

**STATE BOARD OF FINANCE**  
**December 19, 2024 – 1:00 pm**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

Old Assembly Chambers  
Capitol Building, 2<sup>nd</sup> Floor  
101 N. Carson Street  
Carson City, NV 89701

Governor's Office Conference Room  
1 State of Nevada Way, 4<sup>th</sup> Floor  
Las Vegas, NV 89119

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

**Board members present:**

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

**Others present:**

Jim Wells:	Governor's Office
Ryan Herrick:	Governor's Office
Debi Reynolds:	Governor's Office
Nicole Ting:	Attorney General's Office
Lori Hoover:	Treasurer's Office
Steven Hale:	Treasurer's Office
Cari Eaton:	Treasurer's Office
Veronica Kilgore:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Stephen Aichroth:	Nevada Housing Division
Christine Hess:	Nevada Housing Division
Eric Novak:	Nevada Housing Division
Dwight Pace:	Nevada Housing Division
Bill Brewer:	Nevada Rural Housing
Shawn Heusser:	Nevada Rural Housing
Ryan Patterson:	Vintage Housing
Dane Hillyard:	Green Street
Tanner Nygren:	Dominium
Mark Lambing:	Dominium
Mendy Elliot:	NV Small Biz
Samantha Makoski:	NRP Group
Michael Moriarty:	NRP Group
Maggie Marshall:	PFM

**Agenda Item 2 – Public Comment.**

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

**Agenda Item 3** – For discussion and for possible action – on the Board of Finance minutes from the meeting held on October 4, 2024.

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

**Agenda Item 4** – For possible action and for possible action: For discussion and for possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$20,400,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 105-unit affordable family apartment complex located in North Las Vegas. The project developer is NPR Lone star Development. The borrower entity will be Pecos Apartments LP. Key Community Development Corporation will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Administrator Stephen Aichroth with the Nevada Housing Division (NHD) presented the request to seek approval of the Administrator's Findings of Fact pertaining to the issuance of up to \$20.4 million of Nevada Housing Division's (NHD) multi-unit housing revenue bonds for the Pecos Apartments. He clarified that the developer is listed as NPR, however, the correct developer is NRP Group. These bonds will be used for the new construction of a 105-unit affordable family apartment complex in North Las Vegas. The rental housing will serve a hundred households at or below 60% of area median income, with 5-units serving 50% area median income households and below. The proposed development includes fifty-five (55) 3-bedroom units and twenty (20) 4-bedroom units. He noted this is supported through \$9 million from the Clark County Community Housing funds and a separate Division GAHP loan. The development group is led by NRP development, and this will be their first affordable housing development presented to the Board of Finance.

Chief Financial Officer Christine Hess with NHD presented the financial structure and noted although this is NRP's first project, they are certainly well known and established as an affordable housing developer. This is a \$20.4 million tax-exempt bond issuance that will be collateralized by a taxable loan not issued by the division. It's a public offering with underwriting provided by KeyBanc Capital Markets and anticipated to be rated Triple-A by Moody's rating. The construction phase is approximately thirty-six (36) months at the point of conversion to the permanent phase. The equity will pay off a portion of the tax-exempt debt and the remaining \$10 million will be remarketed to a private investor. The equity partner is Key Community Development Corporation. They will provide approximately \$15 million in equity. She reviewed that the Housing Division is providing a GAHP loan in the amount of \$2.4 million, there's another \$9.2 million in CHF, \$1 million in Clark County HOME, and \$500,000 in North Las Vegas HOME. She noted they are deferring approximately 40% of the developer fee.

Vice President Michael Moriarty with the NRP group stated they greatly appreciate the opportunity to work together and are excited for this to be the first of many needed affordable housing projects in the State of Nevada.

Governor asked Mr. Aichroth to speak to the AMI levels. Mr. Aichroth confirmed that there are 105 total units with 100 at 60% or below area median income and 5-units at 50% below area median income as that's typically what the bond program supports.

Governor Lombardo thanked NRP for participating.

**Motion to approve agenda item 4 from Treasurer Conine. Motion passed unanimously.**

**Agenda Item 5** – **For discussion and possible action:** For discussion and for possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$90,600,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 402-unit family apartment complex in Reno, Nevada. The project developer is Dominion Development. The borrower entity will be Reno Leased Housing Associates I. Polaris Capital will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented this request for approval of the Board for the findings of facts pertaining to the issuance of up to \$90,600,000 of NHD multi-unit housing revenue bonds for the Skyline Flats Apartments. These bonds will be used to provide for the new construction of a 402-unit affordable family apartment complex in Reno. The rental housing will provide affordability restrictions to 402 households and is entirely at 60% AMI. The project is located on 58 acres and will also be using state tax credits. The development group is led by Dominion Development, and this will be their first affordable housing project presented to the Board.

Ms. Hess provided an overview of the financial structure and noted in order to develop this large family project, Dominion has a need of \$90.6 million in tax exempt bonds. The bonds will be a direct placement with Jones Lang LaSalle or JLL Real Estate Capital. JLL will also provide a taxable loan during the construction phase in advance of the equity installments. Upon conversion to the permanent phase, JLL will manage the direct bond placement through the Freddie Mac TEL program. She reviewed the Housing Division is also awarding \$3 million in state tax credits. This project has also connected with the Nevada Clean Energy Fund to maximize any energy efficiency credits and rebates that may support this project, which are included in the capital stack. She noted that this project is \$7 million of subordinate debt not provided by NHD. She stated as one of the largest developers nationally, they found a subordinate debt market that's interested in their affordable housing projects.

Governor Lombardo asked for clarity on the \$7 million issue.

Mark Lambing with Dominion noted it is basically a subordinate cash flow note. He explained it is typical to what you would see as soft funding that's provided for example by a state entity. The difference is that they are going out into the market to find a lender which they are usually high net worth individuals that are patient money. He noted they're basically willing to let the interest accrue and anything that doesn't get paid off during the fifteen years of operating the property will get paid off at residual.

Treasurer Conine asked if they are pulling multiple deals like this together.

Mr. Lambing noted they are individual deals and the default rate on affordable housing is very low, and they're also underwriting the sponsor to a large degree which helps in their case.

Treasurer Conine asked if this is their first project with Nevada and inquired on how many units, they have built nationwide.

Mr. Lambing confirmed this is their first project in this state and are originally from Minneapolis. They just surpassed 40,000 units as of last week. He noted that during COVID, they regionalized and now have development offices in Phoenix, Dallas and Atlanta. Since they are operating out of their Phoenix office, they're now focusing on markets that they initially might not have looked at being from Minneapolis and is what brought them here.

**Motion to approve agenda item 5 from Member Navarro Motion passed unanimously.**

**Agenda Item 6** – **For Discussion for possible action:** For discussion and for possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$17,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the acquisition and rehabilitation of a 150-unit senior apartment complex located in Laughlin. The project developers are Vintage Housing and Greenstreet Development. The borrower entity will be Vintage at Laughlin 2 LP. R4 Capital will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented this request for approval of the Board for the findings of facts pertaining to the issuance of up to \$17,000,000 of NHD multi-unit housing revenue bonds for the Vintage at Laughlin Apartments. These bonds will be used to provide for the acquisition and rehabilitation of a current 150-unit affordable senior apartment complex in Laughlin. The rental housing will serve 142 senior households at or below 60% of area median income, with 8-units serving 40% percent area median income households. This project is proposed by Vintage Development and Green Street Properties. Since the submission of their supporting documentation of this project, he provided a few more significant updates by noting this project is right around year fifteen for its rehabilitation which is on the earlier side compared to other projects. The Division received a scope of work that shows of the \$40,000 per unit cost for rehabilitation and at least \$30,000 of that amount is inside the scope of work so the tenants will substantially feel that rehabilitation. He noted the Division requested an updated needs assessment to support the scope of work, and they did receive that in advance of this meeting. The project and the Division received notification from Clark County that they do not support the use of their own volume cap for this project and its important distinction was made in the notice that the county does support the project, but their concern is the utilization of their own volume cap when potentially in a time of oversubscription. He reviewed that per NAC, the Division may finance a project that has less than 50% of the total volume cap from a local government if that project is in a rural community. While the Division absolutely respects Clarks County position, the Division supports the utilization of state volume CAP to support the only affordable housing in Laughlin and support the preservation of these invaluable units for an additional (30) thirty years. He expressed the residents will feel this rehabilitation and it will improve their home and life experience.

Ms. Hess went over the financial structure and noted that these tax-exempt bonds will be a private placement with Citibank upon conversion to the permanent phase. The Vintage at Laughlin tax exempt bonds will be reduced to approximately \$15 million dollars. This project will have a taxable construction loan that is provided by Citibank to fund the project in advance of the equity installments. Their previous funds will be resubordinated provided by Clark County HOME and the Housing Division in the form of a Section 1602 Loan. This loan is a carryover from the economic financial crisis period. She reviewed there's also a seller 's note in the form of a seller carryback loan. In this case, the developer is deferring approximately 65% of their developer fee.

Treasurer Conine stated he thinks it's deeply important to preserve the only affordable housing in Laughlin. He appreciated all the work that the Housing Division's doing to prevent this in the future. He shared that as a former resident of Laughlin he can tell how deeply this is needed as it's the only affordable housing in that area.

Governor Lombardo asked what they have done to calm down the issues with Clark County.

Mr. Aichroth stated they have had conversations in advance of the meeting to understand their position. He noted in the e-mail that they received stating Clark County is not supportive of using their own bond cap, but they were supportive of the project.

**Motion to approve agenda item 6 from Treasurer Conine. Motion passed unanimously.**

**Agenda Item 7 – For discussion and for possible action:** For discussion and for possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$35,500,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the acquisition and rehabilitation of a 300-unit family apartment complex located in Laughlin. The project developers are Vintage Housing and Greenstreet Development. The borrower entity will be Vista Creek by Vintage, LP. R4 Capital will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented this agenda item to seek the approval of the Board for the findings of facts pertaining to the issuance of up to \$35.5 million dollars of NHD multi-unit housing revenue bonds for the Vista Creek Apartments which is the sister property to the one they just discussed but with now 300 family units. This rental housing will serve 292 family households at or below 60% of area median income with 8-units serving 40% area median income households.

Ms. Hess noted the Housing Division will issue \$35.5 million for Vista Creek. These tax-exempt bonds will be a private placement with Citibank. This project, like the previous one, will have a taxable construction loan that's provided by Citibank to fund the project in advance of the equity installments. Similar to the last project, there are previous funds that will be resubordinated provided by Clark County HOME and the Housing Division in the form of a Section 1602 loan. For this project, Vista Creek is deferring approximately 70% of the developer fee.

Ryan Patterson with Vintage Housing thanked the Board for their support on these projects. They have been working with Clark County when they did the original refinance and restructure to buy out the partner and they'll continue to work with them. They stated there's nothing new that's been built in Laughlin besides their projects in the last 55 years and almost everyone's being forced to move to Bullhead if they want anything that's being kept for quality of life. He emphasized they really do appreciate the support there.

Dane Hillyard with Green Street Development expressed they appreciate the state and working with them as they've done now almost 3,000 affordable units in Nevada with Vintage and almost 2,500 in Reno. He noted the first one they did was in 1998 and they really like working with the Nevada Housing Division and the state.

**Motion to approve agenda item 7 from Member Navarro. Motion passed unanimously.**

**Agenda Item 8 – For discussion and for possible action:** For discussion and for possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up Single-Family Mortgage Revenue Bonds, in an amount not to exceed \$225,000,000 to be issued in one or more series. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the approval of the board for the finding of facts pertaining to the issuance in an amount not to exceed \$225 million for single family mortgage revenue bonds. These bonds can be issued in multiple series to provide mortgage financing for single family residential housing for qualified home buyers for more than thirty years. The Nevada Housing Division has operated a mortgage assistance program for first time home buyers and over this time, the Division has issued and retired over \$2 billion of single-family mortgage bonds. This particular approval is for both taxable and tax-exempt bonds and will allow their homeownership programs to continue unimpeded over the course of the next six months or so.

Ms. Hess went over the financial structure and noted the current projections show the first issuance of 2025 being around \$175 million and includes a land of taxable and tax exempt. The single-family program continues to grow steadily and would be considered to be about a \$475 million dollar bond program. She reviewed their current loan portfolio is approximately 60% first time home buyers and 40% with less restricted mortgages that may include some first-time home buyers and other eligible buyers at higher income levels and home prices. She explained when you use tax exempt bonds, you have to have lower or set income levels and home prices. When using the taxable only, it allows to go up higher and meet more Nevadans where they are. For calendar year 2025, they are excited to share news with the board regarding the formalization of their partnership with Nevada Rural Housing. She noted last week, the Nevada Rural Housing Board of Directors approved an interlocal government agreement that will enable the housing division to utilize volume cap that is committed to Nevada Rural Housing. This volume cap will be part of the bond issuance starting with their first one in 2025. The original \$175 million previously mentioned does not include Nevada Rural Housing but they feel that the \$225 million in authority requested will be enough to get started as they are still working out numbers. They anticipate their first issuance to increase from probably \$210 to \$215 million. She noted if successful, they also anticipate their single-family bond program will grow to nearly \$600 million as a statewide program in the next calendar year.

Treasurer Conine acknowledged housing champion Bill Brewer in the room, as well as the rest of Nevada Rural Housing. He thanked them for working in the hardest parts of the community to build housing.

Bill Brewer with Nevada Rural Housing Authority expressed their appreciation to the Division for allowing them to participate in this bond issue as this is a major step forward for both groups. He stated he is unaware of anybody else in the country that's doing this, and it's an exciting tool that allows to take full advantage of the bond cap that's transferred by those rural communities and bring back to them in the form of mortgage revenue bonds.

Governor Lombardo inquired as to why nobody else doing this.

Mr. Brewer noted most state HFAs as like the Housing Division seem to want to squash out the local HFAs, but they have a very positive working relationship with the state HFA. He explained that with the way bond cap is distributed nationwide it differs widely from state to state, so depends on how they get their cap too.

Governor Lombardo thanked them for providing some comfort and expressed they have a long-term relationship.

Treasurer Conine added that Nevada has a long history of using state resources to help some of the smaller counties, such as the work they do with the Permanent School Fund guarantees and other programs so it's great to see it expanding into the housing space.

**Motion to approve agenda item 8 from Treasurer Conine. Motion passed unanimously.**

**Agenda Item 9** – **For discussion and for possible action:** For discussion and for possible action on a resolution designated the "2025A Capital Improvement and Cultural Affairs Refunding Bond Resolution"; approving the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2025A, in the aggregate principal amount not to exceed \$181,740,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters. See Attachment A for approval.

Deputy Treasurer of Debt Management, Cari Eaton presented agenda item 9 which is requesting the board 's approval for the proposed refunding bond issuance. She provided a high-level overview of the process outlined on page 123 of the meeting materials. Prior to the issuance of securities by the State Treasurer, a resolution describing the authority to issue securities must be approved by the State Board of Finance. The refunding bond issuance is comprised of one series for a total of a \$181.74 million of refunded par. She reviewed that the tentative schedule for this sale is approved by the by the Board of Finance today, the bond sale on January 22<sup>nd</sup>, and the bond closing on January 31<sup>st</sup>.

On page 124 there is an overview of the Series 2025A in the amount of \$181.7 million for capital improvement and cultural affairs refunding of the Series 2015B and 2015D bonds. The estimated maximum refunded par for the 2015B portion is \$93.8 million. The 2015D bonds has two sections to be refunded. The estimated maximum refunded par for the capital improvement portion is \$74.4 million and the present value of savings for this portion is 3.56% percent. She reviewed the other section is the DMV Capital Improvement for \$13.6 million and the present value of savings for that portion is 4.3%. She noted overall, the estimated present value of savings is anticipated to be 2.8%. which is below the 3% Debt Management policy requirement. However, the current estimate of savings to the state is around \$5 million and approximately \$4 million of that savings would be recognized in fiscal years 2026 and 2027. She noted that waiting to refund these bonds would eliminate any savings and the report present value of savings are as of November 25th, so these can definitely change between now and the sale date.

Governor Lombardo recognized these are estimates provided and asked when the numbers are finalized.

Ms. Eaton confirmed they are finalized by the sale date in January.

Treasurer Conine commented that as the market moves, they have the ability to stop it in the Treasury if for some reason the math stops to work correctly as they have other issuances. If that number was to fall negative or it became minuscule, say less than the fees that they're paying to do this work, then they would stop that. He reviewed their policy historically if a refunding will create more than 3% savings, they'll do it but under 3% they won't do it. He noted given the odds in the current market,

there are going to be opportunities to refund that might bring a lot of money in the short term but are under that 3% and expect to continue to bring those to the Board. While the markets like this, they will take that short term savings if of course they don't create any long-term expense.

Governor Lombardo appreciated the management.

**Motion to approve agenda item 9 from Member Navarro. Motion passed unanimously.**

**Agenda Item 10 – Informational Item:** regarding the State Treasurer's quarterly investment report for the quarter ended September 30, 2024.

Steven Hale, Deputy Treasurer of Investments presented the investment report and began on page 161 of the materials. He reviewed that the average daily balance did not change much quarter over quarter and the interest revenue dropped from \$98 to \$83 million largely due to unrealized losses in an increasing rate environment, primarily the month of April where those trends tend to flip back and forth. He noted they're not booked but explains why the Fed didn't do anything and in that quarter their interest distributed dropped somewhat. He pointed out that its volatility, not trend. He reviewed for LGIP their returns were flat for the quarter 5.39% versus 5.4% for the prior quarter. For the meter asset management, FHN has managed this LGIP portfolio for almost ten years and have historically done a good job because they continue to outperform as rates have flattened out.

Treasurer Conine asked their thoughts on a relative shift or increase in the nature of the Fed going into next year and how they are positioned for it.

Mr. Hale stated that when looking at Fed funds futures, the market is now thinking that there will be two cuts next year and not more than that. Whereas earlier this year they were talking about eight or nine cuts over the next eighteen months. He noted the inflation has not arrived at the 2.2% target that the Fed has, and the economy is still doing fine where the labor market is still good.

Treasurer Conine pointed out they appreciate a general portfolio interest distributed chart that is up and to the right in the scale and thanked the team.

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

**Agenda Item 11 – For discussion and for possible action:** on Carson City Treasurer's request for approval of Meeder Public Funds as an approved investment advisor pursuant to NRS 355.171, subsection 3.

Deputy Treasurer Hale presented this request for approval of Meeder Public Funds as an approved investment advisor pursuant to NRS 355.171 and reviewed the written request provided in the meeting materials.

Mr. Hale noted that the team from Meeder was present, and this request was precipitated by Meeder's acquisition of FHN Main Street, who has worked with them for at least ten years on LGIP. He shared his first experience with them working in Santa Clara County doing similar investment work for California and they were the investment advisor on a \$12 billion portfolio there. Meeder acquired FHN about a year ago, and their council and Treasurer 's Office felt it was an appropriate step for



reapproval in continuing the relationship. From the Treasurer 's Office perspective, the transition has been seamless.

**Motion to approve agenda item 11 from Member Navarro. Motion passed unanimously.**

Meeder echoed Mr. Hale’s comments as they really appreciated working with the state and entities within managing state, local government, and investments for the past over ten years.

**Agenda Item 12 – For discussion and for 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.

Mr. Hale stated there have been no changes to either policy in this quarter.

**Motion to approve agenda item 12 from Member Navarro. Motion passed unanimously.**

**Agenda Item 13– Public Comment**

No public comment in Carson City or Las Vegas.

Governor Lombardo stated that this is Jim Wells last Board of Finance meeting and as a representative of the State he thanks Mr. Wells for everything he's done.

**Meeting adjourned at 1: 50pm.**