

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

February 23, 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 Treasurer, 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: Lori Hoover, Chief Deputy Treasurer, Nevada State Treasurer's Office

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

3. **For discussion and possible action:** on the election of Chair for the Board of Finance.

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

4. **For discussion and possible action:** on the Board of Finance minutes from the meeting held on December 12, 2022.

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

5. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$15,500,000 of Multi-Unit Housing Revenue Bonds (Sierra Flats Apartments), for the purpose of construction of an 80-unit family affordable housing rental project in Carson City, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Oikos Development Corporation, PalaSeek LLP, and R4 Community Funding, 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

6. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$26,000,000 of Multi-Unit Housing Revenue Bonds (Pebble and Eastern Apartments), for the purpose of construction of a 195-unit senior affordable housing rental project in Clark County, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Ovation Development Group and Wells Fargo 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

7. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$43,500,000 of Multi-Unit Housing Revenue Bonds (Altitude by Vintage), for the purpose of acquisition and rehabilitation of a 293-unit family affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Vintage Housing Development and Aegon USA Realty Advisors, 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

8. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$33,000,000 of Multi-Unit Housing Revenue Bonds (Desert Rose Apartments), for the purpose of acquisition and rehabilitation of a 237-unit family affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by BRAD Desert Rose and RBC Community Investment, 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

9. **For discussion and possible action:** on a request from the Department of Conservation and Natural Resource to approve an outside bank account with American First Credit Union in Overton, Nevada. The outside bank account is needed to deposit large sums of daily cash receipts. NRS 356.011 requires the approval of the Board of Finance for an agency of the state to open a bank account.

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

10. **For discussion and possible action:** (a) regarding the State Treasurer's quarterly investment report for the quarter ended September 30, 2022, and (b) to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP). Approval of the Board of Finance is required pursuant to NRS 355.045.

Presenter: Steven Hale, Deputy Treasurer of Investments, Nevada State Treasurer's Office

11. 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, 1<sup>st</sup> & 2<sup>nd</sup> 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/](http://www.nevadatreasurer.gov/Finances/Board/BOF_Home/) and <https://notice.nv.gov/>



**STATE BOARD OF FINANCE**  
**December 13, 2022 – 1:00 PM**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

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

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

**Board members present:**

Governor Steve Sisolak – Las Vegas  
 Treasurer Zach Conine – Las Vegas  
 Controller Catherine Byrne – Carson City  
 Benjamin Edwards – Las Vegas  
 David Navarro – Las Vegas

**Others present:**

Kirsten Van Ry:	Treasurer's Office
Ian Carr:	Attorney General's Office
Steve Aichroth:	Nevada Housing Division
Colleen Platt:	Nevada Housing Division
Kevin Benson:	Governor's Office
Brian Moloney:	Lincoln Avenue
Eric Novak:	Praxis Consulting
Audra Hamernik:	Nevada HAND
Ralph Murphy:	Nevada HAND
Genie Calma:	Nevada HAND
Daigo Ishikawa:	Nevada HAND

**Agenda Item 1 - Roll Call****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 October 11, 2022.

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

**Agenda Item 4 – For discussion and possible action:** - On the Nevada Housings Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$55,000,000 of Multi-Unit Housing Revenue Bonds (The Ridge at Sun Valley), for the purpose of construction of a 195-unit family affordable housing rental project in Sun Valley, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by the Ulysses Development Group and US Bank, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4), The Ridge at Sun Valley project was originally approved by the Board of Finance in January of 2022 for and amount of up to \$33 million in Multi-Unit Housing Revenue Bonds.

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

Stephen Aichroth, Nevada Housing Division, presented the fact findings and approval of the board for the multi-unit housing revenue bonds for The Ridge at Sun Valley apartments. The bonds will be used to provide the new construction of a 195-unit affordable family apartment complex, near the intersection of Sun Valley Boulevard and West 1<sup>st</sup> avenue, across the street from Lois Allen Elementary School. Rental Housing will serve 195 family households at or below 70 percent of area median income. There are 73, 3-bedroom units being proposed, representing 37% of the project. This is the first tax credit development in Sun Valley, being developed by Ulysses Development Group and their first project. This will be one of the more common conduit debt structures with direct placement with US Bank and Citi Bank during construction and permanent financing. The developers are able to leverage \$45.8 million in private sector equity and will be receiving a Home Means Nevada award of up to \$28.5 million dollars.

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

**Agenda Item 5- For discussion and possible action:** on the Nevada Housing Division’s request to approve the Administrators 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

Mr. Aichroth continued his presentation by seeking approval of the Board for the findings of facts pertaining to the issuance in an amount not to exceed \$200,000,000 for single-family mortgage revenue bonds. These bonds can be issued in multiple series to provide mortgage financing for single family residential housing for qualified home buyers. For over 30 years the Nevada Housing Division has operated a mortgage assistance program for first time home buyers. Over this period the Division has issued and retired over \$2 billion of single-family mortgage bonds. This approval is for both taxable and tax-exempt bonds and will allow the home ownership programs to continue uninterrupted over the next year. The bond will help to support the Home Means Nevada home buyer assistance program, which is anticipated to assist 500 Nevada homeowners.

**Member Edwards moved to approve Agenda Item 5. Motion passed unanimously.**

**Agenda Item 6- For discussion and possible action:** on the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$55,000,000 of

Multi-Unit Housing Revenue Bonds (Pinyon Apartments), for the purpose of construction of a 250-unit family affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Lincoln Avenue Capital and Alliant, Inc., 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

Mr. Aichroth is seeking approval of the Board for the findings of facts pertaining to the issuance of up to \$55,000,000 multi-unit housing revenue bonds for Pinyon Apartments. These bonds will be used to provide for the new construction of a 252-unit affordable family apartment complex in central Reno, near the intersection of Moana Lane and I-580. The rental housing will serve 252 family households at or below 60% of area median income. The project will be on less than 3 acres, using a wrap-around construction technique, which includes a parking garage attached directly to the building. The development team is Lincoln Avenue Capital and their 4<sup>th</sup> project in Nevada. This will be one of the more common conduits debt structures with direct placement with US Bank and Citi Bank during construction and permanent financing. The project will leverage \$44.78 million in private sector equity and the project will also receive Home Means Nevada funds of up to \$10.6 million.

**Member Navarro moved to approve Agenda Item 6. Motion passed unanimously.**

**Agenda Item 7- For discussion and possible action:** on the Nevada Housing Divisions request to approve the Administrators Findings of Fact pertaining to the issuance of up to \$42,000,000 of Multi-Unit Housing Revenue Bonds (James Down Towers Apartments), for the purpose of acquisition and rehabilitation of a 200-unit senior affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by the Southern Nevada Regional Housing Authority, Affordable Housing Program, Inc. Group and Wells Fargo, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.279(4)

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

Mr. Aichroth is seeking approval of the board for the findings of fact pertaining to issuance of up to \$42 million of the Nevada Housing Division multi-housing unit revenue bonds for the James Down Towers Apartments. These bonds will be used to provide for the acquisition and renovation of a currently affordable 200-unit senior property. James Downs Towers is located in central Las Vegas, near the intersection of Decatur and Alta. 198 of the units are 1-bedroom units and all of units serve a senior population of 50% of area median income and under. All households will be eligible for project-based rental assistance, where no household will pay more than 30% of their income on rent. The project was originally constructed in 1972 and has not been significantly rehabilitated since. The development team is led by the Southern Nevada Regional Housing Authority. The \$42 million is proposed as a direct bond purchase by Citi Bank. Citi Bank and Wells Fargo will jointly provide construction period financing. Additionally, this project will leverage \$37.5 million in private sector equity.

Treasure Conine commented that this is first time the Southern Nevada Regional Housing Authority at the table in the last couple of years and it's great to have them back.

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

**Agenda Item 8- For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$22,500,000 of Multi-Unit Housing Revenue Bonds (Buffalo and Cactus Apartments), for the purpose of construction of a 125-unit senior affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Nevada HAND, Inc., and Raymond James Tax Credit Funds, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.279(4)

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

Mr. Aichroth is seeking approval of the Board for findings of fact pertaining to issuance of up to \$22.5 million of Nevada Housing Authority multi-unit housing revenue bonds for the Buffalo and Cactus Apartments. These bonds will be used for the new construction of a 125-unit senior affordable complex in southwest Las Vegas at the intersection of Buffalo Drive and Cactus Avenue. Rental housing will serve 125 senior households at or below 60% median income with 10% of those units serving 30% of area median household incomes through Division provided national housing trust funds. The development is also receiving Clark County community housing funds of \$8.5 million. The developer is Nevada Hand Inc. and is a direct placement structure with Citi Bank on the permanent end and Capital One providing construction financing. Raymond James will be providing \$18.1 million in private sector equity.

**Controller Byrne moved to approve Agenda Item 8. Motion passed unanimously.**

#### **Agenda Item 9** – Public Comment

Las Vegas- Treasurer Conine thanked Governor Sisolak and Controller Byrne for serving the Board for the last couple of years. The Board has done more affordable housing projects than has ever been done before at a time that is deeply necessary. When this process was started, there were a lot of questions, but with the Governor's and the Controller's assistance and leadership, the Treasury Department has gotten better at the process. Governor Sisolak appreciated the thanks and support and commented that it has been a pleasure working with everyone on the Board and has made remarkable progress. He also thanked Mr. Aichroth's team for bringing projects to the Board. These projects have opened up a lot of units for people that desperately need access to affordable housing.

Carson City- None

Meeting adjourned at 1:14 PM

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

DATE: February 4, 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 (Sierra Flats Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

1:00 p.m., Thursday, February 23, 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 (Sierra Flats Apartments).

C. The Findings relate to the issuance of up to \$15,500,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 80-unit family apartment complex located on Butti Way, Carson City, Nevada (the “Project”).

D. The Housing Division will issue up to \$15,500,000 of multi-unit housing revenue bonds which will be a direct bond purchase by R4 Community Funding. The borrower entity will be Sierra Flats Family I, LP. The General Partner will be Sierra Flats Family LLC. Oikos Development Corporation will be a 30% member of the GP and will act as the managing member, developer, and guarantor. CM Development LLC will be a 30% member of the GP. PalaSeek LLP will be a 40% member of the GP. R4 Community Funding will be the 99.99% Investor Member. R4 Community Funding will provide an equity investment of approximately \$12,937,000 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 bonds are expected to be reduced to approximately \$7,000,000 following the completion of construction and permanent loan conversion. 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 (Sierra Flats Apartments)."

G. Attorney Opinion:

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



**State of Nevada**

**DEPARTMENT OF BUSINESS & INDUSTRY**

**Housing Division**

**FINDINGS OF FACT**

**Multi-Unit Housing Revenue Bonds  
Sierra Flats Apartments**

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

1. There exists a shortage of decent, safe and sanitary senior housing at rental rates that eligible families can afford within the Carson City, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will increase the supply and improve the quality of decent, safe and sanitary rental housing for eligible seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Carson City, 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: \_\_\_\_\_





February 7, 2023 (revised)

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

Re: Multi-Unit Housing Revenue Bonds  
(Sierra Flats Apartments Phase II) Series 2023

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 Sierra Flats Apartments Phase II project (“Project”). The Division is requesting authorization for issuance of up to \$15,500,000 of Nevada Housing Division multi-unit housing revenue bonds to fund the construction of this senior and family affordable multifamily property in Carson City, Nevada.

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

The financing is proposed as a fixed rate direct placement with R4 Capital Funding which will provide both construction and permanent financing. The financing is reviewed in greater detail in Exhibits A & B.

The Project is viewed positively in the local community and is endorsed by Carson City. 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 the successful funding of construction of this housing at the proposed restricted rent 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.

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

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff  
Director

## Project Overview and Plan of Finance

### The Project

Sierra Flats Apartments Phase II (Project) is located at 3410 Butti Way in Carson City and will be an 80-unit component of a larger planned development which will contain a total of 160 units of family and seniors housing when complete. The current Project will provide affordable rents for families. Additional phases of the development will add more family housing as well as elevator served seniors housing.

The Project site is currently owned by Carson City. In 2019 the Carson City Board of Supervisors entered into an agreement with PalaSeek LLP to develop the property. The site will be conveyed to the developers/owners for a nominal price as allowed by NRS 244.287 for development of affordable and workforce housing. PalaSeek LLP will be a component of the borrower entity as described in subsequent sections.

Summary details of the configuration of the 80 units, size and rent restrictions are provided in Table A. Greater detail regarding the Project configuration and amenities is included in Exhibits A & D.

**Table A: Project Unit & Rent Profile**

Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Less Utility Allowance <sup>2</sup>	Tenant Share Monthly Rent <sup>2</sup>	Total Monthly Revenue	Total Annual Revenue
<b><u>1 Bedroom</u></b>							
< 50%	1	536	\$ 767	\$ 40.00	\$ 727	\$ 727	\$ 8,724
< 60%	11	536	\$ 921	\$ 40.00	\$ 881	\$ 9,691	\$ 116,292
<b><u>2 Bedroom</u></b>							
< 50%	2	802	\$ 921	\$ 53.00	\$ 868	\$ 1,736	\$ 20,832
< 60%	46	802	\$ 1,105	\$ 53.00	\$ 1,052	\$ 48,392	\$ 580,704
<b><u>3 Bedroom</u></b>							
< 50%	2	985	\$ 1,063	\$ 63.00	\$ 1,000	\$ 2,000	\$ 24,000
< 60%	18	985	\$ 1,276	\$ 63.00	\$ 1,213	\$ 21,834	\$ 262,008
Total Project Units 80						\$ 84,380	\$ 1,012,560

<sup>1</sup> 2022 Income Limits (Carson City - Carson City, NV MSA)

<sup>2</sup> Assumes 30% of Average Household Income

### Project Developers

Oikos Development Corporation  
1712 Main Street  
Kansas City, MO 64108

Oikos Development Corporation (ODC) was formed in December 2018 as a Kansas City regional 501(c)(3) community development corporation in direct response to the lack of affordable housing in the region. ODC is led by Michael Snodgrass, who has over 29 years of affordable housing experience.

### General Contractor

OCM Builders  
1712 Main Street, Suite 206  
Kansas City, MO 64108

## **Property Management**

Weststates Property Management  
106 W. Front Street  
Elko, NV 89801

Landmark Group, dba Weststates Property Management Company (WSPM), manages and operates over 60 properties with more than 2,500 units and has grown to more than 200 employees. WSPM has developed several in-house educational training techniques to enhance employee capabilities.

## **Borrower Entity**

The borrower entity will be Sierra Flats Family I, LP. The 0.01% General Partner of the LO will be a new, sole purpose Nevada limited liability company, Sierra Flats Family LLC. Oikos Development Corporation will be a 30% member of the GP and will act as the managing member and developer. CM Development, LLC will be a 30% member of the GP. PalaSeek LLP will be a 40% member of the GP. R4 Community Funding will be the 99.99% investor limited partner. R4CF will provide an equity investment of approximately \$12,937,000 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 approximate periodic advances of the equity investment are structured as follows:

- 1<sup>st</sup> Installment - \$1,941,000 at Closing (Apr 2023)
- 2<sup>nd</sup> Installment - \$3,234,000 at 100% Completion and Placed in Service (Oct 2024)
- 3<sup>rd</sup> Installment - \$7,762,000 Stabilization and Delivery of 8609 (Jul 2025)

## **Debt Plan of Finance:**

The financing is proposed as a direct bond purchase by R4 Community Funding (R4CF). The bonds will be held by R4CF or an affiliate and not sold to the public.

The initial loan amount is projected to be approximately \$15,000,000. Loan proceeds will be advanced to the Borrower on a “draw down” basis as needed to fund construction expenditures. During the construction period monthly debt service payments will be interest only and the interest rate is currently estimated by the lender to be 6.22% exclusive of Division and Trustee fees.

Upon achieving completion of construction and Stabilization, the loan will be reduced to approximately \$7,000,000 from additional tax credit equity installments. The loan will commence principal amortization by monthly payments utilizing a 40-year principal amortization factor.

The loan is subject to a mandatory prepayment upon the 16<sup>th</sup> anniversary of Stabilization. R4CF must provide a minimum 6 months of notice of the tender.

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 \$300/unit/year. Minimum required replacement reserve deposits may be adjusted based on periodic future physical needs assessments.

The Borrower will also be required to fund an Operating Reserve initially set at approximately \$400,000.

### **Sources and Uses:**

A summary of Project sources and uses is provided in Table B, below:

**Table B: Sources and Uses of Funds**

<b>Sources of Funds</b>			
	<b>Construction Phase</b>	<b>Permanent Phase</b>	
Permanent NHD Debt (Exempt)		\$ 7,000,000	
Construction Bridge Loan (Tax-exempt)	\$ 15,000,000		
LIHTC Equity	\$ 5,174,789	\$ 12,936,973	
HMNI Funds	\$ 5,657,019	\$ 8,300,000	
NHD GAHP Loan	\$ -	\$ -	
HOME/AHTF	\$ -	\$ 50,000	
State Tax Credits	\$ -	\$ -	
Deferred Developer Fee		\$ 1,814,835	
	\$ 25,831,808	\$ 30,101,808	

<b>Uses of Funds</b>			<b>\$/Unit</b>
Land Cost	\$ 50,000	\$ 50,000	\$ 625
Construction Hard Costs	\$ 20,812,483	\$ 20,812,483	\$ 260,156
Soft Costs	\$ 2,517,971	\$ 2,517,971	\$ 31,475
Construction Period Interest	\$ 1,227,459	\$ 1,227,459	\$ 15,343
Contingencies	\$ 1,223,895	\$ 1,223,895	\$ 15,299
Operating & Repair Reserves		\$ 400,000	\$ 5,000
Developer Fee	\$ -	\$ 3,870,000	\$ 48,375
	\$ 25,831,808	\$ 30,101,808	\$ 376,273

### **Bond/Loan Term Summary:**

Lender:	R4 Community Funding.
Principal Amount:	<u>Construction Phase:</u> <ul style="list-style-type: none"><li>Currently estimated at \$15,000,000</li></ul> <u>Permanent Phase:</u> <ul style="list-style-type: none"><li>Expected to be approximately \$7,000,000</li></ul>
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 a permanent loan following construction completion and satisfaction of loan stabilization criteria.
Bond Dated:	As of Closing Date
Interest Payments:	Monthly. Loan is interest only through the date of stabilization which is estimated to occur approximately 27 months following start of construction.
Principal Payments:	Monthly, commencing upon Stabilization.
Denominations:	Bonds will amortize in monthly "loan" form with fractional dollar principal amortization utilizing a 40-year amortization factor.

Interest Rate:	Fixed rate estimated by R4CL 6.15% (exclusive of Division & Trustee fees). The rate will be locked at Closing.
Redemption:	<ol style="list-style-type: none"> <li>1) After the 10<sup>th</sup> Anniversary of Stabilization @ 103%.</li> <li>2) After the 12<sup>th</sup> Anniversary of Stabilization @ 102%</li> <li>3) After the 14<sup>th</sup> Anniversary of Stabilization @ 101%</li> <li>4) After the 15<sup>th</sup> Anniversary of Stabilization @ 100%</li> </ol>
Indenture Funds:	<ol style="list-style-type: none"> <li>1) Project Fund <ol style="list-style-type: none"> <li>a) Tax-Exempt Bond Account</li> </ol> </li> <li>2) Debt Service Fund</li> <li>3) Cost of Issuance Fund</li> <li>4) Expense Fund</li> </ol>
Fees:	<ol style="list-style-type: none"> <li>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</li> <li>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</li> </ol>
Bond Rating:	Not rated

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>INCOME</b>												
Annual Gross Rental Income	\$ 1,053,467	\$ 1,074,537	\$ 1,096,028	\$ 1,117,948	\$ 1,140,307	\$ 1,163,113	\$ 1,186,375	\$ 1,210,103	\$ 1,234,305	\$ 1,258,991	\$ 1,284,171	\$ 1,309,854
Other: Ancillary Revenue	\$ 999	\$ 1,019	\$ 1,039	\$ 1,060	\$ 1,081	\$ 1,103	\$ 1,125	\$ 1,147	\$ 1,170	\$ 1,194	\$ 1,218	\$ 1,242
<b>Total Residential Income</b>	<b>\$ 1,054,466</b>	<b>\$ 1,075,556</b>	<b>\$ 1,097,067</b>	<b>\$ 1,119,008</b>	<b>\$ 1,141,388</b>	<b>\$ 1,164,216</b>	<b>\$ 1,187,500</b>	<b>\$ 1,211,250</b>	<b>\$ 1,235,475</b>	<b>\$ 1,260,185</b>	<b>\$ 1,285,388</b>	<b>\$ 1,311,096</b>
Less: Residential Vacancy/Discounts	\$ (73,813)	\$ (75,289)	\$ (76,795)	\$ (78,331)	\$ (79,897)	\$ (81,495)	\$ (83,125)	\$ (84,788)	\$ (86,483)	\$ (88,213)	\$ (89,977)	\$ (91,777)
<b>Proforma Gross Income</b>	<b>\$ 980,654</b>	<b>\$ 1,000,267</b>	<b>\$ 1,020,272</b>	<b>\$ 1,040,677</b>	<b>\$ 1,061,491</b>	<b>\$ 1,082,721</b>	<b>\$ 1,104,375</b>	<b>\$ 1,126,463</b>	<b>\$ 1,148,992</b>	<b>\$ 1,171,972</b>	<b>\$ 1,195,411</b>	<b>\$ 1,219,319</b>
<b>EXPENSES</b>												
General Administrative	\$ 41,587	\$ 42,835	\$ 44,120	\$ 45,444	\$ 46,807	\$ 48,211	\$ 49,657	\$ 51,147	\$ 52,682	\$ 54,262	\$ 55,890	\$ 57,567
Operating & Maintenance	\$ 69,325	\$ 71,404	\$ 73,546	\$ 75,753	\$ 78,025	\$ 80,366	\$ 82,777	\$ 85,260	\$ 87,818	\$ 90,453	\$ 93,166	\$ 95,961
Utilities	\$ 54,545	\$ 56,181	\$ 57,867	\$ 59,603	\$ 61,391	\$ 63,233	\$ 65,130	\$ 67,084	\$ 69,096	\$ 71,169	\$ 73,304	\$ 75,503
Staff Payroll & Benefits	\$ 85,509	\$ 88,074	\$ 90,716	\$ 93,437	\$ 96,241	\$ 99,128	\$ 102,102	\$ 105,165	\$ 108,320	\$ 111,569	\$ 114,916	\$ 118,364
Property Management	\$ 58,839	\$ 60,016	\$ 61,216	\$ 62,441	\$ 63,689	\$ 64,963	\$ 66,263	\$ 67,588	\$ 68,940	\$ 70,318	\$ 71,725	\$ 73,159
Taxes & Insurance	\$ 56,652	\$ 58,352	\$ 60,102	\$ 61,905	\$ 63,762	\$ 65,675	\$ 67,646	\$ 69,675	\$ 71,765	\$ 73,918	\$ 76,136	\$ 78,420
Replacement Reserves	\$ 93,253	\$ 96,051	\$ 98,932	\$ 101,900	\$ 104,957	\$ 108,106	\$ 111,349	\$ 114,689	\$ 118,130	\$ 121,674	\$ 125,324	\$ 129,084
<b>Proforma Operating Expenses</b>	<b>\$ 459,710</b>	<b>\$ 472,913</b>	<b>\$ 486,500</b>	<b>\$ 500,483</b>	<b>\$ 514,873</b>	<b>\$ 529,682</b>	<b>\$ 544,923</b>	<b>\$ 560,608</b>	<b>\$ 576,750</b>	<b>\$ 593,363</b>	<b>\$ 610,461</b>	<b>\$ 628,058</b>
<b>Effective Net Operating Income</b>	<b>\$ 520,944</b>	<b>\$ 527,354</b>	<b>\$ 533,772</b>	<b>\$ 540,195</b>	<b>\$ 546,618</b>	<b>\$ 553,039</b>	<b>\$ 559,452</b>	<b>\$ 565,855</b>	<b>\$ 572,242</b>	<b>\$ 578,608</b>	<b>\$ 584,950</b>	<b>\$ 591,262</b>
<b>Senior Debt Service</b>												
	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302
<b>Debt Service Coverage</b>	<b>112%</b>	<b>113%</b>	<b>114%</b>	<b>116%</b>	<b>117%</b>	<b>119%</b>	<b>120%</b>	<b>121%</b>	<b>123%</b>	<b>124%</b>	<b>125%</b>	<b>127%</b>
<b>Residual Receipts</b>	<b>\$ 54,642</b>	<b>\$ 61,052</b>	<b>\$ 67,470</b>	<b>\$ 73,893</b>	<b>\$ 80,316</b>	<b>\$ 86,737</b>	<b>\$ 93,150</b>	<b>\$ 99,553</b>	<b>\$ 105,939</b>	<b>\$ 112,306</b>	<b>\$ 118,648</b>	<b>\$ 124,960</b>
<b>LP Asset Mgt Fee</b>												
	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	\$ 13,439	\$ 13,842
<b>DDF Payments</b>	<b>\$ 44,642</b>	<b>\$ 50,752</b>	<b>\$ 56,861</b>	<b>\$ 62,965</b>	<b>\$ 69,061</b>	<b>\$ 75,144</b>	<b>\$ 81,210</b>	<b>\$ 87,254</b>	<b>\$ 93,272</b>	<b>\$ 99,258</b>	<b>\$ 105,209</b>	<b>\$ 111,117</b>
<b>DDF Balance</b>	<b>\$ 1,615,193</b>	<b>\$ 1,564,442</b>	<b>\$ 1,507,581</b>	<b>\$ 1,444,615</b>	<b>\$ 1,375,555</b>	<b>\$ 1,300,411</b>	<b>\$ 1,219,201</b>	<b>\$ 1,131,947</b>	<b>\$ 1,038,676</b>	<b>\$ 939,417</b>	<b>\$ 834,208</b>	<b>\$ 723,091</b>
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Partnership Surplus Allocation</b>												
	30%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NHD Surplus Allocation</b>	<b>70%</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>GAHP Loan Interest</b>	<b>3.00%</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>
<b>GAHP Loan Principal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GAHP Loan Balance</b>	<b>\$ 2,862,000</b>	<b>\$ 2,943,000</b>	<b>\$ 3,024,000</b>	<b>\$ 3,105,000</b>	<b>\$ 3,186,000</b>	<b>\$ 3,267,000</b>	<b>\$ 3,348,000</b>	<b>\$ 3,429,000</b>	<b>\$ 3,510,000</b>	<b>\$ 3,591,000</b>	<b>\$ 3,672,000</b>	<b>\$ 3,753,000</b>

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	6.00%
Vacancy Assumption:	7.00%
Deferred Developer Fee :	\$1,659,835
GAHP Loan:	\$2,700,000

Permanent Loan Amount	\$6,870,000
Loan Term	40
Core Loan Rate	5.92%
NHD & Trustee Factor	0.30%
Total Loan Rate	6.22%
Annual Debt Service	\$466,302

	2037	2038	2039	2040	2041	2042	2043
<b>INCOME</b>							
Annual Gross Rental Income	\$ 1,336,051	\$ 1,362,772	\$ 1,390,028	\$ 1,417,828	\$ 1,446,185	\$ 1,475,109	\$ 1,504,611
Other: Ancillary Revenue	\$ 1,267	\$ 1,292	\$ 1,318	\$ 1,344	\$ 1,371	\$ 1,399	\$ 1,427
<b>Total Residential Income</b>	<b>\$ 1,337,318</b>	<b>\$ 1,364,064</b>	<b>\$ 1,391,346</b>	<b>\$ 1,419,173</b>	<b>\$ 1,447,556</b>	<b>\$ 1,476,507</b>	<b>\$ 1,506,037</b>
Less: Residential Vacancy/Discounts	\$ (93,612)	\$ (95,485)	\$ (97,394)	\$ (99,342)	\$ (101,329)	\$ (103,356)	\$ (105,423)
<b>Proforma Gross Income</b>	<b>\$ 1,243,706</b>	<b>\$ 1,268,580</b>	<b>\$ 1,293,952</b>	<b>\$ 1,319,831</b>	<b>\$ 1,346,227</b>	<b>\$ 1,373,152</b>	<b>\$ 1,400,615</b>
<b>EXPENSES</b>							
General Administrative	\$ 59,294	\$ 61,072	\$ 62,904	\$ 64,792	\$ 66,735	\$ 68,737	\$ 70,800
Operating & Maintenance	\$ 98,840	\$ 101,805	\$ 104,860	\$ 108,005	\$ 111,245	\$ 114,583	\$ 118,020
Utilities	\$ 77,768	\$ 80,101	\$ 82,504	\$ 84,980	\$ 87,529	\$ 90,155	\$ 92,859
Staff Payroll & Benefits	\$ 121,915	\$ 125,572	\$ 129,339	\$ 133,220	\$ 137,216	\$ 141,333	\$ 145,573
Property Management	\$ 74,622	\$ 76,115	\$ 77,637	\$ 79,190	\$ 80,774	\$ 82,389	\$ 84,037
Taxes & Insurance	\$ 80,772	\$ 83,195	\$ 85,691	\$ 88,262	\$ 90,910	\$ 93,637	\$ 96,446
Replacement Reserves	\$ 132,956	\$ 136,945	\$ 141,054	\$ 145,285	\$ 149,644	\$ 154,133	\$ 158,757
<b>Proforma Operating Expenses</b>	<b>\$ 646,168</b>	<b>\$ 664,807</b>	<b>\$ 683,990</b>	<b>\$ 703,733</b>	<b>\$ 724,053</b>	<b>\$ 744,967</b>	<b>\$ 766,492</b>
<b>Effective Net Operating Income</b>	<b>\$ 597,538</b>	<b>\$ 603,773</b>	<b>\$ 609,962</b>	<b>\$ 616,098</b>	<b>\$ 622,174</b>	<b>\$ 628,185</b>	<b>\$ 634,123</b>
Senior Debt Service	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302	\$466,302
Debt Service Coverage	128%	129%	131%	132%	133%	135%	136%
<b>Residual Receipts</b>	<b>\$ 131,236</b>	<b>\$ 137,471</b>	<b>\$ 143,660</b>	<b>\$ 149,795</b>	<b>\$ 155,872</b>	<b>\$ 161,883</b>	<b>\$ 167,820</b>
LP Asset Mgt Fee	\$ 14,258	\$ 14,685	\$ 15,126	\$ 15,580	\$ 16,047	\$ 16,528	\$ 17,024
DDF Payments	\$ 116,978	\$ 122,786	\$ 128,534	\$ 134,216	\$ 139,825	\$ 80,753	\$ -
DDF Balance	\$ 606,113	\$ 483,327	\$ 354,794	\$ 220,578	\$ 80,753	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,601</b>	<b>\$ 150,796</b>
Partnership Surplus Allocation	30%	\$ -	\$ -	\$ -	\$ -	\$ 19,380	\$ 45,239
NHD Surplus Allocation	70%	\$ -	\$ -	\$ -	\$ -	\$ 45,221	\$ 105,557
GAHP Loan Interest	3.00%	\$ 81,000	\$ 81,000	\$ 81,000	\$ 81,000	\$ 81,000	\$ 81,000
GAHP Loan Principal		\$ -	\$ -	\$ -	\$ -	\$ 45,221	\$ 105,557
<b>GAHP Loan Balance</b>		\$ 3,834,000	\$ 3,915,000	\$ 3,996,000	\$ 4,077,000	\$ 4,158,000	\$ 4,169,222

**Borrower Financing Representation**

**Proposed Project: Sierra Flats Phase II Apartments**

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

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

**☐Option A**

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>

**☒Option B**

**Sponsor/Borrower Statement:**

The terms offered by R4 Capital Funding LLC for Sierra Flats Phase II Apartments were competitive compared to the rest of the market and offered the most favorable terms. The spreads on the R4 Capital product were lower than other lenders, and their 40-year amortization is extremely attractive, and what makes this debt product the most competitive. Additionally, we also have an established and successful relationship with R4 Capital Funding LLC and are confident that they will be able to provide the most competitive rates and terms that will enable the most efficient execution.



By: \_\_\_\_\_  
Michael Snodgrass, Executive Director

Sierra Flats Family I LP, a Nevada limited partnership

By: Sierra Flats Family, LLC, a Nevada limited liability company, its General Partner

By: Oikos Development Corporation, a Missouri nonprofit corporation, its Manager



**Sierra Flats Apartments Phase II**  
 3410 Butti Way  
 Carson City, NV 89701  
 Portion of APN: 010-037-06 (3.41 acres)

Sierra Flats Apartments Phase II (“Sierra Flats Phase II”) is a planned 80-unit affordable family rental development to be located on the corner of Airport Road and Butti Way. The development is part of a 160-unit master planned affordable senior and family rental development. Oikos Development Corporation and its partners have entered into an agreement with PalaSeek LLP, which was selected by the Carson City Board of Supervisors to develop the project in December 2019. The site is owned by the City and is being conveyed for a nominal price under the provisions of NRS 244.287 for development of affordable and workforce housing.

The project will be developed by Oikos Development Corporation, a not-for-profit 501(c)(3) affordable housing developer. The lead person for the Development Team will be Michael Snodgrass. Over the last 30 years, Michael and his team have developed, built, and rehabbed thousands of single-family and multi-family homes all over the country.

**Physical Description**

The proposed development will be part of a master planned site. Sierra Flats Phase II consists of two 3-story walk-up buildings designated to families. The other proposed developments consist of one-three, new construction building designed to families and one 3-story, new construction elevator building designated to seniors. The unit mix of the buildings is as follows:

<b>Building</b>	<b>Population Type</b>	<b>Unit Mix</b>
Building 1	Senior	32 one-bedroom/one bath 8 two-bedroom/one bath
Total		40 units
<b>Building</b>	<b>Population Type</b>	<b>Unit Mix</b>
Building 2	Family	28 one-bedroom/one bath 12 two-bedroom/one bath
Building 3	Family	6 one-bedroom/one bath 24 two-bedroom/one bath 20 three-bedroom/two baths
Building 4	Family	6 one-bedroom/one bath 24 two-bedroom/one bath
Total		120 units
Total All Buildings		160 units

The project narrative below specifically addresses the project features and vision of Building 3 and Building 4.

The Apartments will include a full complement of common space amenities, such as a mailroom, wellness room, exercise/weight room, business center, dog wash, conference room and work room for group meetings and leasing office. Outdoor spaces will include extensive landscaping, children's playground, recreational space for a shuffleboard and dog park, barbecue area, picnic tables and benches.

Sierra Flats Phase II will be an energy efficient development. The buildings will include high efficiency heating and cooling equipment including high efficiency hot water heaters, EnergyStar appliances, low-E vinyl thermal pane windows, high R-value wall and attic insulation. Sierra Flats Phase II will promote sustainable building techniques. The development will promote water conservation with low-flow fixtures and extensive xeriscape landscaping.

### **Location and Neighborhood**

Sierra Flats Phase II will be located on a portion of an approximately 6.31-acre parcel on the corner of Airport Road and Butti Way in Carson City.

The project is located directly across from Nevada Humane Society and Carson City Parks and Recreation Office. The Plaza 50 shopping center is located 1.7 miles north of the project. The shopping center contains Hacienda Market and Grill, 99 Cents Store, The UPS Store, Wells Fargo Bank, Walgreens and many restaurants such as Dutch Bros Coffee, Capriotti's Sandwich Shop, El Pollo Loco, Little Caesar's Pizza and Flat Earth Pizza. There is another shopping center located 0.8 miles from the project site. The shopping center contains FoodMaxx, CVS Pharmacy, Dollar General Store, and multiple restaurants.

Residents at Sierra Flats Phase II will attend Empire Elementary School (0.8 miles), Eagle Valley Middle School (1.3 miles) and Carson High School (1.9 miles). Additionally, residents at Sierra Flats Phase II will have access to a multitude of recreational areas including Terrace Park (0.8 miles), Carson City Community Center (2.4 miles), and Carson Aquatic Facility (2.4 miles).

Residents at Sierra Flats Phase II will also have easy access to public transportation. The project is located 0.2 miles away from bus route 2A and 2B on Airport Rd. and Desatoya Dr. The bus route provides access to Plaza & Washington through Division & John. There is also a planned bus stop to be located directly at the project site by the local public transportation provider.

### **Market Demand**

Even prior to the pandemic as a result of the improved economy and the entry of new industries, Northern Nevada has been experiencing an extreme affordable housing crisis. According to the 2021 Annual Affordable Apartment Survey, the supply of affordable multi-family units in Carson City County is very tight with responding properties reporting a vacancy rate of 2.2% for one-bedroom units, 4.2% for two-bedroom units, and 5.7% for three-bedroom units for an overall vacancy rate of 2.7%.

On April 29, 2021, Novogradac Consulting LLP completed a Market Study for Phase I of Sierra Flats Apartments. We anticipate a similar demand for Phase II of Sierra Flats. The Study reported an average vacancy rate of 0.2% for comparable properties. The Study also anticipated that the subject property would experience an absorption pace of 18 units per month. The Study

reported a penetration rate of 10.4%. Given the strong demand for Phase I, we believe that Phase II of Sierra Flats Apartments will garner a similar demand.

We expect a strong and continued demand for Sierra Flats Phase II Apartments development. The proposed rents at Sierra Flats Phase II will be significantly below market rents in Carson City County. The proposed 1-bedroom rents will range from \$727 to \$881, 2-bedroom rents will range from \$868 to \$1,052 and the proposed 3-bedroom rents will range \$1,000 to \$1,213 with tenant paid utilities. For comparison, the 2023 HUD Fair Market Rents for Carson City County are \$851, \$980 and \$1,273 for a 1-bedroom, 2-bedroom and 3-bedroom units, respectively.

### **Development Team Experience**

<b>Owner</b>	Sierra Flats Family I, LP
<b>Managing Member</b>	Sierra Flats Family, LLC
<b>Sponsor</b>	Oikos Development Corporation
<b>Development Consultant</b>	Praxis Consulting Group, LLC
<b>General Contractor</b>	OCM Builders
<b>Architect</b>	Cathexes, LLC
<b>Property Manager</b>	Landmark Group, dba Weststates Property Management

Sierra Flats Phase II will be owned by a new, sole purpose Nevada limited partnership, Sierra Flats Family I, LP. The 0.01% General Partner of the LP will be a new, sole purpose Nevada limited liability company, Sierra Flats Family LLC. Oikos Development Corporation will be a 30% member of the GP and will act as the managing member, developer, and guarantor. CM Development, LLC will be a 30% member of the GP. PalaSeek LLP will be a 40% member of the GP. Weststates Property Management will act as the third-party property management company.

### **Oikos Development Corporation**

Oikos Development Corporation (“ODC”) was formed in December 2018 as a Kansas City regional 501(c)(3) community development corporation in direct response to the lack of affordable housing in the region. ODC strives to increase the production of affordable housing and revitalize neighborhoods by applying innovative, energy-efficient and entrepreneurial business principals.

ODC is led by Michael Snodgrass, who has over 29 years of affordable housing experience. At his previous position with Builders Development Corporation as Executive Director, Michael was responsible for over 350 units developed/in progress at over \$60 million in total development costs. Additionally, to date, ODC has completed and is currently working on the development/preservation of approximately 341 units of affordable housing, including the development of the Sierra Flats project.

### **Praxis Consulting Group, LLC**

Oikos Development Corporation will receive consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also

carries out research and technical assistance in the areas of community development, non-profit capacity building, fund-raising and public policy development. Since 2005, Praxis has secured the financing for over 75 affordable housing developments, totaling more than 7,250 units and \$1.25 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

### Cathexes Architecture

Cathexes Architecture is committed to work over and above the built environment. From beginning to end and beyond our work is a responsibility and process that entails an understanding of Place, Presence, Growth, and Culture. The embodiment of Cathexes is the commitment to explore the life experience and be willing to accept any consequence of risk: we encourage all to dream what might be. Cathexes endeavor through architecture to influence culture, foster the education of its team and of others, and to lead in professional excellence. Cathexes is a full-service architectural firm that not only provides planning, design and documentation services to a diverse family of clients, it also strives to design environmentally friendly, economically sustainable and healthy projects from the individual project to the broader community and region. Owners, building professionals, users present and future, and environment are all affected by what is designed and built.

Since its founding in 1985, Cathexes has continually instigated projects that foster the growth of community's culture and diversity. These include but are not limited to:

- Great Basin Adventure at Rancho San Rafael in Reno, Nevada
- Sparks Victorian Square, an eight-block town center redevelopment in Sparks, Nevada
- Nevada Museum of Art (prior to the current location and design)
- Principal Architect Don Clark, AIA, is a Co-founder of the Reno Arts Commission and a Co-founder of Black Rock Design Institute (BRDI)
- Designed, developed, and built the first urban renewal building, The Bunker, in the MidTown District in Reno, Nevada
- Bartley Ranch Regional Park including Equestrian Center, Amphitheater, Interpretive Center and all park amenities over the last several years
- Multiple companies have been launched in our previous 250 Bell Street office
- A vibrant 'Extern' program involving the Washoe County School District GATE (Gifted and Talented Education) high school students, and other non-profit entities to mentor young aspiring architects and designers in our office
- A range of mixed projects at local, regional, state and interstate levels

### Weststates Property Management Company

Landmark Group, dba Weststates Property Management Company (WSPM) manages / operates over 60 properties, over 2,500 units, with over 200 employees. WSPM has developed several educational training techniques: All on-site employees have extensive ongoing training through new manager training and monthly supervisory visits. All new employees have Fair Housing training during the first 90 days of employment. Annual training is held for Managers and

Maintenance Technicians. During this training WSPM brings Nationally recognized trainers such as Steve Rosenblatt of Spectrum, Anne Sadovsky, Toni Blake, and Home Depot Supply to name a few. WSPM has taken the philosophy and practice a “management training company” culture that provides continuing outstanding education for its employees.

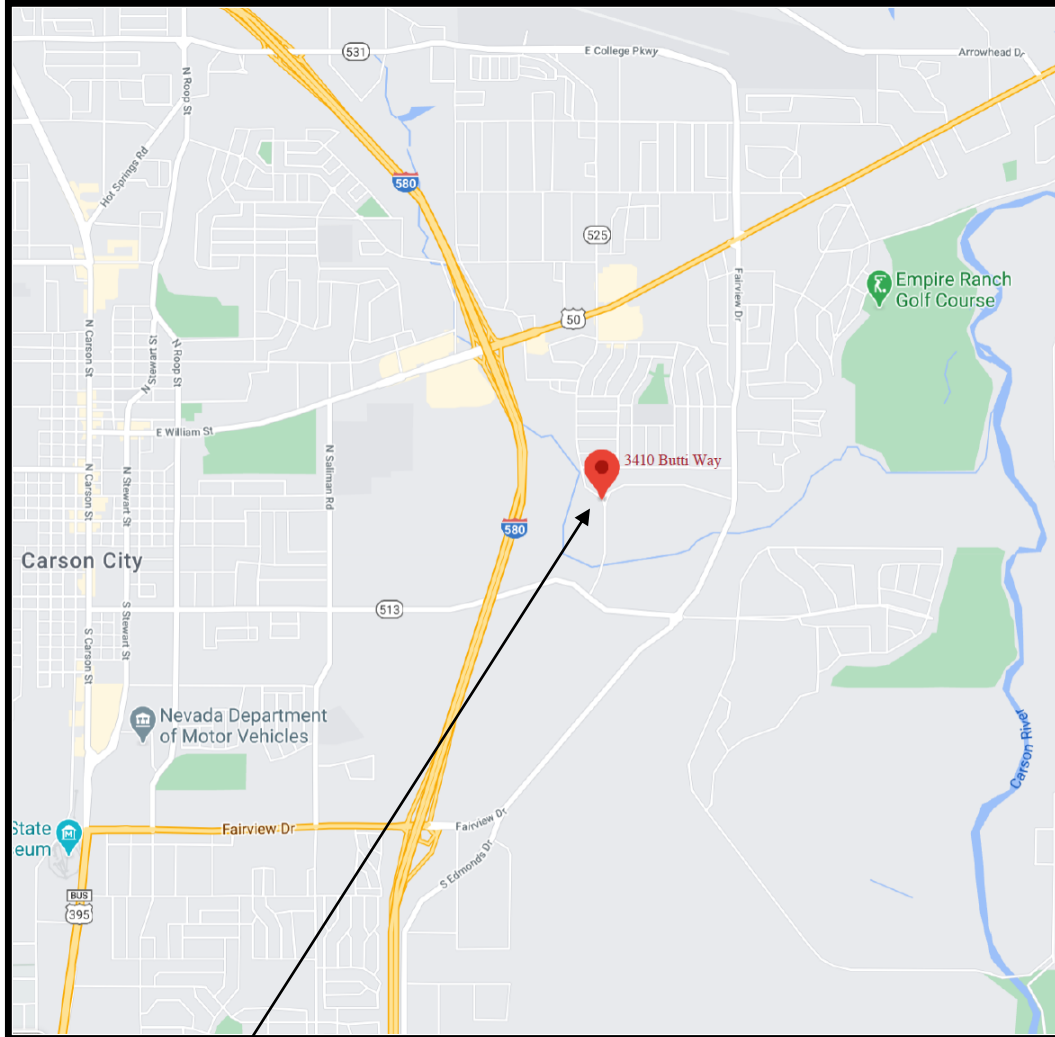
### **Financing and Schedule**

The proposed financing for Sierra Flats Apartments Phase II will include tax-exempt bonds issued by the Nevada Housing Division (NHD), equity from the sale of non-competitive 4% Low Income Housing Tax Credits, HOME/AHTF funds provided through NHD, and Home Means Nevada Initiative (HMNI) funds. The estimated total development cost is \$30.1 million or about \$376,273 per unit.

The Apartment will close and start construction in approximately April 2023, with construction completion by October 2024 and conversion and Form 8609 by July 2025.

**Sierra Flats Phase II**  
3410 Butti Way  
Carson City, NV 89701  
Portion of APN: 010-037-04 (6.31 acres)

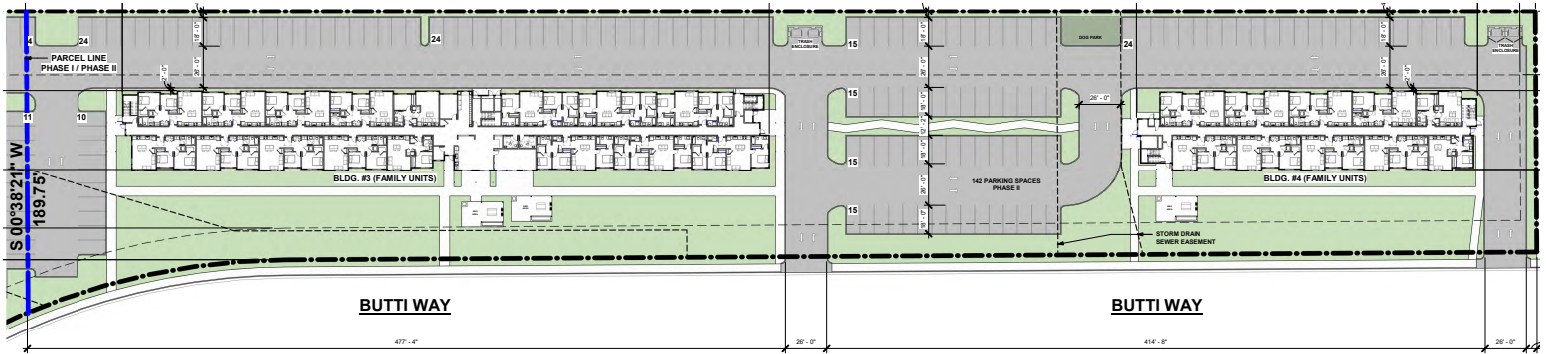
**Location Map**



Site Location

**Sierra Flats Phase II**  
3410 Butti Way  
Carson City, NV 89701  
Portion of APN: 010-037-04 (6.31 acres)

**Site Plan**



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

**Development:** Sierra Flats  
**Development Type:** New Construction  
**BoF Meeting Date:** 2.23.23

**Administrator's Summary**

This bond issuance of \$15.5 million dollars will be used to provide for the new construction of 80 units of affordable family apartments in Carson City. The rental housing will serve 80 households at or below 60% of area median income. The project is a Phase 2 of an already approved and financially closed project which previously received 9% tax credits. The entire project (phases one and two) will contain a total of 160 affordable units for both seniors and families when completed. The site is currently owned by Carson City and the land will be conveyed at \$50,000.00 to the developers/owners for the development of affordable and workforce housing. Residents will have easy access to public transportation as bus stops are located less than a quarter mile away and a planned bus stop is located at the project site by the local transportation provider. This project will create new affordable units which will retain the rent restrictions for 30 years. The developer of this project, Oikos Development, have built and rehabilitated thousands of affordable homes nationally and this will be their first application for bonds in Nevada.

- 80 Family Units
- New construction
- 100% Affordable Rents
- 75 units <60% AMI, 5 units <50% AMI
- 1 bedroom units = 12, 2 bedroom units = 48, 3 bedroom units = 20
- 1 bedroom rents \$555.00 less than market rate
- 2 bedroom rents \$697.00 less than market rate
- 3 bedroom rents \$868 less than market rate
- Cost per unit = \$376,273
- Cost per bond cap allocation = \$193,750
- Developer –Oikos Development Corporation
- Equity Investor – R4 Community Funding
- Loan – R4 Community Funding
- \$15.5M in Bond Proceeds trips \$12.9M in LIHTC Equity (42.9% of total development cost)

	Sierra Flats	Program Average	Notes
Total Tax-exempt Bond ask	\$ 15,500,000	\$ 35,150,000	
Total Development Cost	\$ 30,101,808	\$ 67,378,704	Average of last 10 New Construction projects previously approved
Size of site	6.31 Acres	6.77 Acres	
Total # of Units	80	226	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 376,273	\$ 303,869	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 193,750	\$ 158,499	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	n/a	n/a	No units in this project
Percentage of Units at 60% AMI	93.75%	96.5%	75 Units in this project
Percentage of Units at 50% AMI	6.25%	2.5%	5 units in this project
Percentage of Units at 40% AMI	0.00%	0.2%	0 units in this project
Percentage of Units at 30% AMI	0.00%	0.7%	0 units in this project
Veteran's Preference	Yes	Yes	

	Sierra Flats	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 908	\$ 1,463	Johnson Perkins Q4 2022
Average 2 Bedroom Rent	\$ 1,097	\$ 1,794	Johnson Perkins Q4 2022
Average 3 Bedroom Rent	\$ 1,255	\$ 2,123	Johnson Perkins Q4 2022
Average Vacancy Rate	n/a	3.38%	Johnson Perkins Q4 2022



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

DATE: February 4, 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 (Pebble and Eastern Senior Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

1:00 p.m., Thursday, February 23, 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 (Pebble and Eastern Senior Apartments).

C. The Findings relate to the issuance of up to \$26,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 195-unit senior apartment complex located at the northwest corner of Pebble Road and Eastern Avenue, Las Vegas, Nevada (the “Project”).

D. The Housing Division will issue up to \$26,000,000 of multi-unit housing revenue bonds which will be a direct placement with Citibank, N.A. The borrower entity will Pebble Seniors, LLC, a Nevada limited liability company consisting of Pebble Seniors Manager, LLC as a 0.0099% Managing Member entity and Wells Fargo Community Lending and Investment as the 99.99% Investor Member. Wells Fargo Community Lending and Investment will provide an equity investment of approximately \$23,042,462 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 bonds are expected to be reduced to approximately \$11,775,000 following the completion of construction and permanent loan conversion. Wells Fargo Community Lending and Investment and Citibank, N.A. will provide additional construction period bridge financing to fund project costs in advance of the final tax credit equity installments. 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 (Pebble and Eastern Senior Apartments)."

G. Attorney Opinion:

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



**State of Nevada**

**DEPARTMENT OF BUSINESS & INDUSTRY**

**Housing Division**

**FINDINGS OF FACT**

**Multi-Unit Housing Revenue Bonds  
Pebble and Eastern Senior Apartments**

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

1. There exists a shortage of decent, safe and sanitary senior housing at rental rates that eligible families can afford within the Clark County, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will increase the supply and improve the quality of decent, safe and sanitary rental housing for eligible seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Las Vegas, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

estimated by the Housing Division as necessary for debt service on the bonds issued for the financing of the proposed project.

BY: \_\_\_\_\_

Steve Aichroth  
Administrator  
Nevada Housing Division

DATE: \_\_\_\_\_



February 1, 2023

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

Re: Multi-Unit Housing Revenue Bonds  
(Pebble and Eastern Senior Apartments) Series 2023

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 Pebble and Eastern Senior Apartments project (“Project”). The Division is requesting authorization from the State of Nevada Board of Finance for issuance of up to \$26,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of this affordable seniors housing property located in Las Vegas, Nevada.

PFM Financial Advisors LLC (“PFM”) has reviewed the Application of the borrower for financing of the Project and related supporting material submitted to the Division. We have also discussed the Project and financing with representatives of the borrower, lender, 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 Citibank, N.A. (“Citibank”). A construction period bridge financing will be jointly provided by Wells Fargo Bank (“Wells Fargo”) and Citibank. The overall financing is reviewed in greater detail in Exhibits A, B and D.

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

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

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

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff  
Director

**Project Overview and Plan of Finance****The Project**

The Project will be construction of a new affordable senior housing project to be located on the northwest corner of Pebble Road and Eastern Avenue in Las Vegas, NV. The proposed property will be a 195-unit senior rental development situated on a site of approximately 5.0 acres. It will be configured with one-bedroom and two-bedroom units. 20 units will be designated as permanent supportive housing to meet special housing needs of homeless seniors with disabilities, homeless veterans or other qualifying low-income individuals in unincorporated Clark County. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the configuration of the 195 units, size and rent restrictions are provided in Table A.

**Table A: Project Unit & Rent Profile**

Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Less Utility Allowance <sup>2</sup>	Tenant Share Monthly Rent <sup>2</sup>	Total Monthly Revenue	Total Annual Revenue
<b><u>1 Bedroom</u></b>							
< 30%	13	689	\$460	\$0	\$460	\$5,980	\$71,760
< 50%	90	689	\$767	\$0	\$767	\$69,030	\$828,360
< 60%	27	689	\$921	\$0	\$921	\$24,867	\$298,404
<b><u>2 Bedroom</u></b>							
< 30%	7	905	\$552	\$0	\$552	\$3,864	\$46,368
< 50%	45	905	\$921	\$0	\$921	\$41,445	\$497,340
< 60%	13	905	\$1,105	\$0	\$1,105	\$14,365	\$172,380
Total Project Units	195					\$159,551	\$1,914,612

<sup>1</sup> 2022 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)

<sup>2</sup> Assumes 30% of Average Household Income

**Project Developers**

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

Ovation Design and Development, Inc. is an affiliate of Ovation Contracting, Inc. Since 1984, Ovation and its founder, Alan Molasky, have built over 11,000 multifamily rental units in Southern Nevada, six of which were funded by HUD 221(d)(4) and one by a 241(a) loan. In addition, Ovation has completed thirteen affordable senior communities totaling over 1,865 units.

Coordinated Living of Southern Nevada, Inc (“CLSN”) is a Nevada non-profit whose mission is to promote the development affordable housing so that low-income Nevadans and their families can thrive in a setting that promotes individual growth, autonomy, choice, and dignity. Since its formation in 2013, CLSN has partnered with Ovation Design and Development Inc. to develop nine affordable senior projects totaling approximately 1,300 units.

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

### **Borrower Entity**

The borrower/ownership entity will be Pebble Seniors, LLC. Pebble Seniors Manager, LLC will act as 0.0099% Managing Member and Wells Fargo Community Lending and Investment will be the 99.999% Investor Member and will provide an equity investment of approximately \$23,042,462 in exchange for 4% low-income housing tax credits to be allocated to the Project.

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

- 1<sup>st</sup> Installment - \$2,304,246 at Construction Start (Sept 2023)
- 2<sup>nd</sup> Installment - \$20,488,215 at Conversion (Dec 2025)
- 3<sup>rd</sup> Installment - \$250,000 at Delivery of IRS Form 8609 (Mar 2026)

### **Contractor**

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

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

### **Debt Plan of Finance:**

Permanent Project financing will be accomplished using debt provided by a direct placement with Citibank. Tax-exempt bonds in an amount not to exceed \$26,000,000 will be issued by the Division. The bonds are expected to be reduced to approximately \$11,775,000 following completion of construction and permanent loan conversion.

Wells Fargo and Citibank will provide additional construction period bridge financing in the respective amounts of approximately \$22,000,000 and \$3,000,000 to fund project costs in advance of final tax credit equity installments.

### **Reserves:**

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

The Borrower will also be required to fund an Operating Reserve initially set at \$411,000.

## **Sources and Uses:**

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

**Table B: Sources and Uses of Funds**

<b>Sources of Funds</b>			
	<b>Construction Phase</b>	<b>Permanent Phase</b>	
Citibank Construction Loan (Exempt)	\$ 26,000,000	\$11,775,000	
Wells/Citibank Construction Loan (Taxable)(net)	\$ 3,185,435		
Tax Credit Equity	\$ 2,304,246	23,042,462	
Clark County CHF	\$ 6,000,000	6,000,000	
Clark County HOME Loan	\$ 1,800,000	1,800,000	
NHD HTF Loan	\$ 2,000,000	2,000,000	
FHLB-SF AHP Loan	\$ 1,000,000	1,000,000	
Deferred Developer Fee	\$ -	2,833,219	
	\$ 42,289,681	\$48,450,681	

<b>Uses of Funds</b>			
			<b>\$/Unit</b>
Land Cost	\$ 203,750	\$203,750	\$1,045
Construction Hard Costs	\$ 32,202,455	32,202,455	165,141
Soft Costs	\$ 4,802,010	4,802,010	24,626
Construction Period Interest	\$ 3,077,374	3,077,374	15,781
Contingencies	\$ 2,004,092	2,004,092	10,277
Operating & Repair Reserves	\$ -	411,000	2,108
Developer Fee	\$ -	5,750,000	29,487
	\$ 42,289,681	\$48,450,681	\$248,465

## **Bond/Loan Term Summary:**

### **Borrower:**

Pebble Seniors, LLC

- A limited liability corporation comprised of Pebble Seniors Manager LLC as 0.0099% managing member, Wells Fargo as 99.99% investor member and Ovation Affordable Housing, Inc. as 0.0001% Special Member.

### **Permanent Lender:**

Citibank N.A.

### **Bond Structure:**

#### **Construction Phase**

- Estimated at \$26,000,000
- Variable rate at 1-month SOFR (floor of 0.50%) plus 2.30% (including Division/Trustee fees). Rate adjusts monthly. Rate estimated at 6.87% (as of 2/1/23).
- Bonds are interest only.
- Term – 33 months from initial loan closing date, plus two 6-month extensions.

#### **Permanent Phase:**

- Estimated at \$11,775,000
- Fixed rate at 18-year LIBOR swap rate (floor of 0.75%) plus 2.40% (including Division and Trustee fees). Rate is locked at closing of the Construction Phase.
- Rate estimated at 5.74% (as of 2/1/23)
- Amortization factor is 40 years.
- Maturity – 18 years following Closing Date



- Payments are monthly principal and interest.
- Loan/Value – 90%
- Debt Service Coverage – Minimum of 1.15 to 1.00

**Fees:**

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

**Bond Rating:**

Not rated.

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>INCOME</b>												
Annual Gross Rental Income	\$ 1,991,962	\$ 2,031,802	\$ 2,072,438	\$ 2,113,886	\$ 2,156,164	\$ 2,199,287	\$ 2,243,273	\$ 2,288,139	\$ 2,333,901	\$ 2,380,579	\$ 2,428,191	\$ 2,476,755
Other: Ancillary Revenue	\$ 33,962	\$ 34,641	\$ 35,334	\$ 36,041	\$ 36,761	\$ 37,497	\$ 38,246	\$ 39,011	\$ 39,792	\$ 40,587	\$ 41,399	\$ 42,227
<b>Total Residential Income</b>	<b>\$ 2,025,924</b>	<b>\$ 2,056,110</b>	<b>\$ 2,107,771</b>	<b>\$ 2,149,927</b>	<b>\$ 2,192,925</b>	<b>\$ 2,236,784</b>	<b>\$ 2,281,520</b>	<b>\$ 2,327,150</b>	<b>\$ 2,373,693</b>	<b>\$ 2,421,167</b>	<b>\$ 2,469,590</b>	<b>\$ 2,518,982</b>
Less: Residential Vacancy/Discounts	\$ (141,815)	\$ (143,928)	\$ (147,544)	\$ (150,495)	\$ (153,505)	\$ (156,575)	\$ (159,706)	\$ (162,900)	\$ (166,159)	\$ (169,482)	\$ (172,871)	\$ (176,329)
<b>Proforma Gross Income</b>	<b>\$ 1,884,109</b>	<b>\$ 1,912,183</b>	<b>\$ 1,960,227</b>	<b>\$ 1,999,432</b>	<b>\$ 2,039,421</b>	<b>\$ 2,080,209</b>	<b>\$ 2,121,813</b>	<b>\$ 2,164,249</b>	<b>\$ 2,207,534</b>	<b>\$ 2,251,685</b>	<b>\$ 2,296,719</b>	<b>\$ 2,342,653</b>
<b>EXPENSES</b>												
General Administrative	\$ 80,452	\$ 82,866	\$ 85,352	\$ 87,912	\$ 90,550	\$ 93,266	\$ 96,064	\$ 98,946	\$ 101,915	\$ 104,972	\$ 108,121	\$ 111,365
Operating & Maintenance	\$ 126,257	\$ 130,044	\$ 133,946	\$ 137,964	\$ 142,103	\$ 146,366	\$ 150,757	\$ 155,280	\$ 159,938	\$ 164,736	\$ 169,678	\$ 174,769
Utilities	\$ 240,389	\$ 247,601	\$ 255,029	\$ 262,680	\$ 270,560	\$ 278,677	\$ 287,037	\$ 295,649	\$ 304,518	\$ 313,654	\$ 323,063	\$ 332,755
Staff Payroll & Benefits	\$ 332,357	\$ 342,327	\$ 352,597	\$ 363,175	\$ 374,070	\$ 385,292	\$ 396,851	\$ 408,757	\$ 421,019	\$ 433,650	\$ 446,660	\$ 460,059
Property Management	\$ 84,785	\$ 86,048	\$ 88,210	\$ 89,974	\$ 91,774	\$ 93,609	\$ 95,482	\$ 97,391	\$ 99,339	\$ 101,326	\$ 103,352	\$ 105,419
Taxes & Insurance	\$ 34,962	\$ 36,011	\$ 37,091	\$ 38,204	\$ 39,350	\$ 40,530	\$ 41,746	\$ 42,999	\$ 44,289	\$ 45,617	\$ 46,986	\$ 48,396
Replacement Reserves	\$ 93,253	\$ 96,051	\$ 98,932	\$ 101,900	\$ 104,957	\$ 108,106	\$ 111,349	\$ 114,689	\$ 118,130	\$ 121,674	\$ 125,324	\$ 129,084
<b>Proforma Operating Expenses</b>	<b>\$ 992,455</b>	<b>\$ 1,020,948</b>	<b>\$ 1,051,157</b>	<b>\$ 1,081,810</b>	<b>\$ 1,113,364</b>	<b>\$ 1,145,848</b>	<b>\$ 1,179,287</b>	<b>\$ 1,213,711</b>	<b>\$ 1,249,148</b>	<b>\$ 1,285,629</b>	<b>\$ 1,323,185</b>	<b>\$ 1,361,847</b>
<b>Effective Net Operating Income</b>	<b>\$ 477,035</b>	<b>\$ 886,778</b>	<b>\$ 909,070</b>	<b>\$ 917,622</b>	<b>\$ 926,056</b>	<b>\$ 934,361</b>	<b>\$ 942,526</b>	<b>\$ 950,539</b>	<b>\$ 958,386</b>	<b>\$ 966,056</b>	<b>\$ 973,534</b>	<b>\$ 980,806</b>
Senior Debt Service	\$63,561	\$63,561	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997
Debt Service Coverage	751%	1395%	121%	122%	123%	124%	125%	126%	127%	128%	129%	130%
<b>Residual Receipts</b>	<b>\$ 413,474</b>	<b>\$ 823,217</b>	<b>\$ 157,073</b>	<b>\$ 165,625</b>	<b>\$ 174,059</b>	<b>\$ 182,364</b>	<b>\$ 190,529</b>	<b>\$ 198,542</b>	<b>\$ 206,389</b>	<b>\$ 214,059</b>	<b>\$ 221,537</b>	<b>\$ 228,809</b>
LP Asset Mgt Fee	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	\$ 13,439	\$ 13,842
DDF Payments	\$ 403,474	\$ 812,917	\$ 146,464	\$ 154,698	\$ 162,804	\$ 170,772	\$ 178,589	\$ 186,243	\$ 193,722	\$ 201,011	\$ 208,098	\$ 14,427
DDF Balance	\$ 2,429,745	\$ 1,616,827	\$ 1,470,363	\$ 1,315,665	\$ 1,152,861	\$ 982,089	\$ 803,501	\$ 617,258	\$ 423,536	\$ 222,525	\$ 14,427	\$ -
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,540</b>

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	4.50%
Vacancy Assumption:	7.00%
Deferred Developer Fee :	\$2,833,219
GAHP Loan:	\$0

Permanent Loan Amount	\$11,775,000
Loan Term	40
Core Loan Rate	5.44%
NHD & Trustee Factor	0.30%
Total Loan Rate	5.74%
Annual Debt Service	\$751,997

	2037	2038	2039	2040	2041	2042	2043
<b>INCOME</b>							
Annual Gross Rental Income	\$ 2,526,290	\$ 2,576,816	\$ 2,628,352	\$ 2,680,919	\$ 2,734,537	\$ 2,789,228	\$ 2,845,013
Other: Ancillary Revenue	\$ 43,072	\$ 43,933	\$ 44,812	\$ 45,708	\$ 46,622	\$ 47,555	\$ 48,506
<b>Total Residential Income</b>	<b>\$ 2,569,362</b>	<b>\$ 2,620,749</b>	<b>\$ 2,673,164</b>	<b>\$ 2,726,627</b>	<b>\$ 2,781,160</b>	<b>\$ 2,836,783</b>	<b>\$ 2,893,518</b>
Less: Residential Vacancy/Discounts	\$ (179,855)	\$ (183,452)	\$ (187,121)	\$ (190,864)	\$ (194,681)	\$ (198,575)	\$ (202,546)
<b>Proforma Gross Income</b>	<b>\$ 2,389,506</b>	<b>\$ 2,437,296</b>	<b>\$ 2,486,042</b>	<b>\$ 2,535,763</b>	<b>\$ 2,586,478</b>	<b>\$ 2,638,208</b>	<b>\$ 2,690,972</b>
<b>EXPENSES</b>							
General Administrative	\$ 114,706	\$ 118,147	\$ 121,691	\$ 125,342	\$ 129,102	\$ 132,975	\$ 136,965
Operating & Maintenance	\$ 180,012	\$ 185,412	\$ 190,975	\$ 196,704	\$ 202,605	\$ 208,683	\$ 214,943
Utilities	\$ 342,738	\$ 353,020	\$ 363,610	\$ 374,519	\$ 385,754	\$ 397,327	\$ 409,247
Staff Payroll & Benefits	\$ 473,861	\$ 488,077	\$ 502,719	\$ 517,801	\$ 533,335	\$ 549,335	\$ 565,815
Property Management	\$ 107,528	\$ 109,678	\$ 111,872	\$ 114,109	\$ 116,392	\$ 118,719	\$ 121,094
Taxes & Insurance	\$ 49,847	\$ 51,343	\$ 52,883	\$ 54,470	\$ 56,104	\$ 57,787	\$ 59,520
Replacement Reserves	\$ 132,956	\$ 136,945	\$ 141,054	\$ 145,285	\$ 149,644	\$ 154,133	\$ 158,757
<b>Proforma Operating Expenses</b>	<b>\$ 1,401,648</b>	<b>\$ 1,442,622</b>	<b>\$ 1,484,804</b>	<b>\$ 1,528,229</b>	<b>\$ 1,572,935</b>	<b>\$ 1,618,959</b>	<b>\$ 1,666,341</b>
<b>Effective Net Operating Income</b>	<b>\$ 987,858</b>	<b>\$ 994,674</b>	<b>\$ 1,001,238</b>	<b>\$ 1,007,534</b>	<b>\$ 1,013,543</b>	<b>\$ 1,019,249</b>	<b>\$ 1,024,631</b>
Senior Debt Service	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997	\$751,997
Debt Service Coverage	131%	132%	133%	134%	135%	136%	136%
<b>Residual Receipts</b>	<b>\$ 235,861</b>	<b>\$ 242,677</b>	<b>\$ 249,241</b>	<b>\$ 255,537</b>	<b>\$ 261,546</b>	<b>\$ 267,252</b>	<b>\$ 272,634</b>
LP Asset Mgt Fee	\$ 14,258	\$ 14,685	\$ 15,126	\$ 15,580	\$ 16,047	\$ 16,528	\$ 17,024
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ 221,604</b>	<b>\$ 227,992</b>	<b>\$ 234,115</b>	<b>\$ 239,957</b>	<b>\$ 245,499</b>	<b>\$ 250,723</b>	<b>\$ 255,610</b>

**Borrower Financing Representation****Proposed Project: Pebble and Eastern Senior Apartments**

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

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

☐ **Option A**

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>

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

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

By BJ Wright 1/30/2023  
 Title Executive Director  
 Firm Coordinated Living of Southern Nevada

### **Pebble & Eastern Senior Apartments**

Northwest corner of Pebble Road and Eastern Avenue

Las Vegas, NV 89123

APN: 177-14-802-021 (5.00 acres)

### **Project Narrative**

Pebble & Eastern Senior Apartments is a planned 195-unit affordable senior rental development to be located on the northwest corner of Pebble Road and Eastern Avenue. The Apartments is being co-developed by Ovation Design and Development, Inc., which is an affiliate of Ovation Contracting, Inc., and Coordinated Living of Southern Nevada, Inc. (“Coordinated Living”), a Nevada non-profit whose mission is to promote the development of affordable Housing so that low-income Nevadans and their families can thrive in a setting that promotes individual growth, autonomy, choice and dignity. Over 10% of the units at Pebble & Eastern Senior Apartments (20 units) will be designated as a permanent supportive housing (PSH) to meet the special housing needs of homeless seniors with disabilities, homeless veterans, and other qualifying low-income individuals in unincorporated Clark County.

The development is located on a 5.0-acre parcel currently owned by the federal government. Under an innovative program, called the Southern Nevada Public Land Management Act (“SNPLMA”), Section 7(b), State and local government can nominate parcels of land to the Bureau of Land Management (“BLM”) for the development of affordable housing. Under SNPLMA regulations, the land is then eligible for sale at a highly discounted rate of 5% of assessed value (95% discount). Ovation has successfully developed two affordable housing developments, Agate I & II, on BLM offered land.

### **Physical Description**

Pebble & Eastern Senior Apartments is a proposed high amenity senior housing community that will consist of 195 one- and two-bedroom units in a single “E”-shaped four-story building, with conditioned interior corridors and elevator service. The development will include the physical spaces and social supports to allow low- and extremely low income and formerly homeless seniors to age in place in a safe and secure setting that would promote independence and dignity.

The Mediterranean-style design incorporates color and architectural details (trellises, columns, shutters, awnings, etc.) to break up the massing of the building and increase its curb appeal. The extended “E” building shape allows for three protected exterior courtyards, away from the street and parking.

The development includes 130 one-bedroom/one-bath units (approximately 689 NSF) and 65 two-bedroom/one bath units (approximately 905 NSF), all with laundry hook-ups. Unit amenities include:

- Open Floor Plans,
- Chef-Inspired Kitchens,
- Granite Countertops,

- Hard Surface Flooring,
- Ample Cabinet Space,
- Full Kitchen Appliance Package,
- Luxurious Bathrooms,
- Accessible Showers,
- Key card entry to building, and
- Monitored cameras in exterior and interior common areas and corridors.

The development will include a full complement of common space amenities, such as a swimming pool and Jacuzzi, facilities for meetings and social gatherings, a game area, hair salon, wellness center, kitchen, and exercise room. Common area laundry facilities and a reading/media room are also anticipated. Outdoor spaces will include courtyards, gazebos, raised bed community gardens, extensive landscaping, picnic tables, benches and barbeques, as well as carport parking for residents. Based upon the existing R-4 zoning and the senior housing density bonus, the proposed development utilizes the maximum development density allowed of 39 units per acre.

As with all Ovation/Coordinated Living properties, Pebble & Eastern Senior Apartments will be highly energy efficient and green and will attain the certified EnergyStar-rating. The development will include high efficiency heating and cooling equipment, including high efficiency gas commercial hot water heaters, EnergyStar appliances, low-E vinyl thermal pane windows, high R-value wall and attic insulation. The development will also offset at least 10.0% of projected electrical consumption through photovoltaic solar generation. It will promote sustainable building techniques using low- or no-VOC paints, carpeting, padding, and adhesives, and formaldehyde-free particleboard and will promote water conservation with low-flow fixtures and extensive xeriscape landscaping.

### **Location and Neighborhood**

The development is located in a mixed density residential area, with nearby land zoned for medium-density residential and commercial developments. Approximately 0.2 miles east of the site is a commercial center containing a First-Class Pharmacy, WestStar Credit Union, a Regal Cinemas, and many restaurants such as Lemongrass Café, Juns Korean, The Coffee Class and Prosecco Fresh Italian Kitchen. There are two shopping centers located approximately 1.0 miles from the project location which contain a Smith's Food and Drug Store, a Walgreens, a Big Lots, a Walmart Supercenter, a Home Depot, a Goodwill Retail Store, a Sam's Club, a Ross Dress for Less, a U.S. Bank and many restaurants such as Papa John's Pizza, Rubios and Subway.

There are many medical/service-oriented facilities in close vicinity of the project location. Directly 0.4 miles north of the site is Nevada Adult Day Healthcare Center (NADH). The NADH center offers a multitude of services such as professional nursing care, physical/occupational therapy, healthy & hot meals, health education, annual flu/pneumonia shots, podiatry services, transportation services, an onsite library and many recreational activities such as bingo, charades and crafts. In the same business center, All About You Counseling and Support Services offers in-office/in-home counseling services for individuals and psychosocial rehabilitative and basic skills training services. The Horizon Specialty Hospital of Henderson is located 0.6 miles north of the development.

There are several bus stops within walking distance of the property. RTC Southern NV Route 110 runs through the Civic Center down to Eastern & Horizon Ridge. Bus Route 117 runs north to south along Las Vegas Blvd. from the McCarran International Airport to Silverado Ranch and east to west along Silverado Ranch from Maryland Pkwy to Eastern.

### **Resident Population and Market Demand**

Pebble & Eastern Senior Apartments will be a senior-restricted development available to households with at least one member aged 55 or above. The proposed project income mix is as follows:

<b>Income Mix</b>	<b># of units</b>	<b>%</b>
< 30% AMI	20	10.26%
< 50% AMI	135	69.23%
< 60% AMI	40	20.51%
Total	195	100.0%
Weighted Avg. Rent Targeting		50.00%

The deep income targeting is achieved on this bond project by utilizing the discounted federal land as well as multiple sources of soft subordinate financing described below. Coordinated Living will also provide limited rental assistance, on an as-needed basis, to the twenty units set aside for households with incomes at or below 30% AMI. This rental assistance is limited to a maximum of 3 months per year per residents and guidelines specified by Coordinated Living.

The need for affordable senior housing, and supportive elderly housing, in the Las Vegas Valley is well documented. The Clark County, North Las Vegas, Boulder City, and Mesquite HUD Consolidated Plan (HCP) 2020-2024 identifies both rental housing serving very low-income and extremely low-income households and housing for persons with special needs, including elderly, as priorities. The Consolidated Plan stated a need for over 78,000 additional affordable housing units. (p. 34). The plan also states that there is an estimated 36% increase in the older adult population in Nevada over the next ten years (p.65). The increasing elderly population will increase the demand for housing types specific to seniors.

The Nevada Housing Division 2020 Annual Affordable Apartment Survey reported a vacancy rate of 1.6% and 2.4% for one- and two-bedroom units, respectively in Clark County. These low vacancy rates indicate a severe need for affordable housing in the south.

### **Development Team Experience**

Pebble & Eastern Senior Apartments is being co-developed by Ovation Design and Development, Inc., an affiliate of Ovation Contracting, Inc., and Coordinated Living of Southern Nevada, Inc., a Nevada non-profit corporation whose mission is to promote the development of affordable housing so that Nevada seniors can age in a setting that promotes control, choice and dignity. Ovation Contracting, Inc. will serve as a general contractor and financial guarantor. Ovation Business services, dba Ovation Property Management, an affiliated of Ovation Contracting, Inc., will act as the property manager.

The project will be owned by a new, to-be-created sole purpose entity, Pebble Seniors, LLC. The .0099% Managing Member will be a new, to-be-created sole purpose entity, Pebble Seniors Manager, LLC, and the .0001% Special Member will be Ovation Affordable Housing, Inc. Coordinated Living will be the 51% member and Ovation Affordable Housing, Inc. the 49% member and Manager of Pebble Seniors Manager, LLC.

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

Since 1984, Ovation and its Founder, Alan Molasky have built over 11,000 multifamily rental units in Southern Nevada, six of which were funded by HUD 221(d)(4) and one by a 241(a) loan. In addition, Ovation/Coordinated Living on many of the projects, have completed thirteen affordable senior communities, all with Federal funds, totaling over 1,865 units:

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

Ovation/Coordinated Living are currently developing five other affordable housing developments, totaling 924 units in the Las Vegas area in addition to Pebble and Eastern Senior Apartments:

- Wigwam and Fort Apache Senior Apartments (195-unit senior tax credit community) began construction October 2021.
- Russell IV Senior Apartments (208-unit senior tax credit community) began construction December 2022.
- Decatur and Rome Family Apartments (276-unit family tax credit community) will begin construction late-2023.
- Arby Senior Apartments (195-unit senior tax credit community) will begin construction early 2024.



- South Nellis Permanent Supportive Housing (50-unit permanent supportive housing tax credit community) will begin construction late 2024.

Ovation Contracting, Inc. (formerly known as Ovation Development Corporation)

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

Coordinated Living of Southern Nevada, Inc. (“Coordinated Living”)

Coordinated Living is a Nevada non-profit whose mission is to promote the development of affordable housing so that low-income Nevadans and their families can thrive in a setting that promotes individual growth, autonomy, choice, and dignity. Since its formation, in 2013, Coordinated Living has partnered with Ovation Design and Development to develop nine affordable senior projects totaling approximately 1,300 units currently in operations.

Coordinated Living will act in numerous capacities on the Pebble & Eastern Senior Apartments project. First, Coordinated Living will be a 51% member of the managing member entity to Pebble Seniors, LLC, which will own the Apartments. Second, Coordinated Living will co-develop the Apartments with Ovation and will in turn receive a portion of the developer fee, which will allow it to further its resident services mission. Third, as the recipient of the requested HOME funds, Coordinated Living will lend the funds to the ownership LLC, and will in turn ensure project compliance to the Clark County under the HUD HOME rules. Finally, we anticipate that Coordinated Living will contract with Resident Services Coordinator at the Apartments.

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

Praxis Consulting Group, LLC

Ovation and Coordinated Living receive consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund raising and public policy development. Since 2005, Praxis has secured the financing for 96 affordable housing developments, mostly in Nevada, totaling over 10,645 units and \$2.0 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

**Supportive Services**

Residents of Pebble & Eastern Senior Apartments will be able to take part in Coordinated Living’s extensive on-site resident services programming, which includes daily activities, social,

health, education and nutrition programming, transportation services and referrals to dozens of service agencies in the surrounding community. These are detailed below. It should be noted that Ovation and Coordinated Living currently collaborate with the Veterans Administration, U.S. Vets, HELP of Southern Nevada, the City of Las Vegas and HELP USA to re-house and stabilize formerly homeless households at other Ovation developments.

Coordinated Living provides on-site staff who coordinate support services throughout all Ovation affordable senior communities. Currently, Coordinated Living provides resident services to a total of 5 Ovation sites (Acapella, Duet, Ensemble, Minuet and Tempo Apartments) with a staff of 10 full-time employees including a Manager of Resident Services, Assistant Manager of Resident Services, one driver and ten Resident Service Coordinators. The Resident Services team serves as a resource to connect residents with local governments and non-profits that help meet their basic needs. They also work with community partners to plan a full calendar of on and off-site activities that enhance the quality of the residents' lives. Arts & crafts programming, health, safety, and nutrition workshops, fitness classes, community gardening, holiday celebrations, outings and financial literacy classes are among the many activities offered. There are also numerous volunteer opportunities within the community and with some of our partners which provide the residents with a sense of purpose and a way to "give back".

The community spaces in an Ovation/Coordinated Living development are actively programmed and always busy. There is always coffee brewing and pastries in the community kitchen. There might be someone playing piano in the dining / multipurpose room. A randomly selected week in April at the nearby Ensemble development included the following activities:

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

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

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

Coordinated Living's community partners have selected Ovation communities to launch pilot programs. For example, the Healthy Brains Program, a partnership between Three Square, the Lou-Ruvo Cleveland Clinic and UNR Cooperative Extension, recently taught classes about brain-healthy foods. The Stay Strong, Stay Healthy Program through Nevada Senior Services, Inc., also held an 8-week strength training program designed for older adults.

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

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

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

low-income seniors in order to promote health, security, happiness, autonomy and usefulness.

Community collaboration with key community partners has enabled Coordinated Living to provide services that promote self-sufficiency, financial stability and a secure place for senior residents to age in place. Coordinated Living anticipates providing a similar supportive services package to the residents at Pebble & Eastern Senior Apartments. The following is a partial list of community partners:

### **Nutrition**

- Three Square “Direct Food Rescue”
- Three Square “Senior Hunger Pantry Programs -Client Choice Pantry”
- University of Nevada Reno Extension “Seniors Eating Well”
- Nevada Senior Services “Eat, Sleep & Be Well” Program”

### **Transportation**

- Helping Hands Transportation Services
- RTC “Seniors on the Go” Training Program
- RTC Silver STAR Fixed Route for Seniors
- SNTC Silver Rider Weekly Shopping Shuttle
- Coordinated Living RTC 24-Hour Bus Pass Distributions

### **Health**

- Nathan Adelson Hospice “Advance Directives” Products & Education
- Helping Hands “Senior Necessities” Commodity Program”
- Cleveland Clinic Lou Ruvo Brain Health “Healthy Brains Clinic”
- CareMore “Complimentary Community Haircut Days”
- CareMore “Visiting Wellness Center Physicians”
- “Nevada Talking Books” Visual Impairment Services
- “Relay Nevada” Hearing Impairment Program

### **Education & Fitness**

- University of Nevada Reno Extension “Master Gardener” Organic Garden-to-Table program
- University of Nevada Reno Extension “Stay Strong Stay Healthy” Fitness Based Program
- Las Vegas Metro “Crime Prevention” Education
- Clark County Public Library “Words-on-Wheels”
- Coordinated Living Volunteer Training & Opportunities
- Nevada Senior Services “Aging in Place” Education & Support
- Multigenerational Sprat Artistic Ensemble w/ Ovation Seniors & Core Academy Scholars
- Clark County Volunteers Year-Round “Acoustic Jam & Sing Along” Events

For the Pebble & Eastern development, Coordinated Living proposes to augment these services by partnering with the UNLV School of Medicine—Mojave Counseling, Nevada Senior Services

Care Partner Institute and others to provide appropriate aftercare services, such as targeted case management, caregiver support, geriatric medical assessments, psychiatric services, rehabilitative services and transitional care. With these extensive services in place, Coordinated Living believes that all residents that reside at Pebble & Eastern Senior Apartments will be able to age in a secure and dignified place with the assurances of proper care.

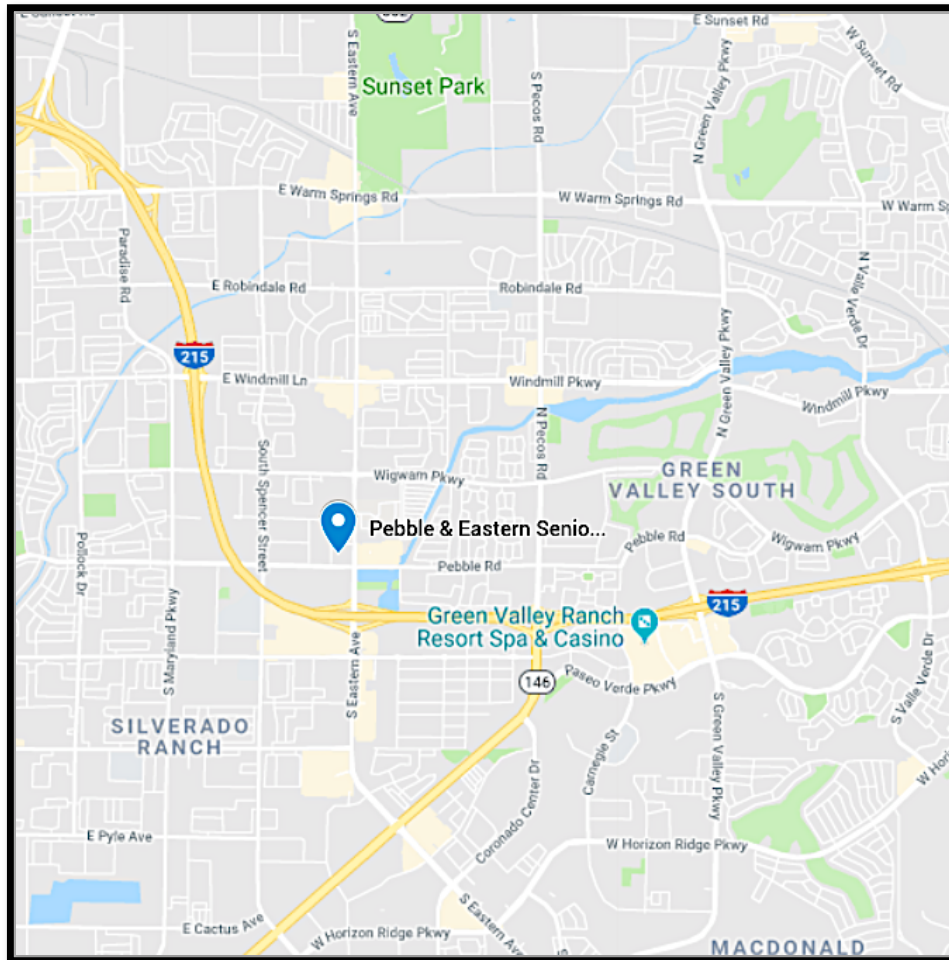
**Financing**

The financing for Pebble & Eastern Senior Apartments will include tax-exempt bonds issued by Nevada Housing Division (NHD), equity from the sale of non-competitive 4% Low Income Housing Tax Credits, Clark County Community Housing Fund, HOME/LIHTF funds from Clark County, NHD National Housing Trust Funds, and Federal Home Loan Bank of San Francisco Affordable Housing Program.

Pebble & Eastern Senior Apartments is well-position to close its financing April 2023 and construction start September 2023, with construction completion by December 2024 and conversion in December 2025.

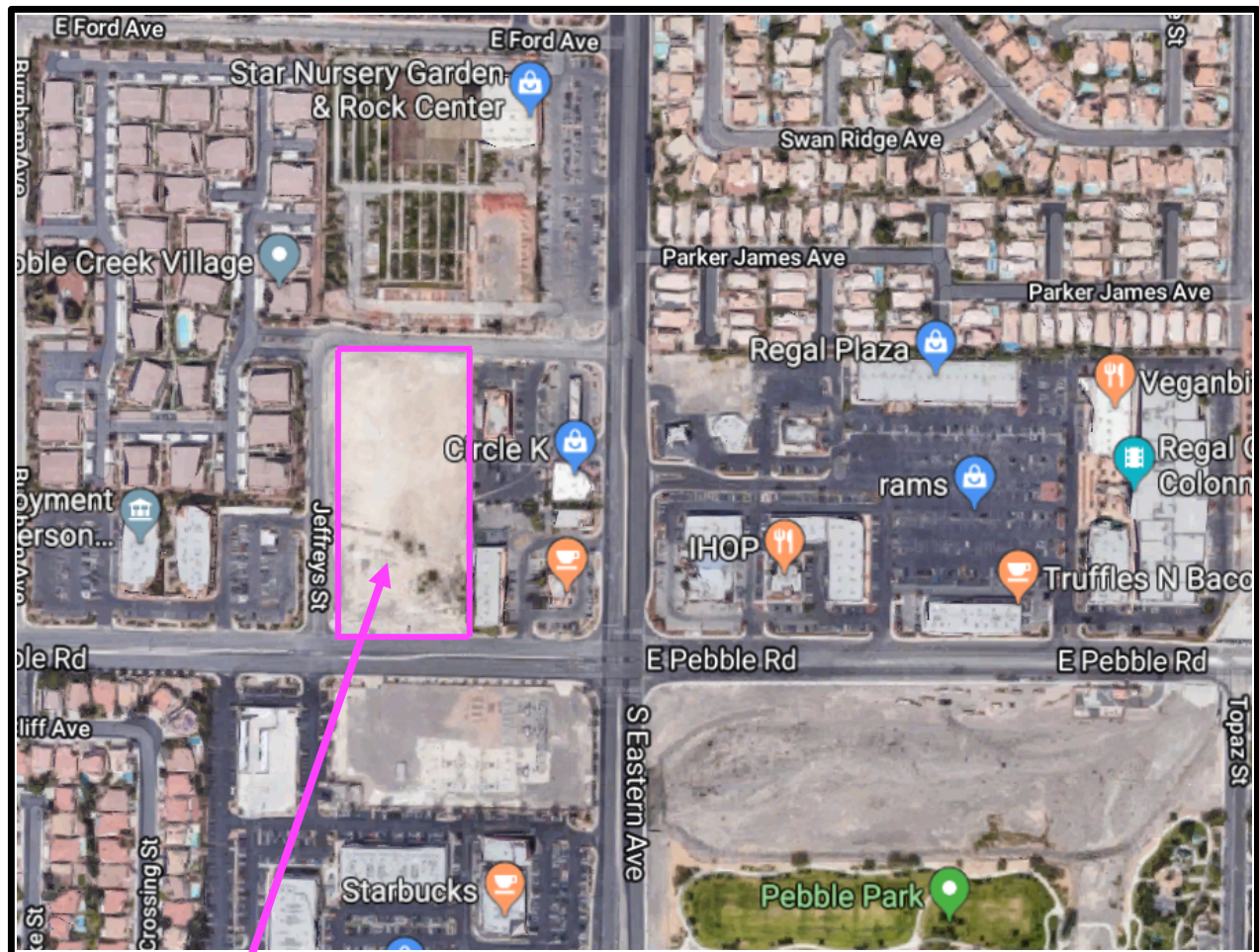
**Pebble & Eastern Senior Apartments**  
Northwest corner of Pebble Road and Eastern Avenue  
Paradise, NV 89123  
APN: 177-14-802-021 (5.00 acres)

**Location Map**



**Pebble & Eastern Senior Apartments**  
Northwest corner of Pebble Road and Eastern Avenue  
Paradise, NV 89123  
APN: 177-14-802-021 (5.00 acres)

**Aerial Photo**



Project Location



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

**Development:** Pebble and Eastern  
**Development Type:** New Construction  
**BoF Meeting Date:** 2.23.23

**Administrator's Summary**

This bond issuance of \$26.0 million dollars will be used to provide for the new construction of 195 units of affordable senior apartments in the Las Vegas Valley. The rental housing will serve 195 households at or below 60% of area median income. The site is located near a pharmacy and retail, with the Nevada Adult Healthcare Center located within 1/2 mile, and several bus stops located within walking distance to the property. The deeper income targeting is achieved on this project through the use of discounted federal land which also allows for 20 units to be designated as permanent supportive housing to meet the special housing needs of homeless seniors with disabilities, veterans and other qualifying low-income individuals in unincorporated Clark County. This project will create new affordable units which will retain the rent restrictions for 30 years. The co-developers of this project, Ovation Design and Development and Coordinated Living of Southern Nevada have completed 13 affordable senior communities resulting in over 1,865 affordable senior units.

- 195 Senior Units
- New construction
- 100% Affordable Rents
- 40 units <60% AMI, 135 units <50% AMI, 20 units <30% AMI
- 1 bedroom units = 130, 2 bedroom units = 65
- 1 bedroom rents \$606.00 less than market rate
- 2 bedroom rents \$621.00 less than market rate
- 3 bedroom rents n/a less than market rate
- Cost per unit = \$248,465
- Cost per bond cap allocation = \$133,333
- Developer –Ovation Development and Design / Coordinated Living of Southern Nevada
- Equity Investor – Wells Fargo
- Loan – Citibank
- \$26.0M in Bond Proceeds trips \$23.0M in LIHTC Equity (23.2% of total development cost)

	<b>Pebble and Eastern</b>	<b>Program Average</b>	<b>Notes</b>
Total Tax-exempt Bond ask	\$ 26,000,000	\$ 35,150,000	
Total Development Cost	\$ 48,450,681	\$ 67,378,704	Average of last 10 New Construction projects previously approved
Size of site	5.0 Acres	6.77 Acres	
Total # of Units	195	226	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 248,465	\$ 303,869	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 133,333	\$ 158,499	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	n/a	n/a	No units in this project
Percentage of Units at 60% AMI	20.50%	96.5%	40 Units in this project
Percentage of Units at 50% AMI	69.20%	2.5%	135 units in this project
Percentage of Units at 40% AMI	0.00%	0.2%	0 units in this project
Percentage of Units at 30% AMI	10.30%	0.7%	20 units in this project
Veteran's Preference	Yes	Yes	

	<b>Pebble and Eastern</b>	<b>Estimated Market Rate</b>	<b>Notes</b>
Average 1 Bedroom Rent	\$ 768	\$ 1,374	Rent.com 2/1/23
Average 2 Bedroom Rent	\$ 918	\$ 1,539	Rent.com 2/1/23
Average 3 Bedroom Rent	n/a	n/a	
Average Vacancy Rate	n/a	7.50%	Nevada State Apartment Association Q3 2022



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

DATE: February 4, 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 (Altitude by Vintage Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

1:00 p.m., Thursday, February 23, 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 (Altitude by Vintage Apartments).

C. The Findings relate to the issuance of up to \$43,500,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the acquisition and rehabilitation of a 293-unit family apartment complex located at on Sky Valley Drive, Reno, Nevada (the “Project”).

D. The Housing Division will issue up to \$43,500,000 of multi-unit housing revenue bonds (Series A) which will be secured by a Fannie Mae MBS security. Fannie Mae loan underwriting will be managed by Citibank in their capacity as a Fannie Mae delegated loan servicer. In addition, a short-term tax exempt note will be issued (Series B) with a maturity of October 1, 2023. The Series B Note will be fully collateralized. Aegon will provide a subordinated bridge loan during the construction period of approximately \$11,870,000 which will not be issued by the Division. The borrower entity will be Altitude by Vintage, LP, a Nevada limited partnership consisting of Altitude by Vintage Partners, LLC as a 0.01% General Partner entity and Aegon USA Realty Advisors, LLC as the 99.99% Limited Partner. Aegon USA Realty Advisors, LLC will provide an equity investment of approximately \$29,848,651 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 (Altitude by Vintage Apartments)."

G. Attorney Opinion:

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



**State of Nevada**

**DEPARTMENT OF BUSINESS & INDUSTRY**

**Housing Division**

**FINDINGS OF FACT**

**Multi-Unit Housing Revenue Bonds  
Altitude by Vintage Apartments**

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

1. There exists a shortage of decent, safe and sanitary housing at rental rates that eligible families can afford within the Washoe County, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which families of low and moderate income can afford.
3. The proposed multifamily project will increase the supply and improve the quality of decent, safe and sanitary rental housing for eligible families.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Reno, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

estimated by the Housing Division as necessary for debt service on the bonds issued for the financing of the proposed project.

BY: \_\_\_\_\_  
Steve Aichroth  
Administrator  
Nevada Housing Division

DATE: \_\_\_\_\_



January 31, 2023

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

Re: Multi-Unit Housing Revenue Bonds  
(Altitude by Vintage Apartments) Series 2023

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 Altitude by Vintage Apartments project (“Project”). The Division is requesting authorization for issuance of up to \$43,500,000 of Nevada Housing Division multi-unit housing revenue bonds and notes to fund acquisition and rehabilitation of this family affordable multifamily property in Reno.

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

The proposed financing will be a Series A fixed rate issue of tax-exempt securities secured by a mortgage-backed security (MBS) issued by Fannie Mae through underwriting provided by Citibank N.A. (“Citibank”) and a Series B fixed rate short-term note which collectively provide both construction and permanent financing. Both Series A and Series B will be publicly offered and are expected to be rated “Aaa” by Moody’s Investors Service. The overall financing is reviewed in greater detail in Exhibits A, B and D.

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

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

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

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff  
Director

**Project Overview and Plan of Finance****The Project**

The Project will be an acquisition and rehabilitation of three existing affordable multi-family rental properties, Southridge, Skyline and Skyview, built in 1994 and 1995, and located adjacent to each other on Sky Valley Drive in Reno. Collectively, these properties contain 293 units and will have income restrictions ranging from 30% to 60%. The properties are located on an aggregate property site of 15.2 acres. They will be configured as studios, one, two and three-bedroom units in 25 two- and three-story buildings. Additional amenities include a clubhouse, pool, fitness center, on-site laundry, playgrounds and barbecue/picnic areas. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the configuration of the 293 units, size and rent restrictions are provided in Table A.

**Table A: Project Unit & Rent Profile**

Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Less Utility Allowance <sup>2</sup>	Tenant Share Monthly Rent <sup>2</sup>	Total Monthly Revenue	Total Annual Revenue
<b><u>Studio</u></b>							
< 50%	10	502	\$817	\$54.00	\$763	\$7,630	\$91,560
< 60%	34	502	\$981	\$54.00	\$927	\$31,518	\$378,216
<b><u>1 Bedroom</u></b>							
< 30%	3	582	\$525	\$59.00	\$466	\$1,398	\$16,776
< 40%	3	582	\$701	\$59.00	\$642	\$1,926	\$23,112
< 50%	30	582	\$876	\$59.00	\$817	\$24,510	\$294,120
< 60%	22	582	\$1,051	\$59.00	\$992	\$21,824	\$261,888
<b><u>2 Bedroom</u></b>							
< 50%	44	804	\$1,051	\$70.00	\$981	\$43,164	\$517,968
< 60%	72	804	\$1,261	\$70.00	\$1,191	\$85,752	\$1,029,024
<b><u>3 Bedroom</u></b>							
< 50%	11	1,117	\$1,214	\$82.00	\$1,132	\$12,452	\$149,424
< 60%	64	1,117	\$1,457	\$82.00	\$1,375	\$88,000	\$1,056,000
<b>Total Units</b>	<b>293</b>					<b>\$318,174</b>	<b>\$3,818,088</b>

<sup>1</sup> 2022 Income Limits (Washoe County, Reno, NV MSA)

<sup>2</sup> Assumes 30% of Average Household Income

**Project Developers**

Vintage Housing Development Inc.  
369 San Miguel Drive, Suite 135  
Newport Beach, CA 92660

Greenstreet Development  
1 East First Street  
Reno, NV 89501

Vintage Housing and Greenstreet Development have developed over 15,000 market rate and affordable housing units in Nevada, California and Washington with over 3,000 in the Reno-Sparks area.

### **Borrower Entity**

The borrower/ownership entity will be Altitude by Vintage, L.P., a Nevada limited partnership. Altitude by Vintage Partners, LLC, a Nevada limited liability company, will act as the 0.01% General Partner. Aegon USA Realty Advisors, LLC (“Aegon”) will be the 99.99% Limited Partner and will provide an equity investment of approximately \$29,849,000 in exchange for 4% low-income housing tax credits to be allocated for the Project.

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

- 1<sup>st</sup> Installment - \$16,400,000 at Closing (Mar 2023)
- 2<sup>nd</sup> Installment - \$13,449,000 at conversion to permanent loan (Feb 2025)

### **Contractor**

Mountain West Builders  
9590 Prototype Court, Suite 100  
Reno, NV 89521

### **Property Management**

FPI Management  
800 Iron Point Road  
Folsom, CA 95630

FPI Management (“FPI”) will provide property management services for the Altitude by Vintage project. FPI was established in 1968 and manages in excess of 100,000 market rate and affordable rental property units in 13 states.

### **Debt Plan of Finance:**

Project financing will be accomplished using Series A permanent bonds secured by the Fannie Mae MTEB program. Bonds in the projected amount of \$33,100,000 will be issued by the Division and secured by a Fannie Mae MBS security. Fannie Mae loan underwriting will be managed by Citibank in their capacity as a Fannie Mae delegated underwriter servicer. The Division will use the bond proceeds to originate a loan to the borrower.

The Fannie Mae loan will be fully funded at Closing with proceeds held by the Trustee. Loan proceeds will be released for project expenditures. Further details regarding the interest rate and loan repayment are contained in the Bond/Loan Term Summary section to follow.

In addition, Series B short-term tax-exempt notes in the approximate amount of \$10,000,000 will be issued with a maturity of October 1, 2025. The Series B Notes will be fully collateralized at all times and are issued to satisfy the LIHTC requirement that tax-exempt debt at least equal to 50% of the project depreciable basis has been satisfied.

The project will continue to operate during the construction/renovation period and will generate revenue projected to be sufficient to fund construction period interest for both the Series A Bonds and Series B Notes.

### **Sources and Uses:**

The use 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**

<b>Sources of Funds</b>			
	<b>Construction</b>		
	<b>Phase</b>	<b>Permanent Phase</b>	
NHD Bond Proceeds (Exempt)	\$43,100,000	\$33,100,000	
LIHTC Equity	16,721,726	29,848,651	
Seller Note	8,000,000	8,000,000	
NHD GAHP Loan	3,000,000	3,000,000	
WCHC Home	6,409	6,409	
Cash Flow Prior to Conversion	4,655,545	4,655,545	
Deferred Developer Fee		8,301,661	
	\$75,483,680	\$86,912,266	

<b>Uses of Funds</b>			<b>\$/Unit</b>
Land Cost	\$2,400,000	\$2,400,000	\$2,400,000
Building Acquisition Cost	53,000,000	53,000,000	180,887
Construction Hard Costs	12,153,965	12,153,965	41,481
Soft Costs	3,073,109	3,073,109	10,488
Construction Period Interest	4,101,408	4,101,408	13,998
Contingencies	755,198	755,198	2,577
Operating & Repair Reserves		867,813	2,962
Developer Fee	0	10,560,773	36,044
	\$75,483,680	\$86,912,266	\$296,629

### **Reserves:**

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

The Borrower will also be required to fund an Operating Reserve initially set at \$867,813.

### **Bond and Note Term Summary:**

<b>Dated Date:</b>	As of Closing Date
<b>Credit Enhancement:</b>	Series A Bonds: Fannie Mae (via Citibank, N.A. as DUS lender) Series B Notes: 100% cash collateralized.
<b>Principal Amount:</b>	Series A Bonds: \$33,100,000 Series B Notes: \$10,000,000
<b>Maturity:</b>	Series A Bonds: April 1, 2040 (mandatory tender) Series B Notes: April 1, 2026
<b>Bond Structure:</b>	The Series A Bonds will be secured by a mortgage-backed security ("MBS") issued by Fannie Mae and pledged to the Trustee as collateral for tax exempt securities issued by Nevada Housing Division. Bond proceeds will periodically be



advanced to the Borrower by the Division pursuant to the Loan Agreement and used to pay costs of construction of the project. The loan will be administered by Citibank with principal and interest payments forwarded to the Trustee to make principal and interest payments on the tax-exempt bonds.

The Series B Notes will be fully secured at all times by cash or U.S. Treasury securities initially funded by Note proceeds. As additional collateral is advanced and deposited into the collateral fund an offsetting and equivalent amount of original Note proceeds will be released for payment of project costs.

<b>Bond and Note Rate:</b>	<p>The Bond and Note rates will be fixed at pricing pursuant to a public offering.</p> <ul style="list-style-type: none"><li>• The Series A rate is estimated to be approximately 4.70% (as of January 31, 2023) inclusive of Division and Trustee fees.</li><li>• The Series B rate is estimated to be approximately 3.60% (as of January 31, 2023) inclusive of Division and Trustee fees.</li></ul>
<b>MBS Payment Dates:</b>	Principal and interest paid monthly.
<b>Amortization:</b>	Monthly principal and interest payments on the MBS are calculated using a 40-year amortization factor.
<b>Optional Redemption:</b>	1) The Series A Bonds are subject to redemption prior to maturity in connection with a permissible prepayment of the Mortgage Loan.
<b>Ratings:</b>	Series A: “Aaa” by Moody’s Investors Service Series B: “Aaa” or “VMIG1” by Moody’s Investors Service
<b>Underwriter:</b>	Stifel Nicholas & Company

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>INCOME</b>												
Annual Gross Rental Income	\$ 3,972,339	\$ 4,051,786	\$ 4,132,821	\$ 4,215,478	\$ 4,299,787	\$ 4,385,783	\$ 4,473,499	\$ 4,562,969	\$ 4,654,228	\$ 4,747,313	\$ 4,842,259	\$ 4,939,104
Other: Ancillary Revenue	\$ 176,597	\$ 180,129	\$ 183,732	\$ 187,407	\$ 191,155	\$ 194,978	\$ 198,877	\$ 202,855	\$ 206,912	\$ 211,050	\$ 215,271	\$ 219,577
<b>Total Residential Income</b>	<b>\$ 4,148,936</b>	<b>\$ 4,231,915</b>	<b>\$ 4,316,553</b>	<b>\$ 4,402,884</b>	<b>\$ 4,490,942</b>	<b>\$ 4,580,761</b>	<b>\$ 4,672,376</b>	<b>\$ 4,765,824</b>	<b>\$ 4,861,140</b>	<b>\$ 4,958,363</b>	<b>\$ 5,057,530</b>	<b>\$ 5,158,681</b>
Less: Residential Vacancy/Discounts	\$ (207,447)	\$ (211,596)	\$ (215,828)	\$ (220,144)	\$ (224,547)	\$ (229,038)	\$ (233,619)	\$ (238,291)	\$ (243,057)	\$ (247,918)	\$ (252,877)	\$ (257,934)
<b>Proforma Gross Income</b>	<b>\$ 3,941,489</b>	<b>\$ 4,020,319</b>	<b>\$ 4,100,726</b>	<b>\$ 4,182,740</b>	<b>\$ 4,266,395</b>	<b>\$ 4,351,723</b>	<b>\$ 4,438,757</b>	<b>\$ 4,527,532</b>	<b>\$ 4,618,083</b>	<b>\$ 4,710,445</b>	<b>\$ 4,804,654</b>	<b>\$ 4,900,747</b>
<b>EXPENSES</b>												
General Administrative	\$ 146,070	\$ 150,452	\$ 154,966	\$ 159,615	\$ 164,403	\$ 169,335	\$ 174,415	\$ 179,648	\$ 185,037	\$ 190,588	\$ 196,306	\$ 202,195
Operating & Maintenance	\$ 256,738	\$ 264,440	\$ 272,373	\$ 280,544	\$ 288,961	\$ 297,629	\$ 306,558	\$ 315,755	\$ 325,228	\$ 334,985	\$ 345,034	\$ 355,385
Utilities	\$ 234,687	\$ 241,728	\$ 248,979	\$ 256,449	\$ 264,142	\$ 272,067	\$ 280,229	\$ 288,635	\$ 297,294	\$ 306,213	\$ 315,400	\$ 324,862
Staff Payroll & Benefits	\$ 427,405	\$ 440,227	\$ 453,434	\$ 467,037	\$ 481,048	\$ 495,479	\$ 510,344	\$ 525,654	\$ 541,424	\$ 557,666	\$ 574,396	\$ 591,628
Property Management	\$ 118,245	\$ 120,610	\$ 123,022	\$ 125,482	\$ 127,992	\$ 130,552	\$ 133,163	\$ 135,826	\$ 138,542	\$ 141,313	\$ 144,140	\$ 147,022
Taxes & Insurance	\$ 79,568	\$ 81,955	\$ 84,413	\$ 86,946	\$ 89,554	\$ 92,241	\$ 95,008	\$ 97,858	\$ 100,794	\$ 103,818	\$ 106,932	\$ 110,140
Replacement Reserves	\$ 93,253	\$ 96,051	\$ 98,932	\$ 101,900	\$ 104,957	\$ 108,106	\$ 111,349	\$ 114,689	\$ 118,130	\$ 121,674	\$ 125,324	\$ 129,084
<b>Proforma Operating Expenses</b>	<b>\$ 1,355,965</b>	<b>\$ 1,395,461</b>	<b>\$ 1,436,119</b>	<b>\$ 1,477,972</b>	<b>\$ 1,521,057</b>	<b>\$ 1,565,408</b>	<b>\$ 1,611,065</b>	<b>\$ 1,658,066</b>	<b>\$ 1,706,449</b>	<b>\$ 1,756,257</b>	<b>\$ 1,807,532</b>	<b>\$ 1,860,316</b>
<b>Effective Net Operating Income</b>	<b>\$ 2,585,525</b>	<b>\$ 2,624,858</b>	<b>\$ 2,664,607</b>	<b>\$ 2,704,768</b>	<b>\$ 2,745,338</b>	<b>\$ 2,786,314</b>	<b>\$ 2,827,692</b>	<b>\$ 2,869,467</b>	<b>\$ 2,911,634</b>	<b>\$ 2,954,187</b>	<b>\$ 2,997,122</b>	<b>\$ 3,040,430</b>
Contribution to Project Budget												
Senior Debt Service	\$1,813,357	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028
Debt Service Coverage	143%	121%	122%	124%	126%	128%	130%	132%	134%	136%	138%	140%
<b>Residual Receipts</b>	<b>\$ 772,168</b>	<b>\$ 448,830</b>	<b>\$ 488,579</b>	<b>\$ 528,740</b>	<b>\$ 569,310</b>	<b>\$ 610,286</b>	<b>\$ 651,664</b>	<b>\$ 693,439</b>	<b>\$ 735,606</b>	<b>\$ 778,159</b>	<b>\$ 821,094</b>	<b>\$ 864,402</b>
LP Asset Mgt Fee	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	\$ 13,439	\$ 13,842
DDF Payments	\$ 762,168	\$ 438,530	\$ 477,970	\$ 517,813	\$ 558,055	\$ 598,694	\$ 639,724	\$ 681,140	\$ 722,938	\$ 765,112	\$ 807,655	\$ 850,560
DDF Balance	\$ 8,197,868	\$ 7,759,338	\$ 7,281,368	\$ 6,763,556	\$ 6,205,501	\$ 5,606,807	\$ 4,967,084	\$ 4,285,943	\$ 3,563,005	\$ 2,797,894	\$ 1,990,239	\$ 1,139,679
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Partnership Surplus Allocation	30%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NHD Surplus Allocation	70%			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GAHP Loan Interest	3.00%	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
GAHP Loan Principal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>GAHP Loan Balance</b>		<b>\$ 3,180,000</b>	<b>\$ 3,270,000</b>	<b>\$ 3,360,000</b>	<b>\$ 3,450,000</b>	<b>\$ 3,540,000</b>	<b>\$ 3,630,000</b>	<b>\$ 3,720,000</b>	<b>\$ 3,810,000</b>	<b>\$ 3,900,000</b>	<b>\$ 4,080,000</b>	<b>\$ 4,170,000</b>

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	3.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$8,960,036
GAHP Loan:	\$0

Permanent Loan Amount	\$34,250,000
Loan Term	40
Core Loan Rate	5.40%
NHD & Trustee Factor	0.30%
Total Loan Rate	5.70%
Annual Debt Service	\$2,176,028

		2037	2038	2039	2040	2041	2042	2043
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>INCOME</b>								
Annual Gross Rental Income		\$ 5,037,886	\$ 5,138,644	\$ 5,241,417	\$ 5,346,245	\$ 5,453,170	\$ 5,562,233	\$ 5,673,478
Other: Ancillary Revenue		\$ 223,968	\$ 228,448	\$ 233,017	\$ 237,677	\$ 242,431	\$ 247,279	\$ 252,225
<b>Total Residential Income</b>		<b>\$ 5,261,854</b>	<b>\$ 5,367,091</b>	<b>\$ 5,474,433</b>	<b>\$ 5,583,922</b>	<b>\$ 5,695,600</b>	<b>\$ 5,809,512</b>	<b>\$ 5,925,703</b>
Less: Residential Vacancy/Discounts		\$ (263,093)	\$ (268,355)	\$ (273,722)	\$ (279,196)	\$ (284,780)	\$ (290,476)	\$ (296,285)
<b>Proforma Gross Income</b>		<b>\$ 4,998,762</b>	<b>\$ 5,098,737</b>	<b>\$ 5,200,712</b>	<b>\$ 5,304,726</b>	<b>\$ 5,410,820</b>	<b>\$ 5,519,037</b>	<b>\$ 5,629,418</b>
<b>EXPENSES</b>								
General Administrative		\$ 208,261	\$ 214,509	\$ 220,944	\$ 227,572	\$ 234,399	\$ 241,431	\$ 248,674
Operating & Maintenance		\$ 366,047	\$ 377,028	\$ 388,339	\$ 399,989	\$ 411,989	\$ 424,348	\$ 437,079
Utilities		\$ 334,608	\$ 344,646	\$ 354,985	\$ 365,635	\$ 376,604	\$ 387,902	\$ 399,539
Staff Payroll & Benefits		\$ 609,377	\$ 627,658	\$ 646,488	\$ 665,883	\$ 685,859	\$ 706,435	\$ 727,628
Property Management		\$ 149,963	\$ 152,962	\$ 156,021	\$ 159,142	\$ 162,325	\$ 165,571	\$ 168,883
Taxes & Insurance		\$ 113,444	\$ 116,848	\$ 120,353	\$ 123,964	\$ 127,682	\$ 131,513	\$ 135,458
Replacement Reserves		\$ 132,956	\$ 136,945	\$ 141,054	\$ 145,285	\$ 149,644	\$ 154,133	\$ 158,757
<b>Proforma Operating Expenses</b>		<b>\$ 1,914,656</b>	<b>\$ 1,970,596</b>	<b>\$ 2,028,184</b>	<b>\$ 2,087,469</b>	<b>\$ 2,148,502</b>	<b>\$ 2,211,334</b>	<b>\$ 2,276,018</b>
<b>Effective Net Operating Income</b>		<b>\$ 3,084,106</b>	<b>\$ 3,128,141</b>	<b>\$ 3,172,528</b>	<b>\$ 3,217,256</b>	<b>\$ 3,262,318</b>	<b>\$ 3,307,703</b>	<b>\$ 3,353,399</b>
Contribution to Project Budget								
Senior Debt Service		\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028	\$2,176,028
Debt Service Coverage		142%	144%	146%	148%	150%	152%	154%
<b>Residual Receipts</b>		<b>\$ 908,078</b>	<b>\$ 952,113</b>	<b>\$ 996,500</b>	<b>\$ 1,041,229</b>	<b>\$ 1,086,290</b>	<b>\$ 1,131,675</b>	<b>\$ 1,177,371</b>
LP Asset Mgt Fee		\$ 14,258	\$ 14,685	\$ 15,126	\$ 15,580	\$ 16,047	\$ 16,528	\$ 17,024
DDF Payments		\$ 893,820	\$ 245,859	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance		\$ 245,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>		<b>\$ -</b>	<b>\$ 691,569</b>	<b>\$ 981,374</b>	<b>\$ 1,025,649</b>	<b>\$ 1,070,243</b>	<b>\$ 1,115,146</b>	<b>\$ 1,160,347</b>
Partnership Surplus Allocation	30%	\$ -	\$ 207,471	\$ 294,412	\$ 307,695	\$ 321,073	\$ 334,544	\$ 348,104
NHD Surplus Allocation	70%	\$ -	\$ 484,098	\$ 686,962	\$ 717,954	\$ 749,170	\$ 780,603	\$ 812,243
GAHP Loan Interest	3.00%	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 79,230	\$ 59,131	\$ 37,487
GAHP Loan Principal		\$ -	\$ 484,098	\$ 686,962	\$ 717,954	\$ 749,170	\$ 780,603	\$ 812,243
<b>GAHP Loan Balance</b>		<b>\$ 4,260,000</b>	<b>\$ 3,865,902</b>	<b>\$ 3,268,940</b>	<b>\$ 2,640,986</b>	<b>\$ 1,971,045</b>	<b>\$ 1,249,574</b>	<b>\$ 474,818</b>

**Borrower Financing Representation****Proposed Project: Altitude by Vintage**

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>
Citibank N.A.	See term sheet	See term sheet

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

The sponsor/borrower has worked successfully with Citibank N.A. on a majority of its portfolio of 10k+ units.

By Carl Dominguez

Title: Project Manager

Firm: Vintage Housing Holdings, LLC

## **EXHIBIT D**

**Altitude by Vintage**  
1550, 1570, and 1590 Sky Valley Drive  
Reno, NV 89523

### **Project Description**

Altitude by Vintage entails the preservation and rehabilitation of three existing multi-family tax credit properties, Southridge, Skyline, and Skyview. The properties, which were built in 1994 and 1995, are located on three adjacent parcels along Sky Valley Drive. Collectively, the developments contain 293 units—44 studio units, 58 one-bedroom units, 116 two-bedroom units, and 75 three-bedroom units—available to families with incomes between 30% and 60% of area median income (AMI).

The rehabilitation will involve re-syndication of the three properties in one financing and re-branding of the three properties as one cohesive development, Altitude by Vintage. Altitude by Vintage is sponsored by Vintage Housing, whose mission extends beyond the development process to the delivery of enriching programs and residential services that benefit low-income families, seniors, and persons with special needs.

The goals of this preservation project include:

- To preserve this important housing asset and extend its useful life under the LIHTC program for another 30 years;
- To bring the building and units up to modern standards including, as needed, cabinets, countertops, lighting, painting, flooring and appliances; and,
- To meet and/or exceed energy conservation requirements as detailed in Appendix B of the 2022 Nevada Housing Division Qualified Allocation Plan, and to lower future utility costs to the residents and the development by completing energy efficient upgrades.

### **Property Description**

Altitude by Vintage was built in 1994 and 1995 and consists of 25 two- and three-story buildings located on a 15.19-acre site. The property contains 293 residential units with studio, one-bedroom, two-bedroom, and three-bedroom floorplans. The 44 studio units average 502 square feet, the 58 one-bedroom units average 582 square feet, the 116 two-bedroom units average 804 square feet, and the 75 three-bedroom units average 1,117 square feet.

Property amenities include a clubhouse and pool, fitness center, on-site laundry facilities, playgrounds, and barbeque/picnic areas. In addition, residents have access to nearby trails located around the community. 297 open parking spaces are located on the site, and, for an extra fee, residents can park in one of the property's 279 garages. Unit amenities

include window coverings, central heating, dishwasher, a patio or balcony, refrigerator, A/C, garbage disposal, and carpeting.

### **Location and Neighborhood**

Altitude by Vintage is located at 1550, 1570, and 1590 Sky Valley Drive in Reno, Nevada. The 15.19-acre site is located in northwest Reno. Residents at Altitude by Vintage have access to Safeway (1.8 miles) and Raley's (2.7 miles) grocery stores. In addition, a shopping center is located 1.8 miles northwest of the development, which includes a Walmart Supercenter, Petsmart, AutoZone Auto Parts, Walgreens, Bank of America, and several restaurants, salons, and retail shops.

Altitude by Vintage is located 2.8 miles from Kings Row Community Life Center, a 501(c)(3) non-profit organization which offers before and after school programs, tutoring and homework assistance, transportation to/from select schools, and other resources for families.

Nearby schools include Grace Warner Elementary School (2.8 miles), Towles Elementary School (2.9 miles), Clayton Middle School (2.6 miles), Swope Middle School (2.8 miles), Innovations High School (2.2 miles), and Washoe Wolf High School (2.2 miles).

The development is situated near emergency facilities and services. Saint Mary's Regional Medical Center is located 2.7 miles from the property. In addition, Renown Health Urgent Care – Summit Ridge is located less than a mile from the property. The Reno Fire Department is located 2.6 miles north from the site and the Reno Police Department is located 3.2 miles away.

Residents at Altitude by Vintage also have easy access to public transportation. The Regional Transportation Commission of Washoe County operates Route 3 (Kings Row/Sky Mountain) in the area, with a bus stop located less than 400 feet from the property.

### **Target Population**

Altitude by Vintage is targeted to families earning between 30% and 60% of area median income (AMI). The proposed income mix is as follows:

<u>%AMI</u>	<u>Units</u>
Studio	
<50% AMI	10
<60% AMI	34
1 Bedroom / 1 Bath	
<30% AMI	3
<40% AMI	3
<50% AMI	30
<60% AMI	22
2 Bedroom / 1 Bath	
<50% AMI	44

<60% AMI	72
3 Bedroom / 1 Bath	
<50% AMI	11
<60% AMI	64
Total	293

The preservation and rehabilitation of the Altitude by Vintage development will address the documented need for barrier-free and affordable housing in Washoe County and Northern Nevada.

Even prior to the pandemic, as a result of the improved economy and the entry of new industries, Northern Nevada has been experiencing an extreme affordable housing crisis. According to the Nevada Housing Division's 2021 Annual Affordable Apartment Survey, the supply of affordable multi-family units in Washoe County is very tight with responding properties reporting a vacancy rate of 3.0% for one-bedroom family units and 2.2% for two-bedroom family units for an overall vacancy rate of 2.9%. The Survey found that the average waiting list for LIHTC properties in Nevada is 79 households per 100 units.

Additionally, the City of Reno 2020-2024 Consolidated Plan reported that there are 20,550 renters within the city who are impacted by cost burdens, the majority of whom spend more than half their income on housing expenses. According to the plan, "These households are at particular risk for housing instability because just one unexpected expense could force them to choose between buying food, paying rent, or other necessary expenses" (p. 33). Over 72% of renters in Reno have a severe housing problem such as a lack of kitchen or complete plumbing, severe overcrowding, or severe cost burden. The plan also noted that only 26% of rental units in the Reno-Sparks area have three or more bedrooms, which limits the availability of units for large units and may lead to "overcrowding and substandard living conditions" (p. 68). Preservation of existing three-bedroom units, such as the 75 units at Altitude by Vintage, is critical to ensure that this number does not continue to decline.

We expect a strong and continued demand for the Altitude by Vintage development. The proposed rents will be significantly below market rents in Washoe County. The proposed studio rents will range from \$436 to \$927, the proposed 1-bedroom rents will range from \$466 to \$992, the proposed 2-bedroom rents will range from \$981 to \$1,191, and the proposed 3-bedroom rents will range from \$1,132 to \$1,375, with tenant paid electricity. For comparison, the 2023 HUD Fair Market Rents for Washoe County are \$1,060 for a studio, \$1,256 for a one-bedroom, \$1,585 for a two-bedroom, and \$2,253 for a three-bedroom.

### **Relocation**

Renovation will be structured so that there will be minimal disturbances to the current residents. We expect that tenants will be able to stay in their units during the renovations and/or will be offered daytime accommodations while work is being carried out in their unit.

All relocation activities, if any are required, will be conducted in compliance with the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. § 4601 et seq.) and its implementing regulations at 49 CFR 24, as applicable.

### **Development Team**

Altitude by Vintage will be owned by a new, sole purpose, Limited Partnership, Altitude by Vintage, LP. The 0.01% General Partner entity is a new, sole purpose Limited Liability Company, Altitude by Vintage Partners, LLC. Vintage Housing Holdings, LLC, an affiliate of Vintage Housing Development, Inc., will be the sole member of the General Partner LLC. Vintage Housing Development, Inc. will serve as the developer.

Altitude by Vintage is sponsored and developed by Vintage Housing with assistance from Reno-based Greenstreet Companies. Together, the principals of Greenstreet Companies and Vintage Housing have financed and built over 15,000 residential units of market rate and affordable multifamily housing, with over 3,000 units in the Reno-Sparks Area.

Nevada housing developments include:

- Silver Creek Apartments, Reno (1998), 376 units – market rate apartments (condominium conversion)
- Boulder Creek Apartments, Sparks (1999), 250 units - family affordable apartments
- Portofino, Henderson (2000), 205 units – senior affordable apartments
- Villas at D’Andrea (2001), 256 units – market rate apartments
- CitiVista Senior Apartments, Reno (2001), 152 units – senior affordable apartments
- Diamond Creek Apartments, Reno (2001), 288 units – family affordable apartments
- The Bluffs, Reno (2003), 300 units - family affordable apartments
- Triana Apartment Homes, Reno (2003), 175 units – market rate condominiums
- Vintage at Seven Hills, Henderson (2004) 244 units - senior affordable apartments
- Waterstone Apartment Homes, Reno (2004), 203 units – market rate apartments
- Fallen Leaf Apartment Homes, Reno (2005), 245 units – market rate condominiums
- Caviata Apartment Homes, Reno (2005), 184 units – market rate apartments
- Vintage at Laughlin (2007) 150 units - senior affordable apartments
- Vista Creek Apartments, Laughlin (2007) 300 units - family affordable apartments
- Vintage at the Crossings, Reno (2016), 230 units – senior affordable apartments
- Steamboat at the Summit, Reno (2017), 360 units – family affordable apartments
- Sky Mountain by Vintage, Reno (2018), 288 units – family affordable apartments
- Sanctuary Apartments, Reno (2019), 208 units – senior affordable apartments
- Azure Apartments, Sparks (2019), 308 units – market rate apartments
- Double R Apartments, Reno (2020), 440 units – market rate apartments



- Springview by Vintage, Reno (2022), 180 units – family affordable apartments

**Property Management**

Altitude by Vintage will be managed by FPI Property Management. This Folsom-based company started in 1968 and today is one of the largest full-service property management companies in the United States. FPI has 60,000 units in its portfolio including several thousand units of senior affordable housing similar to Altitude by Vintage. FPI staff manages the property onsite with its own personnel. All employees go through a rigorous FPI training program and typically have years of experience in managing senior living communities. More about FPI can be found on their website: [www.fpimgt.com](http://www.fpimgt.com).

**Development Finance**

Greenstreet Companies and Vintage Housing receive consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund raising and public policy development. Since 2005, Praxis has secured the financing for over 85 affordable housing developments in Nevada, totaling over 8,600 units and \$1.6 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

**Financing and Schedule**

The financing for Altitude by Vintage will include tax-exempt bonds issued by the Nevada Housing Division (NHD) and purchased direct by Citibank and equity from the sale of non-competitive 4% Low Income Housing Tax Credits. Altitude by Vintage has existing HOME funds which will be resubordinated at closing. We are also applying for \$3 million in Growing Affordable Housing Program (“GAHP”) funds through the Nevada Housing Division in November 2022.

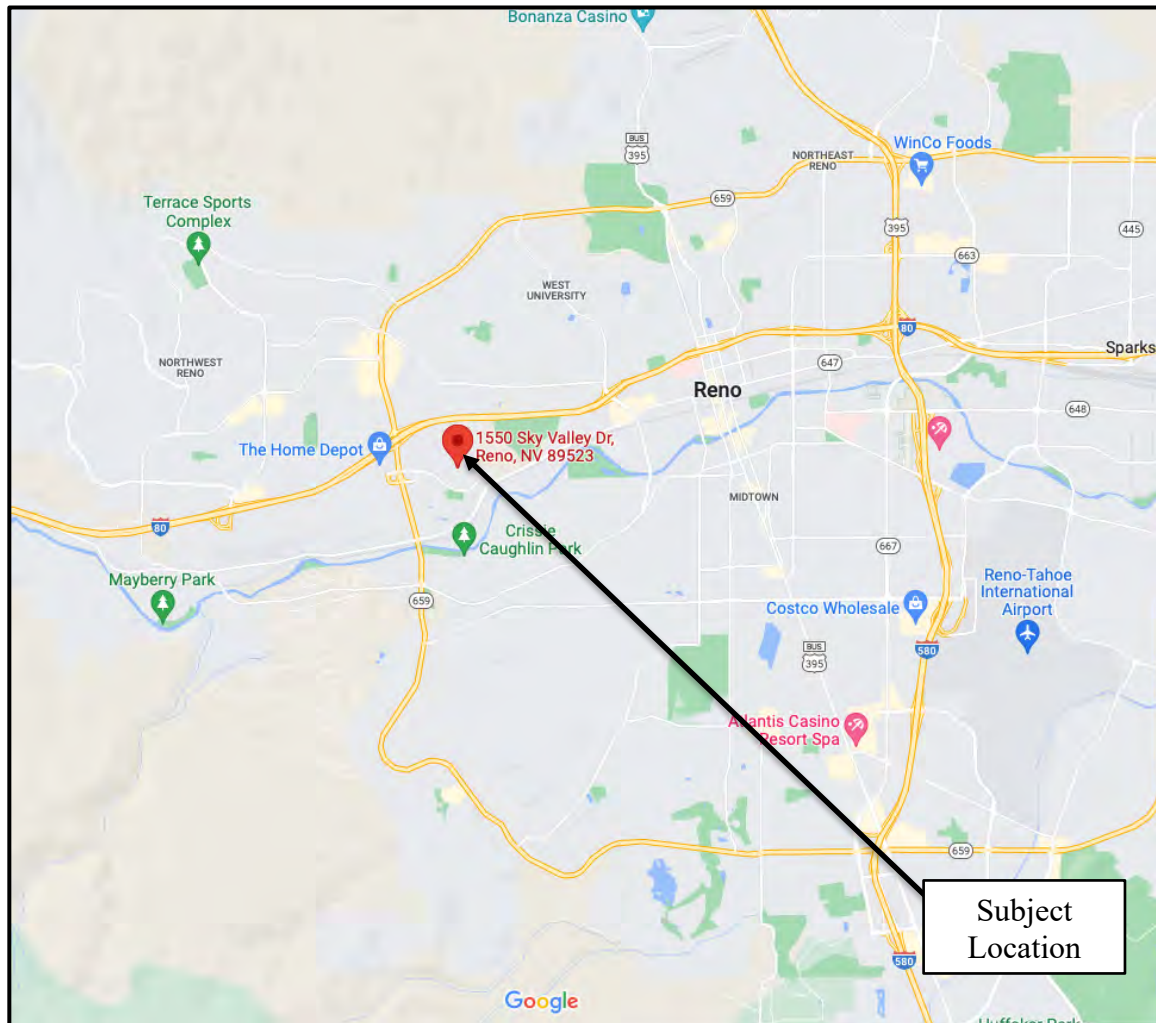
The site is located within zip code 89523, which is a HUD Qualified Census Tract (QCT) in 2022, qualifying Altitude by Vintage for a 130% boost in tax credit eligible basis.

The estimated total development cost is \$88,527,222 million, or about \$302,141 per unit.

Altitude by Vintage will close in approximately March 2023, with construction completion by September 2024 and conversion in March 2025.

**Altitude by Vintage**  
1550, 1570, and 1590 Sky Valley Drive  
Reno, NV 89523  
APN #s 400-041-09, 400-041-10, 400-040-11 (totaling 15.19 acres)

### Location Map



**Altitude by Vintage**  
1550, 1570, and 1590 Sky Valley Drive  
Reno, NV 89523  
APN #s 400-041-09, 400-041-10, 400-040-11 (totaling 15.19 acres)

**Aerial View**





**Altitude by Vintage**  
1550 , 1570, and 1590 Sky Valley Drive  
Reno, NV 89523  
APN #s 400-041-09, 400-041-10, 400-040-11 (totaling 15.19 acres)

**Street View**



**Altitude by Vintage**  
1550 , 1570, and 1590 Sky Valley Drive  
Reno, NV 89523  
APN #s 400-041-09, 400-041-10, 400-040-11 (totaling 15.19 acres)

**Preliminary Site Plan**



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

**Development:** Altitude By Vintage  
**Development Type:** Preservation  
**BoF Meeting Date:** 2.23.23

**Administrator's Summary**

This bond issuance of \$44.75 million dollars will be used to provide for the acquisition and renovation of 293 units of affordable family apartments across three existing complexes in Reno. The rental housing will serve 293 households at or below 60% of area median income. The renovation will focus on energy conservation and rehabilitating the units up to modern standards through new appliances, cabinets, countertops, lighting and flooring. These complexes were constructed approximately thirty years ago and the focus of this acquisition is to ensure their affordability for the next thirty years and eliminate any predatory attempts to convert these units to market rate.

- 293 Family Units
- Acquisition and Rehabilitation
- 100% Affordable Rents
- 293 units <60% AMI, 95 units <50% AMI, 3 units <40% AMI, 3 units <30% AMI
- studio units = 44, 1 bedroom units = 58, 2 bedroom units = 116, 3 bedroom units = 75
- 1 bedroom rents \$548.00 less than market rate
- 2 bedroom rents \$613.00 less than market rate
- 3 bedroom rents \$702.00 less than market rate
- Cost per unit = \$296,629
- Cost per bond cap allocation = \$148,464
- Developer –Vintage Housing /Greenstreet Development
- Equity Investor – Aegon USA
- Loan – Fannie Mae
- \$44.75M in Bond Proceeds trips \$29.8M in LIHTC Equity (34.2% of total development cost)

	<b>Altitude By Vintage</b>	<b>Program Average</b>	<b>Notes</b>
Total Tax-exempt Bond ask	\$ 43,500,000	\$ 23,795,000	
Total Development Cost	\$ 86,912,266	\$ 44,036,516	Average of last 10 Acq/Rehab projects previously approved
Size of site	15.19 Acres	7.23 Acres	
Total # of Units	293	174	Average of last 10 Acq/Rehab projects previously approved
Cost Per Unit	\$ 296,629	\$ 254,381	Average of last 10 Acq/Rehab projects previously approved
Bond Cap used Per Unit	\$ 148,464	\$ 139,292	Average of last 10 Acq/Rehab projects previously approved
Percentage of Units above 60% AMI	n/a	n/a	No units in this project
Percentage of Units at 60% AMI	65.50%	71.9%	192 Units in this project
Percentage of Units at 50% AMI	32.40%	27.1%	95 units in this project
Percentage of Units at 40% AMI	1.00%	0.6%	3 units in this project
Percentage of Units at 30% AMI	1.00%	0.4%	3 units in this project
Veteran's Preference	n/a	n/a	Acquisition Rehabilitation Property

	<b>Altitude By Vintage</b>	<b>Estimated Market Rate</b>	<b>Notes</b>
Average 1 Bedroom Rent	\$ 915	\$ 1,463	Johnson Perkins Q4 2022
Average 2 Bedroom Rent	\$ 1,181	\$ 1,794	Johnson Perkins Q4 2022
Average 3 Bedroom Rent	\$ 1,421	\$ 2,123	Johnson Perkins Q4 2022
Average Vacancy Rate	n/a	3.38%	Johnson Perkins Q4 2022

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

DATE: February 4, 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 (Desert Rose Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

1:00 p.m., Thursday, February 23, 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 (Desert Rose Apartments).

C. The Findings relate to the issuance of up to \$33,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the acquisition and rehabilitation of a 237-unit family apartment complex located on N. 28<sup>th</sup> Street, Las Vegas, Nevada (the “Project”).

D. The Housing Division will issue up to \$33,000,000 of multi-unit housing revenue bonds as a direct purchase by Citibank. The financing structure will consist of two components: Construction Phase Loan and Permanent Phase Loan. The Construction Phase loan amount is projected to be \$32,800,000. Loan proceeds will be advanced to the Borrower on a “draw down” basis as needed to fund construction expenditures. Monthly debt service payments will be interest only. Post-construction the Permanent Phase tax exempt loan will be reduced to approximately \$17,000,000 upon receipt of additional tax credit equity installments. The Project borrower/owner will be BRAD Desert Rose, LP. BRAD Desert Rose GP, LLC will be the 0.01% General Partner and RBC Community Investment will be the 99.99% investor limited partner. RBC Community Investment will provide an equity investment of approximately \$20,117,000 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 (Desert Rose Apartments)."

G. Attorney Opinion:

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





**State of Nevada**

**DEPARTMENT OF BUSINESS & INDUSTRY**

**Housing Division**

**FINDINGS OF FACT**

**Multi-Unit Housing Revenue Bonds  
Desert Rose Apartments**

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

1. There exists a shortage of decent, safe and sanitary housing at rental rates that eligible families can afford within the Clark County, 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: \_\_\_\_\_



February 1, 2023

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

Re: Multi-Unit Housing Revenue Bonds  
(Desert Rose Apartments) Series 2023

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 Desert Rose Apartments project (“Project”). The Division is requesting authorization for issuance of up to \$33,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund the acquisition and rehabilitation of this family affordable multifamily property in Las Vegas, Nevada.

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

The financing is proposed as a fixed rate direct placement with Citibank which provides both construction and permanent financing. The financing is reviewed in greater detail in Exhibits A & B.

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

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

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff  
Director

## Project Overview and Plan of Finance

### The Project

The Project will be the acquisition and rehabilitation of an existing 237-unit multifamily property built in 1978 in Las Vegas, Nevada at 29 N. 28<sup>th</sup> Street. It is situated on a site of approximately 4.34 acres. The project consists of 11 two-story building and is configured primarily with studio units and will have set-asides for homeless veterans, single parents and those affected by domestic violence. The property also includes a swimming pool, barbecue area, outdoor seating areas, on-site laundry facilities, study area and controlled access with security cameras and gates. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the configuration of the 237 units, size and rent restrictions are provided in Table A.

**Table A: Project Unit & Rent Profile**

Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Less Utility Allowance <sup>2</sup>	Tenant Share Monthly Rent <sup>2</sup>	Project Based Section 8 <sup>3</sup>	Total Monthly Revenue	Total Annual Revenue
<b><u>Studio</u></b>								
< 30%	24	292	\$429	\$0	\$429	\$588	\$24,408	\$292,896
< 60%	198	292	\$860	\$0	\$860		\$170,280	\$2,043,360
< 80%	11	292	\$1,146	\$0	\$1,146		\$12,606	\$151,272
<b><u>1 Bedroom</u></b>								
< 60%	3	550	\$920	\$0	\$920		\$2,760	\$33,120
<b><u>3 Bedroom</u></b>								
< 60%	1	850	\$1,277	\$0	\$1,277		\$1,277	\$15,324
Total Project	237						\$211,331	\$2,535,972

<sup>1</sup> 2022 Income Limits (Paradise-Las Vegas-Henderson, NV MSA)

<sup>2</sup> Assumes 30% of Average Household Income

### Project Developers

Blue Ridge Atlantic Development, LLC (BRAD)  
1701 W. Northwest Hwy, Suite 200  
Grapevine, TX 76051

Nevada Homeless Alliance (NHA)  
4323 Boulder Hwy  
Las Vegas, NV 89121

BRAD was formed in 2018 as an affiliate of Shelter Resources Inc. Together, BRAD and Shelter Resources have developed projects in 8 states which has created more than 8,000 units of affordable and supportive housing. They are partnering with NHA which will serve as co-developer and service provider for the Project. NHA, a 501(c)(3) nonprofit organization, utilizes a collaborative approach – including advocacy, public awareness, education, and coordination of services - to advance solutions to homelessness in Southern Nevada.

### Borrower Entity

The borrower/owner will be BRAD Desert Rose, LP. BRAD Desert Rose GP, LLC, will be the 0.01% General Partner. RBC Community Investment (“RBCCI”) will be the 99.99% investor limited partner. RBCCI will provide an equity investment of approximately

\$20,117,000 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 approximate periodic advances of the equity investment are structured as follows:

- 1<sup>st</sup> Installment - \$3,018,000 at Closing (Jun 2023)
- 2<sup>nd</sup> Installment - \$7,041,000 at Delivery of Final Certificate of Occupancy (Dec 2024)
- 3<sup>rd</sup> Installment - \$9,555,000 Conversion to permanent loan (Apr 2025)
- 4<sup>th</sup> Installment - \$503,000 at Stabilization and delivery of Form 8609 (Jul 2025)

### **Property Management**

Cirrus Asset Management, Inc.  
20720 Ventura Blvd, Suite 300  
Woodland Hills, CA 91364

Cirrus Asset Management was formed in 2007 and has grown to provide management services to more than 20,000 units located primarily in California, Texas, Colorado, Hawaii, Washington and Utah.

### **Debt Plan of Finance:**

The financing is proposed as a direct bond purchase by Citibank N.A. The bonds will be held by Citibank or an affiliate and not sold to the public. The bond structure will consist of two phases, Construction Phase and Permanent Phase.

The Construction Phase loan amount is projected to be approximately \$32,800,000. Loan proceeds will be advanced to the Borrower on a “draw down” basis as needed to fund construction expenditures. Monthly debt service payments will be interest only and the interest rate is currently estimated by the lender to be 6.25% exclusive of Division and Trustee fees.

At conversion to Permanent Phase, the loan will be reduced to approximately \$17,000,000 upon receipt of additional tax credit equity installments. The loan will commence principal amortization by monthly payments utilizing a 40-year principal amortization factor. The permanent loan interest rate will be fixed at closing and is estimated by the lender to be 6.00% exclusive of Division and Trustee annual fees. The permanent loan is subject to a mandatory prepayment at the end of the 18<sup>th</sup> year following the conversion date.

Maximum Permanent Loan-to-Value: 90%

Debt service coverage: 1.15 to 1.00 per lender requirements.

### **Sources and Uses:**

Project sources and uses are summarized in the following Table B:

**Table B: Sources and Uses of Funds**

<b>Sources of Funds</b>		
	<b>Construction Phase</b>	<b>Permanent Phase</b>
NHD Bond Proceeds (Exempt)	\$17,000,000	\$17,000,000
Construction Bridge Loan (Exempt)	15,719,430	
LIHTC Equity	3,017,608	20,117,386
Clark County CHF Funds	9,000,000	12,000,000
Clark County/ Las Vegas HOME Funds	3,000,000	3,000,000
Cash Flow Prior to Conversion	331,226	331,226
Deferred Developer Fee		3,858,909
	48,068,264	56,307,521

Uses of Funds			\$/Unit
Land Cost	\$5,700,000	\$5,700,000	\$24,051
Building Acquisition Cost	24,300,000	24,300,000	102,532
Construction Hard Costs	10,707,642	10,707,642	45,180
Soft Costs	3,277,172	3,277,172	13,828
Construction Period Interest	2,918,581	2,918,581	12,315
Contingencies	1,164,869	1,164,869	4,915
Operating & Repair Reserves		1,115,267	4,706
Developer Fee	0	7,123,990	30,059
	\$48,068,264	\$56,307,521	\$237,584

### **Reserves:**

The Borrower will be required to fund deposits to a replacement reserve initially set at \$300/unit/year. Minimum required replacement reserve deposits may be adjusted based on periodic future physical needs assessments.

The Borrower will also be required to fund an Operating Reserve initially set at approximately \$1,115,000.

### **Bond/Loan Term Summary:**

Developer:	Blue Ridge Atlantic Development, LLC
Lender:	Citibank, N.A.
Borrowing Entity:	BRAD Desert Rose, LP
Principal Amount:	<u>Construction Phase:</u> <ul style="list-style-type: none"> <li>Currently estimated at \$32,800,000</li> <li>Not to exceed 80% of costs</li> </ul> <u>Permanent Phase:</u> <ul style="list-style-type: none"> <li>Not to exceed 90% loan to value based on final appraisal.</li> <li>Expected to be approximately \$17,000,000</li> </ul>
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 a permanent loan following construction completion and satisfaction of loan conversion criteria.
Bond Dated:	As of Closing Date
Interest Payments:	Monthly. Loan is interest only through the date of conversion to Permanent Phase which is estimated to occur approximately 34 months following start of construction.
Principal Payments:	Monthly, commencing upon conversion to Permanent Phase.
Denominations:	Bonds will amortize in monthly "loan" form with fractional dollar principal amortization utilizing a 40-year amortization factor.
Maturity:	Maturity will be 30 years from Closing.
Interest Rate:	<u>Construction Phase:</u> Variable, estimated by Citibank to be 6.25% (exclusive of Division and Trustee fees) adjusted monthly.

Permanent Phase:

Fixed rate estimated by Citibank to be 6.00% (exclusive of Division & Trustee fees). The rate will be locked at Closing.

- Redemption:
- 1) Subject to loan yield maintenance until 6 months prior to the end of the Permanent Loan term.
  - 2) The loan is subject to mandatory prepayment at the end of the 18<sup>th</sup> year following the construction loan closing date.
- Indenture Funds:
- 1) Project Fund
    - a) Tax-Exempt Bond Account
  - 2) Debt Service Fund
  - 3) Cost of Issuance Fund
  - 4) Expense Fund
- 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

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>INCOME</b>												
Annual Gross Rental Income	\$ 2,638,425	\$ 2,691,194	\$ 2,745,018	\$ 2,799,918	\$ 2,855,916	\$ 2,913,035	\$ 2,971,295	\$ 3,030,721	\$ 3,091,336	\$ 3,153,162	\$ 3,216,226	\$ 3,280,550
Other: Ancillary Revenue	\$ 59,178	\$ 60,362	\$ 61,569	\$ 62,800	\$ 64,056	\$ 65,337	\$ 66,644	\$ 67,977	\$ 69,336	\$ 70,723	\$ 72,138	\$ 73,580
<b>Total Residential Income</b>	<b>\$ 2,697,603</b>	<b>\$ 2,751,555</b>	<b>\$ 2,806,586</b>	<b>\$ 2,862,718</b>	<b>\$ 2,919,972</b>	<b>\$ 2,978,372</b>	<b>\$ 3,037,939</b>	<b>\$ 3,098,698</b>	<b>\$ 3,160,672</b>	<b>\$ 3,223,886</b>	<b>\$ 3,288,363</b>	<b>\$ 3,354,131</b>
Less: Residential Vacancy/Discounts	\$ (188,832)	\$ (192,609)	\$ (196,461)	\$ (200,390)	\$ (204,398)	\$ (208,486)	\$ (212,656)	\$ (216,909)	\$ (221,247)	\$ (225,672)	\$ (230,185)	\$ (234,789)
<b>Proforma Gross Income</b>	<b>\$ 2,508,771</b>	<b>\$ 2,558,946</b>	<b>\$ 2,610,125</b>	<b>\$ 2,662,328</b>	<b>\$ 2,715,574</b>	<b>\$ 2,769,886</b>	<b>\$ 2,825,284</b>	<b>\$ 2,881,789</b>	<b>\$ 2,939,425</b>	<b>\$ 2,998,214</b>	<b>\$ 3,058,178</b>	<b>\$ 3,119,341</b>
<b>EXPENSES</b>												
General Administrative	\$ 75,430	\$ 77,693	\$ 80,024	\$ 82,424	\$ 84,897	\$ 87,444	\$ 90,067	\$ 92,769	\$ 95,552	\$ 98,419	\$ 101,372	\$ 104,413
Operating & Maintenance	\$ 174,998	\$ 180,248	\$ 185,655	\$ 191,225	\$ 196,961	\$ 202,870	\$ 208,956	\$ 215,225	\$ 221,682	\$ 228,332	\$ 235,182	\$ 242,238
Utilities	\$ 266,771	\$ 274,774	\$ 283,017	\$ 291,508	\$ 300,253	\$ 309,260	\$ 318,538	\$ 328,094	\$ 337,937	\$ 348,075	\$ 358,518	\$ 369,273
Staff Payroll & Benefits	\$ 352,007	\$ 362,567	\$ 373,444	\$ 384,647	\$ 396,187	\$ 408,072	\$ 420,314	\$ 432,924	\$ 445,911	\$ 459,289	\$ 473,067	\$ 487,259
Property Management	\$ 75,263	\$ 76,768	\$ 78,304	\$ 79,870	\$ 81,467	\$ 83,097	\$ 84,759	\$ 86,454	\$ 88,183	\$ 89,946	\$ 91,745	\$ 93,580
Taxes & Insurance	\$ 88,002	\$ 90,642	\$ 93,361	\$ 96,162	\$ 99,047	\$ 102,018	\$ 105,079	\$ 108,231	\$ 111,478	\$ 114,822	\$ 118,267	\$ 121,815
Replacement Reserves	\$ 93,253	\$ 96,051	\$ 98,932	\$ 101,900	\$ 104,957	\$ 108,106	\$ 111,349	\$ 114,689	\$ 118,130	\$ 121,674	\$ 125,324	\$ 129,084
<b>Proforma Operating Expenses</b>	<b>\$ 1,125,723</b>	<b>\$ 1,158,742</b>	<b>\$ 1,192,736</b>	<b>\$ 1,227,735</b>	<b>\$ 1,263,769</b>	<b>\$ 1,300,867</b>	<b>\$ 1,339,062</b>	<b>\$ 1,378,386</b>	<b>\$ 1,418,874</b>	<b>\$ 1,460,558</b>	<b>\$ 1,503,475</b>	<b>\$ 1,547,662</b>
<b>Effective Net Operating Income</b>	<b>\$ 1,383,048</b>	<b>\$ 1,400,205</b>	<b>\$ 1,417,389</b>	<b>\$ 1,434,592</b>	<b>\$ 1,451,806</b>	<b>\$ 1,469,019</b>	<b>\$ 1,486,221</b>	<b>\$ 1,503,403</b>	<b>\$ 1,520,552</b>	<b>\$ 1,537,656</b>	<b>\$ 1,554,703</b>	<b>\$ 1,571,679</b>
Contribution to Project Budget												
Senior Debt Service	\$874,040	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387
Debt Service Coverage	158%	120%	122%	123%	125%	126%	128%	129%	130%	132%	133%	135%
<b>Residual Receipts</b>	<b>\$ 509,008</b>	<b>\$ 234,818</b>	<b>\$ 252,002</b>	<b>\$ 269,206</b>	<b>\$ 286,419</b>	<b>\$ 303,632</b>	<b>\$ 320,835</b>	<b>\$ 338,016</b>	<b>\$ 355,165</b>	<b>\$ 372,269</b>	<b>\$ 389,316</b>	<b>\$ 406,293</b>
LP Asset Mgt Fee	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	\$ 13,439	\$ 13,842
DDF Payments	\$ 499,008	\$ 224,518	\$ 241,393	\$ 258,279	\$ 275,164	\$ 292,039	\$ 308,894	\$ 325,717	\$ 342,497	\$ 359,221	\$ 375,877	\$ 294,836
DDF Balance	\$ 3,298,435	\$ 3,073,918	\$ 2,832,524	\$ 2,574,246	\$ 2,299,082	\$ 2,007,042	\$ 1,698,148	\$ 1,372,431	\$ 1,029,934	\$ 670,712	\$ 294,836	\$ -
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 97,615</b>

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	3.00%
Vacancy Assumption:	7.00%
Deferred Developer Fee :	\$3,858,909
GAHP Loan:	\$0

Permanent Loan Amount	\$17,000,000
Loan Term	40
Core Loan Rate	6.00%
NHD & Trustee Factor	0.30%
Total Loan Rate	6.30%
Annual Debt Service	\$1,165,387



	2037	2038	2039	2040	2041	2042	2043
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>INCOME</b>							
Annual Gross Rental Income	\$ 3,346,161	\$ 3,413,084	\$ 3,481,346	\$ 3,550,973	\$ 3,621,992	\$ 3,694,432	\$ 3,768,321
Other: Ancillary Revenue	\$ 75,052	\$ 76,553	\$ 78,084	\$ 79,646	\$ 81,239	\$ 82,863	\$ 84,521
<b>Total Residential Income</b>	<b>\$ 3,421,213</b>	<b>\$ 3,489,637</b>	<b>\$ 3,559,430</b>	<b>\$ 3,630,619</b>	<b>\$ 3,703,231</b>	<b>\$ 3,777,296</b>	<b>\$ 3,852,842</b>
Less: Residential Vacancy/Discounts	\$ (239,485)	\$ (244,275)	\$ (249,160)	\$ (254,143)	\$ (259,226)	\$ (264,411)	\$ (269,699)
<b>Proforma Gross Income</b>	<b>\$ 3,181,728</b>	<b>\$ 3,245,363</b>	<b>\$ 3,310,270</b>	<b>\$ 3,376,475</b>	<b>\$ 3,444,005</b>	<b>\$ 3,512,885</b>	<b>\$ 3,583,143</b>
<b>EXPENSES</b>							
General Administrative	\$ 107,545	\$ 110,771	\$ 114,095	\$ 117,517	\$ 121,043	\$ 124,674	\$ 128,415
Operating & Maintenance	\$ 249,505	\$ 256,990	\$ 264,700	\$ 272,641	\$ 280,820	\$ 289,244	\$ 297,922
Utilities	\$ 380,351	\$ 391,762	\$ 403,515	\$ 415,620	\$ 428,089	\$ 440,931	\$ 454,159
Staff Payroll & Benefits	\$ 501,877	\$ 516,934	\$ 532,442	\$ 548,415	\$ 564,867	\$ 581,813	\$ 599,268
Property Management	\$ 95,452	\$ 97,361	\$ 99,308	\$ 101,294	\$ 103,320	\$ 105,387	\$ 107,494
Taxes & Insurance	\$ 125,469	\$ 129,233	\$ 133,110	\$ 137,104	\$ 141,217	\$ 145,453	\$ 149,817
Replacement Reserves	\$ 132,956	\$ 136,945	\$ 141,054	\$ 145,285	\$ 149,644	\$ 154,133	\$ 158,757
<b>Proforma Operating Expenses</b>	<b>\$ 1,593,156</b>	<b>\$ 1,639,996</b>	<b>\$ 1,688,222</b>	<b>\$ 1,737,876</b>	<b>\$ 1,788,999</b>	<b>\$ 1,841,636</b>	<b>\$ 1,895,831</b>
<b>Effective Net Operating Income</b>	<b>\$ 1,588,572</b>	<b>\$ 1,605,367</b>	<b>\$ 1,622,048</b>	<b>\$ 1,638,599</b>	<b>\$ 1,655,006</b>	<b>\$ 1,671,249</b>	<b>\$ 1,687,311</b>
Contribution to Project Budget							
Senior Debt Service	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387	\$1,165,387
Debt Service Coverage	136%	138%	139%	141%	142%	143%	145%
<b>Residual Receipts</b>	<b>\$ 423,186</b>	<b>\$ 439,980</b>	<b>\$ 456,661</b>	<b>\$ 473,213</b>	<b>\$ 489,619</b>	<b>\$ 505,862</b>	<b>\$ 521,925</b>
LP Asset Mgt Fee							
DDF Payments	\$ 14,258	\$ 14,685	\$ 15,126	\$ 15,580	\$ 16,047	\$ 16,528	\$ 17,024
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ 408,928</b>	<b>\$ 425,295</b>	<b>\$ 441,535</b>	<b>\$ 457,633</b>	<b>\$ 473,572</b>	<b>\$ 489,334</b>	<b>\$ 504,900</b>

**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>

☒ **Option B**

**Sponsor/Borrower Statement:**

Blue Ridge Atlantic Development, LLC considered several options from our network of lenders and Citi Community Capital was determined to be the best fit. The terms offered by Citi Community Capital for Desert Rose Apartments were competitive compared to the rest of the market and offered the most favorable terms. The interest rate for the Citi product is lower than other lenders, and their 40-year amortization is extremely attractive, and what makes this debt product the most competitive. Additionally, we also have an established and successful relationship with Citi Community Capital and are confident that they will be able to provide the most competitive rates and terms that will enable the most efficient execution.

**By BRAD Desert Rose, LP**

**By**



**Ruben Esqueda**

**Authorized Representative**

**Desert Rose Apartments**  
 29 N. 28<sup>th</sup> Street  
 Las Vegas, Nevada 89101  
 139-36-402-008 (4.34 acres)

**Project Description**

Desert Rose Apartments (also known as 28<sup>th</sup> Street Apartments) entails the rehabilitation and preservation of an existing 237-unit, multi-family development built in 1978. The project is sponsored by Blue Ridge Atlantic Development (BRAD), an affiliate of Shelter Resources, Inc., which has developed more than 8,000 affordable and supportive housing units across 8 states. BRAD is partnering with the Nevada Homeless Alliance (NHA), which will serve as co-developer and service provider to the property. The development is made up of primarily studio units and will have set-asides for homeless veterans, single parents, and those affected by domestic violence.

Desert Rose is currently an unregulated Naturally Occurring Affordable Housing (or “NOAH”) property. The goals of this preservation project include:

- To preserve this important housing asset and extend its useful life under the LIHTC program for another 30 years;
- To bring the buildings and units up to modern standards including, as needed, cabinets, countertops, lighting, painting, flooring and appliances; and,
- To meet and/or exceed energy conservation requirements as detailed in Appendix B of the 2022 Nevada Housing Division Qualified Allocation Plan, and to lower future utility costs to the residents and the development by completing energy efficient upgrades.

**Property Description**

Constructed in 1978, Desert Rose Apartments consists of eleven, two-story residential buildings and a single-story clubhouse/leasing office on 4.34 acres. Property-wide amenities include a swimming pool, barbecue area, outdoor seating areas, on-site laundry facilities, study area/lobby, and controlled access in the form of security cameras and gates. Residents are provided with one assigned surface parking space per unit.

The unit mix is as follows:

UNITS	UNIT TYPE	SIZE
232	Studio	292 SF
4	1x1	550 SF
1	3x1	850 SF

Unit amenities include a private patio or balcony, high speed internet access, A/C and heating, resilient floors, and a kitchen with garbage disposal, microwave, range, and refrigerator.

NHA and other service providers will provide workforce and early childhood development training (including STEAM programs). The existing community area will be updated to create an accessible multi-purpose space for these services.

### **Location and Neighborhood**

Desert Rose Apartments is located in East Las Vegas less than 2 miles from I-15 and a 10-minute drive from both the Strip and central business district. The site is close to schools, public transportation, grocery stores, places of employment, and the newly renovated East Las Vegas Community Center. Nearby grocery stores include: Albertson's (1.1 miles), Latino Mercado (0.3 miles), and La Bonita Supermarket (0.6 miles). Also nearby is El Canelo Restaurant (0.5 miles), Pepe's Tacos (0.4 miles), and Lowe's (0.2 miles). Rafael Rivera Park, Hadland Park, and the East Las Vegas Community Center are located less than a mile north from the property. The Community Center is a hub of activity for the Latino community in Las Vegas, featuring classes, cultural events, nutrition programs, youth sports, computer access and afterschool programs.

Nearby schools include Sunrise Acres Elementary School (0.3 miles), Roy W. Martin Middle School (0.3 miles), and Nevada State High School (1.5 miles).

North Vista Hospital is located 2.8 miles from the property and Sunrise Hospital and Medical Center is located 3.3 miles south from the property. The nearest fire station is located a short 1.3 miles from the property and the Las Vegas Metropolitan Police Department, Downtown Area of Command is located 2.1 miles northwest from the property.

Residents at Desert Rose Apartments also have easy access to public transportation. The Regional Transportation commission of Southern Nevada operates Route 206 (Charleston) in the area, with a bus stop located an 8-minute walk from the property.

### **Proposed Development Activities**

Desert Rose Apartments was built in 1978 and is in average condition relative to comparable projects in the area. The developers have budgeted \$43,300 per unit in hard rehabilitation costs, plus \$29.00 per unit per month in replacement reserves in order to maintain and retain the property as affordable housing for at least the next 30 years. Rehabilitation will focus on the following areas:

#### **Mechanical**

- Replacement of unit AC wall units with energy-efficient mini-split systems

#### **Plumbing**

- Conversion from building boilers to instant water heaters
- Replacement of all plumbing fixtures including toilets, faucets, and shower heads.

#### **Electrical**

- Bring electrical system up to code, including installing GFCI outlets

- Upgraded electrical lighting in both units and outside wayfinding
- New appliances, including electric stove and refrigerator

#### Finishes

- New cabinets, window covers, paint, baseboards, and countertops

#### Landscape/Hardscape

- Tree trimming and new planting throughout
- Replace building flood lights with pedestrian-level wayfinding lights
- New pavilions, BBQ areas, benches, and playground

#### Clubhouse

- Office and lobby reconfiguration with new finishes
- New community spaces, including a cybercafé, tutoring area, and flex space for community events, workforce training, and after-school tutoring

#### Other

- Replacement of all windows with energy-efficient windows
- Exterior stucco repair and paint
- Roof repair and replacement

### **Target Population and Market Demand**

Desert Rose Apartments is targeted to family households earning at or below 30%, 60%, or 80% area median income (AMI).

The need for affordable family housing in the City of Las Vegas is well documented. The City of Las Vegas 2020-2025 Consolidated Plan & Action Plan found that there are approximately 55,490 affordable units. The need for more affordable housing remains high as the estimated demand would be met with an additional 44,400 (pg. 2). The plan indicates that 42.6% of all renter households have a housing cost burden greater than 30% of income and 23% of households have a cost burden greater than 50% of income (pg. 54). The City of Las Vegas recognizes the creation and preservation of affordable housing as a high priority and the plan indicates that nearly 82% of the available housing stock in the City of Las Vegas is in need of rehabilitation (pg. 152). Desert Rose Apartments addresses the growing need for barrier-free and affordable family housing in the City of Las Vegas by preserving this important community asset for many years to come.

According to the Nevada Housing Division's "Taking Stock 2021" Annual Affordable Apartment Survey, Clark County LIHTC vacancy rates decreased from 2.2% to 2.0% (p. 12). In Clark County, vacancy rates for family units were 2.0% for one-bedroom and 2.5% for two-bedroom units. These low vacancy rates indicate a severe need for affordable family housing.

The proposed rents at Desert Rose Apartments will range from \$429 at 30% area median income, \$860 at 60% area median income, and \$1,146 at 80% area median income for studio units, \$920 at 60% area median income, and \$1,227 at 80% area median income for one-bedroom units, and \$1,277 at 60% area median income for a three-bedroom unit. Rent includes water, sewer, and

trash. Based upon the October 2022 appraisal of the property, market rents would range from \$775-\$900 for a studio unit, \$1,090-\$1,200 for a one-bedroom unit, and \$1,300 for a three-bedroom unit.

BRAD has applied to the Southern Nevada Regional Housing Authority for Section 8 project-based vouchers. If awarded, the development will be able to target special needs households with little or no income and a population that matches the studio unit configuration at Desert Rose.

Given the unit mix focused on single individuals, elderly and special needs populations, the preservation of Desert Rose Apartments is essential for meeting the needs of low and very low income households in Las Vegas, and relieves the cost burden and overcrowding problems that some of the households described above currently face.

### **Relocation**

Renovation will be structured so that there will be minimal disturbances to the current residents. We expect that tenants will be able to stay in their units during the renovations and/or will be offered daytime accommodations while work is being carried out.

All relocation activities, if any are required, will be conducted in compliance with the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. § 4601 et seq.) and its implementing regulations at 49 CFR 24, as applicable.

### **Development Team**

<b>Developer:</b>	Blue Ridge Atlantic Development, LLC
<b>Co-Developer:</b>	Nevada Homeless Alliance
<b>Consultant:</b>	Praxis Consulting Group, LLC
<b>General Contractor:</b>	TBD
<b>Property Manager:</b>	Cirrus Asset Management
<b>Architect:</b>	Integrated Design & Architecture (IDeA)

**BRAD Desert Rose Development, LLC (BRAD)** will develop Desert Rose Apartments. BRAD will be the 95% Managing Member and Nevada Homeless Alliance (NHA) will be the 5% Member/Co-Developer. The project owner will be a new, sole-purpose entity, BRAD Desert Rose, LP and the 0.01% General Partner will be a new, sole-purpose entity, BRAD Desert Rose GP, LLC. Blue Ridge Atlantic Development, LLC will be sole member of the General Partner entity.

BRAD was formed in 2018 as an affiliate of Shelter Resources, Inc., which was formed in 1982. Together, BRAD and Shelter Resources have developed in over 8 states and have provided more than 8,000 units of affordable and supportive housing throughout the country.

BRAD is partnering with the **Nevada Homeless Alliance (NHA)**, which will serve as co-developer and service provider for the project. NHA, a 501(c)(3) nonprofit organization based in Las Vegas, Nevada, utilizes a collaborative approach—including advocacy, public awareness,

education, and coordination of services—to advance solutions to homelessness in Southern Nevada.

**Praxis Consulting Group, LLC**

Blue Ridge Atlantic Development will receive development finance consulting assistance from Praxis Consulting Group, LLC (Praxis). Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund raising and public policy development. Since 2005, Praxis has secured the financing for over 95 affordable housing developments in Nevada, totaling over 10,600 units and over \$2 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

**Cirrus Asset Management**

Cirrus provides property management services to over 11,500 apartments and 35 commercial assets in six states, including over 2,000 units classified as “affordable.” Cirrus has a specialized division focusing on all types of affordable housing (LIHTC, bonds, senior, etc.). It manages in all types of markets for both non-profit and for-profit entities. Cirrus' affordable housing operations are led by Daniel Gavin, Esq. (with COS, C3P and HCCP certifications), who ensures that properties are managed in compliance with their governing documents. Cirrus maintains a written policy and procedure manual to guide its staff for compliance with the intricacies of affordable housing including administrative, qualifying, auditing and reporting functions.

**Integrated Design & Architecture (IDeA)**

With over 20 years of experience, Integrated Design & Architecture (IDeA) provides services in architecture, planning, sustainable design, and construction management. The firm serves a number of non-profit housing groups in New Mexico, Texas, and Nevada, including Nevada Rural Housing Authority, New Mexico Housing and Community Development Corporation, and Northern Nevada Community Housing. The firm has completed over 5,217 total dwelling units, with 80% of their work dedicated to affordable housing. Recent housing projects working on in include: Highland Manor Apartments, Belmont Apartments, Silver Springs Village Apartments, Bristlecone Apartments, Yerington Garden, and Old Mill Village Apartments. IDeA looks at every angle of building from its sustainability: water capture, solar, small footprint, ecological, and human health. It is interested in purposeful design, in creating buildings that don't cost more to maintain than to build. IDeA's principals and team have years of commitment to energy-efficient design, including daylighting and passive solar. Energy conscious design and natural, low-energy, and recycled materials have been key to many of IDeA's designs, including affordable housing projects.

**Financing and Schedule**

The financing for Desert Rose Apartments includes tax exempt bonds, equity from the sale of 4% low income housing tax credits, a \$12.0 million Community Housing Fund award from Clark County and HOME Funds from Clark County and the City of Las Vegas.

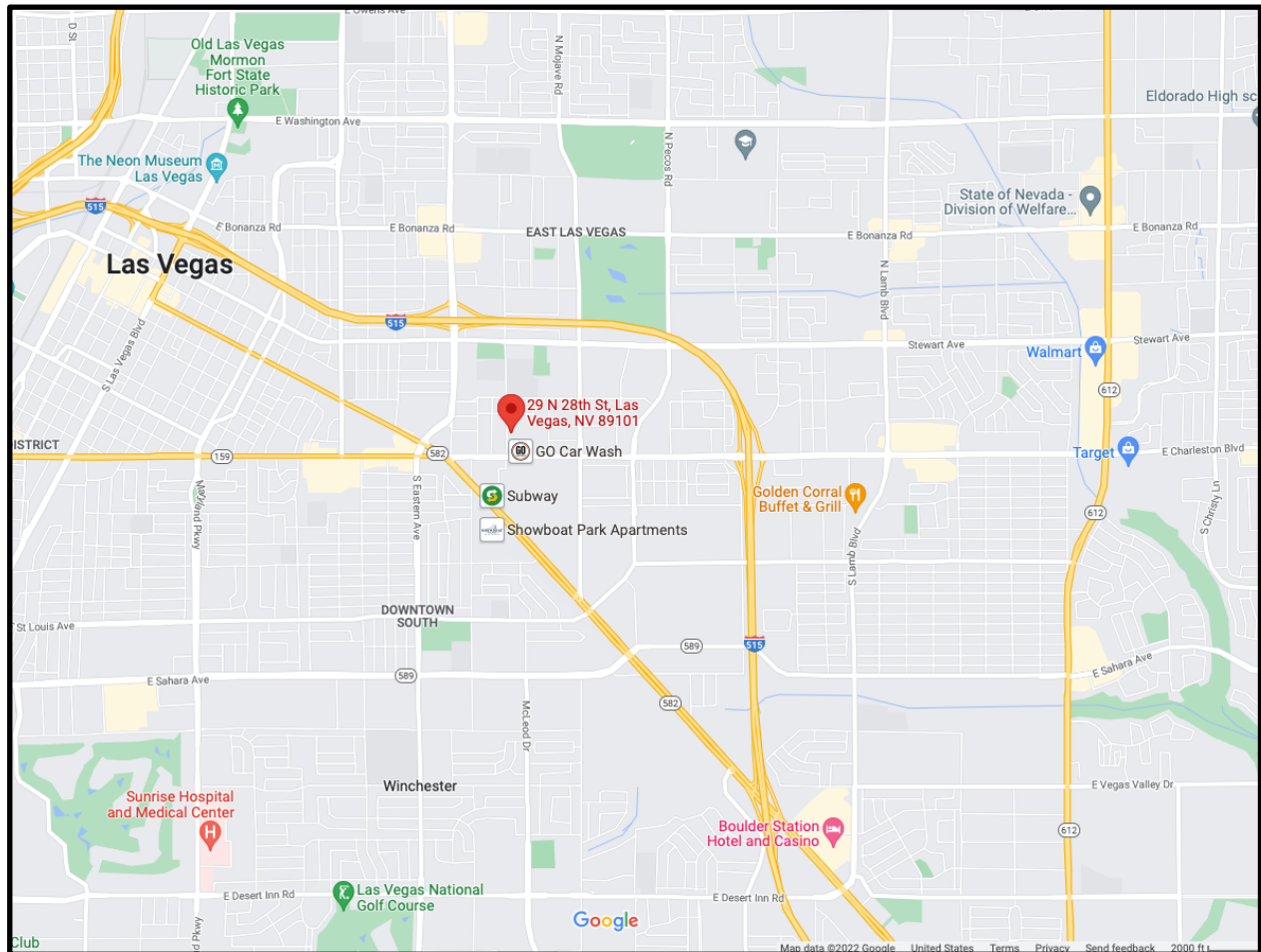
The site is located in tract 5.23, which is a HUD 2023 Qualified Census Tract, qualifying Desert Rose Apartments for a 130% boost in tax credit eligible basis. The estimated total development cost is \$56,307,521 or about \$237,584 per unit.

The Desert Rose Apartments project is estimated to close in June 2023, with construction completion by December 2024 and conversion in March 2025.



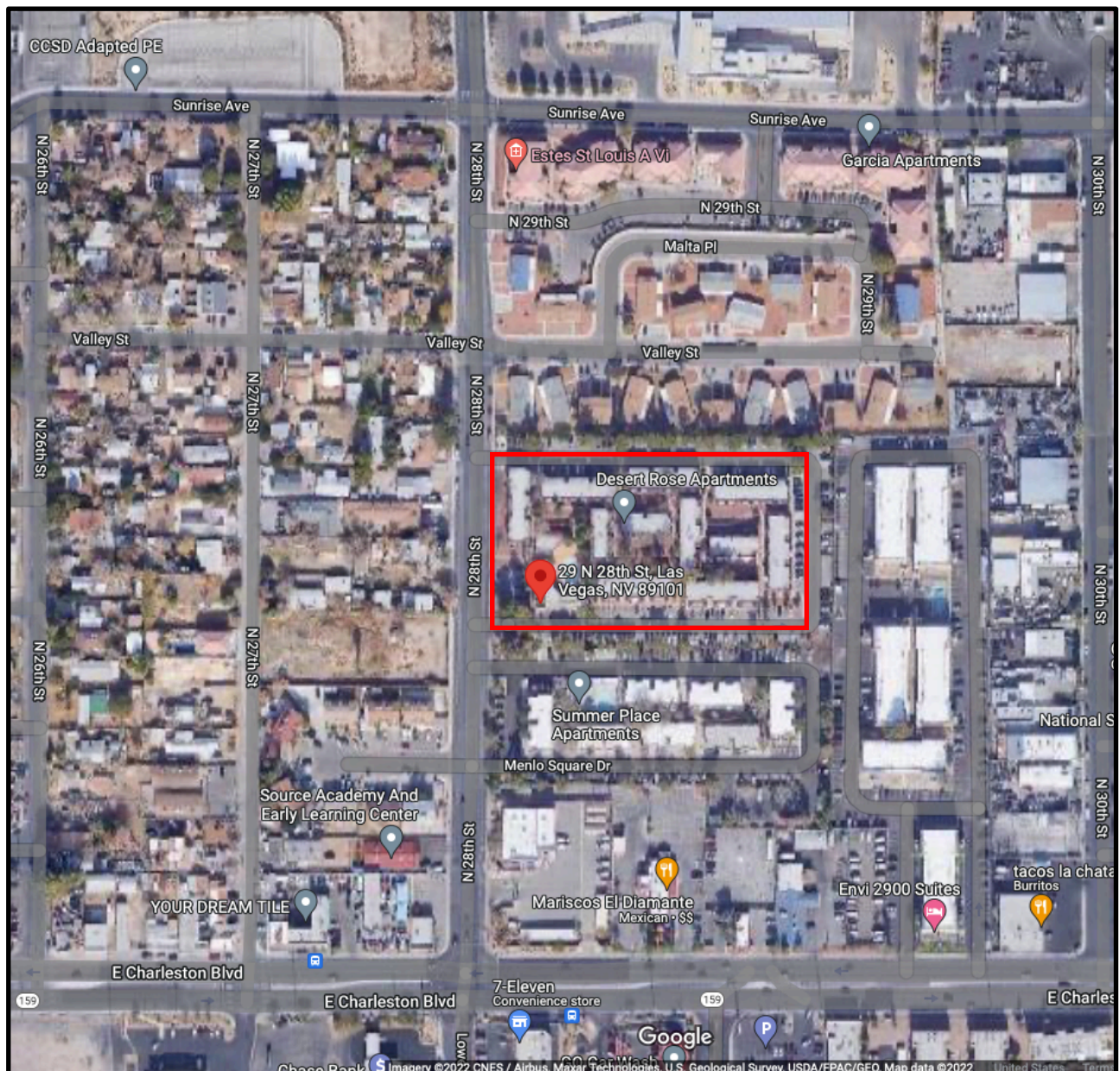
**Desert Rose Apartments**  
29 N. 28<sup>th</sup> Street  
Las Vegas, Nevada 89101  
139-36-402-008 (4.34 acres)

**Location Map**



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**Location Map**





**Desert Rose Apartments**  
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**Aerial Photo**



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

**Development:** Desert Rose  
**Development Type:** Preservation  
**BoF Meeting Date:** 2.23.23

**Administrator's Summary**

This bond issuance of \$33.0 million dollars will be used to provide for the acquisition and renovation of 237 units of affordable family apartments in central Las Vegas. The rental housing will serve 237 households at or below 80% of area median income. The renovation will focus on energy conservation and rehabilitating the units up to modern standards through new appliances, cabinets, countertops, lighting and flooring. This complex was constructed in 1978 and currently is operating as an unrestricted, but affordable property. This acquisition and rehabilitation is to ensure their affordability for the next thirty years. Blue Ridge Atlantic Development has developed more than 8,000 affordable units in 8 states. This will be their first application for bonds in Nevada.

- 237 Family Units
- Acquisition and Rehabilitation
- 100% Affordable Rents
- 11 units <80% AMI, 202 units <60% AMI, 0 units <40% AMI, 24 units <30% AMI
- studio units = 233, 1 bedroom units = 3, 2 bedroom units = 0, 3 bedroom units = 1
- Studio rents \$58.00 less than market rate
- 1 bedroom rents \$454.00 less than market rate
- 3 bedroom rents \$1284.00 less than market rate
- Cost per unit = \$237,584
- Cost per bond cap allocation = \$139,241
- Developer –Blue Ridge Atlantic Development / Nevada Homeless Alliance
- Equity Investor – RBC Community Investment
- Loan – Citibank
- \$33.0M in Bond Proceeds trips \$20.1M in LIHTC Equity (35.7% of total development cost)

	<b>Desert Rose</b>	<b>Program Average</b>	<b>Notes</b>
Total Tax-exempt Bond ask	\$ 33,000,000	\$ 23,795,000	
Total Development Cost	\$ 56,307,521	\$ 44,036,516	Average of last 10 Acq/Rehab projects previously approved
Size of site	4.34 Acres	7.23 Acres	
Total # of Units	237	174	Average of last 10 Acq/Rehab projects previously approved
Cost Per Unit	\$ 237,584	\$ 254,381	Average of last 10 Acq/Rehab projects previously approved
Bond Cap used Per Unit	\$ 139,241	\$ 139,292	Average of last 10 Acq/Rehab projects previously approved
Percentage of Units above 60% AMI	4.60%	n/a	11 units in this project
Percentage of Units at 60% AMI	85.20%	71.9%	202 Units in this project
Percentage of Units at 50% AMI	0.00%	27.1%	0 units in this project
Percentage of Units at 40% AMI	0.00%	0.6%	0 units in this project
Percentage of Units at 30% AMI	10.10%	0.4%	24 units in this project
Veteran's Preference	n/a	n/a	Acquisition Rehabilitation Property

	<b>Desert Rose</b>	<b>Estimated Market Rate</b>	<b>Notes</b>
Average Studio Rent	\$ 828	\$ 886	Rent.com 2/1/23
Average 1 Bedroom Rent	\$ 920	\$ 1,374	Rent.com 2/1/23
Average 3 Bedroom Rent	\$ 1,277	\$ 2,561	Rentcafe.com Q3 2022
Average Vacancy Rate	n/a	7.50%	Nevada State Apartment Association Q3 2022

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: February 2023 BoF Agenda Item #10 – State Treasurer Investment Report  
DATE: February 23, 2023

**Agenda Item #10**

For discussion and possible action: on the approval of the State Treasurer's quarterly investment report for the quarter ended September 30, 2022 and to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP). Approval of the Board of Finance is required pursuant to NRS 355.045.

**Fixed Income Market Highlights as of September 30, 2022**

- U.S. 10- year Treasury yields jumped almost 80 basis points during the third calendar quarter of 2022 and closed the quarter at 3.83%. Over the same period, 1 month T-Bill rates increased from 1.28% to 2.79%.
- The Fed continued raise rates in an attempt to reduce inflation with 75 basis point increases in the Fed Fund rates in July and September. The Fed Funds Rate closed the September 2022 quarter in the range of 3.00% to 3.25%.

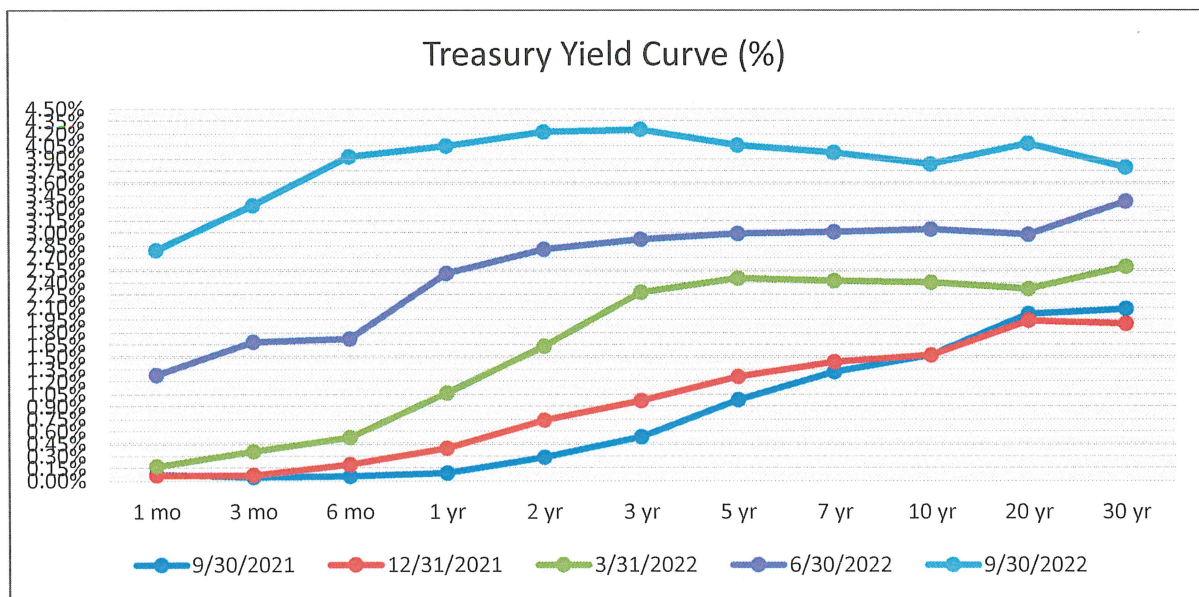


Chart is for illustrative purposes only. Investment Policy prohibits the General Portfolio from investing in Treasuries beyond 10 years.



**Investment Performance as of September 30, 2022**

**Local Government Investment Pool (LGIP)**

As of September 30, 2022, the total assets under management (AUM) were \$2.1 billion. The yield to maturity as of September 30, 2022, was 1.71% which is 199 basis points below the benchmark yield of 3.70%.

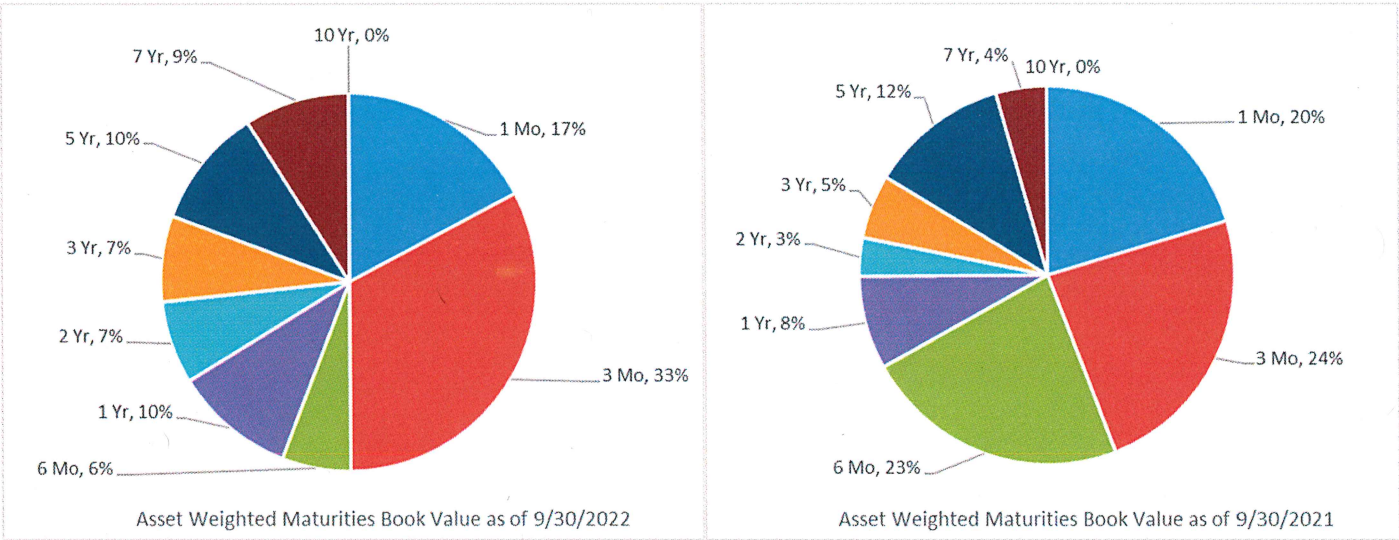
**General Portfolio**

As of September 30, 2022, the AUM for the General Portfolio was \$7.8 billion (market value) with 79% managed internally and managed by outside managers with Buckhead Capital Management 12% and Western Asset Management 9%. Please see the charts on pages 3 and 4 for more information on each manager.

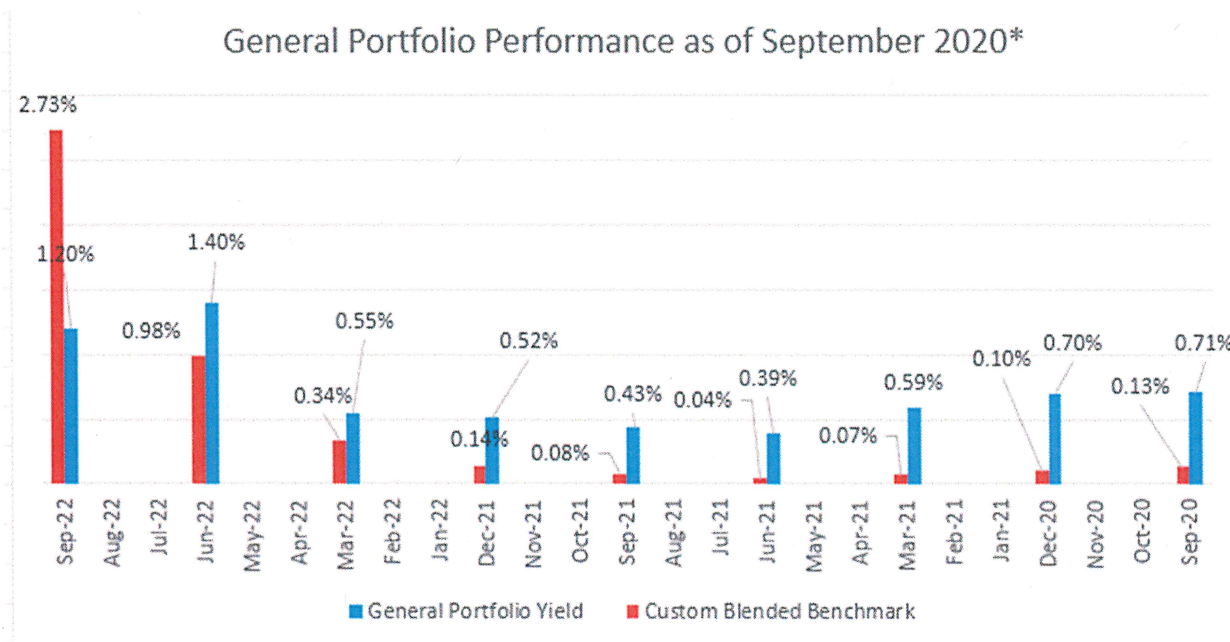
The overall Effective Book Yield To Maturity (YTM) as of September 30, 2022 for the General Portfolio was 1.2%. Below is the YTM breakdown by portfolio:

- Internally managed portfolios were .84%
- Buckhead Capital Management portfolio was 2.88%
- Western Asset Management portfolio was 2.24%

Below is a graphical representation of the asset weighted maturities in the General Portfolio as of September 30, 2022 versus one-year prior.



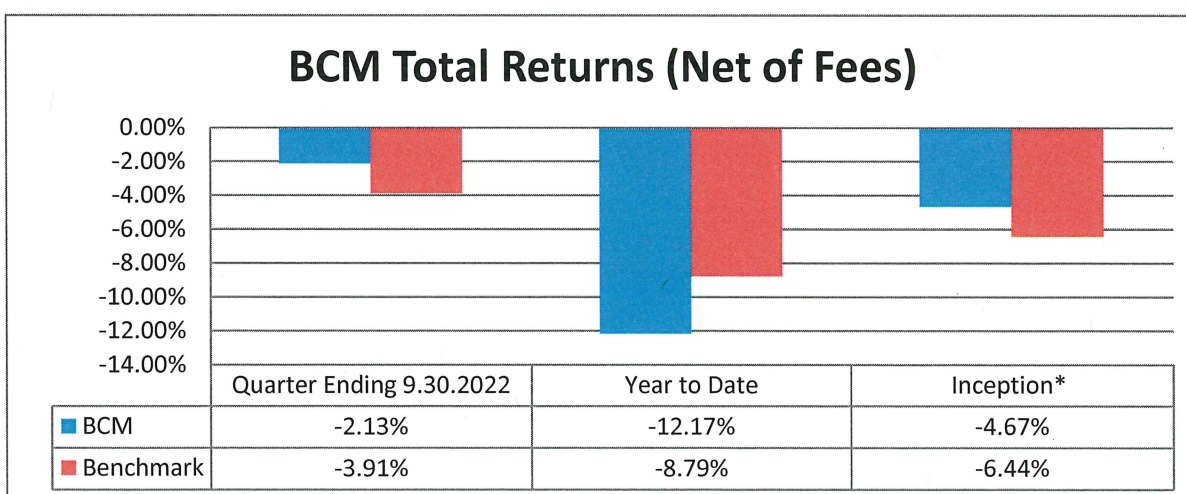
The chart below shows the internally managed portfolio performance against the custom benchmark for the past nine quarters.



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

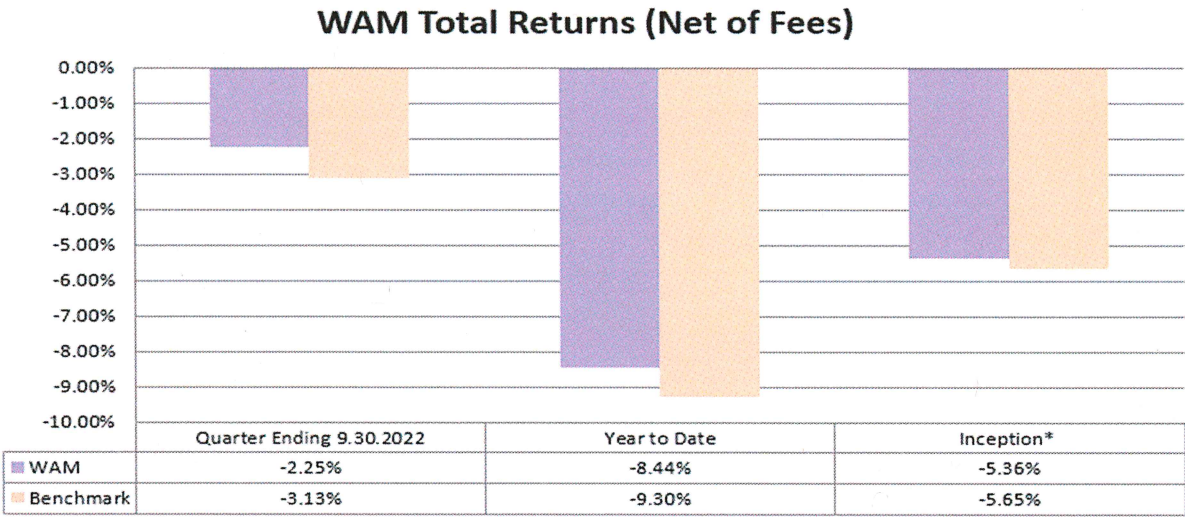
### General Portfolio Outside Managers' Performance

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 \$200 million was distributed in March 2022, for a total of \$900 million in total distributions.



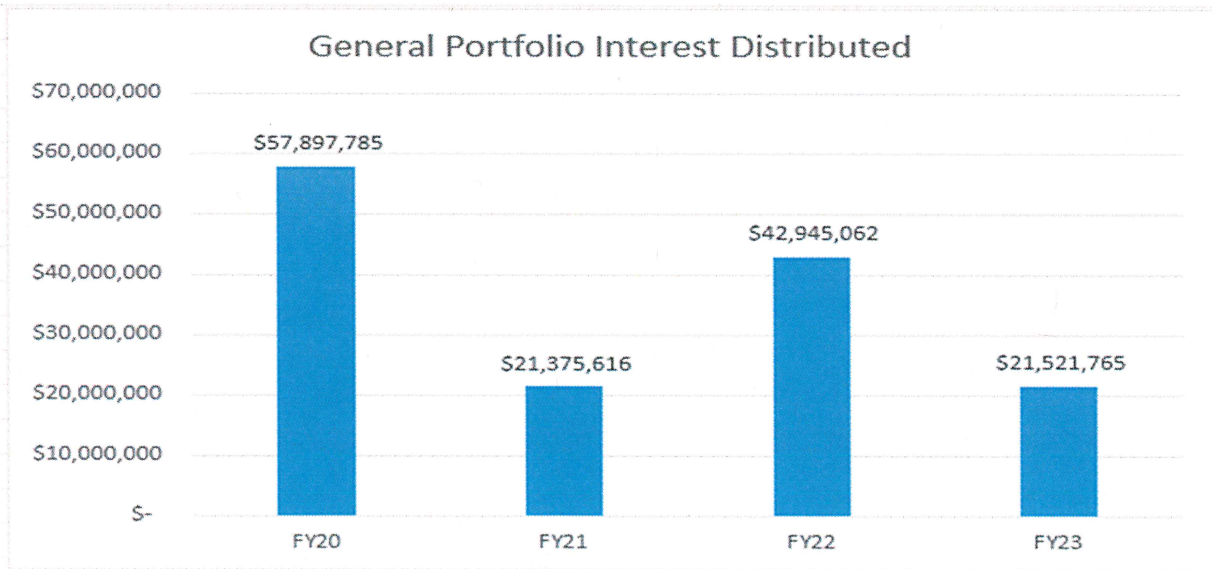
1. Benchmark used for the BCM mandate is the Bloomberg Barclays CMBS AAA Index and inception date is October 2020.

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 \$10 million was pulled back for a total of \$740 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.



**Recommendation:**

I respectfully request consideration and approval of the quarterly investment reports and the Treasurer’s investment policies for the General Portfolio and the LGIP.





## INVESTMENTS

### GENERAL PORTFOLIO

FISCAL YEAR 2023

Period Ending  
Sept 30, 2022

### 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

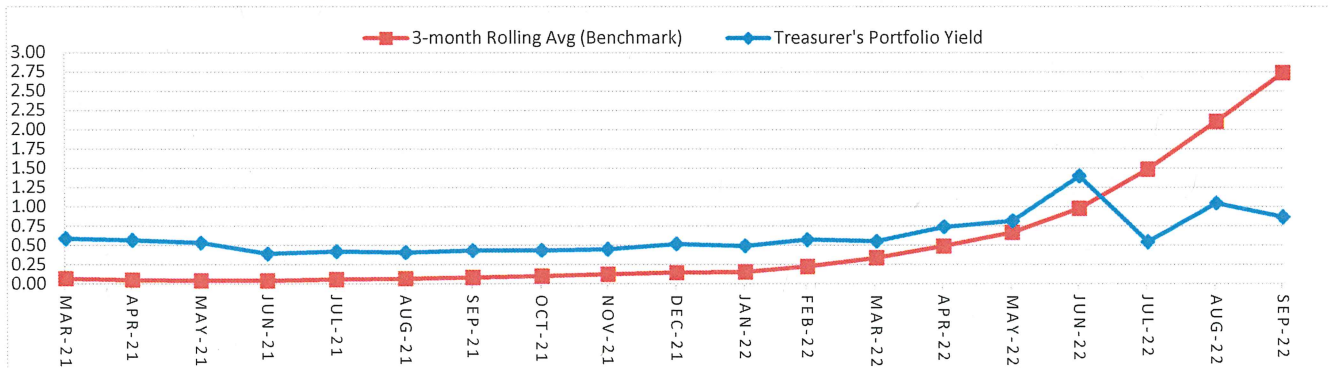
The permissible investments of the General Portfolio include United States Treasury and Agency securities, repurchase agreements, high quality corporate notes and commercial paper, negotiable certificates of deposit, foreign notes, international development notes, asset-backed securities, municipal bonds 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 Sept 30, 2022, the yield on the in-house portion of the General Portfolio was .21%. A three month rolling average of this benchmark for this period was 2.73% with the average days to maturity at 218 days. The average days to maturity for the portfolio was 342 days.

### In-House Performance vs. Benchmark

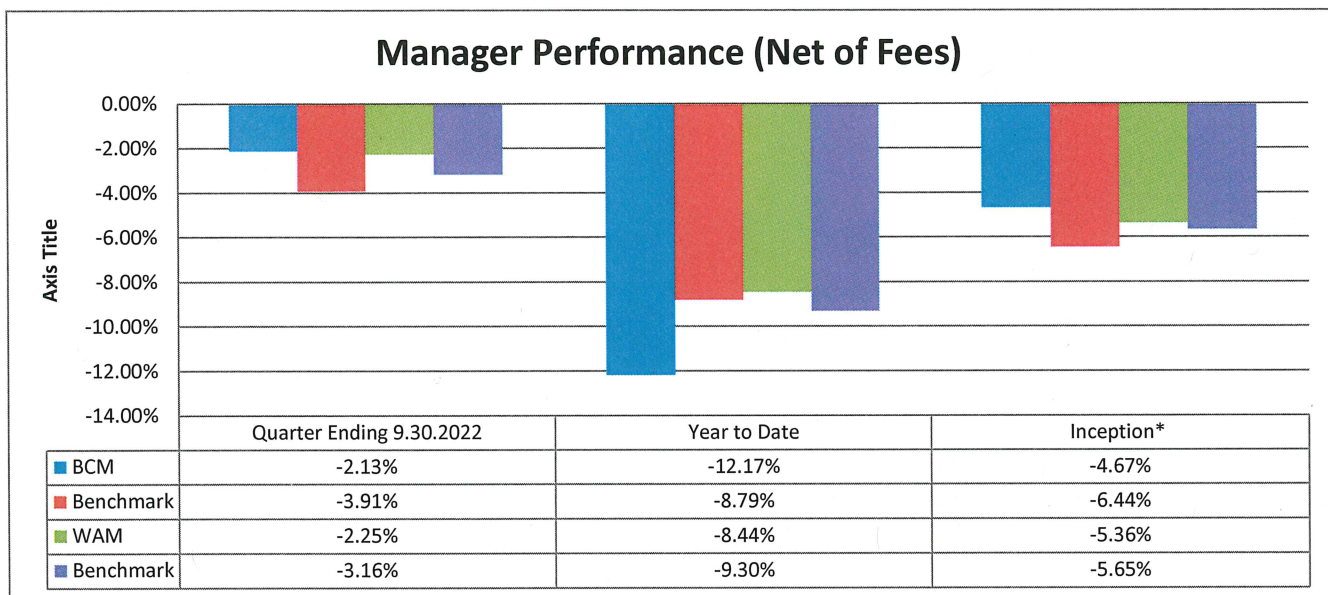


\* Benchmark is 3-month rolling weighted average of 80% 3-month Treasuries and 20% 2-year Treasuries

## Outside Manager Performance

The annualized performance since inception for period ending Sept 30, 2022 for Buckhead Capital Management (BCM) is -4.67%\* and for Western Asset Management (WAM) is -5.36%\*. 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. Funding occurred in these two accounts during the previous quarter.

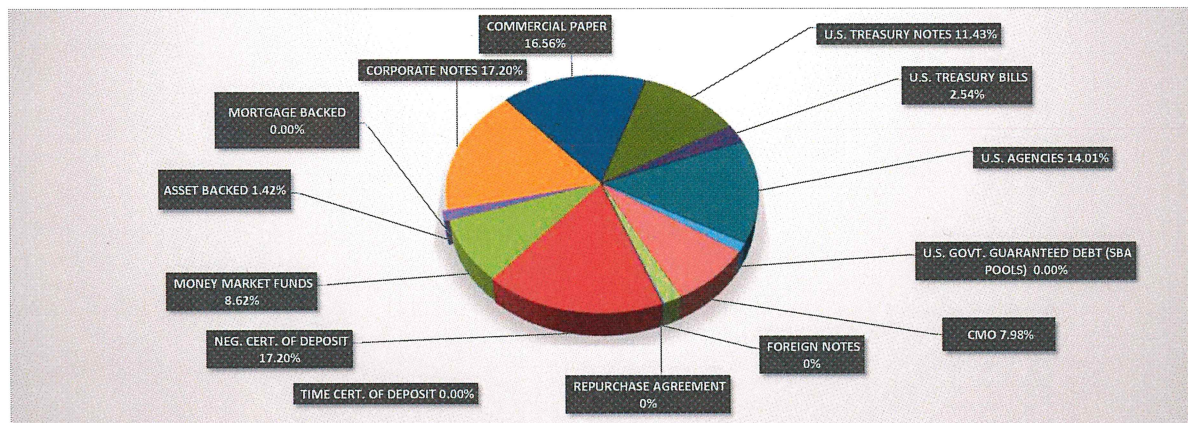
### Outside Managers' Performance vs. Benchmark



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

**GENERAL PORTFOLIO**  
**Amortized Book Value**

	<u>September 30, 2022</u>				<u>June 30, 2022</u>	
	<u>Amortized Book Value</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	1,345,000,000	-	-	1,345,000,000	1,427,000,000	316,634,037
MONEY MARKET FUNDS	661,938,249	1,878,341	10,411,537	674,228,127	76,533,293	-
ASSET-BACKED SECURITIES	-	110,830,485	-	110,830,485	-	-
MORTGAGE-BACKED SECURITIES	-	-	-	-	1,282,879,244	1,600,000,000
CORPORATE NOTES	619,922,956	-	724,685,436	1,344,608,393	-	-
COMMERCIAL PAPER	1,295,212,850	-	-	1,295,212,850	804,423,687	251,675,000
MUNICIPAL BONDS	-	-	-	-	631,277,502	68,724
U.S. TREASURY NOTES	891,747,868	-	2,180,407	893,928,276	162,870,537	647,802,553
U.S. TREASURY BILLS	198,482,132	-	-	198,482,132	600,000,000	-
U.S. AGENCIES	904,474,739	190,806,540	-	1,095,281,279	-	-
U.S. GOVERNMENT GUARANTEED DEBT	44,476	-	-	44,476	-	-
SUPRANATIONALS	87,019,534	-	5,860,841	92,880,376	-	-
COLLATERALIZED MORTGAGE OBLIGATION	461,985	623,525,017	-	623,987,002	-	-
INTERNATIONAL DEVELOPMENT DISCOUNT	134,555,918	-	-	134,555,918	-	-
FOREIGN NOTES	10,000,000	-	-	10,000,000	-	-
REPURCHASE AGREEMENTS	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 6,148,860,707</b>	<b>\$ 927,040,383</b>	<b>\$ 743,138,222</b>	<b>\$ 7,819,039,313</b>	<b>\$ 7,801,164,578</b>	<b>\$ 7,801,164,578</b>



**YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON**

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
<b>TOTAL PORTFOLIO</b>	<b>\$7,819,039,313</b>	<b>\$6,942,691,292</b>

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

	Quarter Ended 12/31/2021	Quarter Ended 03/31/2022	Quarter Ended 06/30/2022	Quarter Ended 09/30/2022	Totals
<b><u>Average Daily Balances of Funds</u></b>					
General Fund	\$ 3,771,955,037	\$ 4,345,670,001	\$ 4,844,606,918	\$ 4,209,627,676	\$ 4,292,964,908
All Funds	5,664,307,505	6,357,846,464	6,996,109,389	7,585,840,061	6,651,025,855
<b><u>Annualized Interest Rate</u></b>					
Cash Basis (see Note 1)	0.2676%	0.8921%	0.8283%	1.1212%	0.7773%
Accrual Basis	0.2882%	0.9114%	0.8374%	1.1388%	0.7939%
<b><u>Interest Distribution for General Fund (Cash Basis)</u></b>					
General Fund Interest Collected	2,253,467	8,582,767	9,123,073	11,665,497	31,624,804
General Fund Interest Revenue - Distributed	2,253,467	8,582,767	9,123,073	11,665,497	31,624,804
Undistributed General Fund Interest Revenue	-	-	-	-	-
<b><u>Interest Distribution for All Funds (Cash Basis)</u></b>					
All Funds Interest Collected	4,379,209	15,558,282	15,348,586	21,021,765	56,307,842
All Funds Interest Revenue - Distributed	4,379,389	15,558,461	15,348,729	21,021,765	56,308,344

**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.

**Note 2**





## INVESTMENTS

LOCAL GOVERNMENT  
INVESTMENT POOL  
FISCAL YEAR 2023  
QUARTER 1

### 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, 2022, there were 87 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.

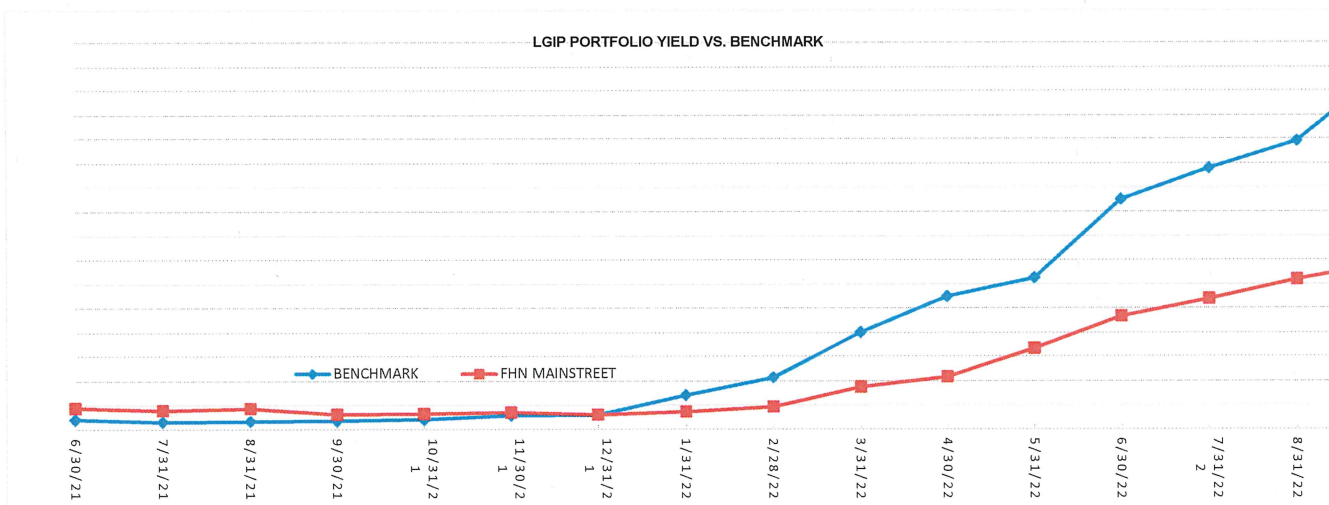
### Investment Guidelines

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 18.4% of the fund matures on a daily basis, ensuring sufficient liquidity to meet both anticipated and unanticipated withdrawals. Additionally, approximately 54.21% 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 Sept 30, 2022, the LGIP's portfolio book yield was 1.71%, and the blended benchmark was 3.7%. The average days to maturity of the LGIP portfolio was 142 days.



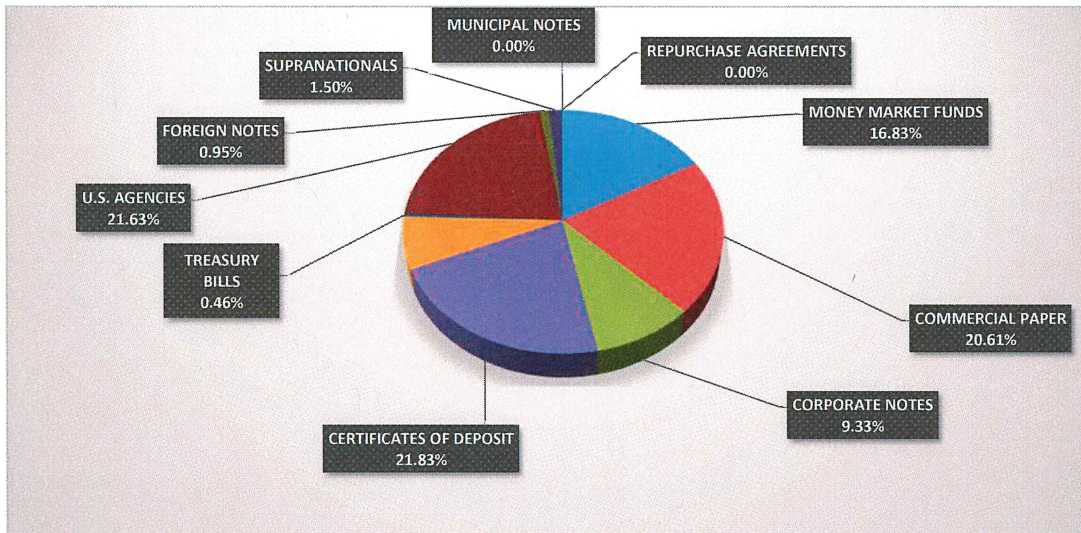
\* Benchmark is 3-month rolling weighted average of 55% Dealer Commercial Paper 150-Day Index, 30% Agency Note 180 Day Index, and 15% Dreyfus Institutional Preferred Government Money Market Fund.

\*\*Benchmark was updated July 2020. This graph represents that change. June 2020 and prior shows the old benchmark.

## 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>September 30, 2022</u>		<u>June 30, 2022</u>	
	<u>Amortized Book</u>	<u>Purchased Interest</u>	<u>Amortized Book</u>	<u>Purchased Interest</u>
MONEY MARKET FUNDS	\$ 354,616,025	\$ -	\$ 393,253,368	\$ -
COMMERCIAL PAPER	434,110,667	-	471,753,307	-
CORPORATE NOTES	196,371,624	99,545	212,162,185	93,874
CERTIFICATES OF DEPOSIT	460,000,000	-	280,000,000	-
SUPRANATIONALS DISCOUNTS	-	-	-	-
TREASURY NOTES	144,618,107	-	134,675,413	138
TREASURY BILLS	9,719,083	-	104,990,400	-
U.S. AGENCIES	455,614,054	23,333	281,370,684	-
FOREIGN NOTES	20,005,259	-	20,007,579	-
SUPRANATIONALS	31,590,061	-	41,635,428	-
ASSET-BACKED SECURITIES	-	-	-	-
MUNICIPAL NOTES	-	-	-	-
REPURCHASE AGREEMENTS	-	-	200,000,000	-
TOTAL	\$ 2,106,644,879	\$ 122,878	\$ 2,139,848,364	\$ 94,012
GRAND TOTAL	\$ 2,106,644,879	\$ 122,878	\$ 2,139,848,364	\$ 94,012



## YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	<u>September 30, 2022</u>	<u>June 30, 2021</u>
TOTAL PORTFOLIO	\$2,106,767,757	\$2,196,511,901