

STATE BOARD OF FINANCE
August 20, 2025 – 10:00 am
Summary Minutes

Location:

Via videoconference at the following locations:

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

Governor Lombardo called the meeting to order at 10:02 am.

Board members present:

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

Others present:

Debi Reynolds:	Governor's Office
Nicole Ting:	Attorney General's Office
Lori Hoover:	Treasurer's Office
Steven Hale:	Treasurer's Office
Ryan Merchant:	Treasurer's Office
Emily Nagel:	Treasurer's Office
Kirsten Van Ry:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Stephen Aichroth:	Nevada Housing Division
Christine Hess:	Nevada Housing Division
Beth Dunning:	Nevada Rural Housing
Shawn Heusser:	Nevada Rural Housing
Mendy Elliot:	Nevada Rural Housing
Eric Novak:	Praxis Consulting
Ariel Estrada Parra:	Praxis Consulting
Mark O'Brien:	Raymond James
James C:	GLTC Development
Marty Johnson:	JNA Consulting Group
John Peterson:	JNA Consulting Group
Shawn Heusser:	Nevada Rural Housing
Kendra Follet:	Sherman & Howard
Ray Ritchie:	Nye County School
Shawn Heusser:	Nevada Rural Housing
Alex Pike:	Nevada Housing
Jeff Gertz:	JP Morgan
Mark Lambing:	Dominium
Tanner Nygren:	Dominium

Charles K: CFX
Sevrat Prakash: CFX
Jay Yadav : CFX
Maggie Marshall: PFM
Steve Likes

Agenda Item 2 – Public Comment.

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

Agenda Item 3 – For discussion and for possible action – on the Board of Finance minutes from the meeting held on April 16, 2025.

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

Agenda Item 4 – For discussion and for possible action: 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 \$23,000,000 of Multi-Unit Housing Revenue Bonds (Arthur McCants Senior Apartments), for the purpose of acquisition and rehabilitation of a 116-unit affordable senior housing rental project in Las Vegas, Nevada. The project developer is GLTC Partners. The borrower/ownership entity will be Arthur McCants TC GP, LLC. Boston Financial will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Administrator Stephen Aichroth with the Nevada Housing Division (NHD) presented a request to seek approval of the Administrator’s Findings of Fact pertaining to the issuance of up to \$23 million NHD multi-unit housing revenue bonds for the Arthur McCants Senior Apartments. These bonds will be used to provide for the acquisition and rehabilitation of a 116-unit affordable senior apartment complex. The rental housing will serve a hundred households at or below 60% of area median income, with 24 units serving 30% area median income households and 12 units serving 50% median income households. He noted that 115 units out of the 116 will receive project based rental assistance through a Section 8 contract where the residents will pay no more than 30% of their adjusted gross income towards rent. The developer is GLTC partners and since the year 2000 has purchased, preserved, and developed over 7,300 affordable housing units nationwide.

Chief Financial Officer Christine Hess, with NHD, provided an overview of the financial structure. She introduced Maggie Marshall with PFM who is their financial advisor for their multifamily side who does the heavy lift for the underwriting and works hard with the developers to get these projects prepared. Ms. Marshall is the author of the memo in the Board of Finance materials for every project, and her support is appreciated. The plan for financing for this project includes up to \$23 million of tax-exempt bonds issued by the division. The tax-exempt construction phase loan will be a direct placement with Bridgewater Bank. Bridgewater will also provide a taxable construction loan of approximately \$1.5 million not issued by the division. The permanent phase loan will be a Freddie Mac tax exempt loan with underwriting managed by Lumet Real Estate Capital LLC. The Freddie TEL will initially be provided in the form of an unfunded loan commitment. Upon conversion, the short-term construction loan will be redeemed, and the Freddie TEL permanent loan will be funded. This project brings in approximately \$16.2 million in federal loan income housing tax credit equity investment by Boston Financial. Other funding sources include \$4 million of the Community Housing Fund from Clark County, \$1 million of Clark County HOME Funds, and \$1.5 million from the City of Las Vegas HOME Funds. She stated that this is a common theme for their projects today.

Ms. Hess noted the importance of the significant investment by the developer group themselves, and they are at the table to also introduce themselves should anyone have any questions. There will be a seller's note of \$4.47 million and they are deferring \$4.1 million of their developer fee.

Treasurer Conine asked if the seller's note gets paid off first and then the deferred fee or if this happens simultaneously.

James Crowder with GLTC Developers noted that the deferred developer fee would get paid first as that needs to be able to show that it's payable and it's put higher up in the capital stack to improve that out on a tax basis.

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

Agenda Item 5 – For discussion and for possible action: Discussion and for possible action on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$35,000,000 of Multi-Unit Housing Revenue Bonds (Riverwood Village Apartments), for the purpose of acquisition and rehabilitation of a 207-unit family affordable housing rental project in Laughlin, Nevada. The project developer is the Nevada Rural Housing Authority. The borrower/ownership entity will be RW Associates, LLC. The Richman Group will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the request for approval of the Board for the findings of fact pertaining to the issuance of up to \$35 million of NHD multi-unit housing revenue bonds for Riverwood Village Apartments. These bonds will be used to provide for the acquisition and rehabilitation of a 207-unit affordable family apartment complex in Laughlin. This rental housing unit will serve 206 households at or below 60% of area median income with 42 units serving 30% of area median income households and 21 units serving those below 50% AMI. This project is being redeveloped by Nevada Rural Housing, and they are in Carson City if any questions for them specifically. He noted that 191 of the 207 units receive USDA-RD Section 515 Rental Assistance. Similar to the previous project, those residents will not be paying more than 30% of their income towards rent.

Ms. Hess continued the presentation stating that it's important to note that this project did apply for a waiver and received approval. In the qualified allocation plan they require that projects be at least 20 years past their last placed in service date of receiving tax credits. In the case of this project a waiver can be requested, which is crucial in order to keep the project affordable and avoid having it to the open market. She reviewed the project also falls under the exception specified in the QAP for projects that may be at high risk of going to market rate. The division granted this waiver for this project. The plan of financing includes a direct placement of the debt issued with JP Morgan Chase not to exceed \$35 million issued by the division. The permanent phase financing will be initially provided as an unfunded loan commitment of approximately \$18.3 million and upon conversion, Chase will identify an institutional investor and proceeds of the permanent phase loan will be used to fully redeem the construction phase loan. As Administrator Aichroth noted, there is significant local support as Clark County provided \$9 million in Community Housing Funds. This project will generate approximately \$26.2 million in federal low-income housing tax credit equity investment by the Richmond Group.

Member Navarro inquired in the waiver about the amount previously used in tax exempt bonds

from the 2008 renovation.

Ms. Hess responded that occasionally they will have a project that is acquisition rehab and is not an affordable project where rents are not restricted. That's called naturally occurring affordable housing where they are bringing it into a rent restricted space. Most often what they find is the acquisition rehab projects are previous low-income housing tax credit projects and it's now time to get them rehabbed. There are projects that sometimes come in at 15 years, but the division has limited resources and volume cap, so they are trying to take care and steward their resources accordingly.

Treasurer Conine commented that this project is super important for Laughlin and that is shown in Clark County's commitment. He stated he is a former resident of Laughlin and expressed his appreciation towards Bill Brewer and the team at Nevada Rural Housing as he can't say enough good things about them.

Motion to approve agenda item 5 from Treasurer Conine. Motion passed unanimously.

Agenda Item 6 – For discussion and possible action: 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 \$28,670,000 of Multi-Unit Housing Revenue Bonds (The Prospector Apartments), for the purpose of new construction of a 136-unit family affordable housing rental project in Reno, Nevada. The project developer is the Ulysses Development Group. The borrower entity will be Prospector Owner LP. US Bank will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the request to seek the approval of the Board for the findings of facts pertaining to the issuance in an amount not to exceed \$28.67 million in NHD revenue bonds for The Prospector Apartments. These bonds will be used to provide for the new construction of a 136-unit affordable family apartment complex in Reno. The rental housing will provide affordability restrictions for 136 households, 11 units will be at 30% AMI, 107 units at 60% AMI, and 18 units at 70% AMI. This project will be both using state tax credits and division GAHP loans. The development group is led by Ulysses Development, and this is their second project before the Board of Finance.

Ms. Hess went over the financing structure for this project which includes a direct bond purchase by Citibank. The division will issue up to \$28.67 million in tax exempt bonds which will be reduced to approximately \$18.5 million following construction completion and conversion to the permanent phase. Citibank will also provide approximately \$5.9 million as a taxable construction loan. The project's estimated to generate approximately \$20.78 million in federal low-income housing tax credit equity investment by U.S. Bank. Other funding sources such as Administrator Aichroth noted include \$2 million in Nevada transferable state tax credits. That is the amount that this project qualifies for, and they authorize the state tax credits based on unit count, so they were able to qualify for \$2 million in state tax credits. With a GAHP still in their capital stack, the division came forward with \$5 million of their GAHP loan. Additionally, the City of Reno is also very invested in this project as it has a \$2.775 million seller note and the developer is deferring \$6 million of their developer fee which is significant equity investment by the developer. She noted that Ulysses is in the room in Las Vegas if there are further questions.

Treasurer Conine thanked them for continuing to do work in Nevada as the first project they picked up in Reno was probably the hardest piece of geographic work he has ever seen but they hustled

through it. He expressed his excitement and hopes this one goes a little bit less expensively for them and appreciates that they're still here.

Governor Lombardo congratulated Ulysses and wished them good luck on the next project and hope for it to not be as difficult.

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

Agenda Item 7 – For discussion and possible action: 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 \$95,600,000 of Multi-Unit Housing Revenue Bonds (Skyline Flats Apartments), for the purpose of new construction of a 402-unit family affordable housing rental project in Reno, Nevada. The project developer is Dominion Development. The borrower entity will be Reno Leased Housing Associates I, LLLP. US Bank will be the equity investor partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4). The Skyline Flats Apartments project was originally approved by the Board of Finance in December of 2024 for an amount of up to \$90.6 million in Multi-Unit Housing Revenue Bonds.

Mr. Aichroth presented the request to seek the approval of the Board for the findings of facts pertaining to the issuance in an amount not to exceed \$90.6 million in NHD revenue bonds for the Skyline Flats Apartments. These bonds will be used to provide for the new construction of a 402-unit affordable family apartment complex in Reno near the Truckee Meadows Community College. The rental housing will provide affordability restrictions for 402 households all at 60%, has 129 3-bedroom units, and 156 4-bedroom units. The project is located on a 58-acre site so there are some challenges with the landscape up there. They'll also be using state tax credits in a division GAHP loan. The development group is led by Dominion Development. He noted this is a familiar item as it was approved previously at the Board of Finance in December of 2024 but because of modifications to that plan of finance and a \$5 million increase in the bond they are seeking reapproval.

Ms. Hess discussed the changes and the new financial structure. She reviewed that the original plan of financing for this project had only \$3 million in Nevada transferable state tax credit. It is a complex project, but it is certainly a priority for the division to get it moving and they are happy to have an additional 402 units come in Nevada. Unfortunately, due to a \$9.6 million increase in total development costs, a decrease in federal low-income housing tax credit equity generated, and some complexity surrounding updated conversations for the subordinate debt, this project had to pivot in terms of how they put together the financials. The project is anticipated to close in November and closing calls are ready to commence upon Board of Finance approval. The updated plan of finance proposes a separate construction and permanent loan. The construction phase loan will be issued as a public offering underwritten by Barclays. The division will issue \$95.6 million of variable rate demand bonds which will be secured by a letter of credit from Barclays. Permanent project financing will be issued as a Freddie Mac tax exempt loan through a direct placement with KeyBank National Association. This project will generate approximately \$71.7 million in LITEC equity by U.S. Bank. As she mentioned before other sources of funds include Nevada's Transferable State Tax Credits and they have increased their award to \$4 million which was a change in the 2025 QAP. Due to the project size, they would qualify now for \$4 million in state tax credits. They are also pairing those tax credits with \$5 million of a division GAHP loan and the developer is deferring \$16.6 million. She pointed out the significant bond ask of \$95.6 million. It's not lost on the division that it's a big ask but it is a big project. She utilized the opportunity to discuss the recent changes at the federal level and what that will mean in the future. These changes provided the opportunity for the project to qualify for the

same amount of federal loan income housing tax credits with half the amount of tax-exempt bonds going forward. The housing division, however, is not rushing with the legislation that was passed with the Budget Reconciliation Act that allowed for this change and they're anticipating implementation in 2026 as they don't want to jeopardize any projects. Additionally, this project will close before the end of this year so they will not be able to utilize less tax-exempt bonds. She expressed to the Board members that they think the legislation that was passed was very significant in the affordable housing world. In some ways this could mean they're going to see twice the amount of multifamily projects come before the Board, which would be amazing in Nevada because there is such a shortage of affordable housing. She stated that likely that's not the case because they have limited resources to close the GAHP and they also want to make sure they invest in their single-family program and bring first time home buyer interest rates as low as could be.

Ms. Marshall provided a quick high-level overview of the change of 50% to the 25% test and how they're thinking about recycled bonds. Currently there are discussions about the 50% test which essentially means that 50% of the eligible basis of the project must be financed with tax exempt bonds which is a requirement that is looked at in the construction phase. The change starting next year is that requirement is now only 25%. This opens up the ability to finance or bring more projects through with keeping the amount of private activity bond volume cap the same. She went over a recycled bond program where if certain requirements are met, they would be able to put the loan into another project if the timing aligns within a 4-year period from the initial bond issuance of the project. She noted there are a lot of moving parts as they must be recycled within 6 months of the prepayment date.

Ms. Hess stated they have had huge support from PFM and CFX within their financial advisor on the single-family side. They have the expertise and are also working around the country with other housing finance agencies and they'll be supporting them to stand up this new program as there are many complexities.

Treasurer Conine asked if they can go from multifamily recycling to single-family side or if it's based all the way through the initial decision and if there is any sort of priority of dollars.

Mr. Aichroth noted it needs to stay within the same bucket but have the ability to work on either side. Another important factor is that they only get one shot to recycle once and then they are extinguished

Ms. Hess added as they consider moving forward with this recycled bond project in the 30% test, they know that they're still going to need debt. They think it will be developer driven and functionally there is still plenty to be determined which is why there are also going with CFX for a framework and program implementation perspective to learn how others are also implementing.

Governor Lombardo appreciated Dominion Development for being there and continuing with this project but stated he will not give out another chance. He is hopeful that they are able to get to the finish line and get this done as he will not entertain another option.

A representative from Dominion stated they are at the point in the process where they have construction pricing fully locked in and that's the biggest sway in the numbers. Their original pricing was based off of their 30% test so there were some unknowns in terms of off-site infrastructure that needed to be done. However, they are confident they will close by the end of the year. U.S. bank is the investor, and the fund needs to close. They have already locked their index so they have a lot of deadlines and for those reasons they will not be back for a third time. He expressed this has been a little bit of a learning curve with their first project in the state but they're grateful for the Housing Division as they help guide through the process and learning curves on their end.

Governor Lombardo gave recognition to Ms. Marshall and expressed his thank you for having the proverbial back and watching out for them to ensure that they are on track.

Governor Lombardo had an additional question and inquired as to why they are not able to intermingle single family and multifamily bonds.

Mr. Aichroth stated these are basically IRS rules as Congress has appropriated these dollars and they cannot move within each other once the bonds are identified. Annually they have to identify private activity bonds for their use and then they can be used for three years but once they identify that use, that's the only place they can stay. In the housing space they need to identify for single family or multifamily and have a Carry Forward Allocation form that they fill out with the IRS where they have to identify the criteria. There is consideration on Capitol Hill about allowing those transfers but to date that has not come to fruition.

Ms. Hess expressed to the Governor that if he happens to have these conversations with their federal delegation, the opportunity certainly to adjust the carry forward designation would give states more flexibility over private activity bonds and volume cap which allows them to pivot in the time necessary. She noted there is a need for congressional action but it's certainly a straightforward ask of Congress as they have housing considerations.

Governor Lombardo appreciated the comments and clarification.

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

Agenda Item 8 – **For discussion and possible action:** Discussion and for possible action on a Resolution approving the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund (PSF) Guarantee Agreement pertaining to the Nye County School District (District), Nevada, General Obligation (Limited Tax) School Improvement Bonds (PSF Guaranteed) Series 2025, in maximum aggregate principal amount of \$10,000,000.

Deputy Treasurer Cari Eaton with Debt Management presented this agenda item. She stated that the Nye County School District will issue bonds in the amount of \$10 million to improve various facilities throughout the district and is requesting a guarantee from the permanent school fund. By utilizing the PSF program, they expect savings of \$170,000. The district has \$38.7 million in outstanding PSF guaranteed debt and if the board approves this guarantee the district will have approximately \$11.3 million remaining available under the PSFG program's \$60 million authorization. The Department of Taxation performed its analysis of the district's application and concluded that they have the ability to make timely debt service payments of the bonds without the need to increase the current debt rate. She introduced Marty Johnson, the Municipal Advisor for this transaction and Ray Ritchie Nye County School District's Chief Financial Officer available for questions.

Treasurer Conine commented that he is happy that they can once again use the financial credit largesse of the state to save one of their friends in government \$170,000 over the life of this issuance.

Motion to approve agenda item 8 from Member Navarro. Motion passed unanimously.

Agenda Item 9 – **For discussion and possible action:** Discussion and for possible action on a resolution designated as the “2025B Capital Improvement Bond Resolution”; authorizing the issuance and sale of the State of Nevada General Obligation (Limited Tax) Capital Improvement Bond, Series 2025B, in the aggregate principal amount not to exceed \$9,000,000; providing the purpose for which such bond is issued, the form, terms, and conditions of such bond and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bond; approving the investment of moneys in the Consolidated Bond Interest and Redemption Fund of the State in such bond; and providing other related matters.

Deputy Treasurer Eaton presented this agenda item as they are requesting the Board’s approval for the 2025B bond issuance and investment in the Bond Interest and Redemption Fund. The 2025B bond is a \$9 million bond to be issued for the acquisition of the Nevada Supreme Court building in Las Vegas as authorized by Section 3.5 of Senate Bill 478 in the 2025 Legislative Session. This bond resolution includes the element of the BIRF purchasing the 2025B bond as an investment rather than the bond being sold through a public competitive sale or a bank private placement. This method of financing is estimated to produce overall savings of approximately \$102,500 to the BIRF as a result to the estimated cost of capital using this method being 4.38% compared to the estimated cost of capital of a publicly offered bond being 5.44%.

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

Agenda Item 10 – **Informational Item:** regarding the State Treasurer’s quarterly investment report for the quarter ended March 31, 2025.

Deputy Treasurer of Investments Steven Hale presented the quarterly investment report for this agenda item. They are seeking the Board’s review and approval of the State Treasurer’s quarterly investment report. He provided an overview of the general portfolio assets under management as of March 31st, 2025, beginning on page 154 of the meeting materials. Interest revenue for the general portfolio was \$100 million. Page 155 shows the historical quarterly interest distributions from fiscal year 2022 to March 31st, 2025. The \$100 million distributed is an \$18 million improvement sequentially and a \$2 million increase year over year. Skipping to page 157 of the materials, the top chart shows the general portfolio remains a well-diversified portfolio of high-quality assets with almost 50% combined in U.S. Treasury or US agency securities. The bottom chart shows the portfolio was a little more weighted toward shorter maturities, however, they also took advantage of market volatility in the quarter which led to attractive rates. These will help performance if or when rates decline in the future. He reviewed page 158 showing their external manager slightly underperformed versus the benchmark by 5 basis points in the March quarter, but the performance inception remains very good. Since inception, this segment of the portfolio has outperformed its benchmark by 1.07% on annualized basis. Page 160 shows the LGIP assets under management through March 31st were \$2.9 billion while the earned income return for the quarter was 4.43%. This was 18 basis points better than the blended benchmark yield of 4.25%.

Treasurer Conine commented that this was the quarter where they broke \$1.1 billion of investment returns since 2019 which is approximately 4.5 times greater than the sum of the state 's performance life to date since the 1860s. They feel pretty good about that and it's all a credit to Deputy Treasurer Hale and his fantastic team of investment professionals.

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

Agenda Item 11 – **For discussion and possible action:** For discussion and possible action on the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool date July 2022. Approval of the Board of Finance is required pursuant to NRS 355.045

Mr. Hale presented this agenda item seeking the approval of the investment policy statements for the general portfolio and the local government investment pool (LGIP). There has been no update to either the general pool or LGIP investment policies.

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

Agenda Item 12 – **Public Comment**

No public comment in Carson City or Las Vegas.

Meeting adjourned at 10:51am