

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

June 16, 2023  
2:30 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](http://NevadaTreasurer.gov/BoF)

3. **For discussion and possible action:** on the Board of Finance minutes from the meeting held on April 20, 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 \$30,500,000 of Multi-Unit Housing Revenue Bonds (Southern Pines 2 Apartments), for the purpose of new construction of a 180-unit senior affordable housing rental project in Clark County, Nevada.

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 \$11,000,000 of Multi-Unit Housing Revenue Bonds (Golden Rule Senior Apartments Phase II), for the purpose of new construction of a 60-unit senior affordable housing rental project in Las Vegas, Nevada.

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

6. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$38,000,000 of Multi-Unit Housing Revenue Bonds (Vintage at Redfield Apartments), for the purpose of new construction of a 223-unit senior affordable housing rental project in Reno, Nevada.

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

7. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$55,000,000 of Multi-Unit Housing Revenue Bonds (Pinyon Apartments), for the purpose of new construction of a 252-unit family affordable housing rental project in Reno, Nevada. The Pinyon Apartments project was originally approved by the Board of Finance in December of 2022 for an amount of up to \$55 million in Multi-Unit Housing Revenue Bonds. The financing structure now includes the addition of \$3 million in Home Means Nevada funding for a total of \$13.6 million in Home Means Nevada funding.

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

8. **For discussion and possible action:** on a resolution approving the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund (PSF) Guarantee Agreement pertaining to the Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed) Series 2023, in the aggregate principal amount not to exceed \$25,635,000.

Presenter: Jeff Landerfelt, Senior Deputy Treasurer of Operations, Nevada State Treasurer's Office

9. **Informational Item:** on possible refunding of three outstanding Certificates of Participation to realize interest rate savings related to the lease-purchase agreements for the Capitol Complex 1 building, the Casa Grande Transitional Housing facility and Nevada State College's nursing/science/education building and the student activities/administration building.

Presenter: Jeff Landerfelt, Senior Deputy Treasurer of Operations, Nevada State Treasurer's Office

10. **Informational Item:** regarding the State Treasurer's quarterly investment report for the quarter ended March 31, 2023.

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

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

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

12. Public Comment.

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

## ADJOURNMENT

### Notes:

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

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

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

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

**THIS AGENDA HAS BEEN POSTED IN THE FOLLOWING PUBLIC LOCATIONS:**

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

Also online at: [http://www.nevadatreasurer.gov/Finances/Board/BOF\\_Home/](http://www.nevadatreasurer.gov/Finances/Board/BOF_Home/) and <https://notice.nv.gov/>



**STATE BOARD OF FINANCE**  
**April 20, 2023 – 1:00 PM**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

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

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

**Board members present:**

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

**Others present:**

Lori Hoover:	Treasurer's Office
Kirsten Van Ry:	Treasurer's Office
Emily Nagel:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Chase McNamara:	Governor's Office
Kevin Doty:	Attorney General's Office
Steve Aichroth:	Nevada Housing Division
Catherine Byrne:	Nevada Housing Division
Fred Eoff:	PFM
Daigo Ishikawa:	Nevada HAND
Ralph Murphey:	Nevada HAND
Natalie Prochaska:	Nevada HAND
Audra Hamernick:	Nevada HAND
James Smack:	Controller's Office
Christine Hess:	Nevada Housing Coalition
Irma Solis:	So. Nevada Regional Housing
Eric Novak:	Praxis Consulting

**Agenda Item 2 – Public Comment.**

No public comment in Carson City or Las Vegas. No written public comment.

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

**Member Edwards moved to approve the minutes and a second from Controller Matthews. Motion passed unanimously.**

**Agenda Item 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.

Mr. Aichroth presented 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 for the Buffalo & Cactus Apartments. He noted that the bonds will be used for the new construction of a 125-unit affordable senior development in Southwest Las Vegas alley at the intersection of Buffalo Drive and Cactus Avenue. He stated that the rental housing will serve 125 senior households at or below 60% of the area median income with 10% of the units serving 30% through Home Means Nevada funds in the amount of \$8.1 million and Clark County Community Housing funds in the amount of \$8.5 million.

Chief Financial Officer Catherine Byrne explained the financial structure. She noted it is the 9<sup>th</sup> project with Nevada HAND. The financing proposed is a direct placement structure with Citibank permanent loan and Capital One providing the construction financing. Raymond James will provide \$19 million in private sector equity. She reviewed it is important to know that these are conduit bonds and are not a liability of the state or the division but solely of the development group.

Governor inquired about the difference in \$1.5 million and questioned if it is due to delay in costs.

Mr. Aichroth explained there are increase in construction costs that have occurred since the last approval in December and noted there was also a substitution of funds where the Home Means Nevada funds are displacing national housing trust funds that were not awarded to this particular project.

**Controller Matthews moved to approve Agenda Item 4 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 \$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.

Mr. Aichroth presented 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 for the James Down Towers Apartments. He noted that the bonds will be used for the acquisition and renovations for a currently affordable 200-unit senior property. It is located in Central Las Vegas. He reviewed that 198 of the units are 1-bedroom and serve the senior

population of 50% area median income. All households will be eligible for project base rental assistance where no household will pay more than 30% of their income on rent. The project was originally constructed in 1972 and will undergo extensive renovation resulting in fully modernized and energy efficient units to serve the elderly population. This project is coming back to the Board due to the increase in construction costs. Ms. Byrne explained the financial structure noting the development team is led by Southern Nevada Regional Housing Authority. She stated that the \$49 million is proposed as a direct bond purchase by Citibank. Citibank and Wells Fargo will jointly provide construction period financing. Additionally, the project will leverage \$42.5 million in private sector equity. She reviewed these are conduit bonds and are not a liability of the state or the division but solely of the development group.

Governor Lombardo asked if there will be 200 new units or if they are renovating existing units.

Mr. Aichroth explained this project already exists and will be 200 rehabilitated units.

Governor Lombardo asked what happens to the residents during this process.

Mr. Aichroth explained that they will go through vacant apartments and give the chance for tenants to be relocated. Irma Solis with the Southern Nevada Housing Authority explained they are relocating tenants in vacated units within the same apartment complex. She noted that there were vouchers given to residents for a neighboring property that accepted the vouchers as well.

Eric Novak with Praxis Consulting explained four phases within the project. He noted that it is a 200-unit building and the first 50 have already been vacated that are part of a very extensive rehab and once they are rehabbed those residents are able to return to their household.

**Member Edwards moved to approve Agenda Item 5 and a second from Member Navarro. Motion passed unanimously.**

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

Chief Deputy Treasurer Lori Hoover presented the investment report and referenced page 47 of the materials noting a brief overview of the fixed income market at quarter end of December 2022. The U.S. 10-year Treasury yield increased slightly by 5 basis points and closed the quarter at 3.88%. Over the same period, 1 month T-Bill rates increased from 2.79% to 4.12%. She reviewed page 48 of the materials showing the Local Government Investment Pool (LGIP) assets under management (AUM) of \$2 billion with a yield maturity of 3.08% which is approximately 178 basis points below the benchmark yield of 4.86%. She reviewed the General Portfolio AUM on January 30<sup>th</sup>, 2022, was \$8.1 billion on a book value basis with 79% managed internally and 21% managed by external investment managers. She noted the overall portfolio yield to maturity (YTM) for the quarter was 1.76%. She also referenced page 50 of the materials showing the interest distributed from the earnings from the General Portfolio for fiscal year 2020 to current fiscal year to date. She concluded the presentation stating fiscal year 2023 represents only two quarters of interest and already exceeds prior years.

**This is an informational item only and therefore did not require a vote of the members.**

**Agenda Item 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.

Ms. Hoover presented this agenda item and noted that the investment policies for the LGIP and the General Portfolio were last revised in July 2022 and no changes are being recommended. The policies are required to be approved by the Board of Finance pursuant to NRS 355.045 at least every 4 months.

**Member Edwards moved to approve Agenda Item 7 and a second from Member Navarro. Motion passed unanimously.**

**Agenda Item 8**- Public Comment

No public comment in Carson City or Las Vegas.

Governor Lombardo thanked everyone for their participation.

**Meeting adjourned at 1:16 pm.**

DRAFT

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

DATE: May 24, 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 (Southern Pines 2 Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

2:30 p.m., Friday, June 16, 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 (Southern Pines 2 Apartments).

C. The Findings relate to the issuance of up to \$30,500,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 180-unit senior apartment complex located at So Decatur Blvd and W Pyle Ave, Clark County, Nevada (the “Project”).

D. The Housing Division will issue up to \$30,500,000 of multi-unit housing revenue bonds which will be a direct note placement with Citibank. The borrower entity will be a limited partnership consisting of Nevada HAND, Inc as a .01% General Partner and Wells Fargo Bank (“Wells Fargo”) as 99.99% investor limited partner. Wells Fargo will provide an equity investment of approximately \$24,163,000 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. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of

Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as “Multi-Unit Housing Revenue Bonds (Southern Pines 2 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  
Southern Pines 2 Apartments**

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

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





May 18, 2023

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

Re: Southern Pines 2 Apartments Project

Mr. Aichroth:

This Review and opinion are 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 Southern Pines 2 Apartments (“Project”). The Division is requesting authorization for issuance of a tax-exempt multi-unit housing revenue note in an amount up to \$30,500,000 to fund construction of this new affordable senior independent living property in unincorporated Clark County.

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

The financing is proposed as a direct placement fixed rate permanent loan with Citibank which will replace interim construction debt provided by Wells Fargo Bank. The financing is reviewed in greater detail in Exhibits A, B and D.

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 construction of the Project at the proposed restricted income levels.

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff, *Director*

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

## PROJECT OVERVIEW AND PLAN OF FINANCE

### The Project

The Project consists of land acquisition and construction of a new affordable senior independent living facility located in Clark County at the intersection of South Decatur Boulevard and West Pyle Avenue. It will be a 180-unit development situated on a site of approximately 8.5 acres. The residential building will contain one-, two- and three-bedroom independent living units in a three-story garden style building. All units will be served by elevators. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

A summary of the Project rent set-asides and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile							
Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1,3</sup>	Less Utility Allowance	Net Monthly Rent <sup>2</sup>	Total Monthly Revenue	Total Annual Revenue
<b>1 Bedroom</b>							
< 30% AMI (PBV)	2	558	\$ 1,206	\$ 67	\$ 1,139	\$ 2,412	\$ 28,944
< 30% AMI	2	558	\$ 393	\$ 67	\$ 326	\$ 786	\$ 9,432
< 60% AMI	32	628	\$ 854	\$ 67	\$ 787	\$ 27,328	\$ 327,936
<b>2 Bedroom</b>							
<30% AMI (PBV)	4		\$ 1,459	\$ 90	\$ 1,369	\$ 5,836	\$ 70,032
< 30% AMI	6	776	\$ 462	\$ 90	\$ 372	\$ 2,772	\$ 33,264
< 60% AMI	98	776	\$ 1,015	\$ 90	\$ 925	\$ 99,470	\$ 1,193,640
<b>3 Bedroom</b>							
< 30% AMI (PBV)	2	1,119	\$ 2,072	\$ 112	\$ 1,960	\$ 4,144	\$ 49,728
<30% AMI	2	1,119	\$ 526	\$ 112	\$ 414	\$ 1,052	\$ 12,624
<60% AMI	32	1,119	\$ 1,164	\$ 112	\$ 1,052	\$ 37,248	\$ 446,976
<b>Total Units</b>	180					\$ 181,048	\$ 2,172,576
<sup>1</sup> 2022 Income Limits (Clark County, NV MSA)						Ancillary Income	\$ 39,360
<sup>2</sup> Tenant share of rent for Project Voucher units is 30% of Average Household Income							
<sup>3</sup> Rents for Project Voucher units are per HUD Section 8 contract.							

### Project Developers

Nevada H.A.N.D., Inc.  
295 E. Warm Springs Rd, #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 ten 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.

### 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

### **Borrower Entity and Equity Investor**

The borrower entity will be a limited partnership consisting of Nevada HAND, Inc as a 0.01% General Partner and Wells Fargo Bank (“Wells Fargo”) as 99.99% investor limited partner. Wells Fargo will provide an equity investment of approximately \$24,163,000 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.

### **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.

### **Plan of Finance:**

The permanent financing will be as a tax-exempt direct note placement with Citibank N.A. The note will be held by Citibank or an affiliate and not sold to the public. Proceeds of the note will be advanced by Zions Bank as Division Trustee upon receipt of project cost requisitions. The Citibank permanent loan will replace a taxable construction loan provided by Wells Fargo Bank which will not be issued by the Division. Greater detail regarding the Citibank permanent loan is provided in the Bond/Loan Term section.

As noted previously, Wells Fargo is also the equity investor in the borrowing partnership. Wells Fargo’s periodic advances of their equity investment are structured as follows:

- 1<sup>st</sup> Installment - \$2,416,000 at Closing (Aug 2023)
- 2<sup>nd</sup> Installment - \$21,746,000 at Stabilization (Jun 2025)

### **Bond/Loan Terms:**

Lender:	Citibank, N.A.
Financing Type:	This transaction will be a loan provided by the Lender to the Division and will be used to fund a tax-exempt construction note issue providing permanent financing for the Project.
Principal Amount:	<u>Permanent Phase:</u> <ul style="list-style-type: none"><li>• Conversion is expected to occur June 2025</li><li>• Not to exceed 90% loan to value based on final appraisal.</li><li>• Expected to be approximately \$12,100,000</li></ul>
Permanent Loan LTV:	90%
Debt Service Coverage:	1.15 to 1.00 per lender requirements.
Note Rate:	The loan rate will be equal to the sum of the 18-year SOFR Swap Index plus a spread of 2.40%. The loan rate formula would produce a rate estimated to be 5.61% at market conditions as of May 2, 2023. The rate will be locked at Closing.

Interest Payments:	Monthly.
Principal Payments:	Monthly
Denominations:	The Note will amortize in monthly “loan” form with fractional dollar principal amortization utilizing a 40-year amortization factor.
Maturity:	18 years from Closing.
Redemption:	The loan is prepayable after 10 years following Conversion.
Indenture Funds:	1) Project Fund a) Tax-Exempt Bonds Account 2) Cost of Issuance Fund 3) Expense Fund
Additional Fees:	1) Division Annual Fee - 0.25% (25 bp) paid monthly in advance 2) Trustee Annual Fee - 0.05% (5 bp) paid monthly in advance

### **Reserves:**

The Borrower will be required to fund deposits to a Replacement Reserve initially set at \$250/unit/year for years 1 - 5. 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 \$612,500.

### **Sources and Uses:**

Project sources and uses are summarized in Table B.

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

<b>Sources of Funds</b>			
	<b>Construction Phase</b>	<b>Permanent Phase</b>	
NHD Bond Proceeds (Exempt)	\$ 28,638,015	\$ 12,100,000	
LIHTC Equity	\$ 2,416,265	\$ 24,162,645	
Clark County CHF Funds	\$ 11,700,000	\$ 11,700,000	
Clark County HOME	\$ 2,000,000	\$ 2,000,000	
Housing Trust Funds	\$ 1,680,000	\$ 1,680,000	
NHD GAHP	\$ 3,000,000	\$ 3,000,000	
Deferred Developer Fee		\$ 2,904,043	
	\$ 49,434,280	\$ 57,546,688	
<b>Uses of Funds</b>			
			<b>\$/Unit</b>
Land Acquisition Cost	\$ 5,821,199	\$ 5,821,199	\$ 32,340
Construction Hard Costs	\$ 36,118,387	\$ 36,118,387	\$ 200,658
Soft Costs	\$ 2,876,037	\$ 2,876,037	\$ 15,978
Construction Period Interest	\$ 2,798,238	\$ 2,798,238	\$ 15,546
Contingencies	\$ 1,820,419	\$ 1,820,419	\$ 10,113
Operating & Repair Reserves		\$ 612,408	\$ 3,402
Developer Fee	\$ -	\$ 7,500,000	\$ 41,667
	\$ 49,434,280	\$ 57,546,688	\$ 319,704

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>INCOME</b>											
Annual Gross Rental Income	\$ 2,305,555	\$ 2,351,666	\$ 2,398,699	\$ 2,446,673	\$ 2,495,607	\$ 2,545,519	\$ 2,596,429	\$ 2,648,358	\$ 2,701,325	\$ 2,755,352	\$ 2,810,459
Other: Ancillary Revenue	\$ 41,769	\$ 42,605	\$ 43,457	\$ 44,326	\$ 45,212	\$ 46,117	\$ 47,039	\$ 47,980	\$ 48,939	\$ 49,918	\$ 50,916
<b>Total Residential Income</b>	<b>\$ 2,347,324</b>	<b>\$ 2,394,271</b>	<b>\$ 2,442,156</b>	<b>\$ 2,490,999</b>	<b>\$ 2,540,819</b>	<b>\$ 2,591,636</b>	<b>\$ 2,643,468</b>	<b>\$ 2,696,338</b>	<b>\$ 2,750,264</b>	<b>\$ 2,805,270</b>	<b>\$ 2,861,375</b>
Less: Residential Vacancy/Discounts	\$ (117,366)	\$ (119,714)	\$ (122,108)	\$ (124,550)	\$ (127,041)	\$ (129,582)	\$ (132,173)	\$ (134,817)	\$ (137,513)	\$ (140,263)	\$ (143,069)
<b>Proforma Gross Income</b>	<b>\$ 2,229,958</b>	<b>\$ 2,274,557</b>	<b>\$ 2,320,048</b>	<b>\$ 2,366,449</b>	<b>\$ 2,413,778</b>	<b>\$ 2,462,054</b>	<b>\$ 2,511,295</b>	<b>\$ 2,561,521</b>	<b>\$ 2,612,751</b>	<b>\$ 2,665,006</b>	<b>\$ 2,718,306</b>
<b>EXPENSES</b>											
General Administrative	\$ 72,705	\$ 74,886	\$ 77,132	\$ 79,446	\$ 81,830	\$ 84,285	\$ 86,813	\$ 89,417	\$ 92,100	\$ 94,863	\$ 97,709
Operating & Maintenance	\$ 420,652	\$ 433,271	\$ 446,270	\$ 459,658	\$ 473,447	\$ 487,651	\$ 502,280	\$ 517,349	\$ 532,869	\$ 548,855	\$ 565,321
Staff Payroll & Benefits	\$ 261,653	\$ 269,503	\$ 277,588	\$ 285,916	\$ 294,493	\$ 303,328	\$ 312,428	\$ 321,801	\$ 331,455	\$ 341,398	\$ 351,640
Property Management	\$ 66,899	\$ 68,237	\$ 69,601	\$ 70,993	\$ 72,413	\$ 73,862	\$ 75,339	\$ 76,846	\$ 78,383	\$ 79,950	\$ 81,549
Taxes & Insurance	\$ 137,684	\$ 141,814	\$ 146,069	\$ 150,451	\$ 154,964	\$ 159,613	\$ 164,401	\$ 169,333	\$ 174,413	\$ 179,646	\$ 185,035
Replacement Reserves	\$ 82,610	\$ 85,088	\$ 87,641	\$ 90,270	\$ 92,978	\$ 95,768	\$ 98,641	\$ 101,600	\$ 104,648	\$ 107,788	\$ 111,021
<b>Proforma Operating Expenses</b>	<b>\$ 1,042,202</b>	<b>\$ 1,072,799</b>	<b>\$ 1,104,301</b>	<b>\$ 1,136,734</b>	<b>\$ 1,170,126</b>	<b>\$ 1,204,506</b>	<b>\$ 1,239,902</b>	<b>\$ 1,276,346</b>	<b>\$ 1,313,868</b>	<b>\$ 1,352,500</b>	<b>\$ 1,392,276</b>
<b>Effective Net Operating Income</b>	<b>\$ 1,187,756</b>	<b>\$ 1,201,758</b>	<b>\$ 1,215,747</b>	<b>\$ 1,229,715</b>	<b>\$ 1,243,652</b>	<b>\$ 1,257,548</b>	<b>\$ 1,271,392</b>	<b>\$ 1,285,175</b>	<b>\$ 1,298,883</b>	<b>\$ 1,312,506</b>	<b>\$ 1,326,031</b>
<b>Residual Receipts</b>											
Senior Debt Service	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187
Debt Service Coverage	145%	147%	149%	150%	152%	154%	155%	157%	159%	160%	162%
<b>Residual Receipts</b>	<b>\$ 369,568</b>	<b>\$ 383,570</b>	<b>\$ 397,560</b>	<b>\$ 411,528</b>	<b>\$ 425,465</b>	<b>\$ 439,360</b>	<b>\$ 453,205</b>	<b>\$ 466,987</b>	<b>\$ 480,696</b>	<b>\$ 494,318</b>	<b>\$ 507,843</b>
<b>Surplus Cash</b>											
LP Asset Mgt Fee	\$ 7,957	\$ 8,195	\$ 8,441	\$ 8,695	\$ 8,955	\$ 9,224	\$ 9,501	\$ 9,786	\$ 10,079	\$ 10,382	\$ 10,693
DDF Payments	\$ 361,611	\$ 375,375	\$ 389,118	\$ 402,833	\$ 416,509	\$ 430,136	\$ 443,704	\$ 89,915	\$ -	\$ -	\$ -
DDF Balance	\$ 2,547,590	\$ 2,172,216	\$ 1,783,097	\$ 1,380,264	\$ 963,755	\$ 533,619	\$ 89,915	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 367,287</b>	<b>\$ 470,616</b>	<b>\$ 483,937</b>	<b>\$ 497,150</b>
Partnership Surplus Allocation	25%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,822	\$ 117,654	\$ 120,984	\$ 124,287
NHD Surplus Allocation	75%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,465	\$ 352,962	\$ 362,953	\$ 372,862
GAHP Loan Interest	1.00%	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 27,016	\$ 23,656
GAHP Loan Principal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,465	\$ 352,962	\$ 362,953	\$ 372,862
<b>GAHP Loan Balance</b>		<b>\$ 3,090,000</b>	<b>\$ 3,120,000</b>	<b>\$ 3,150,000</b>	<b>\$ 3,180,000</b>	<b>\$ 3,210,000</b>	<b>\$ 3,240,000</b>	<b>\$ 3,270,000</b>	<b>\$ 3,024,535</b>	<b>\$ 2,701,573</b>	<b>\$ 2,365,636</b>

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	3.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$2,904,043
GAHP Loan:	\$3,000,000

Permanent Loan Amount	\$12,100,000
Loan Term	35
Core Loan Rate	5.60%
NHD & Trustee Factor	0.30%
Total Loan Rate	5.90%
Annual Debt Service	\$818,187

		2037	2038	2039	2040	2041	2042	2043	2044
<b>INCOME</b>									
Annual Gross Rental Income		\$ 2,866,668	\$ 2,924,001	\$ 2,982,481	\$ 3,042,131	\$ 3,102,974	\$ 3,165,033	\$ 3,228,334	\$ 3,292,900
Other: Ancillary Revenue		\$ 51,935	\$ 52,973	\$ 54,033	\$ 55,114	\$ 56,216	\$ 57,340	\$ 58,487	\$ 59,657
<b>Total Residential Income</b>		<b>\$ 2,918,603</b>	<b>\$ 2,976,975</b>	<b>\$ 3,036,514</b>	<b>\$ 3,097,244</b>	<b>\$ 3,159,189</b>	<b>\$ 3,222,373</b>	<b>\$ 3,286,821</b>	<b>\$ 3,352,557</b>
Less: Residential Vacancy/Discounts		\$ (145,930)	\$ (148,849)	\$ (151,826)	\$ (154,862)	\$ (157,959)	\$ (161,119)	\$ (164,341)	\$ (167,628)
<b>Proforma Gross Income</b>		<b>\$ 2,772,672</b>	<b>\$ 2,828,126</b>	<b>\$ 2,884,688</b>	<b>\$ 2,942,382</b>	<b>\$ 3,001,230</b>	<b>\$ 3,061,254</b>	<b>\$ 3,122,480</b>	<b>\$ 3,184,929</b>
<b>EXPENSES</b>									
General Administrative		\$ 100,640	\$ 103,659	\$ 106,769	\$ 109,972	\$ 113,271	\$ 116,670	\$ 120,170	\$ 123,775
Operating & Maintenance		\$ 582,280	\$ 599,749	\$ 617,741	\$ 636,274	\$ 655,362	\$ 675,023	\$ 695,273	\$ 716,132
Staff Payroll & Benefits		\$ 362,190	\$ 373,055	\$ 384,247	\$ 395,774	\$ 407,648	\$ 419,877	\$ 432,473	\$ 445,448
Property Management		\$ 83,180	\$ 84,844	\$ 86,541	\$ 88,271	\$ 90,037	\$ 91,838	\$ 93,674	\$ 95,548
Taxes & Insurance		\$ 190,586	\$ 196,304	\$ 202,193	\$ 208,259	\$ 214,507	\$ 220,942	\$ 227,570	\$ 234,397
Replacement Reserves		\$ 114,352	\$ 117,782	\$ 121,316	\$ 124,955	\$ 128,704	\$ 132,565	\$ 136,542	\$ 140,638
<b>Proforma Operating Expenses</b>		<b>\$ 1,433,229</b>	<b>\$ 1,475,394</b>	<b>\$ 1,518,807</b>	<b>\$ 1,563,506</b>	<b>\$ 1,609,528</b>	<b>\$ 1,656,914</b>	<b>\$ 1,705,703</b>	<b>\$ 1,755,937</b>
<b>Effective Net Operating Income</b>		<b>\$ 1,339,444</b>	<b>\$ 1,352,732</b>	<b>\$ 1,365,881</b>	<b>\$ 1,378,876</b>	<b>\$ 1,391,702</b>	<b>\$ 1,404,341</b>	<b>\$ 1,416,777</b>	<b>\$ 1,428,992</b>
Senior Debt Service		\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187	\$818,187
Debt Service Coverage		164%	165%	167%	169%	170%	172%	173%	175%
<b>Residual Receipts</b>		<b>\$ 521,256</b>	<b>\$ 534,545</b>	<b>\$ 547,694</b>	<b>\$ 560,689</b>	<b>\$ 573,514</b>	<b>\$ 586,153</b>	<b>\$ 598,589</b>	<b>\$ 610,805</b>
LP Asset Mgt Fee		\$ 11,014	\$ 11,344	\$ 11,685	\$ 12,035	\$ 12,396	\$ 12,768	\$ 13,151	\$ 13,546
DDF Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>		<b>\$ 510,242</b>	<b>\$ 523,200</b>	<b>\$ 536,009</b>	<b>\$ 548,654</b>	<b>\$ 561,118</b>	<b>\$ 573,385</b>	<b>\$ 585,438</b>	<b>\$ 597,259</b>
Partnership Surplus Allocation	25%	\$ 127,561	\$ 130,800	\$ 134,002	\$ 137,163	\$ 140,279	\$ 502,436	\$ 585,438	\$ 597,259
NHD Surplus Allocation	75%	\$ 382,682	\$ 392,400	\$ 402,007	\$ 411,490	\$ 420,838	\$ 70,949		
GAHP Loan Interest	1.00%	\$ 20,164	\$ 16,539	\$ 12,781	\$ 8,888	\$ 4,862	\$ 702	\$ 0	\$ 0
GAHP Loan Principal		\$ 382,682	\$ 392,400	\$ 402,007	\$ 411,490	\$ 420,838	\$ 70,949		
<b>GAHP Loan Balance</b>		<b>\$ 1,653,912</b>	<b>\$ 1,278,051</b>	<b>\$ 888,825</b>	<b>\$ 486,223</b>	<b>\$ 70,247</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

### Borrower Financing Representation

#### Proposed Project:

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

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

#### ☐ Option A

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

#### ☒ Option B

#### Sponsor/Borrower Statement:

*We decided to select Citi as our lending partner on the Southern Pines II transaction for a variety of reasons. We've listed just a few below:*

*1) Financing Structure - Nevada HAND chose Citi Community Capital to be the tax-exempt construction to permanent lender via their back-to-back loan program. In order to facilitate Wells Fargo's desire to be the construction lender in connection with their tax credit equity bid, we needed to structure the deal to work through program investment rule issues and have a tax-exempt lender separate from the equity investor. Citi and Wells Fargo have used this structure in Nevada multiple times and have a good working relationship. Further, Citi's permanent loan terms including rate, amortization, and LTV were competitive with other debt proposals.*

*2) Ease of execution – given the significant number of our projects that Citi has financed, we understand Citi's processes and do not have to re-create the wheel learning new forms and processes with a different lender. This helps minimize costs associated with financing, including legal and due diligence costs.*

*3) Certainty of execution – affordable housing transactions always have a lot of twists and turns, and our experiences with Citi give us a lot of comfort knowing that Citi will not re-trade us and that they perform as advertised. Their creativity on our financings has saved us time and money. There has been a lot of unfavorable movement on the GSE side recently (increasing spreads and changing credit criteria), and we view a GSE execution as risky given that volatility.*

*4) Long term financial flexibility – A private placement with Citi allows for long term financial flexibility that a public offering and GSE's do not provide. Citi has the ability to allow financial restructuring and wave fees that is not possible in a public offering or by the GSE's.*

By Meg

**Megan Schimick**

**Title** Chief Financial Officer

**Firm** Nevada H.A.N.D., Inc.





## Southern Pines 2 Apartments

### *~Narrative Description~*

#### **THE DEVELOPMENT**

Southern Pines 2 Apartments development will provide 180 units of senior housing. Financed with Tax-Exempt Bonds, the project will consist of 36 1 Bedroom units, 108 2 Bedroom units, and 36 3 Bedroom Units. Southern Pines 2 Apartments will be located within the jurisdictional boundaries of the unincorporated Clark County. The current site is 8.5 acres of vacant land on the northeast corner of South Decatur Boulevard and West Pyle Avenue. The residential building will be three-story garden style apartment building. Initial closing is targeted for the third quarter of 2023 with a 14-month construction period. The development will be the second phase of a multi-phase community totaling 240 units.

#### **NEIGHBORHOOD DESCRIPTION**

Southern Pines 2 Apartments located in the rapidly developing southwest portion of Southern Nevada. The property is delineated by the following boundaries: Decatur Blvd. to the west, Pyle Ave. to the south, vacant land to the south and west, and a restaurant/tavern on the southeastern corner. This referenced area of the development is located in an Upper Income census tract as designated by the Federal Financial Institutions Examination Council. Surrounded by neighborhoods such as, Rhodes Ranch, Mountain's Edge, Southern Highlands and other higher income areas, the project is located in the middle of one of the highly desirable areas of Southwest Las Vegas. Its dual proximity to freeways and distance from The Strip makes it an ideal area for many Las Vegasans. Hayden Elementary School, Ruby Duncan Elementary School, and Legacy High School are located northwest of the site. There are two shopping centers approximately one-half mile to the south that is home to a supermarket, various restaurants and shops, and quick service restaurants. Ries Elementary School and Tarkanian Middle School are approximately two-thirds of a mile to the west of the site and Interstate 15 is about 1.5 miles to the east.

#### **PROJECT FINANCING**

Southern Pines 2 plans to utilize the following project financing:

State of Nevada Housing Division – Low Income Housing Tax Credits (LIHTCs)

Nevada H.A.N.D., Inc. will apply to the Nevada Housing Division for 4% LIHTCs and Tax Exempt Bonds.

Construction/Permanent Financing – Wells Fargo N.A. / Citibank N.A.

Wells Fargo will provide the construction loan of up to \$29,000,000 and prior to the end of construction Citi Community Capital will take out the WF Construction loan provide a construction-to-permanent loan



## NEVADA HAND

MORE THAN A HOME

up to \$15,410,000 for this development.

### Clark County HOME / LIHTE

Nevada H.A.N.D., Inc. is a CHDO and was awarded for \$2,000,000 of HOME funds and \$11,700,000 of Community Housing Funds from Clark County.

### Nevada Housing Trust Funds (HTF)/GAHP

Nevada H.A.N.D., Inc. was awarded the Nevada Housing Division for Housing Trust Funds in the amount of \$1,680,000 and will also apply for \$3,000,000 of Nevada Housing Division GAHP funds.

### Developer Financing

Nevada H.A.N.D., Inc. plans to provide \$2,876,138 in developer financing.

### **THE SPONSOR / DEVELOPMENT TEAM**

The **project sponsor** is Nevada H.A.N.D., Inc., a 501(c)3 non-profit Community Housing Development Organization (CHDO).

The **property owner** will be a to be formed Limited Partnership, a Nevada limited partnership, and single asset entity.

The **general partner** will be a to be formed Limited Liability Company that will be wholly-owned by HAND Enterprises, Inc., a Board-controlled, non-profit affiliate of Nevada H.A.N.D., Inc.

The **developer** will be HAND Development Company, a Board-controlled, non-profit affiliate of Nevada H.A.N.D., Inc.

The **general contractor** will be HAND Construction Company, a Board-controlled, non-profit affiliate of Nevada H.A.N.D., Inc.

The **architect** will be PAZ Design Group who is located in Las Vegas, Nevada.

The **engineering consultant** is L.R. Nelson Consulting Engineers who is located in Las Vegas, Nevada

The **property manager** is HAND Property Management Company, a Board-controlled, non-profit affiliate of Nevada H.A.N.D., Inc.



# NEVADA HAND

MORE THAN A HOME

## AFFORDABILITY

Long-term affordability will be governed by a regulatory agreement, which will provide affordability assurances for 50 years.

Post-closing, the unit mix will be as follows:

Type of Unit	Units	Initial Rents	AMI %	Includes Utilities
One Bedroom	2	393	30	N
One Bedroom	32	854	60	N
One Bedroom	2	1139	30 PBV	N
Two Bedroom	6	462	30	N
Two Bedroom	98	1015	60	N
Two Bedroom	4	1369	30 PBV	N
Three Bedroom	2	526	30	N
Three Bedroom	32	1164	60	N
Three Bedroom	2	1960	30 PBV	N
<b>Total</b>	<b>180</b>			

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

**Development:** Southern Pines 2  
**Development Type:** New Construction  
**BoF Meeting Date:** 6.16.23

**Administrator's Summary**

This bond issuance of \$30.5 million dollars will be used to provide for the new construction of 180 units of affordable senior apartments in Clark County. The rental housing will serve 180 households at or below 60% of area median income with 10% of the units available to those at 30% AMI and under. This development will be the second phase of a multi-phase community totaling 240 units. The developer of this project, Nevada HAND, has built and rehabilitated thousands of affordable homes in Southern Nevada.

- 180 Senior Units
- New construction
- 100% Affordable Rents
- 162 units <60% AMI, 0 units <50% AMI, 18 units <30% AMI
- 1 bedroom units = 36, 2 bedroom units = 108, 3 bedroom units = 36
- 1 bedroom rents \$444 less than market rate
- 2 bedroom rents \$441 less than market rate
- 3 bedroom rents \$821 less than market rate
- Cost per unit = \$319,704
- Cost per bond cap allocation = \$169,444
- Developer –Nevada HAND
- Equity Investor – Wells Fargo
- Loan – Citibank
- \$30.5M in Bond Proceeds trips \$24.2M in LIHTC Equity (42.0% of total development cost)

	<b>Southern Pines 2</b>	<b>Program Average</b>	<b>Notes</b>
Total Tax-exempt Bond ask	\$ 30,500,000	\$ 34,950,000	
Total Development Cost	\$ 57,546,688	\$ 66,771,428	Average of last 10 New Construction projects previously approved
Size of site	8.5 Acres	6.88 Acres	
Total # of Units	180	218	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 319,704	\$ 320,048	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 169,444	\$ 167,392	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	n/a	n/a	No units in this project
Percentage of Units at 60% AMI	90.00%	89.0%	162 Units in this project
Percentage of Units at 50% AMI	0.00%	9.0%	0 units in this project
Percentage of Units at 40% AMI	0.00%	0.0%	0 units in this project
Percentage of Units at 30% AMI	10.00%	2.0%	18 units in this project
Veteran's Preference	Yes	Yes	

	<b>Southern Pines 2</b>	<b>Estimated Market Rate</b>	<b>Notes</b>
Average 1 Bedroom Rent	\$ 848	\$ 1,292	Rent.com Updated 5/16/23
Average 2 Bedroom Rent	\$ 1,001	\$ 1,442	Rent.com Updated 5/16/23
Average 3 Bedroom Rent	\$ 1,179	\$ 2,000	Renthop.com May 2023
Average Vacancy Rate	n/a	7.50%	NVSSA 3rd qtr 2022

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

DATE: May 23, 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 (Golden Rule Senior Apartments Phase II)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

2:30 p.m., Friday, June 16, 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 (Golden Rule Senior Apartments Phase II).

C. The Findings relate to the issuance of up to \$11,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 60-unit senior apartment complex located at 820 N Eastern Ave, Las Vegas, Nevada (the “Project”).

D. The Housing Division will issue up to \$11,000,000 of multi-unit housing revenue bonds which will be a direct bond purchase by JP Morgan Chase. The borrower entity will be a limited partnership consisting of Neighborhood Housing Services of Southern Nevada Inc and Boston Financial as 99.99% investor limited partner. Boston Financial will provide an equity investment of approximately 8,805,000 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. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of

Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as “Multi-Unit Housing Revenue Bonds (Golden Rule Senior Apartments Phase II).”

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  
Golden Rule Senior Apartments Phase II**

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

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

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

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

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





May 19, 2023

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

Re: Golden Rule Apartments Project

Mr. Aichroth:

This Review and opinion are 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 Golden Rule Senior Apartments Phase II (“Project”). The Division is requesting authorization for issuance of a tax-exempt multi-unit housing revenue note in an amount up to \$11,000,000 to fund construction of this new affordable senior supportive housing property in Las Vegas.

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

The financing is proposed as a direct placement fixed rate permanent loan with JPMorgan Chase Bank, N.A. (“JPM Chase”) which will provide both construction and permanent financing for the Project. The financing is reviewed in greater detail in Exhibits A, B and D.

The proposed Project is viewed positively in the local community and has been endorsed by the City of Las Vegas. A tax-exempt financing by the Division of this Project is necessary for compliance with Federal tax rules to qualify the Project for 4% Low Income Housing Tax Credits. Equity proceeds from the sale of these credits are critical to successful construction of the Project at the proposed restricted income levels.

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff, *Director*

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

## **PROJECT OVERVIEW AND PLAN OF FINANCE**

### **The Project**

The Project consists of land acquisition and construction of a new affordable senior independent living facility located in northeast Las Vegas on N. Eastern Avenue and immediately adjacent to The Golden Rule Senior Apartments Phase I. The Project will be a 60-unit development situated on a site of approximately 3.1 acres which is shared with Phase I. The residential building will contain one- and two-bedroom independent living units in a three-story building. All units will be served by elevators. Greater detail regarding the Project configuration and amenities is highlighted in Exhibit D.

A summary of the Project rent set-asides and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile							
Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Less Utility Allowance <sup>2</sup>	Net Monthly Rent	Total Monthly Revenue	Total Annual Revenue
<b><u>1 Bedroom</u></b>							
< 30% AMI	8	624	\$ 460	\$ -	\$ 460	\$ 3,680	\$ 44,160
< 50% AMI	24	624	\$ 767	\$ -	\$ 767	\$ 18,408	\$ 220,896
< 60% AMI	10	624	\$ 921	\$ -	\$ 921	\$ 9,210	\$ 110,520
<b><u>2 Bedroom</u></b>							
<30% AMI	2	847	\$ 552	\$ -	\$ 552	\$ 1,104	\$ 13,248
< 50% AMI	7	847	\$ 921	\$ -	\$ 921	\$ 6,447	\$ 77,364
< 60% AMI	9	847	\$ 1,105	\$ -	\$ 1,105	\$ 9,945	\$ 119,340
<b>Total Units</b>	60					\$ 48,794	\$ 585,528
<sup>1</sup> 2022 Income Limits (Las Vegas-Henderson - Paradise, NV MSA)					Ancillary Income		\$ 10,044
<sup>2</sup> 100% Owner paid utilities							

### **Project Developers**

Neighborhood Housing Services of Southern Nevada, Inc.  
Las Vegas, NV 89119

Neighborhood Housing Services is a non-profit organization established in 1992 to aid low to moderate income individuals and families by providing transitional housing, affordable rentals, educational workshops, and homeownership assistance.

### **Contractor**

B&H Construction Inc.  
Henderson, NV 89119

B&H Construction has been delivering quality construction services in Las Vegas since 1992. In the last ten years B&H has successfully completed 10 HUD apartment projects totaling over 350 apartment units.

### **Property Management**

Parkplace Residential  
Saint George, Utah

Parkplace Residential is a family-owned full-service real estate company with over thirty years of cumulative property management experience in multiple markets. Parkplace commenced their property management business in 2014 and has added properties in Las Vegas, Nevada and Saint George, Utah.

### **Borrower Entity and Equity Investor**

The borrower entity will be a limited partnership consisting of Neighborhood Housing Services of Southern Nevada Inc as a 0.01% General Partner and Boston Financial as 99.99% investor limited partner. Boston Financial will provide an equity investment of approximately \$8,805,000 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.

### **Plan of Finance:**

The permanent financing will be a tax-exempt direct note placement with JPM Chase. The note will be held by JPM Chase or an affiliate and not sold to the public. Proceeds of the note will be advanced to the borrower by Zions Bank as Division Trustee upon receipt of project cost requisitions. The JPM Chase loan will provide both construction and post-construction permanent financing. Greater detail regarding the JPM Chase loan is provided in the Bond/Loan Term section to follow.

As noted previously, Boston Financial will provide equity financing through the purchase of Low-Income Housing Tax Credits available to the Project. The periodic advances of their equity investment are structured as follows:

- 1<sup>st</sup> Installment - \$880,500 at Closing (Sep 2023)
- 2<sup>nd</sup> Installment - \$4,402,300 at Construction Completion (Apr 2025)
- 3<sup>rd</sup> Installment - \$3,521,800 at Stabilization (Oct 2025)

### **Bond/Loan Terms:**

Lender: JPMorgan Chase Bank, N.A.

Financing Type: This transaction will be a loan provided by JPM Chase to the Division and will be used to fund a tax-exempt construction note issue providing construction and permanent financing for the Project.

Loan Phases:

#### **Construction Phase:**

- Expected to be approximately \$11,000,000
- 24-month initial term
- Loan rate will be equal to one-month Term SOFR plus 185 basis points (estimated to be 6.94% at current market).

#### **Permanent Phase:**

- Expected to be approximately \$2,700,000.
- Not to exceed 80% loan to value based on final appraisal.
- Loan rate will be equal to 10-year SOFR Swap Rate plus 200 basis points (estimated to be 5.56% at current market).

Debt Service Coverage: 1.15 to 1.00 per lender requirements.

Interest Payments: Monthly.

Principal Payments: Monthly

Denominations:	The Note will amortize in monthly “loan” form with fractional dollar principal amortization utilizing a 35-year amortization factor.
Maturity:	18 years from Permanent Loan Conversion.
Redemption:	The permanent loan is prepayable at a premium of 1% during years 1 – 15 following Conversion, thereafter at no penalty.
Indenture Funds:	1) Project Fund a) Tax-Exempt Bonds Account 2) Cost of Issuance Fund 3) Expense Fund
Additional Fees:	1) Division Annual Fee - 0.25% (25 bp) paid monthly in advance 2) Trustee Annual Fee - 0.05% (5 bp) paid monthly in advance

### **Reserves:**

The Borrower will be required to fund deposits to a Replacement Reserve initially set at \$300/unit/year for years 1 - 5. 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 \$180,000.

### **Sources and Uses:**

Project sources and uses are summarized in Table B.

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

Sources of Funds			
	Construction Phase	Permanent Phase	
NHD Bond Proceeds (Exempt)	\$ 10,900,000	\$ 2,700,000	
LIHTC Equity	\$ 880,463	\$ 8,804,626	
HMNI Loan	\$ 5,832,109	\$ 9,000,000	
Clark County HOME	\$ 135,000	\$ 135,000	
Deferred Developer Fee		\$ 3,946	
	\$ 17,747,572	\$ 20,643,572	

Uses of Funds			\$/Unit
Land Acquisition Cost	\$ 380,000	\$ 380,000	\$ 6,333
Construction Hard Costs	\$ 12,899,670	\$ 12,899,670	\$ 214,995
Soft Costs	\$ 2,432,954	\$ 2,432,954	\$ 40,549
Construction Period Interest	\$ 936,611	\$ 936,611	\$ 15,610
Contingencies	\$ 1,098,337	\$ 1,098,337	\$ 18,306
Operating & Repair Reserves		\$ 246,000	\$ 4,100
Developer Fee	\$ -	\$ 2,650,000	\$ 44,167
	\$ 17,747,572	\$ 20,643,572	\$ 344,060

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>INCOME</b>											
Annual Gross Rental Income	\$ 621,367	\$ 633,794	\$ 646,470	\$ 659,400	\$ 672,588	\$ 686,039	\$ 699,760	\$ 713,755	\$ 728,030	\$ 742,591	\$ 757,443
Other: Ancillary Revenue	\$ 10,659	\$ 10,872	\$ 11,089	\$ 11,311	\$ 11,537	\$ 11,768	\$ 12,004	\$ 12,244	\$ 12,488	\$ 12,738	\$ 12,993
<b>Total Residential Income</b>	<b>\$ 632,026</b>	<b>\$ 644,666</b>	<b>\$ 657,560</b>	<b>\$ 670,711</b>	<b>\$ 684,125</b>	<b>\$ 697,808</b>	<b>\$ 711,764</b>	<b>\$ 725,999</b>	<b>\$ 740,519</b>	<b>\$ 755,329</b>	<b>\$ 770,436</b>
Less: Residential Vacancy/Discounts	\$ (31,601)	\$ (32,233)	\$ (32,878)	\$ (33,536)	\$ (34,206)	\$ (34,890)	\$ (35,588)	\$ (36,300)	\$ (37,026)	\$ (37,766)	\$ (38,522)
<b>Proforma Gross Income</b>	<b>\$ 600,424</b>	<b>\$ 612,433</b>	<b>\$ 624,682</b>	<b>\$ 637,175</b>	<b>\$ 649,919</b>	<b>\$ 662,917</b>	<b>\$ 676,175</b>	<b>\$ 689,699</b>	<b>\$ 703,493</b>	<b>\$ 717,563</b>	<b>\$ 731,914</b>
<b>EXPENSES</b>											
General Administrative	\$ 30,449	\$ 31,362	\$ 32,303	\$ 33,272	\$ 34,270	\$ 35,299	\$ 36,358	\$ 37,448	\$ 38,572	\$ 39,729	\$ 40,921
Operating & Maintenance	\$ 126,210	\$ 129,996	\$ 133,896	\$ 137,913	\$ 142,050	\$ 146,312	\$ 150,701	\$ 155,222	\$ 159,879	\$ 164,675	\$ 169,616
Staff Payroll & Benefits	\$ 132,684	\$ 136,665	\$ 140,765	\$ 144,988	\$ 149,337	\$ 153,818	\$ 158,432	\$ 163,185	\$ 168,081	\$ 173,123	\$ 178,317
Property Management	\$ 18,013	\$ 18,373	\$ 18,740	\$ 19,115	\$ 19,498	\$ 19,888	\$ 20,285	\$ 20,691	\$ 21,105	\$ 21,527	\$ 21,957
Taxes & Insurance	\$ 36,825	\$ 37,930	\$ 39,068	\$ 40,240	\$ 41,447	\$ 42,690	\$ 43,971	\$ 45,290	\$ 46,649	\$ 48,048	\$ 49,490
Replacement Reserves	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572	\$ 20,159	\$ 20,764	\$ 21,386	\$ 22,028
<b>Proforma Operating Expenses</b>	<b>\$ 360,572</b>	<b>\$ 371,209</b>	<b>\$ 382,161</b>	<b>\$ 393,439</b>	<b>\$ 405,051</b>	<b>\$ 417,007</b>	<b>\$ 429,319</b>	<b>\$ 441,995</b>	<b>\$ 455,048</b>	<b>\$ 468,489</b>	<b>\$ 482,328</b>
<b>Effective Net Operating Income</b>	<b>\$ 239,853</b>	<b>\$ 241,224</b>	<b>\$ 242,520</b>	<b>\$ 243,737</b>	<b>\$ 244,868</b>	<b>\$ 245,910</b>	<b>\$ 246,857</b>	<b>\$ 247,704</b>	<b>\$ 248,445</b>	<b>\$ 249,074</b>	<b>\$ 249,586</b>
Senior Debt Service	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722
Debt Service Coverage	139%	140%	140%	141%	142%	142%	143%	143%	144%	144%	145%
<b>Residual Receipts</b>	<b>\$ 67,131</b>	<b>\$ 68,503</b>	<b>\$ 69,799</b>	<b>\$ 71,015</b>	<b>\$ 72,147</b>	<b>\$ 73,188</b>	<b>\$ 74,135</b>	<b>\$ 74,982</b>	<b>\$ 75,723</b>	<b>\$ 76,353</b>	<b>\$ 76,864</b>
LP Asset Mgt Fee	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524	\$ 6,720
DDF Payments	\$ 1,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ 60,822</b>	<b>\$ 63,353</b>	<b>\$ 64,494</b>	<b>\$ 65,551</b>	<b>\$ 66,519</b>	<b>\$ 67,392</b>	<b>\$ 68,165</b>	<b>\$ 68,833</b>	<b>\$ 69,389</b>	<b>\$ 69,829</b>	<b>\$ 70,145</b>

	2037	2038	2039	2040	2041	2042	2043	2044
<b>INCOME</b>								
Annual Gross Rental Income	\$ 772,592	\$ 788,044	\$ 803,804	\$ 819,881	\$ 836,278	\$ 853,004	\$ 870,064	\$ 887,465
Other: Ancillary Revenue	\$ 13,253	\$ 13,518	\$ 13,788	\$ 14,064	\$ 14,345	\$ 14,632	\$ 14,925	\$ 15,223
<b>Total Residential Income</b>	<b>\$ 785,845</b>	<b>\$ 801,561</b>	<b>\$ 817,593</b>	<b>\$ 833,945</b>	<b>\$ 850,623</b>	<b>\$ 867,636</b>	<b>\$ 884,989</b>	<b>\$ 902,688</b>
Less: Residential Vacancy/Discounts	\$ (39,292)	\$ (40,078)	\$ (40,880)	\$ (41,697)	\$ (42,531)	\$ (43,382)	\$ (44,249)	\$ (45,134)
<b>Proforma Gross Income</b>	<b>\$ 746,552</b>	<b>\$ 761,483</b>	<b>\$ 776,713</b>	<b>\$ 792,247</b>	<b>\$ 808,092</b>	<b>\$ 824,254</b>	<b>\$ 840,739</b>	<b>\$ 857,554</b>
<b>EXPENSES</b>								
General Administrative	\$ 42,148	\$ 43,413	\$ 44,715	\$ 46,057	\$ 47,438	\$ 48,861	\$ 50,327	\$ 51,837
Operating & Maintenance	\$ 174,704	\$ 179,945	\$ 185,344	\$ 190,904	\$ 196,631	\$ 202,530	\$ 208,606	\$ 214,864
Staff Payroll & Benefits	\$ 183,666	\$ 189,176	\$ 194,851	\$ 200,697	\$ 206,718	\$ 212,919	\$ 219,307	\$ 225,886
Property Management	\$ 22,397	\$ 22,845	\$ 23,301	\$ 23,767	\$ 24,243	\$ 24,728	\$ 25,222	\$ 25,727
Taxes & Insurance	\$ 50,974	\$ 52,504	\$ 54,079	\$ 55,701	\$ 57,372	\$ 59,093	\$ 60,866	\$ 62,692
Replacement Reserves	\$ 22,689	\$ 23,370	\$ 24,071	\$ 24,793	\$ 25,536	\$ 26,303	\$ 27,092	\$ 27,904
<b>Proforma Operating Expenses</b>	<b>\$ 496,578</b>	<b>\$ 511,252</b>	<b>\$ 526,361</b>	<b>\$ 541,919</b>	<b>\$ 557,939</b>	<b>\$ 574,434</b>	<b>\$ 591,420</b>	<b>\$ 608,910</b>
<b>Effective Net Operating Income</b>	<b>\$ 249,974</b>	<b>\$ 250,232</b>	<b>\$ 250,352</b>	<b>\$ 250,329</b>	<b>\$ 250,154</b>	<b>\$ 249,820</b>	<b>\$ 249,319</b>	<b>\$ 248,644</b>
Senior Debt Service	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722	\$172,722
Debt Service Coverage	145%	145%	145%	145%	145%	145%	144%	144%
<b>Residual Receipts</b>	<b>\$ 77,253</b>	<b>\$ 77,510</b>	<b>\$ 77,631</b>	<b>\$ 77,607</b>	<b>\$ 77,432</b>	<b>\$ 77,098</b>	<b>\$ 76,598</b>	<b>\$ 75,922</b>
LP Asset Mgt Fee	\$ 6,921	\$ 7,129	\$ 7,343	\$ 7,563	\$ 7,790	\$ 8,024	\$ 8,264	\$ 8,512
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ 70,331</b>	<b>\$ 70,381</b>	<b>\$ 70,288</b>	<b>\$ 70,044</b>	<b>\$ 69,642</b>	<b>\$ 69,075</b>	<b>\$ 68,333</b>	<b>\$ 67,410</b>

**Borrower Financing Representation****Proposed Project:**

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

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

**☒ Option A**

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>
Chase Bank	5.14%	0.75% of construction loan amount

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

Chase Bank is the permanent lender on The Golden Rule Senior Apartments Phase I, which will be physically connected to Phase II.

By Michelle Merced

Title CEO/President

Firm Neighborhood Housing Services of Southern Nevada, Inc.

## The Golden Rule Senior Apartments Phase II

820 N. Eastern Avenue

Las Vegas, NV 89101

APN#: Portion of 139-25-301-001 (3.11 acres)

### Project Narrative

The Golden Rule Apartments Phase II is a proposed new construction, 60-unit affordable senior supportive housing development to be located in northeast Las Vegas. It is directly adjacent to The Golden Rule Apartments Phase I, a 60-unit mixed-income senior supportive housing development which is slated to open in February 2023. The development will include the physical spaces and social supports to allow very- and extremely low- income seniors to age in place in a setting that promotes independence and dignity. The project is being developed by Neighborhood Housing Services of Southern Nevada (NHSSN), which is a non-profit organization that provides transitional housing, affordable rentals, educational workshops, and homeownership assistance with the goal of building better neighborhoods, block by block.

The project will employ a part-time Resident Service Coordinator who will assist residents in remaining financially and physically self-sufficient. The Coordinator will help residents access an extensive network of local services and work with providers to host on-site group workshops and information sessions. The Coordinator will also work with residents to plan on-site activities, holiday lunches, outings, and to develop a monthly newsletter.

### Physical Description

The three-story, new construction elevator residence will include 42 one-bedroom / one-bath (624 SF) and 18 two-bedroom / one-bath (847 SF), accessible/ adaptable apartments as well as community and service space.

<i>Program Mix</i>	<u>#</u>	<u>SF</u>	<u>%</u>
1-bdrm	42	624	70.0%
2-bdrm	18	847	30.0%
Total	60	41,454	100.0%

The common areas, which may be shared with Phase I, will include a multi-purpose room with warming kitchen, library/lounge, computer lab, exercise room, offices for management and supportive service staff, and secure and landscaped grounds, and courtyards. Outdoor areas will include resident and visitor parking, a barbecue and picnic area, dog park, and raised beds for resident gardening.

The Golden Rule Apartments Phase II will include high efficiency heating and cooling equipment, EnergyStar appliances, low-E thermal pane windows, high R-value wall and attic insulation, and automatic timer thermostat controls. The development will also offset electrical consumption through photovoltaic solar generation. It will promote



sustainable building techniques through the use of low- and no-VOC paints, carpeting, padding, and adhesives, and formaldehyde-free particleboard and will promote water conservation with low-flow fixtures and extensive xeriscaping.

**Location and Neighborhood**

The Golden Rule Apartments Phase II is located on a portion of one parcel totaling 3.11-acres east of N. Eastern Avenue and south of E. Washington Avenue in Las Vegas, Ward 3. Once complete, the two phases of The Golden Rule Apartments will contain 120 units of affordable senior rental housing. The area is mostly residential with commercial uses to the south. The development is located near stores, parks, churches, banks, community services, and mass-transit. About a half-mile south of the property is a large shopping center containing a Walgreen's pharmacy, two grocery stores, a U.S. postal service office, a dental office, a hair salon, and several gas stations, stores, and eateries. There are also several churches within a mile radius, and Meals on Wheels has an office just 0.7 miles away, south of E. Bonanza Road.

Less than a half-mile to the east is Gary Reese Freedom Park, which contains bocce courts, horseshoe pits, a fitness court, a jogging/walking path, playgrounds, picnic areas, a pool, a disc golf field, and several sport courts and fields. The Las Vegas Fire and Rescue Department Station 8 is located adjacent to the park, providing residents with quick emergency responses when necessary.

The East Las Vegas Community Center is located 1 mile south of the site. The center was designed to reflect the Latino heritage of the surrounding area and contains a ballroom, classrooms, loom room, learning room, commercial kitchen, dance/aerobics studio, music studio and sound production booth, and computer lab. It also offers numerous senior activities and cultural classes.

North Vista Hospital is just under one and half miles to the north of the site. The hospital offers comprehensive healthcare services, including emergency care, heart care, advanced surgical procedures, diagnostic imaging, and an urgent care clinic.

There are several bus stops within walking distance of the property. RTC Southern NV Route 110 runs south to north along Eastern Avenue from Paradise Valley to North Las Vegas, and Route 208 runs west to east along Washington through downtown Las Vegas to Durango Drive.

**Target Population and Market Demand**

The Golden Rule Apartments Phase II will be a senior-restricted development available to residents aged 55 and above. All units will be affordable to seniors with incomes at or below 30%, 50%, and 60% of area median income (AMI). Approximately 17% of the units (10 units) will serve households below 30% of AMI. Thirty-one (31) of the units will serve households below 50% of AMI and nineteen (19) will serve households with incomes below 60% of AMI.

<i>Income Mix</i>	<i>#</i>	<i>%</i>
<30% AMI	10	17%
<50% AMI	31	52%
<60% AMI	19	31%
Total	60	100%
Wt. Avg. Rent Targeting		49.83%

We expect strong and continued demand for The Golden Rule Apartments Phase II development. A market study completed by Valbridge Property Advisors on May 26, 2020 found significant demand for the development of The Golden Rule Senior Apartments Phase I (formerly known as Eastern Land Senior Apartments). Valbridge determined that The Golden Rule Senior Apartments is well-located within reasonable distances of major roadways, public transportation, and community services and amenities. Valbridge also noted that the location of the property in a City of Las Vegas Revitalization Area and the push for revitalization of the neighborhood from local political leaders are positive attributes for The Golden Rule Senior Apartments.

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

According to the 2021 Nevada Housing Division Annual Affordable Apartment Survey, "Taking Stock," the supply of affordable senior housing units in Clark County was extremely low and only further tightened in comparison to 2020, with responding properties reporting a vacancy rate of 1.7% for a one-bedroom and 1.6% for a two-bedroom. These vacancy rates have been consistently low over the past several years, indicating a severe need for affordable senior housing in Clark County and the surrounding areas. The addition of 60 new units on The Golden Rule Apartments site will meet a growing need for barrier-free and affordable housing for seniors in the Las Vegas Valley.

The proposed rents at The Golden Rule will be significantly below market rents in Las Vegas. The proposed 1-bedroom rents will range from \$460 to \$921 and the proposed 2-bedroom rents will range from \$552 to \$1,105 with owner paid utilities. For comparison, the "Taking Stock" report for 2021 identifies average market rents of \$1,335 for a one-bedroom unit and \$1,562 for a two-bedroom unit. The 2023 HUD Fair Market Rents for Clark County are \$1,212 for a 1-bedroom and \$1,457 for a 2-bedroom unit.

## Development Team

Sponsor/Developer	Neighborhood Housing Services of Southern Nevada
Development Consultant	Praxis Consulting Group, LLC
Construction Manager	Grand Canyon Development Partners
General Contractor	B&H Construction
Architect	Integrated Design & Architecture (IDeA)
Property Manager	Parkplace Residential

The Golden Rule Senior Apartments Phase II will be owned by a new sole purpose limited liability company, Golden Rule II, LLC. The 0.01% Managing Member of the LLC will also be a new, to-be-created sole purpose limited liability company, Golden Rule II Manager, LLC. Neighborhood Housing Services of Southern Nevada (NHSSN) will be the sole manager of the Manager LLC. NHSSN will act as Developer to the owner LLC.

### Neighborhood Housing Services of Southern Nevada

Neighborhood Housing Services of Southern Nevada (NHSSN) is a non-profit organization established in 1992 to aid low-to-moderate income individuals and families by providing them with transitional housing, affordable rentals, educational workshops, and homeownership assistance. Through its multiple programs, NHSSN has helped households throughout Clark County turn their hopes for the American Dream into realities. Its vision is to build better neighborhoods, block by block.

NHSSN maintains 152 units of affordable rental housing, both single- and multi-family units throughout Clark County. All units are available to households with incomes at or below 80% of the Area Median Income (AMI). NHSSN also offers pre- and post-purchase housing counseling, down payment assistance programs, pre- and post-purchase education, and loan modification/loss mitigation counseling. It also acquires and rehabilitates single-family homes and sells them to low and moderate-income residents. Community members who purchase homes in this way are offered homeownership counseling and education. From 2012-2020, NHSSN assisted over 1,710 individuals and families in purchasing homes and provided homebuyer education to more than 6,500 Southern Nevada residents.

NHSSN maintains accreditation through the United Way of Southern Nevada. It is a HUD-approved local housing counseling agency and adopter of the National Industry Standards for Homeownership Education and counseling. It is also a NeighborWorks American affiliate organization and has received the highest NeighborWorks rating of 'exemplary.'

### Praxis Consulting Group, LLC

NHSSN will receive consulting assistance from Praxis Consulting Group, LLC. 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. Since 2005, Praxis has secured the financing for over 95 affordable housing developments primarily in Nevada, totaling over 10,600 units and \$2 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.

#### Grand Canyon Development Partners

Grand Canyon Development Partners will provide construction and project management services to the Golden Rule Senior Apartments Phase II development. The Grand Canyon family of companies started in 2005 and offers a full spectrum of services to facilitate all processes for its clients' project including, but not limited to: real estate development, construction, project and program management services, technology services, and Energy and Sustainability solutions. Its primary objective is to effectively manage client projects to increase their opportunities to develop tenant relationships and pursue new deals. Grand Canyon is comprised of development and construction professionals who have over 100 years of combined experience working for design and engineering firms, developers, and contractors. Its extensive experience allows it to fully understand what is critical to clients while also having the insight on what it takes to pull a successful project together from feasibility to design and permitting, through construction and and tenant occupation.

#### B&H Construction

B&H Construction, Inc., located in Henderson, Nevada, is a Nevada. B&H offers Commercial General Contracting services from competitive bidding, Design Build, and cost plus Construction Management services. Since the inception of the firm in 1992, B&H has earned a reputation as a General Contractor that delivers quality and reliability, with extensive experience to every project. Since the completion of B&H's first project in Las Vegas, it has continued to emphasize its commitment to building solid relationships through uncompromising customer service and satisfaction. Its continuous relationships with repeat customers is what sets them apart from other Contractors.

B&H Construction, Inc. has extensive experience building projects that have been federally and/or publicly funded. Over the past decade, B&H has successfully completed over 10 HUD apartment projects, totaling over 350 apartment units with HUD programs such as 202 and 811. These projects all had a combination of HUD funding and local jurisdiction HOME funds. The projects were all regulated by HUD and required bi-monthly HUD inspection meetings. In addition, B&H has also completed numerous projects funded with other public sources such as Low-Income Housing Tax Credits (LIHTC), American Recovery and Reinvestment Act (ARRA) and HUD's Rental Assistance Demonstration (RAD) program, totaling over 600 units.

### Integrated Design & Architecture (IDeA)

With over 20 years of experience, Integrated Design & Architecture (IDeA) provides services in architecture, planning, sustainable design, and construction management. The firm serves a number of non-profit housing groups in New Mexico, Texas, and Nevada, including Nevada Rural Housing Authority, New Mexico Housing and Community Development Corporation, and Northern Nevada Community Housing. The firm has completed over 5,217 total dwelling units, with 80% of its work dedicated to affordable housing. Current housing projects in Nevada include: Highland Manor Apartments, Belmont Apartments, Silver Springs Village Apartments, Bristlecone Apartments, Yerington Garden, and Old Mill Village Apartments, and The Golden Rule Senior Apartments Phase I.

IDeA looks at every angle of building from its sustainability: water capture, solar, small footprint, ecological, and human health. It is interested in purposeful design, in creating buildings that don't cost more to maintain than to build. IDeA's principals and team have years of commitment to energy-efficient design, including daylighting and passive solar. Energy conscious design and natural, low-energy, and recycled materials have been key to many of IDeA's designs, including affordable housing projects.

### Parkplace Residential

Founded in 2013 Parkplace Residential, AMO is a family owned full-service real estate company based in St. George, Utah. It has over thirty years of cumulative property management experience in multiple markets and across various multi-family assets.

Parkplace Residential actively began business operations in 2014 with management contracts in Mesquite, Nevada. Over the last several years it has added properties in Las Vegas, Nevada and Saint George, Utah. Additionally, it has commercial management and leasing contracts. It has also brokered a handful of residential and commercial properties. Parkplace and its partners have managed over 1,000 tax credit units in the greater Las Vegas market.

Before starting Parkplace Residential, principals DeLinn Beard and Kyle Arbizu were instrumental in the successful management of Horizon Management's, also known as Cornerstone Residential, Las Vegas, Mesquite, and Southern Utah portfolios comprised of over 1,600 units of conventional, LIHTC, HOME, HUD, & Public Housing properties.

In 2017 Parkplace Residential earned IREM's (Institute of Real Estate Management) highest honor available to a Property Management company by becoming an AMO (Accredited Management Organization). Being part of an AMO requires Parkplace to adhere to a code of professional ethics, a track record of stability, fiscal responsibility and have a CPM (Certified Property Manager) at the helm of the firm. As of 2018, Parkplace stands as one of less than 550 firms that are awarded this accreditation.

### **Project Financing**

Financing for The Golden Rule Senior Apartments Phase II includes tax-exempt debt issued by the Nevada Housing Division (NHD), 4% Low-Income Housing Tax Credits, HOME funds from the City of Las Vegas, and conventional construction financing.

In addition, Neighborhood Housing Services of Southern Nevada, Inc. is a recipient of \$9 million in American Rescue Plan Act State and Local Fiscal Recovery Funds, also known as Home Means Nevada (HMN) funds. These funds are part of a unique, highly competitive statewide initiative to allocate \$500 million to affordable housing projects ranging from new development and preservation to rental assistance and homeownership programs.

Finally, the site is located within census tract 05.24, which is a HUD Qualified Census Tract in 2023, qualifying The Golden Rule Senior Apartments Phase II for a 130% boost in tax credit eligible basis. The projected total development cost is \$20,643,572 or about \$344,060 per unit.

### **Estimated Project Schedule**

Closing	September 2023
Construction Start	September 2023
Construction Completion	November 2024
Conversion	September 2025

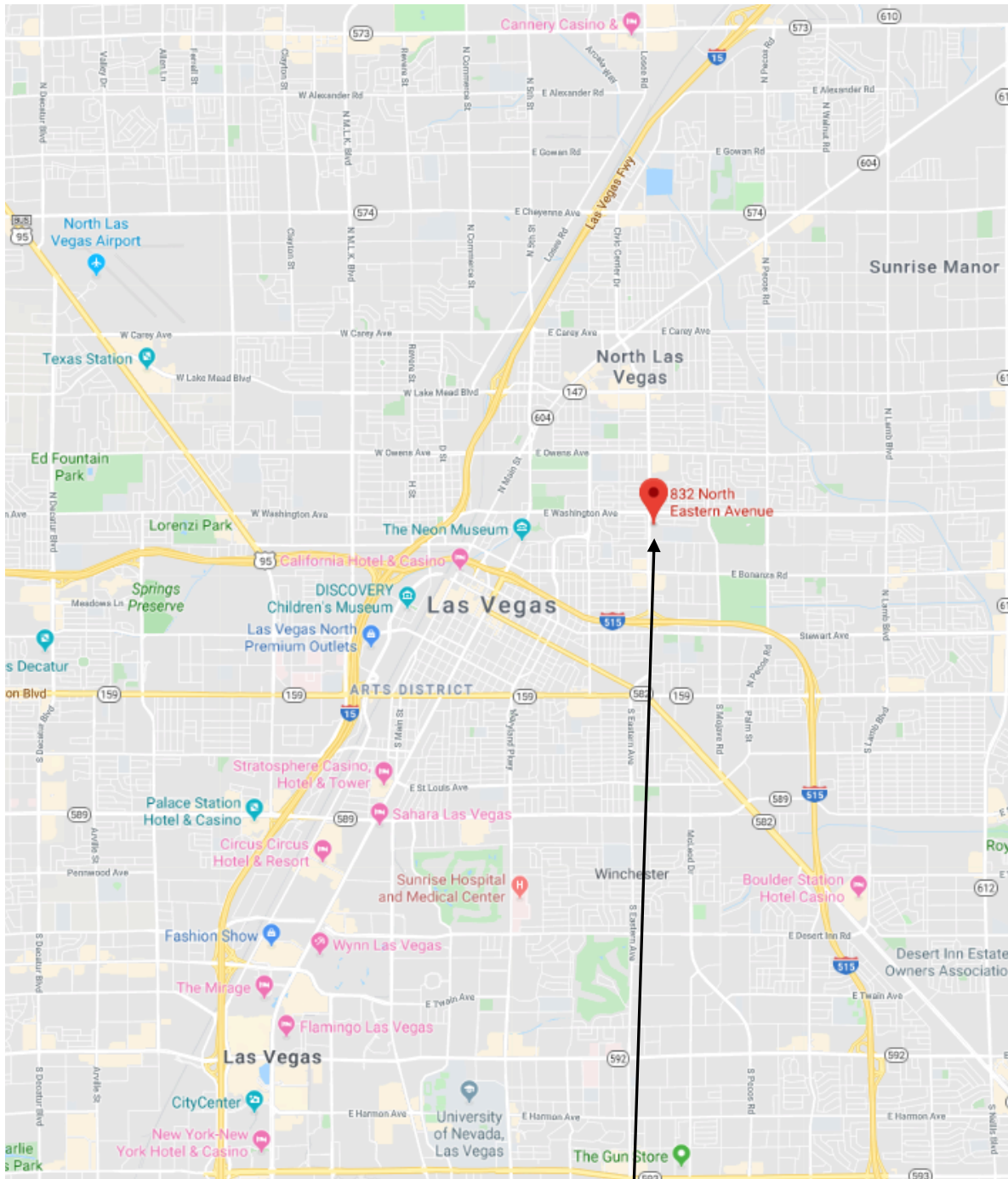
**The Golden Rule Senior Apartments Phase II**  
 820 N. Eastern Avenue  
 Las Vegas, NV 89101  
 APN#: Portion of 139-25-301-001 (3.11 acres)

**Elevation**



**The Golden Rule Senior Apartments Phase II**  
820 N. Eastern Avenue  
Las Vegas, NV 89101  
APN#: Portion of 139-25-301-001 (3.11 acres)

**Location Map**



Site



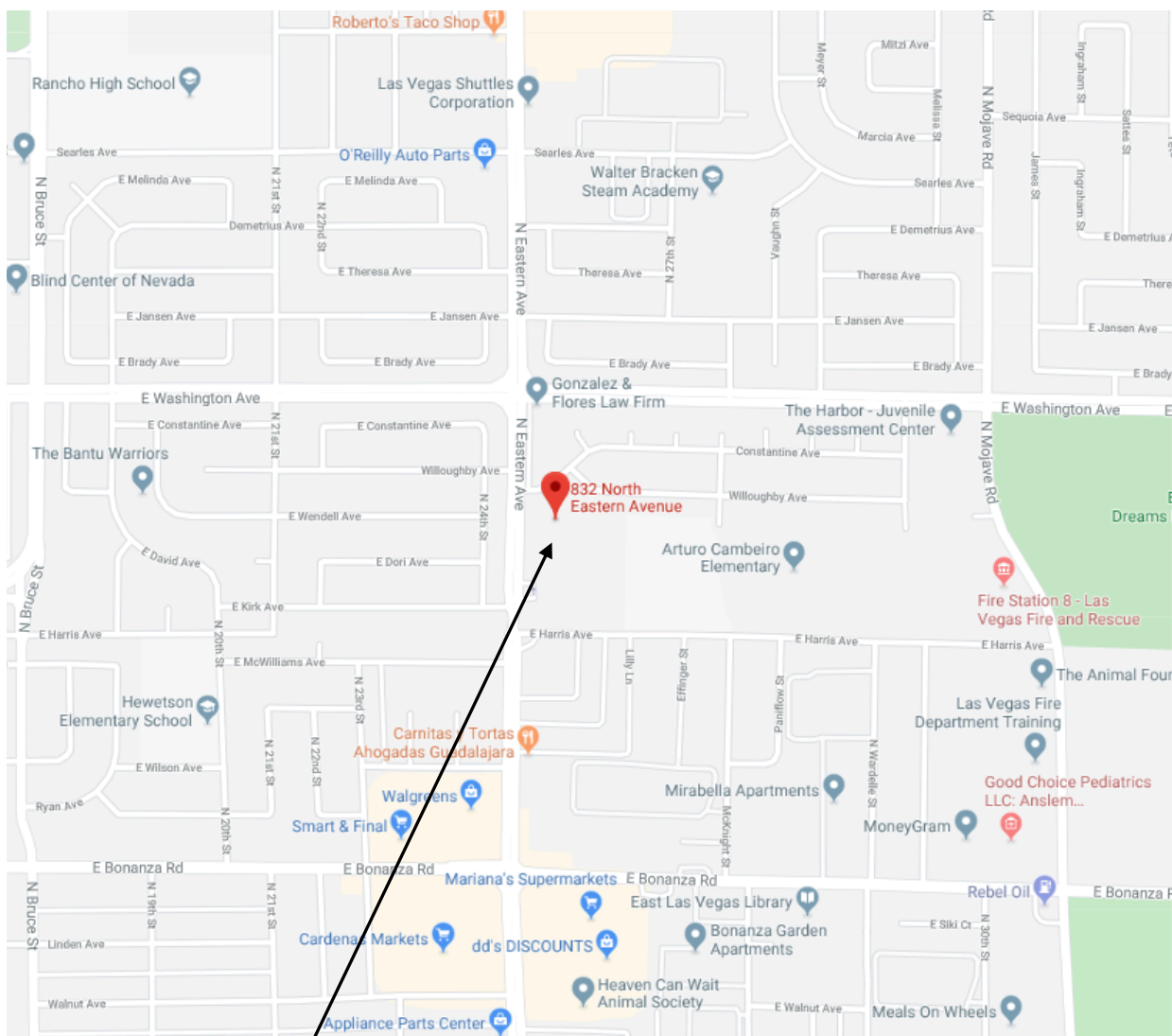
## The Golden Rule Senior Apartments Phase II

820 N. Eastern Avenue

Las Vegas, NV 89101

APN#: Portion of 139-25-301-001 (3.11 acres)

### Map



Site

**The Golden Rule Senior Apartments Phase II**  
820 N. Eastern Avenue  
Las Vegas, NV 89101  
APN#: Portion of 139-25-301-001 (3.11 acres)

**Aerial Photo**



Phase II Site

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

**Development:** Golden Rule Phase II  
**Development Type:** New Construction  
**BoF Meeting Date:** 6.16.23

**Administrator's Summary**

This bond issuance of \$11.0 million dollars will be used to provide for the new construction of 60 units of affordable senior apartments in Las Vegas. The rental housing will serve 60 households at or below 60% of area median income with over 50% of the units serving those at 50% AMI or under. The project is a Phase 2 of an already approved and financially closed project which previously received 9% tax credits. The entire project (phases one and two) will contain a total of 120 affordable units for seniors when completed. Residents will have easy access to public transportation as bus stops are located within walking distance and within one half mile of the site is a large shopping center containing a pharmacy, two grocery stores, a US Postal Service office and eateries. This project will create new affordable units which will retain the rent restrictions for 30 years. The developer of this project, Neighborhood Housing Services of Southern Nevada maintains 152 units of affordable rental housing throughout Clark County and this will be their first application for bonds in Nevada.

- 60 Senior Units
- New construction
- 100% Affordable Rents
- 19 units <60% AMI, 31 units <50% AMI, 10 units <30% AMI
- 1 bedroom units = 42, 2 bedroom units = 18,
- 1 bedroom rents \$547.00 less than market rate
- 2 bedroom rents \$470.00 less than market rate
  
- Cost per unit = \$344,060
- Cost per bond cap allocation = \$183,333
- Developer –Neighborhood Housing Services of Southern Nevada Inc.
- Equity Investor – Boston Financial
- Loan – JP Morgan Chase
- \$11.0M in Bond Proceeds trips \$8.8M in LIHTC Equity (42.7% of total development cost)

	Golden Rule II	Program Average	Notes
Total Tax-exempt Bond ask	\$ 11,000,000	\$ 34,950,000	
Total Development Cost	\$ 20,643,572	\$ 66,771,428	Average of last 10 New Construction projects previously approved
Size of site	3.11 Acres	6.88 Acres	
Total # of Units	60	218	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 344,060	\$ 320,048	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 183,333	\$ 167,392	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	n/a	n/a	No units in this project
Percentage of Units at 60% AMI	31.67%	89.0%	19 units in this project
Percentage of Units at 50% AMI	51.67%	9.0%	31 units in this project
Percentage of Units at 40% AMI	0.00%	0.0%	0 units in this project
Percentage of Units at 30% AMI	16.67%	2.0%	10 units in this project
Veteran's Preference	Yes	Yes	

	Golden Rule II	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 745	\$ 1,292	Rent.com Updated 5/16/23
Average 2 Bedroom Rent	\$ 972	\$ 1,442	Rent.com Updated 5/16/23
Average 3 Bedroom Rent			
Average Vacancy Rate	n/a	7.50%	NVSAA 3rd qtr 2022

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

DATE: May 25, 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 (Vintage at Redfield)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

2:30 p.m., Friday, June 16, 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 (Vintage at Redfield).

C. The Findings relate to the issuance of up to \$38,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 223-unit senior apartment complex located at Redfield Pkwy and Baker Lane, Reno, Nevada (the “Project”).

D. The Housing Division will issue up to \$38,000,000 of multi-unit housing revenue bonds which will be a direct bond purchase by Citibank. The borrower entity will be Vintage at Redfield, LP, a limited partnership consisting of Vintage at Redfield Partners LLC as .01% General Partner entity and Aegon USA Realty Advisor LLC (“Aegon”) as 99.99% investor limited partner. Aegon will provide an equity investment of approximately \$21,608,000 in exchange for the right to receive 99.99% of the tax benefits 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.

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 (Vintage at Redfield).”

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  
Vintage at Redfield**

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

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

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

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

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





May 17, 2023

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

Re: Vintage at Redfield Project

Mr. Aichroth:

This Review and opinion are 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 Vintage at Redfield project (“Project”). The Division is requesting authorization for issuance of a tax-exempt multi-unit housing revenue note in an amount up to \$38,000,000 to fund construction of this new affordable senior independent living property in Reno, Nevada.

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

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

The proposed Project is viewed positively in the local community and has been endorsed by Washoe 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 construction of this new affordable senior housing project. at the proposed restricted income levels

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff, *Director*

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



## **PROJECT OVERVIEW AND PLAN OF FINANCE**

### **The Project**

The Project consists of land acquisition and construction of a new affordable senior independent living facility located in Reno at the intersection of Baker Lane and Redfield Parkway. It will be a 223-unit development situated on a site of approximately 2.65 acres with one- and two-bedroom independent living units in a five-story building. All units will be served by elevators. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

A summary of the unit's sizes and rent restrictions are provided in Table A.

<b>Table A: Project Unit &amp; Rent Profile</b>							
<b>Unit Mix</b>	<b>Number Units</b>	<b>Unit Size (SF)</b>	<b>Allowable Monthly Rent <sup>1</sup></b>	<b>Less Utility Allowance <sup>2</sup></b>	<b>Tenant Share Monthly Rent <sup>2</sup></b>	<b>Total Monthly Revenue</b>	<b>Total Annual Revenue</b>
<b><u>1 Bedroom</u></b>							
< 50% AMI	3	558	\$ 876		\$ 876	\$ 2,628	\$ 31,536
< 60% AMI	168	558	\$ 1,051		\$ 1,051	\$ 176,568	\$ 2,118,816
<b><u>2 Bedroom</u></b>							
< 50% AMI	2	776	\$ 1,051		\$ 1,051	\$ 2,102	\$ 25,224
< 60% AMI	50	776	\$ 1,261		\$ 1,261	\$ 63,050	\$ 756,600
<b>Total Units</b>	<b>223</b>					<b>\$ 244,348</b>	<b>\$ 2,932,176</b>
<sup>1</sup> 2022 Income Limits (Reno-Sparks, NV MSA)						Ancillary Income	\$ 39,360
<sup>2</sup> Assumes 30% of Average Household Income							
<sup>3</sup> Per HUD Section 8 project contract							

### **Project Developers**

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

Greenstreet Development  
1 East First Street  
Reno, NV 89501

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

### **Borrower Entity**

The borrower entity will be Vintage at Redfield, LP, a limited partnership consisting of Vintage at Redfield Partners LLC as a 0.01% General Partner entity and Aegon USA Realty Advisors LLC ("Aegon") as 99.99% investor limited partner. Aegon will provide an equity investment of approximately \$21,608,000 in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low-income housing tax credits.

### **Property Management**

FPI Management  
800 Iron Point Road  
Folsom, CA 95630

FPI Management ("FPI") will provide property management services for the Vintage at Washington Station project. FPI was established in 1968 and manages more than 100,000 market rate and affordable rental property units in thirteen states.

**Plan of Finance:**

The financing is proposed as a direct bond purchase by Citibank N.A. The bonds will be held by Citibank or an affiliate and not sold to the public. The bond structure will consist of two phases, Construction Phase and Permanent Phase. Greater detail regarding the Citibank debt financing is provided in the Bond/Loan Term section.

As noted previously, Aegon is the equity investor in the borrowing partnership. Aegon's periodic advances of their equity investment are structured as follows:

- 1<sup>st</sup> Installment - \$3,241,000 at Closing (Aug 23)
- 2<sup>nd</sup> Installment - \$18,367,000 at Stabilization (Apr 26)

**Bond/Loan Terms:**

Lender:	Citibank, N.A.
Bond Type:	This transaction will be a loan provided by the Lender to the Division and will be used to fund a tax-exempt construction bond issue providing project financing which will convert into permanent form following construction completion and satisfaction of loan conversion criteria.
Principal Amount:	<u>Construction Phase:</u> <ul style="list-style-type: none"><li>• Currently estimated at \$37,168,000</li><li>• Not to exceed 80% of costs</li></ul> <u>Permanent Phase:</u> <ul style="list-style-type: none"><li>• Conversion expected to occur approximately April 2026</li><li>• Not to exceed 90% loan to value based on final appraisal.</li><li>• Expected to be approximately \$26,518,000</li></ul>
Permanent Loan-to-Value:	90%
Debt Service Coverage:	1.15 to 1.00 per lender requirements.
Loan Rate:	The construction loans are estimated to result in a blended rate of 4.00%. The permanent loan rate is estimated to be 5.05% at current market rates and will be locked at Closing.
Bond Dated:	As of Closing Date
Interest Payments:	Monthly. Loan is interest only through the date of conversion to Permanent Phase which is estimated to occur approximately 36 months following Closing which is estimated in August 2023.
Principal Payments:	Monthly, commencing with conversion to Permanent Phase loan status.
Denominations:	Bonds will amortize in monthly "loan" form with fractional dollar principal amortization utilizing a 40-year amortization factor.
Maturity:	18 years from Closing.

Redemption: The loan is prepayable after 10 years following Conversion.

Indenture Funds:

- 1) Project Fund
  - a) Tax-Exempt Bonds Account
- 2) Cost of Issuance Fund
- 3) Expense Fund

Fees:

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

Bond Rating: Not rated

### **Reserves:**

The Borrower will be required to fund deposits to a replacement reserve initially set at \$250/unit/year for years 1 - 5. 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 \$625,000.

### **Sources and Uses:**

Project sources and uses are summarized in Table B:

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

Sources of Funds			
	Construction Phase	Permanent Phase	
NHD Bond Proceeds (Exempt)	\$ 37,168,000	\$ 26,518,000	
LIHTC Equity	\$ 3,241,183	\$ 21,607,884	
NHD HMNI Funding	\$ 16,950,000	\$ 16,950,000	
Washoe County HOME Loan	\$ 40,000	\$ 50,000	
Pre-Conversion Cashflow	\$ 1,236,725	\$ 1,236,725	
Deferred Developer Fee		\$ 2,168,430	
	\$ 58,635,908	\$ 68,531,039	

Uses of Funds			\$/Unit
Land Acquisition Cost	\$ 2,700,000	\$ 2,700,000	\$ 12,108
Construction Hard Costs	\$ 43,600,000	\$ 43,600,000	\$ 195,516
Soft Costs	\$ 7,031,916	\$ 7,031,916	\$ 31,533
Construction Period Interest	\$ 3,018,992	\$ 3,403,183	\$ 15,261
Contingencies	\$ 2,285,000	\$ 2,285,000	\$ 10,247
Operating & Repair Reserves		\$ 624,940	\$ 2,802
Developer Fee	\$ -	\$ 8,886,000	\$ 39,848
	\$ 58,635,908	\$ 68,531,039	\$ 307,314

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>INCOME</b>											
Annual Gross Rental Income	\$ 3,111,649	\$ 3,173,882	\$ 3,237,359	\$ 3,302,106	\$ 3,368,149	\$ 3,435,512	\$ 3,504,222	\$ 3,574,306	\$ 3,645,792	\$ 3,718,708	\$ 3,793,082
Other: Ancillary Revenue	\$ 41,769	\$ 42,605	\$ 43,457	\$ 44,326	\$ 45,212	\$ 46,117	\$ 47,039	\$ 47,980	\$ 48,939	\$ 49,918	\$ 50,916
<b>Total Residential Income</b>	<b>\$ 3,153,418</b>	<b>\$ 3,216,486</b>	<b>\$ 3,280,816</b>	<b>\$ 3,346,432</b>	<b>\$ 3,413,361</b>	<b>\$ 3,481,628</b>	<b>\$ 3,551,261</b>	<b>\$ 3,622,286</b>	<b>\$ 3,694,732</b>	<b>\$ 3,768,626</b>	<b>\$ 3,843,999</b>
Less: Residential Vacancy/Discounts	\$ (157,671)	\$ (160,824)	\$ (164,041)	\$ (167,322)	\$ (170,668)	\$ (174,081)	\$ (177,563)	\$ (181,114)	\$ (184,737)	\$ (188,431)	\$ (192,200)
<b>Proforma Gross Income</b>	<b>\$ 2,995,747</b>	<b>\$ 3,055,662</b>	<b>\$ 3,116,775</b>	<b>\$ 3,179,111</b>	<b>\$ 3,242,693</b>	<b>\$ 3,307,547</b>	<b>\$ 3,373,698</b>	<b>\$ 3,441,172</b>	<b>\$ 3,509,995</b>	<b>\$ 3,580,195</b>	<b>\$ 3,651,799</b>
<b>EXPENSES</b>											
General Administrative	\$ 72,705	\$ 74,886	\$ 77,132	\$ 79,446	\$ 81,830	\$ 84,285	\$ 86,813	\$ 89,417	\$ 92,100	\$ 94,863	\$ 97,709
Operating & Maintenance	\$ 420,652	\$ 433,271	\$ 446,270	\$ 459,658	\$ 473,447	\$ 487,651	\$ 502,280	\$ 517,349	\$ 532,869	\$ 548,855	\$ 565,321
Staff Payroll & Benefits	\$ 261,653	\$ 269,503	\$ 277,588	\$ 285,916	\$ 294,493	\$ 303,328	\$ 312,428	\$ 321,801	\$ 331,455	\$ 341,398	\$ 351,640
Property Management	\$ 89,872	\$ 91,670	\$ 93,503	\$ 95,373	\$ 97,281	\$ 99,226	\$ 101,211	\$ 103,235	\$ 105,300	\$ 107,406	\$ 109,554
Taxes & Insurance	\$ 137,684	\$ 141,814	\$ 146,069	\$ 150,451	\$ 154,964	\$ 159,613	\$ 164,401	\$ 169,333	\$ 174,413	\$ 179,646	\$ 185,035
Replacement Reserves	\$ 82,610	\$ 85,088	\$ 87,641	\$ 90,270	\$ 92,978	\$ 95,768	\$ 98,641	\$ 101,600	\$ 104,648	\$ 107,788	\$ 111,021
<b>Proforma Operating Expenses</b>	<b>\$ 1,065,176</b>	<b>\$ 1,096,233</b>	<b>\$ 1,128,203</b>	<b>\$ 1,161,114</b>	<b>\$ 1,194,994</b>	<b>\$ 1,229,871</b>	<b>\$ 1,265,774</b>	<b>\$ 1,302,736</b>	<b>\$ 1,340,785</b>	<b>\$ 1,379,956</b>	<b>\$ 1,420,281</b>
<b>Effective Net Operating Income</b>	<b>\$ 1,930,571</b>	<b>\$ 1,959,429</b>	<b>\$ 1,988,572</b>	<b>\$ 2,017,997</b>	<b>\$ 2,047,699</b>	<b>\$ 2,077,676</b>	<b>\$ 2,107,923</b>	<b>\$ 2,138,436</b>	<b>\$ 2,169,210</b>	<b>\$ 2,200,239</b>	<b>\$ 2,231,518</b>
Senior Debt Service	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719
Debt Service Coverage	115%	117%	119%	120%	122%	124%	126%	127%	129%	131%	133%
<b>Residual Receipts</b>	<b>\$ 252,852</b>	<b>\$ 281,710</b>	<b>\$ 310,853</b>	<b>\$ 340,277</b>	<b>\$ 369,980</b>	<b>\$ 399,957</b>	<b>\$ 430,204</b>	<b>\$ 460,717</b>	<b>\$ 491,490</b>	<b>\$ 522,520</b>	<b>\$ 553,799</b>
LP Asset Mgt Fee	\$ 7,957	\$ 8,195	\$ 8,441	\$ 8,695	\$ 8,955	\$ 9,224	\$ 9,501	\$ 9,786	\$ 10,079	\$ 10,382	\$ 10,693
DDF Payments	\$ 244,895	\$ 273,514	\$ 302,412	\$ 331,583	\$ 361,024	\$ 390,733	\$ 264,269	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ 1,923,535	\$ 1,650,021	\$ 1,347,609	\$ 1,016,026	\$ 655,002	\$ 264,269	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 156,434</b>	<b>\$ 450,931</b>	<b>\$ 481,411</b>	<b>\$ 512,138</b>	<b>\$ 543,106</b>

	2037	2038	2039	2040	2041	2042	2043	2044
<b>INCOME</b>								
Annual Gross Rental Income	\$ 3,868,944	\$ 3,946,323	\$ 4,025,249	\$ 4,105,754	\$ 4,187,869	\$ 4,271,627	\$ 4,357,059	\$ 4,444,200
Other: Ancillary Revenue	\$ 51,935	\$ 52,973	\$ 54,033	\$ 55,114	\$ 56,216	\$ 57,340	\$ 58,487	\$ 59,657
<b>Total Residential Income</b>	<b>\$ 3,920,879</b>	<b>\$ 3,999,296</b>	<b>\$ 4,079,282</b>	<b>\$ 4,160,868</b>	<b>\$ 4,244,085</b>	<b>\$ 4,328,967</b>	<b>\$ 4,415,546</b>	<b>\$ 4,503,857</b>
Less: Residential Vacancy/Discounts	\$ (196,044)	\$ (199,965)	\$ (203,964)	\$ (208,043)	\$ (212,204)	\$ (216,448)	\$ (220,777)	\$ (225,193)
<b>Proforma Gross Income</b>	<b>\$ 3,724,835</b>	<b>\$ 3,799,331</b>	<b>\$ 3,875,318</b>	<b>\$ 3,952,824</b>	<b>\$ 4,031,881</b>	<b>\$ 4,112,519</b>	<b>\$ 4,194,769</b>	<b>\$ 4,278,664</b>
<b>EXPENSES</b>								
General Administrative	\$ 100,640	\$ 103,659	\$ 106,769	\$ 109,972	\$ 113,271	\$ 116,670	\$ 120,170	\$ 123,775
Operating & Maintenance	\$ 582,280	\$ 599,749	\$ 617,741	\$ 636,274	\$ 655,362	\$ 675,023	\$ 695,273	\$ 716,132
Staff Payroll & Benefits	\$ 362,190	\$ 373,055	\$ 384,247	\$ 395,774	\$ 407,648	\$ 419,877	\$ 432,473	\$ 445,448
Property Management	\$ 111,745	\$ 113,980	\$ 116,260	\$ 118,585	\$ 120,956	\$ 123,376	\$ 125,843	\$ 128,360
Taxes & Insurance	\$ 190,586	\$ 196,304	\$ 202,193	\$ 208,259	\$ 214,507	\$ 220,942	\$ 227,570	\$ 234,397
Replacement Reserves	\$ 114,352	\$ 117,782	\$ 121,316	\$ 124,955	\$ 128,704	\$ 132,565	\$ 136,542	\$ 140,638
<b>Proforma Operating Expenses</b>	<b>\$ 1,461,793</b>	<b>\$ 1,504,530</b>	<b>\$ 1,548,526</b>	<b>\$ 1,593,819</b>	<b>\$ 1,640,448</b>	<b>\$ 1,688,452</b>	<b>\$ 1,737,871</b>	<b>\$ 1,788,749</b>
<b>Effective Net Operating Income</b>	<b>\$ 2,263,041</b>	<b>\$ 2,294,802</b>	<b>\$ 2,326,792</b>	<b>\$ 2,359,005</b>	<b>\$ 2,391,433</b>	<b>\$ 2,424,067</b>	<b>\$ 2,456,897</b>	<b>\$ 2,489,915</b>
Senior Debt Service	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719	\$1,677,719
Debt Service Coverage	135%	137%	139%	141%	143%	144%	146%	148%
<b>Residual Receipts</b>	<b>\$ 585,322</b>	<b>\$ 617,082</b>	<b>\$ 649,073</b>	<b>\$ 681,286</b>	<b>\$ 713,714</b>	<b>\$ 746,348</b>	<b>\$ 779,178</b>	<b>\$ 812,196</b>
LP Asset Mgt Fee	\$ 11,014	\$ 11,344	\$ 11,685	\$ 12,035	\$ 12,396	\$ 12,768	\$ 13,151	\$ 13,546
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ 574,308</b>	<b>\$ 605,738</b>	<b>\$ 637,388</b>	<b>\$ 669,251</b>	<b>\$ 701,318</b>	<b>\$ 733,579</b>	<b>\$ 766,027</b>	<b>\$ 798,650</b>

**Borrower Financing Representation****Proposed Project: Vintage at Redfield**

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

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

**☒ Option A**

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>
Citibank N.A.	See term sheet	See term sheet

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

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

By Carl Dominguez\_\_\_\_\_

Title Project Manager\_\_\_\_\_

Firm Vintage Housing Holdings, LLC / Vintage Housing Development, Inc.

**Vintage at Redfield**  
0 Redfield Pkwy  
Reno, NV 89509  
Intersection of Redfield Pkwy & Baker Lane  
APN # 024-055-31 (2.646 acres)

**Project Description**

Vintage at Redfield will be a new affordable senior full-service independent living community located in Reno, NV. The 223-unit development will provide a state-of-the-art, energy efficient, high-quality lifestyle full of social interaction and stimulating indoor and outdoor activities at a price affordable to lower-income seniors (at or below 60% of AMI). Every aspect of the building, floor plans, community facilities, outdoor spaces, on-site services, as well as this ideal infill Reno location, are designed to specifically fill a gap of housing needs not being met for our lower-income senior citizens in Northern Nevada.

**Location**

The proposed development is well located on a 2.646-acre parcel located at the northeast corner of Baker Lane and Redfield Parkway in Reno, Nevada. The site is located less than a mile from S. Virginia Street and just over a mile from S. McCarran Blvd., which are both major thoroughfares in Reno. It is a highly walkable property adjacent to the Firecreek Crossing Shopping Center, which contains a Walmart, United Federal Credit Union, Sam's Club, TJ Maxx, Michael's Craft Store, Office Depot, Ulta, Natural Grocers, Great Clips, Ross Dress for Less, Starbucks, and restaurants including Applebee's and Boston Market. Slightly further up Redfield Parkway are a SaveMart grocery store and pharmacy, AT&T store, World Market, Bed Bath & Beyond, and additional restaurants and retail opportunities.

The Reno-Sparks Convention Center is 0.6 miles from the site and the Atlantis Casino & Resort is just 0.8 miles away. Manzanita Park, which features tennis courts, volleyball pits, baseball/softball fields, basketball courts, exercise equipment, horseshoe pits, walking paths, and barbeque and picnic areas, is accessible via walking paths from the site and is a quick 0.1 miles away. The Sierra View Public Library is just over half a mile north of the site and the Neil Road Community Center is just under two miles away. There are several doctors' offices a half mile south of the site in McCarran Quail Park. In addition, Concentra Urgent Care is located 1.4 miles south of the site and CVS Minute Clinic is 2 miles north of the site. Both St. Mary's Hospital and Renown Regional Medical Center are approximately 4.5 miles north of the site. The Reno Fire Department has a station 0.7 miles north of the site, providing residents at Vintage at Redfield with quick access to emergency services.

The Vintage at Redfield site is also located near public transit. There is a Washoe County Regional Transportation Commission (RTC) Route 9 bus stop just over a block from the site along Firecreek Crossing and Kietzke Lane. Route 9 runs along Kietzke Lane to the Neil Road Community Center and to the RTC Centennial Plaza Station. Route 1, which

runs North to South along S. Virginia Street from the Downtown Reno transit station to Meadowood Mall, also has a stop within walking distance along South Virginia Street at Kumle Lane.

### Building Description

Vintage at Redfield will consist of 223 one- and two-bedroom independent living units in a five-story building. The building's exterior will blend in with the adjacent multi-family apartment complex on Baker Lane and the single-family residential homes located on Redfield Parkway and Kilborne Avenue. The units and social areas will all be accessed via wide interior hallways, much like a resort hotel. All units will be served by elevator.

There will be several unit types at Vintage at Redfield, as seen below:

UNIT NAME	UNIT TYPE	NET AREA(SF)	GROSS AREA(SF)	UNIT COUNT	TOTAL NET AREA	TOTAL GROSS AREA
A1	1br/1ba	510	552	116	59,160	64,032
A1 TYPE A	1br/1ba	510	552	6	3,060	3,312
A1-ALT 1	1br/1ba	520	564	1	520	564
A1-ALT 2	1br/1ba	0	0	0	0	0
A1-ALT 3	1br/1ba	510	552	5	2,550	2,760
A1-ALT 4	1br/1ba	510	552	5	2,550	2,760
A2	1br/1ba	507	563	19	9,633	10,697
A3	1br/1ba	556	595	19	10,564	11,305
B1	2br/1ba	721	776	28	20,188	21,728
B1 TYPE A	2br/1ba	721	776	6	4,326	4,656
B1-ALT 1	2br/1ba	718	776	15	10,770	11,640
B1-ALT 2	2br/1ba	0	0	0	0	0
B1-ALT 3	2br/1ba	718	776	3	2,154	2,328
<b>TOTALS</b>				<b>223</b>	<b>112,551</b>	<b>121,814</b>

Each unit will be fully appointed and designed to meet the needs of seniors and those with disabilities. The kitchens will all have low level countertops and eating bars, and will include cook top/oven/microwave/refrigerator, garbage disposal, dishwasher, and pantry. All bathrooms will be large and accessible to meet the needs of our residents with disabilities. Each unit will come with a washer and dryer. The finishes will be wood cabinetry, Formica countertops, and vinyl flooring in the kitchen, entry, dining area, bathroom, and laundry. The living and bedrooms will be carpeted with low ply carpeting.

### Interior Amenities

The residence will be anchored by a central common area, with a grand gathering room featuring a piano lounge, fireplace, large community kitchen, and covered veranda. The residence staff offices will be located near the main entry for daily resident interaction. There will be a fully equipped fitness facility, including a large screen TV, cardio equipment, weights, as well as a group exercise and yoga area. An arts and crafts facility with large work areas, sink, and supply room will provide our residents with plenty of recreational opportunities. Residents will have free use of an onsite business center, where residents will be able to use computers, fax, copy and print. A cinema room with



movie theater seating, a large screen and surround sound system will also be provided, and residents will be provided free use of a vintage film library. The Vintage at Redfield development will also include a small event facility for residents to use for family gatherings and social events.

### **Outdoor Amenities**

Vintage at Redfield will provide plenty of outdoor activities for our residents to enjoy. For outdoor fun and regular tournament play, we will provide a multipurpose sports area, which will be used for bocce ball, lawn bowling, and putting. The entire site will be connected by walking paths and a large exercise path with sitting areas throughout. Vintage at Redfield will include a community barbeque area where the staff will offer regular barbeque events. This area will also be available for residents to use on their own. One of the most popular outdoor features will be our large community garden area, where we will provide planting beds and irrigation. Residents will be able to create beautiful gardens in which they can grow and nurture their own fruits, vegetables, and flowers.

### **Target Population and Demand**

Vintage at Redfield will be a senior-restricted development available to residents aged 55 and above. All the units will be affordable to seniors with incomes at or below 60% of area median income (AMI). The project will set aside 5 HOME units at 50% of AMI.

A market study for Vintage at Redfield was completed by Johnson Perkins Griffin in March 2022. This study found high demand for the development based on its below market rents, amenities, and location. Vacancy rates in the Washoe County region remain extremely low to non-existent among comparable restricted projects, and even among the larger unrestricted rental market, indicating a high demand for affordable housing in the region. The capture rate for the primary market area was determined to be 37.37%, which indicates demand for the development. Given the significant demand for affordable senior housing in the Reno-Sparks area, Johnson Perkins Griffin also ran a capture rate analysis for the entire Reno-Sparks region in addition to the PMA, which resulted in a capture rate of 9.24%. The study projected conservative absorption of 15 to 20 units per month, resulting in full lease-up between 11- and 15-months following completion. However, several properties successfully leased between 40 and 66 units per month, indicating that full lease-up can likely be expected prior to the 11 months projected in the market study.

The residence will address the dire need in the Truckee Meadows for barrier-free and affordable supportive senior housing. According to the City of Reno's 2020-2024 Consolidated Plan (2018), there are 76,000 elderly and frail elderly residents in Washoe County; this is expected to grow to 100,000 by 2020 and 130,000 by 2030. 20,000 of the county's seniors are socially isolated; one in four has difficulty with activities of daily living; 5,000 are considered "frail"; one-fourth are in poor health; 20,000 have unaffordable housing costs; and more than 5,000 (8% of all seniors) live in poverty (pg. 57).

The growing market rent levels in the Reno area have made it increasingly difficult for low- and moderate-income seniors to access high quality housing. According to the EDawn 3-year Strategic plan, “Almost half (49 percent) of renter households in Reno are currently cost burdened, meaning that more than 30% of household income is spent on housing costs.” The proposed rents at Vintage at Redfield will be significantly below market rents in Washoe County. The proposed one-bedroom rents will range from \$876 to \$1,051 and the proposed two-bedroom rents will range from \$1,051 to \$1,262 with owner-paid utilities. For comparison, the current market rent based upon the Johnson Perkins Griffin 4th Quarter 2022 Apartment Survey was \$1,460 for a 1-bedroom unit and \$1,501 for a 2-bedroom unit. The 2023 Fair Market Rents for the Reno, NV area are \$1,256 for a one-bedroom unit and \$1,585 for a two-bedroom unit.

### **Resident Activities**

The Vintage at Redfield on-site staff will organize regular activities for our residents. On any typical week, the following activities will be offered to our residents at little or no cost: exercise classes, yoga, stretching, arts and crafts, computer training, movie and special events in the cinema, barbeques, cooking classes, potlucks, and Wii. The monthly calendar will include regular game times, when residents can take part in games and tournaments such as bingo, bocce, golf, chess, checkers, Sudoku, puzzles, and all types of card games. Finally, the resident services staff will bring in 3<sup>rd</sup>-party professionals to help our residents in the following areas: healthy lifestyle choices, nutritional education, positive relationships, financial education, insurance choices, and computer training.

### **Development Team**

Vintage at Redfield will be owned by a sole purpose, to-be-created Limited Partnership, Vintage at Redfield, LP. The 0.01% General Partner entity is a sole purpose, to-be-created Limited Liability Company, Vintage at Redfield Partners, LLC. Vintage Housing Holdings, LLC, an affiliate of Vintage Housing Development, Inc., will be the sole member of the General Partner LLC.

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

Nevada housing developments include:

- Silver Creek Apartments, Reno (1998), 376 units – market rate apartments (condominium conversion)
- Boulder Creek Apartments, Sparks (1999), 250 units - family affordable apartments
- Portofino, Henderson (2000), 205 units – senior affordable apartments
- Villas at D’Andrea (2001), 256 units – market rate apartments
- CitiVista Senior Apartments, Reno (2001), 152 units – senior affordable apartments

- Diamond Creek Apartments, Reno (2001), 288 units – family affordable apartments
- The Bluffs, Reno (2003), 300 units - family affordable apartments
- Triana Apartment Homes, Reno (2003), 175 units – market rate condominiums
- Vintage at Seven Hills, Henderson (2004) 244 units - senior affordable apartments
- Waterstone Apartment Homes, Reno (2004), 203 units – market rate apartments
- Fallen Leaf Apartment Homes, Reno (2005), 245 units – market rate condominiums
- Caviata Apartment Homes, Reno (2005), 184 units – market rate apartments
- Vintage at Laughlin (2007) 150 units - senior affordable apartments
- Vista Creek Apartments, Laughlin (2007) 300 units - family affordable apartments
- Vintage at the Crossings, Reno (2016), 230 units – senior affordable apartments
- Steamboat at the Summit, Reno (2017), 360 units – family affordable apartments
- Sky Mountain by Vintage, Reno (2018), 288 units – family affordable apartments
- Sanctuary Apartments, Reno (2019), 208 units – senior affordable apartments
- Azure Apartments, Sparks (2019), 308 units – market rate apartments
- Double R Apartments, Reno (2020), 440 units – market rate apartments
- Springview by Vintage, Reno (2022), 180 units – family affordable apartments

### **Property Management**

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

### **Development Finance**

Greenstreet Development Inc. and Vintage Housing receive consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit, and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund raising, and public policy development. Since 2005, Praxis has secured the financing for over 85 affordable housing developments in Nevada, totaling over 8,600 units and \$1.6 billion in financing.

Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

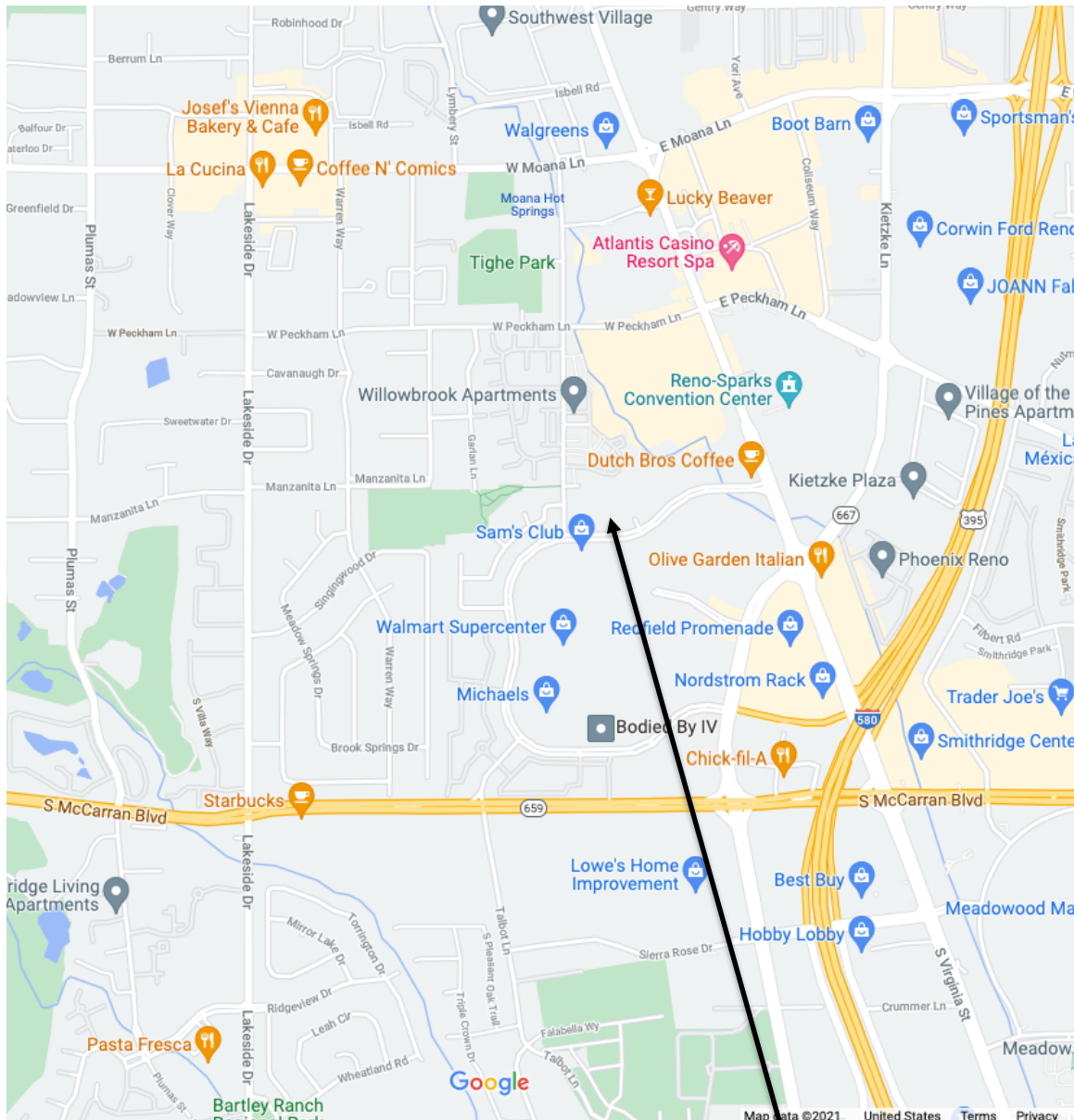
**Financing and Schedule**

The financing for Vintage at Redfield will include tax-exempt bonds issued by the Nevada Housing Division (NHD) and purchased direct by Citibank, equity from the sale of non-competitive 4% Low Income Housing Tax Credits, and Home Means Nevada (HMN) American Rescue Plan Act funds issued by the Nevada Housing Division. Vintage at Redfield also received an award of \$50,000 in HOME funds in June 2022. The estimated total development cost is \$68.53 million, or about \$307,314 per unit.

Vintage at Redfield is expected to close in late June 2023, with construction completion by June 2025 and conversion in April 2026.

**Vintage at Redfield**  
 0 Redfield Pkwy  
 Reno, NV 89509  
 Intersection of Redfield Pkwy & Baker Lane  
 APN # 024-055-31 (2.646 acres)

### Location Map



**SITE**

**Vintage at Redfield**  
0 Redfield Pkwy  
Reno, NV 89509  
Intersection of Redfield Pkwy & Baker Lane  
APN # 024-055-31 (2.646 acres)

**Aerial View**

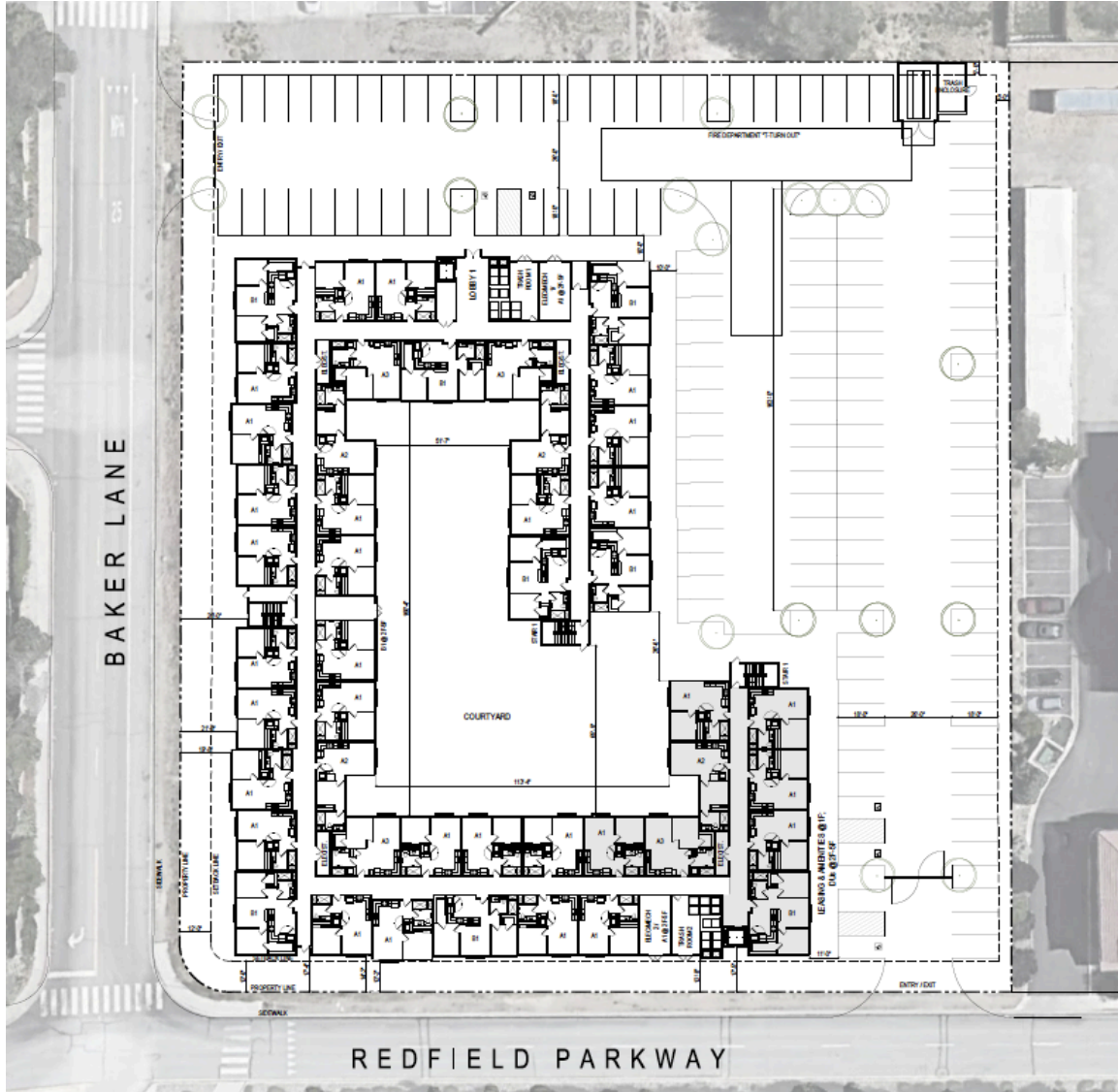


**SITE**



**Vintage at Redfield**  
0 Redfield Pkwy  
Reno, NV 89509  
Intersection of Redfield Pkwy & Baker Lane  
APN # 024-055-31 (2.646 acres)

**Preliminary Site Plan**



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

**Development:** Vintage at Redfield  
**Development Type:** New Construction  
**BoF Meeting Date:** 6.16.23

**Administrator's Summary**

This bond issuance of \$38.0 million dollars will be used to provide for the new construction of 223 units of affordable senior apartments in Reno. The rental housing will serve 223 senior households at or below 60% of area median income. The site is located less than 1/2 a mile from the intersection of So. Virginia St. and Kietzke Lane. Residents will have easy access to public transportation as bus stops are located less than 1/2 a mile away. This project will create new affordable units which will retain the rent restrictions for 30 years. The developers of this project, Greenstreet Development and Vintage Housing Development, have built and rehabilitated thousands of affordable homes in Nevada including over 3,000 units in the greater Reno area.

- 223 Senior Units
- New construction
- 100% Affordable Rents
- 218 units <60% AMI, 5 units <50% AMI
- 1 bedroom units = 171, 2 bedroom units = 52
- 1 bedroom rents \$415.00 less than market rate
- 2 bedroom rents \$541.00 less than market rate
  
- Cost per unit = \$307,314
- Cost per bond cap allocation = \$170,403
- Developer – Vintage Housing Development and Greenstreet Development
- Equity Investor – Aegon USA Realty Advisors
- Loan – Citibank
- \$38.0M in Bond Proceeds trips \$21.6M in LIHTC Equity (31.5% of total development cost)

	Vintage at Redfield	Program Average	Notes
Total Tax-exempt Bond ask	\$ 38,000,000	\$ 34,950,000	
Total Development Cost	\$ 68,531,039	\$ 66,771,428	Average of last 10 New Construction projects previously approved
Size of site	2.65 Acres	6.88 Acres	
Total # of Units	223	218	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 307,314	\$ 320,048	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 170,403	\$ 167,392	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	n/a	n/a	No units in this project
Percentage of Units at 60% AMI	97.76%	89.0%	218 units in this project
Percentage of Units at 50% AMI	2.24%	9.0%	5 units in this project
Percentage of Units at 40% AMI	0.00%	0.0%	0 units in this project
Percentage of Units at 30% AMI	0.00%	2.0%	0 units in this project
Veteran's Preference	Yes	Yes	

	Vintage at Redfield	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 1,048	\$ 1,463	Johnson Perkins Q4 2022
Average 2 Bedroom Rent	\$ 1,253	\$ 1,794	Johnson Perkins Q4 2022
Average 3 Bedroom Rent	n/a	\$ 2,123	Johnson Perkins Q4 2022
Average Vacancy Rate	n/a	3.04%	Johnson Perkins Q4 2022



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

DATE: May 23, 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 (Pinyon Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

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A. Time and Place of Meeting:

2:30 p.m., Friday, June 16, 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 (Pinyon Apartments).

C. The Findings relate to the issuance of up to \$55,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 252-unit family apartment complex located in Reno, Nevada at the intersection of Moana Lane and Neil Road (the “Project”).

D. The Housing Division will issue up to \$55,000,000 of multi-unit housing revenue bonds which will be a direct bond purchase by Citibank. The project borrower/developer will be a limited partnership which will consist of Lincoln Avenue Capital, LLC as General Partner and Alliant Capital as Limited Partner. Alliant Capital will be the equity investor and will provide approximately \$45,144,000 of equity through the purchase of 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.

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 (Pinyon 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  
Pinyon Apartments**

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

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

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

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

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



May 23, 2023

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

Re: Multi-Unit Housing Revenue Bonds  
(Pinyon Apartments) Series 2023  
***Amended***

Mr. Aichroth:

This amended 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 Pinyon Apartments project (“Project”). The Board of Finance has previously authorized issuance of up to \$55,000,000 of Nevada Housing Division multi-unit housing revenue bonds and \$10,600,000 of Home Means Nevada Initiative (“HMNI”) funds to enable construction of this new affordable workforce housing property in Reno. This request is for an additional \$3,000,000 of HMNI funds.

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 will be a fixed rate direct placement with Citibank, N.A. (“Citibank”) and 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 the City of Reno. A tax-exempt financing by the Division of this Project is necessary for compliance with Federal tax rules to qualify the Project for 4% Low Income Housing Tax Credits. Equity proceeds from the sale of these credits are critical to successful completion of the funding strategy at the proposed restricted income levels.

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 and B have been prepared by PFM. Exhibits C and D were 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

Exhibit D: Project Detailed Description

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff, *Director*

## Project Overview and Plan of Finance

### The Project

The Project will be new construction of an affordable workforce rental facility located in Reno on an infill parcel at the intersection of Moana Lane and Neil Road near the Reno-Tahoe International Airport. This property will be a 252-unit facility situated on a 2.88-acre site. It consists completely of one, two and three-bedroom units in a five-story elevator served building. Additional amenities include a community clubhouse, fitness facility and business center.

244 units are affordable to households with incomes at or below 60% of area median income (“AMI”). Eight units will be eligible for HUD project-based voucher set-aside for households at or below 50% of AMI.

Detailed unit size and rent restrictions for the property are provided in Table A.

Table A: Project Unit & Rent Profile								
Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Less Utility Allowance <sup>2</sup>	Tenant Share Monthly Rent <sup>2</sup>	Project Based Section 8 <sup>3</sup>	Total Monthly Revenue	Total Annual Revenue
<b>1 Bedroom</b>								
< 50% AMI	8	628	\$ 876	\$ 59	\$ 817	\$ 505	\$ 10,576	\$ 126,912
< 60% AMI	150	628	\$ 1,051	\$ 59	\$ 992		\$ 148,800	\$ 1,785,600
<b>2 Bedroom</b>								
< 60% AMI	60	962	\$ 1,261	\$ 72	\$ 1,189		\$ 71,340	\$ 856,080
<b>3 Bedroom</b>								
<60% AMI	34	1,119	\$ 1,457	\$ 86	\$ 1,371		\$ 46,614	\$ 559,368
<b>Total Units</b>	252						\$ 277,330	\$ 3,327,960
<sup>1</sup> 2022 Income Limits (Reno-Sparks, NV MSA)							Ancillary Income	\$ 258,912
<sup>2</sup> Assumes 30% of Average Household Income								
<sup>3</sup> Rents for Project Voucher units are per HUD Section 8 project contract.								

### Project Sponsor

Lincoln Avenue Capital  
401 Wilshire Blvd, Suite 1070  
Santa Monica, CA 90401

Lincoln Avenue Capital (“LAC”) is an owner, developer and investor in low-income multi-family developments nationwide. Their portfolio currently includes more than 100 properties located in 19 states which contain more than of 19,000 units and serve over 50,000 residents.

### Borrower Entity and Equity Investor

The borrower entity will be Pinyon Apartments, L.P., a limited partnership consisting of Lincoln Avenue Capital LLC the 0.01% General Partner and Alliant Capital (“Alliant”) as 99.99% investor limited partner. Alliant will provide an equity investment of approximately \$45,144,000 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.

The periodic advances of the equity investment are structured as follows (subject to adjustment):

- 1<sup>st</sup> Installment - \$7,133,000 (15.8%) at Closing (Jun 2023)
- 2<sup>nd</sup> Installment - \$32,777,000 (72.6%) at construction completion (Feb 2025)
- 3<sup>rd</sup> Installment - \$5,233,000 (11.6%) at stabilized operations and receipt of Form 8609 (Mar 2026).

### Contractor

Pavilion Construction  
15455 SW Hallmark Dr., Suite 100  
Lake Oswego, OR

Pavilion Construction is a diversified construction firm with diverse expertise ranging from multi-family, mixed use, senior living, assisted care and medical, educational tribal and institutional projects. Pavilion is licensed in eleven western states.

### **Property Management**

Cushman & Wakefield  
7785 West Sahara Ave., Suite 100  
Las Vegas, NV 89117

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

The financing will be a direct bond purchase by Citibank. The financing structure will consist of two components: Construction Loan and Permanent Period Loan.

The Construction Loan amount is forecast to be approximately \$55,000,000 of tax-exempt debt issued by the Division and up to \$13,000,000 of taxable debt as a direct loan provided by Citibank and not issued by the Division. Loan proceeds will be advanced to the Borrower as needed to fund construction expenditures. Monthly debt service payments will be interest only.

Post-construction the Permanent Period Loan tax-exempt loan will be reduced to approximately \$31,200,000 upon receipt of additional tax credit equity installments and other funding sources. Greater detail regarding both loan components is provided in the Bond/Loan Term Summary section.

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

<b>Sources of Funds</b>			
	<b>Construction Phase</b>	<b>Permanent Phase</b>	
NHD Bond Proceeds (Exempt)	\$ 55,000,000	\$ 31,000,000	
Construction Bridge Loan (Taxable)	\$ 10,485,989		
LIHTC Equity	\$ 7,133,233	\$ 45,143,888	
Nevada State Tax Credits	\$ 2,500,000	\$ 2,500,000	
NHD HMNI Funding	\$ 13,600,000	\$ 13,600,000	
Washoe County HOME Loan	\$ 10,000	\$ 50,000	
GP Capital Contribution	\$ 100	\$ 100	
Pre-Conversion Cashflow	\$ 1,877,423	\$ 2,086,026	
Deferred Developer Fee		\$ 11,337,716	
	<b>\$ 90,606,745</b>	<b>\$ 105,717,730</b>	
<b>Uses of Funds</b>			
			<b>\$/Unit</b>
Land Acquisition Cost	\$ 1,750,000	\$ 1,750,000	\$ 6,944
Construction Hard Costs	\$ 70,812,000	\$ 70,812,000	\$ 281,000
Soft Costs	\$ 6,948,350	\$ 7,462,554	\$ 29,613
Construction Period Interest	\$ 7,518,395	\$ 7,518,395	\$ 29,835
Contingencies	\$ 3,578,000	\$ 3,578,000	\$ 14,198
Operating & Repair Reserves		\$ 816,781	\$ 3,241
Developer Fee	\$ -	\$ 13,780,000	\$ 54,683
	<b>\$ 90,606,745</b>	<b>\$ 105,717,730</b>	<b>\$ 419,515</b>

## **Reserves:**

The Borrower will be required to fund ongoing deposits to a replacement reserve initially set at \$300/unit/year. Minimum required replacement reserve deposits may be adjusted based on periodic physical needs assessments every five years. The Borrower will also be required to fund an Operating Reserve initially set at approximately \$817,000.

## **Bond/Loan Term Summary**

<b>Lender:</b>	Citibank, N.A.
<b>Principal Amount:</b>	<b><u>Construction Phase:</u></b> <ul style="list-style-type: none"><li>• Estimated at \$55,000,000</li></ul> <b><u>Permanent Phase:</u></b> <ul style="list-style-type: none"><li>• Not to exceed 90% loan to value based on the “as-stabilized” final appraised value of the Project.</li><li>• Minimum debt coverage ratio of 1.15x.</li><li>• Amortization factor of 40 years.</li><li>• Expected to be approximately \$31,000,000</li></ul>
<b>Bond/Loan Structure:</b>	During the construction period, loan proceeds will be advanced by Citibank to the Trustee on a draw-down basis to meet Project disbursement requirements. These loan proceeds will be the source of funds allowing the Division to make the tax-exempt loan to the Borrower pursuant to the Loan Agreement.
<b>Bond/Loan Rates:</b>	<b><u>Construction Phase:</u></b> The rate will be a fixed rate through the construction period. <i>The rate is estimated at 7.98% (not including Division and Trustee fees)</i> <b><u>Permanent Phase:</u></b> The rate will be fixed at Closing for the period of conversion through the mandatory redemption date. <i>The rate is estimated at 5.68% (not including Division and Trustee fees)</i>
<b>Interest Payments:</b>	Monthly. Loan is interest only through Conversion (which is estimated to be 36 months following the Closing Date).
<b>Principal Payments:</b>	Monthly, commencing with the 1 <sup>st</sup> month following Conversion.
<b>Redemption:</b>	1) The loan is subject to yield maintenance until 6 months prior to the mandatory repayment date. 2) The loan is subject to mandatory repayment at par (100%) at the end of the 18 <sup>th</sup> year following the Closing Date.
<b>Indenture Funds:</b>	1) Project Fund <ul style="list-style-type: none"><li>a) Tax-Exempt Bonds Account</li></ul> 2) Cost of Issuance Fund 3) Expense Fund
<b>Fees:</b>	1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance 2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance
<b>Bond Rating:</b>	Not rated



## OPERATING PROFORMA

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>INCOME</b>											
Annual Gross Rental Income	\$ 3,531,658	\$ 3,602,291	\$ 3,674,337	\$ 3,747,823	\$ 3,822,780	\$ 3,899,236	\$ 3,977,220	\$ 4,056,765	\$ 4,137,900	\$ 4,220,658	\$ 4,305,071
Other: Ancillary Revenue	\$ 274,759	\$ 280,255	\$ 285,860	\$ 291,577	\$ 297,409	\$ 303,357	\$ 309,424	\$ 315,612	\$ 321,925	\$ 328,363	\$ 334,930
<b>Total Residential Income</b>	<b>\$ 3,806,417</b>	<b>\$ 3,882,546</b>	<b>\$ 3,960,197</b>	<b>\$ 4,039,400</b>	<b>\$ 4,120,188</b>	<b>\$ 4,202,592</b>	<b>\$ 4,286,644</b>	<b>\$ 4,372,377</b>	<b>\$ 4,459,824</b>	<b>\$ 4,549,021</b>	<b>\$ 4,640,001</b>
Less: Residential Vacancy/Discounts	\$ (190,321)	\$ (194,127)	\$ (198,010)	\$ (201,970)	\$ (206,009)	\$ (210,130)	\$ (214,332)	\$ (218,619)	\$ (222,991)	\$ (227,451)	\$ (232,000)
<b>Proforma Gross Income</b>	<b>\$ 3,616,096</b>	<b>\$ 3,688,418</b>	<b>\$ 3,762,187</b>	<b>\$ 3,837,430</b>	<b>\$ 3,914,179</b>	<b>\$ 3,992,463</b>	<b>\$ 4,072,312</b>	<b>\$ 4,153,758</b>	<b>\$ 4,236,833</b>	<b>\$ 4,321,570</b>	<b>\$ 4,408,001</b>
<b>EXPENSES</b>											
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Administrative	\$ 88,118	\$ 90,761	\$ 93,484	\$ 96,288	\$ 99,177	\$ 102,152	\$ 105,217	\$ 108,373	\$ 111,625	\$ 114,973	\$ 118,423
Operating & Maintenance	\$ 376,991	\$ 388,301	\$ 399,950	\$ 411,948	\$ 424,306	\$ 437,036	\$ 450,147	\$ 463,651	\$ 477,561	\$ 491,888	\$ 506,644
Staff Payroll & Benefits	\$ 361,966	\$ 372,825	\$ 384,010	\$ 395,530	\$ 407,396	\$ 419,618	\$ 432,206	\$ 445,172	\$ 458,527	\$ 472,283	\$ 486,452
Property Management	\$ 99,443	\$ 101,432	\$ 103,460	\$ 105,529	\$ 107,640	\$ 109,793	\$ 111,989	\$ 114,228	\$ 116,513	\$ 118,843	\$ 121,220
Taxes & Insurance	\$ 137,684	\$ 141,814	\$ 146,069	\$ 150,451	\$ 154,964	\$ 159,613	\$ 164,401	\$ 169,333	\$ 174,413	\$ 179,646	\$ 185,035
Replacement Reserves	\$ 82,610	\$ 85,088	\$ 87,641	\$ 90,270	\$ 92,978	\$ 95,768	\$ 98,641	\$ 101,600	\$ 104,648	\$ 107,788	\$ 111,021
<b>Proforma Operating Expenses</b>	<b>\$ 1,146,811</b>	<b>\$ 1,180,220</b>	<b>\$ 1,214,613</b>	<b>\$ 1,250,017</b>	<b>\$ 1,286,462</b>	<b>\$ 1,323,979</b>	<b>\$ 1,362,601</b>	<b>\$ 1,402,359</b>	<b>\$ 1,443,287</b>	<b>\$ 1,485,421</b>	<b>\$ 1,528,795</b>
<b>Effective Net Operating Income</b>	<b>\$ 2,469,286</b>	<b>\$ 2,508,198</b>	<b>\$ 2,547,574</b>	<b>\$ 2,587,414</b>	<b>\$ 2,627,717</b>	<b>\$ 2,668,483</b>	<b>\$ 2,709,711</b>	<b>\$ 2,751,399</b>	<b>\$ 2,793,546</b>	<b>\$ 2,836,149</b>	<b>\$ 2,879,206</b>
Contribution to Project Budget											
Senior Debt Service	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786
Debt Service Coverage	119%	121%	123%	125%	127%	129%	131%	133%	135%	137%	139%
<b>Residual Receipts</b>	<b>\$ 396,500</b>	<b>\$ 435,412</b>	<b>\$ 474,788</b>	<b>\$ 514,628</b>	<b>\$ 554,931</b>	<b>\$ 595,698</b>	<b>\$ 636,925</b>	<b>\$ 678,613</b>	<b>\$ 720,760</b>	<b>\$ 763,363</b>	<b>\$ 806,421</b>
LP Asset Mgt Fee	\$ 7,957	\$ 8,195	\$ 8,441	\$ 8,695	\$ 8,955	\$ 9,224	\$ 9,501	\$ 9,786	\$ 10,079	\$ 10,382	\$ 10,693
Other Partnership Fees/Adjusters											
DDF Payments	\$ 388,543	\$ 427,217	\$ 466,347	\$ 505,933	\$ 545,976	\$ 586,473	\$ 627,425	\$ 668,828	\$ 710,681	\$ 752,982	\$ 795,727
DDF Balance	\$ 8,153,365	\$ 7,726,149	\$ 7,259,802	\$ 6,753,869	\$ 6,207,893	\$ 5,621,419	\$ 4,993,994	\$ 4,325,167	\$ 3,614,486	\$ 2,861,504	\$ 2,065,777
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	2.75%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$11,337,716
HMNI Loan:	\$13,600,000

Permanent Loan Amount	\$31,000,000
Loan Term	40
Core Loan Rate	5.80%
NHD & Trustee Factor	0.30%
Total Loan Rate	6.10%
Annual Debt Service	\$2,072,786

## OPERATING PROFORMA

	2037	2038	2039	2040	2041	2042	2043	2044
<b>INCOME</b>								
Annual Gross Rental Income	\$ 4,391,173	\$ 4,478,996	\$ 4,568,576	\$ 4,659,947	\$ 4,753,146	\$ 4,848,209	\$ 4,945,173	\$ 5,044,077
Other: Ancillary Revenue	\$ 341,629	\$ 348,461	\$ 355,431	\$ 362,539	\$ 369,790	\$ 377,186	\$ 384,730	\$ 392,424
<b>Total Residential Income</b>	<b>\$ 4,732,801</b>	<b>\$ 4,827,457</b>	<b>\$ 4,924,007</b>	<b>\$ 5,022,487</b>	<b>\$ 5,122,936</b>	<b>\$ 5,225,395</b>	<b>\$ 5,329,903</b>	<b>\$ 5,436,501</b>
Less: Residential Vacancy/Discounts	\$ (236,640)	\$ (241,373)	\$ (246,200)	\$ (251,124)	\$ (256,147)	\$ (261,270)	\$ (266,495)	\$ (271,825)
<b>Proforma Gross Income</b>	<b>\$ 4,496,161</b>	<b>\$ 4,586,085</b>	<b>\$ 4,677,806</b>	<b>\$ 4,771,362</b>	<b>\$ 4,866,790</b>	<b>\$ 4,964,125</b>	<b>\$ 5,063,408</b>	<b>\$ 5,164,676</b>
<b>EXPENSES</b>								
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
General Administrative	\$ 121,975	\$ 125,634	\$ 129,404	\$ 133,286	\$ 137,284	\$ 141,403	\$ 145,645	\$ 150,014
Operating & Maintenance	\$ 521,843	\$ 537,499	\$ 553,624	\$ 570,232	\$ 587,339	\$ 604,960	\$ 623,108	\$ 641,802
Staff Payroll & Benefits	\$ 501,045	\$ 516,077	\$ 531,559	\$ 547,506	\$ 563,931	\$ 580,849	\$ 598,274	\$ 616,223
Property Management	\$ 123,644	\$ 126,117	\$ 128,640	\$ 131,212	\$ 133,837	\$ 136,513	\$ 139,244	\$ 142,029
Taxes & Insurance	\$ 190,586	\$ 196,304	\$ 202,193	\$ 208,259	\$ 214,507	\$ 220,942	\$ 227,570	\$ 234,397
Replacement Reserves	\$ 114,352	\$ 117,782	\$ 121,316	\$ 124,955	\$ 128,704	\$ 132,565	\$ 136,542	\$ 140,638
<b>Proforma Operating Expenses</b>	<b>\$ 1,573,447</b>	<b>\$ 1,619,414</b>	<b>\$ 1,666,735</b>	<b>\$ 1,715,450</b>	<b>\$ 1,765,602</b>	<b>\$ 1,817,231</b>	<b>\$ 1,870,383</b>	<b>\$ 1,925,102</b>
<b>Effective Net Operating Income</b>	<b>\$ 2,922,715</b>	<b>\$ 2,966,671</b>	<b>\$ 3,011,072</b>	<b>\$ 3,055,912</b>	<b>\$ 3,101,188</b>	<b>\$ 3,146,894</b>	<b>\$ 3,193,025</b>	<b>\$ 3,239,574</b>
Contribution to Project Budget								
Senior Debt Service	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786	\$2,072,786
Debt Service Coverage	141%	143%	145%	147%	150%	152%	154%	156%
<b>Residual Receipts</b>	<b>\$ 849,929</b>	<b>\$ 893,885</b>	<b>\$ 938,286</b>	<b>\$ 983,126</b>	<b>\$ 1,028,402</b>	<b>\$ 1,074,108</b>	<b>\$ 1,120,239</b>	<b>\$ 1,166,788</b>
LP Asset Mgt Fee								
Other Partnership Fees/Adjusters	\$ 11,014	\$ 11,344	\$ 11,685	\$ 12,035	\$ 12,396	\$ 12,768	\$ 13,151	\$ 13,546
DDF Payments	\$ 838,915	\$ 882,541	\$ 344,321	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ 1,226,862	\$ 344,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 582,279</b>	<b>\$ 971,091</b>	<b>\$ 1,016,006</b>	<b>\$ 1,061,340</b>	<b>\$ 1,107,087</b>	<b>\$ 1,153,242</b>

### Borrower Financing Representation

#### Proposed Project:

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

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

#### ☐ Option A

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

#### ☒ Option B

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

**PINYON APARTMENTS, L.P,**  
a Nevada limited partnership

By: Pinyon Apartments GP LLC,  
a Delaware limited liability company,  
its general partner

By:  \_\_\_\_\_

Russell Condas, Vice President

**Pinyon Apartments**

1120 E Moana Lane

Reno, NV 89502

APN # 020-281-48, 020-281-51, 020-281-59 (2.88 acres)

**Project Description**

Pinyon Apartments is a proposed new construction 252-unit workforce housing community to be located on an infill parcel on the south side of Moana Lane at the intersection of Neil Road in southeast Reno near the Reno-Tahoe International Airport. The attractive and high amenity development will address the growing need in the Truckee Meadows for barrier-free and affordable rental housing for households at or below 60% of area median income. Pinyon Apartments is the first tax credit “wrap style” rental development in Northern Nevada, providing structured parking, extraordinary views and a complement of common space amenities for working families and individuals at an affordable rent. It is conveniently located near jobs, schools, public transportation and retail.

The project is sponsored by Lincoln Avenue Capital, a leading owner, developer, and investor in low-income housing multi-family developments nationwide. Founded as an affiliate of the Matthew Bronfman Family Office and operated by brothers Jeremy and Eli Bronfman, Lincoln Avenue Capital has quickly grown to be an industry leading real estate company that focuses on providing low-income families with quality affordable housing across the United States.

**Physical Description**

Pinyon Apartments will consist of 252 one-, two-, and three-bedroom units and a community clubhouse in a 5-story wrap style elevator apartment building. The apartment types include: 158 one-bedroom / one-bath (approx. 628 SF) units, 60 two-bedroom / two-bath (approx. 962 SF) units, and 34 three-bedroom / two- bath (approx. 1,119 SF) units. The new apartments will be generously sized with carpet and luxury vinyl tile floor coverings, washer and dryer hook-ups, dishwashers, ranges, fully vented range hoods, refrigerators and freezers, central AC, garbage disposal, microwaves, walk-in closets, and coat and linen closets.

Pinyon Apartments will be built to high energy-efficiency standards, and will include high efficiency heating and cooling equipment, EnergyStar appliances, EnergyStar rated dual pane windows, high R-value wall and attic insulation, and automatic timer thermostat controls. The development will also promote water conservation with extensive xeriscape landscaping.

The residence will be anchored by a central community clubhouse. The property management offices will be located near the main entry for daily resident interaction. There will be a fully equipped fitness facility and business center. Planned resident

activities include fitness training, trivia nights, wine and paint and weekly “Friend Raiser” events where residents can invite friends and work towards supporting a cause.

The “E”-shaped building includes three landscaped community courtyards with a children’s tot lot and a barbeque area where the staff will offer regular events such as Taco Tuesdays, Food Truck Fridays, and sangria and sunset gatherings. The development will be ultra-pet friendly and include a dog park and regular social events, like an annual “Beware of Dog” Halloween Costume party.

### **Location**

The proposed development is well located on a 2.88-acre site on the southwest corner of East Moana Lane and Neil Road. The site is conveniently located near retail, restaurants, parks, banks, grocery stores, and schools. Within a half mile of the site is the Neil Road Recreation Center, Miguel Ribera Park, Mariposa Academy Charter School and several restaurants and retail stores. The Neil Road Recreation Center campus includes a Reno Police Department Substation, the Boys and Girls Club of the Truckee Meadows and the Community Health Alliance Nell J. Redfield Health Center as well as public-use computers, a full-size gymnasium, a multi-purpose room and a fitness center.

A mile from the site on Kietzke Lane and South Virginia Street there are retail centers with restaurants, grocery stores, banks and other services. Walgreen’s Pharmacy is on the corner of East Moana Lane and South Virginia Street, one mile west of the site. The Washoe County Public Library Sierra View Branch, Wells Fargo and the Sierra Foods Market are in the Reno Town Mall about a 6-minute drive from the site. The Atlantis Casino Resort Spa and the Reno-Sparks Convention Center are also near Pinyon Apartments.

Children at Pinyon Apartments will attend Smithridge Elementary School (1.5 miles), Pine Middle School (1.5 miles), and Damonte Ranch High School (8.5 miles). With the passage of WC-1 in November 2016, the Washoe County School District planned numerous expansion projects throughout the county to accommodate new growth. This includes the construction of 9 new elementary schools, 3 new middle schools and 3 new high schools.

The development is also well-located near public transportation. RTC Route 12 on Neil Road has stops within less than a quarter mile of the site and runs from Meadowood Mall to the RTC downtown 4<sup>th</sup> Street Station, which allows residents to connect quickly with other routes throughout the city.

### **Target Population and Demand**

Pinyon Apartments will be a family development affordable to households with incomes at or below 60% of area median income (AMI). Eight units will be set-aside for households at or below 50% of AMI.

The residence will serve a growing need in the Truckee Meadows for barrier-free and affordable family housing. As a result of the improved economy and the entry of new

industries, like the Tesla Gigafactory and Switch's SuperNAP, Northern Nevada is experiencing an affordable housing crisis. Reno presents a strong market with high home prices and an exhibited need for attainable housing. Home prices in the zip code are about \$400,000 and have risen 24% in the last year and are expected to rise another 10% this year. 65% of Reno's workforce consists of employees in the trade and services sector, with another 25% being employed in construction, manufacturing and transportation. An urban infill project that will bring 252 workforce units to the market is a major step forward in addressing the extraordinary need for affordable and workforce rental housing. Close to major vehicular arteries and job centers, the site is perfectly situated to efficiently bring quality units to Reno and allow people to live where they work.

The 4th Quarter 2022 Apartment Survey published by Johnson Perkins Griffin states that supply within the major apartment projects in the region is expected to remain extremely tight over the coming year. The current vacancy rate across the region is 3.04% and the average rent is \$1,625. Vacancies are expected to remain extremely low, and rental rates are anticipated to show continued increases.

According to the Nevada Housing Division 2020 Annual Affordable Apartment Survey: Taking Stock, there is a high demand for affordable rental housing across the state of Nevada. LIHTC vacancy rates remained lower than vacancy rates for market properties. Vacant LIHTC units were filled by new tenants within approximately week on average. Additionally, the Report indicated that 1<sup>st</sup> quarter market rents increased by 9.5% in Reno/Sparks from 2020 to 2021, and over the past six years, 1<sup>st</sup> quarter market rate rents in Reno/Sparks rose 67% from \$880 a month to \$1,469 a month.

We expect strong and continued demand for the Pinyon Apartments development. The proposed rents at Pinyon will be significantly below market rents in Washoe County. Rents for the 60% AMI units will start at \$992 for a one-bedroom unit, \$1,189 for a two-bedroom unit, and \$1,371 for a three-bedroom unit. For the 50% AMI units, rents will start at \$817 for the one-bedroom unit. For comparison, the current average market rents from Johnson Perkins Griffin 4<sup>th</sup> Quarter 2022 study are \$1,463 for a one-bedroom unit, \$1,794 for a two-bedroom unit, and \$2,123 for a three-bedroom unit. The 2023 HUD Fair Market Rents are \$1,256 for a one-bedroom unit, \$1,585 for a two-bedroom unit, and \$2,253 for a three-bedroom unit.

### **Development Team**

Pinyon Apartments is being developed by Lincoln Avenue Capital, a leading owner, developer, and investor in low-income housing multi-family developments nationwide. Founded as an affiliate of the Matthew Bronfman Family Office, Lincoln Avenue Capital has quickly grown to an industry leading real estate company that focuses on providing low-income families with quality affordable housing across the United States. Lincoln Avenue Capital has financed and built over 8,800 units of affordable, multifamily housing across the country, with 776 units of affordable multifamily housing units in the State of Nevada.

Nevada housing developments include:

- Whittell Pointe I & II Apartments, Reno (2004, 2005), 228 units – family affordable housing, which is currently undergoing rehabilitation;
- Zephyr Pointe Apartments, Reno (2005), 216 units – family affordable housing; and,
- Southwest Village Apartments, Reno (2008), 332 units – family affordable housing, which is also slated to begin rehabilitation in 2021 and will include 66 project-based rental vouchers for homeless veterans.

The project will be owned by Pinyon Apartments, LP a Nevada limited partnership. Pinyon Apartments GP LLC, a Delaware limited liability company qualified in Nevada will act as the General Partner and Pinyon Apartments Partners LLC, a Delaware limited liability company qualified in Nevada, will act as the Class B Limited Partner. Both the General Partner and the Class B Limited Partner will be controlled by the sponsor. Lincoln Avenue Capital receives development finance consulting assistance from Praxis Consulting Group, LLC. The development will be professionally managed by Cushman & Wakefield.

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. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund raising and public policy development. Since its founding, Praxis has directly assembled the financing and closed over 85 affordable housing developments totaling over 8,600 units and \$1.6 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt. Praxis has particular expertise in working with public housing authorities in portfolio assessment and RAD and mixed-finance development. Through this work, Praxis has facilitated the creation and preservation of thousands of additional units across multiple housing authorities.

Pinyon Apartments will be managed by **Cushman & Wakefield**, which offers a full suite of multifamily management solutions to deliver maximum value and customized service for all asset types. Currently managing over 169,000 multifamily units across over 800 developments has the experience and capacity necessary to provide the best service for residents at Pinyon Apartments. Cushman & Wakefield also has an extensive affordable housing portfolio totaling 99 affordable properties and over 7,950 units.

### **Project Financing and Schedule**

The financing for Pinyon Apartments will include tax-exempt bonds issued by the Nevada Housing Division (NHD) and purchased direct by Citibank as well as equity from the sale of non-competitive 4% Low Income Housing Tax Credits to NEF. The developers have been awarded additional financing through the NHD Home Means Nevada Initiative, NHD Transferable State Tax Credits (TSTCs) and HOME funds from the Washoe County HOME Consortium. The TSTC funding, which is sold to Nevada corporate taxpayers, is designed to help innovative quality affordable housing projects meet the necessary underwriting criteria to utilize the NHD tax-exempt bond and 4% Low-Income Housing Tax Credit programs.

The site is located in census tract 22.12, which is a Qualified Census Tract in 2022, qualifying Pinyon Apartments for a 130% boost in tax credit eligible basis.

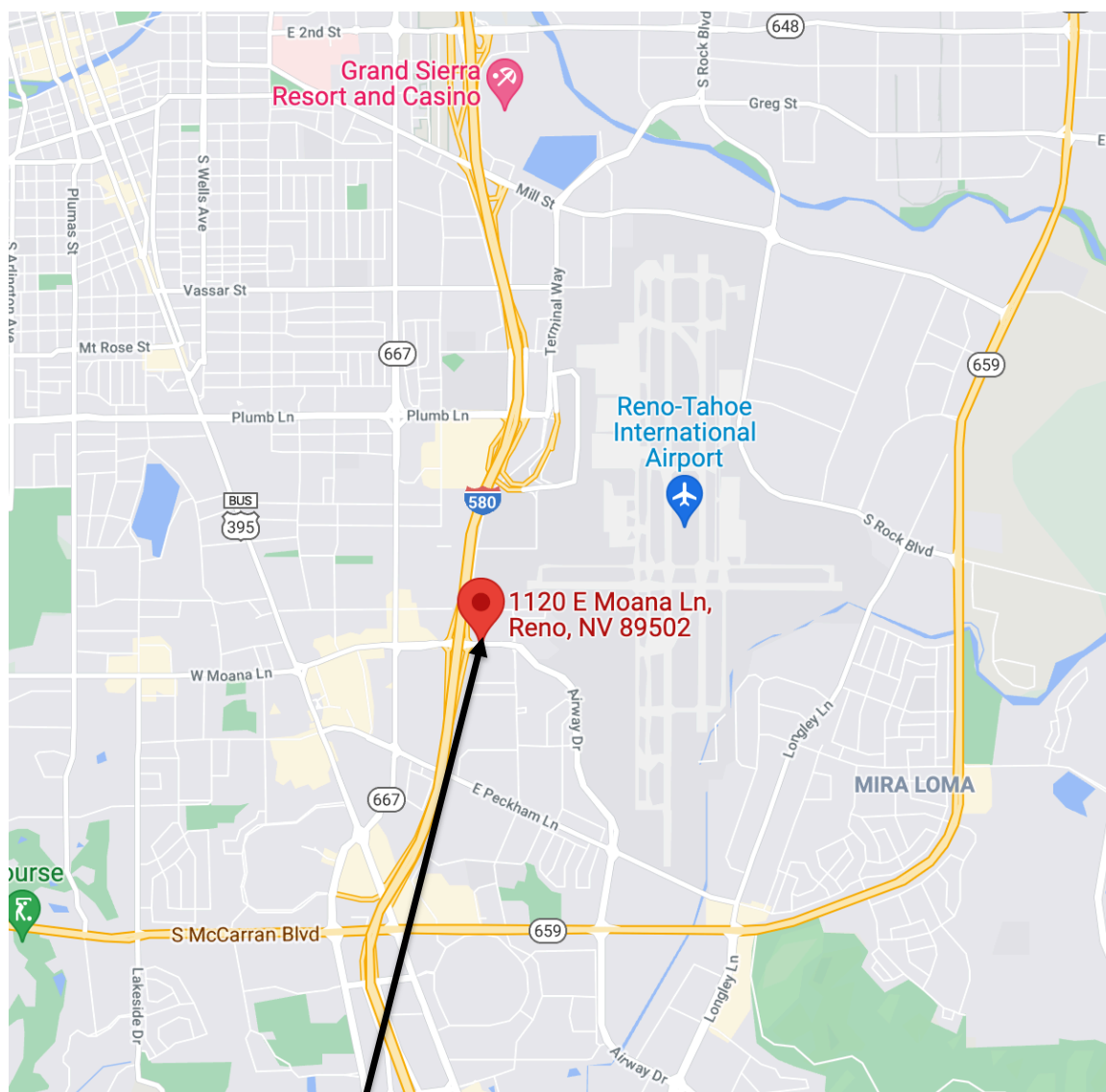
The estimated total development cost is approximately \$105.724 million.

Pinyon Apartments will close in approximately July 2023, with construction completion by May 2025 and conversion in July 2026.



**Pinyon Apartments**  
1120 E Moana Lane  
Reno, NV 89502  
APN # 020-281-48, 020-281-51, 020-281-59 (2.88 acres)

**Location Map**



**SITE**

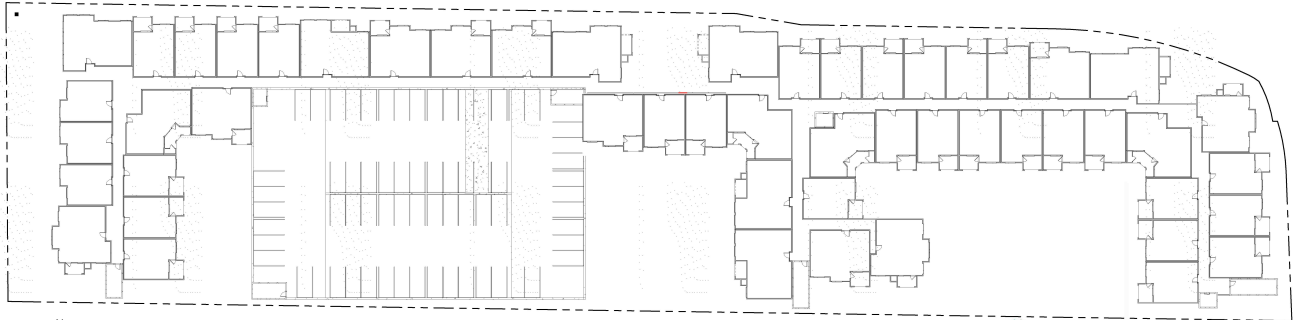
**Pinyon Apartments**  
1120 E Moana Lane  
Reno, NV 89502  
APN # 020-281-48, 020-281-51, 020-281-59 (2.88 acres)

**Aerial Photo**



**Pinyon Apartments**  
1120 E Moana Lane  
Reno, NV 89502  
APN # 020-281-48, 020-281-51, 020-281-59 (2.88 acres)

**Site Plan and Isometric Drawing**



TYPICAL RESIDENTIAL LEVELS 3 TO 5 (TOP FLR SHOWN) - DS



ISOMETRIC LOOKING AT REAR OF PROJECT

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

**Development:** Pinyon Apartments  
**Development Type:** New Construction  
**BoF Meeting Date:** 6.16.23

**Administrator's Summary**

This bond issuance will be used to provide for the construction of a 252-unit affordable family apartment complex in Reno. The rental housing will serve 252 households at or below 60% of area median income. The site is located near retail, restaurants, parks, banks, grocery stores and schools. The site is within 1/2 mile of the Neil Road Recreation Center. This project will create new affordable units which will retain the rent restrictions for 30 years. Lincoln Avenue Capital is a California based company and has had two prior applications before the Board of Finance.

- 252 Family Units
- New construction
- 100% Affordable Rents
- 244 units at <60% AMI, 8 units <50% AMI
- 1 bedroom units = 158, 2 bedroom units = 60, 3 bedroom units = 34
- 1 bedroom rents \$460.00 less than market rate
- 2 bedroom rents \$605.00 less than market rate
- 3 bedroom rents \$752 less than market rate
- Cost per unit = \$419,514
- Cost per bond cap allocation = \$218,254
- Developer –Lincoln Avenue Capital
- Equity Investor – Alliant Capital
- Loan – Citibank
- \$55M in Bond Proceeds trips \$45.1M in LIHTC Equity (42.7% of total development cost)

	Pinyon Apartments	Program Average	Notes
Total Tax-exempt Bond ask	\$ 55,000,000	\$ 34,950,000	
Total Development Cost	\$ 105,717,730	\$ 66,771,428	Average of last 10 New Construction projects previously approved
Size of site	2.88 Acres	6.88 Acres	
Total # of Units	252	218	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 419,514	\$ 320,048	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 218,254	\$ 167,392	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	0.00%	n/a	0 units in this project
Percentage of Units at 60% AMI	96.80%	89.0%	244 Units in this project
Percentage of Units at 50% AMI	3.20%	9.0%	8 units in this project
Percentage of Units at 40% AMI	0.00%	0.0%	0 units in this project
Percentage of Units at 30% AMI	0.00%	2.0%	0 units in this project
Veteran's Preference	Yes	Yes	

	Pinyon Apartments	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 1,003	\$ 1,463	Johnson Perkins Q4 2022
Average 2 Bedroom Rent	\$ 1,189	\$ 1,794	Johnson Perkins Q4 2022
Average 3 Bedroom Rent	\$ 1,371	\$ 2,123	Johnson Perkins Q4 2022
Average Vacancy Rate	n/a	3.04%	Johnson Perkins Q4 2022





**STATE OF NEVADA**  
**OFFICE OF THE STATE TREASURER**

**TO:** Board of Finance (Board) Members

**FROM:** Cari Eaton, Deputy Treasurer - Debt Management

**SUBJECT:** June 16, 2023 Agenda Item #8 - Resolution approving the Department of Taxation Permanent School Fund Report and the State Permanent School Fund Guarantee Agreement for Nye County School District

**DATE:** May 23, 2023

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***Agenda Item #8:***

**For possible action** – Discussion and possible action on a resolution approving the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund (PSF) Guarantee Agreement pertaining to the Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed) Series 2023, in the aggregate principal amount not to exceed \$25,635,000.

**Summary:** The State Treasurer and the Executive Director of the Department of Taxation are seeking the State Board of Finance's approval on the resolution pertaining to the Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed) Series 2023, in the aggregate principal amount not to exceed \$25,635,000. The District is requesting to enter into a guarantee agreement with the State Treasurer to use the PSF to guarantee the payment of the debt service on the bonds. By utilizing the Permanent School Fund Guarantee Program (PSFG), the District anticipates realizing approximately \$525,000 in interest cost savings over the life of the bonds. The State Board of Finance's approval is required under Nevada Revised Statute (NRS) 387.513 to 387.528, inclusive.

**Background:** The PSFG allows Nevada school districts to apply to the State Treasurer for a guarantee agreement through which money in the PSF is used to guarantee the payment of the debt service on the bonds that the school district will issue. The amount of the guarantee for bonds of each school district outstanding at any one time must not exceed \$60 million.

**CARSON CITY OFFICE**

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

**STATE TREASURER PROGRAMS**

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

**LAS VEGAS OFFICE**

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

Pursuant to NRS 387.513 to 387.528, inclusive, the State Treasurer may enter into a guarantee agreement with the school district if:

1. The State Board of Finance approves the resolution approving the report submitted by the executive director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement (Reference Attachment A - Board of Finance Nye County PSFG Resolution and Attachment D – Nye County Guarantee Agreement);
2. The report submitted by the Executive Director of the Department of Taxation indicates the District has the ability to make timely payments of the debt service of the bonds and does not anticipate the need to increase its current tax rate in order to fund re-payment (Reference Attachment B - Report of Executive Director); and
3. The State Treasurer has determined that the amount of bonds to be guaranteed under the PSFG, in addition to the total amount of outstanding PSFG bonds, will not exceed 250% of the lower of the cost or fair market value of the assets in the PSF (Reference Attachment C - Certificate of Treasurer).

The PSFG Program is currently rated “AAA” by S&P Global Ratings and “Aaa” by Moody’s Investor Service. The PSFG provides an opportunity for school districts to gain the benefits of a “AAA/Aaa” rating in the issuance of PSFG debt which results in greater marketability/access to investors and ultimately, interest cost savings. In some circumstances, it may not be financially feasible for a school district to issue debt without the benefits of the guarantee provided by the PSFG program.

**Purpose of Bonds:** The District will utilize the \$25,635,000 authorization granted upon approval of this Resolution to be used for improvements to various District facilities including a new Elementary school in Tonopah. The District anticipates this transaction to result in interest cost savings of approximately \$525,000 over the life of the bonds attributable to the use of the PSFG authorization.

**PSFG Details:** As of April 21, 2023, the District has \$21,550,000 of outstanding principal guaranteed by the Permanent School Fund (PSF), or \$38,450,000 below the statutory maximum PSFG authorization of \$60,000,000.

**Recommendation:** State Treasurer Zach Conine and Shellie Hughes, Executive Director of the Nevada Department of Taxation respectfully request the State Board of Finance’s approval of the resolution pertaining to the Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed) Series 2023, in the aggregate principal amount not to exceed \$25,635,000.

## ATTACHMENT A

Resolution Approving the Report Submitted by the Executive Director of the Department of  
Taxation and the State Permanent School Fund Guarantee Agreement

## **RESOLUTION**

**A RESOLUTION APPROVING THE REPORT SUBMITTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF TAXATION AND THE STATE PERMANENT SCHOOL FUND GUARANTEE AGREEMENT PERTAINING TO THE NYE COUNTY SCHOOL DISTRICT, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SCHOOL IMPROVEMENT BONDS (PSF GUARANTEED) SERIES 2023, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$25,635,000.**

**WHEREAS**, the provisions of NRS 387.513 to 387.528, inclusive (the "Guarantee Act") authorize the use of money in the State Permanent School Fund to guarantee certain bonds (the "Guarantee") issued by the school districts in the State of Nevada (the "State"); and

**WHEREAS**, Nye County School District, Nevada (the "District") has submitted its application to the State Treasurer for a Guarantee of its Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed) Series 2023, in maximum aggregate principal amount of \$25,635,000 (the "Bonds"); and

**WHEREAS**, the State Treasurer has provided a copy of the District's application to the Executive Director of the Department of Taxation (the "Executive Director") for investigation of the District's ability to make timely payments on the debt service of the Bonds; and

**WHEREAS**, the State Board of Finance (the "Board") has received a written report of the investigation by the Executive Director indicating her opinion that the District has the ability to make timely payments on the debt service of the Bonds (the "Report"); and

**WHEREAS**, the State Treasurer has determined that the amount of the Bonds subject to the Guarantee under the State Permanent School Fund Guarantee Agreement (the "Guarantee Agreement") to be entered into between the State Treasurer and the District for the Bonds, in addition to any other outstanding bonds of the District guaranteed pursuant to the Guarantee Act, does not exceed the limitations established by the Guarantee Act; and

**WHEREAS**, the Guarantee Act requires that the Report and the Guarantee Agreement be approved by the Board.



**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FINANCE  
OF THE STATE OF NEVADA:**

Section 1. All action previously taken by the Board, the Treasurer, the Executive Director and other officers of the State directed toward the Guarantee of the Bonds pursuant to the Guarantee Act are hereby ratified, approved and confirmed.

Section 2. The Report is hereby approved, and the Guarantee Agreement in substantially the form currently on file with the Secretary to the Board with such changes, modifications or amendments deemed necessary by the State Treasurer is hereby approved pursuant to the Guarantee Act which approval shall be valid for a period of six months following the date of this resolution.

Section 3. The Board, the Treasurer and other officers of the State and the Board are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this resolution, including without limitation, the execution and delivery of the Guarantee Agreement and Continuing Disclosure Agreement relating to the Bonds.

Section 4. The State covenants for the benefit of the District to comply with the provisions of the final Continuing Disclosure Agreement relating to the Bonds in substantially the form now on file with the Secretary to the Board, to be executed and delivered in connection with the Bonds.

PASSED, ADOPTED AND APPROVED on June 16, 2023.

Attest:

---

Joe Lombardo, Governor, Chairman  
State Board of Finance

---

Lori Hoover, Secretary  
State Board of Finance

STATE OF NEVADA            )  
  )  
CARSON CITY                 )       ss.

I am the duly chosen and qualified Chief Deputy Treasurer of the State of Nevada (the "State"), and ex officio secretary of the State Board of Finance (the "Board"), and do hereby certify that:

1.       The foregoing pages constitute a true, correct, complete resolution (the "Resolution") which was passed and adopted by the Board at the duly held meeting of June 16, 2023, in the Old Assembly Chambers of the Capitol Building, Second Floor, 101 N. Carson Street, Carson City, Nevada 89701 and at 555 E. Washington Avenue, Las Vegas, Nevada (the "Resolution").

2.       The original of the Resolution was signed by the Chairman of the Board and authenticated by me as ex officio Secretary of the Board, and was recorded in the minutes of the Board kept for that purpose in my office.

3.       Members of the Board, i.e.,

Governor:	Joe Lombardo
Treasurer:	Zachary B. Conine
Controller:	Andy Matthews
Other Members:	Benjamin Edwards
	David R. Navarro

attended such meeting and voted in favor of the passage of the Resolution.

4.       All members of the Board were given due and proper notice of such meeting.

5.       Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020.

6.       At least three working days before such meeting, such notice was given to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

7.       A copy of the notice so given is attached to this certificate as Exhibit A; a copy of the report of the Executive Director of the Department of Taxation is attached to this certificate as Exhibit B; and the Certificate of the State Treasurer making the determinations required by subsection 1 of NRS 387.522 is attached to this certificate as Exhibit C.

8.       No other proceedings were adopted and no other action was taken or considered at such meeting relating to the subject matter of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand on June 16, 2023.

---

Lori Hoover, Secretary  
State Board of Finance

EXHIBIT A

(Attach Copy of Notice of Meeting)

## EXHIBIT B

(Attach Report of Executive Director)

## EXHIBIT C

(Attach Certificate of State Treasurer)

## ATTACHMENT B

Report Submitted by the Executive Director of the Department of Taxation



STATE OF NEVADA  
DEPARTMENT OF TAXATION

Web Site: <https://tax.nv.gov>

Call Center: (866) 962-3707

LAS VEGAS OFFICE  
700 E. Warm Springs Rd, Suite 200  
Las Vegas, Nevada 89119  
Phone (702) 486-2300  
Fax (702) 486-2373

JOE LOMBARDO  
Governor  
TONY WREN  
Chair, Nevada Tax Commission  
SHELLIE HUGHES  
Executive Director

CARSON CITY OFFICE  
1550 College Parkway, Suite 115  
Carson City, Nevada 89706-7937  
Phone: (775) 684-2000  
Fax: (775) 684-2020

RENO OFFICE  
4600 Kietzke Lane, Suite L235  
Reno, NV 89502  
Phone: (775) 687-9999  
Fax: (775) 688-1303

May 19, 2023

Lori Hoover  
Chief Deputy Treasurer  
Office of the Treasurer  
State of Nevada  
101 North Carson Street, #4  
Carson City, NV 89701-4786

**Re: Guaranty Request – Nye County School District**

Dear Ms. Hoover:


The Department of Taxation ("Department") has reviewed the materials submitted on behalf of the Nye County School District ("District") pursuant to NRS 387.516. The District requests authorization for a guaranty from the Permanent School Fund for a proposed bond issue. During the 2006 election, the District received approval from the voters to issue general obligation bonds to finance the acquisition, construction, improvement and equipping of school facilities, if the issuance does not result in an increase of the existing school bond property debt rate of \$0.585. The District proposes to issue bonds in the amount of \$25,635,000 in July/August 2023.

The District's estimated savings for utilizing the Permanent School Fund guaranty will be in excess of \$550,000. The District will use of the bond proceeds to improve various school facilities throughout the District and construct a new elementary school in Tonopah.

The Department has analyzed the documents contained in the guaranty application and financial information submitted by the District. The District has the ability to make timely payment of the debt service of the bonds and does not anticipate the need to increase its current debt rate of \$0.585 to fund re-payment.

The Department recommends that the State Board of Finance approve the issuance of the Nye County School District School Building Bonds in an amount not to exceed \$25,635,000.

Sincerely,

  
Shellie Hughes  
Executive Director

cc: Marty Johnson  
Ryan Henry  
Ray Ritchie



ATTACHMENT C

Certificate of State Treasurer

## CERTIFICATE OF STATE TREASURER

**IT IS HEREBY CERTIFIED** and determined by the undersigned, State Treasurer of the State of Nevada (the "Treasurer") that:

1. The Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed), Series 2023 (the "Bonds") to be guaranteed by the State of Nevada under the Guarantee Agreement between the Nye County School District and the Treasurer will not exceed the aggregate principal amount of \$25,635,000.

2. The maximum principal amount of the Bonds (i.e., \$25,635,000), plus the total amount of outstanding bonds guaranteed pursuant to NRS 387.513 to 387.528, inclusive, on the date of delivery of the Bonds will not exceed the limitation established by subsection 1 of NRS 387.522.

**WITNESS** my hand on June 16, 2023.

STATE OF NEVADA

By 

Zachary B. Conine, State Treasurer

ATTACHMENT D

Guarantee Agreement

## **FORM OF STATE PERMANENT SCHOOL FUND GUARANTEE AGREEMENT**

DATED as of \_\_\_\_\_, 2023, by and between NYE COUNTY SCHOOL DISTRICT, NEVADA (the "District"), a school district duly organized and created under the laws of the State of Nevada and THE STATE TREASURER OF THE STATE OF NEVADA (the "Treasurer").

WHEREAS, the District is duly organized, created and existing under the laws of the State of Nevada (the "State"); and

WHEREAS, the District, as of the date hereof, will be issuing its General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed), Series 2023 (the "Bonds"), in the aggregate principal amount of \$\_\_\_\_\_ to finance the acquisition, construction, improvement and equipping of school facilities; and

WHEREAS, pursuant to Chapter 387, Nevada Revised Statutes (the "Act"), the Board of Trustees of the District (the "Board") may apply to the Treasurer for a guarantee agreement whereby money in the State Permanent School Fund (the "Permanent Fund") is used to guarantee the payment of debt service on the Bonds; and

WHEREAS, the Board has applied to the Treasurer for a guarantee agreement; and

WHEREAS, pursuant to the Act, the Treasurer has provided a copy of the application and the supporting documentation to the Executive Director of the State Department of Taxation (the "Executive Director") and the Executive Director has submitted a report to the State Board of Finance indicating that the District has the ability to make timely payment of the debt service on the Bonds; and

WHEREAS, the Treasurer has determined that the total principal amount of the Bonds, together with the total amount of outstanding bonds guaranteed by the Permanent Fund, does not exceed the limitations established by the Act; and

WHEREAS, on June 16, 2023, the State Board of Finance adopted a resolution approving the report submitted by the Executive Director and the form of this guarantee agreement (the "Guarantee Agreement"); and

WHEREAS, the Bonds are authorized to be issued by a resolution of the Board (the "Bond Resolution") adopted on June 16, 2023; and

WHEREAS, the District and the Treasurer wish to enter into this Guarantee Agreement in order to set forth the respective responsibilities of each party with respect to the Permanent Fund guarantee of the payment of debt service on the Bonds.

NOW, THEREFORE, the District and the Treasurer, in consideration of the mutual covenants herein contained, agree as follows:

Section 1. The Board hereby appoints the Treasurer, or Computershare Trust Company, National Association, a commercial bank hereby designated by the Treasurer, as the paying agent (the "Paying Agent") for the Bonds. The Paying Agent may be replaced on the terms set forth in the Bond Resolution with the prior written approval of the Treasurer.

Section 2. No later than 5 business days prior to each date scheduled for the payment of principal and/or interest on the Bonds as set forth in the Bond Resolution, the District shall transfer to the Paying Agent sufficient moneys to pay the debt service coming due on the Bonds. The Board hereby agrees to deposit the amount of money due for each scheduled debt service payment with the Paying Agent no later than 5 business days prior to each scheduled debt service payment date, as set forth in the Bond Resolution. The District shall provide in the Bond Resolution that:

A. the Paying Agent must immediately notify the Treasurer if the Paying Agent has not received from the District the debt service payment on the fifth business day prior to the scheduled debt service payment date; and

B. the Paying Agent must give notice to the Treasurer of any optional redemption or defeasance of the Bonds.

Section 3. In the event the District determines that it will be unable to make a deposit with the Paying Agent as required in Section 2 hereof, the Superintendent of the District shall provide written notice to the Treasurer and the Paying Agent at least 60 days before such payment is due.

Section 4. In the event the District for any reason fails to make a timely payment of debt service on the Bonds as required by Section 2 hereof, the Treasurer shall withdraw a sufficient amount of money from the Permanent Fund to make the debt service payment on the Bonds, transfer to the Paying Agent no later than 1 business day prior to the scheduled debt service payment date a sufficient amount of money to make the debt service payment when due, and promptly notify the Executive Director of the payment. Such payment shall be made by the

Treasurer regardless of whether the District provides written notice to the Treasurer pursuant to Section 3 hereof. Such withdrawal from the Permanent Fund and payment of debt service on the Bonds shall constitute a loan to the District in the amount of the debt service paid on the Bonds. The loan shall be a special obligation of the District payable only from the sources set forth in Section 5 below. The loan shall bear interest at a rate determined by the Treasurer, which rate shall not exceed 1% above the average rate of interest yielded on investments in the Permanent Fund on the date the loan is made.

Section 5. In the event the Treasurer makes a loan to the District pursuant to Section 4 hereof, the District agrees to repay the loan from the following sources and in the following order of priority:

A. As soon as they are available, from District moneys available to pay debt service on the Bonds, unless payment from that money would cause the District to default on other outstanding bonds or medium-term obligations entered into pursuant to the provisions of Sections 350.087 to 350.095, inclusive, Nevada Revised Statutes ("NRS"); and

B. Immediately, until the loan is fully repaid (including any accrued interest on the loan), the Treasurer shall withhold payments of money that would otherwise be distributed to the District from:

(a) the interest earned on the Permanent Fund that is distributed among the various school districts pursuant to State law; and

(b) distributions from the State Education Fund.

C. The Treasurer shall apply the moneys received or withheld from the District pursuant to paragraphs (A) and (B) above first to the interest due on the loan and, when the interest is paid in full, then to the principal balance. When the interest and balance on the loan are repaid, the Treasurer shall resume making the distributions set forth in (a) through (b) above that would otherwise be due to the District.

D. The Treasurer shall notify the District of amounts withheld pursuant to paragraph (B) above and also shall notify the District when the loan is paid in full.

Section 6. The District shall not enter into any medium-term obligations pursuant to the provisions of NRS 350.087 to 350.095, inclusive, or otherwise borrow money during the period in which the loan remains unpaid unless the District obtains the prior written approval of the Executive Director.

Section 7. This Guarantee Agreement shall be effective upon issuance of the Bonds and shall remain in effect until the Bonds are retired and all amounts owed by the District hereunder have been paid in full or otherwise discharged. Any amount owed by the District hereunder shall not be deemed paid in full or otherwise discharged if such amount has been recovered from the State or a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

Section 8. The holders of the Bonds are third party beneficiaries of this Guarantee Agreement and are entitled to enforce the provisions of this Guarantee Agreement. Nothing in this Guarantee Agreement is intended or shall be construed to confer upon, or give to any person or entity, other than the District, the State of Nevada, acting by and through the State Board of Finance or the State Treasurer, and the holders of the Bonds, any right, remedy or claim under or by reason of this Guarantee Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations and agreements in this Guarantee Agreement shall be for the sole and exclusive benefit of the District, the State of Nevada and the holders of the Bonds.

Section 9. This Guarantee Agreement may not be modified or amended in any manner after the Bonds are issued if the amendment or modification would materially or adversely affect the holders of the Bonds. This Guarantee Agreement may only be amended or modified by a written amendment signed by the parties and approved by the State Board of Finance and the Board of the District. Notice of any such amendment must be sent to: Moody's Investors Services and S&P Global Ratings.

Section 10. It is mutually understood and agreed that this Guarantee Agreement shall be governed by the laws of the State of Nevada.

Section 11. If any section, paragraph, clause or provision of this Guarantee Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or enforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Guarantee Agreement.

Section 12. Nothing in this Agreement prohibits or otherwise limits or inhibits the reasonable exercise in the future by the State and its governmental bodies of the police powers and powers of taxation inherent in the sovereignty of the State or the exercise by the United States of the powers delegated to it by the United States Constitution.

Section 13. Notices sent pursuant to the provisions of this Guarantee Agreement shall be sent to:

The District:

Nye County School District  
484 S. West Street  
Pahrump, Nevada 89048  
Attn: Superintendent

The State:

Office of the State Treasurer  
Capitol Building  
101 N. Carson St., Suite 4  
Carson City, Nevada 89701  
Attn: Chief Deputy State Treasurer

The Paying Agent:

Computershare Trust Company, N.A.  
600 South 4<sup>th</sup> St., 7<sup>th</sup> Floor  
Minneapolis, MN 55415

Moody's:

Moody's Investors Service  
99 Church Street  
New York, New York 10007  
Attn: Public Finance Rating Desk

S&P Global Ratings:

S&P Global Ratings  
25 Broadway, 21st Floor  
New York, New York 10004  
Attn: Public Finance Rating Desk



IN WITNESS WHEREOF, the Treasurer and the District have caused this Guarantee Agreement to be duly executed and delivered as of the day and year first above written.

NYE COUNTY SCHOOL DISTRICT,  
NEVADA

By: \_\_\_\_\_  
President, Board of Trustees

STATE OF NEVADA

By: \_\_\_\_\_  
Zachary B. Conine, State Treasurer



**STATE OF NEVADA**  
**OFFICE OF THE STATE TREASURER**

**TO:** Board of Finance (Board) Members

**FROM:** Cari Eaton, Deputy Treasurer - Debt Management

**SUBJECT:** June 16, 2023 Agenda Item #9 – Information on Refunding Certain Outstanding Certificates of Participation: Series 2013A - Capitol Complex Building 1 Refunding Project; Series 2013B - Casa Grande Refunding Project; and 2013C - Nevada State College Project

**DATE:** May 31, 2023

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***Agenda Item #9:***

**Informational Item/No Action Required** - Discussion and informational item on possible refunding of three outstanding Certificates of Participation to realize interest rate savings related to the lease-purchase agreements for the Capitol Complex 1 building, the Casa Grande Transitional Housing facility and Nevada State College's nursing/science/education building and the student activities/administration building.

**Executive Summary:**

Agenda Item #9 concerns refunding three of four outstanding Certificates of Participation (COPs) projects:

- Series 2013A Capitol Complex Building 1 (Bryan Building or CCB1)
- Series 2013B Casa Grande
- Series 2013C Nevada State College (NSC)

COPs are not general obligations of the State, are not paid with the \$0.17 property tax, and are subject to annual appropriation by the legislature; therefore, these securities are not considered debt obligations of the State or subject to the Constitutional debt limit. These securities are also not factored into the debt affordability model.

The approval process and documentation associated with the issuance and refunding of COPs differs substantially from the General Obligation bonds normally presented for approval to the Board of Finance (Board). To keep members informed throughout the refunding process, the Treasurer's office will present information at the following Board meetings:

**CARSON CITY OFFICE**

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

**STATE TREASURER PROGRAMS**

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

**LAS VEGAS OFFICE**

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

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

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

- Building Ground Lease
- Certificate Purchase Agreement
- Indentures of Trust
- Lease Purchase Agreements
- Escrow Agreements
- Disclosure Dissemination Agreement

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

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

The estimated savings for the proposed COP refundings are summarized in the table below:

**Estimated Savings from Refunding Series 2013A, 2013B and 2013C COPs**

New COP Series	Program	Estimated Refunded Par	Estimated Refunding Par as of 6/01/23	**Est. NPV Savings	**Est. NPV Savings as % of Refunded Par	Remaining Term (Years)
Series 2023A	CCB1 Refunding Project	\$ 10,360,000	\$ 9,810,000	\$ 396,591	3.83%	8
Series 2023B	Casa Grande Refunding Project	\$ 9,725,000	\$ 9,210,000	\$ 367,268	3.78%	8
Series 2023C	Nevada State College Refunding Project	\$ 42,720,000	\$38,770,000	\$ 4,287,508	10.04%	20
		<b>\$ 62,805,000</b>	<b>\$57,790,000</b>	<b>\$ 5,051,367</b>		

\*\*Net present value savings (NPV) after factoring in restructure costs and discounting future cash flows to present value.

Refunding savings are sensitive to rates and market conditions at the time of sale. By authorizing the refundings, the Treasurer is given the flexibility to react quickly should the market move in the

State's favor. If the market moves unfavorably to the State, some or all of the proposed refundings may be either delayed or not issued.

### **Background:**

NRS 353.500 through 353.630 authorizes the issuance of lease-revenue bonds, also known as Certificates of Participation (COPs), as an alternative method to finance certain capital improvement projects. COPs are tax-exempt securities representing an undivided interest in payments made pursuant to a lease-purchase agreement and are structured as a series of one-year renewable obligations spread over the life of the asset.

In a lease-purchase arrangement, the State leases unimproved land to a separate legal entity, which in the case of State COPs is the Nevada Real Property Corporation (NRPC). Pursuant to SB 495 in the 1997 Legislative Session, the NRPC was incorporated in 1998 under the provisions of Chapter 81 as a Nonprofit Cooperative Corporation Without Stock for the primary purpose of issuing COPs to finance State buildings as an alternative to issuing general obligation or revenue bonds. The NRPC Board consists of three Directors elected by NRPC members. Traditionally, the State Treasurer, the Director – Governor’s Finance Office, and the Chief Deputy Treasurer have been elected to serve as the Directors. The NRPC maintains no bank accounts, nor holds any assets as a Trustee is assigned to each project financed by the issuance of COPs.

The NRPC raises funds for the financing of land and capital improvements through the sale of COPs to investors. The NRPC then subleases the improved facilities back to the State. The State pays yearly lease payments to the NRPC that equal the principal and interest due on the COPs to the certificate holders. COPs are not technically debt of the State, since the payment obligation to holders of the COPs is extinguished if the legislature fails to appropriate monies for the ensuing year to make lease payments, nor do COPs pledge the full faith and credit of the State.

Over the last twenty-five years, the State has used this power to finance five facilities through the issuance of COPs. As of June 1, 2023, four COPs financed through the NRPC remain outstanding: the Capitol Complex Building 1 (Bryan Building) in Carson City; the Casa Grande Transitional Housing Center in Las Vegas; two buildings on the Nevada State College campus in Henderson; and the Legislative Counsel Bureau Printing Office in Carson City.

### **Capitol Complex Building 1 (Bryan Building)**

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

The 2004 Certificates became “callable” in 2013. Due to favorable interest rates in 2013, the 2004 Certificates were refinanced for interest rate savings. The Series 2013A Capitol Complex Building 1 Refunding COPs yielded interest savings of \$2.44 million, or 11.50% of refunded par. The proposed issuance of the Series 2023A Capitol Complex Building 1 Refunding COPs are estimated

to yield approximately \$400,000 (3.8% of refunded par) of interest savings over the remaining 8-year term.

### **Casa Grande Detention Facility**

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

The 2004 Certificates became “callable” in 2013. Due to favorable interest rates in 2013, the 2004 Certificates were refinanced for interest rate savings. The Series 2013B Casa Grande Refunding COPs yielded interest savings of \$1.73 million, or 8.59% of refunded par. The proposed issuance of the Series 2023B Casa Grande Project Refunding COPs is estimated to yield approximately \$367,000 (3.8% of refunded par) of interest savings over the remaining 8-year term.

### **Nevada State College (NSC) Project**

In 2013, the Nevada System of Higher Education (NSHE) proposed the construction of two new buildings on Nevada State College’s campus – a nursing/science/education building and a student activities/administration building. The two facilities totaled 120,000 square feet for a cost of \$51.6 million. The Series 2013C Lease Revenue Certificates of Participation (Nevada State College Project) will be “callable” this fall. The proposed issuance of the Series 2023C Nevada State College Lease Revenue Refunding COPs is estimated to yield approximately \$4,287,000 (10.04% of refunded par) of interest savings over the remaining 20-year term.

**Zach Conine**  
State Treasurer



**STATE OF NEVADA**  
**OFFICE OF THE STATE TREASURER**

TO: Board of Finance (BoF) Members

FROM: Steven Hale, Deputy Treasurer - Investments

SUBJECT: BoF Agenda Item 10 – State Treasurer Investment Report

DATE: June 16, 2023

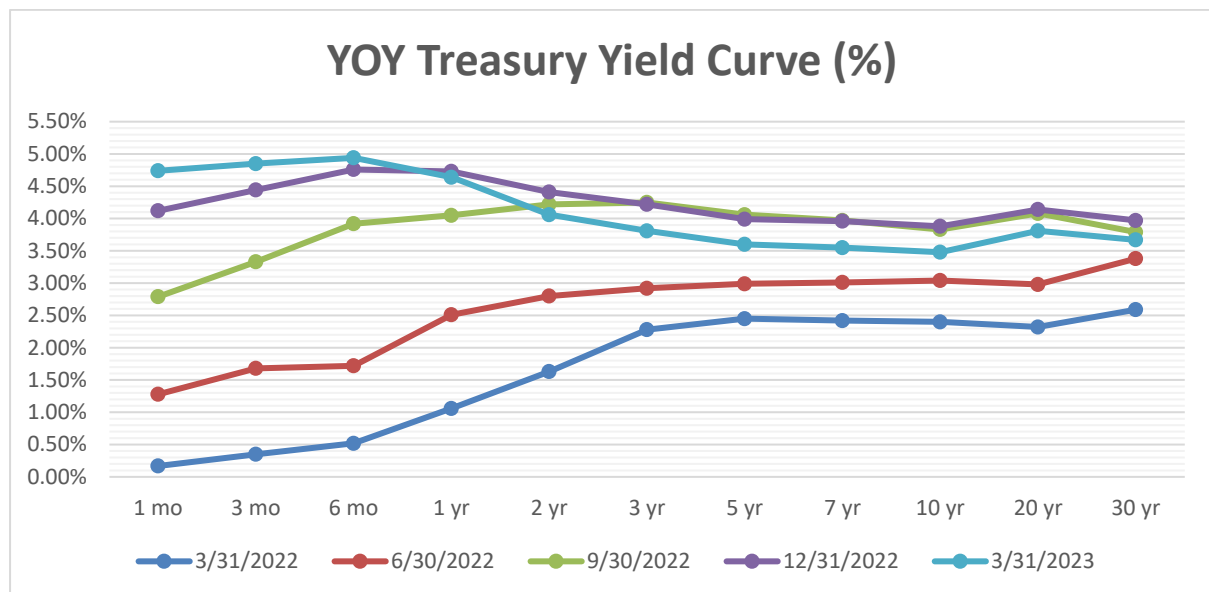
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**Agenda Item #10**

For discussion and possible action: on the approval of the State Treasurer's quarterly investment report for the quarter ended March 31, 2023 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 March 31, 2023**

- U.S. 10- year Treasury yields decreased by 40 basis points during the first calendar quarter of 2023 and closed the quarter at 3.48%. Over the same period, 1 month T-Bill rates increased 62 basis points from 4.12% to 4.74%.
- The Fed continued raise rates in an attempt to reduce inflation with a 25 basis point increases in the Fed Fund rates in February and another 25 basis point increase in March. The Fed Funds Rate closed the March 2023 quarter in the range of 4.75% to 5%.



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

**Investment Performance as of March 31, 2023**

**Local Government Investment Pool (LGIP)**

As of March 31, 2023, the total assets under management (AUM) were \$1.91 billion. The yield to maturity as of March 31, 2023, was 3.48% which is 156 basis points below the benchmark yield of 5.04%.

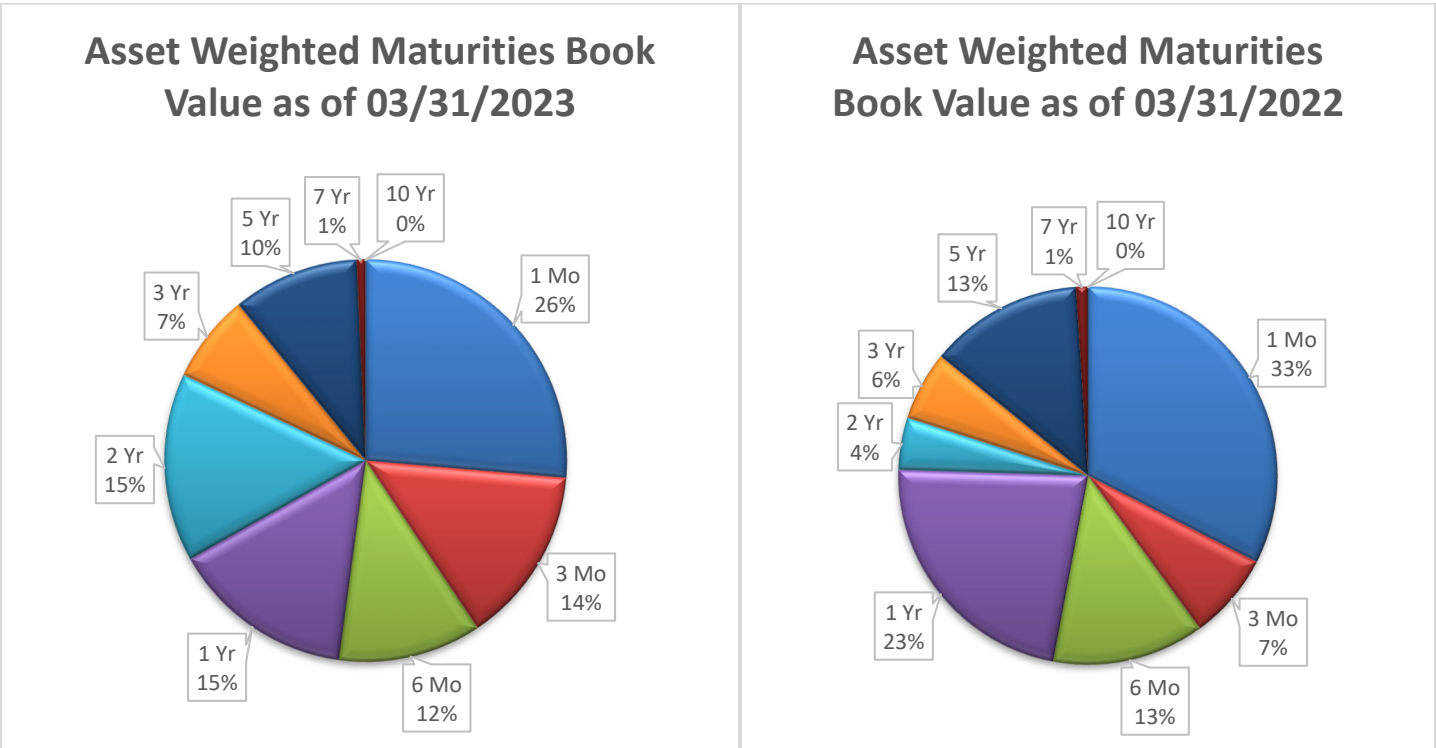
**General Portfolio**

As of March 31, 2023, the AUM for the General Portfolio was \$8.7 billion (book value) with 79.7% managed internally and 20.3% managed by outside managers. Please see the charts on pages 3 and 4 for more information on each manager.

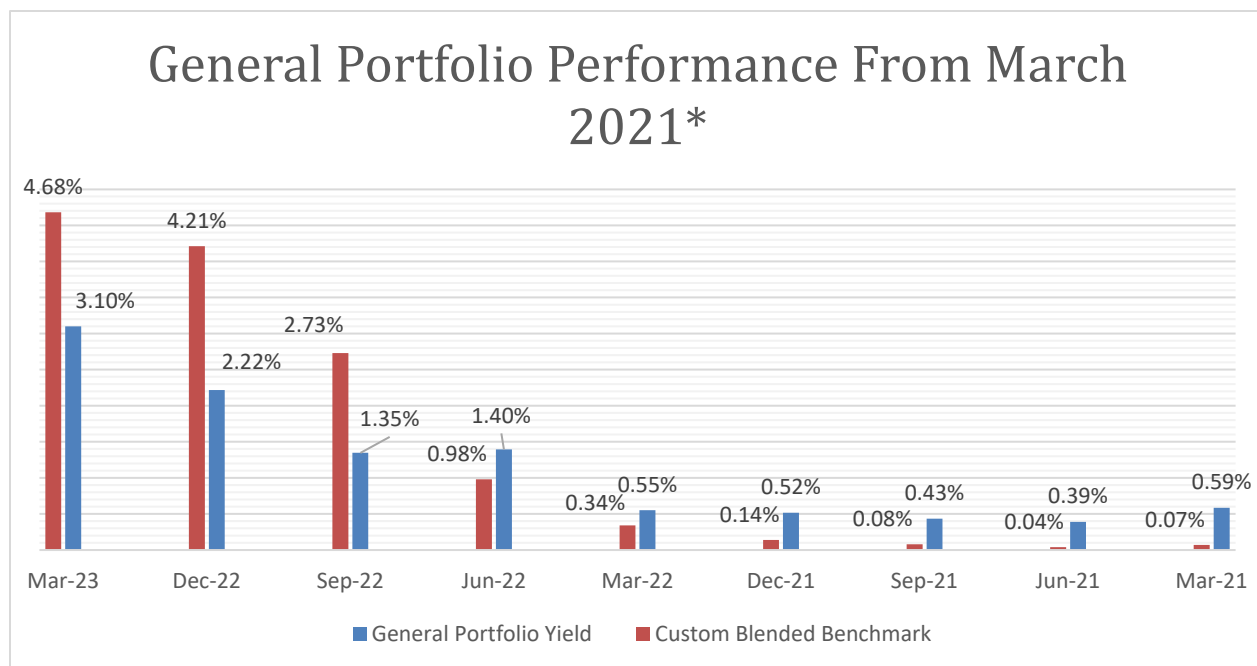
The overall yield to maturity (YTM) as of March 31, 2023 for the General Portfolio was 2.069%. Below is the YTM breakdown by portfolio:

- Internally managed portfolios were 1.92%
- Buckhead Capital Management portfolio was 3.10%
- Western Asset Management portfolio was 2.14%

Below is a graphical representation of the asset weighted maturities in the General Portfolio as of March 31, 2023 versus one-year prior.



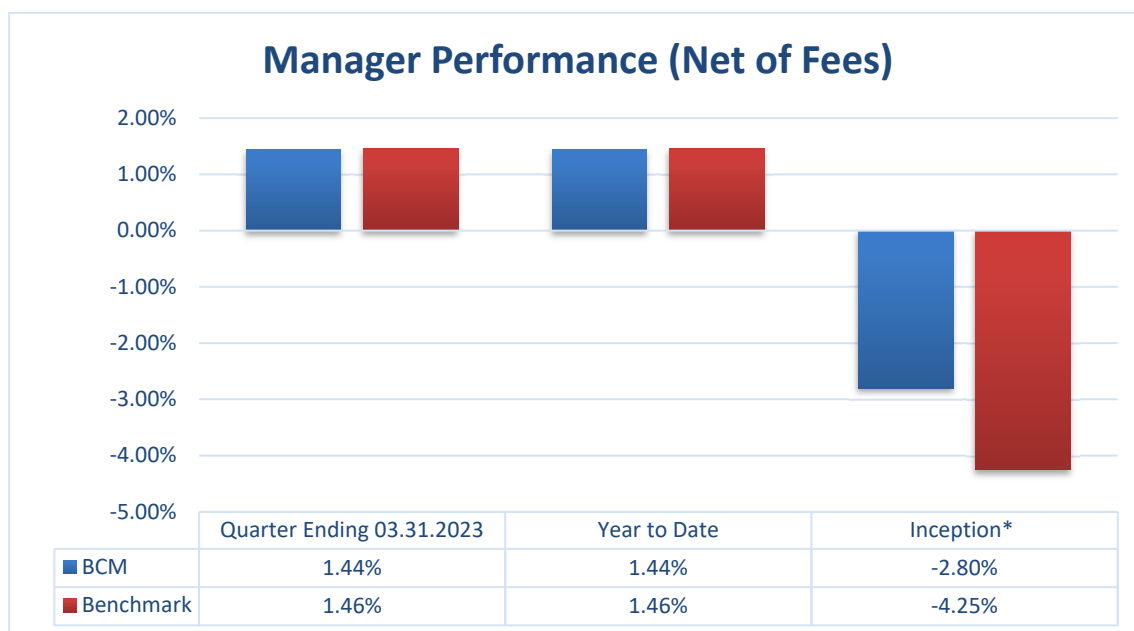
The chart below shows the internally managed portfolio performance against the custom benchmark for the past nine quarters.



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

### General Portfolio Outside Managers' Performance

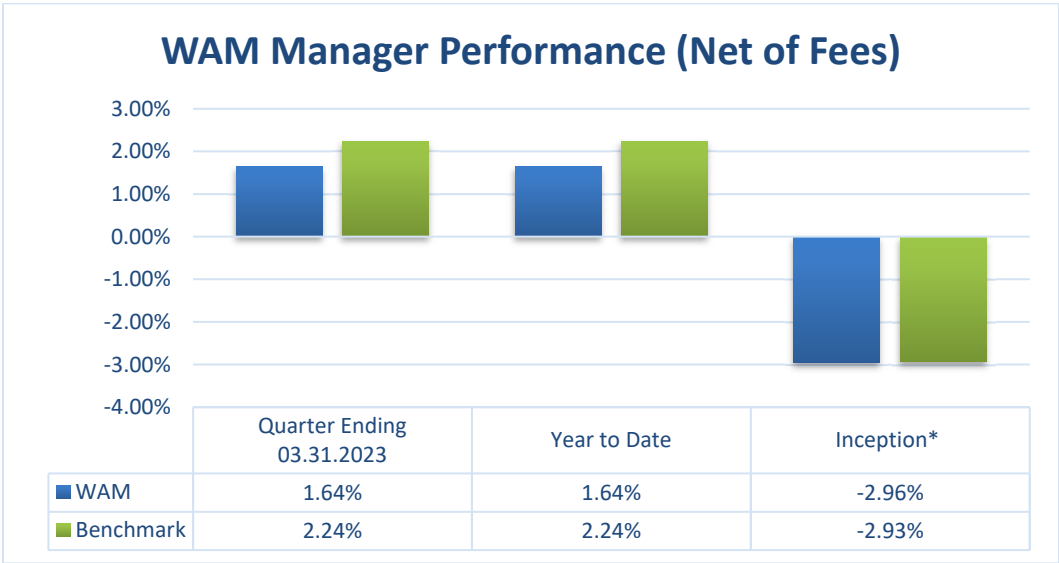
Buckhead Capital Management (BCM) began managing \$150 million in September 2020, \$130 million was distributed in June 2021, \$220 million distributed in September 2021, \$200 million in December 2021 and \$240 million was distributed in March 2022, for a total of \$940 million in total distributions.



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

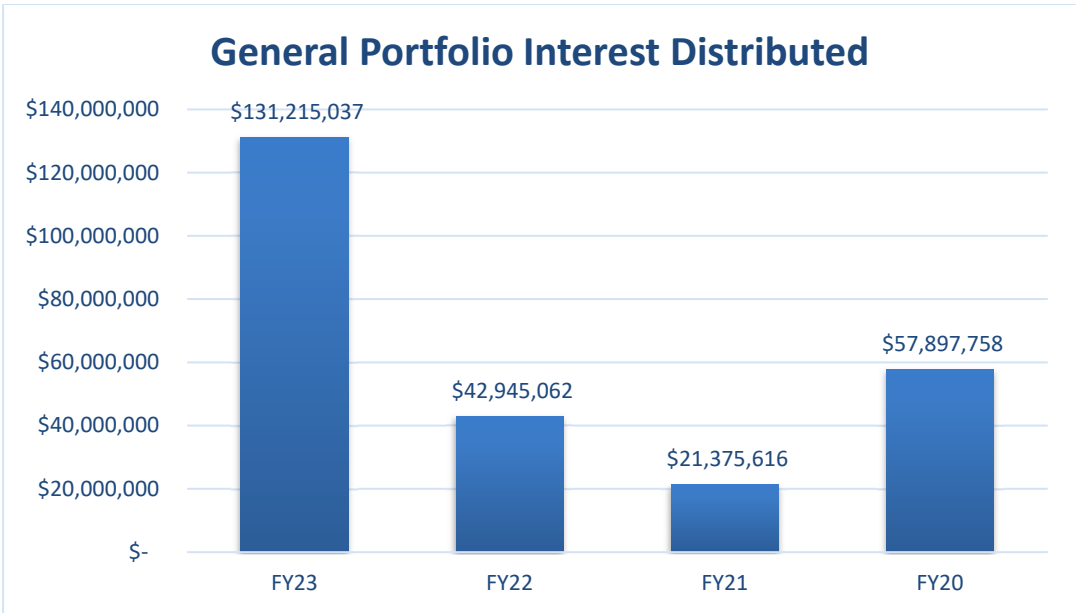


Western Asset Management (WAM) began managing \$80 million in General Portfolio Assets on November 16, 2020, \$70 million was distributed in June 2021, \$200 million was distributed in September 2021, and \$400 million was distributed in March 2022. In May 2022, \$10 million was pulled back, while in March 2023 another \$10 million was distributed for a total of \$750 million in assets distributed.



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

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



\* FY23 bar shown above represents 9 months year to date interest distributed.



## INVESTMENTS

### GENERAL PORTFOLIO

**FISCAL YEAR 2023**

**Period Ending  
Mar 31, 2023**

### Overview

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

### Investment Guidelines

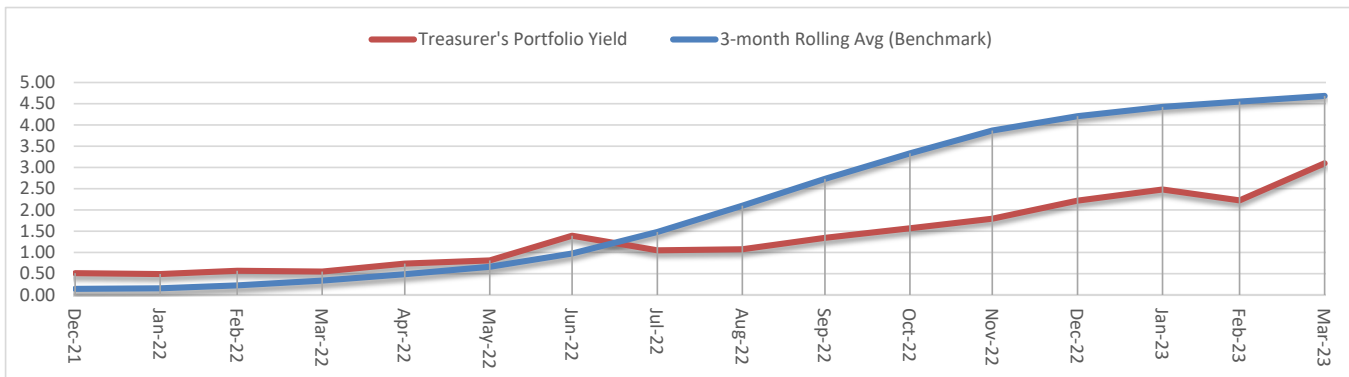
The permissible investments of the General Portfolio include United States Treasury and Agency securities, repurchase agreements, high quality corporate notes and commercial paper, negotiable certificates of deposit, foreign notes, international development notes, asset-backed securities, municipal bonds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

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

### In-House Performance

As of March 31, 2023, the yield on the in-house portion of the General Portfolio was 3.10%. A three month rolling average of this benchmark for this period was 4.68% with the average days to maturity at 218 days. The average days to maturity for the portfolio was 360 days.

### In-House Performance vs. Benchmark

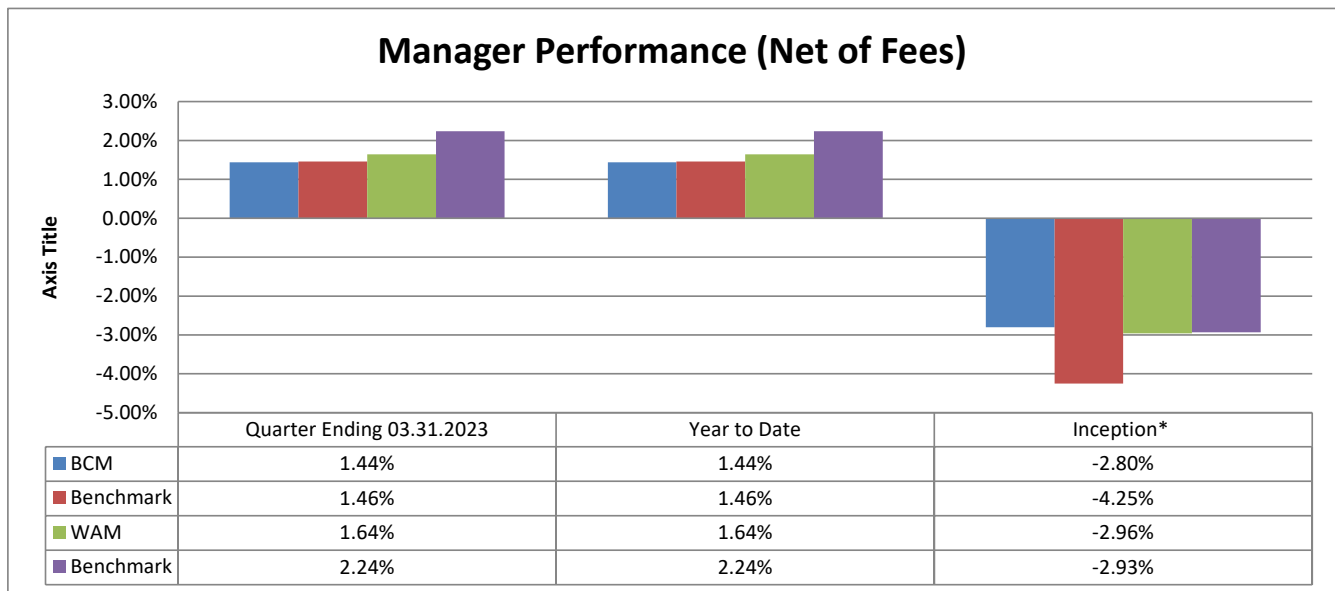


\* Benchmark is 3-month rolling weighted average of 80% 3-month Treasuries and 20% 2-year Treasuries

## Outside Manager Performance

The annualized performance since inception for period ending Mar 31, 2023 for Buckhead Capital Management (BCM) is -2.8%\* and for Western Asset Management (WAM) is -2.96%\*. 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.

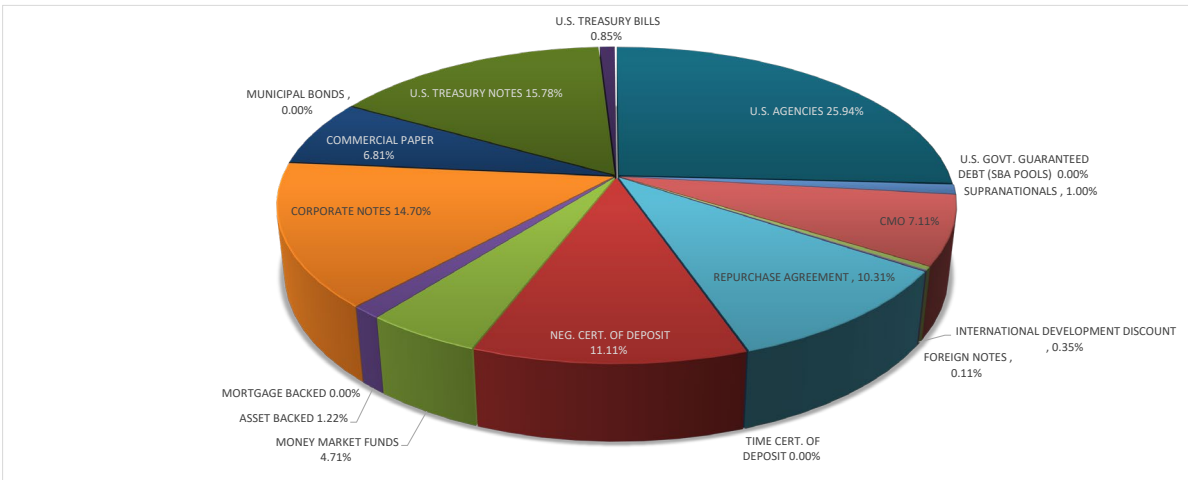
### Outside Managers' Performance vs. Benchmark



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

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

	<u>March 31, 2023</u> <u>Amortized Book Value</u>				<u>December 31, 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	970,000,000	-	-	970,000,000	1,245,000,000	
MONEY MARKET FUNDS	405,019,165	4,732,038	1,510,573	411,261,776	851,119,070	
ASSET-BACKED SECURITIES	-	106,779,791	-	106,779,791	120,997,331	
MORTGAGE-BACKED SECURITIES	-	-	-	-	-	
CORPORATE NOTES	563,332,391	-	720,184,959	1,283,517,350	1,333,595,469	
COMMERCIAL PAPER	594,560,306	-	-	594,560,306	898,640,547	
MUNICIPAL BONDS	-	-	-	-	-	
U.S. TREASURY NOTES	1,348,238,366	-	29,476,327	1,377,714,692	1,225,537,090	
U.S. TREASURY BILLS	74,196,274	-	-	74,196,274	48,982,479	
U.S. AGENCIES	2,086,250,530	178,613,893	-	2,264,864,423	1,530,055,770	
U.S. GOVERNMENT GUARANTEED DEBT	4,580	-	-	4,580	21,574	
SUPRANATIONALS	87,015,808	-	-	87,015,808	92,868,817	
COLLATERALIZED MORTGAGE OBLIGATION	324,873	620,850,602	-	621,175,475	616,455,809	
INTERNATIONAL DEVELOPMENT DISCOUNT	24,906,250	-	5,841,661	30,747,911	149,102,292	
FOREIGN NOTES	10,000,000	-	-	10,000,000	10,000,000	
REPURCHASE AGREEMENTS	900,000,000	-	-	900,000,000	-	
<b>TOTAL</b>	<b>\$ 7,063,848,542</b>	<b>\$ 910,976,324</b>	<b>\$ 757,013,519</b>	<b>\$ 8,731,838,385</b>	<b>\$ 8,122,376,246</b>	



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

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<b>TOTAL PORTFOLIO</b>	<b>\$8,731,838,385</b>	<b>\$7,039,835,772</b>



## 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.

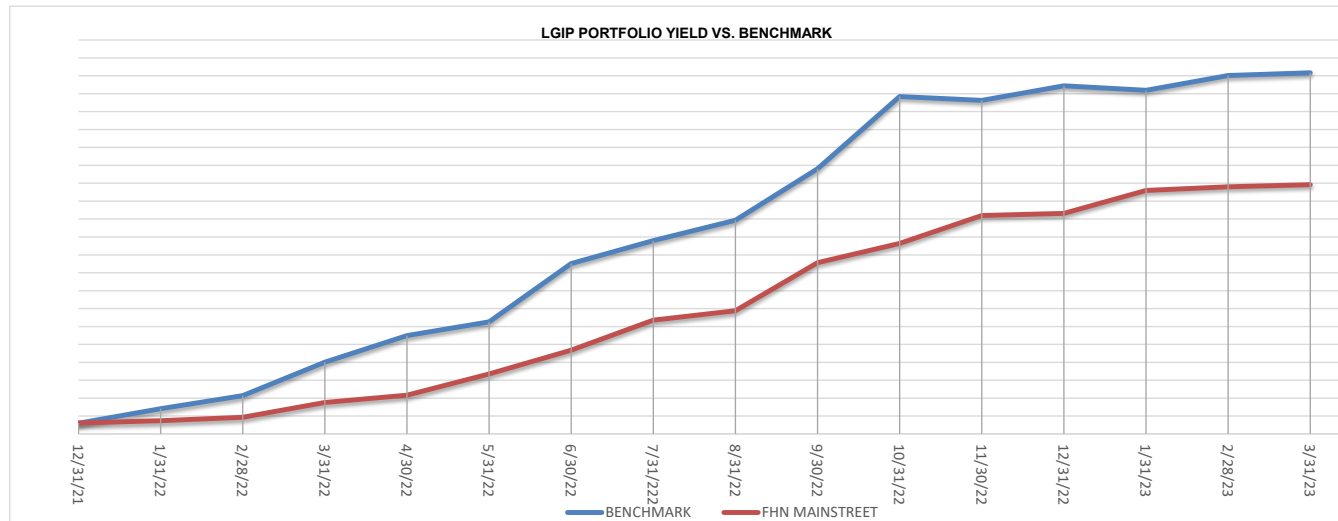
## Investment Guidelines

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 20.8% of the fund matures on a daily basis, ensuring sufficient liquidity to meet both anticipated and unanticipated withdrawals. Additionally, approximately 66.6% 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 March 31, 2023, the LGIP's portfolio book yield was 3.48%, and the blended benchmark was 4.86%. The average days to maturity of the LGIP portfolio was 95 days.



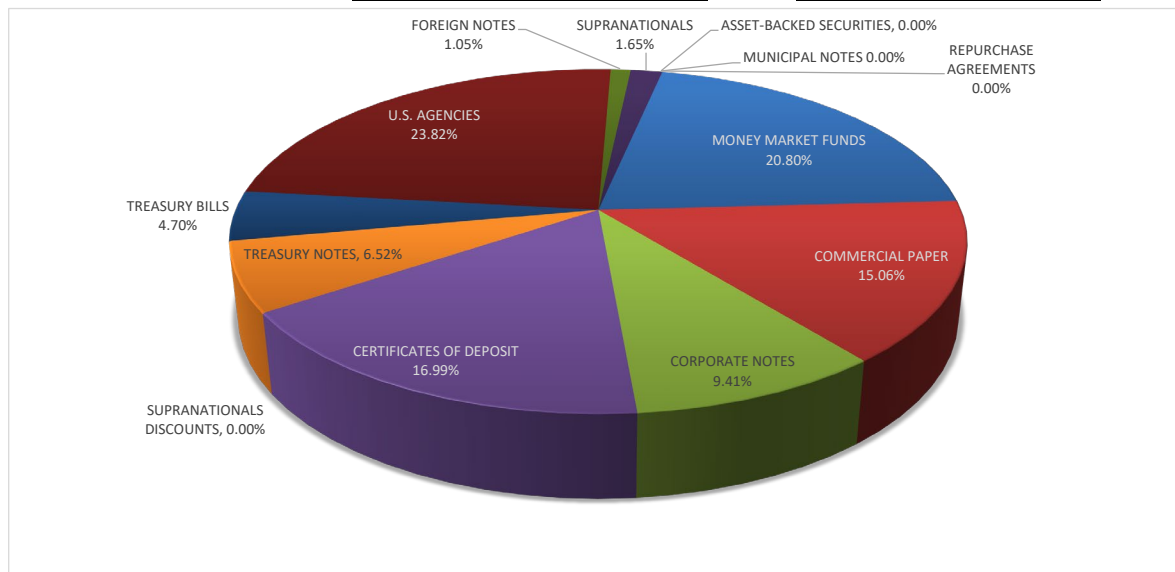
\* Benchmark is 3-month rolling weighted average of 55% Dealer Commercial Paper 150-Day Index, 30% Agency Note 180 Day Index, and 15% Dreyfus Institutional Preferred Government Money Markey Fund.

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

## Administration

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

	<u>March 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Amortized Book</u>	<u>Purchased Interest</u>	<u>Amortized Book</u>	<u>Purchased Interest</u>
MONEY MARKET FUNDS	\$ 397,880,542	\$ -	\$ 543,918,072	\$ -
COMMERCIAL PAPER	287,965,397	-	379,142,453	-
CORPORATE NOTES	179,946,392	-	202,161,052	206,129
CERTIFICATES OF DEPOSIT	325,000,000	-	350,000,000	425,000
SUPRANATIONALS DISCOUNTS	-	-	24,978,611	-
TREASURY NOTES	124,778,576	-	124,699,038	-
TREASURY BILLS	89,851,892	-	9,801,653	-
U.S. AGENCIES	455,644,275	-	307,688,534	-
FOREIGN NOTES	20,000,619	-	20,002,939	-
SUPRANATIONALS	31,561,413	-	31,575,737	-
ASSET-BACKED SECURITIES	-	-	-	-
MUNICIPAL NOTES	-	-	-	-
REPURCHASE AGREEMENTS	-	-	-	-
TOTAL	\$ 1,912,629,106	\$ -	\$ 1,993,968,088	\$ 631,129
GRAND TOTAL	\$ 1,912,629,106	1,912,629,106	\$ 1,994,599,217	



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

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
TOTAL PORTFOLIO	\$1,912,629,106	\$2,369,517,301

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

	Quarter Ended 06/30/2022	Quarter Ended 09/30/2022	Quarter Ended 12/31/2022	Quarter Ended 03/31/2023	Totals
<b><u>Average Daily Balances of Funds</u></b>					
General Fund	\$ 4,844,606,918	\$ 4,209,627,676	\$ 5,884,962,876	\$ 5,639,403,274	\$ 5,144,650,186
All Funds	6,996,109,389	7,585,840,061	8,133,666,706	8,702,514,780	7,854,532,734
<b><u>Annualized Interest Rate</u></b>					
Cash Basis (see Note 1)	0.8283%	1.1212%	1.9880%	3.1198%	1.7643%
Accrual Basis	0.8374%	1.1388%	2.0041%	3.1354%	1.7789%
<b><u>Interest Distribution for General Fund (Cash Basis)</u></b>					
General Fund Interest Collected	9,123,073	11,665,497	29,761,877	39,608,885	90,159,332
General Fund Interest Revenue - Distributed	9,123,073	11,665,497	29,761,877	39,608,885	90,159,332
Undistributed General Fund Interest Revenue					-
<b><u>Interest Distribution for All Funds (Cash Basis)</u></b>					
All Funds Interest Collected	15,348,586	21,021,765	41,126,257	69,075,300	146,571,908
All Funds Interest Revenue - Distributed	15,348,729	21,021,765	41,126,257	69,078,015	146,574,766

**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.