

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

April 20, 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: Joe Lombardo, Governor of the State of Nevada

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

3. **For discussion and possible action:** on the Board of Finance minutes from the meeting held on February 23, 2023.

Presenter: Joe Lombardo, Governor of the State of Nevada

4. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$24,000,000 of Multi-Unit Housing Revenue Bonds (Buffalo & Cactus Apartments), for the purpose of construction of a 125-unit senior affordable housing rental project in Clark County, Nevada. The Buffalo and Cactus project was originally approved by the Board of Finance in December of 2022 for an amount of up to \$22,500,000 in Multi-Unit Housing Revenue Bonds.

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

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 \$49,000,000 of Multi-Unit Housing Revenue Bonds (James Down Towers Apartments), for the purpose of construction of a 200-unit senior affordable housing rental project in Clark County, Nevada. The James Down Towers project was originally approved by the Board of Finance in December of 2022 for an amount of up to \$42,000,000 in Multi-Unit Housing Revenue Bonds.

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

6. **Informational Item:** regarding the State Treasurer's quarterly investment report for the quarter ended December 31, 2022.

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

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

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

8. Public Comment.
Comments from the public are invited at this time. Pursuant to NRS 241.020(3)(d)(7), the Board intends to limit to 3 minutes the time for an individual to speak and reserves the right to impose other reasonable restrictions on place or manner for such comment. No restriction will be imposed based on viewpoint. Comments will only be received on matters relevant to the Board's jurisdiction. The Board may discuss but is precluded from acting on items raised during Public Comment that are not on the agenda.

ADJOURNMENT

Notes:

Items may be taken out of order; items may be combined for consideration by the public body, and items may be pulled or removed from the agenda at any time.

Prior to the commencement and conclusion of a quasi-judicial proceeding that may affect the due process rights of an individual, the Board may refuse to consider public comment. See NRS 233B.126.

The State Board of Finance is pleased to make reasonable accommodations for persons with physical disabilities. Please call (775) 684-5753 if assistance is needed.

Lori Hoover, Secretary to the Board, may be contacted at (775) 684-5753 to obtain copies of supporting materials, which are available to the public at 101 N. Carson St., Suite 4, Carson City, NV 89701.

THIS AGENDA HAS BEEN POSTED IN THE FOLLOWING PUBLIC LOCATIONS:

- **Capitol Building, 1st & 2nd Floors, Carson City, Nevada**
- **Legislative Building, Carson City, Nevada**
- **Nevada State Library, Carson City, Nevada**
- **Blasdel Building, Carson City, Nevada**
- **Grant Sawyer Building, Las Vegas, Nevada**

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

STATE BOARD OF FINANCE
February 23, 2022 – 1:00 PM
Summary Minutes

Location:

Via videoconference at the following locations:

Old Assembly Chambers
Capitol Building, Second Floor
101 N. Carson Street
Carson City, NV 89701

Governor's Office Conference Room
555 E Washington Avenue, Suite 5100
Las Vegas, NV 89101

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

Board members present:

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

Others present:

Lori Hoover:	Treasurer's Office
Erik Jimenez:	Treasurer's Office
Steven Hale:	Treasurer's Office
Emily Nagel:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Chase NcNamara	Governor's Office
Greg D. Ott	Attorney General's Office
Steve Aichroth:	Nevada Housing Division
Catherine Byrne:	Nevada Housing Division
Alan Molasky:	Ovation
Lorri Murphy:	Ovation
Ariel Estrada:	Praxis Consulting
Eric Novak:	Praxis Consulting
Fred Eoff:	PFM
Ryan Patterson:	Vintage Housing
Daigo Ishikawa:	Nevada HAND
Michael Snodgrass:	Oikos Development
Chico Clark:	Oikos Development
Ruben Esqueda:	Blue Ridge Atlantic Development

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 election of Chair for the Board of Finance.

Treasurer Conine moved to elect Governor Lombardo as Chair for the Board of Finance and a second from Member Edwards. Motion passed unanimously.

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

Treasurer Conine moved to approve the minutes and a second from Member Navarro. Motion passed unanimously.

Agenda Item 5 – For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$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).

Administrator Steve Aichroth with the Nevada Housing Division presented the 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 for the Sierra Flats Apartments. He noted that the bonds will be used for the new construction of an 80-unit affordable family apartment complex in Carson City on Butti Way off of Fairview Drive. He stated that the rental housing will continue to serve 80 family households at or below 60% of the area median income. He noted the project is unique as it is a phase (2) of a previously awarded 9% low-income housing tax-credit project that will ultimately serve 160 households for seniors and family. He noted sections (1) through (3) of this item indicate it is for senior housing, however this is specifically for the family housing portion of the project.

Chief Financial Officer Catherine Byrne explained the financial structure. She noted the land is owned by Carson City and will be conveyed for \$50,000. It is led by Oikos Development which is their first bond project in Nevada. She noted it will be in direct placement with R4 Capital and explained the conduit bonds are not a liability of the state or the division but solely of the development group. This project will be receiving \$0.3 million in Home Means Nevada Funds. The estimated tax-credit pricing is \$0.87 (cents).

Treasurer Conine moved to approve Agenda Item 5 and a second from Member Edwards. 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 \$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).

Mr. Aichroth presented 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 for the Pebble and Eastern Apartments. He noted that the bonds will be used for the new construction of a 195-unit senior apartment complex located at the northwest corner of Pebble Road and Eastern Avenue in Las Vegas. He stated that the rental housing will continue to serve 195 senior households at or below 60% of the area median income with 135 units serving 50% and 20 units serving 30%. The development is located on a 5.0-acre parcel currently owned by the federal government.

Ms. Bryne explained the financial structure noting the developer is Ovation and if approved this will be their 14th affordable senior community in Southern Nevada. It is a direct placement with Citi Bank. Citi Bank has worked with over 20 projects approved by the Board of Finance in the past 10 years. She noted they are conduit bonds that are not a liability of the state or the division but solely of the development group. This development is receiving Clark County Community Housing Funds of \$6 million that will also receive funding from the Federal Home Loan Bank.

Treasurer Conine moved to approve Agenda Item 6 and a second from Controller Matthews. Motion passed unanimously.

Agenda Item 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).

Mr. Aichroth presented 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 for the Altitude by Vintage Apartments. These bonds will be used to provide for the acquisition and renovation of a 293-unit affordable family apartments. He noted that it will consist of (3) complexes all adjacent to each other in Northwest Reno where all units were constructed roughly 30 years ago. The rehabilitation will include bringing the units up to modern standards including cabinets, countertops, lighting, painting, flooring, and appliances. Through this process they will be able to extend the affordability period on these units for an additional 30 years.

Ms. Byrne stated the development team is led by Vintage Housing and Greenstreet. They have developed over 3,000 affordable units in the Truckee Meadows in the past 10 years. She noted the bonds will be marketed and sold to the public and are fully secured by Fannie Mae MBS and are cash collateralized. She explained that this structure has become more popular in recent years and the Board has approved several in the last 2-3 years. They are conduit bonds that are not a liability of the state or the division but solely of the development group. She noted the tax-credit pricing is estimated to be \$0.89 (cents).

Governor Lombardo inquired as to why this structure is more popular.

Mr. Aichroth explained that often developers will work specifically with an entity that they know will purchase the bonds within the direct placement structure. He noted this one is a bit more open-competitive but secured and provides another avenue to ensure that they are

getting the correct placement of the bonds.

Treasurer Conine moved to approve Agenda Item 7 and a second from Member Navarro. 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 \$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).

Mr. Aichroth presented 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 for the Desert Rose Apartments. These bonds will be used to provide for the acquisition and renovation of a 237-unit affordable family apartments in Central Las Vegas. He noted 198 of the units are at 60% area median income with 24-units slated for 30%. The current properties are unrestricted but through the acquisition and rehabilitation process they will be able to guarantee affordable living for 30 years. They were built in 1978 and will receive all upgrades.

Ms. Byrne noted the development team is led by Blue Ridge Atlantic Development (BRAD) and the \$42 million is proposed as a direct bond placement by Citi Bank. This is BRAD's first application before the Board but have codeveloped projects in (8) states creating over 8,000 units of affordable supportive housing. RBC Community Investment is the tax credit investor with (4) properties in Southern Nevada and almost 100,000 homes nationally in (49) states. She noted the project has been awarded \$12 million in Clark County Community Funds and the anticipated price per tax credit dollar is \$0.92 (cents).

Treasurer Conine inquired about the tax credit.

Mr. Aichroth explained it's based on the market to see what the investment will support driven by the project.

Treasurer Conine commended the division for all of their work in bringing in new developers from other states who have proven their work and will now be a part of Nevada.

Treasurer Conine moved to approve Agenda Item 8 and a second from Controller Matthews. Motion passed unanimously.

Agenda Item 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.

Chief Deputy Lori Hoover presented the request to approve the outside bank account with America First Credit Union. She noted that the Treasurer's office was notified on December 14, 2022, by the Department of Conservation and Natural Resources that the Washington Federal branch located in

Overton, Nevada will be closing on February 24, 2023. Nevada State Parks and the Nevada Division of Museums History agencies use the Washington Federal Institution for their deposits combining over \$10,000 daily mostly consisting of cash. She noted due the large amount of cash deposited daily it's not an option for electronic deposits into the Wells Fargo Bank under the state's master service agreement or MSA. In addition, armored car pickups for those two locations would not be feasible as it would cost the state an unbudgeted \$4,500 per month. The State Treasurer's Office exhausted all possible options to accommodate deposits for these agencies under the current MSA and therefore was required to find another financial institution in Overton to ensure compliance with NRS 353.250 which requires that deposits greater than \$10,000 in one day must be deposited no later than the next working day. She noted that on January 27, 2023, the State Treasurer's Office entered into an agreement with America First Credit Union in Overton, Nevada. Per NRS 356.011, all bank accounts opened in financial institutions outside of the state's master service agreement (currently in place with the Wells Fargo Bank) must be approved by the Board. Therefore, the State Treasurer's Office requests the Board of Finance to approve the state account with America First Credit Union Overton branch as it is the only financial institution within 50 miles of those two agency locations.

Governor Lombardo asked if they have any history with America First.

Ms. Hoover stated that they do not have history with them.

Treasurer Conine stated there is a collateral requirement for anyone holding state depository money and that America First would be part of that process to have all protections necessary to ensure state dollars are protected.

Ms. Hoover echoed Treasurer Conine's comment and stated they ensured the institution met all requirements of the collateral pool.

Controller Matthews moved to approve Agenda Item 9 and a second from Member Edwards. Motion passed unanimously.

Agenda Item 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.

Deputy Treasurer of Investments Steven Hale presented the quarterly investment report ending on September 30, 2022, and the policies for the General Portfolio Local Government Investment Pool. He reviewed page (97) of the materials where U.S. Treasury yields jumped almost (80) basis points during the quarter and closed the quarter at 3.83%. Over the same period, 1-month T-Bill rates increased from 1.28% to 2.79%. He reviewed page (98) of the materials showing LGIP assets under management of \$2.1 billion with the yield to maturity of 1.71% which is approximately (199) basis points below the benchmark yield of 3.70%. He noted the General Portfolio assets under management had a \$7.8 billion market value with 79% managed internally and 21% managed externally by Buckhead Capital Management and Western Asset Management. He noted the overall portfolio yield to maturity for the quarter was 1.2%. He reviewed page (100) showing the interest distributed from the earnings of the General Portfolio from fiscal year 2020 to current.

Treasurer Conine noted the yields have been increasing significantly since the end of the September quarter and inquired on how it is looking now.

Mr. Hale noted the overall interest for the portfolio is growing strongly from this point through 2024. He noted the front end of the curve of the federal reserve is driving what is happening and appears they will be pushing yields to about 5.5% and holding there until the beginning of next year. He stated if that is the case then most of the funds they have invested are going to benefit greatly. He explained they also are putting a great deal of money into the 1-to-2-year part of the curve. He reviewed the last quarter in 2022 and how it has gotten better overtime.

Member Edwards moved to approve Agenda Item 10 and a second from Member Navarro. Motion passed unanimously.

Agenda Item 11- Public Comment

No public comment in Carson City or Las Vegas.

Governor Lombardo thanked everyone for their participation and congratulated them on all items.

Treasurer Conine moved to adjourn at 1:26 pm and a second from Member Edwards. Motion passed unanimously.

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

DATE: April 20, 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 (Buffalo & Cactus Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

- A. Time and Place of Meeting:
- 1:00 p.m., Thursday, April 20, 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 (Buffalo & Cactus Apartments).
- C. The Findings relate to the issuance of up to \$24,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 125-unit senior apartment complex in Clark County located at the Southwest corner of Buffalo Drive and Cactus Avenue in Clark County, Nevada (the Project).
- D. The Housing Division will issue up to \$24 million of multi-unit housing revenue bonds which is proposed as a direct bond purchase by Capital One and Citibank. The financing structure will consist of two components with the construction loan provided by Capital One and permanent loan provided by Citibank. The construction loan amount is projected to be approximately \$20 million. Loan proceeds will be advanced to the Borrower as needed to fund construction expenditures. Monthly debt service payments will be interest only. At conversion to the permanent period loan the outstanding construction loan balance will be reduced to approximately \$7,250,000 from proceeds of the Citibank permanent loan and additional tax credit equity installments. The borrower entity is expected to be a limited partnership consisting of Nevada HAND, Inc as a 0.01% General Partner and Raymond James Tax Credit Funds (“RJTCF”) as 99.99% investor limited partner. RJTCF will provide an equity investment of approximately \$19 million to the partnership 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 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. Buffalo and Cactus project was originally approved at Board of Finance in December 2022 for an amount up to \$22.5 million in Multi-Unit Housing Revenue Bonds.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as “Multi-Unit Housing Revenue Bonds (Buffalo & Cactus 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
Buffalo & Cactus 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 seniors can afford within the Las Vegas, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will increase the supply and improve the quality of decent, safe and sanitary rental housing for eligible seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Las Vegas, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

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

BY: _____
Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____



March 30, 2023 (Amending prior submittal dated October 10, 2022)

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

Re: Multi-Unit Housing Revenue Bonds
(Buffalo & Cactus 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 Buffalo & Cactus Apartments project (“Project”). The Division will be requesting authorization for issuance of up to \$24,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of this new affordable senior housing property in Las Vegas. This amendment is being submitted to request additional tax-exempt bond capacity due to unexpected increases to Project construction costs. There have been no other substantive changes to the Project characteristics or participants since the initial application.

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 proposed financing with representatives of the borrower, lender, and Division staff.

The financing is proposed as a mixed provider direct placement fixed rate financing with Capital One Bank (“Capital One”) and Citibank N.A. (“Citibank”) which provides both construction and permanent financing. The financing and operating projections are reviewed in detail in Exhibits A and B.

The proposed Project is viewed positively in the local community and has been 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 are critical to successful completion of the funding strategy at the proposed restricted income levels.

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

The following Exhibits A & B have been prepared by PFM. Exhibit C was submitted by the Borrower.

Exhibit A: Project Overview, Plan of Finance and Bond/Loan Term Summary

Exhibit B: Operating Proforma

Exhibit C: Borrower Finance Plan Statement

Sincerely,

PFM Financial Advisors LLC

Fred Eoff, *Director*

Project Overview and Plan of Finance

The Project

The Project consists of original new construction of an affordable senior rental community located in Las Vegas at the SW corner of Buffalo Drive and Cactus Avenue. This property will be a 125-unit facility situated on a 3.84-acre site. It will consist of a mix of one-bedroom and two-bedroom units in a two-story building. Unit size and rent restrictions for the property are provided in Table A. Additional amenities include a community room, exercise room, computer lap and pool.

Table A: Project Unit & Rent Profile					
Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent ¹	Total Monthly Revenue	Total Annual Revenue
<u>1 Bedroom</u>					
< 30% AMI	8	648	\$ 460	\$ 3,680	\$ 44,160
< 60% AMI	68	648	\$ 921	\$ 62,628	\$ 751,536
<u>2 Bedroom</u>					
< 30% AMI	5	825	\$ 552	\$ 2,760	\$ 33,120
< 60% PBV	44	825	\$ 1,105	\$ 48,620	\$ 583,440
Total Project Units	125			\$ 117,688	\$ 1,412,256
¹ 2022 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)				Ancillary Income	\$ 9,300

Project Sponsor

Nevada HAND, Inc
295 East Warm Springs Road, Suite 101
Las Vegas, NV 89119

Nevada H.A.N.D, Inc is a real estate development firm whose primary mission is to provide development services for low-income housing projects. Their focus is primarily on the development and management of properties throughout Clark County and the cities of Las Vegas, North Las Vegas, and Henderson. Their portfolio includes 10 family affordable projects consisting of 1,807 units and 26 senior housing projects containing 2,291 units. Nevada H.A.N.D. has previously successfully completed financings for rehabilitation of several of these projects.

Borrower Entity and Equity Investor

The borrower entity is expected to be a limited partnership consisting of Nevada HAND, Inc as a 0.01% General Partner and Raymond James Tax Credit Funds ("RJTCF") as 99.99% investor limited partner. RJTCF will provide an equity investment of approximately \$19,006,000 to the partnership 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. Equity advances to the partnership are estimated to be approximately as follows:

- 1st Installment \$1,900,000 at Closing (July 2023)
- 2nd Installment \$16,906,000 at stabilized operations (Oct 2025)
- 3rd Installment \$200,000 at receipt of Form 8609

Contractor

HAND Construction Company
295 East Warm Springs Road, Suite 101
Las Vegas, NV 89119

HAND Construction Company is a not-for-profit subsidiary of Nevada HAND Inc. and specializes in new residential and commercial construction, and rehabilitation of low-income housing.

Property Management

HAND Property Management Company
295 East Warm Springs Road, Suite 101
Las Vegas, NV 89119

HAND Property Management Company is an affiliated non-profit company of Nevada HAND, Inc. and provides management services for low-income family and senior housing projects. They are a HUD-approved management agent and an Accredited Management Organization (AMO) through the Institute of Real Estate Management.

Debt Plan of Finance:

The financing is proposed as a direct bond purchase by Capital One and Citibank. The financing structure will consist of two components with the construction loan provided by Capital One and permanent loan provided by Citibank.

The construction loan amount is projected to be approximately \$20,000,000. Loan proceeds will be advanced to the Borrower as needed to fund construction expenditures. Monthly debt service payments will be interest only.

At conversion to the permanent period loan the outstanding construction loan balance will be reduced to approximately \$7,250,000 from proceeds of the Citibank permanent loan and additional tax credit equity installments. Greater detail regarding both loan components is included in the Bond/Loan Term Summary section.

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at \$250/unit/year (subject to a property condition survey). 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 \$408,000.

Table B: Sources and Uses of Funds

Sources of Funds			
	Construction Phase	Permanent Phase	
NHD Bond Proceeds (Exempt)	\$ 19,939,391	\$ 7,250,000	
LIHTC Equity	\$ 1,900,575	\$ 19,008,352	
Clark County CHF	\$ 8,550,000	\$ 8,550,000	
Home Means Nevada Loan	\$ 8,100,000	\$ 8,100,000	
City of Las Vegas HOME Loan	\$ 1,000,000	\$ 1,000,000	
Deferred Developer Fee		\$ 1,974,522	
	\$ 39,489,966	\$ 45,882,874	

Uses of Funds			
			\$/Unit
Land Cost	\$ 4,692,841	\$ 4,692,841	\$ 37,543
Construction Hard Costs	\$ 28,277,087	\$ 28,277,087	\$ 226,217
Soft Costs	\$ 2,240,757	\$ 2,240,757	\$ 17,926
Construction Period Interest	\$ 2,774,802	\$ 2,774,802	\$ 22,198
Contingencies	\$ 1,504,479	\$ 1,504,479	\$ 12,036
Operating & Repair Reserves		\$ 408,408	\$ 3,267
Developer Fee		\$ 5,984,500	\$ 47,876
	\$ 39,489,966	\$ 45,882,874	\$ 367,063

Bond/Loan Term Summary

Lenders: Citibank, N.A.
Capital One Bank, N.A.

Principal Amount: **Construction Phase:**

- Estimated at approximately \$20,000,000
- Payments are monthly interest only through Conversion which is estimated to be 27 months following the Closing date.

Permanent Phase:

- Not to exceed 85% loan to value based on the “as-stabilized” final appraised value of the Project.
- Minimum debt coverage ratio of 1.15x.
- Amortization factor of 40 years.
- Loan expected to be approximately \$7,250,000

Bond/Loan Structure: During the construction period, loan proceeds will be advanced by Capital One to the Trustee on a draw-down basis to meet Project disbursement requirements. The Trustee will advance loan proceeds to the Borrower pursuant to the Loan Agreement. Upon satisfaction of conversion criteria, Citibank will advance permanent loan proceeds which together with the final installment of tax credit equity will be used to retire the Capital One construction loan.

Bond/Loan Rates: **Construction Phase:**

- Interest will be variable through Conversion
- The Capital One construction loan rate will be 1-Month Term SOFR plus 165 bp. As of 3/28/23 the estimated rate would be 6.46% (not including Division and Trustee fees).

Permanent Phase:

- The rate will be fixed at Closing for the period of conversion through the mandatory redemption date.
- *Rate Formula:* 18-year LIBOR Swap Index (subject to a floor of 0.75%) plus a spread of 2.10%. As of 3/28/23 the loan rate is estimated to be 5.38% (not including Division and Trustee fees).

Interest Payments:	Monthly. Loan is interest only through Conversion which is estimated to be 30 months following the Closing Date.
Principal Payments:	Monthly, commencing with the 1 st month following Conversion.
Redemption:	<p>1) The permanent loan is not subject to optional prepayment by the Borrower until the 10th year following the Conversion Date. Thereafter the loan may be prepaid at any time at par (100%).</p> <p>2) The permanent loan is also subject to mandatory repayment at par (100%) at the end of the 17th year following the Closing Date.</p>
Indenture Funds:	<p>1) Project Fund</p> <p> a) Tax-Exempt Bonds Account</p> <p>2) Cost of Issuance Fund</p> <p>3) Expense Fund</p>
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p>
Rating:	Not rated

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
INCOME ¹													
Annual Gross Rental Income	\$ 1,498,697	\$ 1,528,671	\$ 1,559,245	\$ 1,590,430	\$ 1,622,238	\$ 1,654,683	\$ 1,687,777	\$ 1,721,532	\$ 1,755,963	\$ 1,791,082	\$ 1,826,904	\$ 1,863,442	\$ 1,900,711
Other: Ancillary Revenue	\$ 9,869	\$ 10,067	\$ 10,268	\$ 10,473	\$ 10,683	\$ 10,896	\$ 11,114	\$ 11,337	\$ 11,563	\$ 11,795	\$ 12,031	\$ 12,271	\$ 12,517
Total Residential Income	\$ 1,508,567	\$ 1,538,738	\$ 1,569,513	\$ 1,600,903	\$ 1,632,921	\$ 1,665,579	\$ 1,698,891	\$ 1,732,869	\$ 1,767,526	\$ 1,802,877	\$ 1,838,934	\$ 1,875,713	\$ 1,913,227
Less: Residential Vacancy/Discounts	\$ (75,428)	\$ (76,937)	\$ (78,476)	\$ (80,045)	\$ (81,646)	\$ (83,279)	\$ (84,945)	\$ (86,643)	\$ (88,376)	\$ (90,144)	\$ (91,947)	\$ (93,786)	\$ (95,661)
Proforma Gross Income	\$ 1,433,138	\$ 1,461,801	\$ 1,491,037	\$ 1,520,858	\$ 1,551,275	\$ 1,582,300	\$ 1,613,946	\$ 1,646,225	\$ 1,679,150	\$ 1,712,733	\$ 1,746,988	\$ 1,781,927	\$ 1,817,566
EXPENSES ¹													
General Administrative	\$ 81,955	\$ 84,413	\$ 86,946	\$ 89,554	\$ 92,241	\$ 95,008	\$ 97,858	\$ 100,794	\$ 103,818	\$ 106,932	\$ 110,140	\$ 113,444	\$ 116,848
Operating & Maintenance	\$ 273,182	\$ 281,377	\$ 289,819	\$ 298,513	\$ 307,468	\$ 316,693	\$ 326,193	\$ 335,979	\$ 346,058	\$ 356,440	\$ 367,133	\$ 378,147	\$ 389,492
Staff Payroll & Benefits	\$ 218,545	\$ 225,102	\$ 231,855	\$ 238,810	\$ 245,975	\$ 253,354	\$ 260,955	\$ 268,783	\$ 276,847	\$ 285,152	\$ 293,707	\$ 302,518	\$ 311,593
Property Management	\$ 71,657	\$ 73,090	\$ 74,552	\$ 76,043	\$ 77,564	\$ 79,115	\$ 80,697	\$ 82,311	\$ 83,957	\$ 85,637	\$ 87,349	\$ 89,096	\$ 90,878
Taxes & Insurance	\$ 81,955	\$ 84,413	\$ 86,946	\$ 89,554	\$ 92,241	\$ 95,008	\$ 97,858	\$ 100,794	\$ 103,818	\$ 106,932	\$ 110,140	\$ 113,444	\$ 116,848
Replacement Reserves	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643	\$ 73,792	\$ 76,006	\$ 78,286	\$ 80,635	\$ 83,054	\$ 85,546	\$ 88,112	\$ 90,755
Proforma Operating Expenses	\$ 790,947	\$ 813,959	\$ 837,647	\$ 862,031	\$ 887,131	\$ 912,970	\$ 939,567	\$ 966,947	\$ 995,133	\$ 1,024,147	\$ 1,054,015	\$ 1,084,762	\$ 1,116,414
Senior Debt Service	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612
Debt Service Coverage	139%	140%	141%	142%	143%	144%	145%	147%	148%	149%	149%	150%	151%
Residual Receipts	\$ 178,579	\$ 184,230	\$ 189,778	\$ 195,215	\$ 200,532	\$ 205,719	\$ 210,767	\$ 215,666	\$ 220,405	\$ 224,973	\$ 229,360	\$ 233,553	\$ 237,539
LP Asset Mgt Fee	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524	\$ 6,720	\$ 6,921	\$ 7,129	\$ 7,343	\$ 7,563	\$ 7,790
DDF Payments	\$ 173,115	\$ 178,602	\$ 183,982	\$ 189,245	\$ 194,382	\$ 199,385	\$ 204,243	\$ 208,946	\$ 213,484	\$ 217,845	\$ 11,294	\$ -	\$ -
DDF Balance	\$ 1,801,407	\$ 1,622,804	\$ 1,438,823	\$ 1,249,578	\$ 1,055,196	\$ 855,811	\$ 651,568	\$ 442,622	\$ 229,139	\$ 11,294	\$ -	\$ -	\$ -
Surplus Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,723	\$ 225,990	\$ 229,750

¹ 2026 is the projected first year
of stabilized operations

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	5.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$1,974,522
GAHP Loan:	\$0

Permanent Loan Amount	\$7,250,000
Loan Term	40
Core Loan Rate	5.45%
NHD & Trustee Factor	0.30%
Total Loan Rate	5.75%
Annual Debt Service	\$463,612

	2039	2040	2041	2042	2043
<u>INCOME</u>¹					
Annual Gross Rental Income	\$ 1,938,725	\$ 1,977,499	\$ 2,017,049	\$ 2,057,390	\$ 2,098,538
Other: Ancillary Revenue	\$ 12,767	\$ 13,022	\$ 13,283	\$ 13,548	\$ 13,819
Total Residential Income	\$ 1,951,492	\$ 1,990,522	\$ 2,030,332	\$ 2,070,939	\$ 2,112,357
Less: Residential Vacancy/Discounts	\$ (97,575)	\$ (99,526)	\$ (101,517)	\$ (103,547)	\$ (105,618)
Proforma Gross Income	\$ 1,853,917	\$ 1,890,996	\$ 1,928,815	\$ 1,967,392	\$ 2,006,740
<u>EXPENSES</u>¹					
General Administrative	\$ 120,353	\$ 123,964	\$ 127,682	\$ 131,513	\$ 135,458
Operating & Maintenance	\$ 401,177	\$ 413,212	\$ 425,608	\$ 438,377	\$ 451,528
Staff Payroll & Benefits	\$ 320,941	\$ 330,570	\$ 340,487	\$ 350,701	\$ 361,222
Property Management	\$ 92,696	\$ 94,550	\$ 96,441	\$ 98,370	\$ 100,337
Taxes & Insurance	\$ 120,353	\$ 123,964	\$ 127,682	\$ 131,513	\$ 135,458
Replacement Reserves	\$ 93,478	\$ 96,282	\$ 99,171	\$ 102,146	\$ 105,210
Proforma Operating Expenses	\$ 1,148,998	\$ 1,182,541	\$ 1,217,071	\$ 1,252,619	\$ 1,289,214
Senior Debt Service	\$463,612	\$463,612	\$463,612	\$463,612	\$463,612
Debt Service Coverage	152%	153%	154%	154%	155%
Residual Receipts	\$ 241,307	\$ 244,843	\$ 248,132	\$ 251,160	\$ 253,913
LP Asset Mgt Fee	\$ 8,024	\$ 8,264	\$ 8,512	\$ 8,768	\$ 9,031
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ 233,284	\$ 236,578	\$ 239,620	\$ 242,393	\$ 244,883

¹ 2026 is the projected first year
of stabilized operations

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


The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above-named project.

Sponsor/Borrower Statement:

Capital One opened its first retail bank branch in the state of Nevada in November 2021. This new presence in the state has opened up new opportunities for Capital One to pursue community reinvestment lending and investing prospects in Clark County. Since this opening, Capital One's Community Finance department has been in discussion with Nevada HAND about their development pipeline. Capital One provided Nevada HAND with a debt and equity offer on a prior transaction, and provided a debt support letter for another project's tax credit application. Capital One has shown Nevada HAND consistent interest and support for all of their recent projects.

Capital One was able to provide much more of a competitive debt and equity offer on Buffalo Cactus, and has selected Raymond James to facilitate its proprietary investment. One of the advantages to utilizing a proprietary execution is that Capital One is able to do both the debt and equity on a 4% bond deal, like Buffalo Cactus. Raymond James has invested in several of Nevada HAND's prior projects, and this existing relationship will play an integral role in facilitating the closing with Capital One as a new financial partner for HAND. Capital One's Community Finance department is also uniquely structured in that the debt and equity underwriting and closing is handled by the same team, which will help provide a smoother execution.

Capital One has historically provided additional support to nonprofit developer partners, like Nevada HAND. Capital One's Community Finance department also has the ability to offer social purpose grants to cover resident services, financial literacy courses, and digital access. Capital One really strives to invest in organizations whose missions align with theirs and prioritize supporting impactful developments over volume and financial returns.


By Ralph Murphy
Title Sr. Vice President of Real Estate Development
Firm Nevada HAND

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

Development: Buffalo & Cactus Apartments

Development Type: New Construction

Board of Finance Meeting Date:
04.20.2023

Administrator's Summary

This bond issuance will be used to provide for the construction of a 125-unit affordable senior apartment complex in Las Vegas. The rental housing will serve 125 households at or below 60% of area median income. Amenities will include a community room, exercise room, computer lab and pool. This project will create new affordable units which will retain the rent restrictions for 30 years. Nevada H.A.N.D., Inc. is a Nevada based agency and has had eight prior applications before the Board of Finance since 2014.

100% Affordable Rents: 112 units <60% AMI, 0 units <50% AMI, 0 units <40% AMI, 13 units <30% AMI
1-bedroom units = 76, 2-bedroom units = 49, 3-bedroom units = 0
1-bedroom rents \$552 less than market rate
2-bedroom rents \$704 less than market rate

Developer – Nevada H.A.N.D., Inc.; **Equity Investor** – Raymond James **Permanent Loan** – Citibank
\$24M in Bond Proceeds leverages \$19M in LIHTC Equity (41.4% of total development cost)

	Buffalo & Cactus	Program Average	Notes
Total Tax-exempt Bond ask	\$24,000,000	36,166,667	
Total Development Cost	\$45,882,874	\$69,092,379	Average of previous 9 new construction projects approved
Size of site	3.84 Acres	7.22 Acres	38 Units per acre average
Total # of Units	125	228	Average of previous 9 new construction projects approved
Cost Per Unit	\$367,063	\$314,825	Average of previous 9 new construction projects approved
Bond Cap used Per Unit	\$192,000	\$164,658	Average of previous 9 new construction projects approved
Percentage of Units above 60% AMI	n/a	n/a	No Units in this project
Percentage of Units at 60% AMI	89.6%	89.4%	112 Units in this project
Percentage of Units at 50% AMI	0%	9.2%	No Units in this project
Percentage of Units at 40% AMI	0%	0.2%	No Units in this project
Percentage of Units at 30% AMI	10.4%	1.2%	13 Units in this project
Veteran's Preference	Yes	n/a	This has only been allowable since 2019
Length of Affordability Restrictions	30 years	30 years	

	Buffalo & Cactus	Market Rate	
1 Bedroom Rent	\$691 Average	\$1,242	Rent.com
2 Bedroom Rent	\$829 Average	\$1,533	JPG Data

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

DATE: April 20, 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 (James Down Towers Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

Thursday, April 20, 2023 at 1:00pm 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 (James Down Towers Apartments).

C. The Findings relate to the issuance of up to \$49 million in multi-unit housing revenue bonds to provide an affordable housing opportunity for acquisition and rehabilitation of a 200-unit senior apartment complex in Clark County located at 5000 Alta Drive in Las Vegas (the Project).

D. The Housing Division will issue up to \$49 million of multi-unit housing revenue bonds which is proposed as a direct bond purchase by Citibank. The bonds are expected to be reduced to approximately \$18.7 million following completion of construction and permanent loan conversion. The borrower/ownership entity will be James Down Towers LLC. The 0.01% Managing Member of the LLC will be a sole purpose limited liability company, James Down Towers Manager LLC, whose sole manager will be AHP, Inc. Wells Fargo. will be the 99.99% Investor Member and will provide an equity investment of approximately \$42.5 million in exchange for 4% low-income housing tax credits to be allocated to the Project. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this acquisition and rehabilitation housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended. The James Down Towers project was originally approved by the Board of Finance in December 2022 for an amount up to \$42 million in Multi-Unit Housing Revenue Bonds.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as “Multi-Unit Housing Revenue Bonds (James Down Towers 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
James Down Towers 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 seniors can afford within the Las Vegas, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will increase the supply and improve the quality of decent, safe and sanitary rental housing for eligible seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Las Vegas, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

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

BY: _____
Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____



March 29, 2023 (Amended from prior 10/14/2022 submittal)

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

Re: Multi-Unit Housing Revenue Bonds
(James Down Towers 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 James Down Towers Apartments project (“Project”). The Division is requesting authorization from the State of Nevada Board of Finance for issuance of up to \$49,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund the preservation and substantial rehabilitation of this affordable seniors housing property located in Las Vegas, Nevada. The request for additional tax-exempt bond capacity is due to significant unexpected increases in Project construction costs. Other than cost increases the Project is fundamentally unchanged subsequent to the prior approval.

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”). 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 the acquisition and rehabilitation of an existing public housing project property constructed in 1972 and located at 5000 Alta Drive in Las Vegas. The property contains 200 units of senior housing and is situated on a site of approximately 5.28 acres. It is configured with one-bedroom and two-bedroom units, all with project-based rental assistance. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the configuration of the 200 units, size and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile

Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent ¹	Tenant Share Monthly Rent ²	Project Based Section 8 ³	Total Monthly Revenue	Total Annual Revenue
1 Bedroom							
< 50% RAD	79	480	\$ 767	\$ 460	\$ 539	\$ 78,921	\$ 947,052
< 50% PBV	119	480	\$ 767	\$ 460	\$ 813	\$ 151,487	\$ 1,817,844
2 Bedroom							
< 50% PBV	1	828	\$ 921	\$ 552	\$ 978	\$ 1,530	\$ 18,360
<50% PBV	1	828	\$ 921	\$ 552	\$ 668	\$ 1,220	\$ 14,640
Total Project Units	200					\$ 233,158	\$ 2,797,896

¹ 2022 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)

Ancillary Income \$ 7,512

² Assumes 30% of Average Household Income

³ Per HUD Section 8 project contract

Project Developers

Southern Nevada Regional
Housing Authority
340 N. 11th Street
Las Vegas, NV 89101

Affordable Housing Program, Inc
340 N. 11th Street
Las Vegas, NV 89101

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

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

Borrower Entity

The borrower/ownership entity will be James Down Towers LLC. The 0.01% Managing Member of the LLC will be a sole purpose limited liability company, James Down Towers Manager LLC, whose sole manager will be AHP, Inc. Wells Fargo. will be the 99.99% Investor Member and will provide an equity investment of approximately \$42,463,000 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):

- 1st Installment - \$4,246,000 at Closing (April 2023)
- 2nd Installment - \$1,537,000 at 100% completion/placed in service (April 2025)
- 3rd Installment – \$36,430,000 at Conversion to permanent loan (May 2025)
- 4th Installment - \$250,000 at delivery of IRS Form 8609 (Oct 2025)

Contractor

Cobblestone Construction
3830 N. Jones Blvd.
Las Vegas, NV 89108

Benchmark Contracting, Inc. dba Cobblestone Construction has over seventeen years of experience in both commercial and residential construction as well as tenant improvements and renovations/remodels. Its services include commercial, industrial and custom home residential construction, and design-build services. Cobblestone has specialized in commercial renovation/remodeling of multi-family properties.

Property Manager

Southern Nevada Regional Housing Authority will serve as the property manager for this property.

Debt Plan of Finance:

Project financing will be accomplished using permanent debt provided by a direct placement with Citibank. Tax-exempt bonds in an amount not to exceed \$49,000,000 will be issued by the Division. The bonds are expected to be reduced to approximately \$18,700,000 following completion of construction and permanent loan conversion.

Citibank and Wells Fargo will jointly provide a combination of tax-exempt and taxable construction period financing of approximately 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 \$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 \$1,160,000.

Table B: Sources and Uses of Funds

Sources of Funds			
	Construction Phase	Permanent Phase	
NHD Bond Proceeds (Exempt)	\$ 49,000,000	\$ 18,700,000	
Construction Bridge Loan (Taxable), net	\$ 610,233		
LIHTC Equity	\$ 5,782,815	\$ 42,462,687	
Seller Note	\$ 28,215,000	\$ 28,215,000	
SNRHA Loan	\$ 2,000,000	\$ 2,000,000	
City of Las Vegas HOME Loan	\$ 1,000,000	\$ 1,000,000	
Deferred Developer Fee		\$ 6,778,815	
	\$ 86,608,048	\$ 99,156,502	

Uses of Funds			\$/Unit
Land Cost	\$ 4,840,000	\$ 4,840,000	\$ 24,200
Building Acquisition Cost	\$ 23,375,000	\$ 23,375,000	\$ 116,875
Construction Hard Costs	\$ 43,319,885	\$ 43,319,885	\$ 216,599
Soft Costs	\$ 4,091,634	\$ 4,091,634	\$ 20,458
Construction Period Interest	\$ 4,693,726	\$ 4,693,726	\$ 23,469
Contingencies	\$ 4,751,257	\$ 4,751,257	\$ 23,756
Operating & Repair Reserves		\$ 1,160,000	\$ 5,800
Developer Fee	\$ 1,536,546	\$ 12,925,000	\$ 64,625
	\$ 86,608,048	\$ 99,156,502	\$ 495,783

Bond/Loan Term Summary:

Construction Lenders: Wells Fargo Bank and Citibank N.A.

Permanent Lender: Citibank N.A.

Bond Structure:**Construction Phase**

- Estimated at \$49,000,000
- Variable rate at 1-month SOFR (floor of 0.50%) plus 2.00% (exclusive of Division/Trustee fees). Rate adjusts monthly. Rate estimated at 7.20% (as of 3/7/23).
- Bonds are interest only
- Term – 30 months from initial loan closing date, plus one 6-month extension.

Permanent Phase:

- Estimated at \$18,700,000
- Fixed rate at 18-year LIBOR swap rate (floor of 0.75%) plus 2.10% (excluding Division and Trustee fees). Rate will be locked at closing.
- Rate estimated at 5.91% (as of 3/7/23)
- 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 semiannually in advance
2) Trustee Annual Fee @ 0.05% (5 bp) paid semiannually in advance

Bond Rating: Not rated

EXHIBIT B: Operating Proforma

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
INCOME													
Annual Gross Rental Income	\$ 2,910,931	\$ 2,969,150	\$ 3,028,533	\$ 3,089,103	\$ 3,150,885	\$ 3,213,903	\$ 3,278,181	\$ 3,343,745	\$ 3,410,620	\$ 3,478,832	\$ 3,548,409	\$ 3,619,377	\$ 3,691,764
Other: Ancillary Revenue	\$ 7,815	\$ 7,972	\$ 8,131	\$ 8,294	\$ 8,460	\$ 8,629	\$ 8,802	\$ 8,978	\$ 9,157	\$ 9,340	\$ 9,527	\$ 9,718	\$ 9,912
Total Residential Income	\$ 2,918,746	\$ 2,977,121	\$ 3,036,664	\$ 3,097,397	\$ 3,159,345	\$ 3,222,532	\$ 3,286,983	\$ 3,352,722	\$ 3,419,777	\$ 3,488,172	\$ 3,557,936	\$ 3,629,094	\$ 3,701,676
Less: Residential Vacancy/Discounts	\$ (145,937)	\$ (148,856)	\$ (151,833)	\$ (154,870)	\$ (157,967)	\$ (161,127)	\$ (164,349)	\$ (167,636)	\$ (170,989)	\$ (174,409)	\$ (177,897)	\$ (181,455)	\$ (185,084)
Proforma Gross Income	\$ 2,772,809	\$ 2,828,265	\$ 2,884,831	\$ 2,942,527	\$ 3,001,378	\$ 3,061,405	\$ 3,122,633	\$ 3,185,086	\$ 3,248,788	\$ 3,313,764	\$ 3,380,039	\$ 3,447,640	\$ 3,516,592
EXPENSES													
General Administrative	\$ 55,755	\$ 57,427	\$ 59,150	\$ 60,924	\$ 62,752	\$ 64,635	\$ 66,574	\$ 68,571	\$ 70,628	\$ 72,747	\$ 74,929	\$ 77,177	\$ 79,493
Operating & Maintenance	\$ 542,212	\$ 558,479	\$ 575,233	\$ 592,490	\$ 610,265	\$ 628,573	\$ 647,430	\$ 666,853	\$ 686,858	\$ 707,464	\$ 728,688	\$ 750,548	\$ 773,065
Staff Payroll & Benefits	\$ 393,309	\$ 405,108	\$ 417,261	\$ 429,779	\$ 442,672	\$ 455,952	\$ 469,631	\$ 483,720	\$ 498,231	\$ 513,178	\$ 528,574	\$ 544,431	\$ 560,764
Property Management	\$ 166,369	\$ 169,696	\$ 173,090	\$ 176,552	\$ 180,083	\$ 183,684	\$ 187,358	\$ 191,105	\$ 194,927	\$ 198,826	\$ 202,802	\$ 206,858	\$ 210,996
Taxes & Insurance	\$ 53,575	\$ 55,183	\$ 56,838	\$ 58,543	\$ 60,300	\$ 62,109	\$ 63,972	\$ 65,891	\$ 67,868	\$ 69,904	\$ 72,001	\$ 74,161	\$ 76,386
Replacement Reserves	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643	\$ 73,792	\$ 76,006	\$ 78,286	\$ 80,635	\$ 83,054	\$ 85,546	\$ 88,112
Proforma Operating Expenses	\$ 1,209,368	\$ 1,309,546	\$ 1,347,136	\$ 1,385,819	\$ 1,425,628	\$ 1,466,596	\$ 1,508,757	\$ 1,552,146	\$ 1,596,799	\$ 1,642,754	\$ 1,690,048	\$ 1,738,722	\$ 1,788,815
Senior Debt Service	\$ 950,764	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686
Debt Service Coverage		120%	121%	123%	124%	126%	127%	129%	130%	132%	133%	135%	136%
Residual Receipts	\$ 612,677	\$ 251,033	\$ 270,009	\$ 289,023	\$ 308,064	\$ 327,124	\$ 346,191	\$ 365,254	\$ 384,303	\$ 403,324	\$ 422,305	\$ 441,232	\$ 460,092
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	\$ 14,258
DDF Payments	\$ 602,677	\$ 240,733	\$ 259,400	\$ 278,096	\$ 296,809	\$ 315,531	\$ 334,250	\$ 352,956	\$ 371,635	\$ 390,276	\$ 408,866	\$ 427,390	\$ 445,834
DDF Balance	\$ 6,176,138	\$ 5,935,405	\$ 5,676,005	\$ 5,397,909	\$ 5,101,100	\$ 4,785,569	\$ 4,451,318	\$ 4,098,363	\$ 3,726,728	\$ 3,336,451	\$ 2,927,586	\$ 2,500,196	\$ 2,054,362
Surplus Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	6.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$6,778,815
GAHP Loan:	\$0

Permanent Loan Amount	\$18,700,000
Loan Term	40
Core Loan Rate	5.91%
NHD & Trustee Factor	0.30%
Total Loan Rate	6.21%
Annual Debt Service	\$1,267,686

EXHIBIT B: Operating Proforma

	2038	2039	2040	2041	2042	2043
INCOME						
Annual Gross Rental Income	\$ 3,765,600	\$ 3,840,912	\$ 3,917,730	\$ 3,996,084	\$ 4,076,006	\$ 4,157,526
Other: Ancillary Revenue	\$ 10,110	\$ 10,312	\$ 10,519	\$ 10,729	\$ 10,944	\$ 11,162
Total Residential Income	\$ 3,775,710	\$ 3,851,224	\$ 3,928,248	\$ 4,006,813	\$ 4,086,950	\$ 4,168,689
Less: Residential Vacancy/Discounts	\$ (188,785)	\$ (192,561)	\$ (196,412)	\$ (200,341)	\$ (204,347)	\$ (208,434)
Proforma Gross Income	\$ 3,586,924	\$ 3,658,663	\$ 3,731,836	\$ 3,806,473	\$ 3,882,602	\$ 3,960,254
EXPENSES						
General Administrative	\$ 81,877	\$ 84,334	\$ 86,864	\$ 89,470	\$ 92,154	\$ 94,918
Operating & Maintenance	\$ 796,257	\$ 820,145	\$ 844,749	\$ 870,091	\$ 896,194	\$ 923,080
Staff Payroll & Benefits	\$ 577,587	\$ 594,914	\$ 612,762	\$ 631,145	\$ 650,079	\$ 669,581
Property Management	\$ 215,215	\$ 219,520	\$ 223,910	\$ 228,388	\$ 232,956	\$ 237,615
Taxes & Insurance	\$ 78,677	\$ 81,038	\$ 83,469	\$ 85,973	\$ 88,552	\$ 91,209
Replacement Reserves	\$ 90,755	\$ 93,478	\$ 96,282	\$ 99,171	\$ 102,146	\$ 105,210
Proforma Operating Expenses	\$ 1,840,369	\$ 1,893,428	\$ 1,948,036	\$ 2,004,238	\$ 2,062,081	\$ 2,121,614
Senior Debt Service	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686	\$1,267,686
Debt Service Coverage	138%	139%	141%	142%	144%	145%
Residual Receipts	\$ 478,869	\$ 497,549	\$ 516,114	\$ 534,549	\$ 552,835	\$ 570,955
LP Asset Mgt Fee	\$ 14,685	\$ 15,126	\$ 15,580	\$ 16,047	\$ 16,528	\$ 17,024
DDF Payments	\$ 464,184	\$ 482,423	\$ 500,535	\$ 518,502	\$ 88,718	\$ -
DDF Balance	\$ 1,590,178	\$ 1,107,755	\$ 607,220	\$ 88,718	\$ -	\$ -
Surplus Cash	\$ -	\$ -	\$ -	\$ -	\$ 447,589	\$ 553,930

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**

The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above-named project.

Sponsor/Borrower Statement:

The Southern Nevada Regional Housing Authority carried out a formal procurement for debt and equity for the James Down Towers project in May 2022. The RFP went out to 9 potential lenders. SNRHA received 5 bids for construction financing and 7 bids for permanent financing. (Several were joint construction / permanent financing bids.) A number of the lenders were also proposing to provide the tax credit equity for the transaction.

SNRHA chose the Citi Community Capital back-to-back loan structure because it dovetailed well with the Wells Fargo taxable construction debt and equity. Citi has participated in a number of tax-exempt financings recently in NV co-underwriting projects with Wells, so is familiar with the NHD programs. Further, the index rate, spread, amortization and LTV terms in the Citi proposal were competitive with other permanent debt proposals.



By: Fred Haron, Chief Administrative Officer

Firm Southern Nevada Regional Housing Authority

James Down Towers
5000 Alta Drive Las Vegas, NV 89107
APN#: 138-36-601-007 (5.28 acres)

Project Description

James Down Towers entails the acquisition, rehabilitation, and RAD conversion of an existing 200-unit senior public housing development located at 5000 Alta Drive, west of downtown Las Vegas. The site is located in a governmentally determined Opportunity Zone, a new investment program to spur economic development in economically-distressed communities under the Tax Cuts and Jobs Act of 2017.

Southern Nevada Regional Housing Authority (“SNRHA”) and its non-profit affiliate, Affordable Housing Programs, Inc. (“AHP”) will act as sponsor and developer of this residential project. Under the U.S. Department of Housing and Urban Development’s (HUD) Rental Assistance Demonstration (RAD) program, and its innovative new RAD/Section 18 blended conversion, the SNRHA can rehabilitate and preserve its aging public housing developments using a variety of public and private affordable housing resources, including private debt supported by project-based rental assistance, Federal Low-Income Housing Tax Credits and public housing capital funds. James Down Towers is SNRHA/AHP’s eighth recent preservation project, beginning with Landsman Gardens in 2013.

The property was originally constructed in 1972. The proposed extensive renovation at James Down Towers, totaling over \$215,000 per unit in construction hard cost, will result in 200 fully modernized and energy efficient elderly units and will preserve this important affordable housing resource in the long term for the residents of Nevada.

The goals of the rehabilitation include:

- To address major capital items in order to preserve this important housing asset and extend its life under the HUD RAD and Section 8 programs and 30-year low-income housing tax credit compliance period;
- To bring the units up to modern standards including new plumbing, wiring, cabinets, removeable cabinet fronts, countertops, sinks, tubs and vanities, paintings, flooring and appliances;
- To meet and/or exceed energy conservation requirements as detailed in Section 12 of the 2022 Nevada Housing Division Qualified Allocation Plan, and to lower future utility costs for the tenants and the owner, this will include new vinyl dual-pane windows, new exterior doors, additional furring, insulation and duct work, use of no-VOC paints, low-VOC adhesives, and low-urea-formaldehyde-free particle board;
- To increase site security and “defensible space” through landscaping, improved site lighting and security cameras in the common areas; and,

- To reduce water consumption through the replacement of some lawn areas with low maintenance rock and desert landscaping and the addition of low-flow faucets and commodes.

Physical Description

James Down Towers consists of one four-story elevator building. The unit mix is as follows:

#	Type	Net Square Footage
198	1 Bedroom/ 1 Bathroom	480 Sq. Ft.
2	2 Bedrooms/ 1 Bathroom	828 Sq. Ft.
200	Total	96,696 Sq. Ft.

The site contains a large community room and on-site laundry facility.

In-unit amenities will include hard flooring throughout the units, covered patio/balcony areas, enclosed storage spaces for each unit and ceiling fans.

Location and Neighborhood

James Down Towers is well located on a 5.28-acre site west of S Decatur Boulevard and Alta Drive. The site is a few blocks from the US-95 and Meadows Mall. The subject site is also in a governmentally determined Opportunity Zone and a qualified census tract (QCT). The development is located adjacent to Nevada HAND's Stella Fleming Towers and the under construction 480-unit affordable apartment community Decatur Commons.

James Down Towers is 0.2 miles north of the Charleston Heights Shopping Center and 0.5 miles south of other major shopping centers providing access to many stores including Ross, Charleston Antique Mall, Walgreens, Cardenas Market, Walmart, Dollar Tree, Southern Nevada Health District and several restaurants. Walgreens and several restaurants and retail stores are all within walking distance of the project. There are many medical facilities in close proximity to the project: Wirig Shaw Othodontics (0.6 miles), Align Medical (0.6 miles), Applied Behavior Analysis Institute (0.9 miles), Red Rock Medical Group (1.1 miles) The site is located approximately 1.2 miles west of Springs Preserve and Nevada State Museum which contains a exhibits, botanical gardens, walking paths and open space.

Howard Lieburn Senior Center is located 1.6 miles west of the site. The Senior Center offers a variety of programs to seniors in the community such as arts and crafts, aerobics, gardening, dance and yoga. The Senior Center contains on-site classrooms computer room, community garden, kitchen, multipurpose group, and social groups. Additionally, the site is less than a 0.25 miles away from Arizona Charlie's Hotel and Casino offering live entertainment and numerous dining opportunities. The Las Vegas Metropolitan Police Department is located 3.0 miles east of the development. Fire Station 5-Las Vegas Fire and Rescue is located 1.4 miles south of the site.

Major bus routes running east and west along Alta Drive are located directly in front of James Down Towers and north and south routes on Decatur less than 0.25 miles away.

Target Population

James Down Towers is a senior development available to households with incomes at or below 60% of area median income. All of the 200 units will receive project-based rental assistance under the Rental Assistance Demonstration and Section 8 Housing Choice Voucher program. Under these programs, households will pay 30% of their adjusted gross income towards rent, allowing the development to serve very low-income elderly households, including those on SSI/DI.

The need for affordable housing, and especially affordable senior 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 units. (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 (page 54)¹. The City of Las Vegas recognizes affordable housing as a high priority and that nearly 82% of the available housing stock in the City of Las Vegas is in need of rehabilitation (pg. 152)¹.

The Clark County Housing Market Analysis, dated April 2013, which was cited in the City's Consolidated Plan, stated that the population of Southern Nevada is aging, and that people over 65 will make up 20% of the population in 2035 (pg. 2)¹. This is up from 12% in 2012. The aging of the population "will decrease demand for single-family detached units and increase demand for housing types specific to seniors." (pg. 2)²

James Down Towers addresses the growing need for barrier-free and affordable senior housing in the City of Las Vegas by preserving this important community asset for many years to come.

Relocation

James Down Towers is currently occupied. The current residents will have the first right to return after completion of rehabilitation.

Some of the residents of James Down Towers will need to be temporarily relocated during construction to allow the contractor an area to begin construction. Please note, under RAD all residents have the right to return to the property. The SNRHA will provide relocation assistance to all households that have to be relocated in compliance with federal relocation requirements. Some residents may need to move from one unit to another. Residents do not need to move now.

¹ "The City of Las Vegas 2020-2025 Consolidated Plan and Action Plan" prepared by The City of Las Vegas on March 22, 2021. <https://sawebfilesprod001.blob.core.windows.net/community-services/2020-2025-Consolidated-Annual-Action-Plan.pdf?sv=2017-04-17&sr=b&si=DNNFileManagerPolicy&sig=YOeQgupP17qRVYk6TQkAgzIC%2BwBbowqZ0SdlfYGvMj4%3D>

² "Clark County Housing Market Analysis, 2012-2035" prepared by Southern Nevada Strong and ECONorthwest on April 12, 2013. <http://sns.rtcnv.com/wp-content/uploads/2016/05/Clark-Co-HousingMarketAnalysis-041213-FNL.pdf>

Households that must be relocated will be relocated to other units on-site, to other SNRHA owned properties, or, as a last resort, to other affordable housing developments to enable the contractor control of the required section of units to begin construction. The construction will likely be conducted in phases with specific floors or wings identified in each phase. As such, residents may be relocated in phases or all units may be vacated at once but that is less likely. All residents will receive notices, supportive services, and coverage of relocation expenses in accordance with their construction phase. The SNRHA will confirm the phasing with the contractor prior to the start of construction. All households that do not wish to transition to the new program and wish to remain in the public housing program will be offered a transfer to other Public Housing as available and to the extent possible.

All relocation activities, prior to rehab and post rehab for households returning to James Down Towers , will be conducted in compliance with the RAD Relocation Notice dated November 10, 2016 (PIH 2016-17) and 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. The SNRHA's Supportive Services Department will manage the relocation process and services for the residents of James Down Towers during both the initial relocation and assisting those residents returning to this property post construction. SNRHA staff has extensive experience in relocating SNRHA public housing residents to other public housing developments under similar circumstances. A staffed relocation office will be maintained on-site at James Down Towers throughout the entire relocation process. All residents will be treated fairly on a nondiscriminatory basis, without regard to race, color, religion (creed), national origin, handicap, age, familial status, sex, sexual orientation, or gender identity, in compliance with applicable federal, state, and local laws.

Supportive Services

James Down Towers will employ a part-time Resident Services Coordinator who will assist residents with remaining financially and physically self-sufficient by implementing referral services, programs, activities and social supports that enable them to age in place. The Service Coordinator will also assist residents in accessing resources available in the community, including home health care and homemaker assistance, taxi vouchers, energy assistance, rental rebates, and emergency food. The Resident Services Coordinator will also seek out, coordinate and schedule outside activities and programs with local agencies and recreation centers and coordinate transportation with weekly routes offering access to grocery and drug stores, post offices, malls, special events, etc.

Residents will also be provided with a number of social supports including monthly newsletter containing information on on-site services, community resources, maintenance tips, and social activities. Property management, in partnership with the resident council, will organize holiday lunches, entertainment, game clubs, outings and activity classes.

Rehabilitation Scope of Work

The rehabilitation scope of work for James Down Towers is based upon a Capital Needs Assessment (CNA) completed by AEI Consultants on December 16, 2020.

The extensive rehabilitation scope of work, totaling over \$215,000 per unit including contingency (estimated by averaging rehabilitation costs over the previously renovated and gut rehabilitation units), falls into three major categories: 1 & 2) General; 3) Civil; and, 4) Plumbing, Mechanical, and Electrical.

1) General Work—Residential Units

- Replace interior drywall as needed after completion of hazardous materials survey;
- Remove tile/mastic and install new VCT planks throughout units;
- Install wood baseboard or contour rubber vinyl base;
- Remove HVAC unit screens if mini-split system used;
- Repair CMU/stucco exterior walls as required; prime and paint entire buildings;
- Provide R-30 insulation at ceilings to provide energy savings; provide adequate roof ventilation;
- Install new hardwood kitchen cabinets and new countertops;
- Install new medicine cabinets;
- Install new grab bars;
- Install removeable cabinet fronts at all sinks;
- Paint interior;
- Install new fiberglass entry doors and frames with weather stripping. Install new locking system throughout;
- Install new raised panel interior doors with hardware;
- Install raised panels closet doors;
- Install dual pane e-vinyl windows w/weather stripping and bug screens. Window openings to meet egress code requirement;
- Install window coverings (vertical blinds);
- Install new Energy Star appliances;
- Re-design exterior of units/buildings; utilize architectural elements to enhance the exterior (i.e. columns, pop outs, stucco/dryvit, brick, etc.); and,
- Add patio shade structure (front or back) to each of the units;

2) General Work—Community Building

- Upgrade Community Center/Management/Maintenance Office Building as required;
- Replace Cooling Tower;
- Upgrade heating and cooling system in shop building;
- Upgrade lighting throughout;
- Remove acoustical ceiling;
- Replace all flooring and new paint throughout;
- Photovoltaic panels shall be installed on the roof to aid with energy savings;
- Maintenance Building upgrades includes doors and lighting for the interior and exterior, including electrical and plumbing fixtures; and,
- Repair hydraulic elevator,
- Evaluate outside storage for removal or make it part of the building; and,

- Provide automatic door openers on all common area doors.

3) Civil Work:

- Preserve accessible routes to wheelchair accessible units, community centers and through the property (curb cuts, handicap parking, etc.), per UFAS /ANSI /504;
- Replace broken and raised sidewalks;
- Replace asphalt parking areas and re-stripe;
- Replace shade structures as required;
- Design desert landscaping in all common areas and create defensible space. Coordinate design with Southern Nevada Water Authority (SNWA);
- Repair/replace main water shut off valves as required to existing main and lateral waterlines/cast iron sewer lines as required, video camera sewer-lines and provide report.

4) Plumbing, Mechanical and Electrical Work:

- Install LED lighting, with high impact casing, throughout the development. Replace poles. Provide power to existing monument sign;
- Upgrade electrical, including main panels and subpanels, and install GFI's in kitchen and bath areas and arc fault in bedrooms;
- Install new interconnected hard wire w/battery backup smoke detector, per code and fire extinguisher and CO detectors;
- Install wiring for Internet in each unit
- Install new back-lit unit addresses and building addresses signage as per the City Ordinance. Unit address' sign to be located on parking side for easy unit address identification;
- Replace HVAC and associated ductwork associated to meet current energy code and Tax Credit QAP energy efficiency requirements;
- Evaluate make up air for carbon monoxide in units;
- Install ceiling fan with light fixture in living room and bedroom;
- Install recessed lighting in kitchen;
- If tankless water heaters are installed, the gas line will have to increase in size (diameter). Coordinate with Gas Company;
- Install new tankless water heaters and relocate if possible;
- Install new water save commode;
- Install new bathroom sinks with vanity;
- Re-use fiberglass tubs and upgrade plumbing fixtures. Provide access panel;
- Install sinks and plumbing fixtures;
- Wire bedrooms and living rooms for cable and telephone and wire kitchens for telephones;
- Install exhaust fan in the bathrooms; and,
- Install range hoods vented to the outside.

Development Team

Developer: Southern Nevada Regional Housing Authority and its non-profit

Consultant:	Affiliate, Affordable Housing Programs, Inc.
General Contractor:	EJP Consulting Group, LLC and Praxis Consulting Group, LLC
Property Manager:	Cobblestone Construction
Architect:	Southern Nevada Regional Housing Authority
	KME Architects

James Down Towers will be owned by sole purpose limited liability company, James Down Towers LLC. The 0.01% Managing Member of the LLC will also be a sole purpose limited liability company, James Down Towers Manager LLC. Affordable Housing Programs, Inc. (AHP, Inc.), the non-profit instrumentality of SNRHA, will be the sole manager of the Manager LLC. AHP, Inc. will act as Developer to the ownership LLC. SNRHA will provide professional property management services, with compliance assistance from a third-party agency.

Cobblestone Construction

Benchmark Contracting, Inc. dba Cobblestone Construction has over seventeen years of experience in both commercial and residential construction as well as tenant improvements and renovations/remodels. Its services include commercial, industrial, and custom home residential construction, and design-build services. Cobblestone has specialized expertise in commercial renovation/remodeling of multi-family properties.

Southern Nevada Regional Housing Authority / Affordable Housing Program, Inc.

Formed in January 2010 through the consolidation of the three housing authorities in the Las Vegas Valley, SNRHA currently operates 2,148 public housing units and 1,457 affordable housing units. With its approximately 12,000 Housing Choice Vouchers, the consolidated SNRHA is the 32nd largest public housing authority in the country and the 6th largest PHA in HUD Region 9, which encompasses California, Arizona, Nevada and Hawaii.

The Development and Modernization Department is responsible for construction administration for SNRHA. The department oversees Capital Fund Program (CFP) and Replacement Housing Factor (RHF) funds in the amount of approximately \$6,000,000 per year and in more recent years Neighborhood Stabilization Program (NSP) funds of approximately \$12 million and American Recovery and Reinvestment Act (ARRA) funds totaling approximately \$20 million.

Development and Modernization Department staff performs construction management and inspection on various levels of rehabilitation, including new construction, of the SNRHA's public housing and affordable housing stock. Staff also coordinated the purchase of single-family homes under the NSP1 and 3 Program, as well as oversaw the required energy upgrades to those homes. The Department monitors contractor compliance to Davis Bacon Wage Determination Act and assists in enforcing adherence to the agency's mandatory Section 3 hiring requirements and HUD Environmental Reviews. In addition, the Development/Modernization staff administers professional services contracts, including Architectural, Engineering, Hazardous Materials Consulting and Abatement and submits special applications for Demolition/Disposition and other grant funding, including Tax Credit submissions to the State of Nevada.

Recent SNRHA new construction or rehabilitation projects include:

- Otto Merida Desert Villas, built in 2007 (60 new construction family public housing units utilizing 9% LIHTC);
- Marion D. Bennett Sr. Plaza, built in 2010 in partnership with the non-profit Nevada H.A.N.D., (65 new construction senior public housing units financed with ARRA, RHF and FHLB AHP funds);
- Landsman Gardens Apartments, re-opened in October 2014 (100-unit multi-family RAD conversion financed with tax exempt bonds, public housing capital funds, 4% LIHTC, FHLBSF AHP funds and HUD HOME funds from the City of Henderson);
- Vera Johnson Manor B, in partnership with co-developer Nevada H.A.N.D, Inc., re-opened in May 2016 (112-unit multi-family RAD conversion financed with 9% LIHTC, HUD HOME funds, form the City of Las Vegas and SNRHA capital funds);
- Biegger Estates Apartments completed in Summer 2017 (119-unit multi-family RAD conversion financed with 9% LIHTC and SNRHA Capital Funds);
- Vera Johnson Manor A, completed in June 2018 (76-unit multi-family public housing rehabilitation financed with 9% LIHTC and SNRHA capital funds);
- Rose Gardens, in partnership with co-developer Nevada HAND, Inc., which opened in November 2018 (120-unit new construction senior RAD conversion financed with tax-exempt bonds, 4% LIHTC, HUD HOME funds from the City of North Las Vegas and Clark County, NHD GAHP funds and SNRHA capital funds);
- Espinoza Terrace Apartments, which finished construction in 2020 (100-unit senior RAD conversion financed with 9% LIHTC, FHLBSF AHP funds and HUD HOME funds from Clark County and the City of Henderson);
- Wardelle Street Apartments, which finished construction in June 2021 (57-unit, new construction family duplex and rowhouse development, financed with public housing capital funds, 9% LIHTC, HUD HOME funds from the City of Las Vegas and Clark County, and Section 8 and public housing rental assistance); and
- Archie Grant Apartments, finished construction August 2020 (125-unit elderly/non-elderly disabled RAD conversion financed with 9% LIHTC, HUD HOME funds from the City of Las Vegas, NHD HTF, FHLBSF AHP, and housing authority capital funds).

Other recent SNRHA rehabilitation projects include:

- Parking Lots, Exterior Lighting and Conversion to Xeriscape Landscape at James Down Towers, Sartini Plaza and Sartini Plaza Annex – Senior Public Housing;
- Energy Upgrades at forty-three (43) Scattered Sites Homes – Family public housing;
- Wheelchair accessibility at Schaffer Heights-Senior public housing and Hampton Court-Family public housing;
- Parking Lots upgrades at Schaffer Heights and Espinoza Terrace – Senior public housing;
- Roofing upgrades and Cooling Tower replacement at Harry Levy Gardens – Senior public housing;
- Playground, Safety surface and canopy installation at Vera Johnson B and Marble Manor Annex – Family public housing;
- Exterior Painting at Aida Z. Brents – Senior public housing;
- Roof replacement and Exterior painting Sartini Plaza Annex – senior public housing; and,

- Acquisition and Modernization of ninety-one (91) Neighborhood Stabilization Program (NSP) Units.

The SNRHA has extensive experience managing affordable rental housing. Its staff manages its public housing portfolio and is well-versed in Fair Housing and other affordable housing requirements.

Key SNRHA staff taking part in the development and operations include: Frank Stafford, Director of Modernization and Development, Fred Haron, Director of Finance and Administration, and Patricia Stephens, Director of Operations and Affordable Housing.

EJP Consulting Group, LLC / Praxis Consulting Group, LLC

SNRHA will receive consulting assistance from EJP Consulting Group, LLC and Praxis Consulting Group LLC.

EJP Consulting Group, LLC (EJP) provides services to clients nationwide who are seeking to improve community-level outcomes. As former Abt Associates employees, EJP's three partners – Gayle Epp, Scott Jepsen and Rhae Parkes – have been working together for more than 10 years to assist clients to develop new housing, revitalize neighborhoods, increase resident self-sufficiency, and plan for sustainable futures. Scott Jepsen, EJP partner based in Manchester, WA, has extensive experience with public housing mixed-finance development, strategic planning, and economic growth initiatives.

Formed in 2004, Praxis Consulting Group LLC is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Mr. Novak, its President, has over 30 years of experience in all aspects of the affordable housing development process, including HOPE VI, CNI, RAD, public housing mixed-finance development and affordable assisted living. Hilary Lopez, Ph.D., Senior Associate has over 20 years of experience in affordable housing finance, programs, and policy. Since 2004, Praxis has secured the financing for over 85 affordable housing developments primarily in Nevada, totaling over 8,600 units and \$1.6 billion in financing. Financing sources have included project-based Housing Choice Vouchers, public housing Capital and Replacement Housing Factor funds and ACC 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.

Project Financing

The project financing for James Down Towers includes tax-exempt bonds issued by Nevada Housing Division, 4% Low Income Housing Tax Credits issued through the Nevada Housing Division, City of Las Vegas HOME Funds, Seller's Note, Managing Member capital contribution, and deferred developer fee.

The site is located within census tract 1.06, which is a HUD Qualified Census Tract in 2022, qualifying James Down Towers for a 130% boost in tax credit eligible basis. The site is also located in a governmentally determined Opportunity Zone.

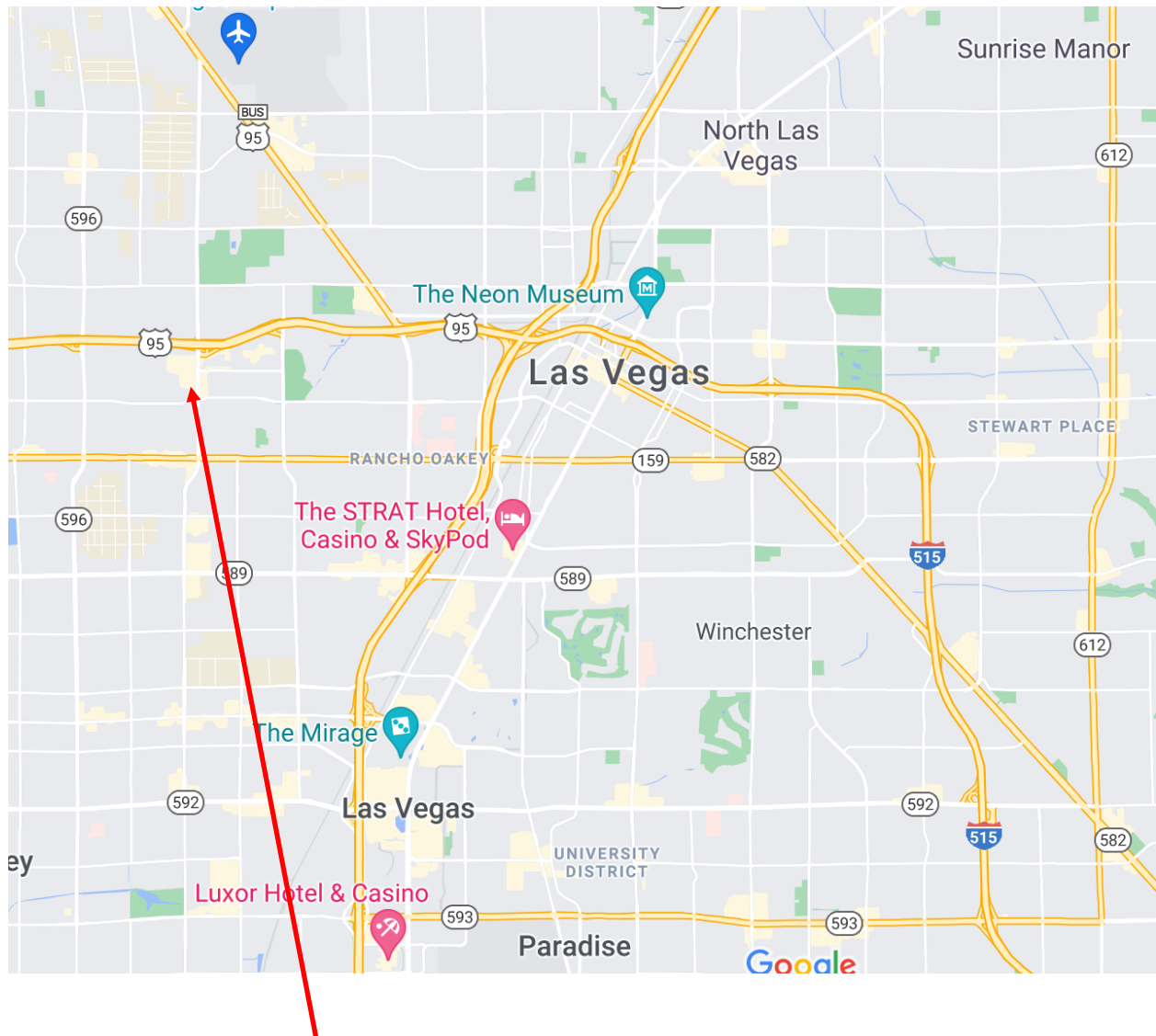
The projected total development cost is \$89.156 million or about \$495,783 per unit.

Estimated Project Schedule

Construction Start	May 2023
Construction Completion	September 2024
Conversion	April 2025

James Down Towers
5000 Alta Drive Las Vegas, NV 89107
APN#: 138-36-601-007 (5.28 acres)

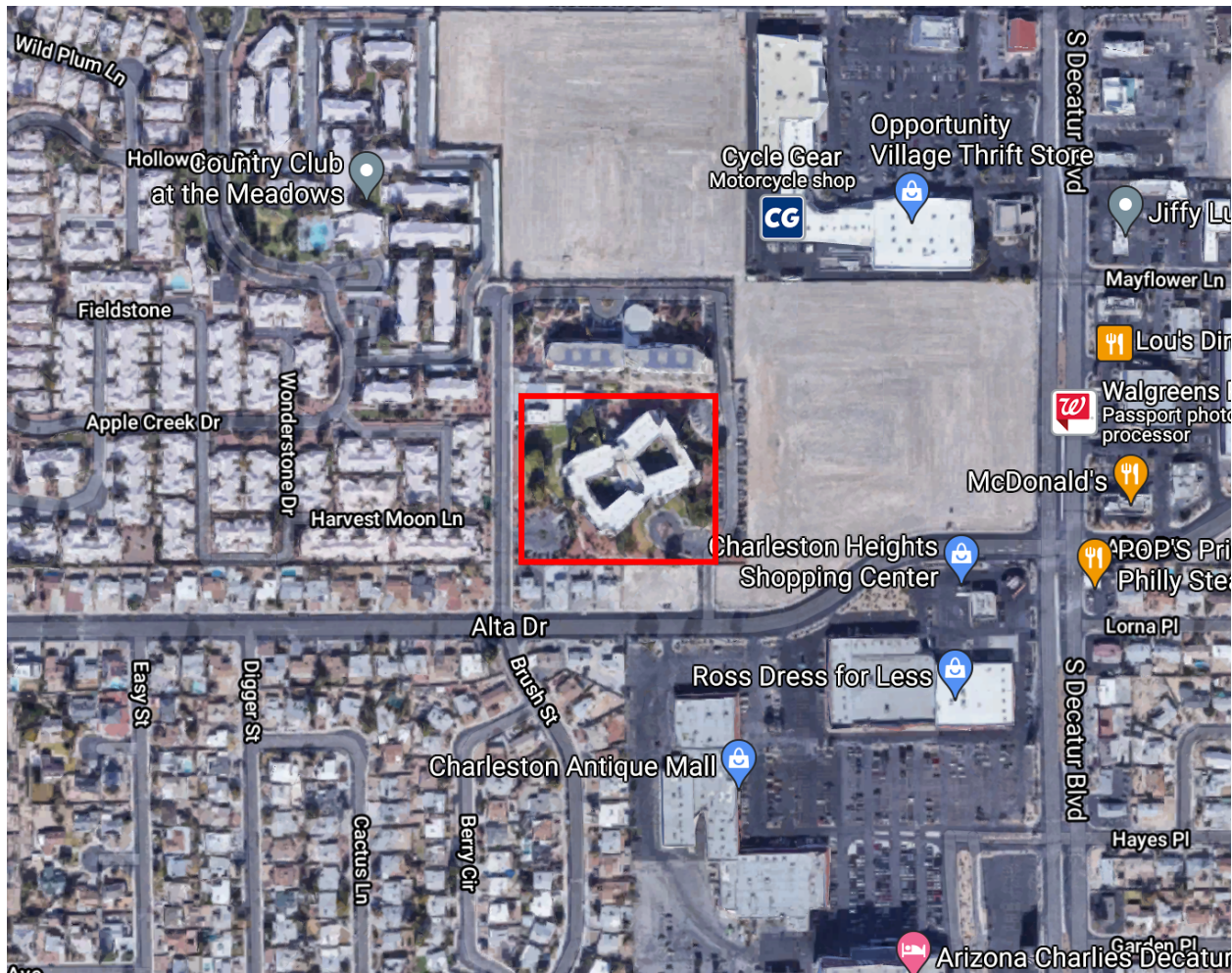
Location Map



James Down Towers

James Down Towers
5000 Alta Drive Las Vegas, NV 89107
APN#: 138-36-601-007 (5.28 acres)

Aerial Photo



Zach Conine
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (BoF) Members

FROM: Lori Hoover, Chief Deputy Treasurer

SUBJECT: December 2022 BoF Agenda Item 6 – State Treasurer Investment Report

DATE: April 20, 2023

Agenda Item #6

For discussion and possible action: on the approval of the State Treasurer's quarterly investment report for the quarter ended December 31, 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 December 31, 2022

- U.S. 10- year Treasury yields increased slightly by 5 basis points during the fourth calendar quarter of 2022 and closed the quarter at 3.88%. Over the same period, 1 month T-Bill rates increased 133 basis points from 2.79% to 4.12%.
- The Fed continued raise rates in an attempt to reduce inflation with a 75 basis point increases in the Fed Fund rates in November and another 50 basis point increase in December. The Fed Funds Rate closed the December 2022 quarter in the range of 4.5% to 4.75%.

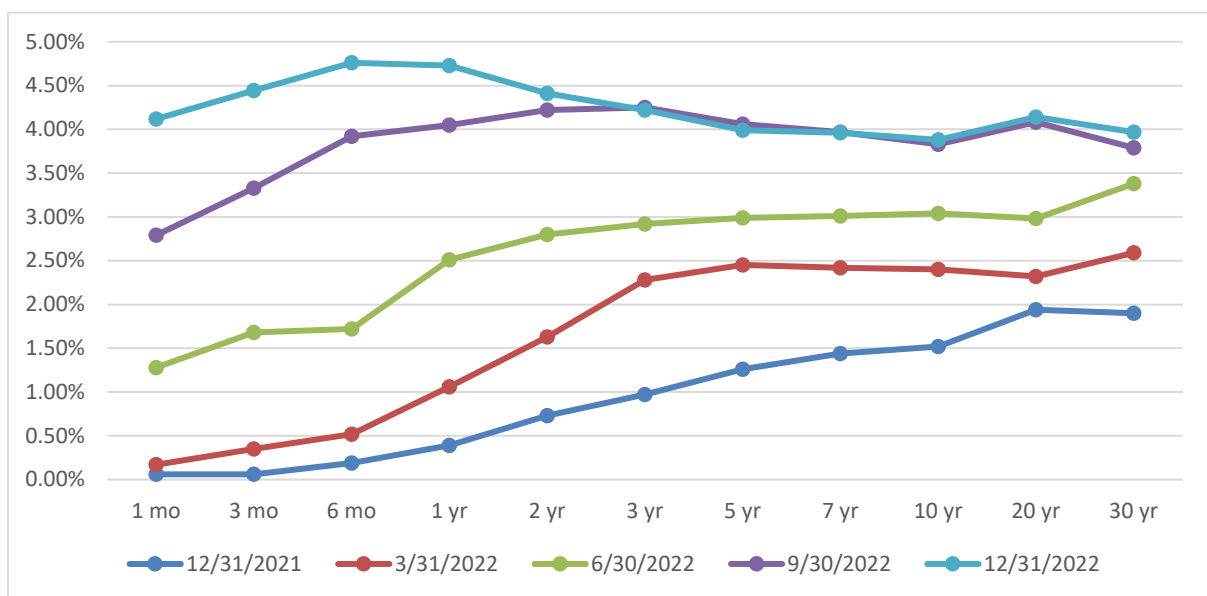


Chart is for illustrative purposes only. Investment Policy prohibits the General Portfolio from investing in Treasuries beyond 10 years.

Investment Performance as of December 31, 2022

Local Government Investment Pool (LGIP)

As of December 31, 2022, the total assets under management (AUM) were \$2.0 billion. The yield to maturity as of December 31, 2022, was 3.08% which is 178 basis points below the benchmark yield of 4.86%.

General Portfolio

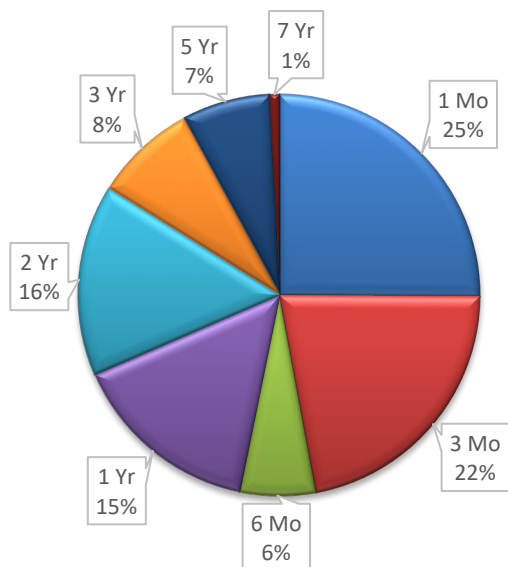
As of December 31, 2022, the AUM for the General Portfolio was \$8.1 billion (book value) with 79% managed internally and 21% managed by outside managers. Please see the charts on pages 3 and 4 for more information on each manager.

The overall yield to maturity (YTM) as of December 31, 2022 for the General Portfolio was 1.76%. Below is the YTM breakdown by portfolio:

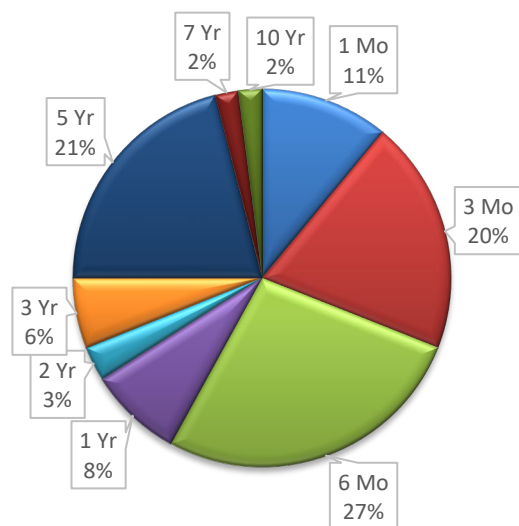
- Internally managed portfolios were 1.53%
- Buckhead Capital Management portfolio was 3.00%
- Western Asset Management portfolio was 2.15%

Below is a graphical representation of the asset weighted maturities in the General Portfolio as of December 31, 2022 versus one-year prior.

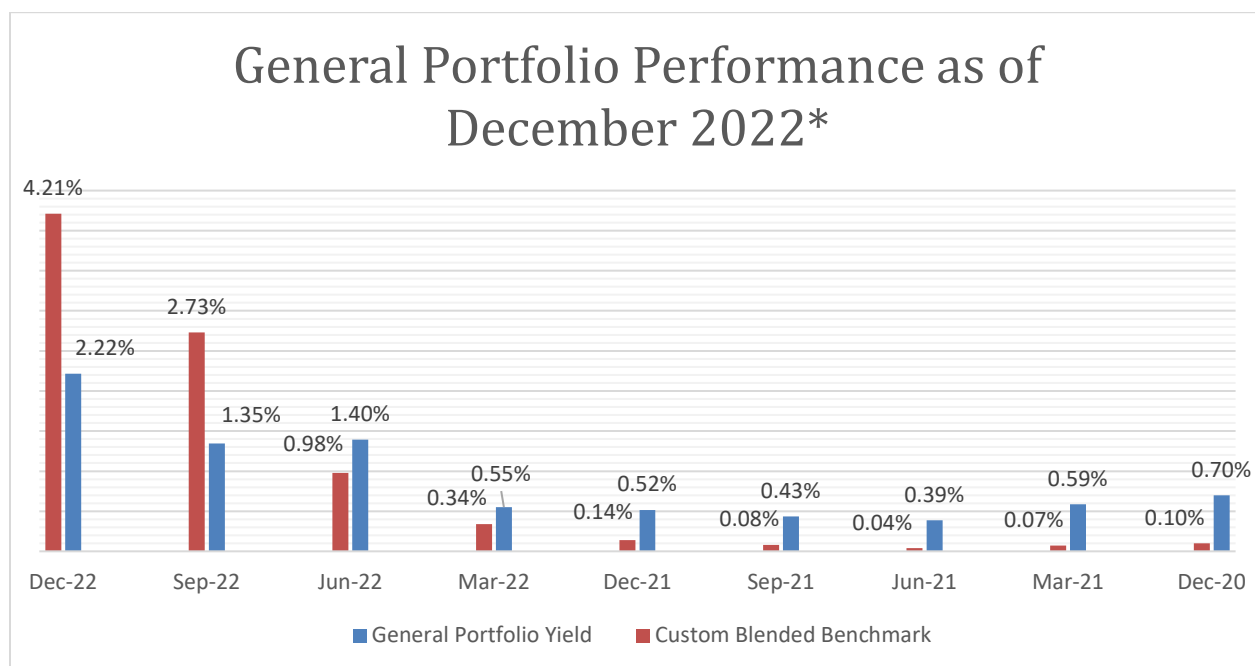
Asset Weighted Maturities Book Value as of 12/31/2022



Asset Weighted Maturities Book Value as of 12/31/2021



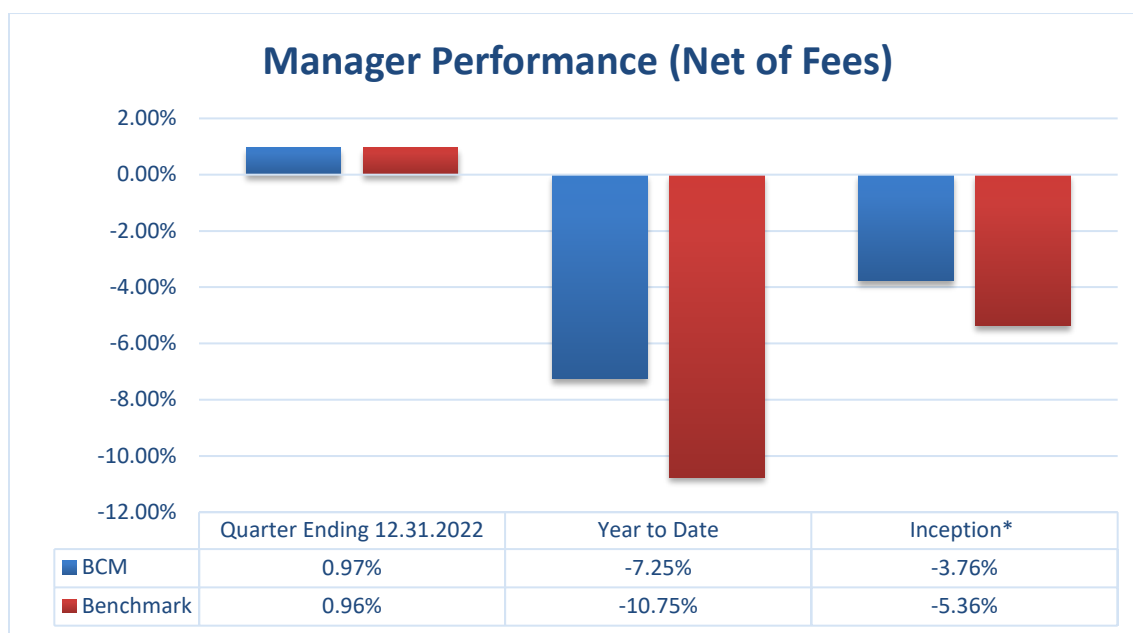
The chart below shows the internally managed portfolio performance against the custom benchmark for the past nine quarters.



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

General Portfolio Outside Managers' Performance

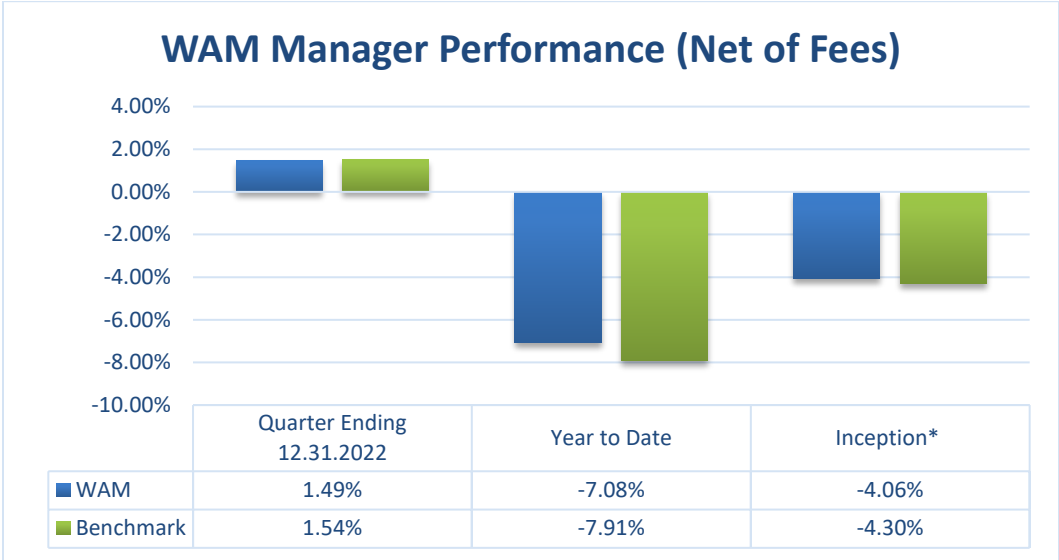
Buckhead Capital Management (BCM) began managing \$150 million in September 2020, \$130 million was distributed in June 2021, \$220 million distributed in September 2021, \$200 million in December 2021 and \$240 million was distributed in March 2022, for a total of \$940 million in total distributions.



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

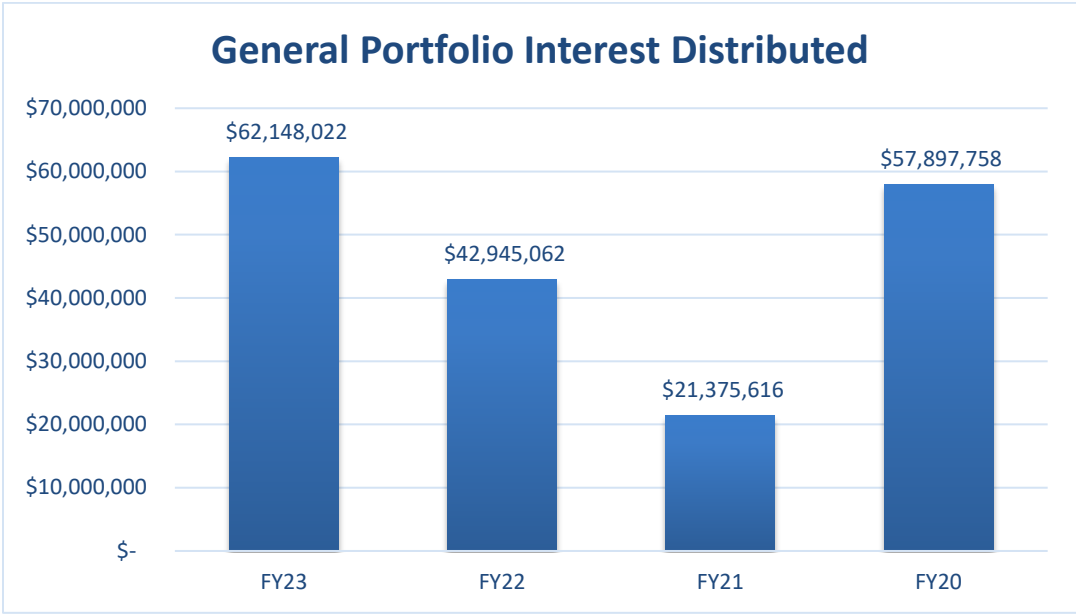
Western Asset Management (WAM) began managing \$80 million in General Portfolio Assets on November 16, 2020, \$70

million was distributed in June 2021, \$200 million was distributed in September 2021, and \$400 million was distributed in March 2022. In May 2022, \$10 million was pulled back 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.



* FY23 bar shown above represents 6 months year to date interest distributed.

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

Dec 31, 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

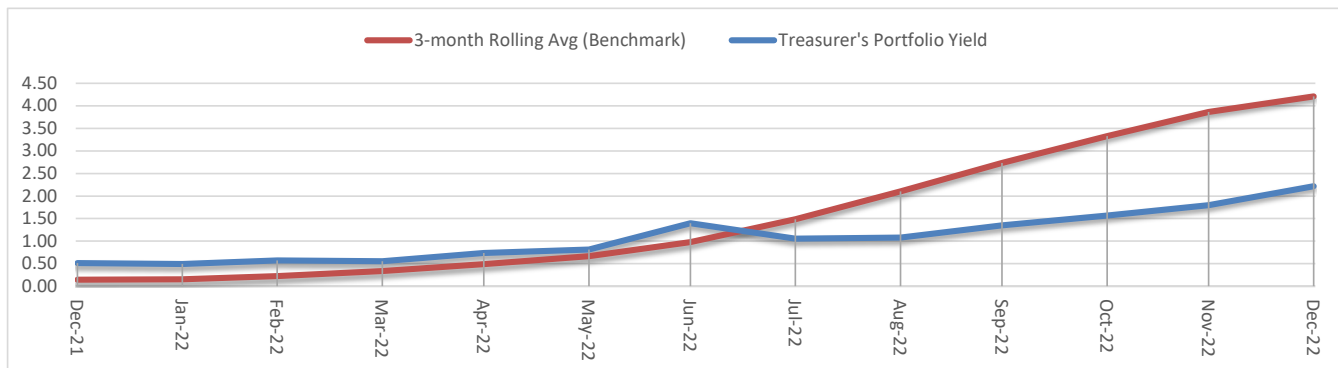
The permissible investments of the General Portfolio include United States Treasury and Agency securities, repurchase agreements, high quality corporate notes and commercial paper, negotiable certificates of deposit, foreign notes, international development notes, asset-backed securities, municipal bonds 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 Dec 31, 2022, the yield on the in-house portion of the General Portfolio was 2.217%. A three month rolling average of this benchmark for this period was 4.21% with the average days to maturity at 218 days. The average days to maturity for the portfolio was 376 days.

In-House Performance vs. Benchmark

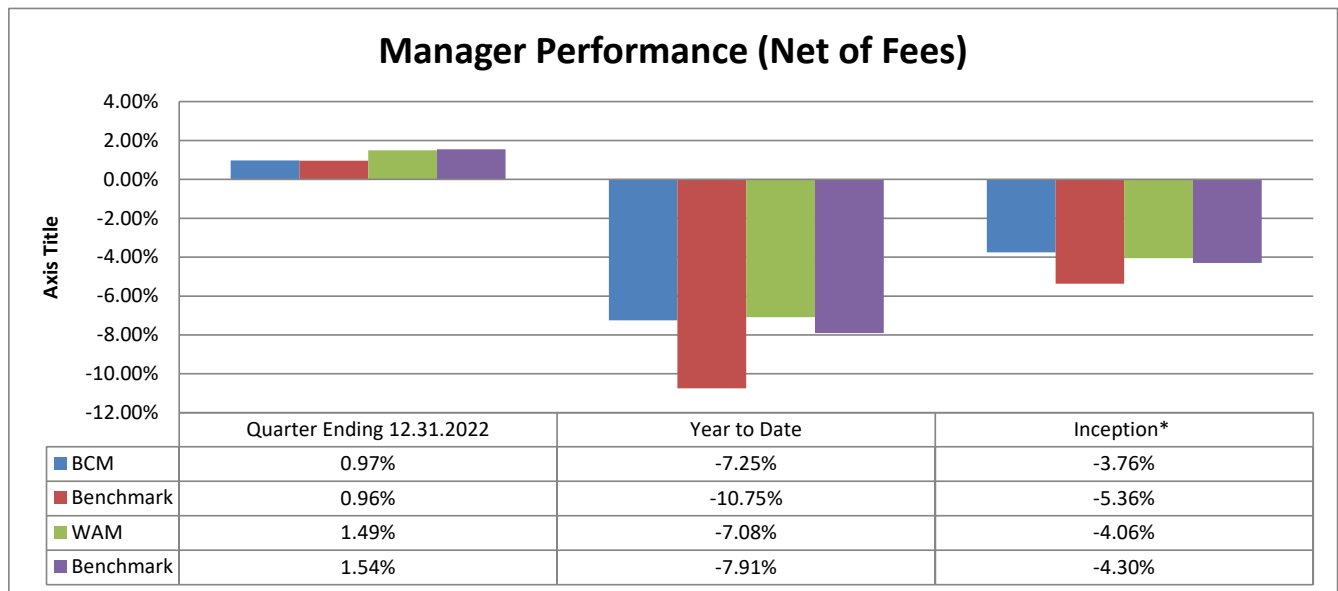


* Benchmark is 3-month rolling weighted average of 80% 3-month Treasuries and 20% 2-year Treasuries

Outside Manager Performance

The annualized performance since inception for period ending Dec 31, 2022 for Buckhead Capital Management (BCM) is -3.76%* and for Western Asset Management (WAM) is -4.06%*. BCM has been contracted to provide investment management services for securitized assets in the State General Portfolio. BCM has been assigned the Bloomberg Barclays CMBS AAA Index benchmark. WAM has been contracted to provide investment management services for corporate assets in the State General Portfolio. WAM has been assigned the ICE BofA 3-5 Year AA US Corporate & Yankee Index benchmark. *BCM inception date was October 2020 and WAM was November 2020. No new funding occurred in these two accounts during the previous quarter.

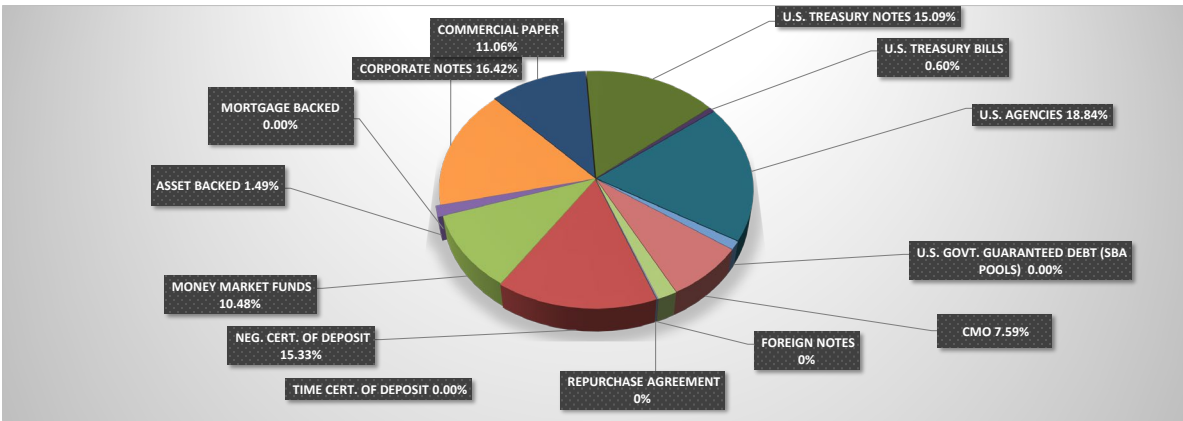
Outside Managers' Performance vs. Benchmark



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

GENERAL PORTFOLIO
Amortized Book Value

	<u>December 31, 2022</u> <u>Amortized Book Value</u>				<u>September 30, 2022</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	1,245,000,000	-	-	1,245,000,000	1,345,000,000	
MONEY MARKET FUNDS	831,377,932	4,951,040	14,790,097	851,119,070	674,228,127	
ASSET-BACKED SECURITIES	-	120,997,331	-	120,997,331	110,830,485	
MORTGAGE-BACKED SECURITIES	-	-	-	-	-	
CORPORATE NOTES	611,801,263	-	721,794,206	1,333,595,469	1,344,608,393	
COMMERCIAL PAPER	898,640,547	-	-	898,640,547	1,295,212,850	
MUNICIPAL BONDS	-	-	-	-	-	
U.S. TREASURY NOTES	1,223,354,962	-	2,182,127	1,225,537,090	893,928,276	
U.S. TREASURY BILLS	48,982,479	-	-	48,982,479	198,482,132	
U.S. AGENCIES	1,340,224,079	189,831,691	-	1,530,055,770	1,095,281,279	
U.S. GOVERNMENT GUARANTEED DEBT	21,574	-	-	21,574	44,476	
SUPRANATIONALS	87,017,671	-	5,851,146	92,868,817	92,880,376	
COLLATERALIZED MORTGAGE OBLIGATION	388,301	616,067,508	-	616,455,809	623,987,002	
INTERNATIONAL DEVELOPMENT DISCOUNT	149,102,292	-	-	149,102,292	134,555,918	
FOREIGN NOTES	10,000,000	-	-	10,000,000	10,000,000	
REPURCHASE AGREEMENTS	-	-	-	-	-	
TOTAL	\$ 6,445,911,099	\$ 931,847,570	\$ 744,617,576	\$ 8,122,376,246	\$ 7,819,039,313	



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
TOTAL PORTFOLIO	\$8,122,376,246	\$6,412,699,596

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

	Quarter Ended 03/31/2022	Quarter Ended 06/30/2022	Quarter Ended 09/30/2022	Quarter Ended 12/31/2022	Totals
<u>Average Daily Balances of Funds</u>					
General Fund	\$ 4,345,670,001	\$ 4,844,606,918	\$ 4,209,627,676	\$ 5,884,962,876	\$ 4,821,216,867
All Funds	6,357,846,464	6,996,109,389	7,585,840,061	8,133,666,706	7,268,365,655
<u>Annualized Interest Rate</u>					
Cash Basis (see Note 1)	0.8921%	0.8283%	1.1212%	1.9880%	1.2074%
Accrual Basis	0.9114%	0.8374%	1.1388%	2.0041%	1.2229%
<u>Interest Distribution for General Fund (Cash Basis)</u>					
General Fund Interest Collected	8,582,767	9,123,073	11,665,497	29,761,877	59,133,215
General Fund Interest Revenue - Distributed	8,582,767	9,123,073	11,665,497	29,761,877	59,133,215
Undistributed General Fund Interest Revenue					-
<u>Interest Distribution for All Funds (Cash Basis)</u>					
All Funds Interest Collected	15,558,282	15,348,586	21,021,765	41,126,257	93,054,890
All Funds Interest Revenue - Distributed	15,558,461	15,348,729	21,021,765	41,126,257	93,055,212

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



Overview

The State of Nevada Local Government Investment Pool (LGIP) was established as an alternative investment program to be utilized by local governments for their public funds. This program's operation is the responsibility of the State Treasurer who, by the provisions of state statute, has adopted guidelines for the prudent investment of these pooled funds. Any local government, as defined by NRS 354.474, may deposit its public monies into this fund for purposes of investment. As of June 30, 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.

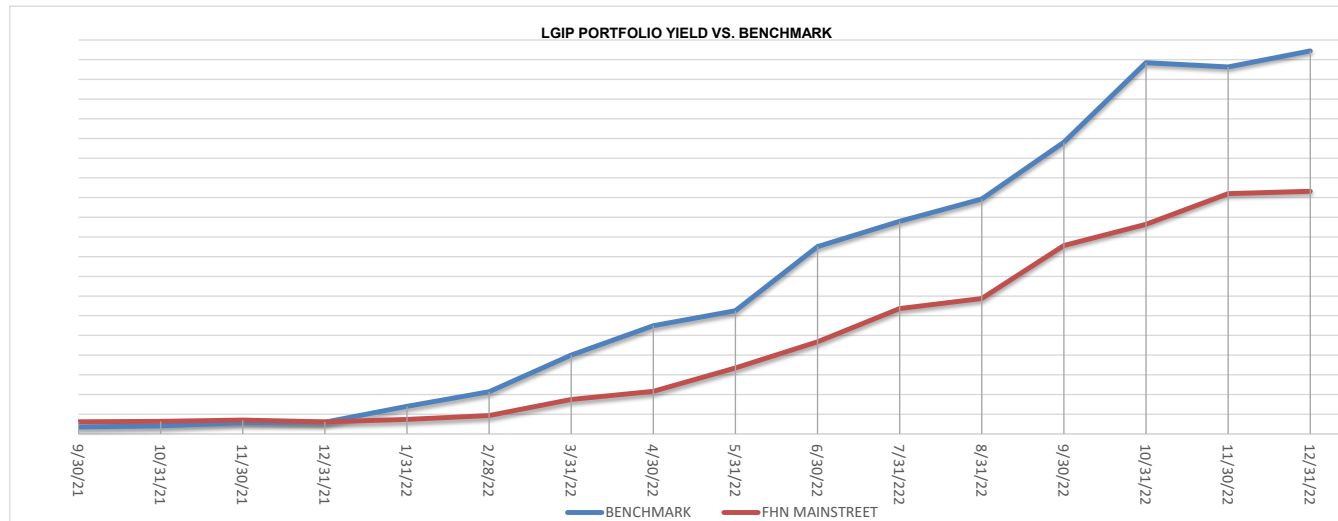
Investment Guidelines

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 27.3% of the fund matures on a daily basis, ensuring sufficient liquidity to meet both anticipated and unanticipated withdrawals. Additionally, approximately 58.0% 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 December 31, 2022, the LGIP's portfolio book yield was 3.08%, and the blended benchmark was 4.86%. The average days to maturity of the LGIP portfolio was 104 days.



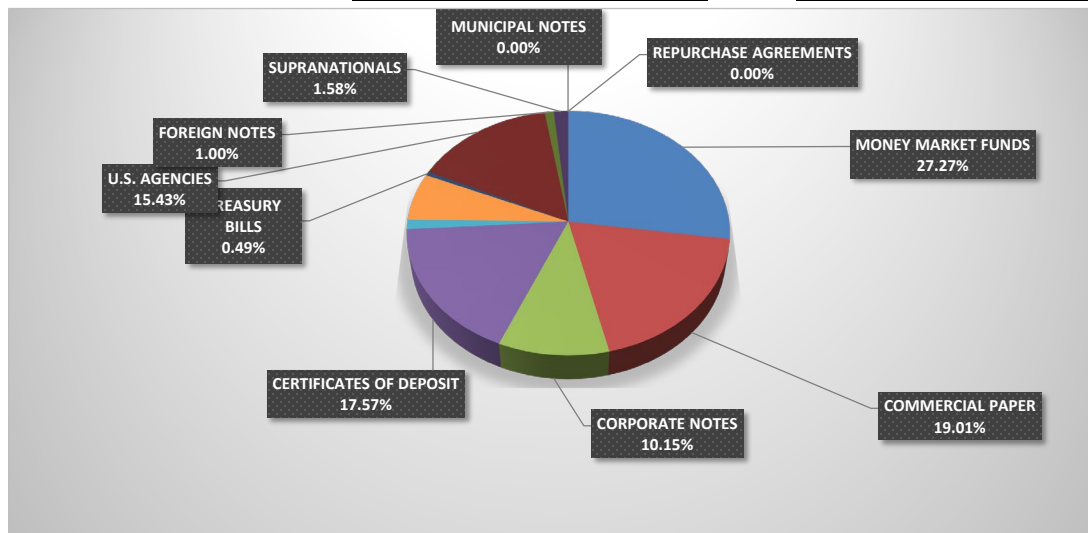
* Benchmark is 3-month rolling weighted average of 55% Dealer Commercial Paper 150-Day Index, 30% Agency Note 180 Day Index, and 15% Dreyfus Institutional Preferred Government Money Markey Fund.

**Benchmark was updated July 2020. This graph represents that change. 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>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>Amortized Book</u>	<u>Purchased Interest</u>	<u>Amortized Book</u>	<u>Purchased Interest</u>
MONEY MARKET FUNDS	\$ 543,918,072	\$ -	\$ 354,616,025	\$ -
COMMERCIAL PAPER	379,142,453	-	434,110,667	-
CORPORATE NOTES	202,161,052	206,129	196,371,624	99,545
CERTIFICATES OF DEPOSIT	350,000,000	425,000	460,000,000	-
SUPRANATIONALS DISCOUNTS	24,978,611	-	-	-
TREASURY NOTES	124,699,038	-	144,618,107	-
TREASURY BILLS	9,801,653	-	9,719,083	-
U.S. AGENCIES	307,688,534	-	455,614,054	23,333
FOREIGN NOTES	20,002,939	-	20,005,259	-
SUPRANATIONALS	31,575,737	-	31,590,061	-
ASSET-BACKED SECURITIES	-	-	-	-
MUNICIPAL NOTES	-	-	-	-
REPURCHASE AGREEMENTS	-	-	-	-
TOTAL	\$ 1,993,968,088	\$ 631,129	\$ 2,106,644,879	\$ 122,878
GRAND TOTAL	\$ 1,994,599,217	\$ 1,994,599,217	\$ 2,106,767,757	\$ 2,106,767,757



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
TOTAL PORTFOLIO	\$1,994,599,217	\$2,097,829,352