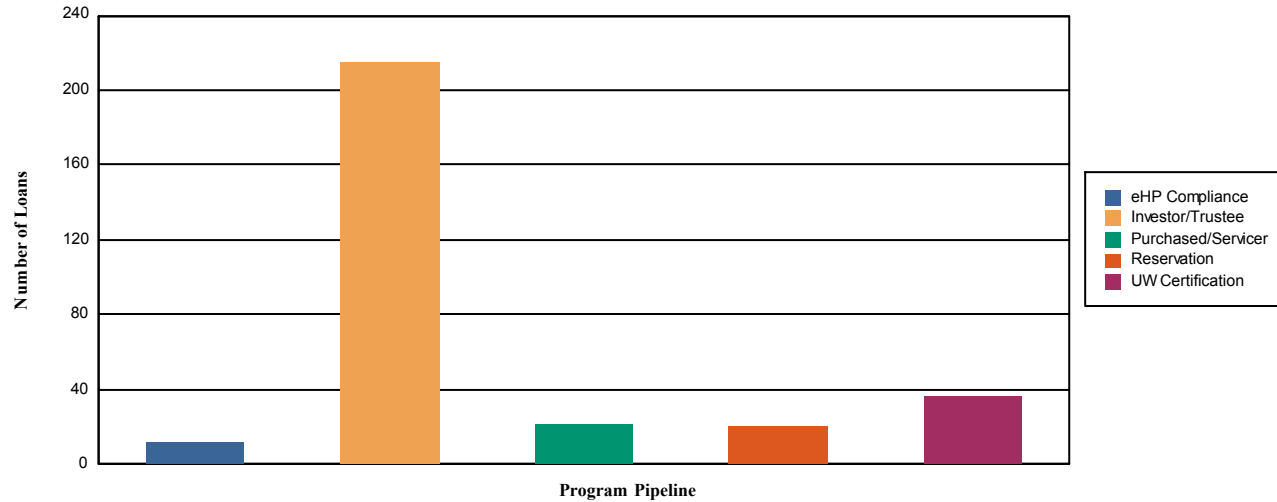


**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
Reservation	21	\$6,436,586.00	6.86%
UW Certification	36	\$11,209,755.00	11.76%
eHP Compliance	12	\$3,209,350.00	3.92%
Purchased/Service	22	\$7,132,155.00	7.19%
Investor/Trustee	215	\$61,921,787.00	70.26%
TOTAL	306	\$89,909,633.00	100.00%



**Nevada Housing Division
Demographic Analysis Report
HIP for First-Time Homebuyers**

Reservation Stage Approved Date Between 01/01/2023 and 09/27/2023

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$293,822.33
AVERAGE PURCHASE PRICE:	\$300,177.56
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$75,815.04
AVERAGE AGE OF PRIMARY BORROWER:	37
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1

**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
All Western Mortgage, Inc.	29	\$8,692,244.00	10.39%
Allied Mortgage Group, Inc.	1	270,000.00	0.36%
American Pacific Mortgage Corporation	3	887,462.00	1.08%
Axia Financial, LLC	3	1,037,849.00	1.08%
Castle & Cooke Mortgage, LLC	11	3,064,428.00	3.94%
Celebrity Home Loans, LLC	1	292,500.00	0.36%
CMG Mortgage, Inc. Dba CMG Financial	11	3,206,967.00	3.94%
Cornerstone Home Lending	1	188,000.00	0.36%
CrossCountry Mortgage, LLC.	4	846,522.00	1.43%
Direct Mortgage Loans, LLC	2	396,937.00	0.72%
Everett Financial, Inc.	7	2,316,245.00	2.51%
Evergreen Moneysource Mortgage Company	3	727,511.00	1.08%
Fairway Independent Mortgage Corporation	21	5,814,354.00	7.53%
Geneva Financial, LLC.	4	1,235,099.00	1.43%
Guaranteed Rate, Inc.	7	1,898,761.00	2.51%
Guild Mortgage Company LLC	47	12,410,349.00	16.85%
HighTechLending Inc	1	141,300.00	0.36%
Home Funding Corporation	4	1,159,949.00	1.43%
iServe Residential Lending LLC	1	172,975.00	0.36%
loanDepot.com, LLC	11	3,197,673.00	3.94%
Luminate Home Loans, Inc	12	2,821,342.00	4.30%
ML Mortgage Corp.	5	1,466,411.00	1.79%
Mountain West Financial, Inc	5	1,178,250.00	1.79%
Movement Mortgage, LLC	5	1,664,859.00	1.79%
New American Funding, LLC	2	299,922.00	0.72%
NOVA Financial & Investment Corp.	3	709,087.00	1.08%
Panorama Mortgage Group, LLC.	3	1,068,374.00	1.08%
Paramount Residential Mortgage Group, Inc.	1	195,000.00	0.36%
Pinnacle Lending Group Inc.	1	288,000.00	0.36%
Primary Residential Mortgage, Inc	3	846,977.00	1.08%
PrimeLending, a Plains Capital Company	1	324,022.00	0.36%
Prosperity Home Mortgage, LLC	1	327,635.00	0.36%
Renew Lending Inc.	3	668,494.00	1.08%
Residential Bancorp	4	878,882.00	1.43%

Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
RMS & Associates	13	\$3,858,070.00	4.66%
SecurityNational Mortgage Company	28	8,703,398.00	10.04%
Sierra Pacific Mortgage Company, Inc	7	2,186,871.00	2.51%
Summit Funding, Inc.	4	1,314,415.00	1.43%
Sun West Mortgage Company, Inc	3	826,699.00	1.08%
United Federal Credit Union	1	178,062.00	0.36%
United Mortgage Corp	2	354,000.00	0.72%
TOTAL	279	\$78,115,895.00	100.00%

**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Battle Mountain	2	\$496,539.00	0.72%
Boulder City	1	283,882.00	0.36%
Carson City	3	665,264.00	1.08%
Elko	1	240,000.00	0.36%
Fernley	2	586,922.00	0.72%
Hawthorne	1	181,013.00	0.36%
Henderson	16	4,535,498.00	5.73%
Las Vegas	180	49,505,633.00	64.52%
Lovelock	1	245,000.00	0.36%
North Las Vegas	52	15,908,062.00	18.64%
Pahrump	9	2,414,501.00	3.23%
Reno	8	2,094,344.00	2.87%
Sparks	1	441,839.00	0.36%
Stagecoach	1	299,653.00	0.36%
Yerington	1	217,745.00	0.36%
TOTAL	279	\$78,115,895.00	100.00%

**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

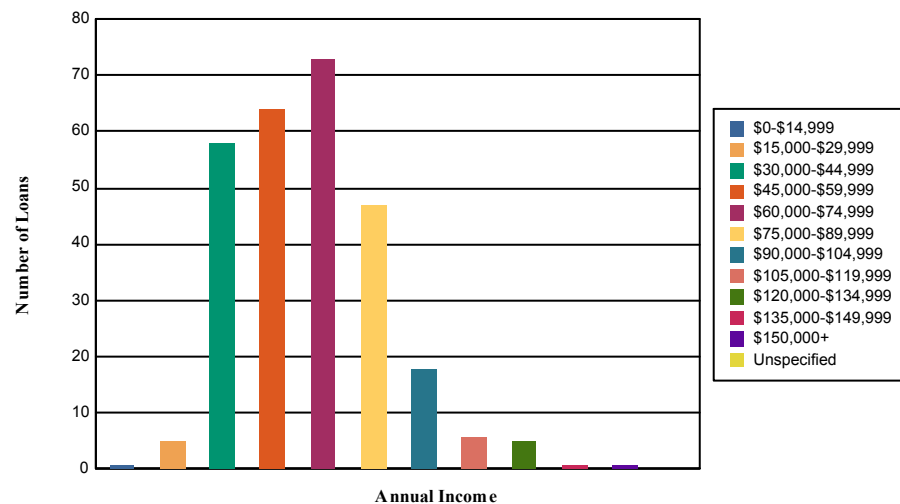
COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Carson City	3	\$665,264.00	1.08%
Clark	249	70,233,075.00	89.25%
Elko	1	240,000.00	0.36%
Lander	2	496,539.00	0.72%
Lyon	4	1,104,320.00	1.43%
Mineral	1	181,013.00	0.36%
Nye	9	2,414,501.00	3.23%
Pershing	1	245,000.00	0.36%
Washoe	9	2,536,183.00	3.23%
TOTAL	279	\$78,115,895.00	100.00%

**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

HOUSEHOLD ANNUAL INCOME REPORT

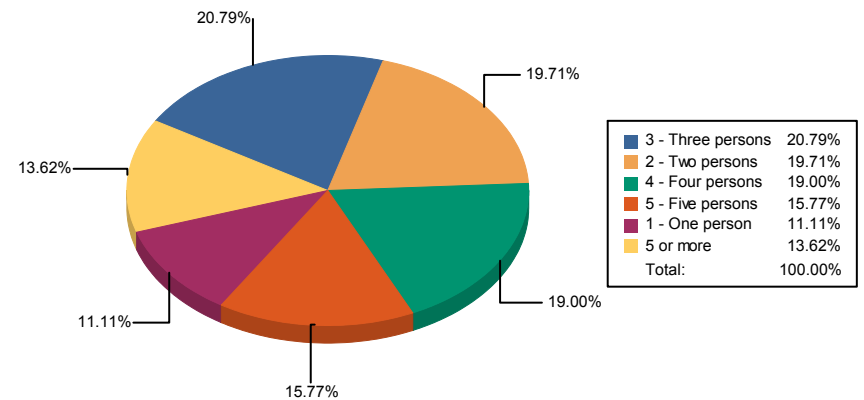
ANNUAL INCOME	LOANS	% OF TOTAL
\$0-\$14,999	1	0.36%
\$15,000-\$29,999	5	1.79%
\$30,000-\$44,999	58	20.79%
\$45,000-\$59,999	64	22.94%
\$60,000-\$74,999	73	26.16%
\$75,000-\$89,999	47	16.85%
\$90,000-\$104,999	18	6.45%
\$105,000-\$119,999	6	2.15%
\$120,000-\$134,999	5	1.79%
\$135,000-\$149,999	1	0.36%
\$150,000+	1	0.36%
TOTAL	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

HOUSEHOLD SIZE REPORT

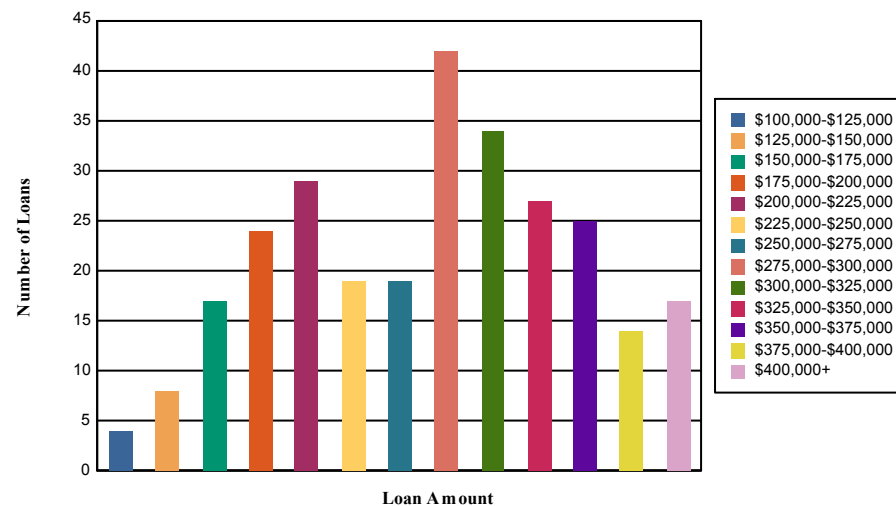
HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	31	11.11%
2 - Two persons	55	19.71%
3 - Three persons	58	20.79%
4 - Four persons	53	19.00%
5 - Five persons	44	15.77%
6 - Six persons	20	7.17%
7 - Seven persons	11	3.94%
8 - Eight or more persons	7	2.51%
TOTAL	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

LOAN AMOUNT REPORT

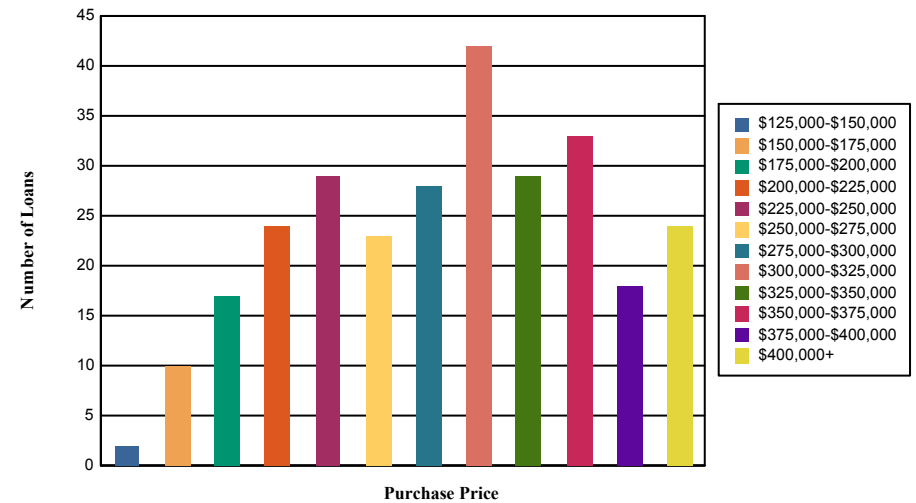
LOAN AMOUNT	LOANS	% OF TOTAL
\$100,000-\$125,000	4	1.43%
\$125,000-\$150,000	8	2.87%
\$150,000-\$175,000	17	6.09%
\$175,000-\$200,000	24	8.60%
\$200,000-\$225,000	29	10.39%
\$225,000-\$250,000	19	6.81%
\$250,000-\$275,000	19	6.81%
\$275,000-\$300,000	42	15.05%
\$300,000-\$325,000	34	12.19%
\$325,000-\$350,000	27	9.68%
\$350,000-\$375,000	25	8.96%
\$375,000-\$400,000	14	5.02%
\$400,000+	17	6.09%
TOTAL	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

PURCHASE PRICE REPORT

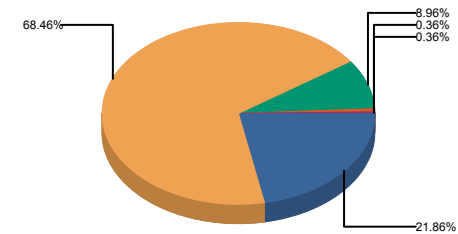
PURCHASE PRICE	LOANS	% OF TOTAL
\$125,000-\$150,000	2	0.72%
\$150,000-\$175,000	10	3.58%
\$175,000-\$200,000	17	6.09%
\$200,000-\$225,000	24	8.60%
\$225,000-\$250,000	29	10.39%
\$250,000-\$275,000	23	8.24%
\$275,000-\$300,000	28	10.04%
\$300,000-\$325,000	42	15.05%
\$325,000-\$350,000	29	10.39%
\$350,000-\$375,000	33	11.83%
\$375,000-\$400,000	18	6.45%
\$400,000+	24	8.60%
TOTAL	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FannieMae 80% AMI	61	21.86%
FHA	191	68.46%
FreddieMac 80% AMI	25	8.96%
FreddieMac OVER 80% AMI	1	0.36%
VA	1	0.36%
TOTAL	279	100.00%

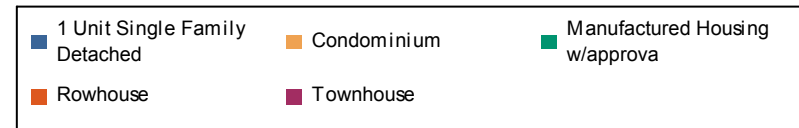
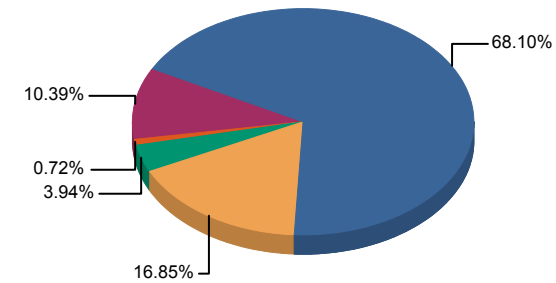


FannieMae 80% AMI	21.86%
FHA	68.46%
FreddieMac 80% AMI	8.96%
FreddieMac OVER 80% AMI	0.36%
VA	0.36%
Total:	100.00%

**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

PROPERTY TYPE REPORT

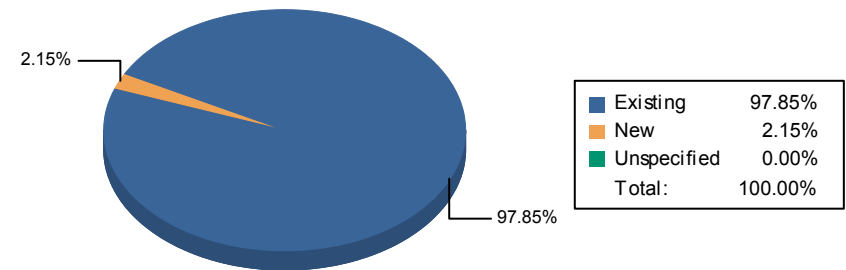
PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	190	68.10%
Condominium	47	16.85%
Manufactured Housing w/approva	11	3.94%
Rowhouse	2	0.72%
Townhouse	29	10.39%
TOTAL	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

CATEGORY TYPE REPORT

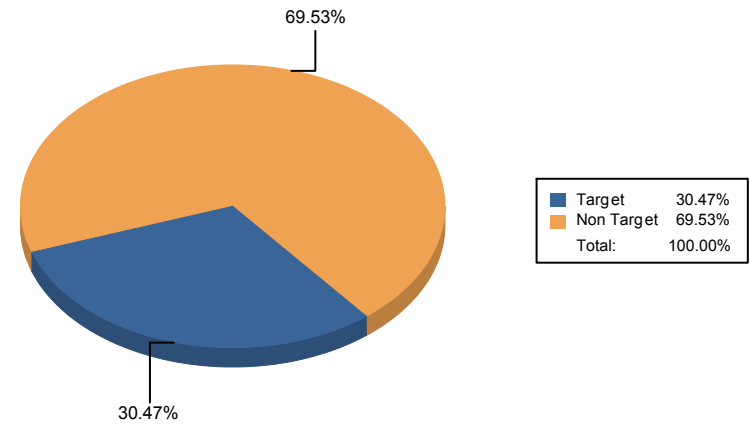
TYPE	LOANS	% OF TOTAL
Existing	273	97.85%
New	6	2.15%
Unspecified	0	0.00%
TOTAL	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

TARGET/NON TARGET REPORT

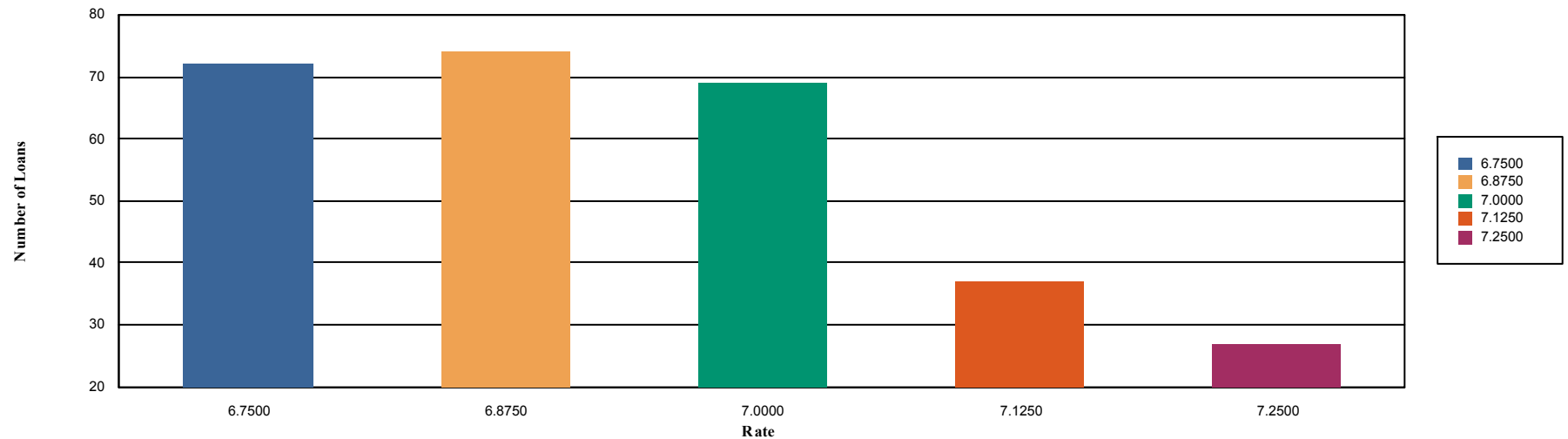
TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	85	\$22,046,808.00	30.47%
NON TARGET	194	\$56,069,087.00	69.53%
TOTAL	279	\$78,115,895.00	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

INTEREST RATE LISTING REPORT

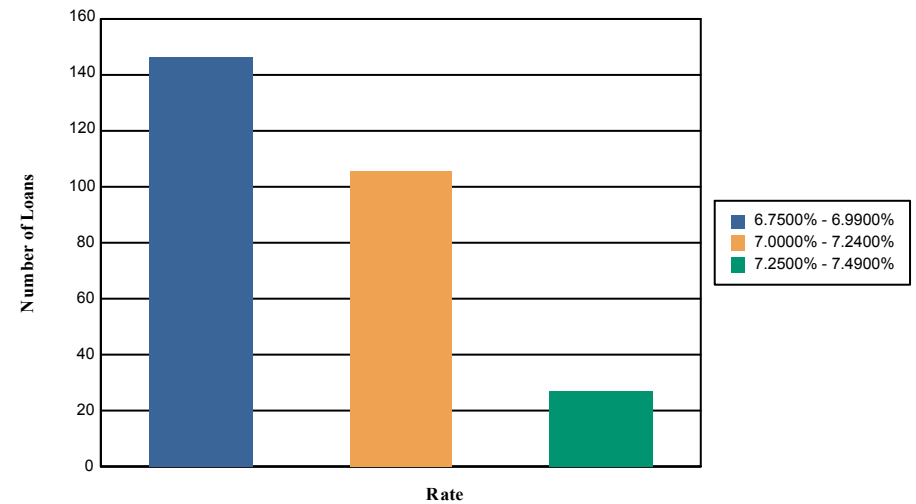
RATE	COUNT	AMOUNT	% OF TOTAL
6.7500%	72	\$20,063,612.00	25.81%
6.8750%	74	\$22,293,594.00	26.52%
7.0000%	69	\$18,607,278.00	24.73%
7.1250%	37	\$10,421,029.00	13.26%
7.2500%	27	\$6,730,382.00	9.68%
TOTAL	279	\$78,115,895.00	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

INTEREST RATE RANGES REPORT

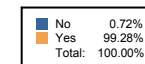
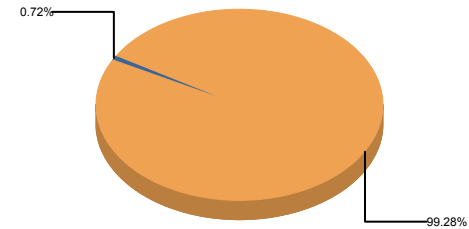
RATE	LOANS	% OF TOTAL
6.7500% - 6.9900%	146	52.33%
7.0000% - 7.2400%	106	37.99%
7.2500% - 7.4900%	27	9.68%
TOTAL	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	2	0.72%
Yes	277	99.28%
TOTAL	279	100.00%



Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program

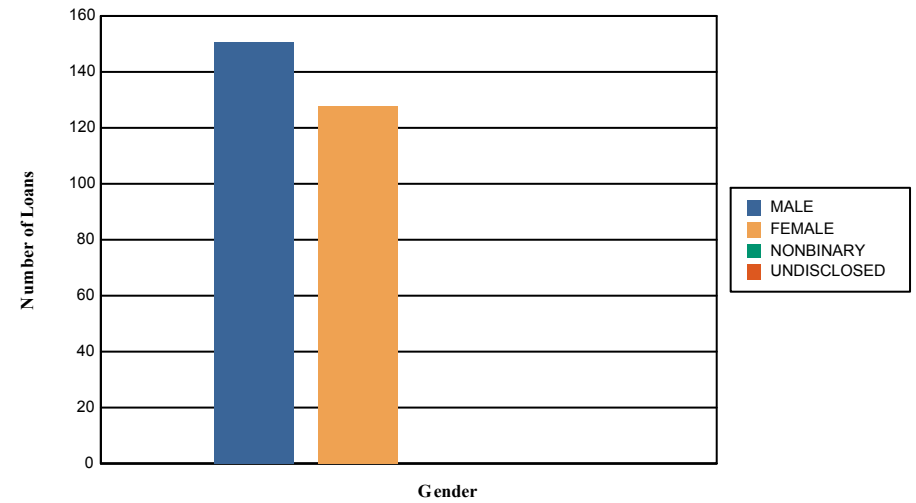
ADDITIONAL MORTGAGE REPORT

ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN AMOUNT
HFP DPA \ Home First Nevada Program	272	\$4,080,000.00	\$15,000.00

**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

GENDER REPORT

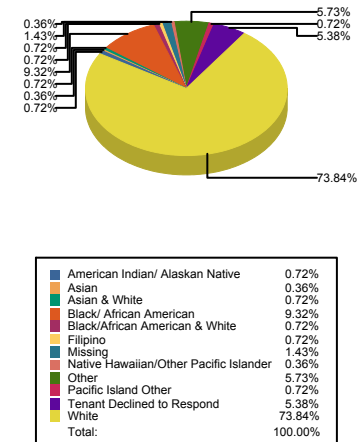
GENDER	LOANS	% OF TOTAL
MALE	151	54.12%
FEMALE	128	45.88%
NONBINARY	0	0.00%
UNDISCLOSED	0	0.00%
TOTAL	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
American Indian/ Alaskan Native	2	0.72%
Asian	1	0.36%
Asian & White	2	0.72%
Black/ African American	26	9.32%
Black/African American & White	2	0.72%
Filipino	2	0.72%
Missing	4	1.43%
Native Hawaiian/Other Pacific Islander	1	0.36%
Other	16	5.73%
Pacific Island Other	2	0.72%
Tenant Declined to Respond	15	5.38%
White	206	73.84%
TOTAL	279	100.00%

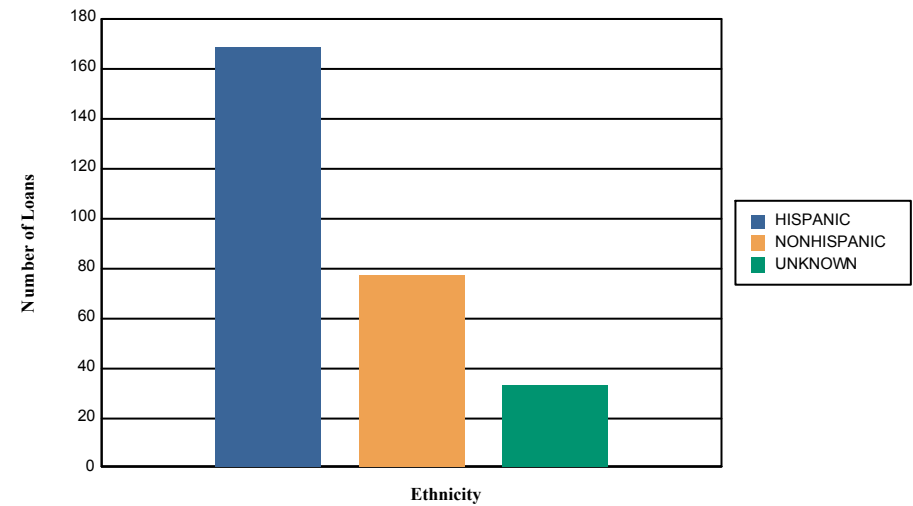


This graphic displays race combinations representing more than 10% of the population

**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

ETHNICITY REPORT

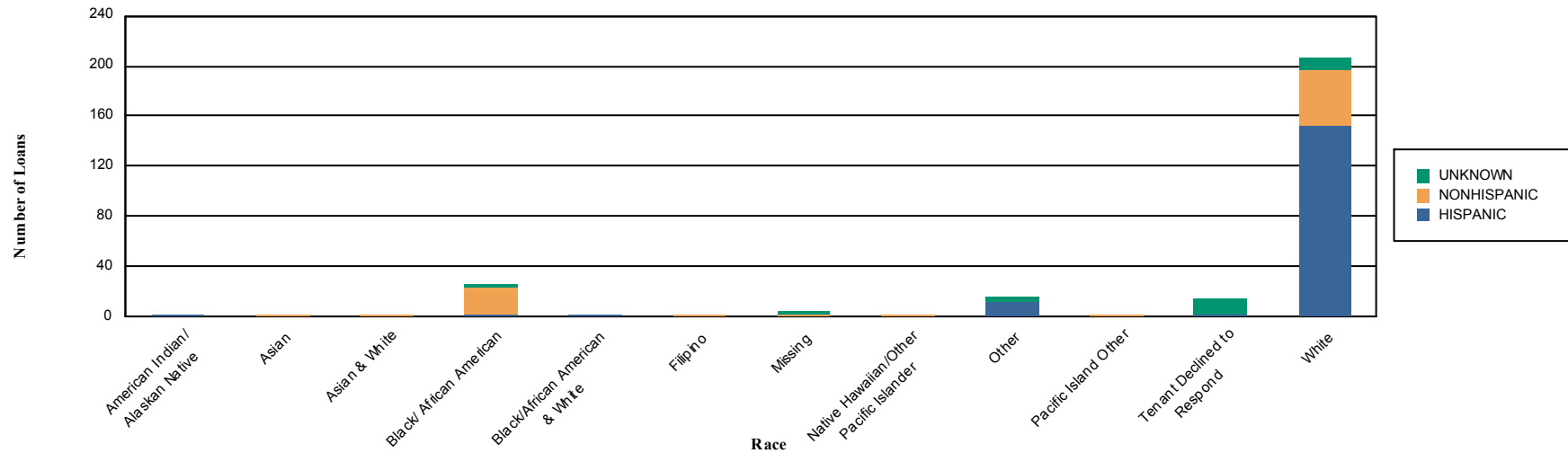
ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	169	\$49,441,608.00	60.57%
NON HISPANIC	77	\$19,740,564.00	27.60%
OTHER	33	\$8,933,723.00	11.83%
TOTAL	279	\$78,115,895.00	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

RACE BY ETHNICITY REPORT

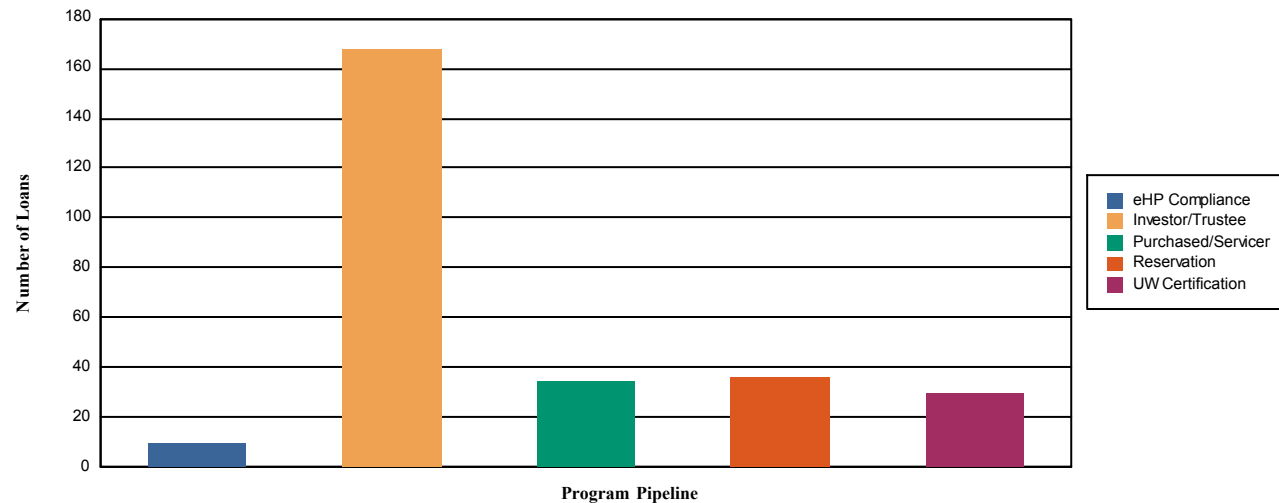
RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
American Indian/ Alaskan Native	2	0	0	2	0.72%
Asian	0	1	0	1	0.36%
Asian & White	0	2	0	2	0.72%
Black/ African American	2	21	3	26	9.32%
Black/African American & White	1	1	0	2	0.72%
Filipino	0	2	0	2	0.72%
Missing	0	1	3	4	1.43%
Native Hawaiian/Other Pacific Islander	0	1	0	1	0.36%
Other	11	1	4	16	5.73%
Pacific Island Other	0	1	1	2	0.72%
Tenant Declined to Respond	1	1	13	15	5.38%
White	152	45	9	206	73.84%
TOTAL	169	77	33	279	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
Reservation	36	\$10,299,564.00	12.90%
UW Certification	30	\$9,529,801.00	10.75%
eHP Compliance	10	\$2,713,475.00	3.58%
Purchased/Servicer	35	\$9,729,438.00	12.54%
Investor/Trustee	168	\$45,843,617.00	60.22%
TOTAL	279	\$78,115,895.00	100.00%



**Nevada Housing Division
Demographic Analysis Report
Home First Nevada Program**

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$279,985.29
AVERAGE PURCHASE PRICE:	\$297,000.34
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$64,172.03
AVERAGE DPA AMOUNT:	\$15,000.00
AVERAGE AGE OF PRIMARY BORROWER:	37
AVERAGE HOUSEHOLD SIZE:	3
AVERAGE EMPLOYED IN HOUSEHOLD:	1



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (Board) Members

FROM: Cari Eaton, Deputy Treasurer – Debt Management

SUBJECT: October 19, 2023 Agenda Item #7A-C Presentation on Issuance of Refunding Certificates of Participation: Series 2023 – Capitol Complex Building 1 Project; Series 2023 – Casa Grande Project; and Series 2023 – Nevada State University Project

DATE: October 6, 2023

Summary:

The approval process and documentation associated with the issuance and refunding of Certificates of Participation (COPs) has taken place over several meetings:

June 16, 2023 Board of Finance Meeting - Informational item describing Certificates of Participation, the method by which they are approved, the reason they are utilized, and background of COP issuances.

August 17, 2023 Board of Finance Meeting – Action item considering the Board resolution approving the form of Lease-Purchase Agreement and related documents for each of the COP series proposed to be refunded.

September 14, 2023 Nevada Real Property Corporation Meeting – Action item considering the Board resolution approving the form of Lease-Purchase Agreement and related documents for each of the COP series proposed to be refunded.

October 19, 2023 Board of Finance Meeting – Action item considering the Board resolution approving the completed Lease-Purchase Agreement and related sale documents for each of the COP series proposed to be refunded. The sale of the refunding COPs is scheduled for the morning of October 19th, 2023. The sale results will be presented to the Board for approval on the same day.

Due to unfavorable interest rate increases over the course of the approval timeline, anticipated savings have declined. If interest rates continue to change unfavorably by the time of pricing,

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

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

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

October 19th, the Treasurer's Office may withdraw one or more of the proposed agenda items if savings for the particular series are no longer deemed beneficial. The estimated savings as of October 6th are shown below.

Series	Program	Refunded Par	Refunding Par as of 10/19/23	Est. NPV Savings	Est. NPV Savings % of Refunded	Term (Years)
Series 2023A	CCB1 Refunding Project	\$ 10,360,000	\$10,140,000	\$ 52,638	0.442%	8
Series 2023B	Casa Grande Refunding Project	\$ 9,725,000	\$ 9,250,000	\$ 46,114	0.392%	8
Series 2023C	Nevada State College (NSC) Project	\$ 42,720,000	\$41,025,000	\$ 1,704,969	2.606%	20
		\$ 62,805,000	\$60,415,000	\$ 1,803,721		

Proposed COP Refundings:

- Series 2013A Capitol Complex Building 1 (CCB1)
- Series 2013B Casa Grande
- Series 2013C Nevada State University (NSU)

Each of the COP series proposed to be refunded were originally issued for 30-year terms with a 10-year "call" feature, which means the COPs were not eligible to be refunded for 10 years. The CCB1 project and the Casa Grande project were originally issued in 2004 and refunded for the first time in 2013. If the Board approves the proposed refundings, this will be the last refunding for the CCB1 and Casa Grande projects. The Nevada State College project was originally issued in 2013. If the Board approves the proposed refundings, the Nevada State College project may be refunded again in 2033, once reaching the next 10-year call date.

Report:

Agenda Item 7(a) - Capitol Complex Building 1 (Bryan Building) Refunding Project

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.

Background:

In 2004, the Division of Conservation and Natural Resources (DCNR) proposed the construction and use of a five-story office building of approximately 120,000 square feet with associated surface parking, and COPs were issued to finance this project. The COPs were titled "Lease Revenue Certificates of Participation (Capitol Complex Building 1 Project), Series 2004."

The 2004 Certificates became "callable" in 2013. Due to favorable interest rates in 2013, the 2004 Certificates were refinanced for interest rate savings. The Series 2013A Capitol Complex Building 1 Refunding COPs yielded interest savings of \$2.44 million, or 11.50% of refunded par.

Agenda Item #7(b) - Casa Grande Refunding Project

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.

Background:

In 2004, the Nevada Department of Corrections proposed the construction and use of the Casa Grande Transitional Housing Facility. The Casa Grande project is a re-entry center for non sex offenders who will serve their last four to six months of incarceration in community-based housing provided by the Nevada Department of Corrections (department), a state agency. The project enables the department to provide services to offenders that will help them successfully reintegrate into the community upon their release from custody. The financed improvements included a one-story administrative building, administrative offices, offender food service, training and conference rooms, and counseling offices and a two-story housing for up to 400 residents. The COPs were titled “Lease Revenue Certificates of Participation (Casa Grande Project), Series 2004”.

The 2004 Certificates became “callable” in 2013. Due to favorable interest rates in 2013, the 2004 Certificates were refinanced for interest rate savings. The Series 2013B Casa Grande Refunding COPs yielded interest savings of \$1.73 million, or 8.59% of refunded par.

Agenda Item #7(c) -Nevada State University (NSU) Project

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).

Background:

In 2013, the Nevada System of Higher Education (NSHE) proposed the construction of two new buildings on Nevada State College’s campus – a nursing/science/education building and a student activities/administration building. The two facilities totaled 120,000 square feet for a cost of \$51.6 million. The Series 2013C Lease Revenue Certificates of Participation (Nevada State College Project) are “callable” this year.

Zach Conine
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (BoF) Members

FROM: Steven Hale, Deputy Treasurer - Investments

SUBJECT: June 2023 BoF Agenda Item #8 – State Treasurer Investment Report

DATE: October 19, 2023

Agenda Item #8

For discussion and possible action: on the approval of the State Treasurer's quarterly investment report for the quarter ended June 30, 2023.

Fixed Income Market Highlights as of June 30, 2023

- U.S. 10- year Treasury yields rose by 33 basis points during the fiscal fourth quarter of 2023 and closed the quarter at 3.81%. Over the same period, 1 month T-Bill rates increased 50 basis points from 4.74% to 5.24%.
- The Fed continued to raise rates to reduce inflation with a 25 basis point increase in the Fed Fund rates in May. However at the next meeting in June, they opted to pause and not raise rates. The Fed Funds Rate closed the June 2023 quarter in the range of 5.00% to 5.25%.

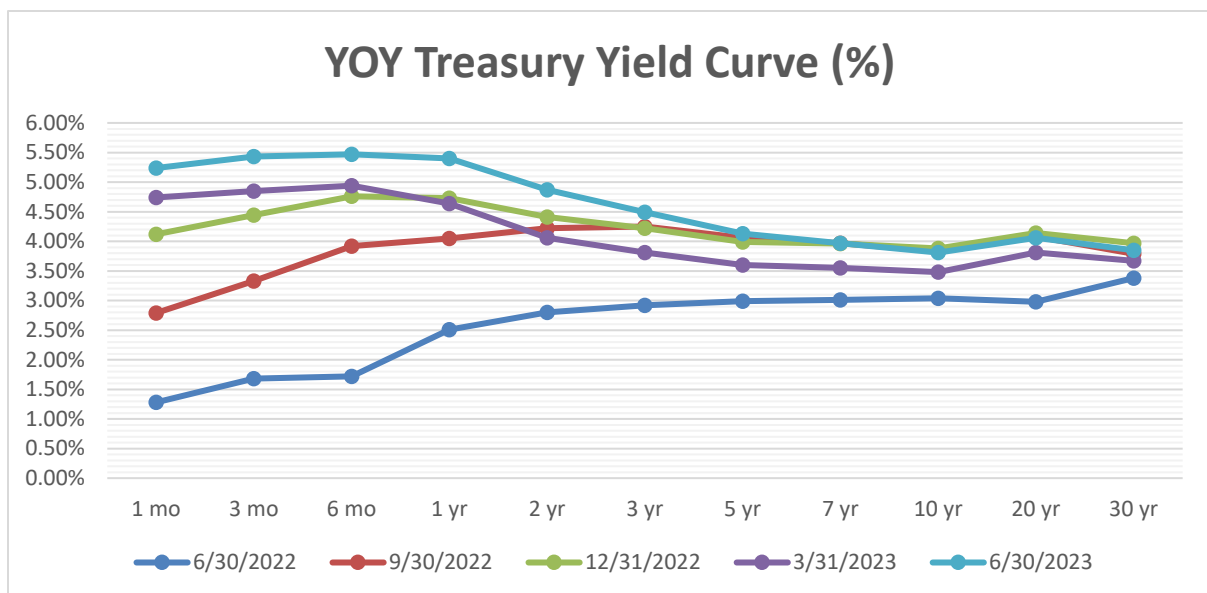


Chart is for illustrative purposes only. Investment Policy prohibits the General Portfolio from investing in Treasuries beyond 10 years.

Investment Performance as of June 30, 2023

Local Government Investment Pool (LGIP)

As of June 30, 2023, the total assets under management (AUM) were \$1.77 billion. The yield to maturity as of June 30, 2023, was 4.65% which is 82 basis points below the benchmark yield of 5.47%.

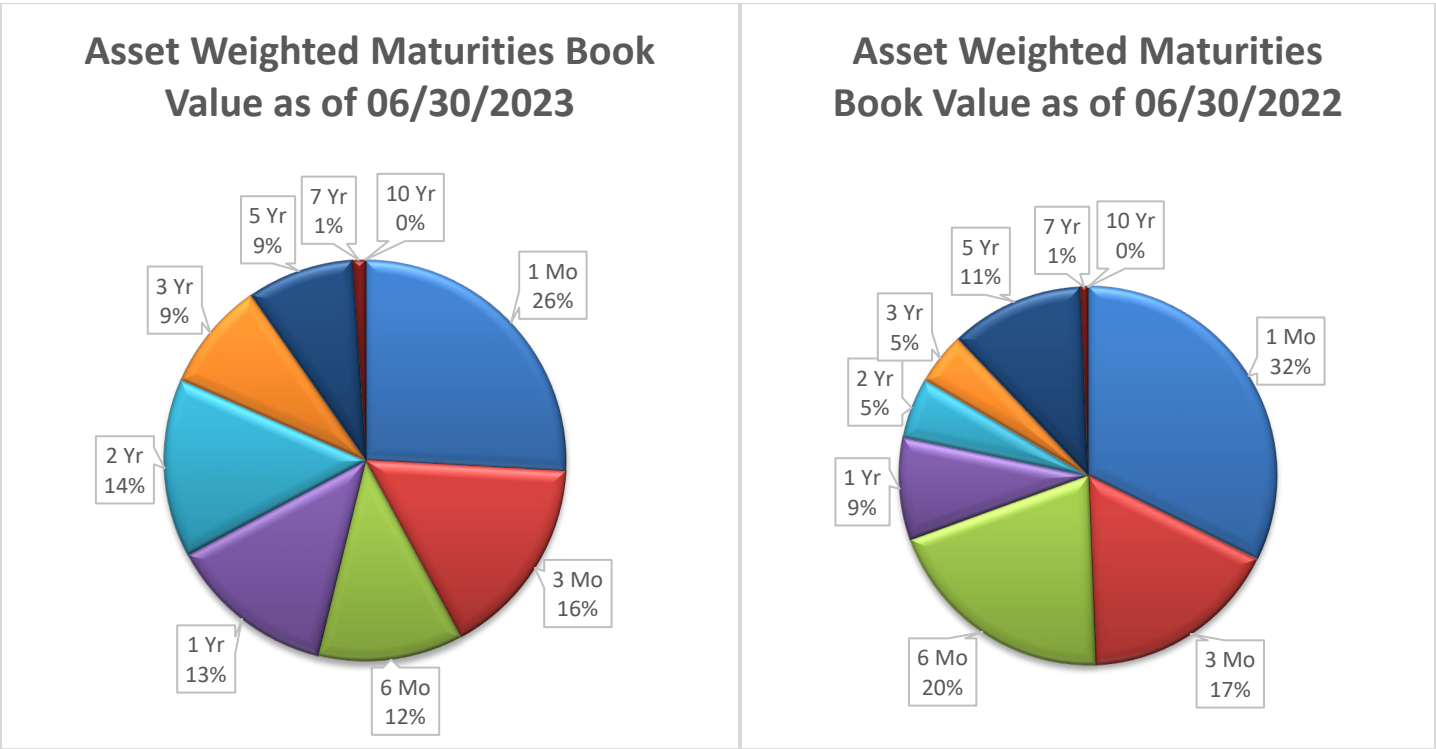
General Portfolio

As of June 30, 2023, the AUM for the General Portfolio was \$8.9 billion (book value) with 81% managed internally and 19% managed by outside managers. Please see the charts on pages 3 and 4 for more information on each manager.

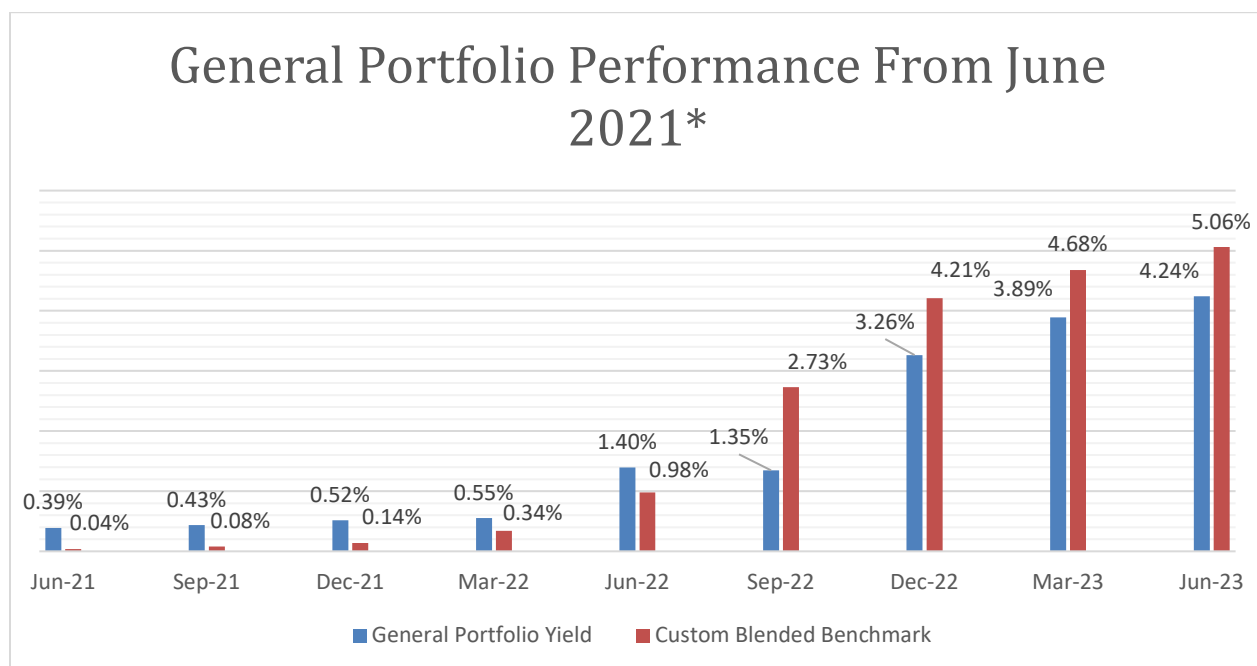
The overall yield to maturity (YTM) as of June 30, 2023 was 3.64% for the General Portfolio. Below is the YTM breakdown by portfolio:

- Internally managed portfolios were 4.24%
- Buckhead Capital Management portfolio was 3.07%
- Western Asset Management portfolio was 2.36%

Below is a graphical representation of the asset weighted maturities in the General Portfolio as of June 30, 2023 versus one-year prior.



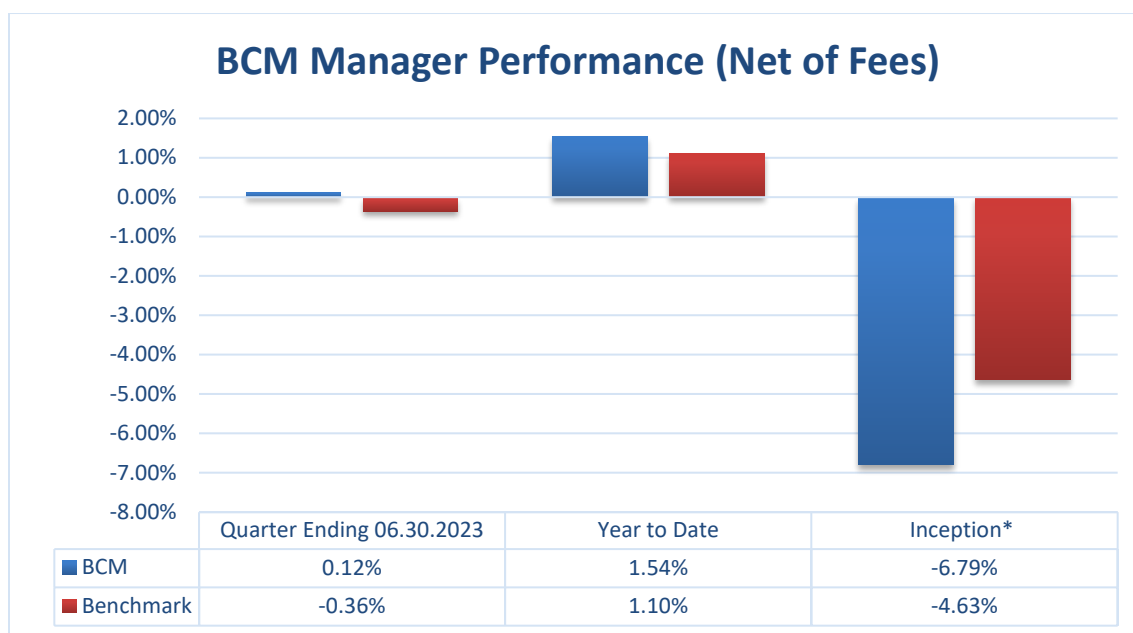
The chart below shows the internally managed portfolio performance against the custom benchmark for the past nine quarters.



- Custom benchmark yield matches the asset-weighted maturities of the General Portfolio, internally managed portion, for each quarter to the appropriate Treasury yield.

General Portfolio Outside Managers' Performance

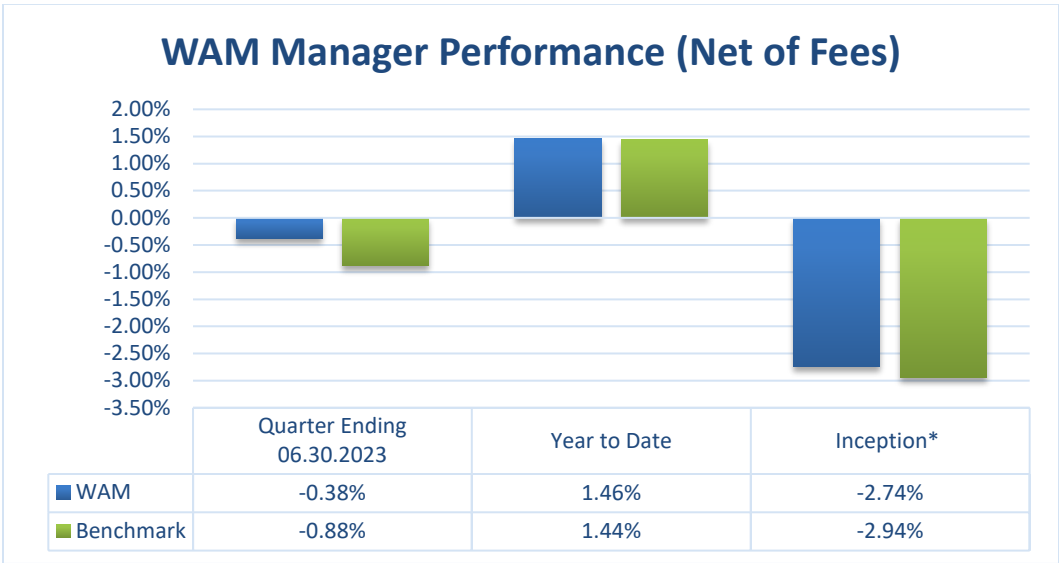
Buckhead Capital Management (BCM) began managing \$150 million in September 2020, \$130 million was distributed in June 2021, \$220 million distributed in September 2021, \$200 million in December 2021 and \$240 million was distributed in March 2022, for a total of \$940 million in total distributions.



1. Benchmark used for the BCM mandate is the Bloomberg Barclays CMBS AAA Index and inception date is October 2020.

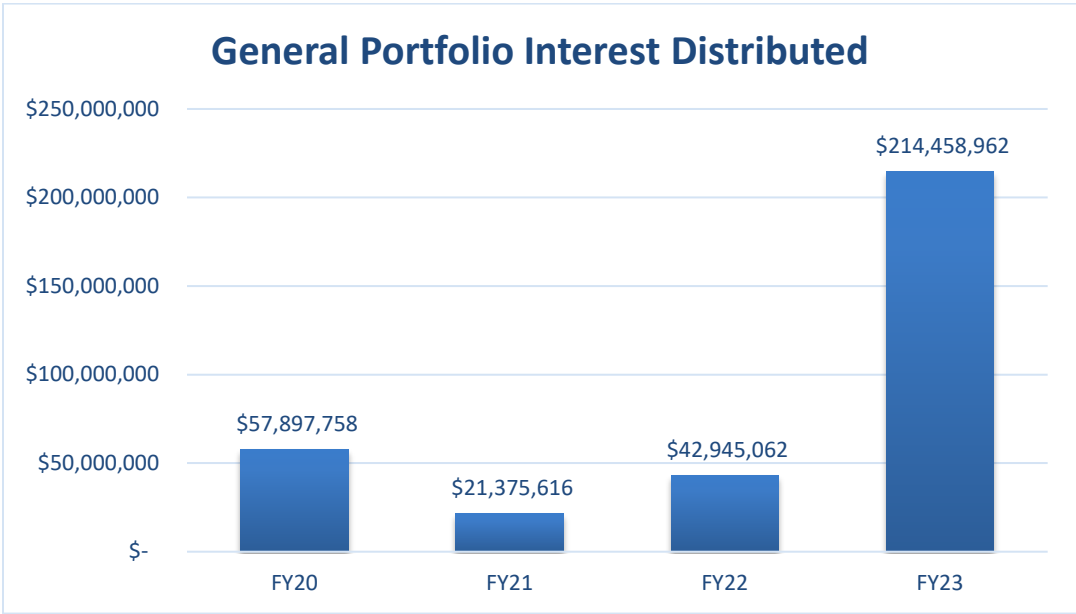
Western Asset Management (WAM) began managing \$80 million in General Portfolio Assets on November 16, 2020, \$70

million was distributed in June 2021, \$200 million was distributed in September 2021, and \$400 million was distributed in March 2022. In May 2022, \$10 million was pulled back, while in March 2023 another \$10 million was distributed for a total of \$750 million in assets distributed.



2. Benchmark used for the WAM mandate is the ICE BofA 3 – 5 Year AA US Corporate & Yankee Index and the inception date is November 2020.

The chart below provides the historical interest distributed for Fiscal Year 2023 to date and by each prior fiscal year for the General Portfolio. Interest is distributed to statutorily approved funds, such as the State General Fund and statutorily approved budget accounts.



* FY23 bar shown above represents the full year-to-date interest distributed.



INVESTMENTS

GENERAL PORTFOLIO

FISCAL YEAR 2023

**Period Ending
June 30, 2023**

Overview

Investment of the State of Nevada General Fund Portfolio is a function performed by the State Treasurer, who, by the provisions of NRS 355, has adopted policies for the prudent and conservative investment of these funds. The General Portfolio encompasses governmental, proprietary, enterprise and fiduciary funds of the State. Investment objectives include safety of principal, portfolio liquidity and market return.

Investment Guidelines

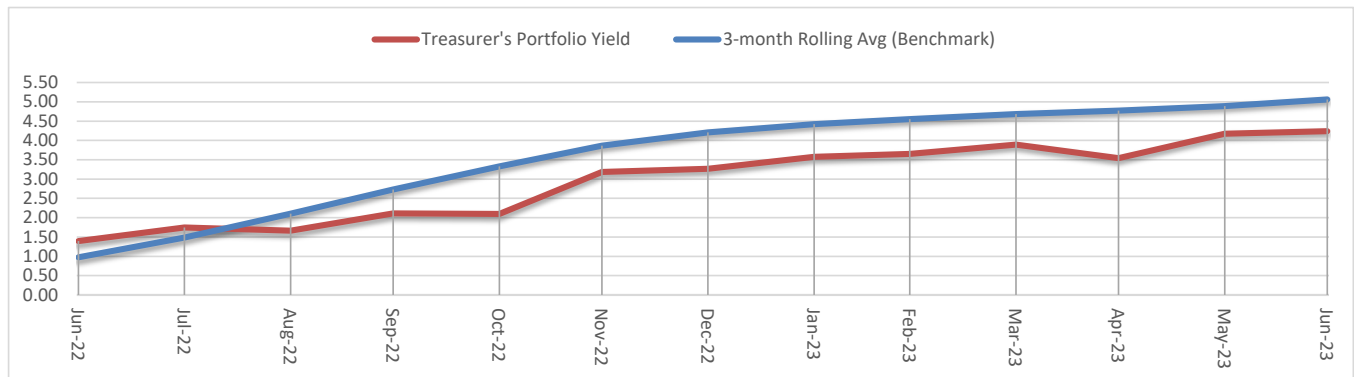
The permissible investments of the General Portfolio include United States Treasury and Agency securities, repurchase agreements, high quality corporate notes and commercial paper, negotiable certificates of deposit, foreign notes, international development notes, asset-backed securities, municipal bonds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

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

In-House Performance

As of June 30, 2023, the yield on the in-house portion of the General Portfolio was 4.24%. A three month rolling average of this benchmark for this period was 5.06% with the average days to maturity at 218 days. The average days to maturity for the portfolio was 380 days.

In-House Performance vs. Benchmark

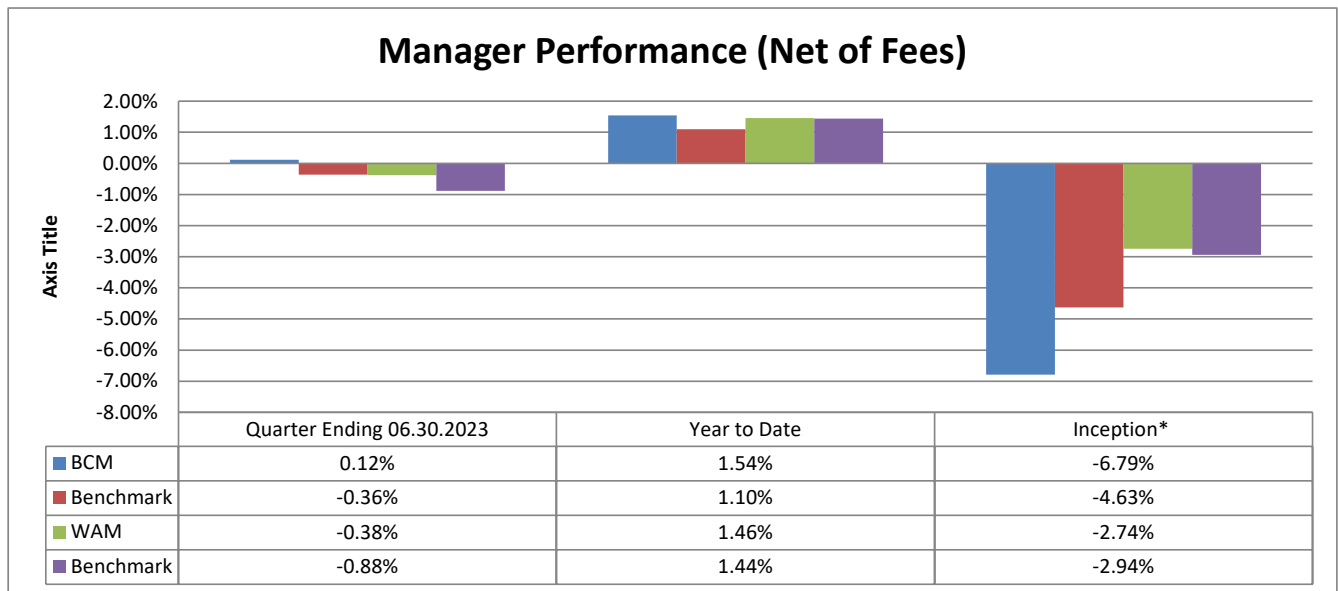


* Benchmark is 3-month rolling weighted average of 80% 3-month Treasuries and 20% 2-year Treasuries

Outside Manager Performance

The annualized performance since inception for period ending June 30, 2023 for Buckhead Capital Management (BCM) is -6.79%* and for Western Asset Management (WAM) is -2.74%*. BCM has been contracted to provide investment management services for securitized assets in the State General Portfolio. BCM has been assigned the Bloomberg Barclays CMBS AAA Index benchmark. WAM has been contracted to provide investment management services for corporate assets in the State General Portfolio. WAM has been assigned the ICE BofA 3-5 Year AA US Corporate & Yankee Index benchmark. *BCM inception date was October 2020 and WAM was November 2020. No new funding occurred in these two accounts during the previous quarter.

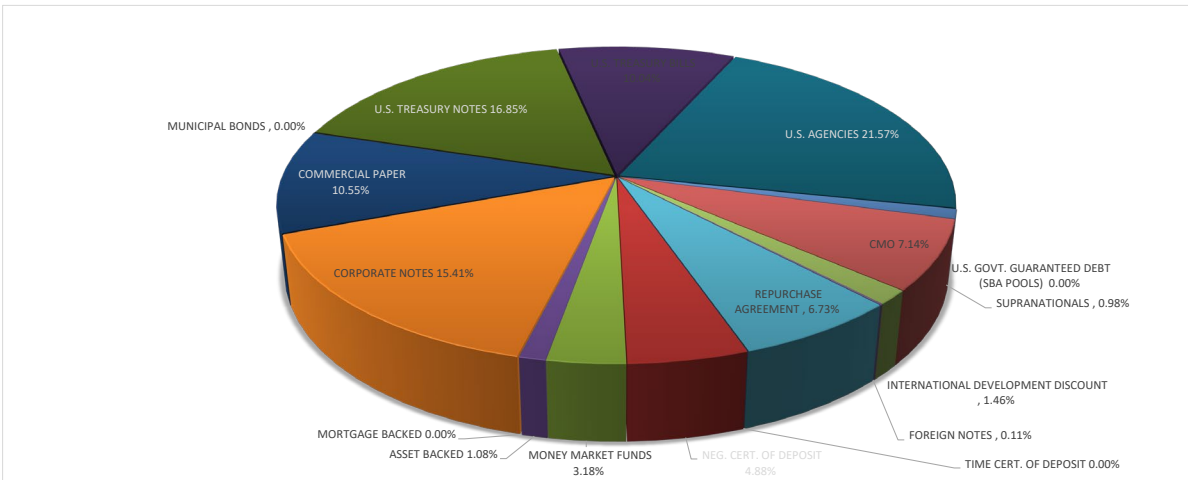
Outside Managers' Performance vs. Benchmark



*Inception date for BCM is October 2020 and WAM is November 2020

GENERAL PORTFOLIO
Amortized Book Value

	<u>June 30, 2023</u> <u>Amortized Book Value</u>				<u>March 31, 2023</u> <u>Amortized Book Value</u>	
	<u>Treasurer In-House</u>	<u>Buckhead Capital Management</u>	<u>Western Asset Management</u>	<u>Total Portfolio</u>	<u>Total Portfolio</u>	
TIME CERTIFICATES OF DEPOSIT	\$ -	\$ -	\$ -	\$ -	\$ -	
NEGOTIABLE CERTIFICATES OF DEPOSIT	435,000,000	-	-	435,000,000	970,000,000	
MONEY MARKET FUNDS	278,201,915	505,210	5,005,150	283,714,276	411,261,776	
ASSET-BACKED SECURITIES	-	96,326,377	-	96,326,377	106,779,791	
MORTGAGE-BACKED SECURITIES	-	-	-	-	-	
CORPORATE NOTES	655,216,531	-	718,187,924	1,373,404,455	1,283,517,350	
COMMERCIAL PAPER	940,429,375	-	-	940,429,375	594,560,306	
MUNICIPAL BONDS	-	-	-	-	-	
U.S. TREASURY NOTES	1,472,664,581	-	29,473,337	1,502,137,919	1,377,714,692	
U.S. TREASURY BILLS	895,010,567	-	-	895,010,567	74,196,274	
U.S. AGENCIES	1,721,026,694	210,013,925	-	1,922,646,918	2,264,864,423	
U.S. GOVERNMENT GUARANTEED DEBT	-	-	-	-	4,580	
SUPRANATIONALS	87,013,944	-	-	87,013,944	87,015,808	
COLLATERALIZED MORTGAGE OBLIGATION	264,399	636,453,941	-	636,718,340	621,175,475	
INTERNATIONAL DEVELOPMENT DISCOUNT	124,033,396	-	5,832,071	129,865,466	30,747,911	
FOREIGN NOTES	10,000,000	-	-	10,000,000	10,000,000	
REPURCHASE AGREEMENTS	600,000,000	-	-	600,000,000	900,000,000	
TOTAL	\$ 7,218,861,402	\$ 943,299,453	\$ 758,498,482	\$ 8,912,267,636	\$ 8,731,838,385	



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
TOTAL PORTFOLIO	\$8,912,267,636	\$7,813,573,380

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

	Quarter Ended 09/30/2022	Quarter Ended 12/31/2022	Quarter Ended 03/31/2023	Quarter Ended 06/30/2023	Totals
<u>Average Daily Balances of Funds</u>					
General Fund	\$ 4,209,627,676	\$ 5,884,962,876	\$ 5,639,403,274	\$ 6,164,449,177	\$ 5,474,610,751
All Funds	7,585,840,061	8,133,666,706	8,702,514,780	9,029,672,776	8,362,923,581
<u>Annualized Interest Rate</u>					
Cash Basis (see Note 1)	1.1212%	1.9880%	3.1198%	3.6351%	2.4660%
Accrual Basis	1.1388%	2.0041%	3.1354%	3.6489%	2.4818%
<u>Interest Distribution for General Fund (Cash Basis)</u>					
General Fund Interest Collected	11,665,497	29,761,877	39,608,885	61,405,645	142,441,904
General Fund Interest Revenue - Distributed	11,665,497	29,761,877	39,608,885	61,405,645	142,441,904
Undistributed General Fund Interest Revenue					-
<u>Interest Distribution for All Funds (Cash Basis)</u>					
All Funds Interest Collected	21,021,765	41,126,257	69,075,300	83,232,925	214,456,247
All Funds Interest Revenue - Distributed	21,021,765	41,126,257	69,078,015	83,232,925	214,458,961

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



Overview

The State of Nevada Local Government Investment Pool (LGIP) was established as an alternative investment program to be utilized by local governments for their public funds. This program's operation is the responsibility of the State Treasurer who, by the provisions of state statute, has adopted guidelines for the prudent investment of these pooled funds. Any local government, as defined by NRS 354.474, may deposit its public monies into this fund for purposes of investment. As of June 30, 2023, there were 103 members of the LGIP, which includes cities, counties, school districts, and various special districts. The LGIP's foremost investment objectives include safety of principal, portfolio liquidity, and market return, which are consistent with a conservative, short duration portfolio.

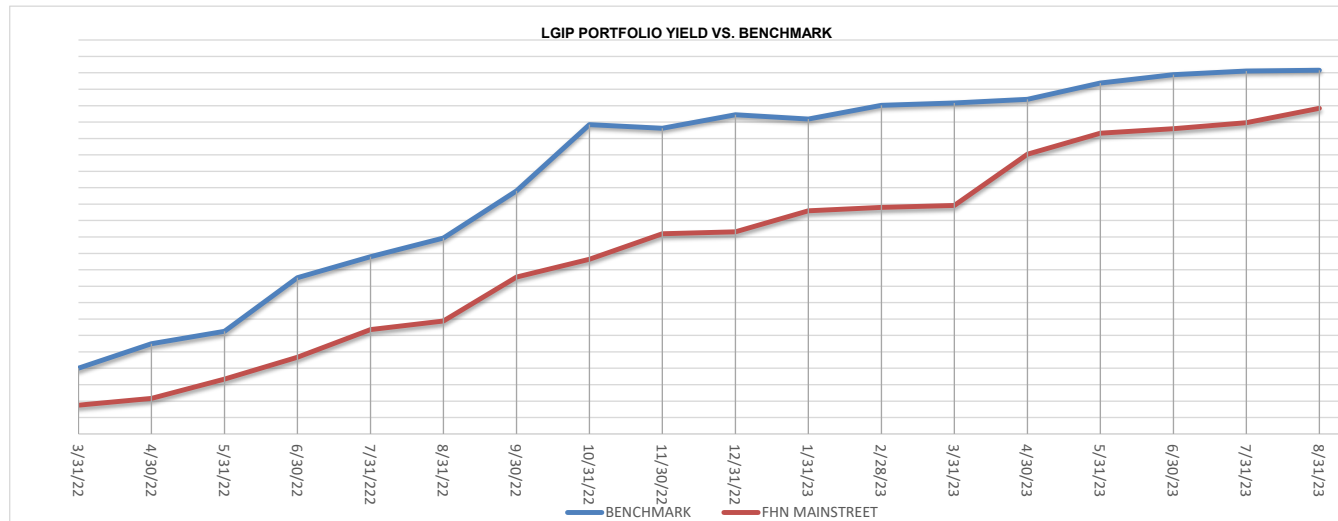
Investment Guidelines

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

The State Treasurer maintains a conservative investment strategy, which incorporates the matching of maturing securities to the cash needs of the participants. Approximately 10.4% of the fund matures on a daily basis, ensuring sufficient liquidity to meet both anticipated and unanticipated withdrawals. Additionally, approximately 62.9% of the fund matures within 90 days, compared to the policy requirement of 50%. This requirement minimizes the risk that the market value of portfolio holdings will fall significantly due to adverse changes in general interest rates.

Performance

FHN Financial began managing the LGIP portfolio in July 2015. As of June 30, 2023, the LGIP's portfolio book yield was 4.65%, and the blended benchmark was 5.47%. The average days to maturity of the LGIP portfolio was 109 days.



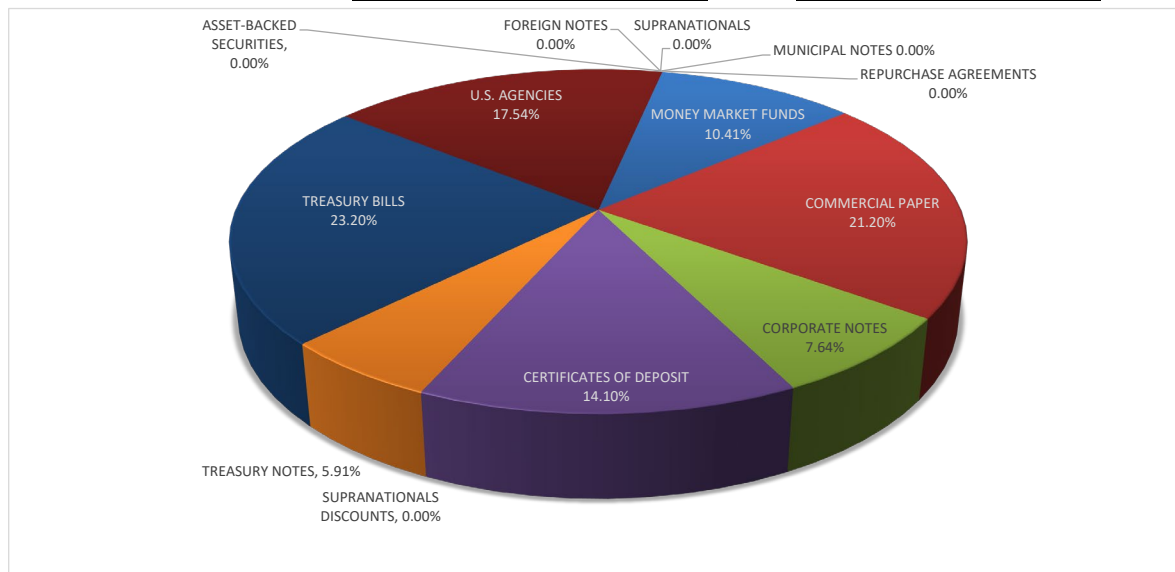
* Benchmark is 3-month rolling weighted average of 55% Dealer Commercial Paper 150-Day Index, 30% Agency Note 180 Day Index, and 15% Dreyfus Institutional Preferred Government Money Markey Fund.

**Benchmark was updated July 2020. This graph represents that change.

Administration

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

	<u>June 30, 2023</u>		<u>March 31, 2023</u>	
	<u>Amortized Book</u>	<u>Purchased Interest</u>	<u>Amortized Book</u>	<u>Purchased Interest</u>
MONEY MARKET FUNDS	\$ 184,512,382	\$ -	\$ 397,880,542	\$ -
COMMERCIAL PAPER	375,939,090	-	287,965,397	-
CORPORATE NOTES	135,490,928	-	179,946,392	-
CERTIFICATES OF DEPOSIT	250,000,000	-	325,000,000	-
SUPRANATIONALS DISCOUNTS	-	-	-	-
TREASURY NOTES	104,858,544	-	124,778,576	-
TREASURY BILLS	411,339,873	-	89,851,892	-
U.S. AGENCIES	310,934,416	-	455,644,275	-
FOREIGN NOTES	-	-	20,000,619	-
SUPRANATIONALS	-	-	31,561,413	-
ASSET-BACKED SECURITIES	-	-	-	-
MUNICIPAL NOTES	-	-	-	-
REPURCHASE AGREEMENTS	-	-	-	-
TOTAL	\$ 1,773,075,232	\$ -	\$ 1,912,629,106	\$ -
GRAND TOTAL	\$ 1,773,075,232	\$ -	\$ 1,912,629,106	\$ -



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
TOTAL PORTFOLIO	\$1,773,075,232	\$2,139,848,364

Zach Conine
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (BoF) Members

FROM: Steven Hale, Deputy Treasurer Investments

SUBJECT: BoF Agenda Item #9 - Board review and approval or disapproval of the State Treasurer's investment policy statement for Local Government Investment Pool (LGIP) Portfolio and the State Treasurer's amendments thereto.

DATE: October 19, 2023

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.

Background:

Please find attached the redlined version of the LGIP policy. The primary purpose of the amendments is to incorporate Assembly Bill 33 (AB33) which was passed in the 2023 Legislative Session and signed by Governor Lombardo.

AB33 allows the purchase of taxable municipal bonds and securities issued by limited liability companies (LLCs).

Recommendation:

I respectfully request consideration and approval of the amended policy.

CARSON CITY OFFICE

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

STATE TREASURER PROGRAMS

Guinn Millennium Scholarship Program
Nevada Prepaid Tuition Program
Nevada College Savings Plans
Nevada College Kick Start Program
Unclaimed Property

LAS VEGAS OFFICE

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

STATE OF NEVADA
OFFICE OF THE STATE TREASURER
INVESTMENT POLICY
LOCAL GOVERNMENT POOLED INVESTMENT
FUND



ZACH CONINE
STATE TREASURER

Revised ~~July 2022~~ October 2023

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I AUTHORITY

Nevada Revised Statutes (NRS) 355.167 stipulates that the Local Government Pooled Investment Fund (LGIP) is created as an agency fund to be administered by the State Treasurer. NRS 355.167 further stipulates that any local government, as defined in NRS 354.474, may deposit its money with the State Treasurer for credit to the fund for purposes of investment. The State Treasurer may adopt reasonable regulations to carry out the administration of the LGIP. NRS 355.045 requires that the State Board of Finance (Board) review and approve or disapprove the policies established by the State Treasurer for investment of the LGIP at least every four (4) months.

Accordingly, the purpose of this policy is to comply with NRS 355.167 in order to establish the guidelines that will govern the investment activities of the State Treasurer with regard to the management of local government monies in the LGIP. Furthermore, this policy shall comply with NRS 355.170 and 355.171, which establish the authorized and prohibited investments of local government monies. This policy may only be amended by a majority vote of the Board.

This policy will ensure the prudent investment of the LGIP, adherence to statutory requirements applicable to the investment of public funds, maintenance of daily cash flow requirements, and the establishment of a competitive benchmark rate of return.

II SCOPE

This policy applies to all money that comprises the LGIP, the purpose of which is to provide an alternative investment program to be utilized by State local governments for the pooling of their public funds. The LGIP is reported as a fiduciary fund type in the State's Comprehensive Annual Financial Report (CAFR), which is audited annually by an independent accounting firm.

In addition to providing local government participants (participants) a safe and convenient method of investment, the LGIP also offers the following benefits:

- A. No minimum or maximum size of accounts;
- B. Multiple accounts may be maintained for accounting purposes;
- C. No transaction size limitation for deposit or withdrawal of monies; and.
- D. No restrictions on length of time monies are deposited.

III PRUDENCE

The standard of care, per NRS 355.145, to be used in the investment program will be the following “prudent person” standard, as hereafter quoted, and will be applied while conducting all investment transactions:

“The state treasurer shall exercise the judgment and care, under the circumstances then prevailing, which a person of prudence, discretion and intelligence exercises in the management of his own affairs, not in regard to speculation, but in regard to the investment of his money, considering the probable income as well as the probable safety of his capital.”

Authorized investment officers and staff who act in accordance with this policy and written procedures in the management of the LGIP, and who exercise the proper due diligence will have no personal responsibility for an individual security’s credit risk or market price changes, provided that deviations from expectations are reported and preventive action is taken to control adverse developments.

IV OBJECTIVES

The LGIP shall be managed to accomplish the following objectives:

A. Safety

Safety of principal is the foremost objective of the investment program. Investments in the LGIP shall be undertaken to ensure the preservation of principal in the portfolio. The objective will be to mitigate credit risk and interest rate risk.

1. Credit Risk

The State Treasurer will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Establishing a pre-approved list of financial institutions and companies that the State Treasurer will be restricted to when purchasing commercial paper and corporate notes.
- Conducting regular credit monitoring and due diligence of these issuers.
- Pre-qualifying the financial institutions and broker/dealers with which the State Treasurer will do business for broker/dealer services and repurchase agreements.
- Diversifying the portfolio so potential losses on individual securities will be minimized.

2. Market Risk/Interest Rate Risk

Market risk relates to price fluctuations of securities that may result in a loss to the LGIP if cash flow requirements force a premature sale. The State Treasurer

will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Portfolio maturities must be structured to avoid the forced sale of securities in any but the most severe circumstances.
- Maintaining an effective weighted average maturity of 150 days or less. If an unanticipated large withdrawal of greater than 5% causes the weighted average maturity to extend beyond the 150 days, the average weighted maturity will be brought back into compliance within fourteen (14) days.
- Holding at least 50% of the portfolio's total par value in securities with a maturity of 90 days or less. If an unanticipated large withdrawal of greater than 5% causes the holdings of maturities of 90 days or less to fall below 50%, the maturities will be brought back into compliance within fourteen (14) days.

B. Liquidity

The LGIP will remain sufficiently liquid to enable the LGIP to meet all withdrawal requirements that can be reasonably anticipated. This will be accomplished by:

- Structuring the portfolio so that securities mature concurrent with cash necessary to meet anticipated demand.
- Endeavor to hold 5% - 10% of the portfolio's total par value in securities with a maturity of one (1) day.
- Holding at least 50% of the portfolio's total par value in securities with a maturity of 90 days or less.
- Furthermore, because all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

C. Return on Investment

The LGIP will be invested to attain a competitive rate of return in relation to prevailing budgetary and economic environments, while taking into account the LGIP's investment risk constraints and the cash flow characteristics of the portfolio.

D. Legality

The State Treasurer will invest the LGIP only within the legal guidelines set forth by the laws of the State. Any investment alternative outside these guidelines is not permissible.

Furthermore, the State Treasurer prohibits the investment of LGIP funds in companies that profit from the manufacture and sale of assault-style weapons. This prohibition includes all trades executed by contracted outside managers, in addition to State Treasurer staff.

V DELEGATION OF AUTHORITY

NRS 226.100(1) authorizes the State Treasurer to appoint a Deputy of Investments (Deputy) whose responsibilities include management of the investment program and implementation of procedures consistent with this policy. The Deputy will also be responsible for the supervision and regulation of the investment staff and all external investment professionals associated with the investment program. The Deputy shall maintain a "Trading Authorization" form, signed by the State Treasurer, which lists all persons authorized to make investments and to order the receipt and delivery of investment securities among custodial security clearance accounts. The Trading Authorization Form shall be distributed to all broker-dealers authorized to buy and sell securities with the State.

VI INVESTMENT PROCEDURES

The State Treasurer will establish written procedures detailing the operation and regulation of the investment program. The procedures set forth the trading authorization of the investment staff, the daily responsibilities of implementing the investment program, and the segregation of investment duties. The State Treasurer will submit to periodic independent audits to determine that investment activities adhere to State statutes, administrative rules, and investment policies.

VII ETHICS

Investment staff will act responsibly as the custodians of public funds. The staff will refrain from personal business activity that could create an appearance of impropriety or could conflict with the proper execution of the investment program or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the State Treasurer any material financial interest in financial institutions that conduct business within Nevada, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual or entity with which business is conducted on behalf of the State.

VIII AUTHORIZED BROKER-DEALERS

The State Treasurer will maintain a list of authorized broker-dealers. Security transactions are limited solely to those banks, brokers and dealers included on this list. All financial institutions, whether investment banks, dealers, commercial banks or savings and loan institutions must be approved by the State Treasurer before they are able to conduct business with the State Treasurer's Office.

Authorized broker-dealers must have reviewed the eligible investments that are detailed in NRS and the adopted investment policy, and who are aware of the investment needs, constraints, and goals of the investment program. A "Request for Information" (RFI) will be periodically issued to provide a uniform standard the State Treasurer may use to identify the financial condition and professional merits of any firm included on the broker-dealer list. An affidavit attesting to having reviewed and understood the contents of the investment policies and NRS must be completed by each broker-dealer in order to qualify for final selection. All approved broker-dealers must be fully licensed and registered NASD Broker/Dealers or exempt banks.

Criteria used to select broker-dealers through the RFI process will include:

- Financial strength and capital adequacy of firm;
- Services provided by firm;
- Research services available;
- Resume, reputation and qualifications of sales representative;
- Due diligence and firm references, and
- State government expertise.

The State Treasurer will encourage all qualified broker-dealers providing investment services in the State, including those owned by women, minorities, and/or the physically impaired, to respond to the RFI. Consideration will be given to all institutions when their services are competitive on a national basis.

If the LGIP is managed by an outside investment advisor, the investment advisor shall submit to the State Treasurer on a quarterly basis the investment advisor's approved list of broker-dealers. The investment advisor also acknowledges it has followed its policies and procedures in regard to its review of its approved broker-dealers.

IX AUTHORIZED INVESTMENTS

The State Treasurer, in accordance with the provisions of NRS 355.170, NRS 355.171, and this investment policy, is authorized to invest in:

A. Banker's Acceptances

1. An issuing bank must have received the highest letter and numeral short-term ranking (i.e., A-1 / P-1) by at least one nationally recognized statistical rating organization (NRSRO).
2. Must be issued by domestic commercial banks regulated by the Federal Reserve or trust companies which are members of the Federal Reserve System.
3. Maximum maturity of 180 days.
4. Aggregate par value may not exceed 20 percent of total par value of the portfolio as determined at the time of purchase.
5. No more than five (5) percent of total par value of the portfolio may be in one (1) issuer.

B. Commercial Paper

1. Must have received the highest letter and numeral short-term ranking (i.e., A-1 / P-1) by at least one NRSRO.
2. Eligible paper is further limited to issuing corporations that have a total commercial paper program sized in excess of \$250,000,000 and have long-term debt ratings, if any, of "A" or better from at least one NRSROs.
3. Must be issued by ~~a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the a corporation, trust or limited-liability company organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the~~ United States.
4. Maximum maturity of 270 days.
5. Approved commercial paper programs should provide some diversification by industry. Additionally, purchases of commercial paper in industry sectors that may from time to time be subject to undue risk and potential illiquidity should be avoided.
6. Aggregate par value may not exceed 25 percent of total par value of the portfolio at the time of purchase.
7. No more than five (5) percent of total par value of the portfolio may be in one (1) issuer.

C. Corporate Notes

1. Must have a long-term debt rating of “A” or better from at least one NRSRO.
2. Must be issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating in the United States.
3. Maximum maturity of two (2) years.
4. Must be purchased from a registered broker-dealer.
5. Aggregate par value may not exceed 25 percent of total par value of the portfolio as determined at the time of purchase.
6. No more than five (5) percent of total par value of the portfolio may be held in one (1) issuer.

D. Foreign Notes

1. Must have a long-term debt rating of “AA-” or better by at least one NRSRO.
2. Must be publicly issued by a foreign financial institution, corporation or government and:
 - a) Denominated in United States dollars.
 - b) Senior unsecured unsubordinated obligations.
 - c) Registered with the Securities and Exchange Commission in accordance with the provisions of the Securities Act of 1933.
3. Maximum maturity of two (2) years.
4. Must be purchased from a registered broker-dealer.
5. Aggregate par value may not exceed 5 percent of total par value of the portfolio as determined at the time of purchase.
6. No more than one (1) percent of total par value of the portfolio may be held in one (1) issuer.

E. International Development Notes

1. Must have a long-term debt rating of “AA” or better by at least one NRSRO.
2. Must be issued by the International Bank for Reconstruction and Development, the International Finance Corporation, or the International American Development Bank, and:
 - a) Denominated in United States dollars;
 - b) Senior unsecured unsubordinated obligations
3. Maximum maturity of two (2) years.
4. Must be denominated in United States dollars.
5. Must be senior unsecured unsubordinated obligations.
6. Aggregate par value may not exceed 15 percent of total par value of the portfolio as determined at the time of purchase.
7. No more than five (5) percent of total par value of the portfolio may be held in one (1) issuer.

F. Money Market Mutual Funds

1. Only SEC registered 2(A)7 funds are eligible.
2. Rating must be “AAA” or its equivalent by at one NRSROs.
3. Investments must only be in securities issued by the United States Treasury, United State Agency securities, or repurchase agreements fully collateralized in such securities.

G. Negotiable Certificates of Deposit

1. Issued by commercial banks, insured savings and loan associations, or insured credit unions with at least \$10 billion in assets.
2. Must have received the highest letter and numeral short-term ranking (i.e., A-1/P-~~A~~1) by at least one NRSRO)
3. Must also have long-term debt ratings of “A” or better from at least two (2) NRSROs.
4. Maximum maturity of two (2) years.
5. No more than five (5) percent of total par value of the portfolio may be in one (1) issuer.

H. Repurchase Agreements

1. Executed with a qualified counterparty approved by the State Treasurer.
2. Counterparty means a bank which is organized and operating or licensed to operate in the United States under federal or state law or a securities dealer which is a registered broker/dealer, designated by the Federal Reserve Bank of New York as a “primary” dealer, and in full compliance with all applicable capital requirements.
3. Counterparty must provide annual audited financial statements to the State Treasurer.
4. Counterparty must have executed a written master repurchase agreement in a form satisfactory to the State Treasurer and the State Board of Finance prior to transacting a repurchase agreement.
5. Counterparty must have executed a written tri-party agreement in a form satisfactory to the State Treasurer and the State Board of Finance prior to transacting a tri-party repurchase agreement.
6. Maximum maturity of 90 days.
7. Must meet collateral requirements contained in this investment policy.
8. Aggregate par value may not exceed 40 percent of total par value of the portfolio as determined at the time of purchase.
9. No more than 10 percent of total par value of the portfolio may be in one (1) counterparty.

I. ~~Tax Exempt~~ Municipal Bonds

1. Issuer must have a long-term debt rating of “A” or better from at least one NRSRO.
2. Eligible securities are:
 - a. Bonds of this State except for Build America Bonds. Bonds issued by the State of Nevada must be held to maturity and not re-sold.
 - b. Bonds issued by other states of the Union.
 - c. Bonds of any county, city, school district, or other local government of this state or other states.
3. Maximum maturity of two (2) years.

J. Time Certificates of Deposit

1. Financial institutions with a physical location in the State of Nevada will be selected as depositories based on, but not limited to, the following: financial stability, funds availability, community involvement and other relevant economic criteria.
2. A financial institution will be eligible to receive total deposits in an amount not to exceed their equity capital
3. Maximum maturity of two (2) years.
4. Must meet collateral requirements contained in this investment policy.

K. United States Treasury Securities

1. Maximum maturity of two (2) years.
2. Eligible securities include bills, notes, bonds, Treasury Inflation-Protected Securities (TIPS), floating rate notes, and Separate Trading of Registered Interest and Principal Securities (STRIPS).

L. United States Agency Securities

1. In addition to obligations of government-sponsored enterprises (GSEs), all other obligations of an agency or instrumentality of the United States of America or a corporation sponsored by the government are authorized.
2. Maximum maturity of two (2) years.
3. Eligible instruments include:
 - a. Discount Notes with a maximum stated maturity of one (1) year;
 - b. Debentures (including structured notes) with a maximum stated maturity of two (2) years. These may include floating rate securities, zero coupon bonds, callable securities, and step-up securities;
4. Aggregate par value of callable securities may not exceed 20 percent of total par value of the portfolio.

M. Asset-Backed Securities

1. Must have received an “AAA” rating or its equivalent by a NRSRO.
2. Maximum stated-final maturity of two (2) years.
3. Aggregate par value may not exceed 20 percent of total par value of the portfolio at time of purchase.
4. No more than 5 percent of the total par value maybe in one issuer at time of purchase.

X COLLATERALIZATION

A. Repurchase Agreements

1. Transacted on a delivery versus payment basis, whereby the securities custodian will disburse cash for repurchase agreements only upon the receipt of the purchased securities.
2. Collateral may be transferred directly to the State’s custodial bank on a deliverable basis or using a tri-party custodial bank arrangement.
3. The purchased securities will be United States Treasury or United States Agency securities with a term to maturity not to exceed 10 years.
4. The market value of the purchased securities must equal or exceed 102 percent of the repurchase price to be paid by the counterparty and the value of the purchased securities must be marked to the market weekly. If the value of the purchased securities should fall below 102 percent, the counterparty will be required to submit additional collateral to make up the deficit.

B. Time Certificates of Deposit

1. Pursuant to NRS 356.005, all money deposited by the State Treasurer which is not within the limits of insurance provided by an instrumentality of the United States must be secured by collateral composed of the following types of securities:
 - a. All authorized investments as set forth in this policy;
 - b. Bonds of the State;
 - c. Bonds of any county, municipality or school district within the State;
 - d. Irrevocable letters of credit from any Federal Home Loan Bank with the State Treasurer named as the beneficiary.
2. The collateral must be held in trust with a custodian other than the depository.

XI SALE OF SECURITIES

Securities are normally purchased by the State Treasurer with the intent of holding them until maturity. However, in an effort to minimize market risks, credit risks, and/or increase the return of the portfolio, securities may be sold prior to maturity either at a profit or loss when economic circumstances or a deterioration in credit worthiness of the issuer warrant a sale of the securities to either enhance overall portfolio yield or to minimize loss of investment principal. In the latter situation, the Deputy must abide by the Divestiture Policy, which was previously approved by the Board on April 23, 2008, and is hereby attached as Appendix “A” and re-titled “Sale of Portfolio Securities”. In measuring a profit or loss, the sale proceeds shall be compared to the book value of the security.

XII PROHIBITED INVESTMENTS

No investment shall be made that is prohibited by law. Furthermore, to provide for the safety and liquidity of the LGIP, the portfolio will be subject to the following restrictions in addition to those listed elsewhere in this investment policy:

- Instruments known as inverse floaters, range notes, leveraged floaters, equity-linked securities, option contracts, futures contracts and swaps are prohibited;
- Interest-only strips that are derived from a pool of mortgages, or any other investment that could result in zero interest if held to maturity is prohibited;
- Illiquid investments which lack a readily available market for trading as determined by the Deputy are prohibited;
- Borrowing for investment purposes (“Leverage”) is prohibited;
- Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculating on developments or trends in the market is prohibited; and
- Reverse repurchase agreements are prohibited.

XIII COMPETITIVE PRICING

Investment transactions are to be made at current market prices. Wherever possible, competitive prices should be obtained through obtaining multiple bids or offers and documenting them on the trade ticket or other written forms. When possible, bids and offers for any investment security shall be taken from a minimum of three (3) security broker/dealers or banks and awards shall be made to the best bid or offer. When identical securities are not available from multiple sources, or investments are purchased directly from issuers (e.g., commercial paper and certificates of deposit) market prices may be documented by reference to offerings of similar securities that are of comparable rating and maturity by other direct issuers.

XIV SAFEKEEPING/CUSTODY AND DELIVERY

All securities will be held by a third-party custodian designated by the State Treasurer and evidenced by safekeeping receipts. In addition, the following requirements will apply:

- A. Securities purchased by the State Treasurer for the LGIP, as well as collateral for repurchase agreements will be delivered against payment and held in a custodial safekeeping account with an approved financial institution acting as a third-party custodian. Tri-party repurchase agreements are acceptable.
- B. The State Treasurer will periodically issue a Request for Proposal (RFP) for Master Securities Custody Services, which will encompass the following functions:
 - 1. The settlement of all purchase, sales, and calls through the Federal Reserve System (Fed) or the Depository Trust Company (DTC).
 - 2. The collection and distribution of all interest payments.
 - 3. The collection and distribution of all paydowns associated with mortgage-backed and asset-backed securities.
 - 4. The receipt and disbursement of all repurchase agreement collateral.
 - 5. The facilitation of all trading activity conducted by investment managers and securities lending agents.
 - 6. Providing daily accounting and bookkeeping of all investment accounts, weekly market evaluation of securities and month end reports that show a detailed list of holdings with market evaluations.

XV PERFORMANCE EVALUATION

The LGIP will be invested to obtain a rate of return consistent with its cash flow requirements and risk constraints, and the dependence upon budgetary and economic factors. The State Treasurer's investment strategy is generally that of a "buy-and-hold" investor but the State Treasurer also has the ability to take advantage of market opportunities as they occur by analyzing projected cash flow to assess the availability of uncommitted money.

Given this strategy, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved will be comparing the LGIP's yield to a custom benchmark comprised of the prominent and persistent characteristics of the LGIP, and will be adjusted periodically when material, long-term changes of the LGIP's sector allocations and weighted average maturity occur.

XVI ACCOUNTING AND REPORTING

The State Treasurer will maintain a technologically adequate investment system that will account for all investment transactions, produce detailed reports of securities holdings, calculate yield to maturity and average portfolio life, create amortization of securities, and calculate portfolio earnings.

Pursuant to NRS 355.045, the State Board of Finance will review the investment policies of the LGIP at least every four (4) months. The State Treasurer will submit a quarterly report which will contain the following information to permit an evaluation of the performance of the LGIP:

- A. An overview of market and economic conditions for the quarter.
- B. The investment strategy used for investment of the portfolio.
- C. A list of securities holdings in the portfolio at quarter end that categorizes each type of security.
- D. Yield to maturity and average life of the portfolio at quarter end.
- E. Percentage allocation of securities by category.
- F. Dollar value of total earnings for the month.
- G. Performance of the portfolio versus the selected benchmark.
- H. Review of the securities lending program, if applicable.

The report will allow the Board to review investment results, provide suggestions for improved future performance, and to verify that investment staff has acted in accordance with investment policies and procedures. If acceptable to the Board, the above information alternatively may be posted to the State Treasurer's website (i.e., in the case where information such as the securities holdings report is voluminous).

The State Treasurer will provide a monthly report for each authorized account which contains the following information:

- A. Deposit or withdrawal of monies by date.
- B. Beginning and ending balance.
- C. Interest earnings.
- D. Annualized gross and net-of-fees yield-to-maturities.
- E. State Treasurer's administrative fee.

XVII YIELD CALCULATION AND EARNINGS

- A. Interest is distributed to each authorized account on a monthly basis using the accrual basis of accounting, whereby income and expense items are recognized as they are earned or incurred, even though they may not have been actually received or paid.
- B. The SIFMA (Securities Industry and Financial Market Association)) method of calculating yield is utilized. The yield-to-maturity is computed monthly on an annualized basis, using the amortized book value of the securities held in the LGIP portfolio. Yield-to-maturity is quoted both gross and net of the State Treasurer's administrative fee.
- C. Earnings composed of gains and losses are calculated and distributed in the month in which they were realized.
- D. Total earnings are apportioned to each authorized account on a pro-rata basis of each account's average weighted dollar days to the LGIP's total average weighted dollar days. (Dollar day = one (1) dollar in the account for one day.)

XVIII INTERNAL CONTROLS

A system of controls will be established to ensure that investment transactions and associated activities are monitored. These controls are created to safeguard against fraud, investment staff error, or other actions that could result in a loss of local government money. The State Treasurer shall develop and maintain written procedures for the operation of the investment program, which are consistent with this investment policy. These procedures shall include reference to separation of duties, safekeeping, collateralization, wire transfers and banking related activities.

The State Treasurer is subject to periodic audits by the Legislative Counsel Bureau that includes unscheduled cash and securities counts. In addition, the State Treasurer will contract with an independent accounting firm to determine whether the accounting records related to the investment program are accurately presented and whether the State Treasurer is in compliance with NRS and approved investment policies.

XIX SECURITIES LENDING

NRS 355.167(4) allows the State Treasurer to lend securities from the LGIP. However, securities lending is not authorized at this time due to volatility in the bond market and possible dislocations in the future.

- ASSAULT-STYLE WEAPONS**
- 1) A semi-automatic shotgun with a fixed magazine capacity exceeding six (6) rounds, or that has the ability to accept a detachable magazine and a pistol grip, or a folding or telescopic stock.
 - 2) A semi-automatic rifle with a fixed magazine capacity exceeding ten (10) rounds or that has the ability to accept a detachable magazine and has at least one of the following features:
 - A folding or telescoping stock;
 - A pistol grip that protrudes conspicuously beneath the action of the weapon;
 - A bayonet mount;
 - A flash suppressor or threaded barrel designed to accommodate a flash suppressor; or
 - A grenade launcher.
 - 3) A semi-automatic pistol that has an ability to accept a detachable magazine and has at least one of the following features:
 - An ammunition magazine that attaches to the pistol outside of the pistol grip;
 - A threaded barrel capable of accepting a barrel extender, flash suppressor, forward handgrip, or silencer;
 - A shroud that is attached to, or partially or completely encircles, the barrel and that permits the shooter to hold the firearm with the non-trigger hand without being burned; or
 - A manufactured weight of fifty ounces (50 oz.) or more when the pistol is unloaded.
 - 4) Any other weapon manufactured or sold by a company or organization that, in the determination of the Treasurer, is substantially similar to those described in this section.

GLOSSARY

ASSET- BACKED SECURITY (ABS)	A security backed by notes or receivables against assets other than real estate. Examples are automobiles and credit card receivables.
AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS	Broker/dealers and financial institutions approved by the State Treasurer to provide investment services.
BANKERS' ACCEPTANCES (BA)	Bankers' Acceptances are negotiable short-term financial instruments which are unconditional obligations of the accepting bank. They are issued on a discount basis.
BASIS POINT	1/100 of one (1) percent. (decimally .0001)
BENCHMARK	A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.
BROKER	A party who brings buyers and sellers together and charges a commission for this service.
CERTIFICATE OF DEPOSIT (CD)	A negotiable time deposit issued by a bank in certificate form. A CD is issued with a specific maturity date and pays interest at maturity.
COLLATERAL	Securities or cash which a borrower pledges to secure repayment of a loan.
COLLATERALIZED MORTGAGE OBLIGATION (CMO)	This is a type of mortgage-backed security which pools together mortgages and separates them into short, medium, and long-term "tranches". Tranches are set up to pay different rates of interest depending upon their maturity. Interest is usually received on a monthly basis.
COMMERCIAL PAPER (CP)	A short-term promissory note issued by a corporation. Commercial paper is issued on a discount basis and has specific maturity dates not to exceed 270 days.
CORPORATE NOTE	A negotiable security issued by a corporation.
CUSTODIAN	A financial institution approved by the State Treasurer to provide safe-keeping services with respect to securities and securities-related assets, and to provide other services which may include trade settlement, interest collection and transaction reporting.
DEALER	A firm or individual who buys and sells for his own account.

DELIVERY VS. PAYMENT (DVP)	The exchange of securities and cash at settlement date.
DISCOUNT BASIS	The price of a security expressed as an annualized rate of discount. Discounted securities are purchased at a dollar price below face value, and mature at face value.
DIVERSIFICATION	Allocating investment funds to a variety of securities to minimize market risk.
DURATION	The weighted average maturity of the security's cash flows, where the present values of the cash flows serve as the weights. The greater the duration of a security, the greater its percentage price volatility.
FAIR VALUE	The amount at which an investment can be exchanged between buyer and seller.
FANNIE MAE	Established by Congress in 1938 to provide liquidity to the mortgage market, especially the secondary market for residential mortgages. Legislation in 1968 transformed the agency into a publicly owned, privately managed corporation, but still required government regulation. Previously known as Federal National Mortgage Association.
FEDERAL AGRICULTURAL MORTGAGE CORPORATION ("FARMER MAC")	A federally chartered agency of the United States. It was established to provide a secondary market for agricultural real estate mortgage loans.
FEDERAL FARM CREDIT BANK (FFCB)	The Federal Farm Credit Administration, a federal agency, is responsible for regulating the banks and associations which comprise the Federal Farm Credit System. This System provides credit solely to the United States agricultural sector.
FEDERAL FUNDS RATE	The interest rate charged by banks having excess reserves to banks needing the money to meet reserve requirements.
FEDERAL HOME LOAN BANK (FHLB)	The Federal Home Loan Bank Board, established by Congress in 1932, is comprised of 12 Federal Home Loan Banks. The Board is authorized to provide support and liquidity to savings and loans, banks, and insurance companies engaged in home financing.
FEDERAL HOME LOAN MORTGAGE CORPORATION ("FREDDIE MAC")	Established by Congress in 1970 to enhance the liquidity of mortgage investments and to improve the distribution of investment capital available for home mortgage financing. Legislation in 1989 transformed the agency into a publicly owned, privately managed corporation, but still required government regulation.

FOREIGN BONDS	Similar to bonds issued by the U.S. government or U.S companies, foreign bonds allow for investment in other countries or foreign corporations.
GOVERNMENT AGENCIES	Refers to securities issued by agencies of the United States government and United States government sponsored enterprises (GSEs). Securities can be guaranteed or 'backed by the full faith and credit of the U.S. government', such as Ginnie Mae. GSE securities, such as Fannie Mae, Freddie Mac, and Farmer Mac are not backed by the same guarantee. Securities issued range in maturity from overnight to longer than 10 years. Securities may be issued on a discount basis or may be interest bearing. Agencies would include
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR "GINNIE MAE")	Established in 1986 to take over some of the functions performed by FNMA. GNMA is an agency controlled by the Department of Housing and Urban Development (HUD). GNMA is authorized to confer a full faith and credit guarantee of the United States government for the timely payment of both principal and interest on packages of mortgages it creates in its mortgage pass-through securities program.
INTERNATIONAL DEVELOPMENT NOTES	Also, known as 'Supranational Securities, these securities are U.S. dollar denominated debt obligations of a multilateral organization of governments, such as International Bank for Reconstruction & Development, Inter-American Development Bank, International Monetary Fund, etc. The securities are rated AAA or equivalent by at least two Nationally Statistical Rating Organizations (NRSROs) at the time of purchase.
LEGISLATIVE COUNSEL BUREAU (LCB)	Encompasses the lawmaking authority of the State of Nevada. It is empowered to enact the laws of the State and provides oversight of the executive and judicial branches of government through the budget and audit processes and reviews the regulations developed by State agencies.
LIQUIDITY	The capacity to meet future financial obligations from available resources.
MASTER REPURCHASE AGREEMENT	A written contract between the State Treasurer and an approved counterparty which details each party's obligations in a repurchase agreement transaction. Among other things, it will specify the right of the buyer to liquidate the underlying securities in the event of default by the seller.
MONEY MARKET FUNDS	A mutual fund that invests only in money market instruments, or those securities having a maturity of 397 days and under.
MORTGAGE-BACKED SECURITIES	Investments based on pools of home or residential mortgages. Banks and mortgage companies sell mortgages to other companies. These groups bundle the mortgages. Securities can be agency or non-agency types. Agency MBS are created by government or quasi-government agencies.

	Non-agency MBS are created by private entities and are also known as 'Private-Label MBS'.
MUNICIPAL BONDS	Debt security issued by a state, municipality, or county to finance capital expenditures, including construction of highways, bridges and schools.
NEGOTIABLE CERTIFICATES OF DEPOSIT	Also known as a 'jump CD' is a certificate of deposit with a minimum face value of \$100,000 though the amounts are typically \$1 million or more. These low-risk, low-interest instruments are guaranteed by the bank, and used by institutional investors. A Yankee CD is an example.
NEVADA REVISED STATUTES (NRS)	The codified laws of the State of Nevada as enacted by the Legislature.
PAR VALUE	The principal amount a holder will receive at the maturity of an issue.
PLANNED AMORTIZATION CLASS (PAC)	A type of collateralized mortgage obligation (CMO) in which principal is paid based on a predetermined schedule. A PAC bond provides some measure of protection against prepayment risk.
PORTFOLIO	A collection of securities held by an investor.
PREMIUM	The amount by which the market price of an issue exceeds face value.
PRUDENT PERSON RULE	An investment standard which may be adopted by an investment organization to guide those with the responsibility for the investment of money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments.
RATINGS	The evaluation of an issuer's credit standing published by Moody's, Standard & Poor's, Fitch or other rating services.
REPURCHASE AGREEMENT	A simultaneous sale of securities by a bank or broker/dealer with an agreement to repurchase those securities at an agreed upon date, and an agreed-upon rate of interest.
SAFEKEEPING	A fee arrangement whereby an approved financial institution holds a customer's securities in its vaults, or in the case of book-entry securities, maintains a safekeeping receipt recorded in the customer's name as evidence of ownership.
SECURITIES INDUSTRY ASSOCIATION	An organization which offers premiere educational programs to member securities firms.

SEQUENTIAL PAY	A type of collateralized mortgage obligation (CMO) in which there are several tranches. Each tranche's holder receives interest payments as long as the tranche's principal amount has not been completely paid off. The senior tranche receives all initial principal payments until it is completely paid off, after which the next most senior tranche receives all the principal payments, and so on.
STUDENT LOAN MARKETING ASSOCIATION (SALLIE MAE)	Established in 1972 by Congress as a publicly owned, government sponsored enterprise (GSE), created to provide liquidity for originators of student loans made under federally sponsored student loan programs. In 1997 shareholders voted to privatize Sallie Mae, although the GSE remains the obligor in all pre and post privatization public debt issued.
TARGETED AMORTIZATION CLASS (TAC)	A type of collateralized mortgage obligation (CMO) that is similar to a planned amortization class (PAC) in that it protects investors from prepayment; however, it is structured differently than a PAC. TACs protect investors from a rise in the prepayment rate or a fall in interest rates. They do not protect from a fall in the prepayment rate like PACs.
TIME CERTIFICATE OF DEPOSIT (TCD)	A non-negotiable financial instrument issued with a specific amount, rate and maturity date.
UNITED STATES TREASURY BILLS (T-BILLS)	A discounted security issued by the United States Treasury. T-bills are issued with maturities of three (3) and six (6) months.
UNITED STATES TREASURY NOTES	Interest-bearing securities issued by the United States Treasury. Notes are issued with maturities from two (2) to thirty (30) years.
YIELD	The rate of annual return on an investment expressed as a percentage. The total money earned from investment date to maturity date assuming: 1) semi-annual interest payments, 2) interest is reinvested at same rate security was purchased at, and 3) the premium is subtracted or discount is added to final money.

APPENDIX A
LOCAL GOVERNMENT POOLED INVESTMENT FUND
SALE OF PORTFOLIO SECURITIES

The State Treasurer, as fiduciary for all monies, is responsible for administering and investing, and acting within the “prudent person” standard. As such, the State Treasurer has a duty to provide for the:

- a) Safety
- b) Liquidity, and
- c) The securing of a just and reasonable investment return of the portfolio while avoiding undue risk.

There is also the recognition that within a diversified investment portfolio, which follows stated laws and guidelines, individual securities may fall out of regulatory compliance for various reasons. Compliance may encompass risk enhancement due to a security’s rating downgrade below guidelines, price volatility which hampers performance, class percentage restrictions, or policy provisions, which call for liquidation from a designated portfolio.

If an individual security does not conform within policy limitations, there must be a “best judgment” guideline to remedy or correct non-compliance. Keeping in mind the duties identified above, the following criteria should be applied to determine the proper course of action regarding non-compliant securities.

Once a security has fallen out of regulatory compliance, the cause of the compromise shall be reviewed, and the following information identified:

- a) The par value of the security,
- b) The content and performance of any underlying collateral, and
- c) The time remaining to maturity of the security.

If the compromise is of a short-term nature (approximately three months), with no assumed default repercussion, and if the par value is 1% or less of the total par value of the portfolio, the security will be monitored until it re-complies or matures. The non-compliance must be documented in writing and forwarded to the appropriate Senior Deputy Treasurer.

If the nature of the compromise is long-term, or if default is evident, any non-compliance must be documented in writing, and forwarded to the State Treasurer. After considering recommendations from investment staff, external investment managers or advisors regarding the prudent course of action, the State Treasurer may take appropriate action to sell, redeem, divest, or withdraw the non-compliant security. This shall not be construed to require the premature or otherwise imprudent sale, redemption, or divestment of the security, but shall require that the State Treasurer proceed in a manner to preserve the principal value and the integrity of the portfolio as a whole. Divestiture shall be completed no later than two years following the date of the infraction and shall be reported upon completion to the State Board of Finance.

Any activity associated with this procedure shall be reported, as with all other investment activity, as provided in NRS 355.045, to the Board of Finance.