

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 6, 2024

1:00 P.M.

Locations:

Via videoconference at the following locations:

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

Governor's Office Conference Room
1 Harrah's Court
Las Vegas, NV 89119

Dial-in by phone:

[+1 775-321-6111](tel:+17753216111)

Phone conference ID: 422 132 539#

Agenda Items:

1. Roll Call.

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

2. Public Comment.

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

Presenter: Joe Lombardo, Governor of the State of Nevada

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

3. **For discussion and possible action:** on the Board of Finance minutes from the meeting held on April 24, 2024.

Presenter: Joe Lombardo, Governor of the State of Nevada

4. **For discussion and possible action:** Discussion and possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$26,000,000 of Multi-Unit Housing Revenue Bonds (28th & Sunrise Apartments), for the purpose of construction of a 121-unit affordable family housing rental project in Las Vegas, Nevada. The project developers are the Southern Nevada Regional Housing Authority (Affordable Housing Program Inc) and the Michaels Development Company. The borrower entity will be 28 & Sunrise LLC. The managing member will be co-owned by Affordable Housing Program, Inc. and Michaels Development Company. US Bank will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Nevada Housing Authority

5. **For discussion and possible action:** Discussion and possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$20,000,000 of Multi-Unit Housing Revenue Bonds (Duncan & Edwards Apartments), for the purpose of construction of an 80-unit affordable family housing rental project in Las Vegas, Nevada. The project developers are the Southern Nevada Regional Housing Authority (Affordable Housing Program Inc) and the Michaels Development Company. The borrower entity will be Duncan Edwards-Michaels LLC. The managing member will be co-owned by Affordable Housing Program, Inc. and Michaels Development Company. US Bank will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

6. **For discussion and possible action:** 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 \$45,000,000 of Multi-Unit Housing Revenue Bonds (Old Rose Gardens Apartments), for the purpose of construction of a 192-unit affordable family and senior housing rental project in North Las Vegas, Nevada. The project developers are the Southern Nevada Regional Housing Authority (Affordable Housing Program Inc) and McCormack Baron Salazar. The borrower entity will be Yale Development LLC. The managing member will be co-owned by Affordable Housing Program Inc. and Yale Development Manager MBS GP Inc., an entity to be owned by McCormack Baron Salazar. Hudson Housing Capital will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

7. **For discussion and possible action:** 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 \$41,850,000 of Multi-Unit Housing Revenue Bonds (Hawk View Apartments), for the purpose of an acquisition, demolition and rehabilitation of a 100-unit affordable housing rental project and rebuilding of the complex into 199 new units of family affordable housing in Reno, Nevada. The project developers are the Housing Authority of the City of Reno and Brinshore Development, LLC. The borrower entity will be Hawk View LLC. The Managing Member will be co-owned by the Housing Authority of the City of Reno and Brinshore Development LLC. Hudson Housing Capital will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

8. **For discussion and possible action:** Discussion and possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of Single-Family Mortgage Revenue Bonds, in an amount not to exceed \$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).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

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

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

10. **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

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

ADJOURNMENT

Notes:

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

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

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

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

THIS AGENDA HAS BEEN POSTED IN THE FOLLOWING PUBLIC LOCATIONS:

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

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

STATE BOARD OF FINANCE
April 24th, 2024 – 9:30 am
Summary Minutes

Location:

Via videoconference at the following locations:

State Capitol Building	Governor's Office Conference Room
1st Floor State Treasurer's Office	555 E Washington Avenue, Suite 5100
101 N. Carson Street	Las Vegas, NV 89101
Carson City, NV 89701	

Treasurer Conine called the meeting to order at 9:30 am.

Board members present:

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

Others present:

Ryan Cherry:	Governor's Office
Jim Wells:	Governor's Office
Lori Hoover:	Treasurer's Office
Cari Eaton:	Treasurer's Office
Steven Hale:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Isabel Li	Treasurer's Office
Nicole Ting:	Attorney General's Office
Stephen Aichroth:	Nevada Housing Division
Christine Hess:	Nevada Housing Division
Brandy Smith:	NV State University
Gloria Walker:	NV State University
Daigo Ishikawa:	Nevada HAND
Genie Calma:	Nevada HAND
Arielle Edwards:	Nevada HAND
John Peterson:	JNA Consulting Group
Marty Johnson	JNA Consulting Group
Kendra Follet	Sherman & Howard
Maggie Marshal	PFM
Peter Levavi	Brinshore Development
Gerald Fritts	American Covenant
Eric Novak	Praxis
David Meyer	Praxis
Frank Stafford	SNRHA
Kathy Flanagan:	SNWA
Todd Hess	Story County School Dist.
Lori Murhy	Ovation

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 8th, 2024.

Treasurer Conine moved to approve the minutes and a second from Member Navarro. 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 \$30,600,000 of Multi-Unit Housing Revenue Bonds (Torrey Pines Senior Apartments), for the purpose of construction of a 190-unit affordable senior housing rental project in Clark County, Nevada. The project developers are Ovation Design and Development and Coordinated Living of Southern Nevada, Torrey Pines Seniors Manager LLC. will be the managing member, Ovation Affordable Housing Inc will act as a special member and Bank of America will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Stephen Aichroth and Christine Hess with the Nevada Housing Authority presented the request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$30,600,000 Multi-Unit Housing Revenue Bond for the Torrey Pines Senior Apartments. He noted that the bonds will be used for the new construction for a 190-unit affordable senior apartment complex in the Southwest Las Vegas valley. The rental housing will serve 190 senior households at or below 60% of area median income with 9 units serving 50% area median income households. The project is supported through the awarding of \$15 million in Clark County Community Housing funds and three million of state affordable housing tax credits.

Ms. Hess continued with her presentation stating that the project developers, Ovation Design, and Development and Coordinated Living of Southern Nevada. Torrey Pines Senior Apartments have projected a total cost of \$57 million. The financing for this project includes direct placement with Citibank of up to \$30.6 million in tax exempt bonds during the construction phase and reduced to approximately 13.15 million following the completion of the construction phase and conversion to a permanent loan. Ms. Hess continues to state that there is a taxable bridge financing during the construction period by Bank of America and Citibank for a net of \$3.865 million. The total amount of tax-exempt bonds exceeds the 50% test, so the project qualifies for 4% low-income housing credits. Because of the location and a federally designated DDA, or difficult to develop area, this project qualifies for a 30% boost in its eligible basis, that is used to calculate the amount of tax credits that are generated. The investor member will be Bank of America and they will provide approximately \$23,443,000 in exchange for the 4% low-income housing tax credits to be allocated to this project. Ovation development is one of the state most efficient affordable housing developers. With that said, they are facing today’s landscape of increased cost of financing, high construction costs, both in labor and supplies. The developers also require additional sources of funds to be financially feasible. Ms. Hess referred to the Sources and Uses table, stating that there are \$3 million of state tax credits generating an estimated \$2.7 million in additional equity. Notably, this will be Ovation’s first-time accessing state tax credits. Additionally, the Clark County Community Housing Fund is providing a \$15 million grant, and finally the developers also deferring nearly 3.5 million of their developer fees. The estimated cost per unit is

\$304,000.

Mr. Aichroth moving onto questions, Governor Lombardo asked to explain the DDA and what the parameters of that were. Mr. Aichroth stated that HUD has a designation when you develop affordable housing. They have two designations, one called a qualified census tract, and difficult to develop areas. HUD determines those based on census tracks across the country. When developing in those areas, per the tax credit legislation, developers become eligible for the 30% basis boost. If the received dollars' worth of tax credits for the eligible basis here now at 130%. It is strictly ran by HUD and updated annually.

Governor Lombardo then questioned why the area was described that way. Mr. Aichroth answered because that particular area is devoid of affordable housing. It is hard to place these types of developments in those areas and historically they have not been in those areas.

Treasurer Conine added that when the designation is on the basis boost that is being provided at the time of the deal, the basis boost doesn't go away. Mr Aichroth explained that if the area is being developed in a DDA today, and switched, it still retains the basis boost as long as it was developed within the year it was designated a DDA.

Motion to approve this agenda item from Member Navarro and a second from Treasurer Conine. 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 \$30,500,000 of Multi-Unit Housing Revenue Bonds (Sage by Vintage Apartments), for the purpose of construction of a 180-unit family affordable housing rental project in Reno, Nevada. The project developers are Vintage Housing Development and Greenstreet Development. Vintage Housing Holdings, LLC will be the sole member of the General Partner LLC. R4 will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth with the Nevada Housing Division presented the request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$30.5 million of HUD multi-unit housing revenue bonds for the Sage by Vintage Apartments. These bonds will be used to provide for the new construction of a 180-unit affordable family apartment complex in Northwest Reno. Rental housing will serve 180 family households at or below 60% of area median income. This particular project is supported through a \$5 million loan from the Nevada Housing Division.

Christine Hess, Nevada Housing division, stated that project developers of Sage by Vintage apartments has projected that total costs are just shy of \$60 million. The financing for the project includes a direct purchase by Citibank of up to \$30.5 million in tax exempt bonds during the construction phase and reduced to approximately \$24,700,000 following the completion of the construction phase and conversion to a permanent loan. Citibank will also provide the taxable construction period financing of approximately \$8.5 million, in advance of the final tax credit equity installments. The total amount of tax-exempt bonds would exceed the 50%, making the project eligible for 4% low-income housing tax credits. Additionally, because of the location in a federally designated QCT (qualified census tract) the project also qualifies for a 30% boost in its eligible basis, which is used to calculate the amount of tax credits generated. R4 will provide approximately \$23,235,670 in exchange for the 4% low-income housing tax credits to be allocated to this project. As noted earlier in the Sources and Uses table, there is a noted \$5 million NHD loan. The division is normally able to provide a gap loan of up to \$3 million in

soft debt or payable depending on cash flow. However, as we are hearing and seeing across the board, the gap in affordable housing projects is larger than it has been because the division has limited funding. The Nevada Housing Division is partnering with the Community Development Financial Institution, or CDFI, and hope to provide low-cost financing by blending the two funds together. \$2.5 million of division funds with \$2.5 million of CDFI funds for new low-cost financing will be subordinate debt, but it will be hard debt requiring regular payments. This is a work in progress, and with an anticipated closing date in June, and an active division priority. We are uncertain still if the project senior debt lenders and equity partners will be able to get comfortable with the structure, but Vintage has come to the table to explore various ways to make that happen. Estimated cost per unit for this project is \$333,000.

Board member Navarro asked for more details regarding some of the lenders having difficulty.

Ms. Hess stated that in this case the bulk of the funding for these projects come from senior lenders, the city and equity partners as well. Across the board, whether its city or R4, each lender always wants to have priority, a lot of negotiations happen throughout the financial closing process. Subordinate debt is generally a best practice for gap financing to come into the projects. To date, all our investors and lenders that have functioned in Nevada are seeing the subordinate debt come in and payable depending on cash flow. It may not have payments start until year 7, depending on the operations of the project, making this very low risk. The projects can maintain the appropriate debt to credit ratios, et cetera, that are required by senior lenders, especially so by introducing a subordinate debt product that now is payable with regular payments. We can now negotiate what that structure looks like in the division. We now need to get the senior debt partners on board with potentially finding out what their debt ratio looks like now for the project. It will have to be a partnership and collaborative effort to see this through. That said, the division is at the table should something happen and are going to make sure this project happens and provide the necessary funding.

Treasurer Conine asked if it would be possible for the Housing Division to come back to future meetings to inform the board on how the negotiations went with the potential options, in which Mr. Aichroth let the board know it would be something they could provide, sometime in June.

Governor Lombardo stated that with the meeting in June, Christine had mentioned a January deadline, what was that specific to? Mr. Aichroth replied he wasn't sure of a January deadline but that they anticipate financial close in June. That is when all the sources and uses are take place and are solid but is unsure if it will be final by the next meeting.

It is noted that the Nevada housing authority will update the board with how negotiations went in the August board meeting.

Motion to approve agenda item from Controller Matthews and seconded by Treasurer Conine. Motion passed unanimously.

Agenda Item 6 – For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$30,500,000 of Multi-Unit Housing Revenue Bonds (Janice Brooks Bay Apartments), for the purpose of an acquisition and rehabilitation of a 100-unit affordable housing rental project in Clark County, Nevada. The project developers are the Southern Nevada Regional Housing Authority and Affordable Housing Program Inc. The borrower/ownership entity will be Janice Brooks Bay LLC. Janice Brooks Bay will act as the managing member, Enterprise Housing Credit Investments be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Stephen Aichroth, Nevada Housing Authority, presented the request from the board for the Finding Facts pertaining to the issuance of up to 30.5 million of NHD multi-unit housing revenue bonds for the Janice Bay Brooks Apartments. These bonds will be used to provide for the acquisition and rehabilitation of a 100-unit affordable family apartment complex in the Sunrise Manor area of the Las Vegas Valley. This rental housing will serve 100 family households at or below 60% area median income, with 25 units serving 30% area median income households, 50 units serving 50% area median income households and the balance of 25 units serving 60% area median income. The project is supported through the award of \$4.5 million in Home Means Nevada funds.

Christine Hess, Nevada Housing Authority, continued with the finance portion stating that project developers for this project is the Southern Nevada Regional Housing Authority. Janice Brooks Bay has projected the total cost of construction \$58.6 million. The financing for this project includes a direct placement with JP Morgan Chase of up to \$30.5 million in tax-exempt bonds during the construction phase and reduced to approximately \$9.89 million following the completion of the construction phase and conversion to a permanent loan, that will also be provided by Chase Bank. The total amount of tax-exempt bonds will exceed the 50% test, so this project qualifies for 4% low-income housing tax credits. Additionally, because of the location in a federally designated QCT, (qualified census tract) this project also qualifies for a 30% boost in its eligible basis, which is used to calculate the amount of tax credits generated. Enterprise housing credit investments will provide approximately \$25.89 million in exchange for the 4% low-income housing tax credits to be allocated to this project. This project is closing their financial gap in two ways, one of which that is in the Sources and Uses table, \$4.5 million in Home Means Nevada initiative or HMI funds. The rest of the funds will be offset by a seller's note of \$14,062,500. The seller's note is critical to the financial feasibility of the project as it offsets 90% of the acquisition cost and most importantly because it qualifies as eligible basis, it can generate an additional \$6.23 million in 4% tax credit equity. The note is not considered in the Performance as there is not an expectation of payback in the immediate future. The estimated cost per unit is \$586,000 per unit. However, if the inflated cost per unit caused by the seller's note is removed, cost per unit is \$446,000. While this may seem high, Janice Brooks Bay will be taking the existing units down to the studs in the rehab.

Governor Lobardo asked about the significant difference in cost per unit for a rehab versus new construction.

Mr. Aichroth deferred the question to the developers Frank Stafford, from Southern Nevada Regional Housing Authority, and consultant Erick Novak, from Praxis, but continued to answer the question. Mr. Aichroth stated that the best way to explain the difference is comparable to purchasing a home, everything is new in a new home. If an older home that has been around for 30 to 50 years, there will be some deferred maintenance.

Eric Novak, Praxis Consulting Group, stated that the project is their 10th deep acquisition rehab that the housing authority has done in the last ten years. Costs are rising and the housing authority needs to procure general contractors publicly, using the federal two CFR part 200. They have less control over construction cost than an owner builder like Ovation of Nevada Hand. If the building were to be torn down and rebuilt, the gap would triple because they wouldn't be able to obtain the acquisition credit and that's where the \$6 million Christine Hess referred to of the seller's note offsetting the acquisition. All new infrastructure would have to be brought in for demolition and abatement, new foundations, new roads and infrastructure etc. Compared to new construction, the public cost in the project is smaller than if there was new construction. They are unhappy about construction costs and they think the same project would have cost 150,000 to 175,000 five years ago, whereas now,

\$260,000 has been budgeted per unit, not out for bid yet, which includes abating all surfaces, removing asbestos, bringing everything down to stud, installing sprinkler systems that currently do not exist, and bringing everything up to current construction code.

Frank Stafford, Southern Nevada Housing Authority, stated the abatement and asbestos is key and will be a significant cost before any type of demolition. The project is one of the affordable housing projects, meaning the project has not received any government subsidies. Mr. Stafford went on to say that there is a lot of work to be done to the site, including all of the concrete needing to come out and to be rebuilt. Construction costs have skyrocketed, going back to the COVID time frame. The housing authority may have to obtain public bids in hopes of bringing costs down.

Governor Lombardo asked if the building is currently occupied.

Mr. Stafford replied that the building was around 90% occupied and the only reason why it is not 100% occupied is due to a fire roughly over 1 year ago, leaving the building empty.

Governor Lombardo questioned who incurred the cost of the displacement.

Mr. Stafford stated that the Housing Authority incurred the costs, paying for packing, moving and relocation, with no cost coming from the tenants. Majority of the tenants will most likely come back depending on how the income is structured. Mr. Novak went on to say that 75% of the units will be occupied during construction, which is why a tear down and rebuild would be difficult, having to relocate 100 households. Right now we would only have to relocate tenants for the first phase of construction.

Treasure Conine noted that the sellers note is not a risk or obligation of the State of Nevada and is not taking on as a potential non repayment.

Ms. Hess stated that the sellers know that this is part of the Janice Brooks Bay financial Sources and Uses and is not any liability to the state.

Motion to approve agenda item from Treasurer Conine and seconded by Controller Matthews. Motion passed unanimously.

Agenda Item 7 – For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$36,200,000 of Multi-Unit Housing Revenue Bonds (Silverada Manor Apartments), for the purpose of an acquisition and rehabilitation of a 150-unit affordable housing rental project in Reno, Nevada. The project developers are the Housing Authority of the City of Reno and Brinshore Development, LLC. The borrower entity will be Silverada LLC. The Managing Member will be co-owned by the Housing Authority of the City of Reno and Brinshore development LLC. Hudson Housing Capital will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Steven Aichroth, State of Nevada Housing Authority presented their request of approval of the board for the Finding Facts pertaining to the issuance of up to \$36.2 million of managed multi-housing revenue bonds for the Silverada Manor Apartments. These bonds will be used to provide the acquisition and rehab of a 150-unit affordable family apartment complex in Northeast Reno. This rental housing will serve 150 family households at or below 60% area median income, 62 units

serving 30% area median income and 87 units serving the balance. The project is also supported by \$12 million in Home Means Nevada funds.

Christine Hess, continuing with the financial structure of the project. Ms. Hess stated that the developers for this project are The Reno Housing Authority and Brinshore Development. Silverada Manor Apartments have projected a total project cost of \$70.9 million. The financing for this project includes a direct placement loan with Bellwether Enterprise Real Estate Capital up to \$36.2 million in tax exempt bonds during the construction phase and reduced to approximately 10 million following the completion of the construction phase and conversion to a permanent loan. Noted during the construction phase on this loan, which is not typical, Bellweather will also provide the firm with permanent financing. The total amount of tax-exempt bonds will exceed the 50% test, qualifying the project for 4% low-income housing tax credits. Additionally, because of its location in a federally designated QCT, the project also qualifies for a 30% boost in its eligible basis which is used to calculate the amount of tax credits generated. Hudson Housing Capital will provide approximately \$3,830,413 in exchange for the 4% low-income housing tax credits to be allocated to this project. This is the first project with Brinshore development as co-developer, but it won't be the last. Brinshore is one of many new out-of-state developers that are actively working in the state for affordable housing and with Nevada's robust, affordable housing activity comes new equity and debt partners as well. Silverada has \$12 million in Home Means Nevada Initiative Funds (HMNI funds) and a seller's note of \$17.685 million. The seller's note generates an additional \$6.368 million in private equity. The estimated cost per unit is \$473,000, however if inflated cost per unit caused by the seller's note, the cost per unit is \$357,000. For the record, the seller's note brings no liability to the state and it another intensive rehabilitation of this property. Additionally, the RAD in section 18 vouchers, with the last two projects have had vouchers that allow for deeper targeting of lower income levels. The Reno Housing Authority is available for any further questions about the project.

Governor Lombardo asked board members if there were any further questions and introduced Peter Levavi from Brinshore Development.

Mr. Levavi state that this project is very important and that his company is very proud to work in the Reno area. Mr. Levavi also stated that he was in Reno for tenant meetings with the residents and that the residents are looking forward to having their living conditions improved dramatically as a result of the renovation.

Governor Lombardo asked Mr. Levavi to give some insight into Brinshore Development.

Mr. Levavi described his company as an affordable housing development firm that specializes in working with public housing authorities across the country to reposition their portfolios. Brinshore Development is currently working in 20 states and been around since 1994. Mr. Levavi has been working on affordable housing since the mid 1980's, the beginning of the low-income housing tax credit program. They have developed 12,000 units across the country in low-income housing tax credit transactions, about 120 developments in total. They stated that they have partners within the Reno Housing Authority and Praxis as their consultant. They are also working in Las Vegas with the Southern Nevada Regional Housing Authority. Brinshore is very proud to be working in Nevada.

Governor Lombardo asked for any further questions and stated he hopes to have a long and productive relationship in the future.

Motion to approve agenda item from Controller Matthews and seconded by Treasurer

Conine. Motion passed unanimously.

Agenda Item 8 For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$21,000,000 of Multi-Unit Housing Revenue Bonds (Nevada Portfolio), for the purpose of an acquisition and rehabilitation of 202 units of affordable housing across three sites in Fallon and Lovelock, Nevada. The project sponsor is American Covenant Senior Housing Foundation Inc, the project developer is Affiliated Developers, Inc. The borrower/ownership entity will be Nevada Portfolio, LLC. Nevada Portfolio Managing Member, LLC will act as Managing Member and CREA, LLC will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Stephen Aichroth, Nevada Housing Authority, presented to the board to seek approval for the Findings of Facts pertaining to the issuance of up to \$21 million of multi-unit housing revenue bonds for the Nevada Portfolio Apartments. This is a scattered site, rural project and will be used to provide for the acquisition and rehabilitation of 85 units of affordable senior housing and 117 units of affordable family housing in three apartment communities in rural Northern Nevada, specifically in Lovelock and Fallon, Nevada. Rental housing will collectively serve 202 households at or below 60% area median income, 32 units serving 30% area median income households, 24 units serving 40% and 47 units serving 50% area median incomes households. Opportunities are unique and normally these types of bond projects are not seen in the rural areas, as bond projects are not the best financial model, with some hurdles that the Housing Authority has been able to get over.

Governor Lombardo asked what the hurdle was getting the bond issuance into rural Nevada and Mr. Aichroth stated that most bond affordable developments tend to not work in rural areas.

Christine Hess, Nevada Housing authority, adding on that in the rural areas, bond projects require, for financial feasibility, more than 100 units. In the rural areas, for this project, would need to put several projects together to make that happen.

Ms. Hess continued, the project sponsor is American Covenant Senior Housing Foundation and as Mr. Aichroth noted is a scattered site project. The underwriting is based on the total project cost. All sites total cost is \$39.8 million. Churchill Mortgage Investments will provide a loan of approximately \$13 million that will be guaranteed by the Section 538 USDA RD Guaranteed Rural Housing renting program. In addition, \$6,477,631 of Section 515 USDA RD Rural Renting housing loan will be provided directly by USDA. These loans will be taxable. Similar to projects presented in December, the divisions bonds will be fully collateralized. The construction and permanent financing for this project is being underwritten by Churchill Stateside Group. In order to meet the 50% test and qualify for the 4% low-income housing tax credits, the division will issue up to \$21 million of tax-exempt bonds, which will be fully collateralized as to both principal and interest at all times. This will be a public offering of the bonds. The division bonds are expected to be outstanding for up to 24 months and will be fully retired when the project ins placed in service. Kriya LLC will be the investor member and provide and equity investment of approximately \$11,307,000 in exchange for the 4% low-income housing tax credit. The project is currently applying for multiple sources of additional financing, including home and National Housing trust funds. The Federal Home Loan Bank, AHP or affordable housing program funds. Additionally, there is a deferred developer's fee of \$1.2 million. The estimated cost per unit is \$197,000.

Governor Lombardo moved on to questions and Treasurer Conine commented that he loves scattered site cap tables and that he appreciates the ingenuity.

Governor Lombardo asked if the developer is present at today's meeting in which Ms. Hess replied, yes we have Gerald Fritts from American Covenant. Governor Lombardo continued his question to Mr. Fritts stating traditionally there has been problems identifying construction companies and/or workforce to occupy the jobs with construction companies. Is this an impediment for you or what is your vision there

Mr. Fritts replied that it is difficult to get labor into rural areas. They have an experienced contractor that will accomplish the remodel of the units. They are optimistic that some of the suppliers will have to come from Reno and are trying to get suppliers and materials as close to the projects as possible, very difficult in Pershing County.

Governor Lombardo asked if the builders are Midtown builders, which Mr. Fritts replied, yes, that is correct. Governor Lombardo also asked if they have evaluated housing for the construction workers.

Mr. Fritts replied that this has also been a difficult situation. Mr. Fritts stated that the contractors will be spread into different motels and in Lovelock, there is one motel that will take all the workers.

Motion to approve this agenda item from Controller Matthews and seconded by Member Edwards . Motion passed unanimously.

Agenda Item 9 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 Storey County School District (District), Nevada, General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed) Series 2024, in maximum aggregate principal amount of \$28,000,000.

Deputy Cari Eaton, State of Nevada Treasurer's Office, stated that the Storey County School is requesting to enter a State permanent school fund guarantee agreement in an amount to not to exceed \$28 million for the issuance of their series 2024 school Capital Project Bonds. The proceeds of these general obligation bonds will provide funding to construct a new facility near the high school to house kindergarten through 8th graders. By issuing these bonds with a PSF guaranteed agreement, the district expects to save approximately \$800,000 in interests costs over the life of the bonds. Currently, the district does not have any outstanding PSF guaranteed debt and should the board approve this guarantee, the district will have approximately \$32 million remaining available under the PSFG program \$60 million authorization. With the approval of this guarantee, the PSFG program will be guaranteeing \$145.5 million in bonds for state school districts, leaving almost 1.2 billion of capacity for future guarantees. The department of Taxation has performed its analysis of the district's application and concluded that Storey County School District has the ability to make timely debt service payments of the bonds without the need to increase its current debt rate. The board's approval of the Storey County School District PSFG resolution is requested at this time. Marty Johnson with JNA Consulting and Todd Hess from Storey County School District are available for questions.

Marty Johnson, JNA Consulting, expressed appreciation on behalf of Storey County School District as well as other school districts that greatly benefit from guarantee program the State Treasurers Office runs.

Motion to approve this agenda item from Member Edwards and seconded by Member Navarro. Motion passed unanimously.

Agenda Item 10– Informational Item: Update on the status of the refunding of the COPs approved at the February 8, 2024, Board of Finance meeting.

Deputy Cari Eaton, State of Nevada Treasurers' Office, updated the board regarding the COP refundings that were approved in a previous meeting. At the time the COPs were approved, there were no good faith payments received for the CB1 and the Casa Grande refundings due to a hold between the banks. However, good faith payments were received the on February 9th and the closings for all three COPs and were successful as of March 7th.

Treasurer Conine thanked Ms. Eaton for getting the money and special thanks to Jean in the Treasurers' Office.

This is an informational item only and does not require a motion.

Agenda Item 11 - Public Comment.

No public comment in Carson City or Las Vegas

Meeting adjourned at 10:15 am.

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

DATE: May 17, 2024

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 (28th & Sunrise Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

Steve
Aichroth

Digitally signed by Steve Aichroth
DN: cn = Steve Aichroth email =
s.aichroth@housing.nv.gov c = AD
O = Housing Division OU =
Administrator
Date: 2024.05.17 12:43:33 -0700

A. Time and Place of Meeting:

1:00 p.m., Thursday, June 6, 2024, 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 (28th & Sunrise Apartments).

C. The Findings relate to the issuance of up to \$26,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 121-unit family apartment complex located at 2601 Sunrise Ave, Las Vegas, Nevada (the “Project”).

D. The Housing Division will issue up to \$26,000,000 of multi-unit housing revenue bonds through 2 series. Series A is a fixed rate issue of tax-exempt securities secured by a mortgage-backed security issued by Fannie Mae through underwriting managed by Berkadia Commercial Mortgage LLC. Series B is a tax-exempt short-term note issue which will be fully collateralized at all times. The borrower entity will be 28 & Sunrise, LLC consisting of 28 & Sunrise, LLC as a 0.01% Managing Member entity and U.S. Bancorp as 99.99% Investor member. The Managing Member entity will be co-owned by Affordable Housing Program Inc., the non-profit instrumentality of the Southern Nevada Regional Housing Authority, and Michaels Development Company. U.S. Bank will provide an equity investment of approximately \$21,444,473, 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 public offering 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 (28th & Sunrise 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
28th & Sunrise Apartments**

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

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

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

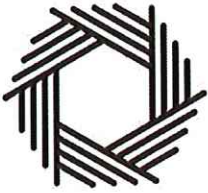
Steve Aichroth

Digitally signed by: Steve Aichroth
DN: CN = Steve Aichroth email =
s.aichroth@housing.nv.gov C = AD O = Housing
Division OU = Administrator
Date: 2024.05.17 12:44:17 -0700

BY: _____

Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____



May 14, 2024

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

Re: 28th & Sunrise

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 28th & Sunrise project ("Project"). The Division is requesting authorization for issuance of tax-exempt multi-unit housing revenue bonds in an amount up to \$26,000,000 to fund construction of this affordable family rental community in Las Vegas, Nevada.

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

The proposed financing will be a Series A fixed rate issue of tax-exempt securities secured by a mortgage-backed security (MBS) issued by Fannie Mae through underwriting managed by Berkadia Commercial Mortgage LLC ("Berkadia") in their capacity as delegated underwriter servicer. There will also be a Series B tax-exempt short-term note issue which will be fully collateralized at all times. The overall financing is reviewed in greater detail in Exhibits A, B and D.

The proposed Project is viewed positively in the local community and is endorsed by the City of 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 achieve successful funding 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

Maggie Marshall, *Senior Managing Consultant*

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 construction of a new affordable family rental community to be located at 2601 Sunrise Avenue in Las Vegas. It will be a 121-unit development situated on a site of approximately 6.05 acres. The units will be configured as one, two, three, and four-bedroom flats and townhouses across five residential buildings. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the unit mix are provided in Table A below. 60 of the units will receive rental assistance via vouchers (30 Faircloth-to-RAD Project-Based Voucher units and 30 Section 8 Project-Based Voucher units).

A summary of the unit mix and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile

Unit Mix	AMI Restriction	# of Units	Unit Size (SF)	Allowable Monthly Rent ¹	Less Utility Allowance ²	Net Allowable Monthly Rent	Tenant Share Monthly Rent	Subsidy	Net Monthly Revenue per Unit ³	Total Monthly Revenue	Total Annual Revenue
1 BR	30%	6	650	535	\$75	\$460	\$100	\$526 (RAD HAP)	\$626	\$3,756	\$45,072
1 BR	50%	9	650	893	\$75	\$818	\$100	\$526 (RAD HAP)	\$626	\$5,634	\$67,608
1 BR	60%	1	650	1,071	\$75	\$996	\$100	\$526 (RAD HAP)	\$626	\$626	\$7,512
2 BR	30%	4	910	642	\$98	\$544	\$200	\$538 (RAD HAP)	\$738	\$2,952	\$35,424
2 BR	50%	10	910	1,071	\$98	\$973	\$200	\$538 (RAD HAP)	\$738	\$7,380	\$88,560
1 BR	60%	1	650	1,071	\$75	\$996	\$100	\$1,339 (Section 8)	\$1,439	\$1,439	\$17,268
2 BR	30%	9	910	642	\$98	\$544	\$200	\$1,509 (Section 8)	\$1,709	\$15,381	\$184,572
2 BR	50%	9	910	1,071	\$98	\$973	\$200	\$1,509 (Section 8)	\$1,709	\$15,381	\$184,572
2 BR	60%	2	910	1,285	\$98	\$1,187	\$200	\$1,509 (Section 8)	\$1,709	\$3,418	\$41,016
3 BR	30%	2	1,200	742	\$124	\$618	\$300	\$2,122 (Section 8)	\$2,422	\$4,844	\$58,128
3 BR	50%	3	1,200	1,238	\$124	\$1,114	\$300	\$2,122 (Section 8)	\$2,422	\$7,266	\$87,192
3 BR	60%	1	1,200	1,485	\$124	\$1,361	\$300	\$2,122 (Section 8)	\$2,422	\$2,422	\$29,064
4 BR	30%	1	1,300	828	\$149	\$679	\$400	\$2,455 (Section 8)	\$2,855	\$2,855	\$34,260
4 BR	50%	1	1,300	1,381	\$149	\$1,232	\$400	\$2,455 (Section 8)	\$2,855	\$2,855	\$34,260
4 BR	60%	1	1,300	1,657	\$149	\$1,508	\$400	\$2,455 (Section 8)	\$2,855	\$2,855	\$34,260
1 BR	60%	10	650	1,071	\$75	\$996	\$996		\$996	\$9,960	\$119,520
2 BR	60%	23	910	1,285	\$98	\$1,187	\$1,187		\$1,187	\$27,301	\$327,612
3 BR	60%	4	1,200	1,485	\$124	\$1,361	\$1,361		\$1,361	\$5,444	\$65,328
1 BR	80%	7	650	\$1,377 ⁽⁴⁾	\$75	\$1,302	\$1,302		\$1,302	\$9,114	\$109,368
2 BR	80%	13	910	\$1,643 ⁽⁴⁾	\$98	\$1,545	\$1,545		\$1,545	\$20,085	\$241,020
3 BR	80%	3	1,200	1,980	\$124	\$1,856	\$1,856		\$1,856	\$5,568	\$66,816
4 BR	80%	1	1,300	2,209	\$149	\$2,060	\$2,060		\$2,060	\$2,060	\$24,720
Total Units		121								\$158,596	\$1,903,152

¹ 2024 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)

² Based on Southern Nevada Regional Housing Authority's published utility allowances

³ For voucher units, this is the contract rent (tenant share plus subsidy)

⁴ HUD County/MSA FMR

Project Developers

Michaels Development Company
2 Cooper Street
Camden, NJ 08102

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

Michaels Development Company (“MDC” or “Michaels”) has been in business for over 50 years and has developed over 55,000 units in 37 states. Their experience spans the gamut from single tax credit communities to full-scale mixed-income, and mixed-finance neighborhood revitalizations. Michaels offers national strength while embracing local firms as partners. They take an environmentally sound approach to development practices and are committed to leading in “green” building techniques that ensure long-term operational savings.

Affordable Housing Program, Inc (“AHP”) is a non-profit affiliate of the Southern Nevada Regional Housing Authority (“SNRHA”) formed primarily to function as co-borrower and participant in tax-credit partnerships. Formed in January 2010 through the consolidation of the three housing authorities in the Las Vegas Valley, SNRHA currently operates 2,139 public housing units, 845 RAD Project Based Voucher units, 1,035 affordable housing units, and 229 mobile home pads. With its approximately 11,000 Housing Choice Vouchers, the consolidated SNRHA is the 32nd largest public housing authority in the country and the 6th largest PHA in HUD Region 9, which encompasses California, Arizona, Nevada, and Hawaii.

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

Borrower Entity

The borrower entity will be 28 & Sunrise LLC, a limited liability company consisting of 28 & Sunrise Manager LLC as a 0.01% Managing Member entity and U.S. Bancorp Impact Finance (“USBIF” or “US Bank”) as 99.99% Investor Member. The Managing Member entity will be co-owned by AHP, the non-profit instrumentality of SNRHA, and Michaels. US Bank will provide an equity investment of approximately \$21,444,473 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 by US Bank are expected to occur as follows (subject to adjustment):

- 1st Installment: \$2,144,447 at Closing (December 2024)
- 2nd Installment: \$2,144,447 at 100% Completion (May 2026)
- 3rd Installment: \$15,765,583 at Conversion (December 2026)
- 4th Installment: \$1,389,996 at Delivery of IRS Form 8609 (June 2027)

Property Management

Michaels Management will serve as the property manager for this property. Michaels Management provides property management services to The Michaels Organization’s entire portfolio, including 50,896 affordable/essential units. They are among an elite group of management companies in the nation to earn the Accredited Management Organization designation from the Institute of Real Estate Management.

Plan of Finance:

Project financing will be accomplished using Series A permanent bonds secured by the Fannie Mae MTEB program. The tax-exempt Series A bonds will be secured by a Fannie Mae MBS security. Fannie Mae loan underwriting will be managed by Berkadia Commercial Mortgage LLC ("Berkadia") in their capacity as a Fannie Mae delegated loan servicer. The Division will use the bond proceeds to originate a loan to the borrower.

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

In addition, Series B short-term tax-exempt notes will be issued for Construction phase financing. The Series B bonds will be fully collateralized at all times and are issued to satisfy the LIHTC requirement that tax-exempt debt at least equal to 50% of the project depreciable basis has been satisfied.

US Bank will provide a taxable bridge loan during the construction period of approximately \$26,000,000 to provide construction funding in advance of their installments of tax credit equity which will be fully retired from the 2nd, 3rd, and final equity advances. The bridge loan will not be issued through or administered by the Division. The bridge loan will also provide a source of periodic replacement of collateral for the Series B notes as the initial collateral is withdrawn for project purposes.

Greater detail regarding the debt financing is provided in the Bond/Loan Term section.

Reserves:

Following conversion, the Borrower will be required to fund deposits to a replacement reserve initially set at \$350/unit/year. This amount will increase annually by 3%.

The Borrower will also be required to fund an Operating and Debt Service Reserve initially set at approximately \$834,000.

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	\$26,000,000	\$11,581,000	
LIHTC Equity	\$4,288,894	\$21,444,473	
HMNI Funds	\$19,220,000	\$19,220,000	
Return of Rate Lock Fee		\$115,810	
Managing GP		\$100	
Deferred Developer Fee		\$90,510	
	\$49,508,894	\$52,451,893	

Uses of Funds			\$/Unit
Construction Hard Costs	\$33,263,039	\$33,263,039	\$274,901
Soft Costs	\$5,543,257	\$6,042,658	\$49,939
Construction Period Interest	\$3,227,545	\$3,429,045	\$28,339
Contingencies	\$1,842,662	\$1,842,662	\$15,229
Reserves		\$834,000	\$6,893
Developer Fee	\$5,632,391	\$7,040,489	\$58,186
	\$49,508,894	\$52,451,893	\$433,487

Series A Bond Term Summary:

Bond Dated:	As of Closing Date
Credit Enhancement:	Fannie Mae (via Berkadia Commercial Mortgage LLC as Delegated Underwriting & Servicing lender)
Term:	16 years
Amortization:	Monthly principal and interest payments on the MBS are calculated using a 40-year amortization factor.
Bond Structure:	Bonds will be secured by a mortgage-backed security ("MBS") issued by Fannie Mae and pledged to the Trustee as collateral for tax exempt securities issued by Nevada Housing Division. Bond proceeds will periodically be advanced to the Borrower by the Division pursuant to the Loan Agreement and used to pay a portion of the costs of construction of the project. The loan will be administered by Berkadia with monthly principal and interest payments forwarded to the Trustee to make principal and interest payments on the tax-exempt bonds.
Bond Rate:	<p>The bond rate will be fixed at pricing pursuant to a public offering.</p> <ul style="list-style-type: none">• The interest rate is estimated to be approximately 5.78% (as of May 7, 2024) and is inclusive of Division and Trustee fees.
MBS Payment Dates:	Principal and interest paid monthly
Optional Redemption:	1) The Series A Bonds are not subject to redemption prior to subject to optional redemption but are subject to redemption prior to maturity in connection with a permissible prepayment of the Mortgage Loan.
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p>
Method of Sale:	Public offering
Underwriter:	To be determined

Series B Notes Term Summary:

Notes Dated:	As of Closing Date
Credit Enhancement:	The Notes will initially be fully collateralized as to both principal and interest by Note proceeds and an additional cash contribution. As proceeds are disbursed for project purposes collateral will be replaced by an equivalent amount from proceeds of the equity bridge loan such that the Notes remain fully collateralized at all times prior to redemption.
Term:	28 months
Amortization:	Principal payment is fixed at maturity or earlier redemption.
Note Structure:	Note proceeds will periodically be advanced to the Borrower by the Division pursuant to the Loan Agreement and used to pay a portion of the costs of construction of the project.
Note Rate:	<p>The note rate will be fixed at pricing pursuant to a public offering.</p> <ul style="list-style-type: none">• The interest rate is estimated to be 3.80% (as of May 7, 2024) and is inclusive of Division and Trustee fees.
Note Payment Dates:	Principal and interest paid monthly
Optional Redemption:	The Series B Notes are not subject to optional prepayment prior to the Initial Mandatory Tender Date.
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p>
Method of Sale:	Public offering
Underwriter:	To be determined

Nevada Housing Division
Multifamily Housing Revenue Bonds
28th and Sunrise
Series 2024

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
INCOME										
Annual Gross Rental Income	\$ 2,019,640	\$ 2,060,033	\$ 2,101,234	\$ 2,143,258	\$ 2,186,123	\$ 2,229,846	\$ 2,274,443	\$ 2,319,932	\$ 2,366,330	\$ 2,413,657
Other: Ancillary Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 2,019,640	\$ 2,060,033	\$ 2,101,234	\$ 2,143,258	\$ 2,186,123	\$ 2,229,846	\$ 2,274,443	\$ 2,319,932	\$ 2,366,330	\$ 2,413,657
Less: Residential Vacancy/Discounts	\$ (100,982)	\$ (103,002)	\$ (105,062)	\$ (107,163)	\$ (109,306)	\$ (111,492)	\$ (113,722)	\$ (115,997)	\$ (118,317)	\$ (120,683)
Proforma Gross Income	\$ 1,918,658	\$ 1,957,031	\$ 1,996,172	\$ 2,036,095	\$ 2,076,817	\$ 2,118,354	\$ 2,160,721	\$ 2,203,935	\$ 2,248,014	\$ 2,292,974
EXPENSES										
General Administrative	\$ 96,029	\$ 98,910	\$ 101,877	\$ 104,933	\$ 108,081	\$ 111,324	\$ 114,664	\$ 118,104	\$ 121,647	\$ 125,296
Operating & Maintenance	\$ 169,407	\$ 174,489	\$ 179,724	\$ 185,116	\$ 190,669	\$ 196,389	\$ 202,281	\$ 208,349	\$ 214,600	\$ 221,038
Utilities	\$ 118,709	\$ 122,270	\$ 125,938	\$ 129,717	\$ 133,608	\$ 137,616	\$ 141,745	\$ 145,997	\$ 150,377	\$ 154,888
Staff Payroll & Benefits	\$ 228,510	\$ 235,365	\$ 242,426	\$ 249,699	\$ 257,190	\$ 264,906	\$ 272,853	\$ 281,038	\$ 289,470	\$ 298,154
Taxes & Insurance	\$ 122,720	\$ 126,402	\$ 130,194	\$ 134,099	\$ 138,122	\$ 142,266	\$ 146,534	\$ 150,930	\$ 155,458	\$ 160,122
Property Management	\$ 104,759	\$ 106,854	\$ 108,991	\$ 111,171	\$ 113,394	\$ 115,662	\$ 117,975	\$ 120,335	\$ 122,742	\$ 125,196
Replacement Reserves	\$ 42,350	\$ 43,621	\$ 44,929	\$ 46,277	\$ 47,665	\$ 49,095	\$ 50,568	\$ 52,085	\$ 53,648	\$ 55,257
Proforma Operating Expenses	\$ 882,484	\$ 907,911	\$ 934,079	\$ 961,012	\$ 988,731	\$ 1,017,259	\$ 1,046,620	\$ 1,076,839	\$ 1,107,940	\$ 1,139,951
Effective Net Operating Income	\$ 1,036,174	\$ 1,049,121	\$ 1,062,092	\$ 1,075,083	\$ 1,088,087	\$ 1,101,095	\$ 1,114,101	\$ 1,127,097	\$ 1,140,073	\$ 1,153,023
Contribution to Project Budget										
Senior Debt Service	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439
Debt Service Coverage	139%	141%	143%	145%	146%	148%	150%	152%	153%	155%
Residual Receipts	\$ 292,735	\$ 305,682	\$ 318,654	\$ 331,645	\$ 344,648	\$ 357,656	\$ 370,662	\$ 383,658	\$ 396,635	\$ 409,584
LP Asset Mgt Fee	\$ 7,500	\$ 7,725	\$ 7,957	\$ 8,195	\$ 8,441	\$ 8,695	\$ 8,955	\$ 9,224	\$ 9,501	\$ 9,786
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ 285,235	\$ 297,957	\$ 310,697	\$ 323,449	\$ 336,206	\$ 348,962	\$ 361,707	\$ 374,434	\$ 387,134	\$ 399,798
Partnership Surplus Allocation	25%	\$ 71,309	\$ 74,489	\$ 77,674	\$ 80,862	\$ 84,052	\$ 87,240	\$ 90,427	\$ 93,608	\$ 96,783
NHD Surplus Allocation	75%	\$ 213,927	\$ 223,468	\$ 233,023	\$ 242,587	\$ 252,155	\$ 261,721	\$ 271,280	\$ 280,825	\$ 290,350
HMNI Loan Interest	1.00%	\$ 192,200	\$ 192,200	\$ 192,200	\$ 192,200	\$ 192,200	\$ 192,200	\$ 192,200	\$ 191,630	\$ 190,643
HMNI Loan Principal		\$ 213,927	\$ 223,468	\$ 233,023	\$ 242,587	\$ 252,155	\$ 261,721	\$ 271,280	\$ 280,825	\$ 290,350
HMNI Loan Balance		\$ 19,582,673	\$ 19,551,406	\$ 19,510,583	\$ 19,460,197	\$ 19,400,242	\$ 19,330,721	\$ 19,251,640	\$ 19,163,015	\$ 19,064,295

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	5.46%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$90,510
HMNI Loan	\$19,220,000

Permanent Loan Amount	\$11,581,000
Loan Term	40
Core Loan Rate	5.48%
NHD & Trustee Factor	0.30%
Total Loan Rate	5.78%
Annual Debt Service	\$743,439

Nevada Housing Division
Multifamily Housing Revenue Bonds
28th and Sunrise
Series 2024

	2037	2038	2039	2040	2041	2042	2043	2044	2045
INCOME									
Annual Gross Rental Income	\$ 2,461,930	\$ 2,511,169	\$ 2,561,392	\$ 2,612,620	\$ 2,664,872	\$ 2,718,170	\$ 2,772,533	\$ 2,827,984	\$ 2,884,543
Other: Ancillary Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 2,461,930	\$ 2,511,169	\$ 2,561,392	\$ 2,612,620	\$ 2,664,872	\$ 2,718,170	\$ 2,772,533	\$ 2,827,984	\$ 2,884,543
Less: Residential Vacancy/Discounts	\$ (123,097)	\$ (125,558)	\$ (128,070)	\$ (130,631)	\$ (133,244)	\$ (135,908)	\$ (138,627)	\$ (141,399)	\$ (144,227)
Proforma Gross Income	\$ 2,338,834	\$ 2,385,610	\$ 2,433,322	\$ 2,481,989	\$ 2,531,629	\$ 2,582,261	\$ 2,633,906	\$ 2,686,585	\$ 2,740,316
EXPENSES									
General Administrative	\$ 129,055	\$ 132,927	\$ 136,914	\$ 141,022	\$ 145,252	\$ 149,610	\$ 154,098	\$ 158,721	\$ 163,483
Operating & Maintenance	\$ 227,669	\$ 234,499	\$ 241,534	\$ 248,780	\$ 256,243	\$ 263,931	\$ 271,849	\$ 280,004	\$ 288,404
Utilities	\$ 159,535	\$ 164,321	\$ 169,251	\$ 174,328	\$ 179,558	\$ 184,945	\$ 190,493	\$ 196,208	\$ 202,094
Staff Payroll & Benefits	\$ 307,098	\$ 316,311	\$ 325,801	\$ 335,575	\$ 345,642	\$ 356,011	\$ 366,691	\$ 377,692	\$ 389,023
Taxes & Insurance	\$ 164,925	\$ 169,873	\$ 174,969	\$ 180,218	\$ 185,625	\$ 191,194	\$ 196,930	\$ 202,837	\$ 208,923
Property Management	\$ 127,700	\$ 130,254	\$ 132,859	\$ 135,517	\$ 138,227	\$ 140,991	\$ 143,811	\$ 146,688	\$ 149,621
Replacement Reserves	\$ 56,915	\$ 58,622	\$ 60,381	\$ 62,192	\$ 64,058	\$ 65,980	\$ 67,959	\$ 69,998	\$ 72,098
Proforma Operating Expenses	\$ 1,172,898	\$ 1,206,808	\$ 1,241,709	\$ 1,277,632	\$ 1,314,606	\$ 1,352,662	\$ 1,391,832	\$ 1,432,148	\$ 1,473,646
Effective Net Operating Income	\$ 1,165,936	\$ 1,178,803	\$ 1,191,613	\$ 1,204,357	\$ 1,217,023	\$ 1,229,600	\$ 1,242,075	\$ 1,254,436	\$ 1,266,670
Contribution to Project Budget									
Senior Debt Service	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439	\$743,439
Debt Service Coverage	157%	159%	160%	162%	164%	165%	167%	169%	170%
Residual Receipts	\$ 422,497	\$ 435,364	\$ 448,174	\$ 460,918	\$ 473,584	\$ 486,161	\$ 498,636	\$ 510,997	\$ 523,231
LP Asset Mgt Fee	\$ 10,079	\$ 10,382	\$ 10,693	\$ 11,014	\$ 11,344	\$ 11,685	\$ 12,035	\$ 12,396	\$ 12,768
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ 412,418	\$ 424,982	\$ 437,481	\$ 449,904	\$ 462,240	\$ 474,476	\$ 486,601	\$ 498,601	\$ 510,463
Partnership Surplus Allocation	25%	\$ 103,104	\$ 106,245	\$ 109,370	\$ 112,476	\$ 115,560	\$ 118,619	\$ 121,650	\$ 124,650
NHD Surplus Allocation	75%	\$ 309,313	\$ 318,736	\$ 328,111	\$ 337,428	\$ 346,680	\$ 355,857	\$ 364,950	\$ 373,951
HMNI Loan Interest	1.00%	\$ 189,551	\$ 188,353	\$ 187,049	\$ 185,639	\$ 184,121	\$ 182,495	\$ 180,762	\$ 178,920
HMNI Loan Principal		\$ 309,313	\$ 318,736	\$ 328,111	\$ 337,428	\$ 346,680	\$ 355,857	\$ 364,950	\$ 373,951
HMNI Loan Balance		\$ 18,835,327	\$ 18,704,944	\$ 18,563,883	\$ 18,412,094	\$ 18,249,535	\$ 18,076,173	\$ 17,891,985	\$ 17,696,954

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:

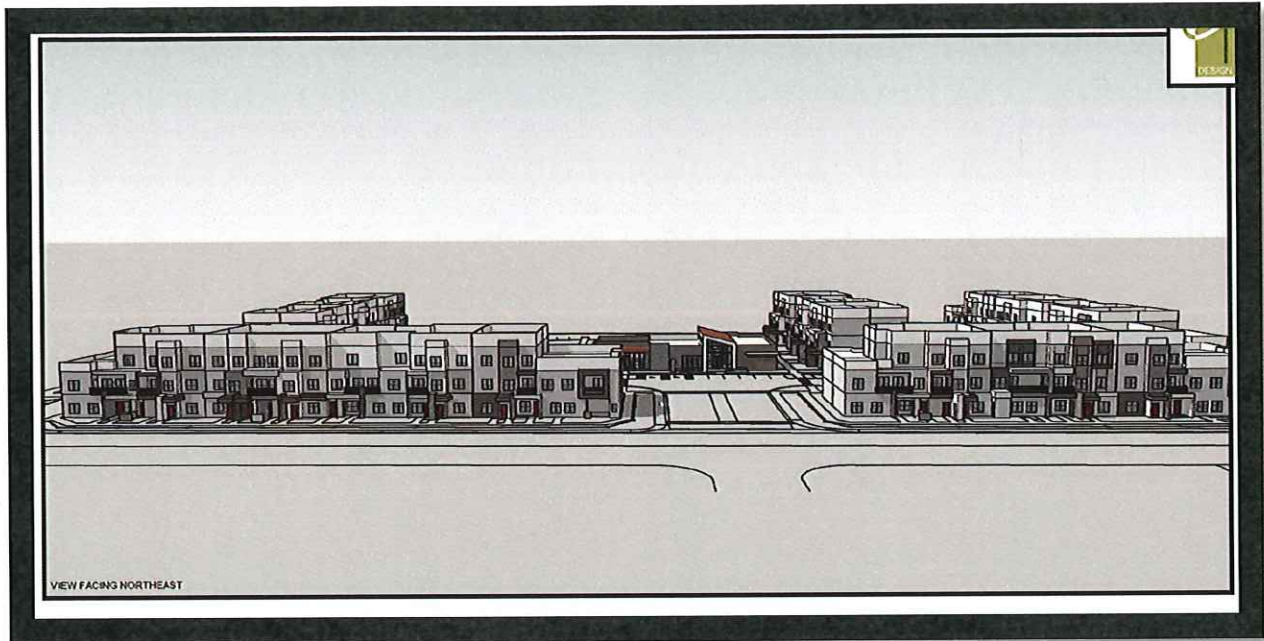
Michaels Development Company conducted a Request For Proposals (RFP) to solicit competitive bids for the construction and perm lender. We received proposals from 6 different lenders. We selected US Bank as the Equity investor and Construction Lender and Berkadia as the Perm lender for several reasons. First, US Bank provided the highest pricing for the tax credit equity and a competitive rate on the construction loan. Second, Berkadia provided the best rate on the perm loan. Third, Michaels Development Company has closed several projects with US Bank and Berkadia using the same lending combination, so we understand each other and what will be needed to close the projects, which will simplify the closing, construction, and conversion processes.

By Cody Roskelley

Title Senior Vice President of Development

Firm Michaels Development Company

28th & Sunrise



Need for Affordable Housing

The City of Las Vegas is in dire need of affordable housing. This project will bring 121 affordable units to the area. Because there will be 1, 2, 3, & 4-bedroom units, families of many different sizes, who are in need of quality affordable housing, will be blessed by this new community.

The need for affordable housing, and especially family housing in Las Vegas is well documented. The City of Las Vegas 2020-2025 Consolidated Plan & Action Plan found that there is a shortage of approximately 55,490 affordable units available to extremely low-income households at 30% AMI and below, and a shortage of 78,112 affordable and available units for households at 50% AMI. The Plan states that over 170,161 affordable and available units in the HCP Consortium have incomes below 80% AMI.

The Partnership

The Southern Nevada Housing Authority (SNRHA) currently owns the 6.05 acres of land that will be used for the 28th & Sunrise development. In April of 2023, SNRHA solicited through and RFQ developers who have experience building affordable multifamily projects that will use 4% bonds and tax credits and eventually convert to RAD. The Michaels Development Company (MDC) responded to the solicitation and was selected to co-develop both Duncan & Edwards and 28th and Sunrise. MDC has been in business over 50 years, and is yearly ranked as a top 10 affordable developer, and our management company

The project financing includes tax-exempt bonds and 4% tax credits, and the HMNI funds. The new development will have 5 multi-family buildings, a leasing office, basketball court, playground, BBQ pits and shaded structures, a dog park. In the leasing office, there will be a fitness center, a business center, a large meeting room, and an extra office where social services will be provided.

The Neighborhood

28th & Sunrise is located on the northwest corner of 28th Street and Sunrise Avenue, Las Vegas Nevada. Michaels was selected as a development partner by the SNRHA to develop a vacant 6.05-acre site. The new development will be located at 28th & Sunrise Avenue in the North Las Vegas area about 10 minutes from downtown Las Vegas. The 28th & Sunrise development site is surrounded on three sides by Clark County School district properties. Directly North of the site is Sunrise Acres Elementary School, directly East of the site is Roy W. Martin Middle School, directly West of the site is the Clark County School District Transportation facility, 0.13 miles Northeast from the site is the East Las Vegas Community Center, 0.16 miles Northwest is the Variety School, 0.18 miles Northwest from the site is the Rafael Riviera Park, and 0.29 miles Northwest from the site is the Chuck Miller Sports complex. As a result, there are plenty of places of recreation for residents. There are tennis courts, baseball diamonds, and soccer fields.

Directly south of the subject site is several blocks of single-family residential homes. There are some apartments in the area.

The site also has several large and small retailers near it. Within $\frac{3}{4}$ of a mile, there is a Lowes Home Improvement, Albertsons Grocery, AutoZone, CVS, several restaurants, and fast-food locations.

Description of Subject Property - Site

Shape, Dimensions and Area:

The subject site is rectangular, with an average depth of approximately 395 feet, and an average width of approximately 676 feet. The subject contains a total of 6.05 net acres or approximately 263,538 square feet.

Street Improvements:

The property is bordered to the south by Sunrise Avenue, and to the east by 28th Street. These are moderately traveled interior collector streets. The portions of the adjacent streets which border the subject are fully improved.

Utilities:

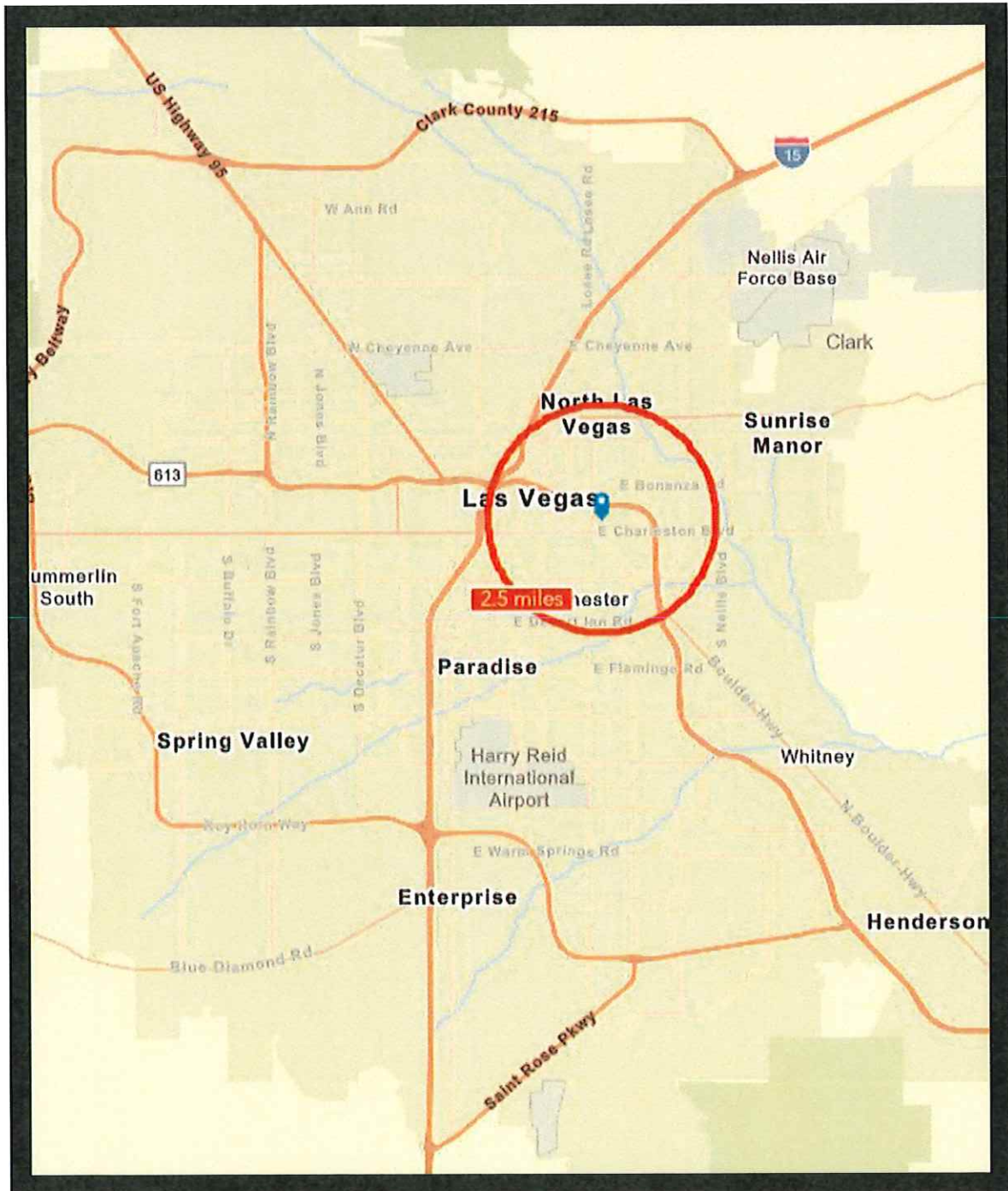
All normal utilities are available to the subject property, including: water and sanitation sewer by the City of Las Vegas, electricity by NV Energy, telephone by CenturyLink, and gas by Southwest Gas Corporation.

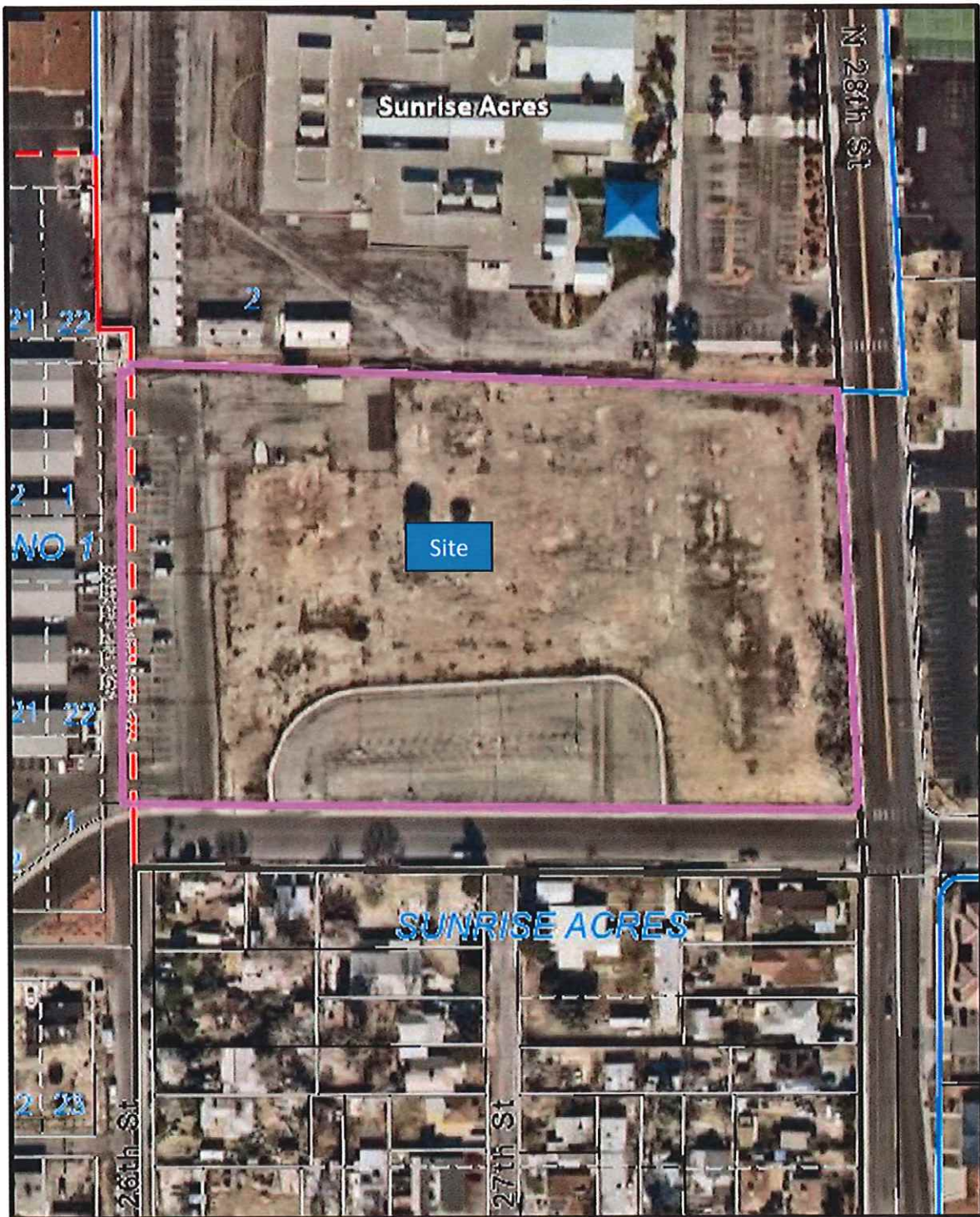
Topography and Soil Conditions:

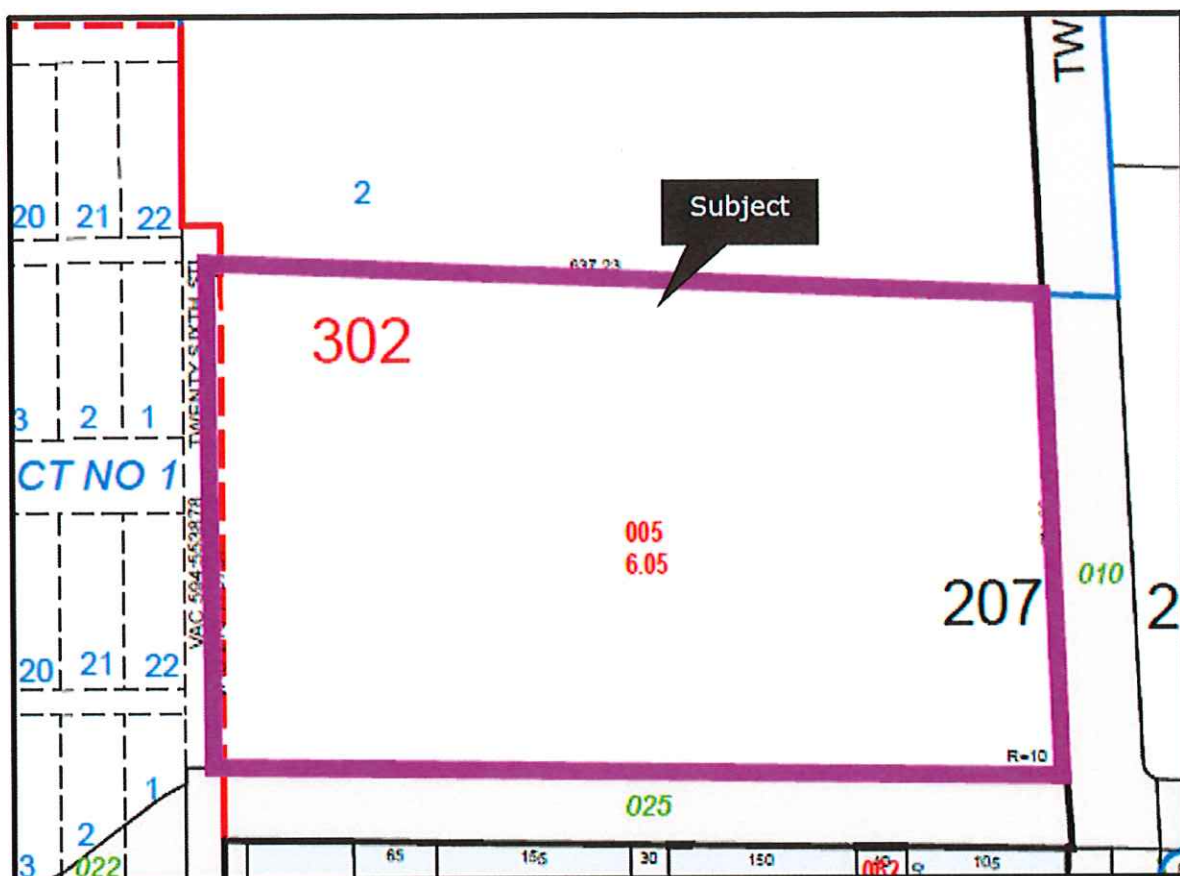
The subject site has a relatively level topography, and it is my opinion that the overall topographical characteristics would not adversely affect the development potential of the subject site. I have not been provided with a study made to determine the surface or subsurface soil conditions at the subject

property. The adjoining properties are currently improved; therefore, I assume normal and adequate compaction to accommodate normal development. I did not identify any toxic contaminants from visual observation, and I have not been provided with any information which would indicate that any hazardous materials exist at the subject site; therefore, I assume no toxic contamination to be present.

Census Tract:
0523









The Project Schedule

Milestone	Scheduled Date
Financial Closing Target	Dec 15, 2024
Construction Period	17 months
Certificate of Occupancy	May 15, 2026
Stabilization	Dec 15, 2026
8609	Jun 15, 2027

Architectural Schematic Design

Design Narrative

Location

North west corner of Sunrise Ave and 28th Street

Cit of Las Vegas APN: 139-36-302-005

Estimated Lot Size: 6.05 acres (net) or 263,538 square feet.

Design Objective

Design a project for SNRHA that reflects a privately owned Condominium or Townhouse community and not a typical Garden Style housing project.

This design features ground level entrances for every unit, with no exterior stairs on the exterior of the buildings.

There will be many pedestrian friendly paths and gathering areas.

There will be mature enhanced landscaping through out the site.

Sustainability, energy efficiency, and climate are key factors being used though out the project. Drought tolerant landscaping is being incorporated, with shaded parking spaces and tree-lined driveways are used to reduce "urban heat islands" (UHI) effects.

Design Style

This beautiful design is a stacked flat & townhouse product. The 3-story design, with a one-story flat on the first floor and a two-story townhouse on the second floor, creating a 3rd floor.

Style of Architecture

Modern

Number of Units

121 units are provided, but 78 to 302 are allowed with R-3 zoning.

Number of buildings

There will be 5 multifamily buildings and 1 community building

Unit Types

1/1 bedroom/ bath, 2/1 bedroom / bath, 3/2 bedroom / bath, and 4/2 bedroom / 2 bath

Unit Square footages

Minimums are as follows – 1 bed is 650 sf, 2 bed is 850 sf, 3 bed is 1,200 sf, and 4 bed is 1,300 sf

Community Building

The community building will a 4,500 sf and 1 story

Amenities

Gym, business center, indoor gathering area with warming kitchen, covered patio, play area, basketball court, dog park, BBQ pits, and shaded gathering areas

Site Plan



Building Renderings

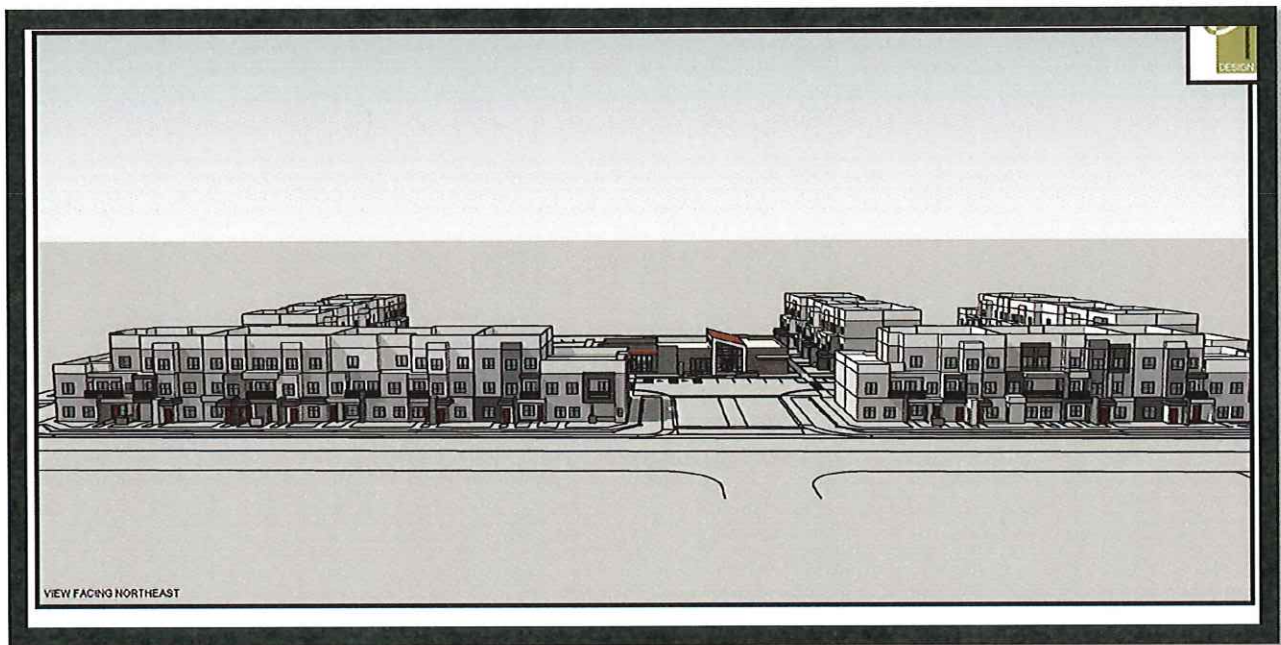


EXHIBIT D



UNIT BUILDING - SIDE FRONT



UNIT BUILDING - FRONT

CLUBHOUSE - FRONT



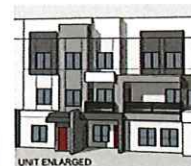
UNIT ENLARGED



CLUBHOUSE - REAR



CLUBHOUSE - RIGHT



UNIT ENLARGED



UNIT BUILDING - REAR



CLUBHOUSE - LEFT

Outdoor Common Ammenities



7 HALF BASKETBALL COURT



4 PAVILION



1 PLAYGROUND



8 OUTDOOR LOUNGE SEATING



5 BBQ - CHARCOAL UNIT



2 DOG PADS



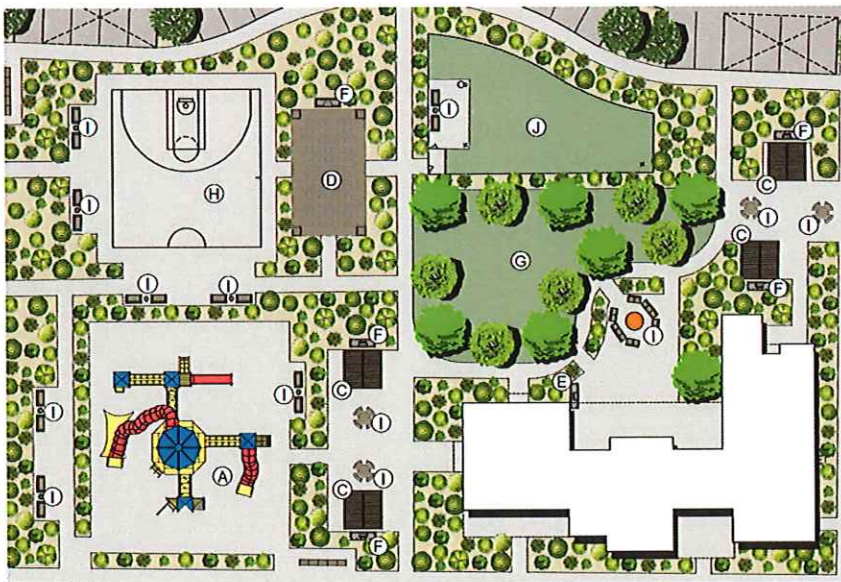
9 DOG PARK



6 ARTIFICIAL TURF PARK



3 SHADE STRUCTURE



1 COURTYARD - CENTRAL

- LEGEND**
- A. PLAYGROUND
 - B. DOG PADS
 - C. SHADE STRUCTURE
 - D. PAVILION
 - E. BBQ - GAS
 - F. BBQ - CHARCOAL
 - G. ARTIFICIAL TURF PARK
 - H. HALF BASKETBALL COURT
 - I. OUTDOOR LOUNGE SEAT
 - J. DOG PARK



2 COURTYARD - SOUTHEAST

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

Development: 28th & Sunrise
Development Type: New Construction
BoF Meeting Date: 6.6.2024

Administrator's Summary

This bond issuance of \$26.0 million will be used to provide for the new construction of 121 units of affordable family apartments in Las Vegas. The rental housing will serve 121 households at or below 80% of area median income (AMI) with 54 units specifically designated for households below 50% AMI. 60 of the units will receive rental assistance via vouchers (30 Faircloth -to-RAD Project-Based voucher units and 30 Section 8 Project-Based Voucher units.

- 121 Family Units
- New construction
- 100% Affordable Rents
- 24 units <80% AMI, 43 units <60% AMI, 32 units <50% AMI, 22 units <30% AMI
- 1 bedroom units = 34, 2 bedroom units = 70, 3 bedroom units = 13, 4 bedroom units = 4
- 1 bedroom rents \$363 less than market rate
- 2 bedroom rents \$364 less than market rate
- 3 bedroom rents \$896 less than market rate
- Cost per unit = \$433,487
- Cost per bond cap allocation = \$214,876
- Developer –Michaels Development Company and Affordable Housing Program Inc.
- Equity Investor – US Bank
- Loan – Fannie Mae
- \$26.0M in Bond Proceeds trips \$21.4M in LIHTC Equity (40.9% of total development cost)

	28th & Sunrise	Program Average	Notes
Total Tax-exempt Bond ask	\$ 26,000,000	\$ 35,173,500	Average of last 10 New Construction projects previously approved
Total Development Cost	\$ 52,451,893	\$ 65,319,342	Average of last 10 New Construction projects previously approved
Size of site	6.05 Acres	5.30 Acres	
Total # of Units	121	197	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 433,487	\$ 334,196	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 214,876	\$ 179,328	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	19.80%	n/a	24 units in this project
Percentage of Units at 60% AMI	35.50%	83.0%	43 Units in this project
Percentage of Units at 50% AMI	26.40%	14.0%	32 units in this project
Percentage of Units at 40% AMI	0.00%	1.0%	0 units in this project
Percentage of Units at 30% AMI	18.20%	2.0%	22 units in this project
Veteran's Preference	Yes	Yes	

	28th & Sunrise	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 917	\$ 1,280	Rent.com Updated 4/3/2024
Average 2 Bedroom Rent	\$ 1,076	\$ 1,440	Rent.com Updated 4/3/2024
Average 3 Bedroom Rent	\$ 1,304	\$ 2,200	Renthop.com Apr 2024
Average Vacancy Rate	n/a	9.60%	Avison Young Q4 2023

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

DATE: May 17, 2024

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 (Duncan & Edwards Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

Steve
Aichroth

Digitally signed by Steve Aichroth
DN: cn=Steve Aichroth, email=s.aichroth@housing.nv.gov, c=US, o=Nevada Housing Division, ou=Administrator
Date: 2024.05.17 12:47:21 -0700

A. Time and Place of Meeting:

1:00 p.m., Thursday, June 6, 2024, 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 (Duncan & Edwards Apartments).

C. The Findings relate to the issuance of up to \$20,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of an 80-unit family apartment complex located at 5901 Duncan Dr., Las Vegas, Nevada (the “Project”).

D. The Housing Division will issue up to \$20,000,000 of multi-unit housing revenue bonds through 2 series. Series A is a fixed rate issue of tax-exempt securities secured by a mortgage-backed security issued by Fannie Mae through underwriting managed by Berkadia Commercial Mortgage LLC. Series B is a tax-exempt short-term note issue which will be fully collateralized at all times. The borrower entity will be Duncan Edwards-Michaels, LLC consisting of Duncan Edwards Manager, LLC as a 0.01% Managing Member entity and U.S. Bancorp as 99.99% Investor member. The Managing Member entity will be co-owned by Affordable Housing Program Inc., the non-profit instrumentality of the Southern Nevada Regional Housing Authority, and Michaels Development Company. U.S. Bank will provide an equity investment of approximately \$16,475,252 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 public offering 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 (Duncan & Edwards 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
Duncan & Edwards Apartments**

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

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

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

BY: **Steve Aichroth**
Steve Aichroth
Administrator
Nevada Housing Division

Digitally signed by: Steve Aichroth
DN: CN = Steve Aichroth email = saichroth@housing.nv.gov, C = AD, O = Housing Division, OU = Administrator
Date: 2024.05.17 12:47:43 -0700

DATE: _____



May 14, 2024

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

Re: Duncan & Edwards

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 Duncan & Edwards project ("Project"). The Division is requesting authorization for issuance of tax-exempt multi-unit housing revenue bonds in an amount up to \$20,000,000 to fund construction of this affordable family rental community in Las Vegas, Nevada.

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

The proposed financing will be a Series A fixed rate issue of tax-exempt securities secured by a mortgage-backed security (MBS) issued by Fannie Mae through underwriting managed by Berkadia Commercial Mortgage LLC ("Berkadia") in their capacity as delegated underwriter servicer. There will also be a Series B tax-exempt short-term note issue which will be fully collateralized at all times. The overall financing is reviewed in greater detail in Exhibits A, B and D.

The proposed Project is viewed positively in the local community and is endorsed by the City of 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 achieve successful funding 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

Maggie Marshall, *Senior Managing Consultant*

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 construction of a new affordable family rental community to be located at 5901 Duncan Drive in Las Vegas. It will be an 80-unit development situated on a site of approximately 5.15 acres. The units will be configured as one, two, three, and four-bedroom lofts and flats across seven residential buildings. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the unit mix are provided in Table A below. 60 of the units will receive rental assistance via vouchers (30 Faircloth-to-RAD Project-Based Voucher units and 30 Section 8 Project-Based Voucher units).

A summary of the unit mix and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile

Unit Mix	AMI Restriction	# of Units	Unit Size (SF)	Allowable Monthly Rent ¹	Less Utility Allowance ²	Net Allowable Monthly Rent	Tenant Share Monthly Rent	Subsidy	Net Monthly Revenue per Unit ³	Total Monthly Revenue	Total Annual Revenue
1 BR	30%	6	700	\$535	\$75	\$460	\$100	\$526 (RAD HAP)	\$626	\$3,756	\$45,072
1 BR	50%	8	700	\$893	\$75	\$818	\$100	\$526 (RAD HAP)	\$626	\$5,008	\$60,096
2 BR	30%	4	900	\$642	\$98	\$544	\$200	\$538 (RAD HAP)	\$738	\$2,952	\$35,424
2 BR	50%	11	900	\$1,071	\$98	\$973	\$200	\$538 (RAD HAP)	\$738	\$8,118	\$97,416
2 BR	60%	1	900	\$1,285	\$98	\$1,187	\$200	\$538 (RAD HAP)	\$738	\$738	\$8,856
2 BR	30%	8	900	\$642	\$98	\$544	\$200	\$1,509 (Section 8)	\$1,709	\$13,672	\$164,064
2 BR	50%	7	900	\$1,071	\$98	\$973	\$200	\$1,509 (Section 8)	\$1,709	\$11,963	\$143,556
2 BR	60%	2	900	\$1,285	\$98	\$1,187	\$200	\$1,509 (Section 8)	\$1,709	\$3,418	\$41,016
3 BR	30%	3	1,250	\$742	\$124	\$618	\$300	\$2,122 (Section 8)	\$2,422	\$7,266	\$87,192
3 BR	50%	5	1,250	\$1,238	\$124	\$1,114	\$300	\$2,122 (Section 8)	\$2,422	\$12,110	\$145,320
3 BR	60%	3	1,250	\$1,485	\$124	\$1,361	\$300	\$2,122 (Section 8)	\$2,422	\$7,266	\$87,192
4 BR	30%	1	1,350	\$828	\$149	\$679	\$400	\$2,455 (Section 8)	\$2,855	\$2,855	\$34,260
4 BR	50%	1	1,350	\$1,381	\$149	\$1,232	\$400	\$2,455 (Section 8)	\$2,855	\$2,855	\$34,260
1 BR	60%	5	700	\$1,071	\$75	\$996	\$996	n/a	\$996	\$4,980	\$59,760
1 BR	80%	1	700	\$1,377 ⁽⁴⁾	\$75	\$1,302	\$1,302	n/a	\$1,302	\$1,302	\$15,624
2 BR	60%	7	900	\$1,285	\$98	\$1,187	\$1,187	n/a	\$1,187	\$8,309	\$99,708
2 BR	80%	4	900	\$1,643 ⁽⁴⁾	\$98	\$1,545	\$1,545	n/a	\$1,545	\$6,180	\$74,160
3 BR	80%	1	1,250	\$1,980	\$124	\$1,856	\$1,856	n/a	\$1,856	\$1,856	\$22,272
4 BR	80%	2	1,350	\$2,209	\$149	\$2,060	\$2,059	n/a	\$2,059	\$4,118	\$49,416
Total Units		80								\$108,722	\$1,304,664

¹ 2024 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)

² Based on Southern Nevada Regional Housing Authority's published utility allowances

³ For voucher units, this is the contract rent (tenant share plus subsidy)

⁴ HUD County/MSA FMR

Project Developers

Michaels Development Company
2 Cooper Street
Camden, NJ 08102

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

Michaels Development Company (“MDC” or “Michaels”) has been in business for over 50 years and has developed over 55,000 units in 37 states. Their experience spans the gamut from single tax credit communities to full-scale mixed-income, and mixed-finance neighborhood revitalizations. Michaels offers national strength while embracing local firms as partners. They take an environmentally sound approach to development practices and are committed to leading in “green” building techniques that ensure long-term operational savings.

Affordable Housing Program, Inc (“AHP”) is a non-profit affiliate of the Southern Nevada Regional Housing Authority (“SNRHA”) formed primarily to function as co-borrower and participant in tax-credit partnerships. Formed in January 2010 through the consolidation of the three housing authorities in the Las Vegas Valley, SNRHA currently operates 2,139 public housing units, 845 RAD Project Based Voucher units, 1,035 affordable housing units, and 229 mobile home pads. With its approximately 11,000 Housing Choice Vouchers, the consolidated SNRHA is the 32nd largest public housing authority in the country and the 6th largest PHA in HUD Region 9, which encompasses California, Arizona, Nevada, and Hawaii.

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

Borrower Entity

The borrower entity will be Duncan Edwards-Michaels LLC, a limited liability company consisting of Duncan Edwards Manager LLC as a 0.01% Managing Member entity and U.S. Bancorp Impact Finance (“USBIF” or “US Bank”) as 99.99% Investor Member. The Managing Member entity will be co-owned by AHP, the non-profit instrumentality of SNRHA, and Michaels. US Bank will provide an equity investment of approximately \$16,475,252 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 by US Bank are expected to occur as follows (subject to adjustment):

- 1st Installment: \$1,647,525 at Closing (December 2024)
- 2nd Installment: \$823,763 at 100% Completion (February 2026)
- 3rd Installment: \$13,186,114 at Conversion (October 2026)
- 4th Installment: \$817,850 at Delivery of IRS Form 8609 (April 2027)

Property Management

Michaels Management will serve as the property manager for this property. Michaels Management provides property management services to The Michaels Organization’s entire portfolio, including 50,896 affordable/essential units. They are among an elite group of management companies in the nation to earn the Accredited Management Organization designation from the Institute of Real Estate Management.

Plan of Finance:

Project financing will be accomplished using Series A permanent bonds secured by the Fannie Mae MTEB program. The tax-exempt Series A bonds will be secured by a Fannie Mae MBS security. Fannie Mae loan underwriting will be managed by Berkadia Commercial Mortgage LLC ("Berkadia") in their capacity as a Fannie Mae delegated loan servicer. The Division will use the bond proceeds to originate a loan to the borrower.

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

In addition, Series B short-term tax-exempt notes will be issued for Construction phase financing. The Series B bonds will be fully collateralized at all times and are issued to satisfy the LIHTC requirement that tax-exempt debt at least equal to 50% of the project depreciable basis has been satisfied.

US Bank will provide a subordinated bridge loan during the construction period of approximately \$20,000,000 to provide construction funding in advance of their installments of tax credit equity which will be fully retired from the 2nd, 3rd, and final equity advances. The bridge loan will not be issued through or administered by the Division. The bridge loan will also provide a source of periodic replacement of collateral for the Series B notes as the initial collateral is withdrawn for project purposes.

Greater detail regarding the debt financing is provided in the Bond/Loan Term section.

Reserves:

Following conversion, the Borrower will be required to fund deposits to a replacement reserve initially set at \$350/unit/year. This amount will increase annually by 3%.

The Borrower will also be required to fund an Operating and Debt Service Reserve initially set at approximately \$575,000.

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	\$20,000,000	\$8,019,000	
LIHTC Equity	\$2,472,288	\$16,475,251	
HMNI Funds	\$14,325,000	\$14,325,000	
Return of Rate Lock Fee		\$80,190	
Managing GP		\$100	
Deferred Developer Fee		\$1,283,196	
	\$36,797,288	\$40,182,737	
Uses of Funds			
			\$/Unit
Construction Hard Costs	\$25,565,418	\$25,565,418	\$319,568
Soft Costs	\$4,460,335	\$4,698,184	\$58,727
Construction Period Interest	\$2,397,133	\$2,552,133	\$31,902
Contingencies	\$1,419,558	\$1,419,558	\$17,744
Reserves		\$575,000	\$7,188
Developer Fee	\$2,954,844	\$5,372,444	\$67,156
	\$36,797,288	\$40,182,737	\$502,284

Series A Bond Term Summary:

Bond Dated:	As of Closing Date
Credit Enhancement:	Fannie Mae (via Berkadia Commercial Mortgage LLC as Delegated Underwriting & Servicing lender)
Term:	16 years
Amortization:	Monthly principal and interest payments on the MBS are calculated using a 40-year amortization factor.
Bond Structure:	Bonds will be secured by a mortgage-backed security ("MBS") issued by Fannie Mae and pledged to the Trustee as collateral for tax exempt securities issued by Nevada Housing Division. Bond proceeds will periodically be advanced to the Borrower by the Division pursuant to the Loan Agreement and used to pay a portion of the costs of construction of the project. The loan will be administered by Berkadia with monthly principal and interest payments forwarded to the Trustee to make principal and interest payments on the tax-exempt bonds.
Bond Rate:	<p>The bond rate will be fixed at pricing pursuant to a public offering.</p> <ul style="list-style-type: none">• The interest rate is estimated to be approximately 5.78% (as of May 7, 2024) and is inclusive of Division and Trustee fees.
MBS Payment Dates:	Principal and interest paid monthly
Optional Redemption:	1) The Series A Bonds are not subject to redemption prior to subject to optional redemption but are subject to redemption prior to maturity in connection with a permissible prepayment of the Mortgage Loan.
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p>
Method of Sale:	Public offering
Underwriter:	To be determined

Series B Notes Term Summary:

Notes Dated:	As of Closing Date
Credit Enhancement:	The Notes will initially be fully collateralized as to both principal and interest by Note proceeds and an additional cash contribution. As proceeds are disbursed for project purposes collateral will be replaced by an equivalent amount from proceeds of the equity bridge loan such that the Notes remain fully collateralized at all times prior to redemption.
Term:	26 months
Amortization:	Principal payment is fixed at maturity or earlier redemption.
Note Structure:	Note proceeds will periodically be advanced to the Borrower by the Division pursuant to the Loan Agreement and used to pay a portion of the costs of construction of the project.
Note Rate:	<p>The note rate will be fixed at pricing pursuant to a public offering.</p> <ul style="list-style-type: none">• The interest rate is estimated to be 3.80% (as of May 7, 2024) and is inclusive of Division and Trustee fees.
Note Payment Dates:	Principal and interest paid monthly
Optional Redemption:	The Series B Notes are not subject to optional prepayment prior to the Initial Mandatory Tender Date.
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p>
Method of Sale:	Public offering
Underwriter:	To be determined

Nevada Housing Division
Multifamily Housing Revenue Bonds
Duncan & Edwards
Series 2024

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
INCOME										
Annual Gross Rental Income	\$ 1,384,520	\$ 1,412,210	\$ 1,440,454	\$ 1,469,264	\$ 1,498,649	\$ 1,528,622	\$ 1,559,184	\$ 1,590,378	\$ 1,622,186	\$ 1,654,629
Other: Ancillary Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 1,384,520	\$ 1,412,210	\$ 1,440,454	\$ 1,469,264	\$ 1,498,649	\$ 1,528,622	\$ 1,559,184	\$ 1,590,378	\$ 1,622,186	\$ 1,654,629
Less: Residential Vacancy/Discounts	\$ (69,226)	\$ (70,611)	\$ (72,023)	\$ (73,463)	\$ (74,932)	\$ (76,431)	\$ (77,960)	\$ (79,519)	\$ (81,109)	\$ (82,731)
Proforma Gross Income	\$ 1,315,294	\$ 1,341,600	\$ 1,368,432	\$ 1,395,800	\$ 1,423,716	\$ 1,452,191	\$ 1,481,235	\$ 1,510,859	\$ 1,541,076	\$ 1,571,898
EXPENSES										
General Administrative	\$ 69,340	\$ 71,420	\$ 73,563	\$ 75,770	\$ 78,043	\$ 80,384	\$ 82,796	\$ 85,279	\$ 87,838	\$ 90,473
Operating & Maintenance	\$ 113,867	\$ 117,283	\$ 120,802	\$ 124,426	\$ 128,158	\$ 132,003	\$ 135,963	\$ 140,042	\$ 144,243	\$ 148,571
Utilities	\$ 78,485	\$ 80,840	\$ 83,265	\$ 85,763	\$ 88,336	\$ 90,986	\$ 93,715	\$ 96,527	\$ 99,422	\$ 102,405
Staff Payroll & Benefits	\$ 152,340	\$ 156,910	\$ 161,618	\$ 166,466	\$ 171,460	\$ 176,604	\$ 181,902	\$ 187,359	\$ 192,980	\$ 198,769
Taxes & Insurance	\$ 88,712	\$ 91,373	\$ 94,115	\$ 96,938	\$ 99,846	\$ 102,842	\$ 105,927	\$ 109,105	\$ 112,378	\$ 115,749
Property Management	\$ 71,815	\$ 73,969	\$ 76,189	\$ 78,474	\$ 80,828	\$ 83,253	\$ 85,751	\$ 88,323	\$ 90,973	\$ 93,702
Replacement Reserves	\$ 28,000	\$ 28,840	\$ 29,705	\$ 30,596	\$ 31,514	\$ 32,460	\$ 33,433	\$ 34,436	\$ 35,470	\$ 36,534
Proforma Operating Expenses	\$ 602,559	\$ 620,636	\$ 639,255	\$ 658,433	\$ 678,186	\$ 698,531	\$ 719,487	\$ 741,072	\$ 763,304	\$ 786,203
Effective Net Operating Income	\$ 712,735	\$ 720,964	\$ 729,177	\$ 737,368	\$ 745,531	\$ 753,660	\$ 761,748	\$ 769,788	\$ 777,773	\$ 785,695
Senior Debt Service	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777
Debt Service Coverage	138%	140%	142%	143%	145%	146%	148%	150%	151%	153%
Residual Receipts	\$ 197,957	\$ 206,187	\$ 214,399	\$ 222,590	\$ 230,754	\$ 238,882	\$ 246,970	\$ 255,010	\$ 262,995	\$ 270,918
LP Asset Mgt Fee	\$ 7,725	\$ 7,957	\$ 8,195	\$ 8,441	\$ 8,695	\$ 8,955	\$ 9,224	\$ 9,501	\$ 9,786	\$ 10,079
DDF Payments	\$ 190,232	\$ 198,230	\$ 206,204	\$ 214,149	\$ 222,059	\$ 213,993	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ 1,054,635	\$ 856,406	\$ 650,202	\$ 436,052	\$ 213,993	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,933	\$ 237,746	\$ 245,509	\$ 253,209	\$ 260,838
Partnership Surplus Allocation	25%	\$ -	\$ -	\$ -	\$ -	\$ 3,983	\$ 59,437	\$ 61,377	\$ 63,302	\$ 65,210
NHD Surplus Allocation	75%	\$ -	\$ -	\$ -	\$ -	\$ 11,950	\$ 178,310	\$ 184,132	\$ 189,907	\$ 195,629
HMNI Loan Interest	1.00%	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250
HMNI Loan Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,950	\$ 178,310	\$ 184,132	\$ 189,907	\$ 195,629
HMNI Loan Balance	\$ 14,754,750	\$ 14,898,000	\$ 15,041,250	\$ 15,184,500	\$ 15,327,750	\$ 15,459,050	\$ 15,423,990	\$ 15,383,108	\$ 15,336,451	\$ 15,284,072

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	5.46%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$1,283,196
HMNI Loan	\$14,325,000

Permanent Loan Amount	\$8,019,000
Loan Term	40
Core Loan Rate	5.48%
NHD & Trustee Factor	0.30%
Total Loan Rate	5.78%
Annual Debt Service	\$514,777

Nevada Housing Division
Multifamily Housing Revenue Bonds
Duncan & Edwards
Series 2024

	2037	2038	2039	2040	2041	2042	2043	2044	2045
INCOME									
Annual Gross Rental Income	\$ 1,687,722	\$ 1,721,476	\$ 1,755,906	\$ 1,791,024	\$ 1,826,845	\$ 1,863,381	\$ 1,900,649	\$ 1,938,662	\$ 1,977,435
Other: Ancillary Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 1,687,722	\$ 1,721,476	\$ 1,755,906	\$ 1,791,024	\$ 1,826,845	\$ 1,863,381	\$ 1,900,649	\$ 1,938,662	\$ 1,977,435
Less: Residential Vacancy/Discounts	\$ (84,386)	\$ (86,074)	\$ (87,795)	\$ (89,551)	\$ (91,342)	\$ (93,169)	\$ (95,032)	\$ (96,933)	\$ (98,872)
Proforma Gross Income	\$ 1,603,336	\$ 1,635,403	\$ 1,668,111	\$ 1,701,473	\$ 1,735,502	\$ 1,770,212	\$ 1,805,617	\$ 1,841,729	\$ 1,878,564
EXPENSES									
General Administrative	\$ 93,187	\$ 95,983	\$ 98,862	\$ 101,828	\$ 104,883	\$ 108,029	\$ 111,270	\$ 114,608	\$ 118,047
Operating & Maintenance	\$ 153,028	\$ 157,619	\$ 162,347	\$ 167,218	\$ 172,234	\$ 177,401	\$ 182,723	\$ 188,205	\$ 193,851
Utilities	\$ 105,477	\$ 108,642	\$ 111,901	\$ 115,258	\$ 118,716	\$ 122,277	\$ 125,945	\$ 129,724	\$ 133,615
Staff Payroll & Benefits	\$ 204,732	\$ 210,874	\$ 217,200	\$ 223,716	\$ 230,428	\$ 237,341	\$ 244,461	\$ 251,795	\$ 259,349
Taxes & Insurance	\$ 119,222	\$ 122,798	\$ 126,482	\$ 130,277	\$ 134,185	\$ 138,210	\$ 142,357	\$ 146,627	\$ 151,026
Property Management	\$ 96,513	\$ 99,409	\$ 102,391	\$ 105,463	\$ 108,627	\$ 111,886	\$ 115,242	\$ 118,699	\$ 122,260
Replacement Reserves	\$ 37,630	\$ 38,759	\$ 39,921	\$ 41,119	\$ 42,353	\$ 43,623	\$ 44,932	\$ 46,280	\$ 47,668
Proforma Operating Expenses	\$ 809,789	\$ 834,083	\$ 859,105	\$ 884,878	\$ 911,425	\$ 938,767	\$ 966,930	\$ 995,938	\$ 1,025,816
Effective Net Operating Income	\$ 793,547	\$ 801,320	\$ 809,006	\$ 816,595	\$ 824,078	\$ 831,445	\$ 838,686	\$ 845,791	\$ 852,747
Senior Debt Service	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777	\$514,777
Debt Service Coverage	154%	156%	157%	159%	160%	162%	163%	164%	166%
Residual Receipts	\$ 278,770	\$ 286,543	\$ 294,228	\$ 301,817	\$ 309,300	\$ 316,668	\$ 323,909	\$ 331,013	\$ 337,970
LP Asset Mgt Fee	\$ 10,382	\$ 10,693	\$ 11,014	\$ 11,344	\$ 11,685	\$ 12,035	\$ 12,396	\$ 12,768	\$ 13,151
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ 268,388	\$ 275,849	\$ 283,214	\$ 290,473	\$ 297,616	\$ 304,632	\$ 311,513	\$ 318,245	\$ 324,818
Partnership Surplus Allocation	25%	\$ 67,097	\$ 68,962	\$ 70,804	\$ 72,618	\$ 74,404	\$ 76,158	\$ 77,878	\$ 79,561
NHD Surplus Allocation	75%	\$ 201,291	\$ 206,887	\$ 212,411	\$ 217,855	\$ 223,212	\$ 228,474	\$ 233,634	\$ 238,684
HMNI Loan Interest	1.00%	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250	\$ 143,250
HMNI Loan Principal		\$ 201,291	\$ 206,887	\$ 212,411	\$ 217,855	\$ 223,212	\$ 228,474	\$ 233,634	\$ 238,684
HMNI Loan Balance		\$ 15,226,032	\$ 15,162,395	\$ 15,093,234	\$ 15,018,629	\$ 14,938,668	\$ 14,853,443	\$ 14,763,059	\$ 14,667,625

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:**

Michaels Development Company conducted a Request For Proposals (RFP) to solicit competitive bids for the construction and perm lender. We received proposals from 6 different lenders. We selected US Bank as the Equity investor and Construction Lender and Berkadia as the Perm lender for several reasons. First, US Bank provided the highest pricing for the tax credit equity and a competitive rate on the construction loan. Second, Berkadia provided the best rate on the perm loan. Third, Michaels Development Company has closed several projects with US Bank and Berkadia using the same lending combination, so we understand each other and what will be needed to close the projects, which will simplify the closing, construction, and conversion processes.

By Cody Roskelley

Title Senior Vice President of Development

Firm Michaels Development Company

Duncan & Edwards



Need for Affordable Housing

The City of Las Vegas is in dire need of affordable housing. This project will bring 80 affordable units to the area. Because there will be 1, 2, 3, & 4-bedroom units, families of many different sizes, who are in need of quality affordable housing, will be blessed by this new community.

The need for affordable housing, and especially family housing in Las Vegas is well documented. The City of Las Vegas 2020-2025 Consolidated Plan & Action Plan found that there is a shortage of approximately 55,490 affordable units available to extremely low-income households at 30% AMI and below, and a shortage of 78,112 affordable and available units for households at 50% AMI. The Plan states that over 170,161 affordable and available units in the HCP Consortium have incomes below 80% AMI.

The Partnership

The Southern Nevada Housing Authority (SNRHA) currently owns the 5.15 acres of land that will be used for the Duncan & Edwards development. In April of 2023, SNRHA solicited through and RFQ developers who have experience building affordable multifamily projects that will use 4% bonds and tax credits and eventually convert to RAD. The Michaels Development Company (MDC) responded to the solicitation and was selected to co-develop both Duncan & Edwards and 28th and Sunrise. MDC has been in business over 50 years, and is yearly ranked as a top 10 affordable developer, and our management company manages over 80,000 apartment units across 37 states. As a result, MDC and SNRHA formed a 50/50 partnership. SNRHA will contribute the HMNI funds and the land, and Michaels will use its development expertise to rezone, design, construct, and manage the apartment community. MDC will also solicit the Debt and Equity for the project and provide the customary guarantees. The Michaels management company will also manage the community.

The Development Team

MDC and SNRHA teamed up with some of the best local experts to form a dynamic development team.

Michaels Development Company has been in business for over 50 years, and has developed over 55,000 units in 37 states. Michaels is frequently ranked as a top 10 affordable developer in the nation.

SNRHA is a large housing authority that has teamed up with several 3rd party developers over the years and successfully developed many affordable tax credit communities.

Greene Tindall Architects has designed over 60 multifamily projects and over 18,000 units. Green Tindall knows Las Vegas, and they understand all design codes, and have great relationships of the Las Vegas planning department.

Taney Engineering is one of the most experienced engineering companies in Nevada. They have been in business over 20 years, and employ over 70 team members. Taney Engineering does the civil design for many multifamily, industrial, and retail projects.

R&O Construction has over 40 years of experience and is a General Contractor, who has built many beautiful apartment communities in Nevada, Arizona, and Utah. Most importantly, they have a vast network of sub-contractors who work in Las Vegas. R&O has won many industry awards for quality and safety.

The Project

Duncan & Edwards will consist of approximately 80 new affordable housing units (30 Faircloth-to-RAD PBV, 30 Section 8 PBV, and 20 units located on the vacant 5+ acre lot located at 5901 Duncan Dr. Las Vegas Nevada 89108. The project will be a 100% affordable family development targeted to households with incomes at or below 30%, 50%, 60%, and 80% AMI with a weighted average rent and income targeting 49.75% of AMI. The new units are contemplated as a mixture of two-story lofts and flats. The land is owned by the Southern Nevada Regional Housing Authority and will be leased to the tax credit ownership entity Affordable Housing Program Inc. (AHP), the non-profit instrumentality of the SNRHA, will have an ownership stake in the managing member or general partner entity. The new units will be affordable with modern energy efficient features and will include a percentage of units are accessible to disabled persons. The unit mix will be from 1 to 4-bedroom units with a centrally located activity building that will include on-site management, supportive services and on-site amenities. The development will be maintained as affordable housing for a minimum of 30 years. The Duncan & Edwards site will require a zoning change. The planning commission approved a change to R-3 on April 9th. The zoning change will go before the City Council on May 15th. The project financing includes tax-exempt bonds and 4% tax credits, and the HMNI funds. The new development will have 7 multi-family buildings, a leasing office, basketball court, playground, BBQ pits and shaded structures, a dog park. In the leasing office, there will be a fitness center, a business center, a large meeting room, and an extra office where social services will be provided.

The Neighborhood

Immediate surrounding the Duncan & Edwards site are three story apartments on the east and single-family homes on the south and west. Within a 1-mile radius, there is a large business park called Rancho Gowan Business Park, the Avato medical center, the San Mateo Community Garden, Patriot Park, Memorial Park, a Neighborhood Walmart, Planet Fitness, Lowes Home Improvement, two elementary schools, Quest Academy, Founders Classical Academy, and several local and national restaurants and fast-food chains. Just outside of the 1-mile radius is an Albertson Grocery store. Most of the immediate area is surrounded by single family residential homes.

Description of Subject Property- Site

Shape, Dimensions and Area:

The subject site is of irregular shape, with approximately 362 feet of frontage along Edward Avenue, and approximately 320 feet of frontage along Duncan Drive. The subject contains a total of 5.15 net acres or approximately 224,334 square feet.

Street Improvements:

The property is bordered to the north by Duncan Drive, and to the west by Edward Avenue. These are lightly traveled interior collector streets. The streets are paved; however, no curbs, gutters, or sidewalks exist along the subject's frontage.

Utilities:

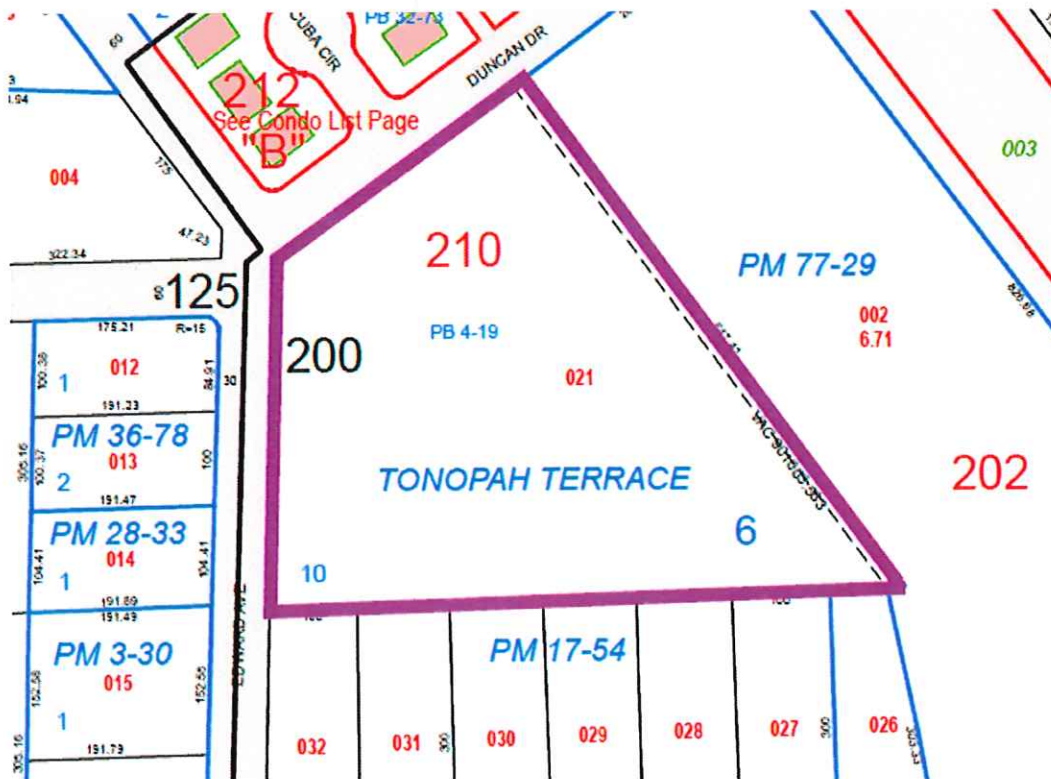
All normal utilities are available to the subject property, including: water and sanitation sewer by the City of Las Vegas, electricity by NV Energy, telephone by CenturyLink, and gas by Southwest Gas Corporation.

Topography and Soil Conditions:

The subject site has a relatively level topography, and it is my opinion that the overall topographical characteristics would not adversely affect the development potential of the subject site.

Census Tract:

3413





The Project Schedule

Milestone	Scheduled Date
Financial Closing Target	Dec 1, 2024
Construction Period	14 months
Certificate of Occupancy	Feb 1, 2026
Stabilization	Oct 1, 2026
8609	April 1, 2027

Architectural Schematic Design

Design Narrative

Location

South east corner of Duncan Drive and Edward Ave.

Cit of Las Vegas APN: 138-12-210-021

Estimated Lot Size: 5.15 acres (net) or 224,334 square feet.

Design Objective

Design a project for SNRHA that reflects a privately owned Condominium or Townhouse community and not a typical Garden Style housing project.

There will be many pedestrian friendly paths and gathering areas.

There will be mature enhanced landscaping through out the site.

Sustainability, energy efficiency, and climate are key factors being used though out the project. Drought tolerant landscaping is being incorporated, with shaded parking spaces and tree-lined driveways are used to reduce "urban heat islands" (UHI) effects.

Design Style

This beautiful design is a stacked flat product. The 2-story design, with a flat unit on the first floor and a flat unit on the second floor.

Style of Architecture

Modern

Number of Units

80 units are provided, but 66 to 257 are allowed with R-3 zoning.

Number of buildings

There will be 7 multifamily buildings and 1 community building

Unit Types

1/1 bedroom/ bath, 2/1 bedroom / bath, 3/2 bedroom / bath, and 4/2 bedroom / 2 bath

Unit Square footages

Minimums are as follows – 1 bed is 650 sf, 2 bed is 850 sf, 3 bed is 1,200 sf, and 4 bed is 1,300 sf

Amenities

Gym, business center, indoor gathering area with warming kitchen, covered patio, play area, basketball court, dog park, BBQ pits, and shaded gathering areas

Site Plan



Building Renderings



EXHIBIT D



UNIT BUILDING - SIDE FRONT



UNIT BUILDING - FRONT



CLUBHOUSE - REAR



CLUBHOUSE - FRONT



UNIT ENLARGED



UNIT BUILDING - REAR



CLUBHOUSE - RIGHT



UNIT ENLARGED



CLUBHOUSE - LEFT

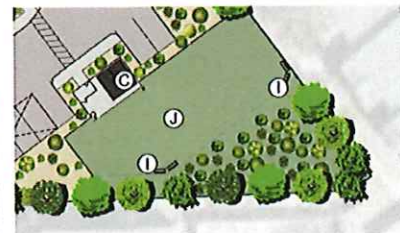
EXHIBIT D



1 COURTYARD - CENTRAL



2 COURTYARD - NORTHWEST



3 COURTYARD - SOUTHEAST

- LEGEND**
- A. PLAYGROUND
 - B. DOG PADS
 - C. SHADE STRUCTURE
 - D. PAVILION
 - E. BBQ - GAS
 - F. BBQ - CHARCOAL
 - G. ARTIFICIAL TURF PARK
 - H. HALF BASKETBALL COURT
 - I. OUTDOOR SEATING
 - J. DOG PARK



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

Development: Duncan & Edwards
Development Type: New Construction
BoF Meeting Date: 6.6.2024

Administrator's Summary

This bond issuance of \$20.0 million will be used to provide for the new construction of 80 units of affordable family apartments in Las Vegas. The rental housing will serve 80 households at or below 80% of area median income (AMI) with 54 units specifically designated for households below 50% AMI. 60 of the units will receive rental assistance via vouchers (30 Faircloth -to-RAD Project-Based voucher units and 30 Section 8 Project-Based Voucher units.

- 80 Family Units
- New construction
- 100% Affordable Rents
- 8 units <80% AMI, 18 units <60% AMI, 32 units <50% AMI, 22 units <30% AMI
- 1 bedroom units = 20, 2 bedroom units = 44, 3 bedroom units = 12, 4 bedroom units = 4
- 1 bedroom rents \$501 less than market rate
- 2 bedroom rents \$483 less than market rate
- 3 bedroom rents \$1086 less than market rate
- Cost per unit = \$433,487
- Cost per bond cap allocation = \$214,876
- Developer – Michaels Development Company and Affordable Housing Program Inc.
- Equity Investor – US Bank
- Loan – Fannie Mae
- \$20.0M in Bond Proceeds trips \$16.5M in LIHTC Equity (41.0% of total development cost)

	Duncan & Edwards	Program Average	Notes
Total Tax-exempt Bond ask	\$ 20,000,000	\$ 35,173,500	Average of last 10 New Construction projects previously approved
Total Development Cost	\$ 40,182,737	\$ 65,319,342	Average of last 10 New Construction projects previously approved
Size of site	5.15 Acres	5.30 Acres	
Total # of Units	80	197	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 502,284	\$ 334,196	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 250,000	\$ 179,328	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	10.00%	n/a	8 units in this project
Percentage of Units at 60% AMI	22.50%	83.0%	18 Units in this project
Percentage of Units at 50% AMI	40.00%	14.0%	32 units in this project
Percentage of Units at 40% AMI	0.00%	1.0%	0 units in this project
Percentage of Units at 30% AMI	27.50%	2.0%	22 units in this project
Veteran's Preference	Yes	Yes	

	Duncan & Edwards	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 779	\$ 1,280	Rent.com Updated 4/3/2024
Average 2 Bedroom Rent	\$ 957	\$ 1,440	Rent.com Updated 4/3/2024
Average 3 Bedroom Rent	\$ 1,114	\$ 2,200	Renthop.com Apr 2024
Average Vacancy Rate	n/a	9.60%	Avison Young Q4 2023

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

DATE: May 17, 2024

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 (Old Rose Gardens Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

Steve
Aichroth

Digitally signed by Steve Aichroth
DN: cn = Steve Aichroth email = saichroth@housing.nv.gov, o = AG O = Housing Division OU = Administrator
Date: 2024.05.17 13:04:34 -0700

A. Time and Place of Meeting:

1:00 p.m., Thursday, June 6, 2024, 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 (Old Rose Gardens Apartments).

C. The Findings relate to the issuance of up to \$45,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the construction of a 192-unit affordable apartment complex located at 1632 Yale St., North Las Vegas, Nevada (the “Project”).

D. The Housing Division will issue up to \$45,000,000 of multi-unit housing revenue bonds which will consist of a short-term construction loan issued as a private placement with Jefferies and a permanent loan issued as a Freddie Mac Tax-Exempt Loan with underwriting managed by Berkadia Commercial Mortgage LLC. The borrower entity will be Yale Development LLC consisting of Yale Development Manager LLC as a 0.01% Managing Member entity and Hudson Housing Capital as 99.99% Investor member. The Managing Member entity will be co-owned by Affordable Housing Program Inc. the non-profit instrumentality of the Southern Nevada Regional Housing Authority, and Yale Development Manager MBS GP Inc., an entity to be owned by McCormack Baron Salazar. Hudson will provide an equity investment of approximately \$35,422,350 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 (Old Rose Gardens 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
Old Rose Gardens 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:

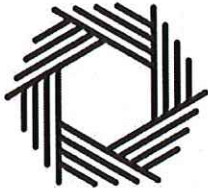
1. There exists a shortage of decent, safe and sanitary family and senior housing at rental rates that eligible families and seniors can afford within the North Las Vegas, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which families and 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 families and 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 North 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**
Steve Aichroth
Administrator
Nevada Housing Division

Digitally signed by: Steve Aichroth
DN: CN = Steve Aichroth email = saichroth@housing.nv.gov
C = AD O = Housing Division OU = Administrator
Date: 2024.05.17 13:04:58 -0700

DATE: _____



May 14, 2024

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

Re: Old Rose Gardens

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 Old Rose Gardens project ("Project"). The Division is requesting authorization for issuance of tax-exempt multi-unit housing revenue bonds in an amount up to \$45,000,000 to fund construction of this affordable rental community in North Las Vegas, Nevada.

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

The proposed financing will consist of a short-term construction loan issued as a private placement with Jefferies and a permanent loan issued as a Freddie Mac Tax-Exempt Loan ("TEL") with underwriting managed by Berkadia Commercial Mortgage LLC ("Berkadia") in their capacity as delegated underwriter servicer. The overall financing is reviewed in greater detail in Exhibits A, B and D.

The proposed Project is viewed positively in the local community and is endorsed by the City of North 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 achieve successful funding 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

Maggie Marshall, *Senior Managing Consultant*

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 construction of a new affordable rental community to be located in North Las Vegas. It will be a 192-unit development situated on a site of approximately 5.75 acres. The units will be configured as one and two-bedroom units and include on-site parking stalls for residents. The proposed unit mix, unit types, amenities throughout the property, and services coordinated for the property will be primary geared toward a senior/elderly resident population. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the unit mix are provided in Table A below. 120 of the units will receive rental assistance via vouchers (60 Faircloth-to-RAD Project-Based Voucher units and 60 Section 8 Project-Based Voucher units).

A summary of the unit mix and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile

Unit Mix	AMI Restriction	# of Units	Unit Size (SF)	Allowable Monthly Rent ¹	Less Utility Allowance ²	Tenant Share Monthly Rent	Subsidy	Net Monthly Revenue per Unit ³	Total Monthly Revenue	Total Annual Revenue
1 BR	30%	60	641	536	\$0	\$536	\$386 (RAD)	\$922	\$55,320	\$663,840
1 BR	30%	14	641	536	\$0	\$536	\$919 (Section 8)	\$1,455	\$20,370	\$244,440
1 BR	50%	20	641	893	\$0	\$893	\$562 (Section 8)	\$1,455	\$29,100	\$349,200
1 BR	60%	14	641	1,071	\$0	\$1,071	\$383 (Section 8)	\$1,454	\$20,356	\$244,272
2 BR	30%	6	850	643	\$0	\$643	\$1,105 (Section 8)	\$1,748	\$10,488	\$125,856
2 BR	60%	6	850	1,285	\$0	\$1,285	\$463 (Section 8)	\$1,748	\$10,488	\$125,856
1 BR	50%	18	641	893	\$0	\$893	n/a	\$893	\$16,074	\$192,888
1 BR	60%	54	850	1,071	\$0	\$1,071	n/a	\$1,071	\$57,834	\$694,008
Total Units		192							\$220,030	\$2,640,360

¹ 2024 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)

² Utilities are 100% owner-paid

³ For voucher units, this is the contract rent (tenant share plus subsidy)

Ancillary Income \$28,741

Borrower Entity

The borrower entity will be Yale Development LLC, a limited liability company consisting of Yale Development Manager LLC as a 0.01% Managing Member entity and Hudson Housing Capital ("Hudson") as 99.99% Investor Member. The Managing Member entity will be co-owned by AHP, the non-profit instrumentality of SNRHA, and Yale Development Manager MBS GP, Inc., an entity to be owned by McCormack Baron Salazar. Hudson will provide an equity investment of approximately \$35,422,350 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 by Hudson are expected to occur as follows (subject to adjustment):

- 1st Installment: \$5,223,253 at Closing (December 2024)
- 2nd Installment: \$25,072,092 at 100% Completion (May 2027)
- 3rd Installment: \$4,771,355 at Conversion (October 2027)
- 4th Installment: \$355,550 at Delivery of IRS Form 8609 (May 2028)

Project Developers

McCormack Baron Salazar
100 N. Broadway Street
St. Louis, MO 63102

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

McCormack Baron Salazar, Inc. (“MBS”) is nationally renowned for transformative redevelopments of housing communities and has been successfully creating large-scale mixed-income developments across the country for five decades. They have worked with over 30 housing authorities and public agencies across the country and understand how to cultivate strong, collaborative partnerships—some of which have spanned decades. MBS and its partners work on long-term multi-phase redevelopment efforts that impact entire neighborhoods

Affordable Housing Program, Inc (“AHP”) is a non-profit affiliate of the Southern Nevada Regional Housing Authority (“SNRHA”) formed primarily to function as co-borrower and participant in tax-credit partnerships. Formed in January 2010 through the consolidation of the three housing authorities in the Las Vegas Valley, SNRHA currently operates 2,139 public housing units, 845 RAD Project Based Voucher units, 1,035 affordable housing units, and 229 mobile home pads. With its approximately 11,000 Housing Choice Vouchers, the consolidated SNRHA is the 32nd largest public housing authority in the country and the 6th largest PHA in HUD Region 9, which encompasses California, Arizona, Nevada, and Hawaii.

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

Property Management

McCormack Baron Management, Inc. (“MBM”) will serve as the property manager for this property. MBS and MBM are both owned by MBA Properties, Inc.

Plan of Finance:

The proposed financing will consist of a separate construction loan and permanent loan. The construction phase loan will be provided through a private placement of short-term tax-exempt bonds with Jefferies as placement agent. Berkadia Commercial Mortgage LLC (“Berkadia”) will administer and service the loans; loan proceeds will be released for project expenditures upon approval by Berkadia.

Permanent project financing will be issued as a Freddie Mac Tax-Exempt Loan (“TEL”) with underwriting managed by Berkadia in their capacity as delegated underwriter servicer. The Freddie TEL will be initially provided in the form of an unfunded permanent loan commitment.

At conversion, the short-term Construction Loan will be redeemed and the Freddie TEL (Permanent Loan) will be funded.

Greater detail regarding the debt financing is provided in the Bond/Loan Term section.

Reserves:

Following conversion, the Borrower will be required to fund deposits to a replacement reserve initially set at \$300/unit/year.

The Borrower will also be required to fund an Operating and Debt Service Reserve initially set at approximately \$1,172,346.

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	\$45,000,000	\$13,250,000	
LIHTC Equity	\$5,223,353	\$35,422,350	
HMNI Funds	\$12,000,000	\$12,000,000	
GAHP Funds	\$2,700,000	\$3,000,000	
Seller Note	\$400,000	\$400,000	
Clark County HOME	\$1,350,000	\$1,500,000	
Clark County CHF	\$6,000,000	\$8,000,000	
City of North Las Vegas HOME	\$450,000	\$500,000	
FHLB AHP	\$900,000	\$1,000,000	
SNRHA Capital Funds	\$2,894,962	\$4,300,000	
SNRHA Fee Contribution	\$1,500,000	\$1,500,000	
Accrued Soft Interest		\$385,478	
Return of Freddie Forward Fee		\$265,000	
Deferred Developer Fee		\$3,990,000	
	\$78,418,315	\$85,512,828	

Uses of Funds			\$/Unit
Land Cost	\$400,000	\$400,000	\$2,083
Construction Hard Costs	\$56,618,995	\$56,618,995	\$294,891
Soft Costs	\$9,079,593	\$9,874,001	\$51,427
Construction Period Interest	\$3,456,250	\$3,456,250	\$18,001
Contingencies	\$3,390,236	\$3,390,236	\$17,657
Reserves		\$1,172,346	\$6,106
Developer Fee	\$5,473,241	\$10,601,000	\$55,214
	\$78,418,315	\$85,512,828	\$445,379

Bond/Loan Term Summary:

Bond/Loan Dated: As of Closing Date

Lender: Construction Loan: Jefferies (via Berkadia as servicing lender)

Permanent Loan: Freddie Mac (via Berkadia as Delegated Underwriting & Servicing lender)

Loan Summary:

Construction Phase

The Construction Loan will provide funding of an interim tax-exempt construction bond issue. Bond proceeds will periodically be advanced to the Borrower by the Division pursuant to the Loan Agreement and used to pay a portion of the costs of construction of the project.

- Estimated at \$45,000,000
- Interest Rate estimated at 6.55% (including Division/Trustee fees) as of May 7, 2024
- Term: Estimated at 36 months (Freddie Mac permanent financing take-out)

Permanent Phase

Permanent phase financing will be provided at closing by Freddie Mac as an unfunded permanent loan commitment. At conversion, the Permanent Loan will be funded and used to redeem the Construction Loan.

- Estimated at \$13,250,000
- Not to exceed 90% loan-to-value
- Interest Rate estimated at 6.78% (including Division/Trustee fees) as of May 7, 2024
- Amortization factor: 40 years
- Maturity: 16 years
- Debt Service Coverage: Minimum of 1.15 to 1.00

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

Method of Sale: Private Placement

Nevada Housing Division
 Multifamily Housing Revenue Bonds
 Old Rose Gardens
 Series 2024

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
INCOME										
Annual Gross Rental Income	\$ 2,601,971	\$ 2,658,011	\$ 2,915,171	\$ 2,973,474	\$ 3,032,944	\$ 3,093,603	\$ 3,155,475	\$ 3,218,584	\$ 3,282,956	\$ 3,348,615
Other Ancillary Revenue	\$ 30,500	\$ 31,110	\$ 31,733	\$ 32,367	\$ 33,015	\$ 33,675	\$ 34,348	\$ 35,035	\$ 35,736	\$ 36,451
Total Residential Income	\$ 2,632,472	\$ 2,689,121	\$ 2,946,903	\$ 3,005,841	\$ 3,065,958	\$ 3,127,277	\$ 3,189,823	\$ 3,253,619	\$ 3,318,692	\$ 3,385,066
Less: Residential Vacancy/Discounts	\$ (141,624)	\$ (144,456)	\$ (147,345)	\$ (150,292)	\$ (153,298)	\$ (156,364)	\$ (159,491)	\$ (162,681)	\$ (165,935)	\$ (169,253)
Proforma Gross Income	\$ 2,690,848	\$ 2,744,665	\$ 2,799,558	\$ 2,855,549	\$ 2,912,660	\$ 2,970,914	\$ 3,030,332	\$ 3,090,938	\$ 3,152,757	\$ 3,215,812

EXPENSES										
General Administrative	\$ 163,581	\$ 168,489	\$ 173,543	\$ 178,750	\$ 184,112	\$ 189,635	\$ 195,325	\$ 201,184	\$ 207,220	\$ 213,436
Operating & Maintenance	\$ 259,370	\$ 267,151	\$ 275,165	\$ 283,420	\$ 291,923	\$ 300,681	\$ 309,701	\$ 318,992	\$ 328,562	\$ 338,419
Utilities	\$ 293,725	\$ 302,537	\$ 311,613	\$ 320,961	\$ 330,590	\$ 340,508	\$ 350,723	\$ 361,245	\$ 372,082	\$ 383,245
Staff Payroll & Benefits	\$ 390,104	\$ 401,807	\$ 413,681	\$ 426,277	\$ 439,065	\$ 452,237	\$ 465,804	\$ 479,778	\$ 494,171	\$ 508,997
Taxes & Insurance	\$ 196,691	\$ 202,592	\$ 208,669	\$ 214,929	\$ 221,377	\$ 228,019	\$ 234,859	\$ 241,905	\$ 249,162	\$ 256,637
Property Management	\$ 107,634	\$ 109,787	\$ 111,982	\$ 114,222	\$ 116,506	\$ 118,837	\$ 121,213	\$ 123,638	\$ 126,110	\$ 128,632
Replacement Reserves	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600
Proforma Operating Expenses	\$ 1,468,704	\$ 1,509,961	\$ 1,552,434	\$ 1,596,159	\$ 1,641,174	\$ 1,687,516	\$ 1,735,225	\$ 1,784,342	\$ 1,834,908	\$ 1,886,966
Effective Net Operating Income	\$ 1,222,144	\$ 1,234,704	\$ 1,247,124	\$ 1,259,390	\$ 1,271,487	\$ 1,283,398	\$ 1,295,107	\$ 1,306,597	\$ 1,317,850	\$ 1,328,847

Contribution to Project Budget										
Senior Debt Service		\$962,772	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772
Debt Service Coverage		127%	128%	130%	131%	132%	133%	135%	136%	138%
Residual Receipts	\$	259,372	\$ 271,932	\$ 284,353	\$ 296,619	\$ 308,715	\$ 320,626	\$ 332,335	\$ 343,825	\$ 355,078
Partnership Management Fees	\$	30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765	\$ 34,778	\$ 35,822	\$ 36,896	\$ 37,993
DDF Payments	\$	228,372	\$ 241,032	\$ 252,526	\$ 263,837	\$ 274,950	\$ 285,848	\$ 296,514	\$ 306,929	\$ 317,075
DDF Balance	\$	2,776,178	\$ 2,535,146	\$ 2,282,620	\$ 2,018,783	\$ 1,743,834	\$ 1,457,966	\$ 1,161,472	\$ 854,543	\$ 537,468
Surplus Cash	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partnership Surplus Allocation	25%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NHD Surplus Allocation	75%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GAHP Loan Interest	3.00%	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
GAHP Loan Principal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GAHP Loan Balance		\$ 3,150,300	\$ 3,240,300	\$ 3,330,300	\$ 3,420,300	\$ 3,510,300	\$ 3,600,300	\$ 3,690,300	\$ 3,780,300	\$ 3,870,300
HMNI Loan Interest	1.00%	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
HMNI Loan Principal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HMNI Loan Balance		\$ 12,360,000	\$ 12,480,000	\$ 12,600,000	\$ 12,720,000	\$ 12,840,000	\$ 12,960,000	\$ 13,080,000	\$ 13,200,000	\$ 13,320,000

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	4.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee:	\$3,990,000
GAHP Loan	\$3,000,000
HMNI Loan	\$12,000,000

Permanent Loan Amount	\$13,250,000
Loan Term	40
Core Loan Rate	6.48%
NHD & Trustee Factor	0.30%
Total Loan Rate	6.78%
Annual Debt Service	\$962,772

Nevada Housing Division
Multifamily Housing Revenue Bonds
Old Rose Gardens
Series 2024

	2038	2039	2040	2041	2042	2043	2044	2045	2046
INCOME									
Annual Gross Rental Income	\$ 3,415,587	\$ 3,483,899	\$ 3,553,577	\$ 3,624,648	\$ 3,697,141	\$ 3,771,084	\$ 3,846,506	\$ 3,923,436	\$ 4,001,905
Other, Ancillary Revenue	\$ 37,180	\$ 37,923	\$ 38,682	\$ 39,456	\$ 40,245	\$ 41,050	\$ 41,871	\$ 42,708	\$ 43,562
Total Residential Income	\$ 3,452,767	\$ 3,521,822	\$ 3,592,259	\$ 3,664,104	\$ 3,737,386	\$ 3,812,134	\$ 3,888,376	\$ 3,966,144	\$ 4,045,467
Less: Residential Vacancy/Discounts	\$ (172,638)	\$ (176,091)	\$ (179,613)	\$ (183,205)	\$ (186,869)	\$ (190,607)	\$ (194,419)	\$ (198,307)	\$ (202,273)
Proforma Gross Income	\$ 3,280,129	\$ 3,345,731	\$ 3,412,646	\$ 3,480,899	\$ 3,550,517	\$ 3,621,527	\$ 3,693,958	\$ 3,767,837	\$ 3,843,194
EXPENSES									
General Administrative	\$ 219,839	\$ 226,435	\$ 233,228	\$ 240,225	\$ 247,431	\$ 254,854	\$ 262,500	\$ 270,375	\$ 278,466
Operating & Maintenance	\$ 348,571	\$ 359,028	\$ 369,799	\$ 380,693	\$ 392,320	\$ 404,090	\$ 416,212	\$ 428,699	\$ 441,560
Utilities	\$ 394,742	\$ 406,584	\$ 418,782	\$ 431,345	\$ 444,285	\$ 457,614	\$ 471,342	\$ 485,483	\$ 500,047
Staff Payroll & Benefits	\$ 524,267	\$ 539,995	\$ 556,194	\$ 572,880	\$ 590,067	\$ 607,769	\$ 626,002	\$ 644,782	\$ 664,125
Taxes & Insurance	\$ 264,336	\$ 272,266	\$ 280,434	\$ 288,847	\$ 297,513	\$ 306,438	\$ 315,631	\$ 325,100	\$ 334,853
Property Management	\$ 131,205	\$ 133,829	\$ 136,506	\$ 139,236	\$ 142,021	\$ 144,861	\$ 147,758	\$ 150,713	\$ 153,728
Replacement Reserves	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600	\$ 57,600
Proforma Operating Expenses	\$ 1,940,560	\$ 1,995,737	\$ 2,052,543	\$ 2,111,026	\$ 2,171,236	\$ 2,233,225	\$ 2,297,046	\$ 2,362,751	\$ 2,430,399
Effective Net Operating Income	\$ 1,339,568	\$ 1,349,994	\$ 1,360,103	\$ 1,369,873	\$ 1,379,280	\$ 1,388,302	\$ 1,396,912	\$ 1,405,085	\$ 1,412,795
Contribution to Project Budget									
Senior Debt Service	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772	\$962,772
Debt Service Coverage	139%	140%	141%	142%	143%	144%	145%	146%	147%
Residual Receipts	\$ 376,797	\$ 387,223	\$ 397,331	\$ 407,101	\$ 416,509	\$ 425,530	\$ 434,140	\$ 442,314	\$ 450,023
Partnership Management Fees	\$ 40,317	\$ 41,527	\$ 42,773	\$ 44,056	\$ 45,378	\$ 46,739	\$ 48,141	\$ 49,585	\$ 51,073
DDF Payments	\$ 210,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ 125,943	\$ 345,696	\$ 354,559	\$ 363,045	\$ 371,131	\$ 378,791	\$ 385,999	\$ 392,728	\$ 398,950
Partnership Surplus Allocation	25%	\$ 31,466	\$ 86,424	\$ 88,640	\$ 90,761	\$ 92,783	\$ 94,698	\$ 96,500	\$ 98,182
NHD Surplus Allocation	75%	\$ 94,458	\$ 259,272	\$ 265,919	\$ 272,284	\$ 278,348	\$ 284,093	\$ 289,499	\$ 294,546
GAHP Loan Interest	3.00%	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 85,393	\$ 79,118
GAHP Loan Principal		\$ 94,458	\$ 259,272	\$ 265,919	\$ 272,284	\$ 278,348	\$ 284,093	\$ 289,499	\$ 294,546
GAHP Loan Balance		\$ 3,955,842	\$ 3,766,571	\$ 3,610,652	\$ 3,428,368	\$ 3,240,020	\$ 3,045,926	\$ 2,846,427	\$ 2,637,273
HMNI Loan Interest	1.00%	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
HMNI Loan Principal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HMNI Loan Balance		\$ 13,560,000	\$ 13,680,000	\$ 13,800,000	\$ 13,920,000	\$ 14,040,000	\$ 14,160,000	\$ 14,280,000	\$ 14,400,000

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**

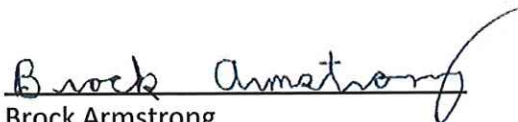
<u>Lender</u>	<u>Rate</u>	<u>Fees</u>

☒ **Option B**

Sponsor/Borrower Statement:

The Development Team of McCormack Baron Salazar and SNRHA issued a Request for Proposals (RFP) to over 15 financial institutions seeking proposals for construction and permanent debt financing along with potential investors for the syndication of low income housing tax credits. We received 9 responses and evaluated them all for the most advantageous terms, lowest fees and optimal business terms for the proposed development. We have selected a finance team that creates an optimal financing structure and meets our closing schedule requirements.

By:



By:

Brock Armstrong

Title:

Senior Vice President, Finance

Firm:

McCormack Baron Salazar, Inc.

Exhibit 25. Project Narrative

Overview

The vacant 5.75 acre parcel will be developed with new construction of 192-units of Affordable Housing. Unit mix will consist of 180 One-Bedroom and 12 Two-Bedroom units and include on-site parking stalls for residents. The affordability mix will include a range of very-low to low income households earning between 30% to 60% of AMI for 192 units.

Unit Mix and Affordability

The proposed Unit Mix for the 192 income-restricted units will consist of:

- 54 One-Bedroom Units at or below 80% AMI
- 14 One-Bedroom Units at or below 60% AMI
- 38 One-Bedroom Units at or below 50% AMI
- 74 One-Bedroom Units at or below 30% AMI
- 6 Two-Bedroom Units at or below 60% AMI
- 6 Two-Bedroom Units at or below 30% AMI

Target Population

As noted in the Bond Workbook, the proposed development is pursuing a Faircloth to RAD transaction, and has received guidance from HUD that such deals should not be designated as a senior-only property. However, there is precedent that the property may compose a fair housing marketing plan and leasing plan that addresses the appropriateness of maintaining a general occupancy building with an elderly preference.

As such, this leasing preference is reflected in the proposed unit mix, unit types, amenities throughout the property, and services being coordinated for the property that will primarily be geared toward an elderly resident population. SNRHA has identified that they have a significant need for elderly housing so we have identified Elderly / Senior Target Population in the Bond Application workbook.

Design Intent

Old Rose Garden is intended to create a welcoming environment for individuals seeking a place to live independently. We sought to create a facility using modern materials and construction techniques to help provide a level of comfort and care expected in today's society. The overall style is classified as southwest contemporary, with metal roofing, stucco, fiber cement siding and stone veneers selected as the exterior finish materials arranged in such a way as to provide a sleek, modern appearance.

The approximate gross building areas are noted below based on progress drawings and will be refined as we proceed through the plan check and design stages.

Total square footage:	194,062 (100%)
Unit square footage:	131,712 (68%)
Covered patios:	13,802 (7%)
Common area:	9,284 (5%)
Incidental use:	7,456 (4%)
Corridor & circulation:	31,808 (16%)

Amenities

Below is a summary of the some of the proposed building amenities that cater to a diverse range of household composition but that are primarily focused on an elderly housing population.

Recreation Amenities and Areas

- Multipurpose Center: Large open area including a warming kitchen and refrigerator for resident gatherings and events organized by the social services staff
- Educational Facilities: Classrooms for workshops, seminars, and educational programs and a computer lab for technology access and training
- Management and Support Services: On-site manager office for resident assistance and space designated for resident supportive services
- Recreational Areas: Recreation room for games and other activities that cater to a wide range of household composition
- Common Laundry: Washer and dryers on every floor with a small folding counter, sink and lockers. Lounges and restrooms located adjacent to laundry rooms for convenience
- Outdoor Lounge Area: Outdoor areas with cooling features including areas for barbecue and outdoor gatherings and community events. Other outdoor recreational uses will be provided to encourage social interaction and physical activity

Unit Amenities

- Spacious Living Areas: Open floor plans that are easy to navigate with exterior balconies.
- Energy Efficient Features: LED Lighting, Energy Star-rated appliances and energy efficient windows
- Accessible Features in select units: Roll-in showers or accessible shower stalls with grab bars, raised toilet seats for added convenience. Kitchens with hard surface countertops and easy-to-reach storage that includes lowered shelving and pull-out or pull-down shelving in cabinets. Some units will also include visual and auditory alerts for hearing impaired residents.
- Flooring Materials: Slip-resistant flooring materials in bathrooms and other high-moisture areas.
- Common corridors are designed to accommodate wheelchairs and provide easy movement.
- Paddle-Style Light Switches allow easy operation, suitable for individuals with limited hand dexterity or mobility challenges.

Below is a narrative of the some of the neighborhood amenities that will serve the resident population of the proposed development. Some of these amenities are noted in the Bond Application workbook as being specific to a senior building due to the fact that we will have an elderly leasing preference. Notwithstanding, these neighborhood amenities are vital to any resident population of an Affordable Housing development to ensure that goods, services and public transportation are easily accessible.

Site Amenities – ¼ Mile

There are four (4) site amenities that are located within a ¼ mile radius of the proposed project site boundary: A local Bus Stop with regular and frequent service, a Park, two Houses of Worship, and an Employment Center for Households that are seniors but are still employed.

The proposed project is served by the 113 bus line, whose nearest bus stop is a 6-minute walk Away. The 113 route connects residents to the Bonneville Transit Center in downtown Las Vegas.

The 113 bus route also connects residents to the North Las Vegas Library, pharmacies, Smith's grocery, La Bonita supermarket, and local eateries such as Mariscos La Islita and Birreria No Te Rajes Jalisco.

Tonopah Park is located across the street from the proposed project site and the City of North Las Vegas's Neighborhood Recreation Center is just 0.8 miles from the proposed project. The Center includes a state-of-the-art fitness facility and weight room open to all adults, adult fitness classes, and activities for children. The Center also provides extensive programming specifically for seniors, including a neighborhood café serving hot lunches Monday-Friday, monthly senior field trips, senior karaoke and loteria/bingo, and weekly craft classes. Special events for seniors, like a social senior Halloween bash, a senior baking competition, and a Thanksgiving senior luncheon are also highlights of the Center's programming.

The two houses of worship are the Vegas View Church and the Tabernacle of Faith which are both within a ¼ mile radius from the proposed project site and the Amazon Distribution Center is located across the street from the proposed project site.

Site Amenities – 1 mile

The proposed project is conveniently located nears shopping, public transit, schools (for senior residents with school-age children) and supportive services that are located more than a ¼ mile from the proposed project site but still accessible by vehicle or bus.

North Vista Hospital, which has Emergency Room facilities, is located within a mile radius from the site.

Food-4-Less Pharmacy is within a mile radius of the proposed project site. Clark County Library and North Las Vegas Library are both within a mile radius of the proposed project site. Two supermarkets are within a mile radius of the proposed project site. Other amenities include the U.S. Postal Service, Ross Dress for Less and Dutch Bros Coffee are within the project vicinity and Maya Cinemas, a premium theater that caters to families and Spanish-speaking audiences, opened 1 mile away in 2019.

Supportive Services

The proposed development will include an extensive supportive service program. The services team utilizes local and national resources and will provide onsite information about services, make appropriate referrals, and conduct public education and outreach throughout our communities. As noted above, we anticipate a housing population to be primarily elderly households. As such, the social service programming will be geared toward this demographic and can be modified as appropriate over time to ensure the needs of all residents are met.

The SNRHA Senior Services Program assists the senior residents of the SNRHA by conducting regular senior needs surveys, providing nutritional meals, providing transportation to doctor's appointments, hosting an annual seniors luncheon, assisting residents with completing social services applications, providing meals at Thanksgiving, etc.

All services will be offered free of charge to the residents. SNRHA holds contracts or Memoranda of Understanding (MOUs) with many community partners to provide services to public housing residents. The Authority has a Supportive Service Department to provide information and referrals, lead workshops, and assist families with meeting their economic self-sufficiency goals.

Community Benefits

The proposed Development is located in the City of North Las Vegas. The City has committed to supporting the proposed Development with an expedited schedule for processing and reviewing land use entitlements, plan review and permitting across all City Departments.

Once complete, the proposed Development will help the City address the on-going demand for affordable housing both in the City and in the region. This added housing will help address the needs of residents in Clark County that are most vulnerable and at-risk of homelessness.

The proposed Development will also be part of a larger redevelopment effort by the Southern Nevada Regional Housing Authority. The Housing Authority envisions this site as part of a larger gateway into the City of North Las Vegas that could include community-serving office and commercial space on additional parcels currently owned by the Housing Authority. The proposed development includes additional parking that could potentially be utilized as a shared use if the demand for parking by the building's resident population is lower than what is provided.

Attachments:

- Architectural Drawings and Renderings (preliminary)

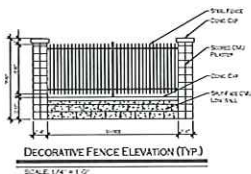
	1ST FLOOR		2ND FLOOR		3RD FLOOR		4TH FLOOR	
UNIT TYPE	QTY	AREA	QTY	AREA	QTY	AREA	QTY	AREA
1 BEDROOM	28	64 S.F.	30	64 S.F.	37	61 S.F.	37	64 S.F.
1 BEDROOM-CORNER	12	61 S.F.	12	61 S.F.	12	61 S.F.	12	61 S.F.
2 BEDROOM	4	69 S.F.	4	69 S.F.	4	69 S.F.		
TOTAL	44	2,902 S.F.	46	2,962 S.F.	53	3,385 S.F.	49	3,130 S.F.

GROUP FLOOR UNITS 44	AREA REQUIRED 80 SF TOTAL AREA REQUIRED 1,520 SF
UPPER FLOOR UNITS 148	AREA REQUIRED 42 SF TOTAL AREA REQUIRED 1,532 SF
TOTAL BALCONIES PROVIDED (1 PER UNIT) 192	
TOTAL BALCONY AREA PROVIDED	9,440 SF.
AVERAGE BALCONY AREA REQUIRED	49 SF.

PER TABLE 17.24.020.2 200 S.F. OF OPEN SPACE IS REQUIRED PER DWELLING UNIT FOR A TOTAL OF 39,400 S.F.

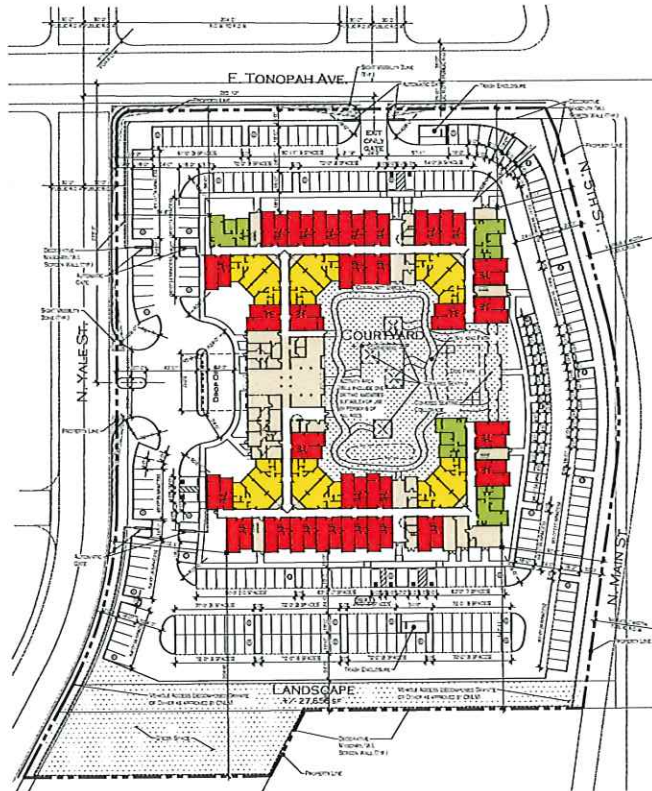
OPEN SPACE PROVIDED	
RECREATIONAL COURTYARD	24,260 S.F.
ECOLOGICAL LANDSCAPE	27,656 S.F.
INDOOR RECREATIONAL SPACES	
LOBBY LOUNGE & MULTIPURPOSE	2,541 S.F.
SALON & LOUNGE	981 S.F.
ARTS & CRAFTS	997 S.F.
COMPUTER ROOM	
FITNESS CENTER	730 S.F.
LIBRARY	384 S.F.
LAUNDRY LOUNGES	244 S.F. x 2
	2,752 S.F.
TOTAL INDOOR RECREATIONAL SPACES	8,365 S.F.
TOTAL OPEN SPACE PROVIDED	60,501 S.F.

IT SHOULD BE NOTED, IN ADDITION TO THE RECREATIONAL OPEN SPACE PROVIDED AND NUMEROUS AREAS FOR COMMUNITY GATHERING, THE FACILITY IS ALSO BEING PROVIDED A SOCIAL CASE WORKER'S OFFICE AND A SMALL DOCTOR'S OFFICE FOR THE CONVENIENCE OF THE RESIDENTS. ADDITIONALLY, THE SETBACK ON THE EAST SIDE OF THE PROPERTY (ALONG N. 5TH STREET/ALAN AVE) WILL BE TREATED WITH ENHANCED LANDSCAPING.



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This Plan/Specification is made by the Government of the State of Illinois. The Government warrants the Right to make
free modifications without charge, if such modifications are deemed to be in the public interest and subject to the

McCORMACK
BARON
SALAZAR



ZONING:
CURRENT: R-A/R-2 PROPOSED: PUD/PID
PROPOSED: RESIDENTIAL - INDEPENDENT SENIOR LIVING
APN:

(E) PARCEL NO. (1) 139-22-810-041 3.86 ACRES
 (E) PARCEL NO. (2) 139-22-810-042 1.95 ACRES
 PROPOSED PARCEL: (APPROXIMATE TO BE VERIFIED)
 APPLICANT REQUESTS TO COMBINE PARCEL 139-22-810-042 WITH PARCEL 139-22-810-041 TO BE A NEWLY

GROSS AREA 253,083 SF 5.81 ACRES
DENSITY: $192 / 5.81 = 33.05 \text{ U/GA}$

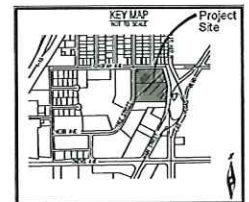
UNIT TYPE	# UNITS	%MX
1 BED 1 BATH	160	94%
2 BED 2 BATH	12	6%
TOTAL UNITS	192	100%

PARKING REQUIREMENTS			
BASIC PARKING REQUIRED:		RA ZONE	
1 BED	180'x150'	270	'075+ 203
2 BED	12'x200'	24	'075+ 18
GUEST	192'x25'	48	'075+ 38
TOTAL REQUIRED:		342	257

TRAINING REQUIREMENTS

H/C PARKING REQUIRED:	257 P.S. *	7
H/C PARKING PROVIDED:	"	8

Parcel #	2 Bedroom		1 Bedroom		Total
	Type A	Type B	Type A	Type B	
Bldg 1	1	11	3	177	192
	12		180		192
% Units	6%		84%		100%



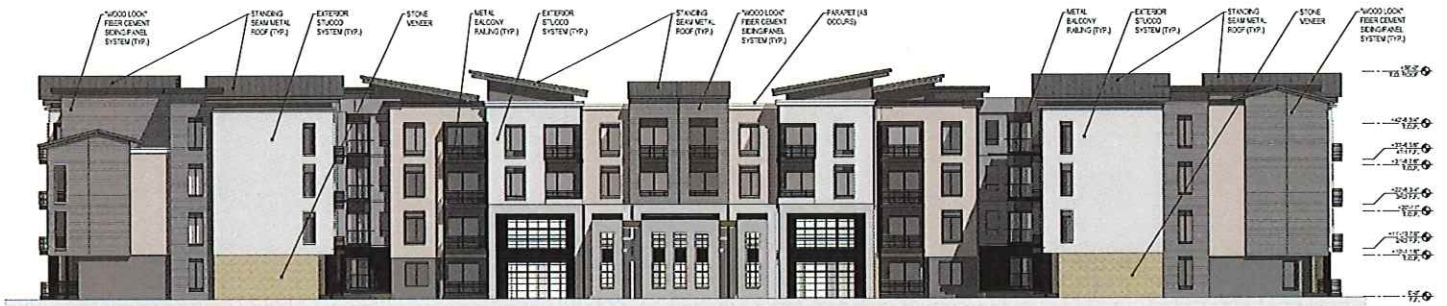
SCALE 1" = 50'-0"

PROJECT No: 923066.1 DECEMBER 11TH, 2023



Perlman
ARCHITECTS

OLD ROSE GARDEN
NORTH LAS VEGAS, NEVADA



WEST ELEVATION
(FACING YALE ST.)

SCALE: 3/32" = 1'-0"



SOUTH ELEVATION

SCALE: 3/32" = 1'-0"



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MCCORMACK
BARON
SALAZAR

OLD ROSE GARDEN

NORTH LAS VEGAS, NEVADA

PROJECT NO.: 923066.1 DECEMBER 11TH, 2023





EAST ELEVATION
(FACING 5TH ST./MAIN ST.)

SCALE: 3/32" = 1'-0"



NORTH ELEVATION
(FACING TONOPAH AVE.)

SCALE: 3/32" = 1'-0"



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MCCORMACK
BARON
SALAZAR

OLD ROSE GARDEN

NORTH LAS VEGAS, NEVADA

PROJECT NO: 923066.1 DECEMBER 11TH 2023





PROJECT NO.: 923066.1 DECEMBER 11TH, 2023



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

Development: Old Rose Gardens
Development Type: New Construction
BoF Meeting Date: 6.6.2024

Administrator's Summary

This bond issuance of \$45.0 million will be used to provide for the new construction of 192 units of affordable family and senior apartments in North Las Vegas. The rental housing will serve 192 households at or below 60% of area median income (AMI) with 118 units specifically designated for households below 50% AMI. 120 of the units will receive rental assistance via vouchers (60 Faircloth -to-RAD Project-Based voucher units and 60 Section 8 Project-Based Voucher units).

- 192 Family Units
- New construction
- 100% Affordable Rents
- 74 units <60% AMI, 38 units <50% AMI, 80 units <30% AMI
- 1 bedroom units = 180, 2 bedroom units = 12
- 1 bedroom rents \$467 less than market rate
- 2 bedroom rents \$476 less than market rate
- Cost per unit = \$445,379
- Cost per bond cap allocation = \$214,876
- Developer –McCormack Baron Salazar and Affordable Housing Program Inc.
- Equity Investor – Hudson
- Loan – Freddie Mac
- \$45.0M in Bond Proceeds trips \$35.4M in LIHTC Equity (41.4% of total development cost)

	Old Rose Gardens	Program Average	Notes
Total Tax-exempt Bond ask	\$ 45,000,000	\$ 35,173,500	Average of last 10 New Construction projects previously approved
Total Development Cost	\$ 85,512,828	\$ 65,319,342	Average of last 10 New Construction projects previously approved
Size of site	5.75 Acres	5.30 Acres	
Total # of Units	192	197	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 445,379	\$ 334,196	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 214,876	\$ 179,328	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	38.50%	83.0%	74 Units in this project
Percentage of Units at 50% AMI	20.00%	14.0%	38 units in this project
Percentage of Units at 40% AMI	0.00%	1.0%	0 units in this project
Percentage of Units at 30% AMI	41.50%	2.0%	80 units in this project
Veteran's Preference	Yes	Yes	

	Old Rose Gardens	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 813	\$ 1,280	Rent.com Updated 4/3/2024
Average 2 Bedroom Rent	\$ 964	\$ 1,440	Rent.com Updated 4/3/2024
Average 3 Bedroom Rent	n/a	\$ 2,200	Renthop.com Apr 2024
Average Vacancy Rate	n/a	9.60%	Avison Young Q4 2023

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

DATE: May 17, 2024

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 (Hawk View Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Thursday, June 6, 2024, 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 (Hawk View Apartments).

C. The Findings relate to the issuance of up to \$41,850,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for the acquisition, demolition and rehabilitation of a 100-unit family apartment complex and rebuilding the complex into 199 units of new construction located at 1548 Steelwood Lane, Reno, Nevada (the “Project”).

D. The Housing Division will issue up to \$41,850,000 of multi-unit housing revenue bonds which will be a direct placement with Citibank. The borrower entity will be Hawk View LLC, a limited liability company consisting of Hawk View Manager LLC as a 0.01% Managing Member entity and Hudson Housing Capital (Hudson) as 99.99% Investor member. The Managing Member entity will be co-owned by the Housing Authority of the City of Reno and Brinshore Development LLC. Hudson will provide an equity investment of approximately \$32,794,580 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 (Hawk View 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
Hawk View 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:

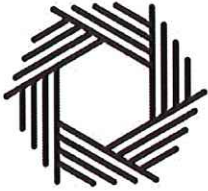
1. There exists a shortage of decent, safe and sanitary family housing at rental rates that eligible families can afford within the Reno, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate 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**
Steve Aichroth
Administrator
Nevada Housing Division

Digitally signed by: Steve Aichroth
DN: CN = Steve Aichroth email = saichroth@housing.
nev.gov C = AD O = Housing Division OU = Administrator
Date: 2024.05.16 09:39:36 -07'00'

DATE: _____



May 13, 2024

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

Re: Hawk View

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 Hawk View project ("Project"). The Division is requesting authorization for issuance of a tax-exempt multi-unit housing revenue bond in an amount up to \$41,850,000 to fund acquisition and rehabilitation of this family rental community 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 and Division staff.

The proposed financing is proposed as a direct placement 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 is endorsed by the City of Reno. A tax-exempt financing by the Division of this Project is necessary for compliance with Federal tax rules to qualify the Project for 4% Low Income Housing Tax Credits. Equity proceeds from the sale of these credits are critical to successful completion of the funding strategy at the proposed restricted income levels

In our opinion, the Project and the proposed financing meet the requirements of NRS 319.260 and NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. 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

Maggie Marshall, *Senior Managing Consultant*

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 acquisition, demolition, and substantial rehabilitation of an existing 100-unit public housing development into a 199-unit development located in East Reno. The property consists of one-bedroom, two-bedroom, and three-bedroom units across seven residential buildings and a community building on a site of approximately 6.5 acres. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

The property is currently owned by the Housing Authority of the City of Reno ("RHA") and operated as public housing. RHA plans to demolish and dispose of the public housing development using HUD's Section 18 Demolition/Disposition authority. 99 of the 199 new units will receive project-based Section 8 rental assistance via Tenant Protection Vouchers. Residents in these subsidized units will pay 30% of their adjusted gross income towards rent.

A summary of the unit mix and rent restrictions are provided in Table A.

Table A: Project Unit & Rent Profile

Unit Mix	AMI Restriction	Number Units	Unit Size (SF)	Allowable Monthly Rent ¹	Less Utility Allowance ²	Net Allowable Monthly Rent	Tenant Share Monthly Rent ³	Net Monthly Revenue per Unit ⁴	Total Monthly Revenue	Total Annual Revenue
1 Bedroom	20%	5	650	\$379	\$77	\$302	Varies	\$1,306	\$6,530	\$78,360
1 Bedroom	30%	5	650	\$569	\$77	\$492	Varies	\$1,306	\$6,530	\$78,360
1 Bedroom	50%	8	650	\$949	\$77	\$872	Varies	\$1,306	\$10,448	\$125,376
2 Bedrooms	20%	15	850	\$455	\$99	\$356	Varies	\$1,641	\$24,615	\$295,380
2 Bedrooms	30%	27	850	\$683	\$99	\$584	Varies	\$1,641	\$44,307	\$531,684
2 Bedrooms	50%	27	850	\$1,138	\$99	\$1,039	Varies	\$1,641	\$44,307	\$531,684
3 Bedrooms	20%	5	1,150	\$526	\$121	\$405	Varies	\$2,331	\$11,655	\$139,860
3 Bedrooms	30%	5	1,150	\$789	\$121	\$668	Varies	\$2,331	\$11,655	\$139,860
3 Bedrooms	50%	2	1,150	\$1,315	\$121	\$1,194	Varies	\$2,331	\$4,662	\$55,944
1 Bedroom	50%	2	650	\$949	\$77	\$872	\$805	\$805	\$1,609	\$19,310
1 Bedroom	60%	26	650	\$1,139	\$77	\$1,062	\$980	\$980	\$25,489	\$305,869
1 Bedroom	80%	26	650	\$1,519	\$77	\$1,442	\$1,334	\$1,334	\$34,683	\$416,202
2 Bedrooms	50%	4	850	\$1,138	\$99	\$1,039	\$958	\$958	\$3,833	\$46,001
2 Bedrooms	60%	15	850	\$1,366	\$99	\$1,267	\$1,170	\$1,170	\$17,553	\$210,636
2 Bedrooms	80%	14	850	\$1,822	\$99	\$1,723	\$1,594	\$1,594	\$22,316	\$267,792
3 Bedrooms	50%	1	1,150	\$1,315	\$121	\$1,194	\$1,101	\$1,101	\$1,101	\$13,208
3 Bedrooms	60%	8	1,150	\$1,578	\$121	\$1,457	\$1,345	\$1,345	\$10,759	\$129,108
3 Bedrooms	80%	4	1,150	\$2,105	\$121	\$1,984	\$1,834	\$1,834	\$7,336	\$88,032
Total Units		199							\$289,389	\$3,472,667

Ancillary Income \$47,760

¹ 2024 Income Limits (Reno-Sparks, NV MSA)

² Based on Reno Housing Authority Voucher Utility Allowances; Tenants will pay heat/electric/cooking

³ Amount paid by tenants in voucher units is based on the tenant's income; LIHTC units are set at 95% of the Net Allowable Monthly Rent

⁴ For voucher units, this is the contract rent (tenant share plus subsidy)

Project Developers

Housing Authority of the City of Reno
1525 E. 9th St.
Reno, NV 89512

Brinshore Development, LLC
1603 Orrington Ave, Suite 450
Evanston, IL 60201

Founded in 1943, the Reno Housing Authority (RHA) is a public housing authority that owns and manages 764 units of Public Housing in eight different locations in the Cities of Reno and Sparks under Public Housing programs. RHA also owns 165 rental properties targeted for low-income households utilizing Neighborhood Stabilization Programs. Through its services, RHA aims to provide fair, sustainable, quality housing in diverse neighborhoods throughout Reno, Sparks, and Washoe County that offers a stable foundation for low-income families to pursue economic opportunities to become self-sufficient and improve their quality of life.

Founded in 1994, Brinshore Development, L.L.C. is a private firm specializing in the development of affordable and mixed-income housing. To date, Brinshore has completed more than 120 projects nationwide, comprised of over 10,000 apartments and homes. Brinshore's projects include rehabilitation, adaptive reuse, new construction, and historic renovation. Brinshore has experience in affordable and market rate residential family and senior rentals, and expertise in developing permanent supportive housing and affordable artist housing. Brinshore's developments are located in 18 states and the District of Columbia.

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

Borrower Entity

The borrower entity will be Hawk View, LLC, a limited liability company consisting of Hawk View Manager LLC as a 0.01% Managing Member entity and Hudson Housing Capital ("Hudson") as 99.99% Investor Member. The Managing Member entity will be co-owned by the Housing Authority of the City of Reno and Brinshore Development LLC. Hudson will provide an equity investment of approximately \$32,794,580 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 by Hudson are expected to occur as follows (subject to adjustment):

- 1st Installment: \$4,919,187 at Closing (September 2024)
- 2nd Installment: \$18,037,019 at 100% Completion (September 2026)
- 3rd Installment: \$9,182,482 at Conversion (November 2027)
- 4th Installment: \$655,892 at Delivery of IRS Form 8609 (January 2028)

Property Management

The Housing Authority of the City of Reno will serve as the property manager for this property. RHA has 80 years of experience in Public Housing property management and 26 years of successfully managing tax credit and layered funding properties. Currently, RHA manages 758 Public Housing units, 185 non-federally subsidized affordable units, 29 HOME units, 11 LIHTC units, and 74 LIHTC units.

Plan of Finance:

Permanent Project financing will be accomplished using debt provided by a direct placement with Citibank. The construction phase loan will consist of tax-exempt debt in an amount not to exceed \$41,850,000 to be issued by the Division, plus a taxable loan in an amount not to exceed \$7,071,262 which will not be issued by the Division. The tax-exempt loan is expected to be reduced to approximately \$25,100,000 following completion of construction and permanent loan conversion. Greater detail regarding the Citibank debt financing is provided in the Bond/Loan Term section.

Reserves:

Following conversion, the Borrower will be required to fund deposits to a replacement reserve initially set at \$325/unit/year. This amount will increase annually by 3%.

The Borrower will also be required to fund an Operating Reserve initially set at approximately \$632,562.

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 Tax-Exempt Bond Proceeds	\$41,850,000	\$25,100,000	
Taxable Construction Loan	\$7,071,262	-	
LIHTC Equity	\$4,919,187	\$32,794,580	
HMNI Funds	\$11,000,000	\$11,000,000	
NHD GAHP Loan	\$3,000,000	\$3,000,000	
Seller's Note	\$2,325,000	\$2,325,000	
Washoe County HOME Loan	\$1,000,000	\$1,000,000	
RHA Capital Funds/Reserves	\$1,844,282	\$1,844,282	
45L Credits	-	\$450,000	
Deferred Developer Fee	-	\$5,448,952	
	\$73,009,731	\$82,962,814	

Uses of Funds			\$/Unit
Land Cost	\$2,325,000	\$2,325,000	\$11,683
Construction Hard Costs	\$51,264,763	\$51,264,763	\$257,612
Soft Costs	\$10,751,146	\$11,267,796	\$56,622
Construction Period Interest	\$2,879,036	\$2,879,036	\$14,468
Contingencies	\$2,835,854	\$2,835,854	\$14,251
Operating Reserves	-	\$632,652	\$3,179
Other Reserves	-	\$937,714	\$4,712
Developer Fee	\$2,953,933	\$10,820,000	\$54,372
	\$73,009,731	\$82,962,814	\$416,899

Bond/Loan Terms:

Lender: Citibank, N.A.

Bond Structure:

Construction Phase

- Estimated at \$41,850,000
- Interest Rate estimated at 7.62% (including Division/Trustee fees) as of 4/26/2024.
- Term – 38 months from initial loan closing date, plus two 6-month extensions

Permanent Phase:

- Estimated at \$25,100,000
- Not to exceed 90% loan to value based on final appraisal
- Interest rate estimated at 6.72% (including Division/Trustee fees) as of 4/26/2024
- Amortization factor: 40 years
- Maturity – 15 years from the Conversion Date
- Debt Service Coverage – Minimum of 1.15 to 1.00

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

Nevada Housing Division
Multifamily Housing Revenue Bonds
Hawk View
Series 2024

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
INCOME										
Annual Gross Rental Income	\$ 3,685,222	\$ 3,758,926	\$ 3,834,105	\$ 3,910,787	\$ 3,969,003	\$ 4,068,783	\$ 4,150,159	\$ 4,233,162	\$ 4,317,825	\$ 4,404,181
Other Ancillary Revenue	\$ 50,683	\$ 51,697	\$ 52,731	\$ 53,766	\$ 54,861	\$ 55,958	\$ 57,078	\$ 58,219	\$ 59,384	\$ 60,571
Total Residential Income	\$ 3,735,905	\$ 3,810,623	\$ 3,886,836	\$ 3,964,553	\$ 4,043,864	\$ 4,124,741	\$ 4,207,236	\$ 4,291,381	\$ 4,377,209	\$ 4,464,753
Less: Residential Vacancy/Discounts	\$ (186,795)	\$ (190,531)	\$ (194,342)	\$ (198,229)	\$ (202,193)	\$ (206,237)	\$ (210,362)	\$ (214,569)	\$ (218,660)	\$ (223,238)
Proforma Gross Income	\$ 3,549,110	\$ 3,620,092	\$ 3,692,494	\$ 3,766,324	\$ 3,841,671	\$ 3,918,504	\$ 3,996,874	\$ 4,076,812	\$ 4,158,548	\$ 4,241,515
EXPENSES										
General Administrative	\$ 49,461	\$ 50,944	\$ 52,473	\$ 54,047	\$ 55,668	\$ 57,338	\$ 59,059	\$ 60,830	\$ 62,655	\$ 64,535
Operating & Maintenance	\$ 219,143	\$ 225,717	\$ 232,489	\$ 239,463	\$ 246,647	\$ 254,047	\$ 261,668	\$ 269,518	\$ 277,604	\$ 285,932
Utilities	\$ 163,770	\$ 168,683	\$ 173,744	\$ 178,956	\$ 184,325	\$ 189,854	\$ 195,550	\$ 201,416	\$ 207,459	\$ 213,683
Staff Payroll & Benefits	\$ 410,848	\$ 423,174	\$ 435,669	\$ 448,945	\$ 462,414	\$ 476,286	\$ 490,575	\$ 505,292	\$ 520,451	\$ 536,064
Taxes & Insurance	\$ 113,348	\$ 116,749	\$ 120,251	\$ 123,859	\$ 127,575	\$ 131,402	\$ 135,344	\$ 139,404	\$ 143,586	\$ 147,894
Property Management	\$ 202,333	\$ 208,403	\$ 214,655	\$ 221,095	\$ 227,728	\$ 234,560	\$ 241,596	\$ 248,844	\$ 256,310	\$ 263,999
Replacement Reserves	\$ 66,615	\$ 68,614	\$ 70,672	\$ 72,792	\$ 74,976	\$ 77,225	\$ 79,542	\$ 81,928	\$ 84,366	\$ 86,918
Proforma Operating Expenses	\$ 1,225,519	\$ 1,262,284	\$ 1,300,153	\$ 1,339,157	\$ 1,379,332	\$ 1,420,712	\$ 1,463,333	\$ 1,507,233	\$ 1,552,450	\$ 1,599,024
Effective Net Operating Income	\$ 2,323,591	\$ 2,357,808	\$ 2,392,341	\$ 2,427,167	\$ 2,462,339	\$ 2,497,792	\$ 2,533,541	\$ 2,569,578	\$ 2,605,898	\$ 2,642,491
Senior Debt Service	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813
Debt Service Coverage	126%	130%	132%	134%	136%	138%	140%	142%	144%	146%
Residual Receipts	\$ 512,779	\$ 546,995	\$ 581,529	\$ 616,374	\$ 651,526	\$ 686,979	\$ 722,728	\$ 758,766	\$ 795,085	\$ 831,678
LP Asset Mgt Fee	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	\$ 7,164	\$ 7,379	\$ 7,601	\$ 7,829
DDF Payments	\$ 506,779	\$ 540,815	\$ 575,163	\$ 609,817	\$ 644,773	\$ 680,024	\$ 715,582	\$ 751,449	\$ 787,626	\$ 824,113
DDF Balance	\$ 3,110,417	\$ 2,569,602	\$ 1,994,439	\$ 1,384,621	\$ 739,848	\$ 59,824	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,740	\$ 751,386	\$ 787,484	\$ 823,850
Partnership Surplus Allocation	25%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,935	\$ 187,847	\$ 196,871	\$ 205,962
NHD Surplus Allocation	75%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,805	\$ 563,540	\$ 590,613	\$ 617,887
GAHP Loan Interest	3.00%	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 81,749	\$ 66,483
GAHP Loan Principal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,805	\$ 563,540	\$ 590,613
GAHP Loan Balance	\$ 3,150,300	\$ 3,240,300	\$ 3,330,300	\$ 3,420,300	\$ 3,510,300	\$ 3,600,300	\$ 3,198,495	\$ 2,724,956	\$ 2,216,091	\$ 1,664,666
HMNI Loan Interest	1.00%	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
HMNI Loan Principal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HMNI Loan Balance	\$ 11,330,000	\$ 11,440,000	\$ 11,550,000	\$ 11,660,000	\$ 11,770,000	\$ 11,880,000	\$ 11,990,000	\$ 12,100,000	\$ 12,210,000	\$ 12,320,000

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	6.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee:	\$5,448,952
GAHP Loan	\$3,000,000
HMNI Loan	\$11,000,000

Permanent Loan Amount	\$25,100,000
Loan Term	40
Core Loan Rate	6.42%
NHD & Trustee Factor	0.30%
Total Loan Rate	6.72%
Annual Debt Service	\$1,810,813

Nevada Housing Division
Multifamily Housing Revenue Bonds
Hawk View
Series 2024

	2037	2038	2039	2040	2041	2042	2043	2044	2045
INCOME									
Annual Gross Rental Income	\$ 4,492,265	\$ 4,582,110	\$ 4,673,753	\$ 4,767,228	\$ 4,862,572	\$ 4,959,824	\$ 5,059,020	\$ 5,160,201	\$ 5,263,405
Other, Ancillary Revenue	\$ 61,783	\$ 63,018	\$ 64,279	\$ 65,564	\$ 66,876	\$ 68,213	\$ 69,577	\$ 70,969	\$ 72,388
Total Residential Income	\$ 4,554,048	\$ 4,645,129	\$ 4,738,031	\$ 4,832,792	\$ 4,929,448	\$ 5,028,037	\$ 5,128,597	\$ 5,231,169	\$ 5,335,793
Less: Residential Vacancy/Discounts	\$ (227,702)	\$ (232,256)	\$ (236,902)	\$ (241,640)	\$ (246,472)	\$ (251,402)	\$ (256,430)	\$ (261,558)	\$ (266,760)
Proforma Gross Income	\$ 4,326,345	\$ 4,412,872	\$ 4,501,130	\$ 4,591,152	\$ 4,682,975	\$ 4,776,635	\$ 4,872,168	\$ 4,969,611	\$ 5,069,003
EXPENSES									
General Administrative	\$ 66,471	\$ 68,465	\$ 70,519	\$ 72,635	\$ 74,814	\$ 77,058	\$ 79,370	\$ 81,751	\$ 84,203
Operating & Maintenance	\$ 294,510	\$ 303,345	\$ 312,445	\$ 321,819	\$ 331,473	\$ 341,417	\$ 351,660	\$ 362,210	\$ 373,076
Utilities	\$ 220,093	\$ 226,696	\$ 233,497	\$ 240,502	\$ 247,717	\$ 255,148	\$ 262,803	\$ 270,687	\$ 278,607
Staff Payroll & Benefits	\$ 552,146	\$ 568,710	\$ 585,772	\$ 603,345	\$ 621,445	\$ 640,069	\$ 659,291	\$ 679,070	\$ 699,442
Taxes & Insurance	\$ 152,331	\$ 156,901	\$ 161,608	\$ 166,456	\$ 171,450	\$ 176,593	\$ 181,891	\$ 187,348	\$ 192,968
Property Management	\$ 271,919	\$ 280,076	\$ 288,479	\$ 297,133	\$ 306,047	\$ 315,229	\$ 324,685	\$ 334,426	\$ 344,459
Replacement Reserves	\$ 89,525	\$ 92,211	\$ 94,977	\$ 97,827	\$ 100,762	\$ 103,784	\$ 106,898	\$ 110,105	\$ 113,408
Proforma Operating Expenses	\$ 1,646,995	\$ 1,696,405	\$ 1,747,297	\$ 1,799,716	\$ 1,853,707	\$ 1,909,318	\$ 1,966,598	\$ 2,025,596	\$ 2,086,364
Effective Net Operating Income	\$ 2,679,351	\$ 2,716,468	\$ 2,753,833	\$ 2,791,437	\$ 2,829,268	\$ 2,867,317	\$ 2,905,570	\$ 2,944,015	\$ 2,982,640
Senior Debt Service	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813	\$1,810,813
Debt Service Coverage	148%	150%	152%	154%	156%	158%	160%	163%	165%
Residual Receipts	\$ 868,538	\$ 905,655	\$ 943,020	\$ 980,624	\$ 1,018,456	\$ 1,056,504	\$ 1,094,757	\$ 1,133,202	\$ 1,171,827
LP Asset Mgt Fee	\$ 8,063	\$ 8,305	\$ 8,555	\$ 8,811	\$ 9,076	\$ 9,348	\$ 9,628	\$ 9,917	\$ 10,215
DDF Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Cash	\$ 860,474	\$ 897,350	\$ 934,466	\$ 971,813	\$ 1,009,380	\$ 1,047,156	\$ 1,085,129	\$ 1,123,285	\$ 1,161,612
Partnership Surplus Allocation	25%	\$ 215,119	\$ 224,337	\$ 233,616	\$ 242,953	\$ 252,345	\$ 261,789	\$ 271,282	\$ 280,821
NHD Surplus Allocation	75%	\$ 645,356	\$ 673,012	\$ 700,849	\$ 728,660	\$ 757,035	\$ 785,367	\$ 813,847	\$ 842,464
GAHP Loan Interest	3.00%	\$ 49,941	\$ 32,078	\$ 12,850	\$ -	\$ -	\$ -	\$ -	\$ -
GAHP Loan Principal		\$ 645,356	\$ 673,012	\$ 441,187	\$ -	\$ -	\$ -	\$ -	\$ -
GAHP Loan Balance		\$ 1,069,271	\$ 428,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HMNI Loan Interest	1.00%	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 104,491	\$ 97,397	\$ 89,947
HMNI Loan Principal		\$ -	\$ -	\$ 259,662	\$ 728,660	\$ 757,035	\$ 785,367	\$ 813,847	\$ 842,464
HMNI Loan Balance		\$ 12,430,000	\$ 12,540,000	\$ 12,390,338	\$ 11,771,478	\$ 11,124,443	\$ 10,449,076	\$ 9,739,721	\$ 8,213,331

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>
Citibank, N.A.	*To be determined one week prior to closing.	Issuer and trustee fees are not included in the all-in rate.

*The current indicated rate would be 6.42%. The fixed rates on the bonds will be determined one week prior to closing.

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

By 

Title: David Brint, Principal

Firm: Brinshore Development, L.L.C.

Hawk View Apartments Project Description

Hawk View

1548 Steelwood Lane

Reno, Nevada 89512

APN#: 004-292-17; 004-292-18 (6.5 acres)

Project Narrative

Overview

The Hawk View Apartments ("Hawk View") redevelopment project, located in Reno, entails the acquisition, demolition and redevelopment of an existing 100-unit public housing development and the new construction of 199 mixed-income units. The new development, located on the 6.5-acre site, will consist of seven residential buildings and a community building. Originally constructed in 1984, Hawk View is owned and operated by the Housing Authority of the City of Reno ("RHA"). RHA plans to demolish and dispose of the public housing development using HUD's Section 18 Demolition/Disposition authority. The new Hawk View development, financed primarily with Tax Exempt Bonds and 4% LIHTCs, will replace all existing extremely low-income units with Project Based Voucher subsidy and increase the density of the site by adding 99 tax credit units. This enables the RHA to increase its portfolio of affordable housing, and provide housing in a mixed-income setting.

Development Partner

RHA selected Brinshore Development, LLC ("Brinshore") through a competitive procurement to partner with the RHA as the co-developer of Hawk View. Brinshore is a private firm specializing in the development of affordable and mixed income housing and repositioning of Public Housing.

Obsolescence and HUD Demo/Dispo Approval

Many of Hawk View's major systems have reached the end of their useful lives and are considered functionally obsolete by today's design and energy standards. Based on a Physical Needs Assessment, HUD's SAC office has approved a Section 18 application allowing for the RHA to dispose of public housing. This allows the site to be repositioned with new construction financed with private equity and debt, leveraging public sources, including ARPA funds and other secondary sources, and for Tenant Protection Vouchers to be Project Based under a 20-Year HAP contract to keep units deeply affordable.

The goals of the Hawk View redevelopment include:

- Newly constructing 199 mixed income units built to modern standards;
- Preserving deep affordability through the use of project-based vouchers to replace one-for-one the former public housing units;
- Creating common area spaces and amenities, including a community building, to foster community and address resident social service needs; and
- Provide for energy efficiency, life safety systems, and handicap accessibility.

Hawk View Apartments Project Description

Property Description

The 199-unit new construction project built on the site of Hawk View will have seven residential buildings and one community building. The unit mix will include:

<u>Program Mix</u>	<u>#</u>	<u>SF</u>	<u>%</u>
1-bdrm	72	650	36.2 %
2-bdrm	102	850	51.3 %
3-bdrm	25	1,150	12.5 %
Total	199		100%

Income Tiers

The new units will be affordable to households at a variety of income tiers including 25 units at 20% of AMI; 37 units at 30%; 44 units at 50%; 49 units at 60% AMI; and 44 units at 80% of AMI. The development will be maintained as affordable housing for a minimum of 30 years. The development will have a centrally located community building that includes on-site management, and on-site amenities.

99 units will be under a HAP contract Project Basing the Tenant Protection Vouchers approved with the Section 18 application. The residents in subsidized units will pay 30% of their adjusted gross income towards rent, allowing the development to serve a broad income mix from very low-income and disabled seniors to those on SSI/DI. While units are income-restricted at various AMI levels, we anticipate that actual household income for many residents will be significantly below 30% AMI.

Sustainability

Hawk View will be Energy Star Certified. The buildings will include high efficiency all electric heating and cooling ground source heat pump equipment, EnergyStar appliances, low-E thermal pane windows, high R-value wall and attic insulation, and automatic timer thermostat controls. It will promote sustainable building techniques using low- and no-VOC paints and adhesives, and formaldehyde-free particleboard and will promote water conservation with low-flow fixtures and extensive xeriscaping.

Location and Neighborhood

Hawk View Apartments is located in a mix of residential and commercial developments. The property is adjacent to the former Procter R Hugh High School site, which has been relocated to a nearby site. The former high school is currently being repurposed by the Washoe County School District into a technical academy.

There are small shopping centers within walking distance of the site, as well as a grocery store and restaurants. The University Village East Shopping Center is located 0.4 miles north of the project site, it contains an India Bazaar Grocery store, O'Reilly Auto Parts and many restaurants. There is a shopping center located 1.3 miles east of the project site which includes WinCo Foods, Ross Dress for Less, Home Depot, Planet Fitness, Wells Fargo Bank, and many restaurants such as Sakana Sushi, Arby's, Wendy's and Little Caesars Pizza.

The area is served by the Washoe County School District. The schools assigned to Hawk View Apartments are Rita Cannon Elementary School, Fred W Traner Middle School, and

Hawk View Apartments Project Description

Procter R. Hugh High School.

The nearest RTC bus stop is directly south of the property on Wedekind Road and Whitfield Way. Route 5 runs north to south along Wedekind Road to Sun Valley Blvd. The route serves alternative intersection routes serving the Reno area.

Relocation

This project will require relocation for the current residents of Hawk View. Current residents will be relocated off-site for more than 12 months while buildings are demolished and rebuilt resulting in permanent relocation per the Uniform Relocation Assistance and Real Property Act of 1970 (URA). Residents will receive permanent relocation notice and benefits in accordance with the URA. When relocated off-site, HousingToHome ("HTH") will assist each household in identifying comparable replacement dwelling units. Replacement housing will be provided on a non-discriminatory basis in compliance with fair housing and other civil rights laws. One unique comparable replacement unit, along with two other units, will be listed on the 90-Day notice to vacate. All on-site and off-site units will be decent, safe, and sanitary (DSS).

Following relocation, the vacant buildings will be demolished and redeveloped. All residents will receive robust relocation counseling and moving expenses will be paid for by RHA. Additionally, RHA will utilize public housing transfers and tenant-based Housing Choice Vouchers for resident relocation. Finally, once the project is complete, eligible residents who have been relocated off-site, will be offered the opportunity to return to the redeveloped site and lease a unit with a project-based voucher.

Development Team

Sponsor: Housing Authority of the City of Reno, and Brinshore Development, LLC

Developer: Brinshore Development, LLC

Developer Consultant: Praxis Consulting Group, LLC

General Contractor: To Be Procured

Property Management: Housing Authority of the City of Reno

Hawk View Apartments will be owned by Hawk View, LLC, a sole purpose limited liability company. The 0.01% Managing Member of the Owner is Hawk View Manager, LLC, a sole purpose limited liability company. The Reno Housing Authority (RHA) will be the 51% owner and manager of Hawk View Manager, LLC during construction and 100% owner after completion. Brinshore Development, LLC will be a 49% owner of Hawk View Manager, LLC during construction, and act as Developer to the owner LLC. RHA will manage the completed development. The land is owned by RHA and will be leased to the tax credit ownership entity with a 99-year ground lease for \$1/year.

*Hawk View Apartments Project Description***Reno Housing Authority**

Founded in 1943, the Reno Housing Authority (RHA) is a public housing authority that owns and manages 764 units of Public Housing in eight (8) different locations in the Cities of Reno and Sparks under Public Housing programs. RHA also owns 165 rental properties targeted for low-income households utilizing Neighborhood Stabilization Programs. Through the Rental Assistance programs, RHA supports more than 2,500 low-income families throughout Washoe County. RHA administers its Veterans Affairs Supportive Housing (VASH) voucher program, which provides rental assistance and supportive services to eligible veteran households, in partnership with the local Veterans Affairs. Furthermore, through its US Departments of Housing and Urban Development (HUD) Moving to Work (MTW) designation, RHA can propose and test innovative and locally designed housing and self-sufficiency strategies. Through its services, RHA aims to provide fair, sustainable, quality housing in diverse neighborhoods throughout Reno, Sparks, and Washoe County that offers a stable foundation for low-income families to pursue economic opportunities to become self-sufficient and improve their quality of life.

Brinshore Development, LLC

Brinshore Development, LLC is a private firm specializing in the development of affordable and mixed income housing and repositioning of Public Housing. Brinshore is one of the nation's largest and most successful affordable housing development firms, with offices in six states and headquartered in Evanston, IL. To date, Brinshore has completed more than 100 projects nationwide comprised of more than 10,000 apartment units with many more under development. Brinshore's total investment in communities is well over \$2 Billion. Brinshore has built a diverse portfolio, including developments targeted at families with low to moderate incomes, senior communities, and a mix of market rate units. Brinshore has also developed more than 275 for-sale homes as well as more than 80,000 square feet of retail and commercial space. Brinshore asset manages just over 8,000 apartments, with approximately 3,500 more apartments entering its pipeline as we complete construction. Brinshore reviews revenue and expense performance, conducts regular property inspections and reviews all property management policies and procedures. Our asset management staff closely supervise the work of our third-party property managers, who we carefully select from the best in the local market.

Brinshore has extensive experience partnering with Public Housing Authorities and is an expert in all aspects of planning and implementing the redevelopment of public housing and RAD/Section 18 conversions. Since 2001, Brinshore has partnered with housing authorities to redevelop some of the most difficult urban public housing sites in the country into attractive new affordable and mixed-income communities. To date, Brinshore has completed or has under construction more than 2,500 units in partnership with housing authorities and has plans in place to develop thousands more. We have been successful at securing all sources of finance available for public housing redevelopment projects. Over the course of our public housing work, we have developed the expertise to navigate a range of complex issues including, negotiating with HUD, addressing the sometimes-competing needs of public housing residents and other local stakeholders, and creating multi-layered financing structures.

Hawk View Apartments Project Description

Praxis Consulting Group, LLC

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

Property Management

RHA has 80 years of experience in Public Housing property management and 26 years of successfully managing tax credit and layered funding properties. The Asset Management team is responsible for the management and maintenance of all properties and has consistently passed all HUD, LIHTC, and the State of Nevada compliance monitoring requirements. RHA's property managers have extensive experience in LIHTC compliance and are required to obtain Rent Calculation and LIHTC compliance certification and both the property managers and maintenance personnel receive NSPIRE training. The RHA also receives third-party compliance assistance from Kay-Kay Realty Corp.

Project Financing

The projected financing includes tax-exempt bonds, equity from the sale of 4% tax credits, RHA HUD-held reserves, and Home Means Nevada Initiative ("HMNI") funds. The HMNI funds are pass-through American Rescue Plan Act ("ARPA") State and Local Fiscal Recovery Fund monies from the U.S. Treasury that were set aside for affordable housing purposes in Nevada. The monies must be obligated—meaning full financial closing—by December 31, 2024. All of the 99 replacement units will receive project-based Section 8 rental assistance via Tenant Protection Vouchers at the Payment Standard. Additional units may receive project-based rental assistance subject to availability of vouchers and financing need.

Hawk View Apartment is located within Census Tract 17.01, which is a Qualified Census Tract in 2023, qualifying Hawk View for a 130% boost in tax credit eligible basis. The estimated total development cost is \$73.27 million, or \$366,380 per unit.

Estimated Project Schedule

Closing	9/15/2024
Construction Start	9/15/2024
100% Completion	9/1/2026
First Placed-in-Service date	10/1/2025
Final Placed-in Service	10/1/2026
Full Lease Up	2/1/2027
Conversion to Perm Financing	5/1/2027

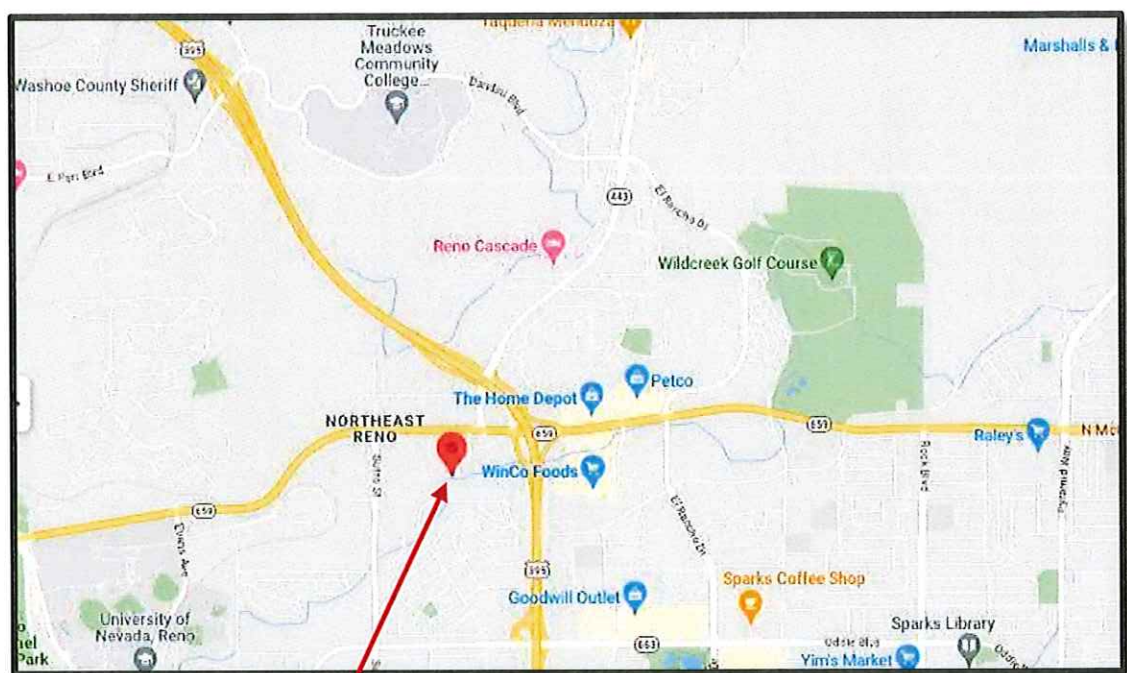
Hawk View Apartments Project Description

Location Map

1548 Steelwood Lane

Reno, Nevada 89512

APN#: 004-292-17; 004-292-18 (6.5 acres)



Project Site

Hawk View Apartments Project Description

Site Plan



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

Development: Hawk View
Development Type: Acq/New Construction
BoF Meeting Date: 6.6.2024

Administrator's Summary

This bond issuance of \$41.85 million will be used to provide for the acquisition and demolition of an existing 100 unit public housing development and ultimately the new construction of 199 units of affordable family apartments in Reno. The rental housing will serve 199 households at or below 80% of area median income. The property is currently owned by the Housing Authority of the City of Reno (RHA) and operated as public housing. RHA plans to demolish and dispose of the public housing development using HUD's Section 18 Demolition/Disposition authority. 99 of the 199 new units will receive project based Section 8 rental assistance via Tenant Protection Vouchers. Residents in these units will pay 30% of their adjusted gross income towards rent.

- 199 Family Units
- New construction
- 100% Affordable Rents
- 44 units <80% AMI, 49 units <60% AMI, 44 units <50% AMI, 37 units <30% AMI, 25 units <20% AMI
- 1 bedroom units = 72, 2 bedroom units = 102, 3 bedroom units = 25
- 1 bedroom rents \$325 less than market rate
- 2 bedroom rents \$802 less than market rate
- 3 bedroom rents \$1306 less than market rate
- Cost per unit = \$416,899
- Cost per bond cap allocation = \$210,302
- Developer –Reno Housing Authority and Brinshore Development
- Equity Investor – Hudson Housing Capital
- Loan – Citibank
- \$41.85M in Bond Proceeds trips \$32.8M in LIHTC Equity (39.5% of total development cost)

	Hawk View	Program Average	Notes
Total Tax-exempt Bond ask	\$ 41,850,000	\$ 35,173,500	Average of last 10 New Construction projects previously approved
Total Development Cost	\$ 82,962,814	\$ 65,319,342	Average of last 10 New Construction projects previously approved
Size of site	6.5 Acres	5.30 Acres	
Total # of Units	199	197	Average of last 10 New Construction projects previously approved
Cost Per Unit	\$ 416,899	\$ 334,196	Average of last 10 New Construction projects previously approved
Bond Cap used Per Unit	\$ 210,302	\$ 179,328	Average of last 10 New Construction projects previously approved
Percentage of Units above 60% AMI	22.00%	n/a	44 units in this project
Percentage of Units at 60% AMI	25.00%	83.0%	49 Units in this project
Percentage of Units at 50% AMI	22.00%	14.0%	44 units in this project
Percentage of Units at 40% AMI	0.00%	1.0%	0 units in this project
Percentage of Units at 30% AMI	31.00%	2.0%	62 units in this project
Veteran's Preference	Yes	Yes	

	Hawk View	Estimated Market Rate	Notes
Average 1 Bedroom Rent	\$ 1,080	\$ 1,405	Rent.com Updated 4/3/2024
Average 2 Bedroom Rent	\$ 945	\$ 1,747	Rent.com Updated 4/3/2024
Average 3 Bedroom Rent	\$ 1,137	\$ 2,443	Zumper.com 4/4/2024
Average Vacancy Rate	n/a	3.09%	Johnson Perkins 4th Quarter 2023 Apartment Survey

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

DATE: May 17, 2024

TO: State Board of Finance

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

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

Steve
Aichroth

Digitally signed by Steve Aichroth
DN: cn = Steve Aichroth, email =
s.aichroth@housing.nv.gov, c = AD,
o = Housing Division, ou =
Administration
Date: 2024.05.18 09:43:14 -0700

A. Time and Place of Meeting:

1:00 p.m., Thursday, June 6, 2024, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed:

The Findings of Fact (“Findings”) of the Administrator of the Housing Division concerning 2024 Single Family Mortgage Revenue Bonds. The Findings relate to the issuance of up to \$225,000,000 in Single Family Mortgage Revenue Bonds in Multiple Series for 2024.

The Housing Division will issue up to \$225,000,000 of Tax-exempt and Taxable Single Family Mortgage Revenue bonds in multiple series through the end of the 2024 calendar year.

C. Background of Agenda Item:

The Housing Division’s financial team and bond counsel will prepare the necessary documents to implement each series issued under this request. Further, the issuances, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

D. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of up to \$225,000,000 in tax-exempt Single Family Mortgage Revenue Bonds in Multiple Series for 2024.

E. Attorney Opinion:

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



State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

**Single Family Mortgage Revenue Bonds
2024 Multiple Series in an Aggregate Amount Not to Exceed \$225,000,000**

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

1. There exists a shortage of decent, safe and sanitary housing at mortgage rates that eligible families can afford within the State of Nevada housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary housing in the State of Nevada housing market areas at prices which families of low and moderate income can afford or to provide sufficient mortgage financing for residential housing for ownership by such persons or families.
3. The proposed Single Family Mortgage Revenue Bond Program and the residential housing thereby financed will increase the supply or improve the quality of decent, safe and sanitary housing for eligible families.
4. The persons to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapters 319 will be for public use and will provide a material public benefit to the State of Nevada.
5. The Housing Division's estimates of revenues to be derived from the Single Family Mortgage Revenue Bond Program Financing, together with all subsidies, grants or

other financial assistance and guarantees issued from other entities to be received in connection with the Single Family Mortgage Revenue Bond Program, together with all bond proceeds and all insurance and guarantees issued from FHA, VA, PMI, Ginnie Mae, Fannie Mae, Freddie Mac, Division bond reserves or from others entities to be received in connection with the mortgage loans, mortgage backed securities, will be sufficient to pay the amount estimated by the Housing Division as necessary for debt service on the bonds issued for the financing of the proposed project.

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

BY: **Steve Aichroth**
Steve Aichroth
Administrator
Nevada Housing Division

Digitally signed by: Steve Aichroth
DN: CN = Steve Aichroth email = saichroth@housing
nvgov C = AD O = Housing Division OU = Administrator
Date: 2024.05.16 09:40:39 -07'00'

DATE: _____



C F X I N C O R P O R A T E D

55 Broadway

Suite 2608

New York, New York 10006

TELEPHONE (212) 431-5800

FAX (212) 431-6520

May 18, 2024

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

Re: Single Family Mortgage Revenue Bonds

Mr. Aichroth

This Memorandum is provided in support of the request by the Nevada Housing Division (the "Division") to the State of Nevada Board of Finance for approval of the Findings of Fact for issuance of up to an additional \$225,000,000 of Nevada Housing Division bonds in multiple series to provide mortgage financing for single family residential housing for qualifying homebuyers (the "Project").

Program Background

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

The most recent issuance of tax-exempt single-family bonds by the Division, 2024 Series C&D, will be issued June 4, 2024. 2024 Series E&F is currently planned for issuance in September 2024. It is anticipated that this issue, and other future issues, will contain both tax-exempt and taxable bonds. This structure strategy is in response to a greater demand for mortgages provided by the Division than can be supported with fully tax-exempt issues, due to the growth of the Division programs and limited tax-exempt bond volume cap. Final sale timing may be adjusted based on the pattern of mortgage loan demand in the coming months. The 2024 Series E&F Bonds will be the 29th and 30th series of bonds secured under the Division's Amended and Restated General Indenture of Trust, dated as of June 1, 2021 (as amended, the "General Indenture").

As of April 1, 2024, the Division had issued \$877,378,911 of bonds pursuant to the General Indenture of which \$541,578,519 remained outstanding.

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



to increase its share of the overall single-family mortgage loan program with the taxable MBS program declining to a minimal level.

Estimated Summary of the Next Financing

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

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

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

Conclusion

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

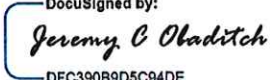
In our opinion, the Project meets the requirements of NRS 319.260 and meets the requirements of NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Actual debt issuance will be subject to receipt of bond rating, final bond documentation and successful bond sale.

cfX Incorporated

cfX is a twenty-three person municipal advisory firm to sixteen different state housing agencies nationwide including some of the largest and the most complex housing finance issuers in the country. Founded in 1991, with company roots that stretch back more than forty years and the advent of the tax-exempt housing bond industry, cfX specializes in the structuring of housing bonds to finance affordable housing and the management of complex single-family and multi-family parity bond portfolios. cfX has been engaged by Division since 2021 and is a registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.

Sincerely,

cfX Incorporated

DocuSigned by:

 DFC390B9D5C94DE...
 Jeremy C. Obaditch
 Managing Director

Enclosures:

Resumes of cfX Managing Directors assisting the Division
 Exhibit A: Bond Term Sheet

**Resumes of cfX Managing Directors assisting the Division:**

Jeremy Obaditch – jeremy.obaditch@cfx.com. Jeremy is a Managing Director with cfX and a registered Municipal Advisor Principal. He has thirty-five years of industry experience and thirty years' experience at cfX. Jeremy is the Client Relationship Manager for the Arizona, Indiana, Iowa, Massachusetts, Mississippi, Nebraska, Nevada, Rhode Island, and the Washington state housing agencies. He is a frequent speaker at HFA conferences. Prior to joining cfX in 1994, Jeremy was an Associate in the Municipal Finance Group at Dean Witter Reynolds and Manager of the Kenny Housing Call Reports for Kenny S&P Information. Jeremy holds an M.B.A. in Finance from New York University and a B.S. in Chemical Engineering and B.A. in Economics from the University of Notre Dame.

Chuck Karimbakas – chuck.karimbakas@cfx.com. Chuck is a Managing Director of cfX and a registered Municipal Advisor. He joined the firm in June 2021 after working for more than two decades in senior municipal finance roles, including Chief Financial Officer of MassHousing, one of the nation's largest state housing finance agencies. In that role he managed more than \$1 billion of annual bond issuance through multiple Single and Multifamily housing bond indentures. He is a frequent speaker at HFA conferences, most recently at NCSHA's education HFA Institute. Chuck holds an M.B.A. from Northeastern University and a B.A. in Economics from the University of Vermont.

**EXHIBIT A**

\$225,000,000*
Nevada Housing Division
Single-Family Mortgage Revenue Bonds Series
2024 E&F

Preliminary Bond Term Sheet

Principal Amount	\$225,000,000*
Dated	As of Closing Date (estimated to be September 10, 2024)
Interest Payable	April 1 and October 1 (commencing April 1, 2025)
Bond Structure	<p><u>Serial Bond Maturities:</u></p> <ul style="list-style-type: none"> • Semiannually 4/1/2025 – 10/1/2036 <p><u>Term Bond Maturities:</u></p> <ul style="list-style-type: none"> • 10/1/2039 • 10/1/2044 • 10/1/2049 • 10/1/2054 <p>Final bond maturities will be allocated at the time of sale between tax-exempt and taxable bonds based on market conditions, availability of bond volume cap and program cashflow factors.</p>
Denominations	\$5,000 and integral multiples thereof, fully registered form.
Redemption	<p><u>Optional Redemption:</u></p> <p>Certain bonds may be subject to optional redemption on any date on or after October 1, 2033 in whole or in part at the option of the Division from any source of available moneys at a redemption price of 100%, plus accrued interest to the date of redemption.</p> <p><u>Special Redemption from Prepayments and Excess Revenues</u></p> <p>Certain bonds may be subject to special redemption on any Business Day at par (100%) plus accrued interest from Prepayments and from Revenues which are not required to make Debt Service Payments under the General Indenture (“Excess Revenues”).</p>



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

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

Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Battle Mountain	3	\$537,889.00	0.33%
Beatty	1	91,315.00	0.11%
Boulder City	1	283,882.00	0.11%
Carlin	1	294,566.00	0.11%
Carson City	11	3,481,651.00	1.21%
Dayton	4	1,344,600.00	0.44%
Elko	9	2,673,422.00	0.99%
Ely	2	333,451.00	0.22%
Fallon	4	1,067,376.00	0.44%
Fernley	11	3,527,956.00	1.21%
Hawthorne	3	457,534.00	0.33%
Henderson	55	17,243,435.00	6.07%
Indian Springs	2	496,802.00	0.22%
Las Vegas	550	163,995,019.00	60.71%
Laughlin	1	139,184.00	0.11%
Lovelock	1	249,287.00	0.11%
McGill	1	169,750.00	0.11%
Mesquite	2	563,367.00	0.22%
Moapa	1	371,387.00	0.11%
Mound House	3	890,863.00	0.33%
Nellis AFB	2	816,360.00	0.22%
North Las Vegas	118	38,284,516.00	13.02%
Pahrump	19	5,098,518.00	2.10%
Reno	49	16,184,397.00	5.41%
Silver Springs	2	491,452.00	0.22%
Sparks	23	7,960,777.00	2.54%
Spring Creek	8	2,257,953.00	0.88%
Stagecoach	1	299,653.00	0.11%
Sun Valley	5	1,763,381.00	0.55%
Tonopah	1	135,893.00	0.11%
Winnemucca	9	2,524,168.00	0.99%
Yerington	3	826,415.00	0.33%
TOTAL	906	\$274,856,219.00	100.00%

**Nevada Housing Division
Demographic Analysis Report**

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

COUNTY SUMMARY

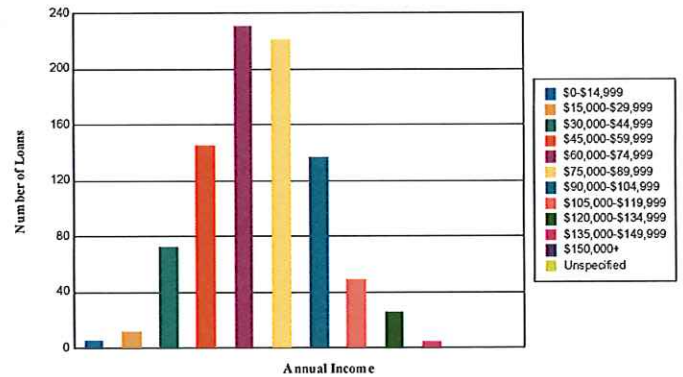
COUNTY	LOANS	AMOUNT	% OF TOTAL
Carson City	10	\$3,157,629.00	1.10%
Churchill	4	1,067,376.00	0.44%
Clark	732	222,193,952.00	80.79%
Douglas	1	324,022.00	0.11%
Elko	18	5,225,941.00	1.99%
Humboldt	9	2,524,168.00	0.99%
Lander	3	537,889.00	0.33%
Lyon	24	7,380,939.00	2.65%
Mineral	3	457,534.00	0.33%
Nye	21	5,325,726.00	2.32%
Pershing	1	249,287.00	0.11%
Washoe	77	25,908,555.00	8.50%
White Pine	3	503,201.00	0.33%
TOTAL	906	\$274,856,219.00	100.00%

Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
\$0-\$14,999	6	0.66%
\$15,000-\$29,999	12	1.32%
\$30,000-\$44,999	73	8.06%
\$45,000-\$59,999	145	16.00%
\$60,000-\$74,999	231	25.50%
\$75,000-\$89,999	221	24.39%
\$90,000-\$104,999	137	15.12%
\$105,000-\$119,999	49	5.41%
\$120,000-\$134,999	26	2.87%
\$135,000-\$149,999	5	0.55%
\$150,000+	1	0.11%
TOTAL	906	100.00%

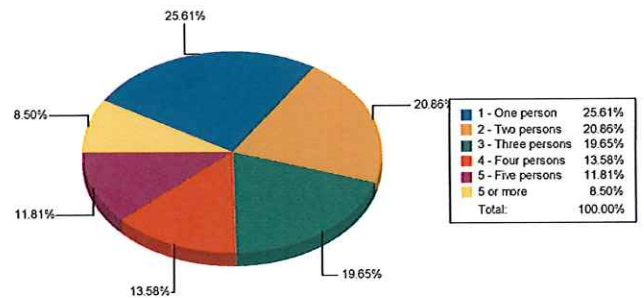


**Nevada Housing Division
Demographic Analysis Report**

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	232	25.61%
2 - Two persons	189	20.86%
3 - Three persons	178	19.65%
4 - Four persons	123	13.58%
5 - Five persons	107	11.81%
6 - Six persons	42	4.64%
7 - Seven persons	26	2.87%
8 - Eight or more persons	9	0.99%
TOTAL	906	100.00%

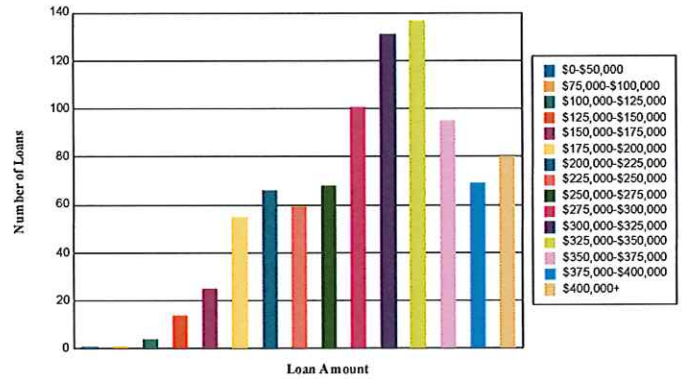


**Nevada Housing Division
Demographic Analysis Report**

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
\$0-\$50,000	1	0.11%
\$75,000-\$100,000	1	0.11%
\$100,000-\$125,000	4	0.44%
\$125,000-\$150,000	14	1.55%
\$150,000-\$175,000	25	2.76%
\$175,000-\$200,000	55	6.07%
\$200,000-\$225,000	66	7.28%
\$225,000-\$250,000	59	6.51%
\$250,000-\$275,000	68	7.51%
\$275,000-\$300,000	101	11.15%
\$300,000-\$325,000	131	14.46%
\$325,000-\$350,000	137	15.12%
\$350,000-\$375,000	95	10.49%
\$375,000-\$400,000	69	7.62%
\$400,000+	80	8.83%
TOTAL	906	100.00%

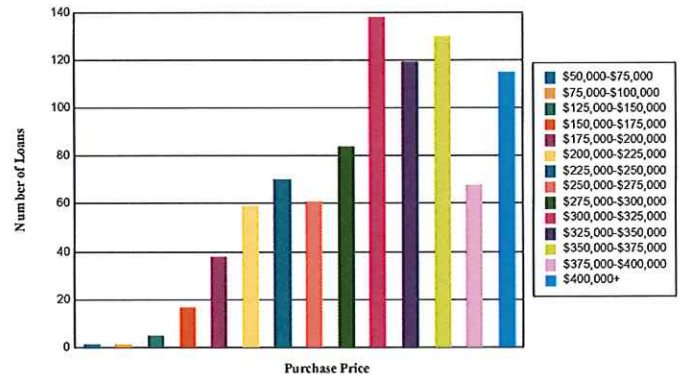


**Nevada Housing Division
Demographic Analysis Report**

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
\$50,000-\$75,000	1	0.11%
\$75,000-\$100,000	1	0.11%
\$125,000-\$150,000	5	0.55%
\$150,000-\$175,000	17	1.88%
\$175,000-\$200,000	38	4.19%
\$200,000-\$225,000	59	6.51%
\$225,000-\$250,000	70	7.73%
\$250,000-\$275,000	61	6.73%
\$275,000-\$300,000	84	9.27%
\$300,000-\$325,000	138	15.23%
\$325,000-\$350,000	119	13.13%
\$350,000-\$375,000	130	14.35%
\$375,000-\$400,000	68	7.51%
\$400,000+	115	12.69%
TOTAL	906	100.00%

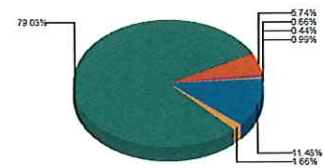


Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FannieMae 80% AMI	104	11.48%
FannieMae OVER 80% AMI	15	1.66%
FHA	716	79.03%
FreddieMac 80% AMI	52	5.74%
FreddieMac OVER 80% AMI	6	0.66%
USDA-RHS	4	0.44%
VA	9	0.99%
TOTAL	906	100.00%



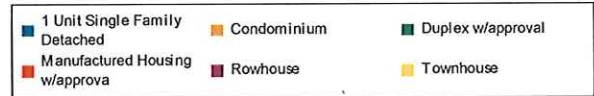
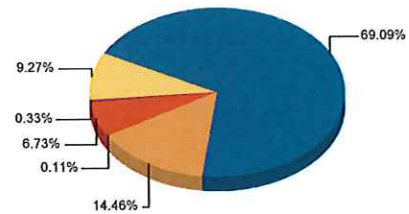
FannieMae 80% AMI	11.48%
FannieMae OVER 80% AMI	1.66%
FHA	79.03%
FreddieMac 80% AMI	5.74%
FreddieMac OVER 80% AMI	0.66%
USDA-RHS	0.44%
VA	0.99%
Total	100.00%

Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	626	69.09%
Condominium	131	14.46%
Duplex w/approval	1	0.11%
Manufactured Housing w/approva	61	6.73%
Rowhouse	3	0.33%
Townhouse	84	9.27%
TOTAL	906	100.00%

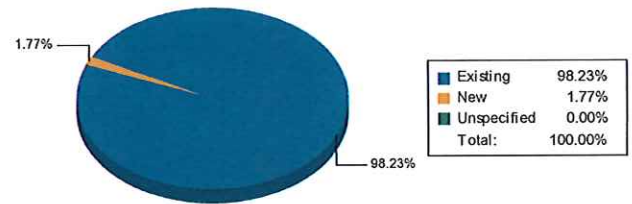


Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	890	98.23%
New	16	1.77%
Unspecified	0	0.00%
TOTAL	906	100.00%

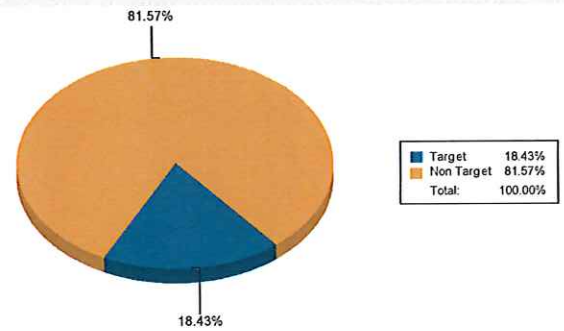


Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	167	\$46,767,647.00	18.43%
NON TARGET	739	\$228,088,572.00	81.57%
TOTAL	906	\$274,856,219.00	100.00%

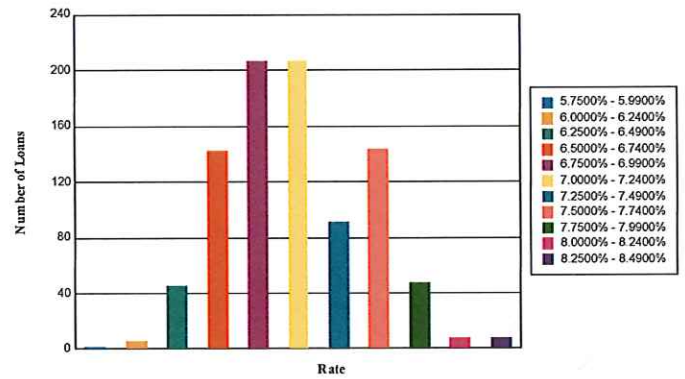


Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
5.7500% - 5.9900%	1	0.11%
6.0000% - 6.2400%	6	0.66%
6.2500% - 6.4900%	45	4.97%
6.5000% - 6.7400%	142	15.67%
6.7500% - 6.9900%	207	22.85%
7.0000% - 7.2400%	207	22.85%
7.2500% - 7.4900%	91	10.04%
7.5000% - 7.7400%	144	15.89%
7.7500% - 7.9900%	47	5.19%
8.0000% - 8.2400%	8	0.88%
8.2500% - 8.4900%	8	0.88%
TOTAL	906	100.00%



Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	7	0.77%
Yes	899	99.23%
TOTAL	906	100.00%



Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

ADDITIONAL / ASSISTANCE

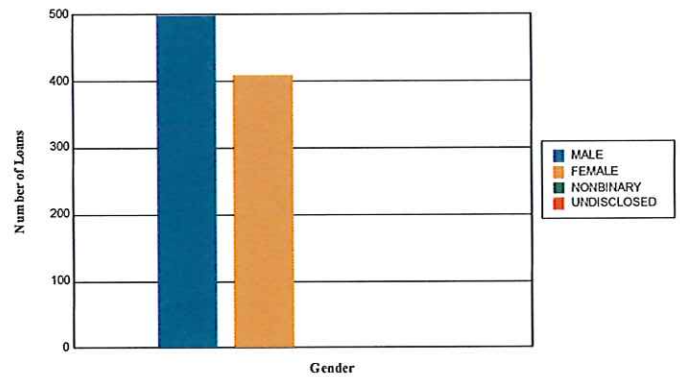
ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM		LOANS	LOAN AMOUNT	AVERAGE LOAN AMOUNT
HFP DPA \ Home First Nevada Program		434	6,510,000.00	15,000.00
ASSISTANCE PERCENT	LOANS W/ ASSISTANCE	ASSISTANCE AMOUNT	AVERAGE ASSISTANCE AMOUNT	

Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	498	54.97%
FEMALE	408	45.03%
NONBINARY	0	0.00%
UNDISCLOSED	0	0.00%
TOTAL	906	100.00%

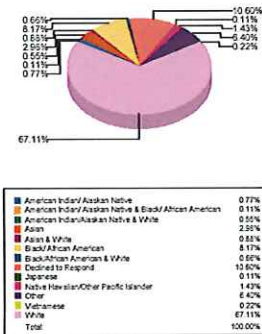


Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
American Indian/ Alaskan Native	7	0.77%
American Indian/ Alaskan Native & Black/ African	1	0.11%
American Indian/Alaskan Native & White	5	0.55%
Asian	27	2.98%
Asian & White	8	0.88%
Black/ African American	74	8.17%
Black/African American & White	6	0.66%
Declined to Respond	96	10.60%
Japanese	1	0.11%
Native Hawaiian/Other Pacific Islander	13	1.43%
Other	58	6.40%
Vietnamese	2	0.22%
White	608	67.11%
TOTAL	906	100.00%



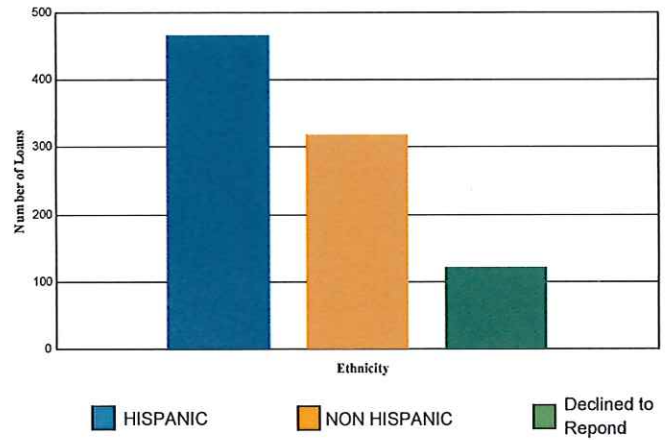
This graphic displays race combinations representing more than 10% of the population

Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

ETHNICITY REPORT

ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	466	\$144,985,973.00	51.43%
NON HISPANIC	319	\$93,528,663.00	35.21%
Declined to Respond	121	\$36,341,583.00	13.36%
TOTAL	906	\$274,856,219.00	100.00%



Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

RACE BY ETHNICITY REPORT

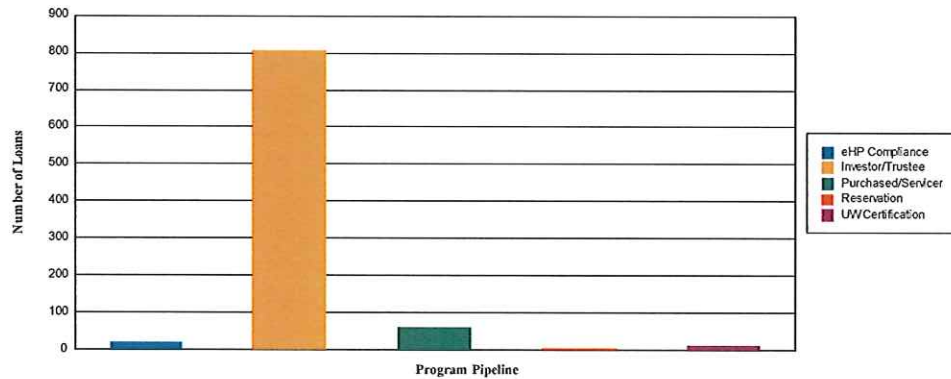
RACE	HISPANIC	NONHISPANIC	Declined to Respond	LOANS	% OF TOTAL
American Indian/ Alaskan Native	4	3	0	7	0.77%
American Indian/ Alaskan Native & Black/ African Ameri	0	0	1	1	0.11%
American Indian/Alaskan Native & White	1	4	0	5	0.55%
Asian	0	26	1	27	2.98%
Asian & White	1	7	0	8	0.88%
Black/ African American	7	62	5	74	8.17%
Black/African American & White	2	4	0	6	0.66%
Declined to Respond	19	5	72	96	10.60%
Japanese	0	1	0	1	0.11%
Native Hawaiian/Other Pacific Islander	1	11	1	13	1.43%
Other	33	8	17	58	6.40%
Vietnamese	0	2	0	2	0.22%
White	398	186	24	608	67.11%
TOTAL	466	319	121	906	100.00%

**Nevada Housing Division
Demographic Analysis Report**

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
Reservation	4	\$1,352,029.00	0.44%
UW Certification	12	\$3,705,520.00	1.32%
eHP Compliance	22	\$6,478,293.00	2.43%
Purchased/Servicer	61	\$18,783,762.00	6.73%
Investor/Trustee	807	\$244,536,615.00	89.07%
TOTAL	906	\$274,856,219.00	100.00%



Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$303,373.31
AVERAGE PURCHASE PRICE:	\$315,352.61
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$74,592.45
AVERAGE DPA AMOUNT:	\$15,000.00
AVERAGE AGE OF PRIMARY BORROWER:	37
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1

Nevada Housing Division
Demographic Analysis Report

Reservation Stage Approved Date Between 04/01/2023 and 03/31/2024

Report Selection Criteria

Programs

CODE	NAME
NV12G	HIP DPA
NV13	HIP DPA
NV6	HIP for First-Time Homebuyers (30yr)
NV6	HIP for First-Time Homebuyers (7yr)
NV9-10	Home First Nevada Program

The State Board of Finance
State Capitol
Old Assembly Chambers, 2nd Floor
101 N. Carson Street
Carson City, Nevada 89701

The State Board of Finance
Las Vegas
Governor's Conference Room, 4th Floor
1 Harrah's Court
Las Vegas, Nevada 89119

Agenda Item #9

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

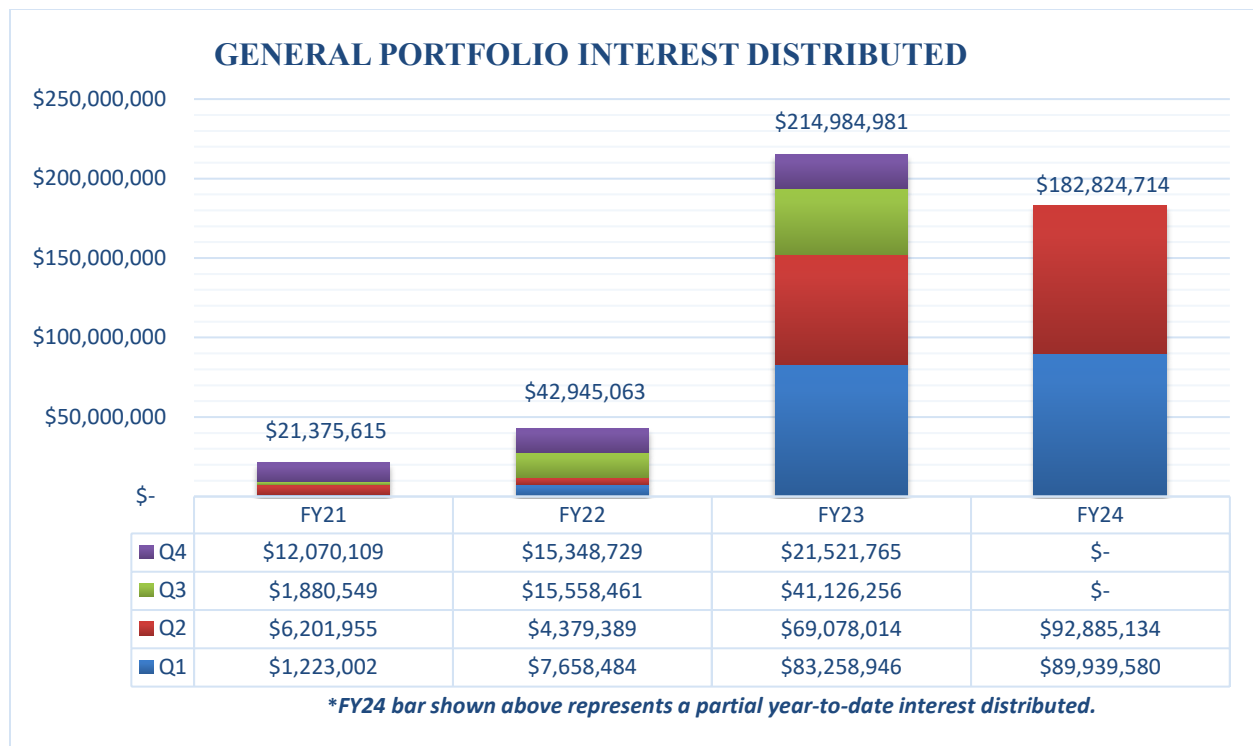
Investment Guidelines

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.

General Fund Interest Distribution Fiscal Year 2021 to Fiscal Year 2024 Year to Date

The chart below provides the historical interest distributed for Fiscal Year 2024 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.



Schedule of General Fund Interest Revenue*			
	<u>Quarter Ended 09/30/2023</u>	<u>Quarter Ended 12/31/2023</u>	<u>Totals</u>
<u>Average Daily Balances of Funds</u>			
General Fund	\$5,360,686,927	\$6,204,716,928	\$5,782,701,927
All Funds	\$8,882,134,912	9,189,771,887	\$9,035,953,400
<u>Annualized Interest Rate</u>			
Cash Basis (see Note 1)	4.04%	4.00%	4.0194%
Accrual Basis	4.05%	4.04%	4.0413%
<u>Interest Distribution for General Fund (Cash Basis)</u>			
General Fund Interest Collected	\$54,262,379	\$62,688,063	\$116,950,441
General Fund Interest Revenue – Distributed	\$54,262,015	\$62,686,295	\$116,948,309
<u>Interest Distribution for All Funds (Cash Basis)</u>			
All Funds Interest Collected	\$89,939,580	\$92,885,134	\$182,824,714
All Funds Interest Revenue - Distributed	\$89,939,580	\$92,885,134	\$182,824,714

**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.*

General Portfolio

As of December 31, 2023, the AUM for the General Portfolio was \$9.441 billion (book value) with 81.79% managed internally and 18.21% managed by outside managers. Please see the charts on pages 5 and 6 for more information on each manager.

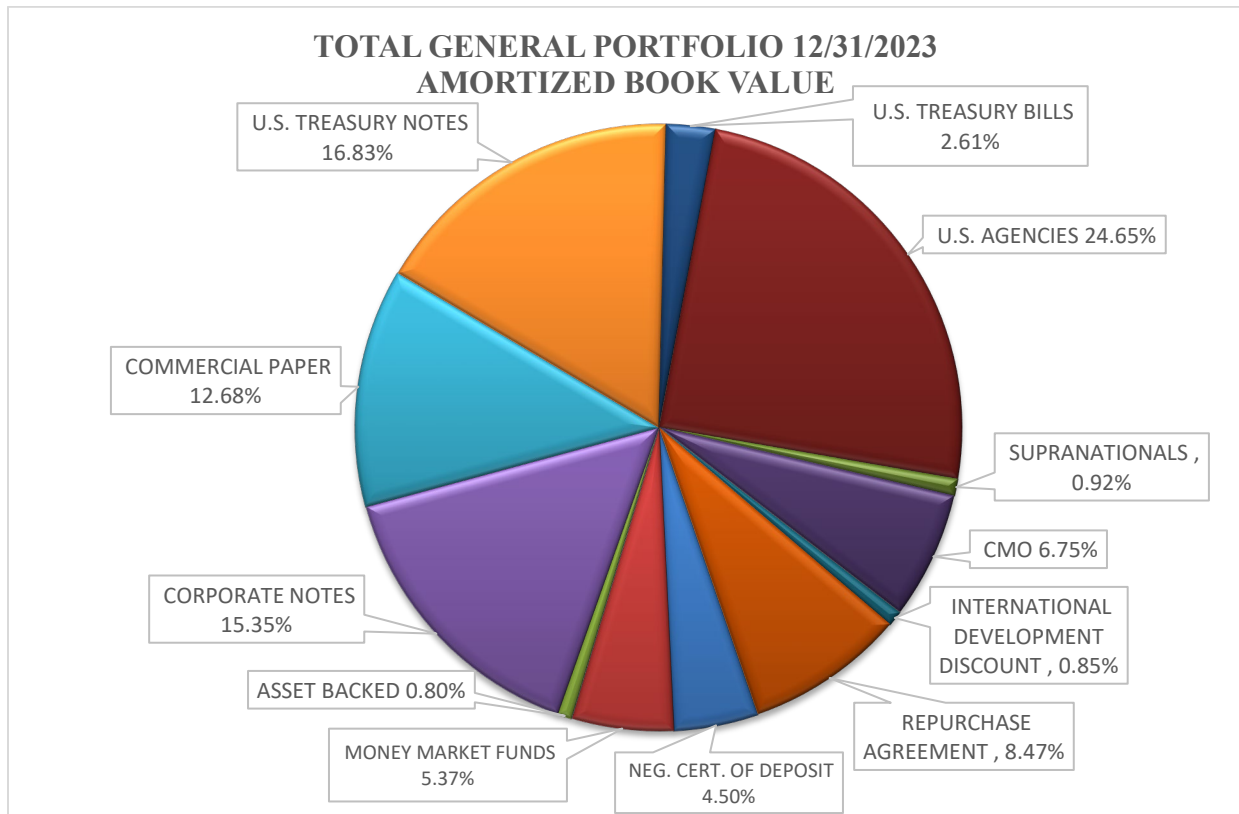
The overall yield to maturity (YTM) as of December 31, 2023, was 4.47% for the General Portfolio. Below is the YTM breakdown by portfolio:

- Internally managed portfolios were 4.77%.
- Buckhead Capital Management portfolio was 3.66%.
- Western Asset Management portfolio was 2.84%.

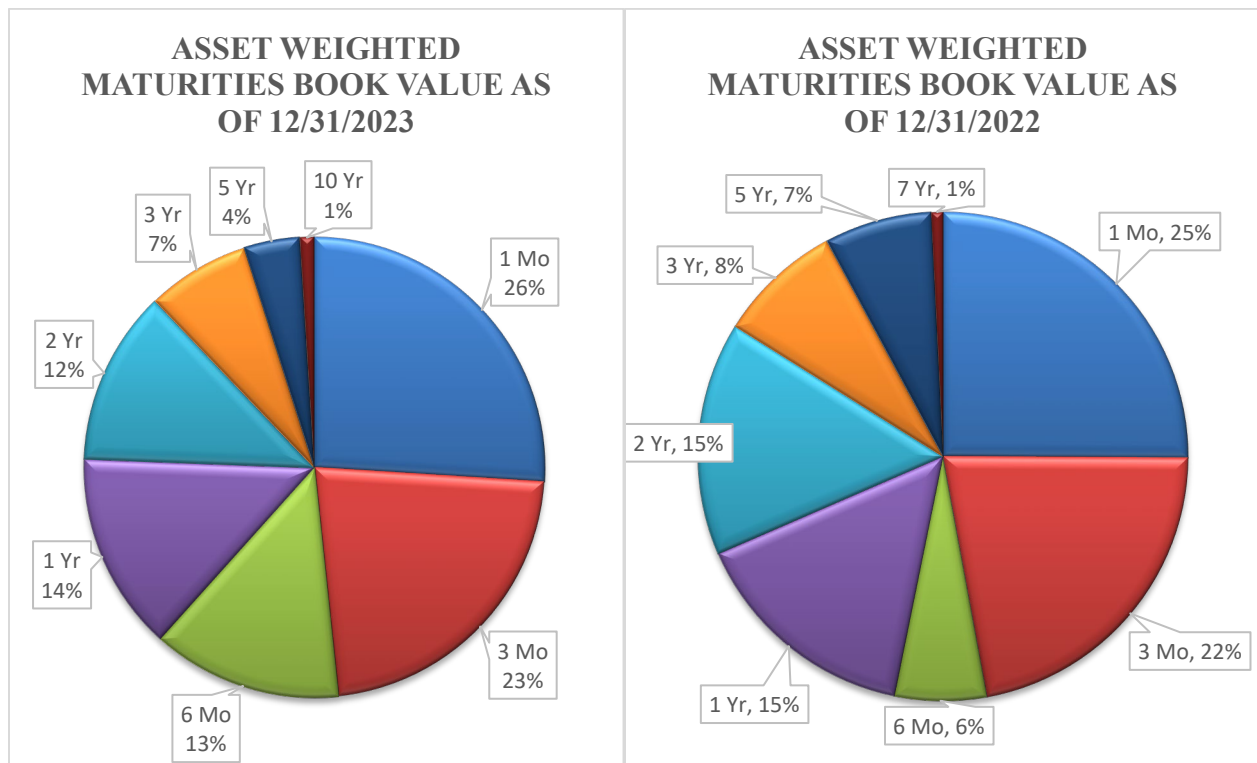
In-House Performance

As of December 31, 2023, the yield on the in-house portion of the General Portfolio was 4.77%. A three-month rolling average of this benchmark for this period was 5.38% with the average days to maturity at 218 days. The average days to maturity for the portfolio was 364 days.

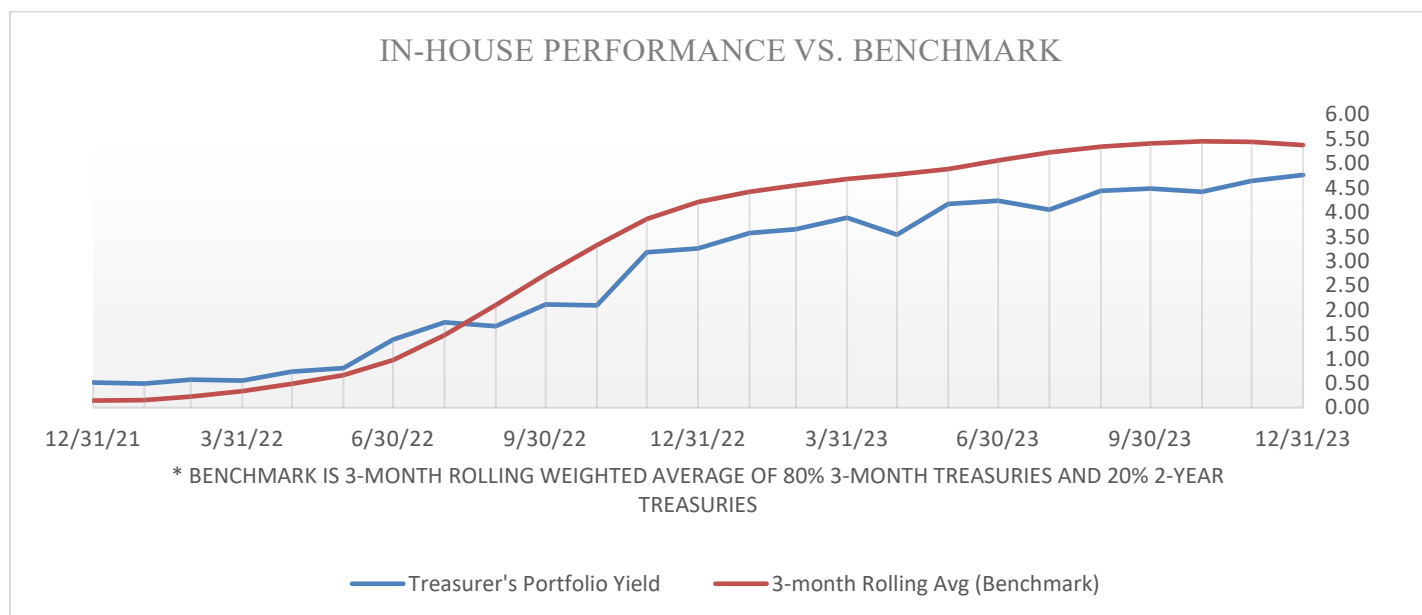
GENERAL PORTFOLIO					
Amortized Book Value					
	December 31, 2023			September 30, 2023	
	Treasurer In-House	Buckhead Capital Management	Western Asset Management	Total Portfolio	Total Portfolio
TIME CERTIFICATES OF DEPOSIT	\$-	\$-	\$-	\$-	\$-
NEGOTIABLE CD'S	425,000,000	-	-	425,000,000	400,000,000
MONEY MARKET FUNDS	494,328,275	6,675,906	5,736,720	506,740,901	204,447,368
ASSET-BACKED SECURITIES	-	75,515,026	-	75,515,026	88,828,057
MORTGAGE-BACKED SECURITIES	-	-	-	-	-
CORPORATE NOTES	734,319,328	-	714,884,090	1,449,203,418	1,429,166,092
COMMERCIAL PAPER	1,197,640,400	-	-	1,197,640,400	1,091,500,778
MUNICIPAL BONDS	-	-	-	-	-
U.S. TREASURY NOTES	1,552,210,600	-	36,405,440	1,588,616,040	1,531,552,062
U.S. TREASURY BILLS	246,181,155	-	-	246,181,155	643,554,273
U.S. AGENCIES	2,089,407,326	237,933,790	-	2,327,341,116	2,047,795,204
U.S. GOVT GUARANTEED DEBT	-	-	-	-	-
SUPRANATIONALS	87,010,217	-	-	87,010,217	87,012,081
CMO'S	165,747	637,549,028	-	637,714,775	639,329,770
INTERNATIONAL DEV DISCOUNT	74,677,479	-	5,812,679	80,490,158	30,708,278
FOREIGN NOTES	20,000,000	-	-	20,000,000	10,000,000
REPURCHASE AGREEMENTS	800,000,000	-	-	800,000,000	600,000,000
TOTAL	\$7,720,940,527	\$957,673,750	\$762,838,930	\$9,441,453,207	\$8,803,893,962



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



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

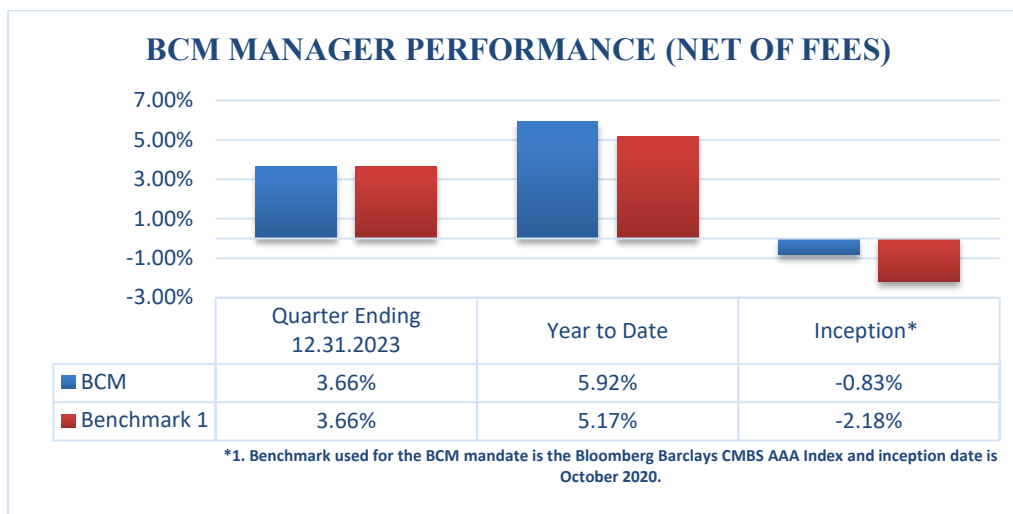


Outside Manager Performance

The annualized performance since inception for period ending December 31, 2023, for Buckhead Capital Management (BCM) is -0.83%* and for Western Asset Management (WAM) is -1.26%*. 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.

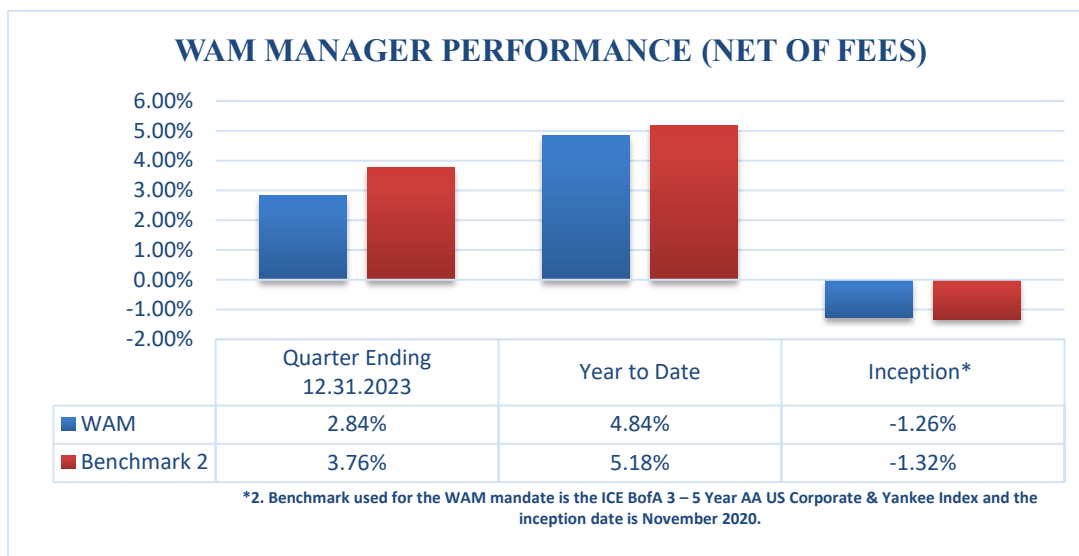
General Portfolio Outside Managers' Performance as of 12/31/2023

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.



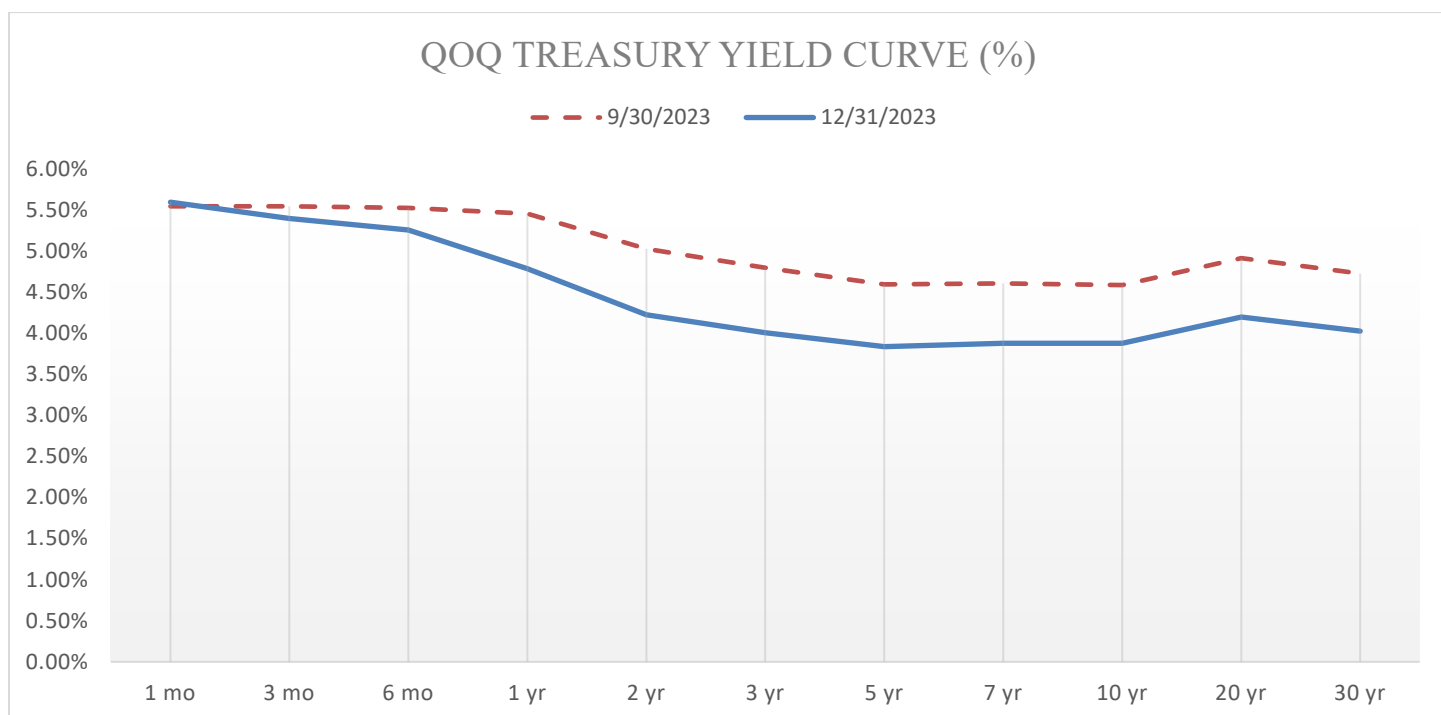
General Portfolio Outside Managers' Performance as of 12/31/2023

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.

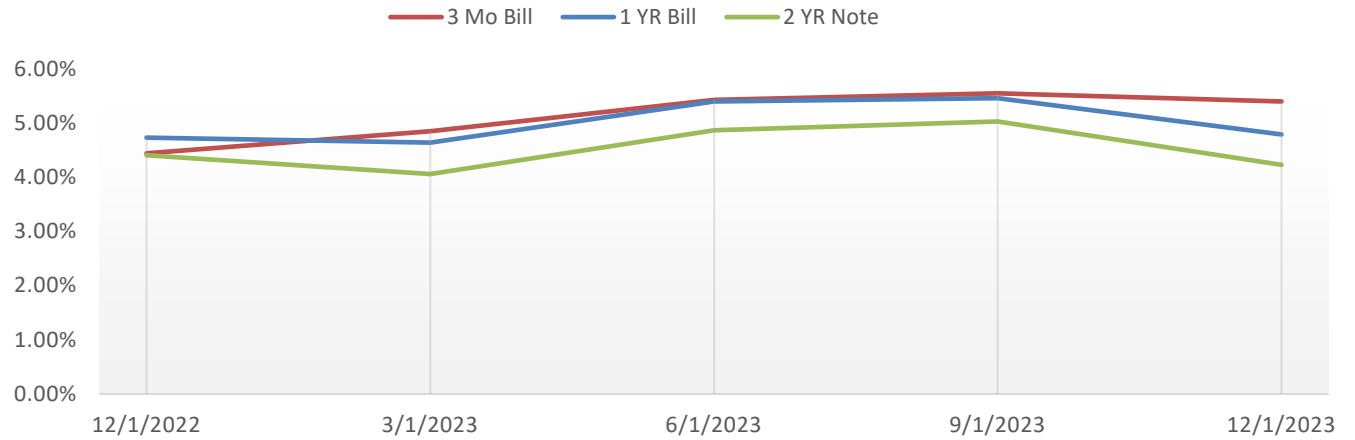


Fixed Income Market Highlights as of December 31, 2023

The Fed continued to hold rates steady over the quarter, as the last Fed Fund rates increase occurred in July. The Fed Funds Rate closed the December 2023 quarter in the range of 5.25% to 5.50%.



US TREASURY YIELDS OVER TIME



	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
3 Mo Bill	4.44%	4.85%	5.43%	5.55%	5.40%
1 YR Bill	4.73%	4.64%	5.40%	5.46%	4.79%
2 YR Note	4.41%	4.06%	4.87%	5.03%	4.23%

Local Government Investment Pool (LGIP)

As of December 31, 2023, the total assets under management (AUM) were \$1.818 billion. The yield to maturity as of December 31, 2023, was 5.32% which is 02 basis points above the benchmark yield of 5.3%.

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 December 31, 2023, there were 100 members of the LGIP, which includes cities, counties, school districts, and various special districts.

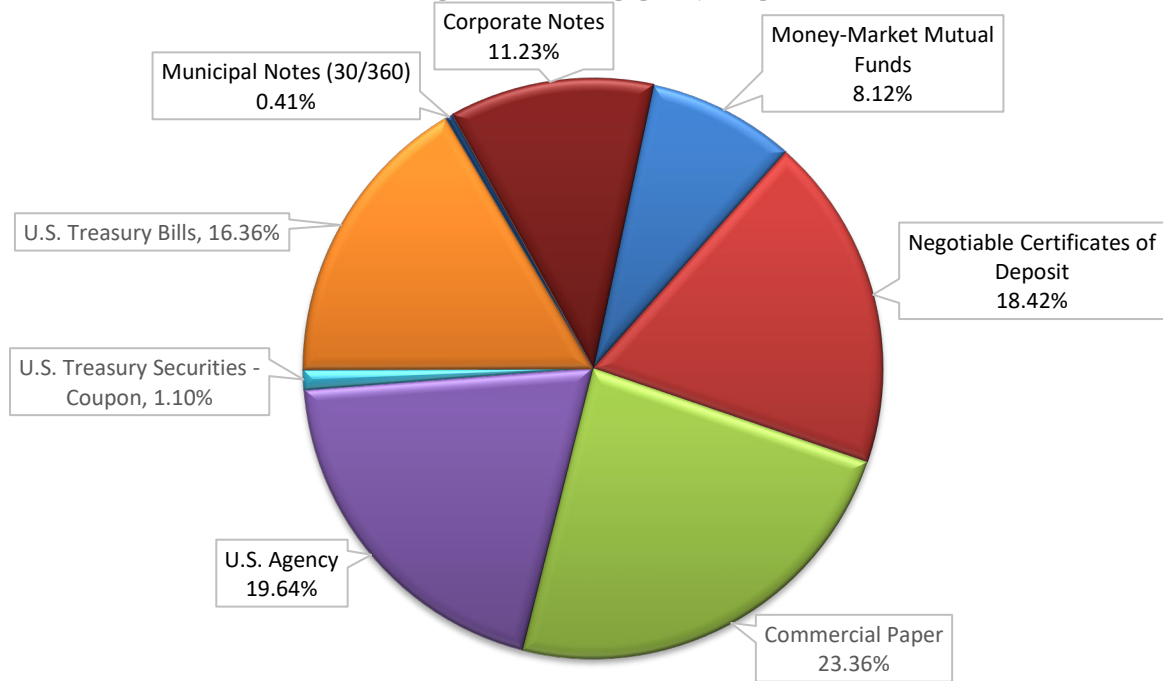
The LGIP's foremost investment objectives include safety of principal, portfolio liquidity, and market return, which are consistent with a conservative, short duration portfolio. Local Government Investment Pool (LGIP).

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 8.1% of the fund matures daily, ensuring sufficient liquidity to meet both anticipated and unanticipated withdrawals.

Additionally, approximately 62% 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. As of December 31, 2023, the total assets under management (AUM) were \$1.818 billion. The yield to maturity as of December 31, 2023, was 5.32% which is 02 basis points above the benchmark yield of 5.3%.

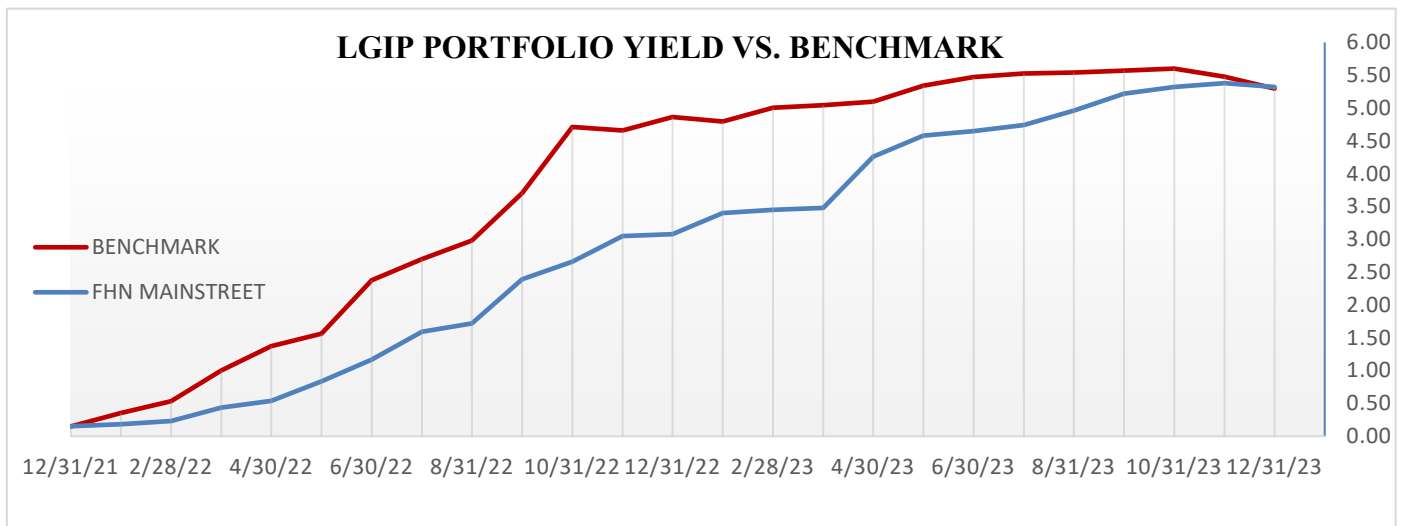
LGIP PORTFOLIO				
Amortized Book Value				
	December 31, 2023		September 30, 2023	
	Amortized Book	Purchased Interest	Amortized Book	Purchased Interest
MONEY MARKET FUNDS	\$147,671,619	\$-	\$125,112,396	\$-
CERTIFICATES OF DEPOSIT	335,000,000	-	250,000,000	-
COMMERCIAL PAPER	424,770,174	-	454,918,136	-
U.S. AGENCIES	357,134,591	-	356,909,740	-
U.S. TREAS SECURITIES - COUPON	19,977,088	-	44,932,014	-
TREASURY BILLS	297,476,548	-	508,257,592	-
MUNICIPAL NOTES (30/360)	7,500,000	-	-	-
CORPORATE NOTES	204,227,267	-	120,351,788	-
SUPRANATIONALS	24,780,417	-	-	-
TOTAL	\$1,818,537,703	-	\$1,860,481,666	-

LGIP PORTFOLIO 12/31/2023 AMORTIZED BOOK VALUE



Performance

FHN Financial began managing the LGIP portfolio in July 2015. As of December 31, 2023, the LGIP's portfolio book yield was 5.32%, and the blended benchmark was 5.30%. The average days to maturity of the LGIP portfolio was 116 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.