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
October 4, 2024
1:00 P.M.

Locations:

Old Assembly Chambers Capitol Building, Second Floor 101 N. Carson Street Carson City, NV 89701	Governor's Office Conference Room 1 State of Nevada Way, Fourth Floor Las Vegas, NV 89119

Videoconference Link: Join the meeting now
Meeting ID: 266 676 197 107

Dial-in by phone:
+1 775-321-6111
Phone conference ID: 728 286 472#

YouTube Livestream: https://www.youtube.com/watch?v=GK1GWlseYag

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

3. **For discussion and for possible action:** For discussion and for possible action on the Board of Finance minutes from the meeting held on August 8, 2024.

   Presenter: Joe Lombardo, Governor of the State of Nevada

4. **For discussion and for possible action:** For discussion and for possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to $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). The 28th and Sunrise project was originally approved by the Board of Finance in June of 2024 for an amount of up to $26 million in Multi-Unit Housing Revenue Bonds.

   Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

5. **For discussion and for possible action:** For discussion and for possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to $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). The Duncan & Edwards project was originally approved by the Board of Finance in June of 2024 for an amount of up to $20 million in Multi-Unit Housing Revenue Bonds.

   Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

6. **For discussion:** For discussion on the NewWest Community Funding Update

   Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

7. 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**
- **1 State of Nevada Way, Las Vegas, Nevada**

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

STATE BOARD OF FINANCE
August 8, 2024 – 1:00 pm
Summary Minutes

Location:
Via videoconference at the following locations:

Old Assembly Chambers Capitol Building, 2nd Floor 101 N. Carson Street Carson City, NV 89701	Governor's Office Conference Room 1 State of Nevada Way, 4th Floor Las Vegas, NV 89119

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

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

Others present:

Jim Wells:	Governor's Office
Lori Hoover:	Treasurer's Office
Cari Eaton:	Treasurer's Office
Steven Hale:	Treasurer's Office
Veronica Kilgore:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Nicole Ting:	Attorney General's Office
Carla Cloud:	Historic Preservation
Felicia Denney:	NDOT
Natalie Lieb:	NDOT
Jason Cooper:	NDEP
Chad Stephens:	DCNR
James Settelmeyer:	DCNR
Wilfred Lewis:	SPWD
Daniel Marlow:	DOA
Kevin Fromherz:	NDSC

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 June 6, 2024.

Member Navarro noted there is a typo on the last sentence of the last page of the minutes in the word 'motion'. This was corrected for the record.

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

Agenda Item 4 – For possible action and possible action: State of Nevada Fall 2024 General Obligation Bond Issuances

a. **For possible action:** Discussion and possible action on a resolution designated the "2024A Capital Improvement, Historic Preservation and Refunding Bond Resolution"; approving the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Capital Improvement, Historic Preservation and Refunding Bonds, Series 2024A, in the aggregate principal amount not to exceed $150,200,000; providing the purpose for which such bonds are issued, the form, terms, and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.

Deputy Treasurer for Debt Management Cari Eaton presented this agenda item requesting the Board's approval for the Fall 2024 Bond Issuance. She noted that a high-level overview of the process is outlined on page 13 of the meeting packet. Essentially, the Nevada Legislature authorizes certain projects and funding mechanisms for those projects. The State Treasurer's Office, in cooperation with other state agencies have authority to implement those projects, coordinate the timing, rating, agency presentations, and professional services necessary to issue securities on behalf of the state prior to the issuance of the securities by the State Treasurer.
A resolution describing the authority to issue securities must be approved by the State Board of Finance. The Fall 2024 Bond Issuance is comprised of four series for a total of $200 million and the division of bonds into different series is determined by the state's bond council based upon whether the debt is subject to or exempt from the state's debt limit, which is the debts revenue stream utilized to pay the debt and the nature of the projects to be financed. She stated that the tentative schedule for the sale is approval by the Board of Finance today. The bond sale is on October 16th and the bond closing is on November 6th. Approval of the resolutions must be voted on separately as agenda sub-items. She moved on to agenda item 4A for Series 2024A in the amount of $150.2 million for Capital Improvement and Historic Preservation Projects with five components including a refunding component for their 2024A box. The first portion has an estimated par of $19.5 million and is the 4th tranche of the $280.7 million authorized by AB492 of the 2021 Legislative Session for various Public Works CIP projects. The State Public Works Division has received three prior tranches of bond proceeds for this authorization that must be spent prior to spending the proceeds from this issuance. She noted a listing of the remaining CIP proceeds is listed in Appendix 1 on page 17 of the materials. The second portion has an estimated par of $47.8 million and is the second tranche of the $533.7 million authorized by a AB1 of the 2023 Special Legislative Session for various public works CIP projects. The State Public Works Division has received one prior transfer bond proceeds for the 2023 CIP authorization that must be spent prior to spending the proceeds from the issuance and a listing of those remaining proceeds is also listed in Appendix 1. She reviewed the third portion has an estimated par of $46.1 million and is the second tranche of the $111.3 million authorized by AB1 for various DMV CIP projects. The first tranche of bond proceeds for the 2023 DMV CIP authorization must be spent prior to spending these proceeds from this issuance as well and there is also listing of the DMV CIP proceeds on Appendix 1. The 4th portion has an estimated par of $3 million and is the first tranche of the $3 million authorized by a AB1 to preserve and protect historical buildings as outlined in NRS 383.530. The final portion of this series is a refunding of outstanding 2014A CIP and historic preservation bonds. The current market conditions have created a significant benefit to the

refunding estimates, so this portion now has an estimated par of $10.6 million and an anticipated net present value of savings anticipated to be 6.2% which exceeds the Board's Debt Management. All five components of these series are paid with property taxes and subject to the constitutional debt limit. She noted the board will be approving Attachment A on page 19 to approve this series.

Governor Lombardo confirmed the amounts presented are rounded estimates.

Mrs. Eaton agreed as the market changes and those numbers can change until the sale date. She noted those estimates are based on today's market conditions.

Treasurer Conine stated that the market conditions could obviously change in the future and in the past they have had refunding situations go underwater where the savings disappeared or moved under that level.

Mrs. Eaton noted that after the board takes action, it is a Treasury choice if the savings target falls too low, then they will pull those refunding's.

Treasure Conine added that functionally, they watch if there's a shift between here and the sale.

Motion to approve agenda item 4(a) from Member Edwards. Motion passed unanimously.

b. **For possible action:** Discussion and possible action on a resolution designated the "2024B Natural Resources Bond Resolution"; approving the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2024B, in the aggregate principal amount not to exceed $10,830,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.

Mrs. Eaton presented agenda item 4(b) which is Series 2024B for Natural Resources and open space bonds not to exceed $10.8 million with one component. The series has an estimated par of $10.8 million and is the second tranche of the $13 million authorized by AB1 for Environmental Improvement Program Projects for the Lake Tahoe Basin. The DCNR State Lands Division has approximately $6.1 million remaining to spend from past issuances prior to spending the proceeds from this issuance. She noted that the listing of remaining EIP project proceeds listed in Appendix 1 on page 18 of the packet has incorrect information as the 2021B bond has been fully expended. This series is paid with property taxes and is exempt from the constitutional debt limit. The board will be approving Attachment B on page 61 to approve this series.

Motion to approve agenda item 4(b) from Member Navarro. Motion passed unanimously.

c. **For possible action:** Discussion and possible action on a resolution designated the "2024C Safe Drinking Water Revolving Fund Matching Bonds Approval Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2024C, in the aggregate principal amount not to exceed $6,000,000.

Mrs. Eaton presented item 4(c) which is Series 2024C for Safe Drinking Water Revolving Fund Matching Bonds not to exceed $6 million. This series is needed to provide State Matching Funds for future federal grants. Per NRS 445A.290, the Treasurer may issue General Obligation Bonds to provide State Matching Funds for federal grants as required by the Safe Drinking Water Act when requested by the Administrator of the Nevada Division of Environmental Protection. She reviewed the bonds in this series are self-supporting and the debt service is paid with principal and interest payments from loans made by the Revolving Fund. She noted this debt is exempt from the constitutional debt limit and is not included in the affordability model. The board will be approving Attachment C on page 95 to approve this series.

Motion to approve agenda item 4(c) from Controller Matthews. Motion passed unanimously.

d. **<u>For possible action:</u>** Discussion and possible action on a resolution designated the "2024D Municipal Bond Bank Refunding Bond Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Municipal Bond Bank Refunding Bonds, Series 2024D, in the aggregate principal amount not to exceed $32,745,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.

Mrs. Eaton went over item 4(d) which is Series 2024D for a refunding of the remaining 2015F Municipal Bond Bank Loans not to exceed $32.7 million with two components. The first portion is to refund the Municipal Bond Bank Loan to the city of Fernley. The current market conditions have created a significant benefit to the refunding. This portion now has an estimated par of $25.2 million and an anticipated net present value of savings anticipated to be 3.7%. The other portion now has an estimated par of $4.08 million to refund the Municipal Bond Bank Loan to the city of Fallon. She noted the updated anticipated net present value of savings for refunding the Fallon portion of the bonds is anticipated to be 4.2%. The debt service is paid by local government bond payments. This debt is exempt from the constitutional debt limit and is not included in the affordability model. The board will be approving Attachment D on page 146 to approve this series.

Motion to approve agenda item 4(d) from Member Edwards. Motion passed unanimously.

<u>Agenda Item 5</u> – For discussion and possible action: State of Nevada 2024 Highway Revenue Bond Issuances

a. **<u>For possible action:</u>** Discussion and possible action on a resolution designated by the short title"2024C Highway Improvement Revenue Bond Resolution"; authorizing the sale and issuance of the State of Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2024C in the maximum aggregate principal amount of $150,000,000; providing the form, terms and conditions of the bonds; providing for the continued imposition and collection of certain fuel taxes deposited in the state highway fund; pledging the proceeds of excise taxes and any appropriate federal highway aid payable to the state to the payment of the bonds; ratifying action previously taken and pertaining thereto; and providing other related matters.

Mrs. Eaton reviewed agenda item number 5 which is requesting the board's approval for the transportation bond issuance. Pursuant to statute, the Board of Finance, upon request by the Nevada Department of Transportation Board, will issue Special Obligation Bonds for the state for NDOT to complete pending and ongoing highway construction projects. The NDOT board approved the resolutions at their July 16th meeting. Issuances are pledged with proceeds of state excise taxes on motor vehicle fuel and special fuel, and any appropriate Federal Highway Aid credited to the State Highway Fund. The board will be approving Attachment A on page 185 to approve this series. The transportation bond issuance is comprised of two series for a total of $200 million. The tentative schedule for the sale is set for approval by the Board of Finance today. The bond sale is on October 29th and the bond closing is on November 14th. She reviewed that item 5A is series 2024C, which is $150 million bond to partially fund the Henderson Interchange and other regionally significant projects. This bond is pledged with motor vehicle fuel taxes

Treasurer Conine asked if NDOT has the flexibility to speed another project up if others get slowed down within this issuance.

Felicia Denney with NDOT stated they do have the flexibility to use it on various projects and the only constraint they have is for the Fuel Revenue Indexing Bond.

Motion to approve agenda item 5(a) from Member Navarro. Motion passed unanimously.

b. **__For possible action:__** Discussion and possible action on a resolution designated by the short title"2024D Highway Improvement Revenue Bond Resolution"; authorizing the sale and issuance of the State of Nevada, Highway Improvement Revenue (Indexed Tax and Subordinate Motor Vehicle Fuel Tax) Bonds, Series 2024D in the maximum aggregate principal amount of $50,000,000; providing the form, terms and conditions of the bonds; providing for the continued imposition and collection of certain fuel taxes deposited in the state highway fund; pledging the proceeds of excise taxes and any appropriate federal highway aid payable to the state to the payment of the bonds; ratifying action previously taken and pertaining thereto; and providing other related matters.

Mrs. Eaton reviewed item 5(b) which is Series 2024D within a $50 million bond to partially fund the Henderson Interchange and the I-515 MSE Wall Rehabilitation. This bond is pledged with fuel revenue, indexing revenue, and motor vehicle fuel taxes.

Governor Lombardo asked for clarification as to why it was separated to 150 and 50 in reference to Henderson Interchange.

Ms. Denney noted the reason it's separated is due to the $50 million bond uses the fuel revenue indexing to pay off the bond, whereas the other one is using State Highway Funds for the $150 million bond, so they have to separate them out.

Member Edwards noted that he drives an electric vehicle as now more and more people do. He inquired if that shift into a fuel source is going to have any impact on the adequacy of vehicle fuel.

Ms. Denney stated that longer term there is a concern. They feel that the revenue will be adequate to pay the bonds. In the law that was passed for the fuel revenue indexing, it states that the rate cannot be reduced as long as there are bonds outstanding on the revenue source and they're expecting a couple of more upward adjustments. Therefore, they are not concerned as far as the repayment of this bond. However, there is a concern for the highway fund longer term.

Motion to approve agenda item 5(b) from Controller Matthews. Motion passed unanimously.

Agenda Item 6 – Informational Item: regarding the State Treasurer's quarterly investment report for the quarter ended March 31, 2024.

Deputy Treasurer of Investments Steven Hale presented this agenda item beginning on page 314 where he reviewed their report that shows a summary of the General Fund as of March 31st, 2024. The top table shows the average daily balance, all funds interest revenue, and the annualized interest rate. He noted just from December to March 31st, all of those items increased slightly and is continuing that positive trend over the past couple of years. He noted the assets under management remained the same about $9.46 billion. It's still a high-quality portfolio and there were no major changes in assets percentages. They are continuing a positive trend and are still able to take advantage of interest rates on the front end of the curve because that's where the vast majority of their funds are. He noted as of right now, since the Fed has not made any changes in interest rates, they're still looking at these levels or higher for the next quarter or two. The results of internally managed portfolios yielded 4.8% on the quarter. The General Fund portfolio earned 1.3 and .64% due to their duration is much larger and they are exposed to three-year, four- year, five-year investments that aren't paying as well as the front end of the curve. He noted their in-house performance is still compressing towards the benchmark and doesn't believe they're going to surpass that until rates start going down to official market rates. As of March 31st they are putting most of their assets on front part of the curve that's yielding 5.3 to 5.4% from overnight to about the three month range. They still think it's better to take advantage of that than to take 100 basis point loss going up. He reviewed that the outside manager is Buckhead, and they have outperformed their index since inception and in the most recent quarter 1.3% versus 1.06% for the benchmark. He them summarized the performance for the (LGIP) Local Government Investment Pool which is still an improving trend and increased their assets.

Treasurer Conine added that they are now over $2 billion worth of assets that the State Treasury is managing with their outside manager for local school districts, cities, and counties around the state who don't have the ability to manage it themselves.

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

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

Motion to approve this agenda item from Controller Matthews. Motion passed unanimously.

Agenda Item 8– Public Comment
No public comment in Carson City or Las Vegas.

Meeting adjourned at 1:40 pm.

State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

1830 E. College Parkway, Suite 200
Carson City, NV 89706

DATE:	September 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

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A. Time and Place of Meeting:

1:00 p.m., Friday, October 4, 2024, 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. The plan of finance consists of a separate construction phase loan and permanent phase loan, both issued through a direct/private placement. Construction phase financing will be issued as a direct placement tax-exempt loan with US Bank. Permanent phase financing will be issued as a private placement through the Freddie Mac Tax-Exempt Loan Program. At conversion, the permanent phase loan will be funded through a reissuance of the bonds. Proceeds of the Freddie Mac loan will be applied to fully redeem the construction phase loan. 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 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. The 28^{th} & Sunrise project was originally approved by the Board of Finance in June of 2024 for an amount up to $26,000,000 in Multi-Unit Housing Revenue Bonds.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (28^{th} & 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.

BY: ______________________________ DATE: ______________

Steve Aichroth
Administrator
Nevada Housing Division

September 16, 2024

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

Re: 28th & Sunrise Project – ***Amended Plan of Finance***

Mr. Aichroth:

This memorandum is an update to the original version dated May 14, 2024. It is provided in support of the request by the Nevada Housing Division ("Division") to the State of Nevada Board of Finance for approval of the Findings of Fact regarding an amended plan of finance for the 28th & Sunrise project. ***The requested amendment reflects a change to the structure of the proposed financing. There is no change to the amount of tax-exempt multi-unit housing revenue bonds to support the Project.***

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

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 amended plan of finance 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

Maggie Marshall, Senior Managing Consultant

Exhibit A: Background and Proposed Amended Plan of Finance
Exhibit B: Borrower Provided Additional Detail
Exhibit C: Initial Board of Finance Review dated May 14, 2024

Background:

On June 6, 2024, the State Board of Finance approved the issuance of Multi-Unit Housing Revenue Bonds (28^{th} & Sunrise Apartments) in an aggregate amount not to exceed $26,000,000 to provide an affordable housing opportunity for the construction of a 121-unit family apartment complex located at 2601 Sunrise Avenue, Las Vegas, Nevada (the "Project").

The plan of finance previously approved by the Board assumed a public bond offering of two series of tax-exempt bonds to be issued by the Division. Series A was to be 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 was to be short-term tax-exempt notes issued for construction phase financing. Additionally, US Bank would provide a subordinated taxable bridge loan during construction, which would not be issued through or administered by the Division but would provide a source of periodic replacement of collateral for the Series B notes.

Greater detail can be found in the Memorandum in support of the June 6, 2024 approval by the Board of Finance, which is attached as Exhibit C.

Subsequent to the date of Board approval, the borrower identified an opportunity to reduce the total development cost of the Project and execute the transaction in a more efficient manner through a private placement method of sale. As such, the Division is requesting approval to issue the bonds through the revised plan of finance described below.

Summary of the Proposed Project

The characteristics of the Project, rent profile, the Project Developers, the Borrower Entity, and ongoing property management plan were all discussed in detail in the original Board of Finance submittal which is attached as Exhibit C. None of those characteristics or parties have changed.

Requested Amendment:

The amended plan of finance consists of a separate construction phase loan and permanent phase loan, both issued through a direct/private placement method of sale (versus through a public bond offering, as previously contemplated). Construction phase financing will be issued by the Division as a direct placement tax-exempt loan with U.S. Bank. Permanent phase financing will be issued by the Division as a private placement through the Freddie Mac Tax-Exempt Loan ("TEL") Program. The Freddie TEL will be initially provided in the form of an unfunded permanent loan commitment. At conversion, the permanent phase loan will be funded through a reissuance of the bonds. Proceeds of the Freddie TEL will be applied to fully redeem the construction phase loan.

Benefits of issuing the bonds as a direct/private placement (instead of through a public bond offering) include: a decrease in transaction costs of approximately $270,000, greater ease of transaction execution, reduced closing timeframe, and an opportunity to enter into an early interest rate lock. The borrower estimates the new structure will result in a reduction in construction phase interest cost of approximately $1.9 million. In addition, utilizing the Freddie Mac TEL Program is expected to result in a lower permanent loan interest rate (as compared to the previously contemplated Fannie MTEB).

<u>Bond/Loan Term Summary:</u>

Bond Dated: As of Closing Date

Lender: **<u>Construction Loan</u>**: U.S. Bank

<u>Permanent Loan</u>: Freddie Mac (via Berkadia)

Loan Summary: **<u>Construction Loan</u>**

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 $26,000,000
- Not to exceed 65% loan to cost
- Interest Rate: 1-month Term SOFR plus 2.25%; estimated at 7.53% (including Division/Trustee fees) as of September 13, 2024; rate reset monthly
- Term: Estimated at 24 months (Freddie Mac permanent financing take-out), plus one 6-month extension
- Prepayment: The construction loan may be prepaid at any time with no penalty

<u>Permanent Loan</u>

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

- Estimated at $11,170,000
- Not to exceed 80% loan-to-value
- Interest Rate fixed at 10-year U.S. Treasury plus 1.86%; estimated at 5.84% (including Division/Trustee fees) as of September 14, 2024
- Amortization factor: 40 years
- Maturity: 16 years from conversion
- Debt Service Coverage: Minimum of 1.15 to 1.00

Fees: 1) Issuer Annual Fee: 0.125% (12.5 bp) paid monthly in advance during the construction period. The Issuer Annual Fee will adjust to the standard 0.25% (25 bp) fee for the Permanent Phase upon reissuance of the Permanent Loan at conversion.

2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance

Method of Sale: Private Placement

Below is a brief summary on why we decided to move to Freddie Mac from Fannie Mae

1. With the drop in the 10 year treasury over the past few weeks, the all in perm rate is more attractive
2. Ease of execution. Utilizing a Freddie Mac TEL lowers transaction costs (see below), eliminates the public sale of the bonds and reduces the closing time by at least 2 weeks
3. On a Freddie TEL we can enter into an early rate lock (+/- 120 days prior to closing) which is not available with Fannie
4. On 28th & Sunrise the new structure should save the project around $1.9M in construction interest.

Below is a comparison of the fees associated with each structure:

TEB + TEL Fees - 28th & Sunrise (Freddie Structure)			
Description	Fee %	TEB + TEL Amt.	Calculated Fee
Issuance Fees	1.750%	$ 26,000,000	$ 455,000
Financing / Origination Fees	1.000%	26,000,000	260,000
Annual Servicing Fees	0.125%	26,000,000	65,000
Trustee Fee	0.038%	26,000,000	10,000
			$ 790,000

TEB + TEL Fees - 28th & Sunrise (Fannie M.TEB Structure)			
Description	Fee %	TEB + TEL Amt.	Calculated Fee
Issuance Fees	1.750%	$ 26,000,000	$ 455,000
Financing / Origination Fees	1.000%	26,000,000	260,000
Annual Servicing Fees	0.125%	26,000,000	65,000
Underwriter Fees	1.000%	26,000,000	260,000
Rating Agency	0.029%	26,000,000	7,500
Trustee Fee	0.038%	26,000,000	10,000
			$ 1,057,500

Cody Roskelley
Regional VP Development The Michaels Organization

P.O. Box 90708
Camden, NJ 08101

https://tmo.com/

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

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:	The bond rate will be fixed at pricing pursuant to a public offering. • 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:	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:	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:	The note rate will be fixed at pricing pursuant to a public offering. • 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:	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:	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	$ 99,950
NHD Surplus Allocation	**75%**	$ 213,927	$ 223,468	$ 233,023	$ 242,587	$ 252,155	$ 261,721	$ 271,280	$ 280,825	$ 290,350	$ 299,849
HMNI Loan Interest	**1.00%**	$ 192,200	$ 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	$ 299,849
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	$ 18,955,089

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	$ 127,616
NHD Surplus Allocation	**75%**	$ 309,313	$ 318,736	$ 328,111	$ 337,428	$ 346,680	$ 355,857	$ 364,950	$ 373,951	$ 382,847
HMNI Loan Interest	**1.00%**	$ 189,551	$ 188,353	$ 187,049	$ 185,639	$ 184,121	$ 182,495	$ 180,762	$ 178,920	$ 176,970
HMNI Loan Principal		$ 309,313	$ 318,736	$ 328,111	$ 337,428	$ 346,680	$ 355,857	$ 364,950	$ 373,951	$ 382,847
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	$ 17,491,076

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**

Lender	Rate	Fees

☒**Option B**

Sponsor/Borrower Statement:

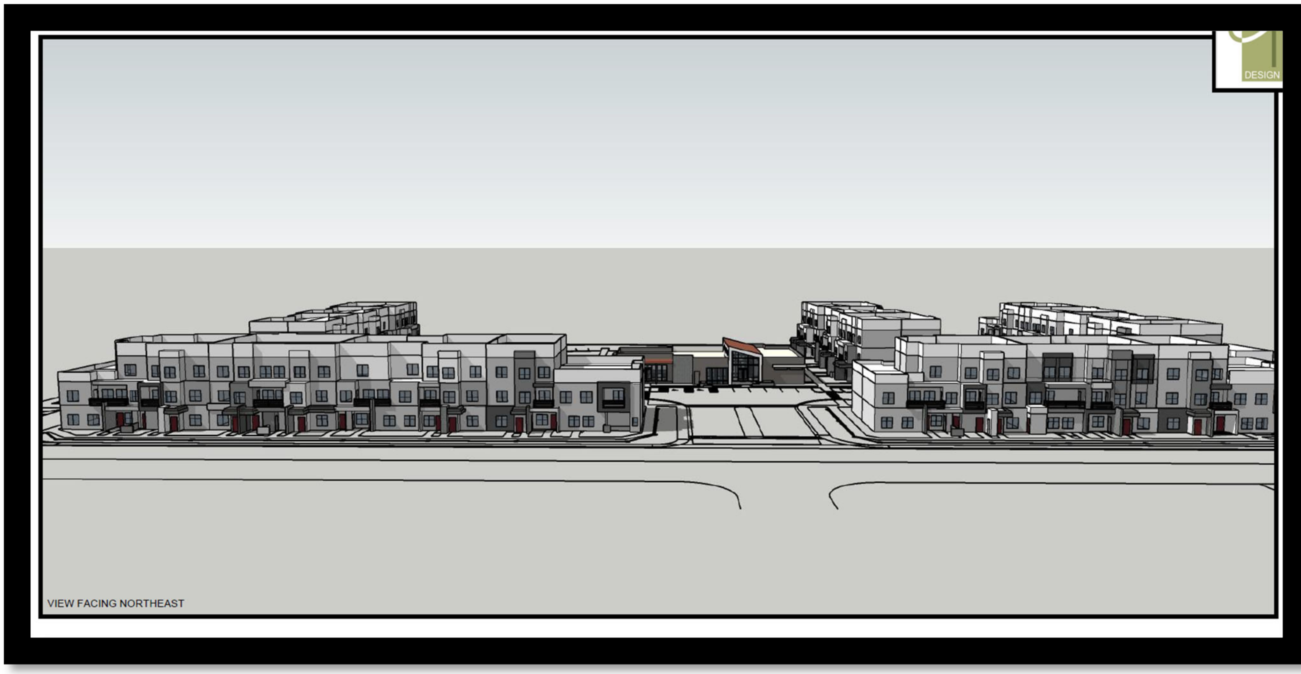
Michaels Development Company conducted a Request For Proposals (RFP) to solicit competitive bids for the construction and perm lender. We received proposals from 6 different lenders. We selected US Bank as the Equity investor and Construction Lender and Berkadia as the Perm lender for several reasons. 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 ¾ 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.

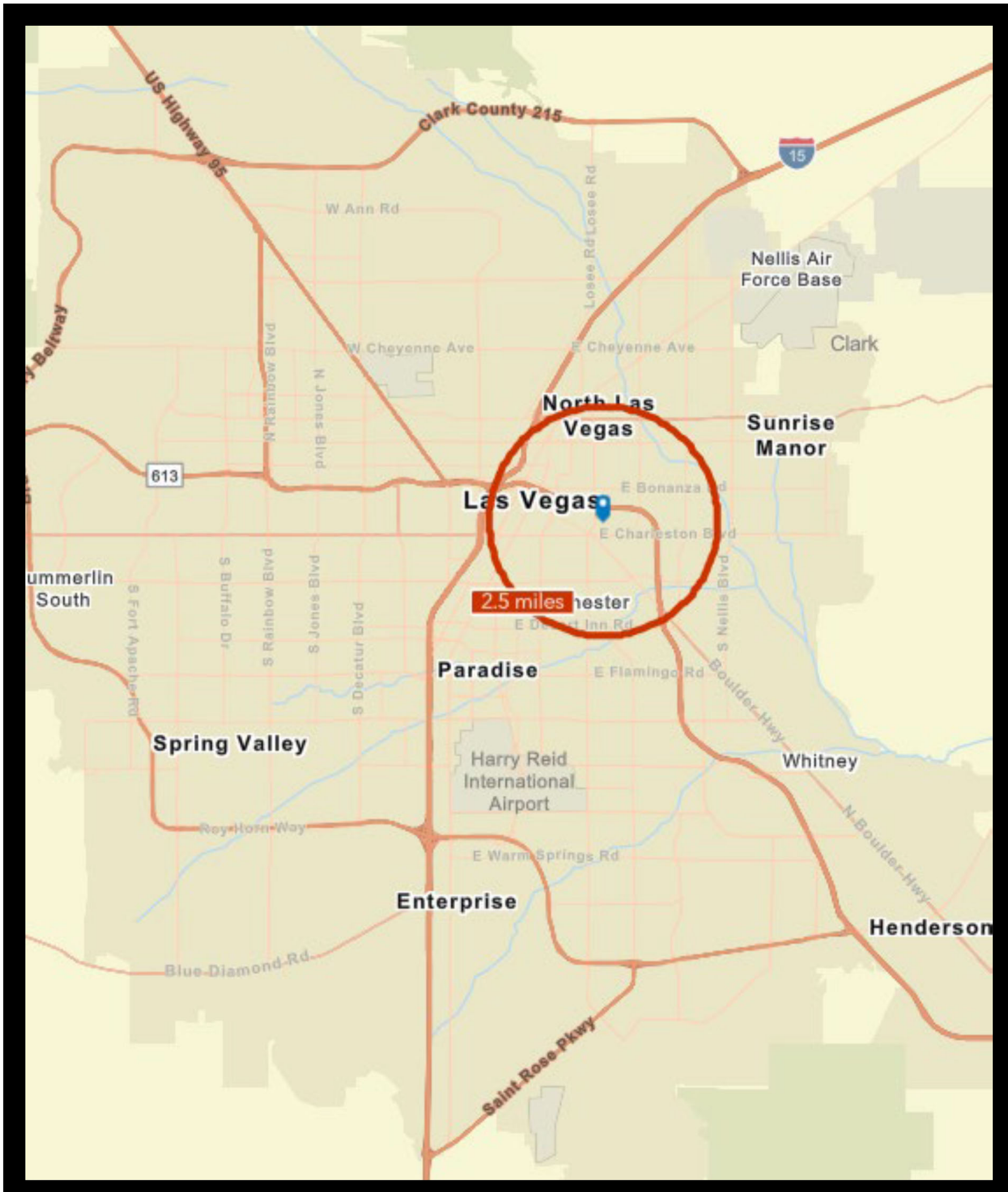
Utilities:

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.

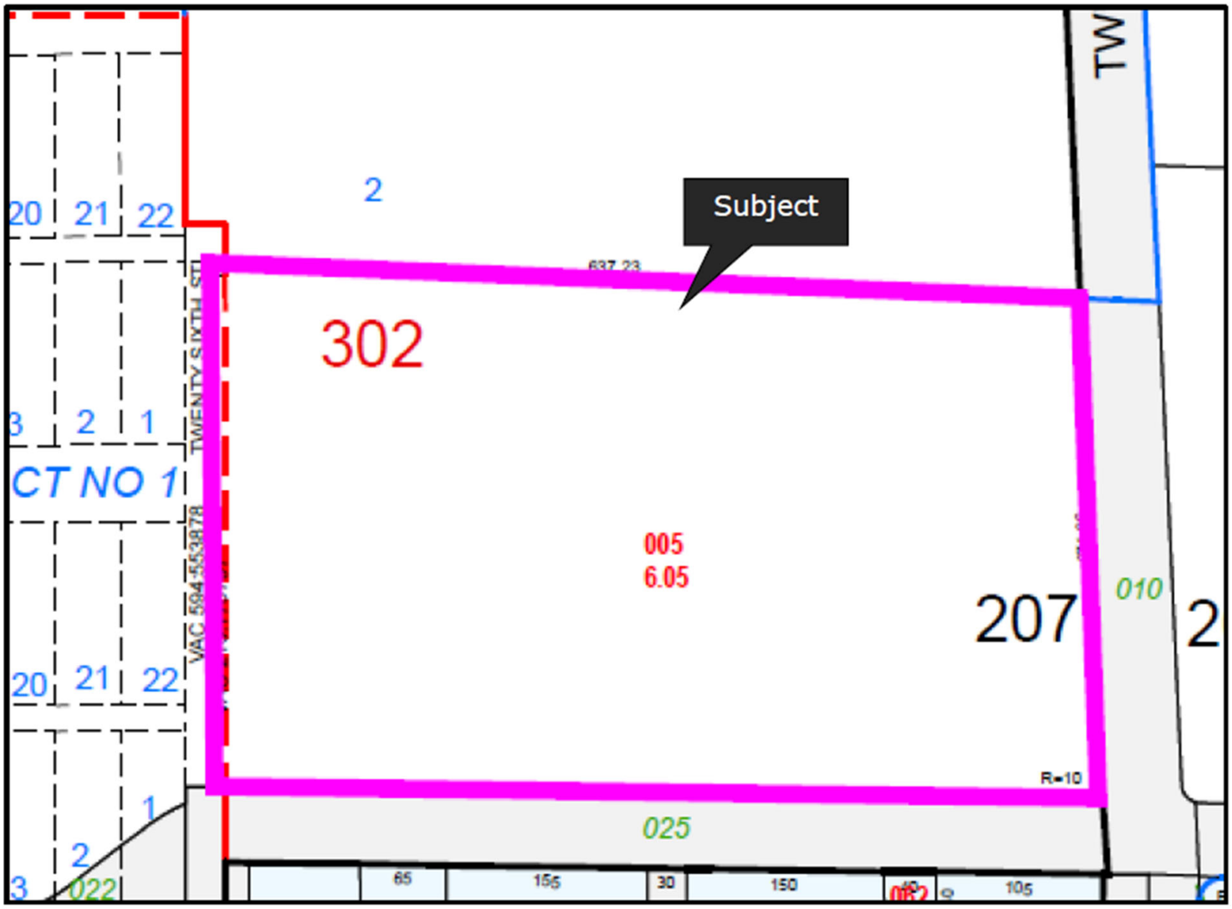
Topography and Soil Conditions:

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



Sunrise Acres
N 28th St
Site
SUNRISE ACRES
26th St
27th St
NO 1



Subject
302
005
6.05
207
010
025
2
20
21
22
3
1
CT NO 1
022
TWENTY SIXTH ST
VAC 594 553878
637.23
R=10
65
155
30
150
105
TW

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

Unite 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


SITE INFO:
APN: 139-36-302-005
SITE ADDRESS: 2601 SUNRISE AVE LAS VEGAS, NV 89101
GROSS ACREAGE: 5.96 AC
UNIT DENSITY (GROSS): 19.83 UNIT/ACRE
PROPOSED ZONING: R-3
LOT COVERAGE: 49.97%
SITE SETBACKS: 20'
BUILDING HEIGHT
MAXIMUM ALLOWED (R-3 FLAT ROOF): 55'-0"
MAXIMUM PROPOSED: 35'-6"
BUILDING STORIES
MAXIMUM ALLOWED: 5
MAXIMUM PROPOSED: 3
CONSTRUCTION TYPE: VA
SPRINKLED: FULLY SPRINKLED
OCCUPANCY: R-2 APARTMENTS
PHASES
PHASE 1 3.96 AC 74 UNITS
PHASE 2 2.00 AC 46 UNITS
SQUARE FOOTAGE
GROSS UNIT S.F. 123,719 S.F.
GROSS CLUBHOUSE S.F. 4,154 S.F.
SHADE STRUCTURE S.F. 1,500 S.F.
GROSS PROJECT S.F. 129,373 S.F.
ADJACENT PROPERTY: APN: 139-36-301-005 JURISDICTION: LAS VEGAS (CLV) ZONING: CIVIC
MAINT. SHED 20'x40'
A VICINITY MAP
GREENE TINDALL DESIGN
BLDG #5
BLDG #4
BLDG #3
BLDG #2
BLDG #1
BLDG #6
CLUBHOUSE
DOG PARK
ADJACENT PROPERTY: APN: 139-36-302-004 JURISDICTION: LAS VEGAS (CLV) ZONING: CIVIC
ADJACENT PROPERTY: APN: 139-36-303-003 JURISDICTION: LAS VEGAS (CLV) ZONING: CIVIC
28TH STREET
SUNRISE AVE
27TH ST
ADJACENT PROPERTIES: APN: VARIES JURISDICTION: UNINCORPORATED CC ZONING: RESIDENTIAL MULTI-FAMILY
NORTH
COLOR SITE PLAN
SCALE (WHEN PRINTED AT 24x36): 1:30
0 10 20 40 80
UNIT COUNT:
1 BDRM FLAT 34 658 S.F. 28%
2 BDRM FLAT (FIRST FLOOR) 16 794 S.F. 13%
2 BDRM FLAT (SECOND FLOOR) 4 889 S.F. 3%
2 BDRM LOFT (SMALL) 34 1081 S.F. 28%
2 BDRM LOFT (LARGE) 7 1130 S.F. 6%
2 BDRM (SMALL) 3 1129 S.F. 2%
2 BDRM (LARGE) 6 1520 S.F. 5%
3 BDRM FLAT 3 1200 S.F. 3%
3 BDRM 10 1520 S.F. 9%
4 BDRM FLAT 4 1376 S.F. 3%
TOTAL NEW UNITS 121 100%
PARKING REQUIRMENTS:
1 BDRM UNITS: 1.25 PER (34 units) 43
2 BDRM UNITS: 1.75 PER (70 units) 123
3 BDRM UNITS: 2.0 PER (13 units) 26
4 BDRM UNITS: 2.0 PER (4 units) 8
GUEST PARKING: 1 PER 6 21
PARKING REQUIRED: 221
PARKING REQUIRED (10% REDUCTION): 199
REQUESTED PARKING
121 UNITS: 1.5 PER (121 units) 182
GUEST PARKING: 1 PER 6 21
TOTAL 203
COVERED SURFACE PARKING PROVIDED 121
UNCOVERED PARKING PROVIDED 82
COMPACT CAR PARKING
COVERED COMPACT (INCLUDED IN TOTAL) 6
UNCOVERED COMPACT (INCLUDED IN TOTAL) 37
TOTAL PARKING PROVIDED: 203
ADA PARKING REQUIRED: 7
ADA PARKING PROVIDED: 11
ADA VAN PARKING PROVIDED: (INCLUDED IN TOTAL) 2
BICYCLE PARKING REQUIRED (1 PER 4 UNIT): 30
BICYCLE PARKING PROVIDED: 36

Building Renderings

GREENE TINDALL DESIGN


UNIT BUILDING - SIDE/FRONT


UNIT BUILDING - FRONT


UNIT ENLARGED


CLUBHOUSE- REAR


CLUBHOUSE - FRONT


UNIT ENLARGED


UNIT BUILDING - REAR


CLUBHOUSE - RIGHT

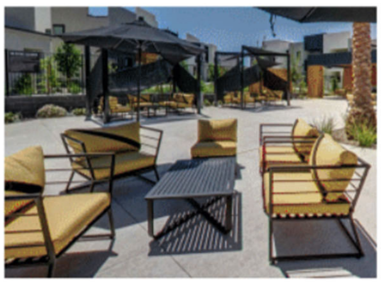

CLUBHOUSE - LEFT

Outdoor Common Ammenities

7 HALF BASKETBALL COURT

4 PAVILION

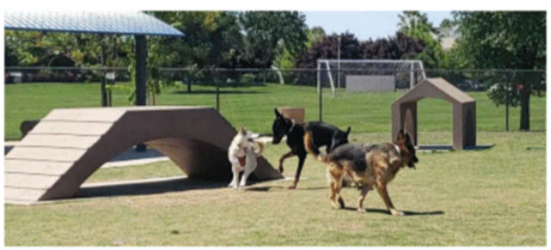
1 PLAYGROUND



8 OUTDOOR LOUNGE SEATING

5 BBQ - CHARCOAL UNO

2 DOG PADS



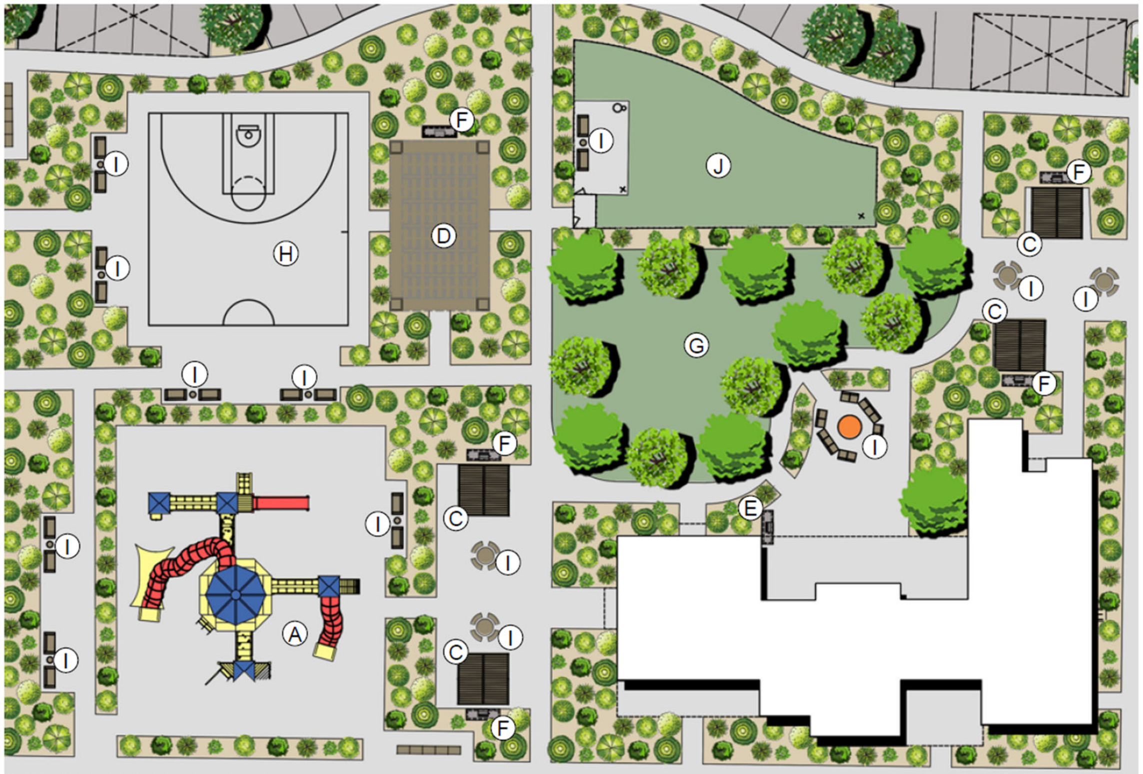
9 DOG PARK

6 ARTIFICIAL TURF PARK

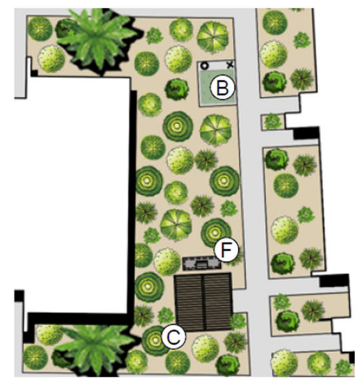
3 SHADE STRUCTURE

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

GREENE TINDALL DESIGN



1 COURTYARD - CENTRAL
SCALE: NOT TO SCALE



2 COURTYARD - SOUTHEAST
SCALE: NOT TO SCALE

Development Executive Summary

Development: 28th & Sunrise
Development Type: New Construction
BoF Meeting Date: 10.4.2024

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 – Freddie Mac
- $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:	September 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

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A. Time and Place of Meeting:

1:00 p.m., Friday, October 4, 2024, 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. The plan of finance consists of a separate construction phase loan and permanent phase loan, both issued through a direct/private placement. Construction phase financing will be issued as a direct placement tax-exempt loan with US Bank. Permanent phase financing will be issued as a private placement through the Freddie Mac Tax-Exempt Loan Program. At conversion, the permanent phase loan will be funded through a reissuance of the bonds. Proceeds of the Freddie Mac loan will be applied to fully redeem the construction phase loan. 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 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. The Duncan & Edwards project was originally approved by the Board of Finance in June of 2024 for an amount up to $20,000,000 in Multi-Unit Housing Revenue Bonds.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (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: ______________________________ DATE: ________________

Steve Aichroth
Administrator
Nevada Housing Division

September 16, 2024

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

Re: Duncan & Edwards Project – ***Amended Plan of Finance***

Mr. Aichroth:

This memorandum is an update to the original version dated May 14, 2024. It is provided in support of the request by the Nevada Housing Division ("Division") to the State of Nevada Board of Finance for approval of the Findings of Fact regarding an amended plan of finance for the Duncan & Edwards project. ***The requested amendment reflects a change to the structure of the proposed financing. There is no change to the amount of tax-exempt multi-unit housing revenue bonds to support the Project.***

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

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 amended plan of finance 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: Background and Proposed Amended Plan of Finance
Exhibit B: Borrower Provided Additional Detail
Exhibit C: Initial Board of Finance Review dated May 14, 2024

Background:

On June 6, 2024, the State Board of Finance approved the issuance of Multi-Unit Housing Revenue Bonds (Duncan & Edwards Apartments) in an aggregate amount not to exceed $20,000,000 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").

The plan of finance previously approved by the Board assumed a public bond offering of two series of tax-exempt bonds to be issued by the Division. Series A was to be 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 was to be short-term tax-exempt notes issued for construction phase financing. Additionally, US Bank would provide a subordinated taxable bridge loan during construction, which would not be issued through or administered by the Division but would provide a source of periodic replacement of collateral for the Series B notes.

Greater detail can be found in the Memorandum in support of the June 6, 2024 approval by the Board of Finance, which is attached as Exhibit C.

Subsequent to the date of Board approval, the borrower identified an opportunity to reduce the total development cost of the Project and execute the transaction in a more efficient manner through a private placement method of sale. As such, the Division is requesting approval to issue the bonds through the revised plan of finance described below.

Summary of the Proposed Project

The characteristics of the Project, rent profile, the Project Developers, the Borrower Entity, and ongoing property management plan were all discussed in detail in the original Board of Finance submittal which is attached as Exhibit C. None of those characteristics or parties have changed.

Requested Amendment:

The amended plan of finance consists of a separate construction phase loan and permanent phase loan, both issued through a direct/private placement method of sale (versus through a public bond offering, as previously contemplated). Construction phase financing will be issued by the Division as a direct placement tax-exempt loan with U.S. Bank. Permanent phase financing will be issued by the Division as a private placement through the Freddie Mac Tax-Exempt Loan ("TEL") Program. The Freddie TEL will be initially provided in the form of an unfunded permanent loan commitment. At conversion, the permanent phase loan will be funded through a reissuance of the bonds. Proceeds of the Freddie TEL will be applied to fully redeem the construction phase loan.

Benefits of issuing the bonds as a direct/private placement (instead of through a public bond offering) include: a decrease in transaction costs of approximately $200,000, greater ease of transaction execution, reduced closing timeframe, and an opportunity to enter into an early interest rate lock. The borrower estimates the new structure will result in a reduction in construction phase interest cost of approximately $1.2 million. In addition, utilizing the Freddie Mac TEL Program is expected to result in a lower permanent loan interest rate (as compared to the previously contemplated Fannie MTEB).

Bond/Loan Term Summary:

Bond Dated: As of Closing Date

Lender: **Construction Loan**: U.S. Bank

Permanent Loan: Freddie Mac (via Berkadia)

Loan Summary: **Construction Loan**

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 $20,000,000
- Not to exceed 65% loan to cost
- Interest Rate: 1-month Term SOFR plus 2.25%; estimated at 7.53% (including Division/Trustee fees) as of September 13, 2024; rate reset monthly
- Term: Estimated at 24 months (Freddie Mac permanent financing take-out), plus one 6-month extension
- Prepayment: The construction loan may be prepaid at any time with no penalty

Permanent Loan

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

- Estimated at $7,560,000
- Not to exceed 80% loan-to-value
- Interest Rate fixed at 10-year U.S. Treasury plus 1.86%; estimated at 5.84% (including Division/Trustee fees) as of September 14, 2024
- Amortization factor: 40 years
- Maturity: 16 years from conversion
- Debt Service Coverage: Minimum of 1.15 to 1.00

Fees: 1) Issuer Annual Fee: 0.125% (12.5 bp) paid monthly in advance during the construction period. The Issuer Annual Fee will adjust to the standard 0.25% (25 bp) fee for the Permanent Phase upon reissuance of the Permanent Loan at conversion.

2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance

Method of Sale: Private Placement

Below is a brief summary on why we decided to move to Freddie Mac from Fannie Mae

1. With the drop in the 10 year treasury over the past few weeks, the all in perm rate is more attractive
2. Ease of execution. Utilizing a Freddie Mac TEL lowers transaction costs (see below), eliminates the public sale of the bonds and reduces the closing time by at least 2 weeks
3. On a Freddie TEL we can enter into an early rate lock (+/- 120 days prior to closing) which is not available with Fannie
4. On Duncan and Edwards the new structure should save the project around $1.2M in construction interest.

Below is a comparison of the fees associated with each structure:

TEB + TEL Fees - Duncan & Edwards (Freddie Structure)			
Description	Fee %	TEB + TEL Amt.	Calculated Fee
Issuance Fees	1.750%	$ 20,000,000	$ 350,000
Financing / Origination Fees	1.000%	20,000,000	200,000
Annual Servicing Fees	0.125%	20,000,000	45,833
Trustee Fee	0.038%	20,000,000	7,692
			$ 603,525

TEB + TEL Fees - Duncan & Edwards (Fannie M.TEB Structure)			
Description	Fee %	TEB + TEL Amt.	Calculated Fee
Issuance Fees	1.750%	$ 20,000,000	$ 350,000
Financing / Origination Fees	1.000%	20,000,000	200,000
Annual Servicing Fees	0.125%	20,000,000	45,833
Underwriter Fees	1.000%	20,000,000	200,000
Rating Agency	0.029%	20,000,000	5,769
Trustee Fee	0.038%	20,000,000	7,692
			$ 809,294

Cody Roskelley
Regional VP Development The Michaels Organization

P.O. Box 90708
Camden, NJ 08101

https://tmo.com/

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

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:	The bond rate will be fixed at pricing pursuant to a public offering. • 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:	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:	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:	The note rate will be fixed at pricing pursuant to a public offering. • 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:	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:	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	$ 1,559,194	$ 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	$ 1,559,194	$ 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	$ 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	$ 81,205
NHD Surplus Allocation	**75%**	$ 201,291	$ 206,887	$ 212,411	$ 217,855	$ 223,212	$ 228,474	$ 233,634	$ 238,684	$ 243,614
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		$ 201,291	$ 206,887	$ 212,411	$ 217,855	$ 223,212	$ 228,474	$ 233,634	$ 238,684	$ 243,614
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	$ 14,567,261

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**

Lender	Rate	Fees

☒**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.

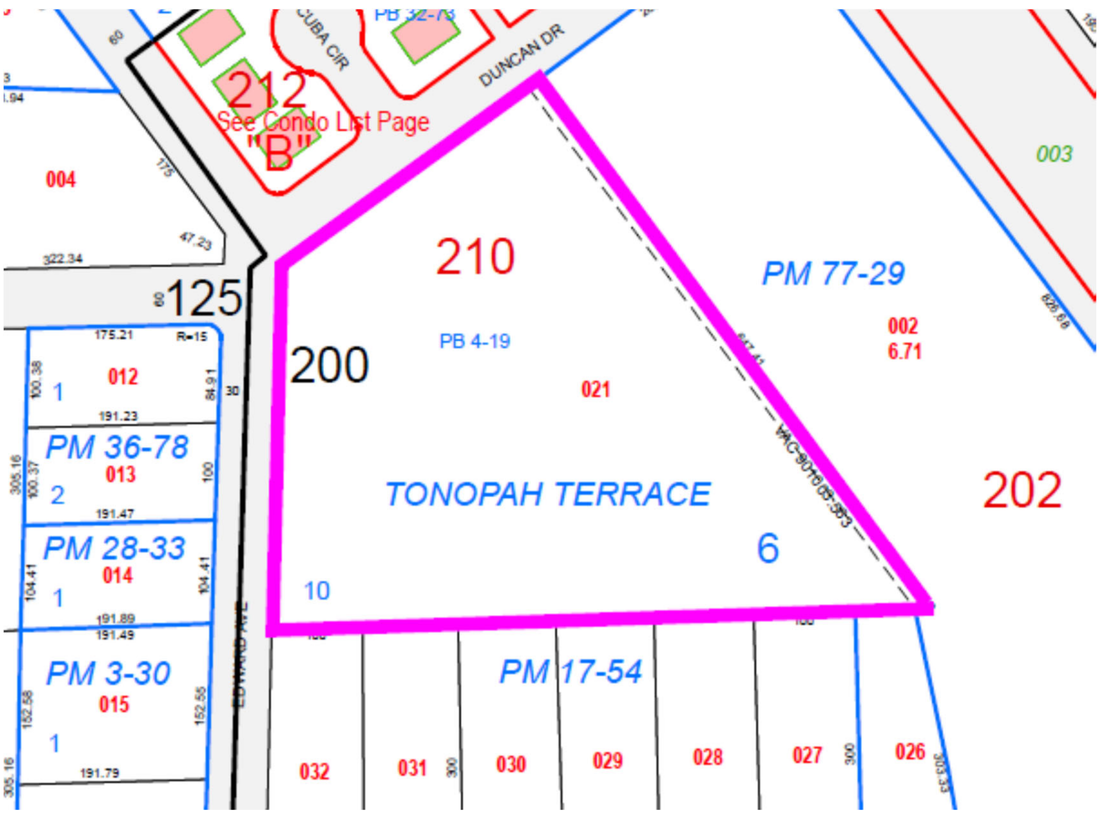
Topography and Soil Conditions:

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


Site
Google


CUBA CIR
PB 32-73
DUNCAN DR
212
See Condo List Page
"B"
004
003
210
PM 77-29
125
200
PB 4-19
002
6.71
012
021
PM 36-78
013
TONOPAH TERRACE
202
PM 28-33
014
6
10
PM 3-30
015
PM 17-54
032
031
030
029
028
027
026

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

Unite 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


DUNCAN DRIVE
W Duncan Dr
Scuba Cir
EDWARD AVE
N Edward Ave
N Rancho
ADJACENT PROPERTY:
APN: 138-12-212-000
JURISDICTION: LAS VEGAS
ZONING: MEDIUM DENSITY RESIDENTIAL
ADJACENT PROPERTY:
APN: 138-12-210-004
JURISDICTION: CLARK COUNTY
ZONING: RESIDENTIAL SINGLE FAMILY
ADJACENT PROPERTY:
APN: 138-12-202-002
JURISDICTION: LAS VEGAS
ZONING: MEDIUM DENSITY RESIDENTIAL
ADJACENT PROPERTIES:
APN: 138-12-210-012 THRU
138-12-210-016
JURISDICTION: CLARK COUNTY
ZONING: RESIDENTIAL SINGLE FAMILY
ADJACENT PROPERTIES:
APN:138-12-210-026 THRU 138-12-210-032
JURISDICTION: LAS VEGAS
ZONING: RESIDENTIAL ESTATES
BLDG #1
BLDG #2
BLDG #3
BLDG #4
BLDG #5
BLDG #6
BLDG #7
CLUBHOUSE
PARK
PARK
A VICINITY MAP
NORTH
DESIGN
SITE INFO:
APN: 138-12-210-021
SITE ADDRESS: 5901 DUNCAN DR. LAS VEGAS, NV 89108
GROSS ACREAGE: 5.15 AC
UNIT DENSITY (GROSS) 15.53 UNIT/ACRE
PROPOSED ZONING: R-3
LOT COVERAGE: 19.04%
SITE SETBACKS: 20'
BUILDING HEIGHT
MAXIMUM ALLOWED (R-3 FLAT ROOF): 55'-0"
MAXIMUM PROPOSED: 24'-6"
BUILDING STORIES
MAXIMUM ALLOWED: 5
MAXIMUM PROPOSED: 2
CONSTRUCTION TYPE: VA
SPRINKLED: FULLY SPRINKLED
OCCUPANCY: R-2 APARTMENTS
UNIT COUNT:
1 BDRM/1BATH 20 650/734 S.F. 25%
2 BDRM/1 BATH 44 850/930 S.F. 55%
3 BDRM/2 BATH 12 1200/1280 S.F. 15%
4 BDRM/2 BATH 4 1300/1382 S.F. 5%
TOTAL NEW UNITS 80 100%
SQUARE FOOTAGE
GROSS UNIT S.F. 87,047 S.F.
GROSS CLUBHOUSE S.F. 3,398S.F.
GROSS SHADE STRCTURE S.F. 750 S.F.
GROSS PROJECT S.F. 91,205 S.F.
PARKING REQUIRMENTS:
1 BDRM UNITS: 1.25 PER (20 units) 25
2 BDRM UNITS: 1.75 PER (44 units) 77
3 BDRM UNITS: 2.0 PER (12 units) 24
4 BDRM UNITS: 2.0 PER (4 units) 8
GUEST PARKING: 1 PER 6 14
PARKING REQUIRED: 148
COVERED SURFACE PARKING PROVIDED 80
UNCOVERED PARKING PROVIDED 65
TOTAL PARKING PROVIDED: 151
143 REGULAR + 8 HANDICAP = 151 TOTAL
ADA PARKING REQUIRED: 4
ADA PARKING PROVIDED: 8
ADA VAN PARKING PROVIDED: (INCLUDED IN TOTAL) 2
BICYCLE PARKING REQUIRED (1 PER 4 UNITS): 20
BICYCLE PARKING PROVIDED: 24
COLOR SITE PLAN
SCALE (WHEN PRINTED AT 24x36): 1:30
NORTH
0 10 20 40 80
THE MICHAELS ORGANIZATION
GREENE TINDALL DESIGN
3047 WARM SPRINGS ROAD, SUITE 500
DUNCAN DRIVE AND EDWARD AVENUE
SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
COLORED SITE PLAN
A1.00
03.11.2024

Building Renderings

GREENE TINDALL DESIGN


UNIT BUILDING - SIDE/FRONT


UNIT BUILDING - FRONT


UNIT ENLARGED


CLUBHOUSE - FRONT


CLUBHOUSE- REAR


UNIT ENLARGED


CLUBHOUSE - RIGHT


UNIT BUILDING - REAR

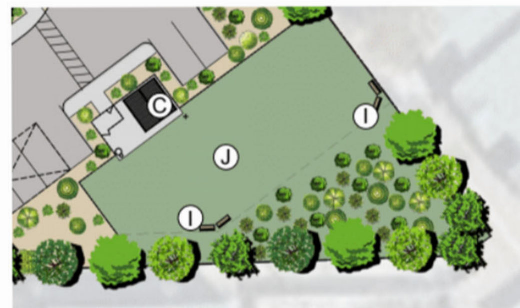

CLUBHOUSE - LEFT

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

GREENE TINDALL DESIGN

1 COURTYARD - CENTRAL

2 COURTYARD - NORTHWEST



3 COURTYARD - SOUTHEAST

Development Executive Summary

Development: Duncan & Edwards
Development Type: New Construction
BoF Meeting Date: 10.4.2024

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 – Freddie Mac
- $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

Nevada Housing Division Growing Affordable Housing Program (GAHP) Loans

In response to the increased project costs for affordable housing developments, the Housing Division is piloting a GAHP 2.0 program to provide subordinate financing greater than the current program's $3 million limit by leveraging private financing partners. The new GAHP 2.0 loan structure can be flexible depending on the project's need and the private financing partners at the table.

Below is an example of the Housing Division's first project to utilize the GAHP 2.0. In this case, the developers are Vintage Housing Development (Vintage) and Greenstreet Development, long-time Housing Division partners with over 3,000 market rate and affordable units in the Reno-Sparks area. In the spring, Vintage approached the Housing Division about its significant gap and agreed to participate in piloting a new program that would leverage funding from NewWest Community Capital (NewWest), a Community Development Finance Institute (CDFI). The gap that Vintage needed to cover was $5 million for Sage by Vintage, a 180 unit family affordable housing project. The Housing Division worked with Vintage and NewWest to provide the loan utilizing $2.5 million of Housing Division funds and $2.5 million of NewWest funds which allowed the Housing Division to provide $5 million to Vintage. For the project itself, the loan is strictly with the Housing Division with modified repayment terms from the historical GAHP loan.

Pilot project example, Sage by Vintage, points of interest:

- The Housing Division is making interest only payments to NewWest during construction. Once construction is complete and the project converts its construction financing to permanent financing, the Housing Division will commence with principal and interest payments monthly.
- NewWest is somewhat unique in the CDFI space, allowing for a longer term on its loans for affordable housing.
- This project supports units at 60% of area median income and does not have any other public financing outside of the 4% Low Income Housing Tax Credits and the Division GAHP 2.0 loan.
- This pilot program is fairly low in administrative costs and burden. The Housing Division established a loan loss reserve to support this new program and Division fiscal staff will coordinate monthly ACH payments to NewWest.

	GAHP (historically)	GAHP 2.0 Pilot Example: Sage by Vintage	Private Financing Partner Example: NewWest Community Capital
Date of Program Creation	2016	2024 (pilot)	N/A
Loan Parties	NHD and Affordable Housing Development (must be Bond/4% LIHTC recipient)	NHD and Sage by Vintage	NHD and NewWest Community Capital (CDFI lending institution)
Loan Amount	Up to $3,000,000	$5 million	$2.5 million
Interest Rate	3% simple	5% simple	7% simple
Term of Loan	30 years	35 years	18 years
Repayment Terms	After placed in service (2-3 years for construction timeline), 75% of operating cash flows will go to the interest and reduction of the principal, respectively	After converting to permanent financing, placed in service, operating cash flow will be split 60/40 with the Deferred Developer Fee until 50% of the principal is repaid. At which time the project has less than 50% principal balance remaining, the repayment terms will model the original GAHP terms with 7% of operating cash flows going to the payment of the interest and reduction of the principal, respectively.	Monthly interest payments upon loan close. Once construction is complete and the project converts its construction financing to permanent financing, the Housing Division will commence with principal and interest payments monthly. The loan balance will be due in full upon maturity.