

Governor Steve Sisolak  
Chairman



*Members*  
Treasurer Zach Conine  
Controller Catherine Byrne  
Benjamin Edwards  
David R. Navarro

## PUBLIC NOTICE

### AGENDA

MEETING OF THE STATE BOARD OF FINANCE

December 13, 2022

1:00 P.M.

#### **Locations:**

Via videoconference at the following locations:

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

Grant Sawyer State Office Building  
Governor's Conference Room, Fifth Floor  
555 E. Washington Avenue, Suite 5100  
Las Vegas, NV 89101

#### **Agenda Items:**

1. Roll Call
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.
3. **For discussion and possible action:** on the Board of Finance minutes from the meeting held on October 11, 2022.
4. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$55,000,000 of Multi-Unit Housing Revenue Bonds (The Ridge at Sun Valley), for the purpose of construction of a 195-unit family affordable housing rental project in Sun Valley, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by the Ulysses Development Group and US Bank, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4). The Ridge at Sun

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

Valley project was originally approved by the Board of Finance in January of 2022 for an amount of up to \$33 million in Multi-Unit Housing Revenue Bonds.

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

5. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of Single-Family Mortgage Revenue Bonds, in an amount not to exceed \$200,000,000 to be issued in one or more series. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

6. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$55,000,000 of Multi-Unit Housing Revenue Bonds (Pinyon Apartments), for the purpose of construction of a 250-unit family affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Lincoln Avenue Capital and Alliant, Inc., who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

7. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$42,000,000 of Multi-Unit Housing Revenue Bonds (James Down Towers Apartments), for the purpose of acquisition and rehabilitation of a 200-unit senior affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by the Southern Nevada Regional Housing Authority, Affordable Housing Program, Inc. Group and Wells Fargo, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

8. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$22,500,000 of Multi-Unit Housing Revenue Bonds (Buffalo & Cactus Apartments), for the purpose of construction of a 125-unit senior affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Nevada HAND, Inc. and Raymond James Tax Credit Funds, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

9. **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 (702) 486-2908 if assistance is needed.

Kirsten Van Ry, Interim Secretary to the Board may be contacted at (702) 486-2908 to obtain copies of supporting materials, which are available to the public at 101 N. Carson St., Suite 4, Carson City, NV 89701.

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

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

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

**STATE BOARD OF FINANCE**  
**October 11, 2022 – 1:00 PM**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

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

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

**Board members present:**

Governor Steve Sisolak – Carson City  
Treasurer Zach Conine – Teams Controller  
Catherine Byrne – Carson City  
Teresa Courrier – Carson City  
Benjamin Edwards – Las Vegas

**Others present:**

Steven Hale:	Treasurer's Office
Kirsten Van Ry:	Treasurer's Office
Ian Carr:	Attorney General's Office
Kevin Benson:	Governor's Office
Amy Stephenson:	Governor's Finance Office

**Agenda Item 1 – Roll Call**

**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 September 12, 2022.

**Controller Byrne moved to approve the minutes. Motion passed unanimously.**

**Agenda Item 4** – (a) regarding the State Treasurer's quarterly investment report for the quarter ended June 30, 2022, and (b) to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP). Approval of the Board of Finance is required pursuant to NRS 355.045.

Steven Hale, Deputy Treasurer for Investments, presented the investment report for the quarter ending in June 30, 2022, and is seeking the board's approval and review. He noted page 6 of the board materials booklet which has a brief overview of the fixed income market at quarter end. He noted that yields increased but were pronounced 2 years in the end as a direct result of the Federal Reserve increasing the fund rates by 125 basis points in the quarter. Page 7 of the packet shows

LGIP had assets under management of \$2.1 billion with a yield maturity of 1.17% which is below 121 basis points of the benchmark yields of 2.38%. The general portfolio assets value was at \$7.6 billion with 77% managed internally and 23% managed externally. The overall portfolio yield for maturity was 1.18%. Mr. Hale pointed out that there is a typo on the report, on page 2, which stated that the portfolio was only \$7.03 billion as opposed to the accurate \$7.6 billion. He reviewed page 13 of the materials shows the interest distributed from the earnings for the general portfolio for the fiscal year 2022.

**Controller Byrne moved to approve Agenda Item 4. Motion passed unanimously. Agenda**

**Item 5 - Public Comment**

No public comment in Carson City or Las Vegas.

Meeting adjourned at 1:05 pm.

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

DATE: November 14, 2022

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 (The Ridge at Sun Valley)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division Stephen Aichroth  
Stephen Aichroth (Nov 15, 2022 13:34 PST)

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A. Time and Place of Meeting:

1:00 p.m., Tuesday, December 13, 2022, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact (Findings) of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (The Ridge at Sun Valley).

C. The Findings relate to the issuance of up to \$55,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 195-unit family apartment complex in Washoe County located at 5100 West First Avenue in Sun Valley, NV (the Project).

D. The Housing Division will issue up to \$55,000,000 of multi-unit housing revenue bonds which will be structured in three phases, Initial Construction Phase, Completion Construction Phase and Permanent Phase. The Initial Construction Phase loan amount provided by US Bank is projected to consist of approximately \$86,400,000 of taxable debt not issued by the Division. The Completion Construction Loan will consist of \$55,000,000 of tax-exempt debt issued by the Division and approximately \$34,446,000 of taxable debt not issued by the Division and provided by Citibank. The Completion Construction Loan will replace the Initial Construction Loan and provide construction financing through project completion and conversion to permanent loan status. At conversion the tax-exempt debt issued by the Division will be reduced to approximately \$23,391,000. The construction debt will be placed with US Bank and Citibank and permanent debt will be placed directly with Citibank and neither will be publicly offered. The Project borrower/developer will be a limited partnership which will consist of Sun Valley Ridge GP, LLC as General Partner and U.S. Bank as Limited Partner. U.S. Bank will be the equity investor and will provide approximately \$45,840,000 of equity through the purchase of 4% low-income housing tax

credits. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended. The Ridge at Sun Valley project was originally approved by the Board of Finance in January of 2022 for an amount of up to \$33 million 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 (The Ridge at Sun Valley).”

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  
The Ridge at Sun Valley**

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

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



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

BY: Stephen Aichroth  
Stephen Aichroth (Nov 15, 2022 13:34 PST)

Steve Aichroth  
Administrator  
Nevada Housing Division

DATE: Nov 15, 2022



September 15, 2022 (Revised)

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

Re: The Ridge at Sun Valley Project

Mr. Aichroth:

This revised review and opinion is provided in support of the request by the Nevada Housing Division (“Division”) to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Ridge at Sun Valley project (“Project”). The Division is requesting authorization for issuance of up to \$55,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of this new affordable family property in Sun Valley area of unincorporated Washoe County.

PFM Financial Advisors LLC (“PFM”) has reviewed the updated Application of the borrower for financing of the Project and related supporting material submitted to the Division. We have also discussed the changes to the Project and financing from the original review with representatives of the borrower and Division staff.

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

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

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

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff  
Director

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

### **The Project**

The Project consists of land acquisition and construction of a new affordable family facility located in Sun Valley at 5100 West First Avenue. This location is near the Truckee Meadows Community College and the Walmart Supercenter. It will be a 195-unit facility situated on a site of approximately 10 acres and configured to provide one, two and three-bedroom units in 10 garden style residential buildings plus a central community clubhouse. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Details of the configuration of the 195 units, size and rent restrictions are provided in Table A.

**Table A: Project Unit & Rent Profile**

Unit Mix	AMI Restriction	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Less Utility Allowance <sup>2</sup>	Net Monthly Rent	Gross Monthly Rent	Gross Annual Rent
<b>Restricted Units:</b>								
1 Bedroom	< 50%	3	695	\$ 876	\$ 59	\$ 817	\$ 2,451	\$ 29,412
1 Bedroom	< 60%	37	695	\$ 1,051	\$ 59	\$ 992	\$ 36,704	\$ 440,448
2 Bedroom	< 50%	3	900	\$ 1,051	\$ 70	\$ 981	\$ 2,943	\$ 35,316
2 Bedroom	< 60%	79	900	\$ 1,261	\$ 70	\$ 1,191	\$ 94,089	\$ 1,129,068
3 Bedroom	< 50%	2	1,090	\$ 1,214	\$ 82	\$ 1,132	\$ 2,264	\$ 27,168
3 Bedroom	< 60%	71	1,090	\$ 1,457	\$ 82	\$ 1,375	\$ 97,625	\$ 1,171,500
<b>Total Project Units</b>		<b>195</b>					<b>\$ 236,076</b>	<b>\$ 2,832,912</b>

<sup>1</sup> IRS Section 42 LIHTC Rent Limits (2021 Reno, NV MSA)

<sup>2</sup> Property owner pays all utilities.

### **Project Developers**

Sun Valley Ridge Developer, LLC  
210 University Blvd.  
Denver, CO 80206

Sun Valley Ridge Developer, LLC operates under the corporate umbrella of Ulysses Development Group. Ulysses is a mission driven developer, preserver and owner of affordable housing and is currently active in markets with a pressing need for new, quality affordable housing. They currently have projects under development in Orlando, FL and Reno, NV.

### **Borrower Entity**

The borrower entity will be Sun Valley Ridge, L.P., a limited partnership consisting of Sun Valley Ridge GP, LLC, as a 0.01% General Partner entity and U.S. Bancorp Community Development Corporation ("USBCDC") as 99.99% investor limited partner. USBCDC will provide an equity investment of approximately \$45,840,000 in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low-income housing tax credits.

The periodic advances of the equity investment are structured as follows:

- 1<sup>st</sup> Installment - \$4,584,000 at Closing (October 2022)
- 2<sup>nd</sup> Installment - \$40,110,000 at permanent loan conversion (October 2025)
- Final Installment - \$1,146,000 at final cost certification (January 2026)

## **Property Management**

FPI Management 800  
Iron Point Road  
Folsom, CA 95630

FPI Management (“FPI”) will provide property management services for the Ridge at Sun Valley project. FPI was established in 1968 and manages more than 100,000 market rate and affordable rental property units in 13 states. Over 40,000 of these units are restricted rent affordable units. FPI employs a team of 2,700 professional team members in the conduct of its management business.

## **Plan of Finance:**

The financing is proposed as a direct bond purchase by Citibank. The bonds will be exclusively held by Citibank. The bond structure will consist of three phases, Initial Construction Phase, Completion Construction Phase and Permanent Phase.

The Initial Construction Phase will be a taxable loan not issued by the Division provided by US Bank which is projected to consist of approximately \$86,400,000 of interim debt. The Completion Construction Loan will be provided by Citibank and will consist sequentially of approximately \$34,446,000 of interim taxable debt not issued by the Division and approximately \$55,000,000 of tax-exempt debt issued by the Division. The Completion Construction Loan will replace the Initial Construction Loan and provide construction financing through project completion and conversion to permanent loan status. At conversion the tax- exempt debt issued by the Division will be reduced to approximately \$23,391,000.

Maximum Permanent Loan-to-Market Value: 90% Debt  
service coverage: 1.15x

## **Reserves:**

The Borrower will also be required to fund an Operating Reserve initially set at approximately \$826,000.

## **Sources and Uses:**

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

Sources of Funds				
	Construction Phase		Permanent Phase	
NHD Tax-Exempt Bonds	\$	55,000,000	\$	23,391,103
Taxable Construction Loans (net)	\$	840,959		
LIHTC Equity		4,583,955		45,839,554
HOME Means Nevada		32,000,000		32,000,000
State Tax Credits		2,610,000		2,610,000
WCHC HOME Loan		20,000		50,000
MM Contribution		100		100
Deferred Development Fee				5,615,355
	\$	95,055,014	\$	109,506,112

Uses of Funds				\$/Unit
Land Cost & Financing	\$	5,274,096	\$	5,274,096
Construction Hard Costs		66,828,066	\$	342,708
Soft Costs		17,427,856	\$	89,374
Contingencies		5,524,996	\$	28,333
Operating Reserve			\$	4,239
Developer Fee			\$	69,870
	\$	95,055,014	\$	109,506,112
			\$	561,570

**Bond/Loan Term Summary:**

Lender: US Bank and Citibank

Borrowing Entity: Sun Valley Ridge, LP, a limited partnership comprised of Sun Valley Ridge GP, LLC (general partner) and an equity investor affiliate of US Bank (limited partner).

Principal Amount: Initial Construction Phase (US Bank)

- Currently estimated at \$86,400,000
- Not to exceed 80% of Project Cost

Construction Completion Phase (Citibank)

- Currently estimated at \$34,400,000 (taxable)
- Currently estimated at \$55,000,000 (tax-exempt)

Permanent Phase (Citibank):

- Not to exceed 90% loan to value based on final appraisal.
- Expected to be approximately \$23,700,000

This transaction will be a construction loan provided jointly by US Bank and Citibank and a permanent loan provided by Citibank.

**Construction Loans:**

- US Bank initial construction loan estimated at 4.27%
- Citibank completion phase loan estimated at 4.88%

**Permanent Loan:**

- Citibank permanent loan estimated at 5.24%

As of Closing Date (estimated October 2022)

Monthly. Loan is interest only through the date of conversion to Permanent Phase which is estimated to occur approximately 34 months following Closing (August 2025).

Principal Payments: Monthly, commencing with conversion to Permanent Phase loan status.

Denominations: Bonds will amortize in monthly “loan” form with fractional dollar principal amortization utilizing a 40-year amortization factor.

Maturity: The construction loan term will be 36 months. The Permanent Loan term will be 18 years from the Closing Date.

Redemption: Redemption lock out period through 10 years following the Conversion Date.

Fees: Division annual fee @ 25 bp paid semiannually in advance  
Trustee annual fee @ 5 bp paid semiannually in advance

Rating: Not rated

Nevada Housing Division  
MFHRB, Series 2022  
The Ridge at Sun Valley

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>INCOME</b>										
Annual Gross Rental Income	\$ 2,947,362	\$ 3,006,309	\$ 3,066,435	\$ 3,127,764	\$ 3,190,319	\$ 3,254,125	\$ 3,319,208	\$ 3,385,592	\$ 3,453,304	\$ 3,522,370
Other: Ancillary Revenue	\$ 19,355	\$ 19,742	\$ 20,136	\$ 20,539	\$ 20,950	\$ 21,369	\$ 21,796	\$ 22,232	\$ 22,677	\$ 23,130
<b>Total Residential Income</b>	<b>\$ 2,966,716</b>	<b>\$ 3,026,051</b>	<b>\$ 3,086,572</b>	<b>\$ 3,148,303</b>	<b>\$ 3,211,269</b>	<b>\$ 3,275,494</b>	<b>\$ 3,341,004</b>	<b>\$ 3,407,824</b>	<b>\$ 3,475,981</b>	<b>\$ 3,545,500</b>
Less: Residential Vacancy	\$ (148,336)	\$ (151,303)	\$ (154,329)	\$ (157,415)	\$ (160,563)	\$ (163,775)	\$ (167,050)	\$ (170,391)	\$ (173,799)	\$ (177,275)
<b>Effective Gross Income</b>	<b>\$ 1,366,914</b>	<b>\$ 2,874,748</b>	<b>\$ 2,932,243</b>	<b>\$ 2,990,888</b>	<b>\$ 3,050,706</b>	<b>\$ 3,111,720</b>	<b>\$ 3,173,954</b>	<b>\$ 3,237,433</b>	<b>\$ 3,302,182</b>	<b>\$ 3,368,225</b>
<b>EXPENSES</b>										
General Administrative	\$ 152,393	\$ 155,440	\$ 158,549	\$ 161,720	\$ 164,955	\$ 168,254	\$ 171,619	\$ 175,051	\$ 178,552	\$ 182,123
Operating & Maintenance	\$ 384,437	\$ 392,126	\$ 399,968	\$ 407,968	\$ 416,127	\$ 424,450	\$ 432,939	\$ 441,597	\$ 450,429	\$ 459,438
Payroll	\$ 285,831	\$ 291,548	\$ 297,379	\$ 303,326	\$ 309,393	\$ 315,581	\$ 321,892	\$ 328,330	\$ 334,897	\$ 341,595
Property Management	\$ 98,643	\$ 100,616	\$ 102,629	\$ 104,681	\$ 106,775	\$ 108,910	\$ 111,088	\$ 113,310	\$ 115,576	\$ 117,888
Replacement Reserves	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360
<b>Proforma Operating Expenses</b>	<b>\$ 792,531</b>	<b>\$ 1,009,090</b>	<b>\$ 1,027,885</b>	<b>\$ 1,047,055</b>	<b>\$ 1,066,609</b>	<b>\$ 1,086,554</b>	<b>\$ 1,106,898</b>	<b>\$ 1,127,649</b>	<b>\$ 1,148,815</b>	<b>\$ 1,170,404</b>
<b>Effective Net Operating Income</b>	<b>\$ 574,383</b>	<b>\$ 1,865,658</b>	<b>\$ 1,904,358</b>	<b>\$ 1,943,832</b>	<b>\$ 1,984,096</b>	<b>\$ 2,025,165</b>	<b>\$ 2,067,056</b>	<b>\$ 2,109,784</b>	<b>\$ 2,153,367</b>	<b>\$ 2,197,822</b>
LP Fees	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500
DDF Payments	\$ 552,883	\$ 448,126	\$ 359,915	\$ 399,389	\$ 439,653	\$ 480,722	\$ 522,612	\$ 565,341	\$ 608,924	\$ 653,378
DDF Balance	\$ 5,062,472	\$ 4,614,346	\$ 4,254,431	\$ 3,855,042	\$ 3,415,389	\$ 2,934,667	\$ 2,412,055	\$ 1,846,714	\$ 1,237,790	\$ 584,412
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Revenue Escalation	2.00%
Expense Escalation	3.00%
Property Management	3.50%
Vacancy Assumption	5.00%
Deferred Developer Fee	\$5,615,355
GAHP Loan	\$0

Permanent Loan Amount	\$23,391,103
Loan Term	40
Core Loan Rate	5.59%
NHD & Trustee Factor	<u>0.30%</u>
Total Loan Rate	5.89%
Annual Debt Service	\$1,522,943

Nevada Housing Division  
MFHRB, Series 2022  
The Ridge at Sun Valley

**INCOME**

Annual Gross Rental Income	\$ 3,592,817	\$ 3,664,674	\$ 3,737,967	\$ 3,812,727	\$ 3,888,981	\$ 3,966,761	\$ 4,046,096	\$ 4,127,018
Other: Ancillary Revenue	\$ 23,593	\$ 24,065	\$ 24,546	\$ 25,037	\$ 25,538	\$ 26,049	\$ 26,570	\$ 27,101
<b>Total Residential Income</b>	\$ 3,616,411	\$ 3,688,739	\$ 3,762,513	\$ 3,837,764	\$ 3,914,519	\$ 3,992,809	\$ 4,072,666	\$ 4,154,119
Less: Residential Vacancy	\$ (180,821)	\$ (184,437)	\$ (188,126)	\$ (191,888)	\$ (195,726)	\$ (199,640)	\$ (203,633)	\$ (207,706)
<b>Effective Gross Income</b>	<b>\$ 3,435,590</b>	<b>\$ 3,504,302</b>	<b>\$ 3,574,388</b>	<b>\$ 3,645,876</b>	<b>\$ 3,718,793</b>	<b>\$ 3,793,169</b>	<b>\$ 3,869,032</b>	<b>\$ 3,946,413</b>

**EXPENSES**

General Administrative	\$ 185,766	\$ 189,481	\$ 193,271	\$ 197,136	\$ 201,079	\$ 205,100	\$ 209,202	\$ 213,386
Operating & Maintenance	\$ 468,627	\$ 477,999	\$ 487,559	\$ 497,310	\$ 507,257	\$ 517,402	\$ 527,750	\$ 538,305
Payroll	\$ 348,427	\$ 355,395	\$ 362,503	\$ 369,753	\$ 377,148	\$ 384,691	\$ 392,385	\$ 400,233
Property Management	\$ 120,246	\$ 122,651	\$ 125,104	\$ 127,606	\$ 130,158	\$ 132,761	\$ 135,416	\$ 138,124
Replacement Reserves	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360	\$ 69,360
<b>Proforma Operating Expenses</b>	<b>\$ 1,192,425</b>	<b>\$ 1,214,886</b>	<b>\$ 1,237,797</b>	<b>\$ 1,261,165</b>	<b>\$ 1,285,001</b>	<b>\$ 1,309,314</b>	<b>\$ 1,334,113</b>	<b>\$ 1,359,408</b>
<b>Effective Net Operating Income</b>	<b>\$ 2,243,165</b>	<b>\$ 2,289,416</b>	<b>\$ 2,336,591</b>	<b>\$ 2,384,710</b>	<b>\$ 2,433,792</b>	<b>\$ 2,483,855</b>	<b>\$ 2,534,919</b>	<b>\$ 2,587,005</b>

Senior Debt Service	\$ 1,522,943	\$ 1,522,943	\$ 1,522,943	\$ 1,522,943	\$ 1,522,943	\$ 1,522,943	\$ 1,522,943	\$ 1,522,943
Debt Service Coverage	1.47x	1.50x	1.53x	1.57x	1.60x	1.63x	1.66x	1.70x
<b>Residual Receipts</b>	<b>\$ 720,222</b>	<b>\$ 766,472</b>	<b>\$ 813,648</b>	<b>\$ 861,767</b>	<b>\$ 910,848</b>	<b>\$ 960,911</b>	<b>\$ 1,011,976</b>	<b>\$ 1,064,061</b>
LP Fees	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500	\$ 21,500
DDF Payments	\$ 584,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ 114,310</b>	<b>\$ 744,972</b>	<b>\$ 792,148</b>	<b>\$ 840,267</b>	<b>\$ 889,348</b>	<b>\$ 939,411</b>	<b>\$ 990,476</b>	<b>\$ 1,042,561</b>

**Borrower Financing Representation****Proposed Project:   The Ridge at Sun Valley**

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

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

☐ **Option A**

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

☒ **Option B**

The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above- named project.

**Sponsor/Borrower Statement:**

Sponsor / Borrower explored multiple financing executions including Freddie TEL, Fannie MTEB and private placement bond purchase in connection with development. Through discussions with various lenders regarding these structures, the Borrower has elected to award the transaction to Citibank. The project will be financed via Citibank's back-to-back loan structure to ensure certainty and ease of execution.



**By:** Jonathan Gruskin

**Title:** Managing Partner

**Firm:** Ulysses Development Group LLC



*The Ridge at Sun Valley Project Narrative*

**The Ridge at Sun Valley**  
 5100 W. 1<sup>st</sup> Avenue  
 Sun Valley, NV 89433  
 APN: 085-820-31 (9.992 acres)

**Project Narrative**

The Ridge at Sun Valley is a proposed new construction apartment community to be located at 5100 West First Avenue in Sun Valley. The 195-unit development will provide a safe, energy efficient, high-quality housing option to the community at a price affordable to working families. Every aspect of the buildings, floor plans, community facilities and outdoor spaces are designed to specifically fill a gap of housing needs not currently being met for low to moderate-income households in Northern Nevada. The Ridge at Sun Valley is being developed by Ulysses Development Group (“UDG”), a mission-driven developer, preserver, and owner of affordable housing nationwide.

**Property Description**

The Ridge at Sun Valley will consist of 195 one, two, and three-bedroom apartment units spread across 10 garden style residential buildings and complimented by a central community clubhouse. The attractive building design includes multiple rooflines and gables, balconies, and other articulation to increase curb appeal and reduce the perceived scale of the apartment buildings. The buildings will be finished primarily in colored stucco.

The unit mix is as follows:

<u>Unit Type</u>	<u>#</u>	<u>%</u>	<u>SF</u>
1-bed/1-bath	40	21%	695
2-bed/2-bath	82	42%	900
3-bed/2-bath	73	37%	1,090
Total	195	100%	181,170

The apartment units will be outfitted with in-unit washers and dryers, dishwashers, garbage disposals, and extensive cabinet and closet storage. Interior finishes will include wood cabinetry, granite countertops, and luxury vinyl flooring.

The Ridge at Sun Valley will feature numerous energy efficient design features. The buildings will include high efficiency heating and cooling equipment with a minimum SEER rating of 14. Unit interiors will include EnergyStar rated appliances, low-flow EPA water sense plumbing fixtures, high R-value wall and attic insulation, and programmable thermostat controls. The development will further promote water conservation with extensive xeriscape landscaping.

Interior Amenities—The property will be anchored by a central community clubhouse featuring a large community kitchen, furnished clubroom & gathering space, fitness facility, and a business center. The clubhouse will also feature management leasing offices and changing rooms and restrooms for the swimming pool.

Outdoor Amenities—The Ridge at Sun Valley will provide numerous outdoor amenities for our residents to enjoy. The site will contain a swimming pool and deck area, located directly adjacent to the clubhouse. The Ridge at Sun Valley will also include a children’s play area, a community barbecue area and extensive surface and carport parking.

### **Location and Neighborhood**

The Ridge at Sun Valley is well situated on an approximately 10-acre land site located north of West 1<sup>st</sup> Avenue and east of McGuffy Road in Sun Valley. The property is adjacent to the Bernard Subdivision to the north, and Lois Allen Elementary School to the west.

Within a two-mile radius of the Apartments, there are many community amenities easily accessible to residents. To the north of the site, there is a Scolari's Food Company, CVS Pharmacy, AutoZone Auto Parts, O'Reilly Auto Parts, Wells Fargo, Dollar General, Dollar Tree, Super Carniceria, and Desert Valley Dental. To the south of the site, there is a local pharmacy, Rainbow Market, and many restaurants including McDonalds, Subway, Taco Bell, and Domino's Pizza.

Children who reside at the Ridge at Sun Valley will attend Lois Allen Elementary School (0.2 miles), Desert Skies Middle School (3.7 miles) and Hug High School (2.4 miles). Desert Skies Middle School is a recent \$85 million investment in the Sun Valley area. Based on data received by the Washoe County School District, the public schools that will serve the families living at the Ridge at Sun Valley will have sufficient capacity to absorb the additional projected student population.

Additionally, Truckee Meadows Community College (TMCC) is located 2.1 miles south of the project site. TMCC is a great community resource which provides students the choice of over 70 programs of study that lead to more than 160 degrees, certificate and other completion options. The campus also provides an on-site childcare facility through E.L. Cord Foundation Child Care, and a fitness center.

Within walking distance from the site, residents have immediate access to the Regional Transportation Commission's (RTC) bus route 5, 4<sup>th</sup> Street Station line. Route 5 operating 7 days a week and at all hours, including holidays.

### **Target Population and Demand**

The apartment units at the subject property will be restricted to households earning at or below 60% of area median income (AMI), which is \$50,100 for a family of four in 2021. The property AMI set asides are proposed as follows:

<u>% AMI</u>	<u>Units</u>
1 Bedroom/1 Bath	
<60% AMI	37
<50% AMI	3
2 Bedroom/2 Bath	
<60% AMI	79
<50% AMI	3
3 Bedroom/2 Bath	
<60% AMI	71
<50% AMI	2
Total	195

Northern Nevada has been experiencing an extreme affordable housing crisis in recent years. According to the Nevada Housing Division's 2020 Annual Affordable Apartment Survey, the supply of affordable multi-family units in Washoe County is extremely limited. According to 2020 survey data, multifamily affordable rental housing in Northern Nevada reported a vacancy rate of 2.5% for one-bedroom units, 2.8% for two-bedroom units, 3.6% for 3-bedroom units, for an overall vacancy rate of 3.3%.

The Johnson Perkins Griffin 4<sup>th</sup>-Quarter 2020 Apartment Survey reports similar dire demand in the overall multi-family rental market, with average vacancies at 2.82%. Average market rate rents in the Reno market are \$1,279 for a one-bedroom unit, \$1,301 for a two-bedroom unit and \$1,887 for a three-bedroom unit.

The proposed project rents for the Ridge at Sun Valley rents will be significantly below market rents in Washoe County. 2021 rents will range from \$724-\$880 for a one-bedroom unit, \$870-\$1,058 for a two-bedroom unit and \$1,003-\$1,220 for a three-bedroom unit. For comparison, the 2021 Fair Market Rents are \$964 for a one-bedroom unit, \$1,217 for a two-bedroom unit, and \$1,742 for a three-bedroom unit. As a result of the advantage to market rents described above, we expect strong sustained demand for apartment units at the Ridge at Sun Valley.

### **Development Team**

Developer:	Sun Valley Ridge Developer, LLC
Owner:	Sun Valley Ridge, L.P.
Consultant:	Praxis Consulting Group, LLC
General Contractor:	Pavilion Construction
Property Manager:	FPI Management
Architect:	Frame Architecture, Inc.

The Ridge at Sun Valley will be owned by Sun Valley Ridge, L.P., a new Nevada limited partner. The 0.01% General Partner of the LP will be Sun Valley Ridge GP, LLC, a new Nevada limited liability company. The remaining 99.99% of Sun Valley Ridge, L.P. will be owned by the Invested Limited Partner. Red Rock 90 LLC will be the 79.0% member of the GP. High Peaks Holdings LLC will be 19.75% member of the GP. Reverb 94, LLC will be a 1.00% member of the GP. Lost Creek Holdings, LLC will be a 0.25% member of the GP. FPI Management, Inc. will act as the third-party property management company.

### **Ulysses Development Group**

Ulysses Development Group (“UDG”) is a mission-driven developer, preserver, and owner of affordable housing nationwide. UDG was founded in 2021 by Yoni Gruskin and Connor Larr, capitalizing on their varied affordable housing and development experience. UDG deploys its robust balance sheet by developing best-in-class affordable communities nationwide. Through leveraging deep relationships with lenders, financial partners, tax credit equity investors, non-profits, and governmental agencies, UDG is targeting an aggressive growth strategy.

Yoni Gruskin is the managing partner of UDG. Prior to founding UDG, Yoni was a founder and partner at Lincoln Avenue Capital, a nationally prominent owner and developer of affordable housing. Under Yoni’s leadership, he helped oversee the acquisition and preservation of over 11,000 affordable housing units. Prior to that, Yoni had experience at the Related Companies and Citigroup in New York City. Yoni is a graduate of the University of Pennsylvania.

Connor Larr is a partner of UDG. Prior to helping Yoni found UDG, Connor served as a vice president at the Related Companies in New York City, overseeing all aspects of ground-up development across various asset classes in and around the NYC metro area, totaling over \$4 billion in development and acquisitions. Prior to his time at Related, Connor started his career at Citigroup. Connor is a graduate of Johns Hopkins University.

**Praxis Consulting Group, LLC**

UDG will receive consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations to develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund-raising and public policy development. Since 2005, Praxis has secured the financing for over 75 affordable housing developments, totaling over 7,250 units and \$1.25 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

**FPI Management**

The Ridge at Sun Valley will be managed by FPI Property Management. This Folsom-based company started in 1968 and today is one of the largest full-service property management companies in the United States. FPI has a total of 48,000 units of affordable housing in their management portfolio and possesses extensive experience in the management of Section 8 and Section 42 multifamily apartments. FPI Staff manages the property onsite with its own personnel. All employees go through a rigorous FPI training program and typically have years of experience in managing affordable living communities. More about FPI can be found on their website: [www.fpimgt.com](http://www.fpimgt.com).

**Frame Architecture, Inc.**

Frame Architecture, Inc. is an award-winning Reno-based firm that has established a reputation in Northern Nevada for creativity, innovation, and excellence in the field of architecture and design. Frame Architecture believes in a collaborative approach to architecture, which empathizes the importance of active collaboration with clients and design consultants from the earliest phases of the design process. Jeff Frame, owner and principal architect, has over 30 years of experience in the architectural field and has built his firm on the foundation of being an innovative, reliable source for architectural design services. Recently, Frame Architecture completed an affordable 44-unit senior housing development in Reno, Nevada, Willie J. Wynn Apartments.

**Pavilion Construction**

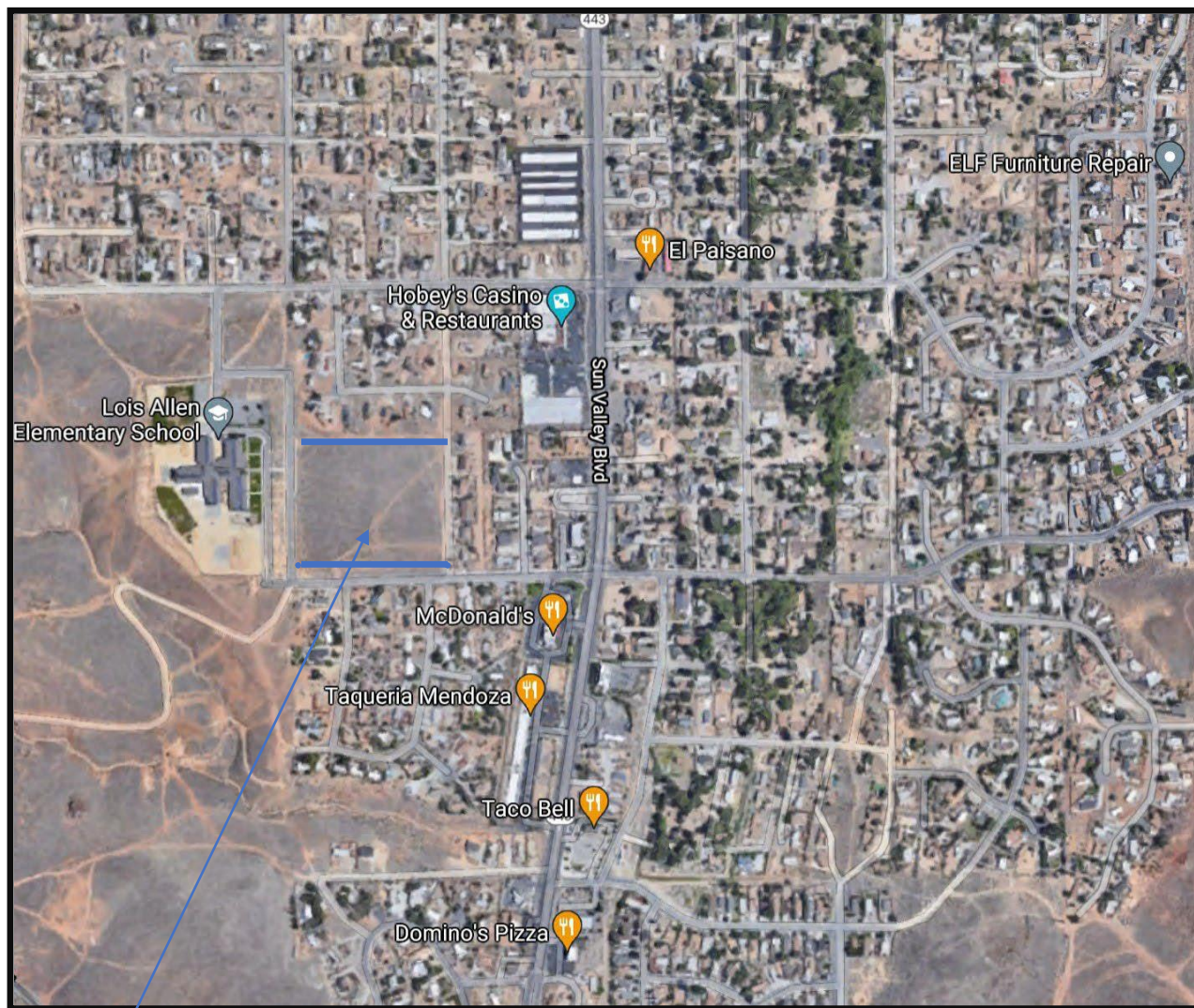
Founded in 2007, Portland-based Pavilion Construction has completed 113 projects of which 76 are affordable housing projects and 24 are market-rate projects, totaling 7,965 units constructed to date. As a HUD-approved contractor, its team brings an in-depth understanding of the HUD building and financing process, ensuring that approved construction methods and materials are used and effectively managing 2328 along with all wage reporting and compliance. Having completed multiple affordable projects throughout the West, Pavilion Construction is knowledgeable of the safety and design requirements inherent in publicly financed affordable housing projects. Additionally, Pavilion is familiar with the complex funding issues, the ongoing review process, and the requirements of local municipalities. Through an intentionally created approach to its projects, Pavilion Construction pro-actively works on behalf of developers to provide solutions that control costs, maintain schedules, and assure high quality.

**Financing and Schedule**

The financing for the Ridge at Sun Valley will include tax-exempt bonds issued by the Nevada Housing Division (NHD), equity from the sale of non-competitive 4% Low Income Housing Tax Credits and sale of State Housing Tax Credits, and HOME/LIHTF funds from Washoe County Home Consortium. The site is located within Zip Code Tabulation Area (“ZCTA”) 89433, which is a Qualified Census Tract (QCT) in 2021, qualifying the Ridge at Sun Valley for a 130% boost in tax credit eligible basis. Combined with the new 4% tax credit floor, these two important financing innovations will allow for a new generation of bond-financed, new construction multi-family development in Northern Nevada.

The Ridge at Sun Valley is expected to close and start construction in July 2022 with construction completion expected to occur by July 2024.

Location Map  
The Ridge at Sun Valley  
5100 W. 1<sup>st</sup> Avenue  
Sun Valley, NV 89433  
APN: 085-820-31 (9.992 acres)



**Project Site**



Preliminary Site Plan  
The Ridge at Sun Valley  
5100 W. 1<sup>st</sup> Avenue  
Sun Valley, NV 89433  
APN: 085-820-31 (9.992 acres)



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

**Development:** The Ridge at Sun Valley

**Development Type:** New Construction

**BoF Meeting Date:** 12.13.22

### Administrator's Summary

This bond issuance will be used to provide for the construction of a 195-unit affordable family apartment complex in Sun Valley. The rental housing will serve 195 households at or below 60% of area median income. This site is located within 2 miles of a shopping center which includes a grocery store, bank, pharmacy, restaurants, and retail shops. It is close to Truckee Meadows Community College and to bus routes. This project will create new affordable units which will retain the rent restrictions for 30-years. Ulysses Development Group is a Colorado based company and this will be their first application before the Board of Finance.

- 100% Affordable Rents: 187 units <60% AMI, 8 units <50% AMI, 0 units <40% AMI
- 1-bedroom units = 40, 2-bedroom units = 82, 3-bedroom units = 73
- 1-bedroom rents \$539 less than market rate
- 2-bedroom rents \$372 less than market rate
- 3-bedroom rents \$954 less than market rate

**Developer** – Ulysses Development; **Equity Investor** – U.S. Bank **Permanent Loan** – Citibank  
\$55M in Bond Proceeds leverages \$45.8M in LIHTC Equity (41.8% of total development cost)

	The Ridge at Sun Valley	Program Average	Notes
Total Tax-exempt Bond ask	\$ 55,000,000	\$30,000,000	
Total Development Cost	\$109,506,112	\$54,415,824	Average of last 12 new construction projects previously approved
Size of site	10 Acres	n/a	31 Units per acre average
Total # of Units	195	270	Average of previous 12 new construction projects approved
Cost Per Unit	\$561,570	\$227,898	Average of previous 3 new construction projects approved
Bond Cap used Per Unit	\$282,051	\$125,523	Average of previous 12 new construction projects approved
Percentage of Units above 60% AMI	n/a	n/a	No Units in this project
Percentage of Units at 60% AMI	95.9%	91.1%	187 Units in this project
Percentage of Units at 50% AMI	4.1%	7.4%	8 Units in this project
Percentage of Units at 40% AMI	0%	0.1%	No Units in this project
Percentage of Units at 30% AMI	0%	1.4%	No units in this project
Veteran's Preference	Yes	n/a	This has only been allowable since 2019
Length of Affordability Restrictions	30 years	30 years	

	The Ridge at Sun Valley	Market Rate	
1 Bedroom Rent	\$ 880 Average	\$1,419	JPG Data
2 Bedroom Rent	\$1,058 Average	\$1,430	JPG Data
3 Bedroom Rent	\$1,220 Average	\$2,174	JPG Data
Average Vacancy Rate	n/a	1.63%	JPG Data



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

DATE: November 14, 2022

TO: State Board of Finance

AGENDA ITEM: Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning the 2023 Single Family Mortgage Revenue Bonds

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division Stephen Aichroth  
Stephen Aichroth (Nov 15, 2022 13:35 PST)

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A. Time and Place of Meeting:

1:00 p.m., Tuesday December 13, 2022, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed:

The Findings of Fact (“Findings”) of the Administrator of the Housing Division concerning 2023 Single Family Mortgage Revenue Bonds. The Findings relate to the issuance of up to \$200,000,000 in tax-exempt Single Family Mortgage Revenue Bonds in Multiple Series for 2023.

The Housing Division will issue up to \$200,000,000 of Tax-exempt and Taxable Single Family Mortgage Revenue bonds in multiple series through the end of the 2023 calendar year.

C. Background of Agenda Item:

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

D. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of

Finance, for the issuance by the Nevada Housing Division of up to \$200,000,000 in tax-exempt Single Family Mortgage Revenue Bonds in Multiple Series for 2023.

E. Attorney Opinion:

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



**State of Nevada**

**DEPARTMENT OF BUSINESS & INDUSTRY**

**Housing Division**

**FINDINGS OF FACT**


**Single Family Mortgage Revenue Bonds  
2023 Multiple Series in an Aggregate Amount Not to Exceed \$200,000,000**

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

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

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

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

BY:   
Stephen Aichroth (Dec 1, 2022 15:05 PST)  
\_\_\_\_\_  
Steve Aichroth  
Administrator  
Nevada Housing Division

DATE: Dec 1, 2022



November 14, 2022

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

Re: Single Family Mortgage Revenue Bonds, Series 2023A

Mr. Aichroth:

This Memorandum 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 for the proposed Single-Family Mortgage Revenue Bonds, Series 2023A and Series 2023B together with authorization for issuance of up to an additional \$200,000,000 of Nevada Housing Division bonds in multiple series to provide mortgage financing for single family residential housing for qualifying homebuyers.

**Program Background:**

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

The last issue of tax-exempt single-family bonds by the Division, Series 2022B, was issued September 22, 2022. Series 2023A is currently planned for issuance in February 2023 and Series 2023B projected to be sold in June 2023. It is anticipated that portions of the additional allocation of bond volume cap will be used for issuance of both transactions. Final sale timing may be adjusted based on the pattern of mortgage loan demand in coming months. The Series 2023A Bonds will be the 20<sup>th</sup> series of bonds secured under the Division's Amended and Restated General Indenture of Trust, dated as of June 1, 2021 (as amended, the "General Indenture").

As of July 1, 2022, the Division had issued \$513,129,178 of bonds pursuant to the General Indenture of which \$398,974,178 remained outstanding.

In late 2014 the Division supplemented its traditional single-family mortgage revenue bond program funded by issuance of tax-exempt bonds with a newer taxable direct placement mortgage-backed security (MBS) program. The transition to the alternative program was related to market-driven changes in the relationship of the tax-exempt and taxable yield curves and was very effective in the low-rate environment. The Division has been utilizing both programs to provide a wide range of loan offerings to meet the varied needs of Nevada residents. As interest rates have begun to rise to date in 2022 the tax-exempt program has been able to produce lower interest rate mortgage loans. This rotation was expected, and the tax-exempt bond program will continue to increase its share of the overall single-family mortgage loan program with the taxable MBS program declining to a minimal level in recent weeks.

**Summary of the Proposed Financing:**

The proposed Series 2023A Bonds will be sold as a publicly offered transaction. The Division has had very good success with its prior public offering issues in large part owing to its strong AA+ rating by S&P Global Ratings.

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

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

**pfm**

1200 Fifth Avenue  
Suite 1220  
Seattle, WA 98101  
206.264.8900

pfm.com

**Conclusion:**

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

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

Sincerely,

**PFM Financial Advisors LLC**



Fred Eoff  
*Director*

Enclosures:  
Exhibit A: Bond Term Sheet

**\$50,000,000\***  
**Nevada Housing Division**  
**Single-Family Mortgage Revenue Bonds, Series 2023b**

**Preliminary Bond Term Sheet**

<b>Principal Amount:</b>	\$50,000,000*
<b>Dated:</b>	As of Closing Date (estimated to be March 15, 2023)
<b>Interest Payable:</b>	April 1 and October 1 (commencing October 1, 2022)
<b>Bond Structure:</b>	<p><b><u>Serial Bond Maturities:</u></b></p> <ul style="list-style-type: none"> <li>• Semiannually 4/1/2024 -4/1/2023</li> </ul> <p><b><u>Term Bond Maturities:</u></b></p> <ul style="list-style-type: none"> <li>• 10/1/2038</li> <li>• 10/1/2043</li> <li>• 10/1/2045</li> <li>• 4/1/2053</li> </ul>
<b>Denominations:</b>	\$5,000 and integral multiples thereof, full registered form.
<b>Redemption:</b>	<p><b>Optional Redemption:</b>            Certain bonds may be subject to optional redemption on any date on or after September 1, 2032 in whole or in part at the option of the Division from any source of available moneys at a redemption price of 100%, plus accrued interest to the date of redemption.</p> <p><b>Special Redemption from Unexpended Proceeds</b>            Certain bonds may be subject to redemption not later than September 30, 2025 from unexpended proceeds of the Series 2022A Bonds</p> <p><b>Special Redemption from Prepayments and Excess Revenues</b>            Certain bonds may be subject to special redemption on any Business Day at par (100%) plus accrued interest from Prepayments and from Revenues which are not required to make Debt Service Payments under the General Indenture ("Excess Revenues").</p>

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

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



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

DATE: November 14, 2022

TO: State Board of Finance

AGENDA ITEM: Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning the Multi-Unit Housing Revenue Bonds (Pinyon Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division Stephen Aichroth  
Stephen Aichroth (Nov 15, 2022 13:56 PST)

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A. Time and Place of Meeting:

1:00 p.m., Tuesday, December 13, 2022, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact (Findings) of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (Pinyon Apartments).

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

D. The Housing Division will issue up to \$55,000,000 of multi-unit housing revenue bonds as a direct purchase by Citibank. The financing structure will consist of two components: Construction Loan and Permanent Period Loan. The Construction Loan amount is projected to be approximately \$55,000,000 of tax-exempt debt issued by the Division and up to \$13,000,000 of taxable debt as direct loans provided by Citibank and not issued by the Division. Loan proceeds will be advanced to the Borrower as needed to fund construction expenditures. Monthly debt service payments will be interest only. Post-construction the Permanent Period Loan tax-exempt loan will be reduced to approximately \$30,800,000 upon receipt of additional tax credit equity installments and other funding sources. The Project borrower/developer will be a limited partnership which will consist of Lincoln Avenue Capital, LLC as General Partner and Alliant Capital as Limited Partner. Alliant Capital will be the equity investor and will provide approximately \$44,784,000 of equity through the purchase of 4% low-income housing tax credits. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

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

G. Attorney Opinion:

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



**State of Nevada**

**DEPARTMENT OF BUSINESS & INDUSTRY**

**Housing Division**

**FINDINGS OF FACT**

**Multi-Unit Housing Revenue Bonds  
Pinyon Apartments**

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

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

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

Stephen Aichroth

Nov 15, 2022

BY: Stephen Aichroth (Nov 15, 2022 13:56 PST)  
Steve Aichroth  
Administrator  
Nevada Housing Division

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



October 15, 2022

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

Re: Multi-Unit Housing Revenue Bonds  
(Pinyon Apartments) Series 2022

Mr. Aichroth:

This Review and Opinion is provided in support of the request by the Nevada Housing Division (“Division”) to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Pinyon Apartments project (“Project”). The Division will be requesting authorization for issuance of up to \$55,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund the new construction of this affordable workforce housing property in Reno.

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

The financing is proposed as a fixed rate direct placement with Citibank, N.A. (“Citibank”) and provides both construction and permanent financing. The financing and operating projections are reviewed in detail in Exhibits A and B.

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

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. Final debt issuance will be subject to receipt of definitive loan and equity approvals and final loan, bond, and tax documentation.

The following Exhibits A and B have been prepared by PFM. Exhibits C and D were submitted by the Borrower.

Exhibit A: Project Overview, Plan of Finance and Bond/Loan Term Summary  
Exhibit B: Operating Proforma  
Exhibit C: Borrower Finance Plan Statement  
Exhibit D: Project Detailed Description

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff  
Director

## Project Overview and Plan of Finance

### The Project

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

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

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

Table A: Project Unit & Rent Profile								
Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Less Utility Allowance <sup>2</sup>	Tenant Share Monthly Rent <sup>2</sup>	Project Based Section 8 <sup>3</sup>	Total Monthly Revenue	Total Annual Revenue
<b>1 Bedroom</b>								
< 50% AMI	4	628	\$ 876	\$ 57	\$ 819	\$ 505	\$ 5,296	\$ 63,552
< 60% AMI	154	628	\$ 1,051	\$ 57	\$ 994		\$ 153,076	\$ 1,836,912
<b>2 Bedroom</b>								
< 50% AMI	3	962	\$ 1,051	\$ 67	\$ 984	\$ 692	\$ 5,028	\$ 60,336
< 60% AMI	57	962	\$ 1,261	\$ 67	\$ 1,194		\$ 68,058	\$ 816,696
<b>3 Bedroom</b>								
<50% AMI	1	1,119	\$ 1,214	\$ 67	\$ 1,147	\$ 1,264	\$ 2,411	\$ 28,932
<60% AMI	33	1,119	\$ 1,457	\$ 67	\$ 1,390		\$ 45,870	\$ 550,440
<b>Total Units</b>	252						\$ 279,739	\$ 3,356,868
<sup>1</sup> 2022 Income Limits (Reno-Sparks, NV MSA)							Ancillary Income	\$ 318,636
<sup>2</sup> Assumes 30% of Average Household Income								
<sup>3</sup> Per HUD Section 8 project contract								

### Project Sponsor

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

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

### Borrower Entity and Equity Investor

The borrower entity will be Pinyon Apartments, L.P., a limited partnership consisting of Lincoln Avenue Capital LLC the 0.01% General Partner and Alliant Capital (“Alliant”) as 99.99% investor limited partner. Alliant will provide an equity investment of approximately \$44,784,000 to the partnership in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low-income housing tax credits.

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

- 1<sup>st</sup> Installment- \$4,478,000 (10.0%) at Closing (Feb 2023)
- 2<sup>nd</sup> Installment- \$33,588,000 (75.0%) at construction completion (Jan 2025)
- 3<sup>rd</sup> Installment-\$6,718,000 (15.0%) at stabilized operations and receipt of Form 8609(Jan 2026).

### **Contractor**

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

Pavilion Construction is a diversified construction firm with diverse expertise ranging from multi-family, mixed use, senior living, assisted care and medical, educational tribal and institutional projects. Pavilion is licensed in 11 western states.

### **Property Management**

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

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

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

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

Post-construction the Permanent Period Loan tax-exempt loan will be reduced to approximately \$30,800,000 upon receipt of additional tax credit equity installments and other funding sources. Greater detail regarding both loan components is included in the Bond/Loan Term Summary section.

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

Sources of Funds			
	Construction Phase	Permanent Phase	
NHD Bond Proceeds (Exempt)	\$ 55,000,000	\$ 30,800,000	
Construction Bridge Loan (Taxable)	\$ 13,000,000		
LIHTC Equity	\$ 4,478,417	\$ 44,784,171	
NHD TSTC	\$ 2,550,000	\$ 2,550,000	
NHD HMNI Funding	\$ 10,600,000	\$ 10,600,000	
Washoe County HOME Loan	\$ 50,000	\$ 50,000	
Pre-Conversion Cashflow	\$ 2,310,355	\$ 2,310,355	
Deferred Developer Fee		\$ 12,489,252	
	\$ 87,988,772	\$ 103,583,778	

Uses of Funds				\$/Unit
Land Acquisition Cost	\$ 233,503	\$ 233,503	\$	927
Construction Hard Costs	\$ 72,072,000	\$ 72,072,000	\$	286,000
Soft Costs	\$ 6,194,832	\$ 6,864,734	\$	27,241
Construction Period Interest	\$ 5,847,437	\$ 5,847,437	\$	23,204
Contingencies	\$ 3,641,000	\$ 3,641,000	\$	14,448
Operating & Repair Reserves		\$ 1,430,104	\$	5,675
Developer Fee	\$ -	\$ 13,495,000	\$	53,552
	\$ 87,988,772	\$ 103,583,778	\$	411,047

## **Reserves:**

The Borrower will be required to fund ongoing deposits to a replacement reserve initially set at \$300/unit/year. Minimum required replacement reserve deposits may be adjusted based on periodic physical needs assessments every five years. The Borrower will also be required to fund an Operating Reserve initially set at approximately \$808,000.

## **Bond/Loan Term Summary**

<b>Lender:</b>	Citibank, N.A.
<b>Principal Amount:</b>	<b><u>Construction Phase:</u></b> <ul style="list-style-type: none"><li>Estimated at \$55,000,000</li></ul> <b><u>Permanent Phase:</u></b> <ul style="list-style-type: none"><li>Not to exceed 90% loan to value based on the “as-stabilized” final appraised value of the Project.</li><li>Minimum debt coverage ratio of 1.15x.</li><li>Amortization factor of 40 years.</li><li>Expected to be approximately \$30,800,000</li></ul>
<b>Bond/Loan Structure:</b>	During the construction period, loan proceeds will be advanced by Citibank to the Trustee on a draw-down basis to meet Project disbursement requirements. Loan proceeds will be lent to the Borrower pursuant to the Loan Agreement.
<b>Bond/Loan Rates:</b>	<b><u>Construction Phase:</u></b> The rate will be fixed through the construction period. <i>The rate is estimated at 5.50% (not including Division and Trustee fees)</i> <b><u>Permanent Phase:</u></b> The rate will be fixed at Closing for the period of conversion through the mandatory redemption date. <i>The rate is estimated at 5.80% (not including Division and Trustee fees)</i>
<b>Interest Payments:</b>	Monthly. Loan is interest only through Conversion (which is estimated to be 36 months following the Closing Date).
<b>Principal Payments:</b>	Monthly, commencing with the 1 <sup>st</sup> month following Conversion.
<b>Redemption:</b>	1) The loan is subject to yield maintenance until 6 months prior to the mandatory repayment date. 2) The loan is subject to mandatory repayment at par (100%) at the end of the 18 <sup>th</sup> year following the Closing Date.
<b>Indenture Funds:</b>	1) Project Fund <ul style="list-style-type: none"><li>a) Tax-Exempt Bonds Account</li></ul> 2) Cost of Issuance Fund 3) Expense Fund
<b>Fees:</b>	1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance 2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance
<b>Bond Rating:</b>	Not rated



Nevada Housing Division  
Multifamily Housing Revenue Bonds  
Pinyon Apartments  
Series 2023

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	85.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>INCOME</b>											
Annual Gross Rental Income	\$ 3,562,335	\$ 3,633,582	\$ 3,706,254	\$ 3,780,379	\$ 3,855,986	\$ 3,933,106	\$ 4,011,768	\$ 4,092,003	\$ 4,173,843	\$ 4,257,320	\$ 4,342,467
Other: Ancillary Revenue	\$ 338,139	\$ 344,902	\$ 351,800	\$ 358,836	\$ 366,013	\$ 373,333	\$ 380,800	\$ 388,416	\$ 396,184	\$ 404,107	\$ 412,190
<b>Total Residential Income</b>	<b>\$ 3,331,005</b>	<b>\$ 3,978,484</b>	<b>\$ 4,058,053</b>	<b>\$ 4,139,214</b>	<b>\$ 4,221,999</b>	<b>\$ 4,306,439</b>	<b>\$ 4,392,568</b>	<b>\$ 4,480,419</b>	<b>\$ 4,570,027</b>	<b>\$ 4,661,428</b>	<b>\$ 4,754,656</b>
Less: Residential Vacancy/Discounts	\$ (166,550)	\$ (198,924)	\$ (202,903)	\$ (206,961)	\$ (211,100)	\$ (215,322)	\$ (219,628)	\$ (224,021)	\$ (228,501)	\$ (233,071)	\$ (237,733)
<b>Proforma Gross Income</b>	<b>\$ 3,164,455</b>	<b>\$ 3,779,560</b>	<b>\$ 3,855,151</b>	<b>\$ 3,932,254</b>	<b>\$ 4,010,899</b>	<b>\$ 4,091,117</b>	<b>\$ 4,172,939</b>	<b>\$ 4,256,398</b>	<b>\$ 4,341,526</b>	<b>\$ 4,428,356</b>	<b>\$ 4,516,924</b>
<b>EXPENSES</b>											
General Administrative	\$ 88,118	\$ 90,761	\$ 93,484	\$ 96,288	\$ 99,177	\$ 102,152	\$ 105,217	\$ 108,373	\$ 111,625	\$ 114,973	\$ 118,423
Operating & Maintenance	\$ 440,863	\$ 454,089	\$ 467,711	\$ 481,743	\$ 496,195	\$ 511,081	\$ 526,413	\$ 542,206	\$ 558,472	\$ 575,226	\$ 592,483
Staff Payroll & Benefits	\$ 355,136	\$ 365,790	\$ 376,764	\$ 388,067	\$ 399,709	\$ 411,700	\$ 424,051	\$ 436,773	\$ 449,876	\$ 463,372	\$ 477,273
Property Management	\$ 87,023	\$ 103,938	\$ 106,017	\$ 108,137	\$ 110,300	\$ 112,506	\$ 114,756	\$ 117,051	\$ 119,392	\$ 121,780	\$ 124,215
Taxes & Insurance	\$ 151,452	\$ 155,996	\$ 160,675	\$ 165,496	\$ 170,461	\$ 175,574	\$ 180,842	\$ 186,267	\$ 191,855	\$ 197,610	\$ 203,539
Replacement Reserves	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643	\$ 73,792	\$ 76,006	\$ 78,286	\$ 80,635	\$ 83,054	\$ 85,546
<b>Proforma Operating Expenses</b>	<b>\$ 1,150,658</b>	<b>\$ 1,236,137</b>	<b>\$ 1,272,182</b>	<b>\$ 1,309,287</b>	<b>\$ 1,347,484</b>	<b>\$ 1,386,806</b>	<b>\$ 1,427,285</b>	<b>\$ 1,468,956</b>	<b>\$ 1,511,854</b>	<b>\$ 1,556,016</b>	<b>\$ 1,601,479</b>
<b>Effective Net Operating Income</b>	<b>\$ 2,013,797</b>	<b>\$ 2,543,422</b>	<b>\$ 2,582,969</b>	<b>\$ 2,622,967</b>	<b>\$ 2,663,414</b>	<b>\$ 2,704,311</b>	<b>\$ 2,745,654</b>	<b>\$ 2,787,442</b>	<b>\$ 2,829,672</b>	<b>\$ 2,872,340</b>	<b>\$ 2,915,445</b>
<b>DEBT SERVICE</b>											
Senior Debt Service		\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413
Debt Service Coverage		124%	125%	127%	129%	131%	133%	135%	137%	139%	142%
<b>Residual Receipts</b>	<b>\$ 2,013,797</b>	<b>\$ 484,009</b>	<b>\$ 523,556</b>	<b>\$ 563,553</b>	<b>\$ 604,001</b>	<b>\$ 644,898</b>	<b>\$ 686,241</b>	<b>\$ 728,029</b>	<b>\$ 770,258</b>	<b>\$ 812,927</b>	<b>\$ 856,032</b>
<b>OTHER INCOME</b>											
LP Asset Mgt Fee	\$ 11,845	\$ 12,200	\$ 12,566	\$ 12,943	\$ 13,332	\$ 13,732	\$ 14,144	\$ 14,568	\$ 15,005	\$ 15,455	\$ 15,919
DDF Payments	\$ 2,001,952	\$ 471,809	\$ 510,989	\$ 550,610	\$ 590,670	\$ 631,166	\$ 672,097	\$ 713,461	\$ 755,254	\$ 797,472	\$ 840,113
DDF Balance	\$ 10,365,690	\$ 9,893,881	\$ 9,382,892	\$ 8,832,282	\$ 8,241,612	\$ 7,610,446	\$ 6,938,349	\$ 6,224,888	\$ 5,469,634	\$ 4,672,162	\$ 3,832,049
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	2.75%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$12,489,252

Permanent Loan Amount	\$30,800,000
Loan Term	40
Core Loan Rate	5.80%
NHD & Trustee Factor	0.30%
Total Loan Rate	6.10%

Nevada Housing Division  
Multifamily Housing Revenue Bonds  
Pinyon Apartments  
Series 2023

	2036	2037	2038	2039	2040	2041	2042	2043
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>INCOME</b>								
Annual Gross Rental Income	\$ 4,429,316	\$ 4,517,902	\$ 4,608,260	\$ 4,700,426	\$ 4,794,434	\$ 4,890,323	\$ 4,988,129	\$ 5,087,892
Other: Ancillary Revenue	\$ 420,433	\$ 428,842	\$ 437,419	\$ 446,167	\$ 455,091	\$ 464,192	\$ 473,476	\$ 482,946
<b>Total Residential Income</b>	<b>\$ 4,849,749</b>	<b>\$ 4,946,744</b>	<b>\$ 5,045,679</b>	<b>\$ 5,146,593</b>	<b>\$ 5,249,525</b>	<b>\$ 5,354,515</b>	<b>\$ 5,461,606</b>	<b>\$ 5,570,838</b>
Less: Residential Vacancy/Discounts	\$ (242,487)	\$ (247,337)	\$ (252,284)	\$ (257,330)	\$ (262,476)	\$ (267,726)	\$ (273,080)	\$ (278,542)
<b>Proforma Gross Income</b>	<b>\$ 4,607,262</b>	<b>\$ 4,699,407</b>	<b>\$ 4,793,395</b>	<b>\$ 4,889,263</b>	<b>\$ 4,987,049</b>	<b>\$ 5,086,790</b>	<b>\$ 5,188,525</b>	<b>\$ 5,292,296</b>
<b>EXPENSES</b>								
General Administrative	\$ 121,975	\$ 125,634	\$ 129,404	\$ 133,286	\$ 137,284	\$ 141,403	\$ 145,645	\$ 150,014
Operating & Maintenance	\$ 610,257	\$ 628,565	\$ 647,422	\$ 666,845	\$ 686,850	\$ 707,456	\$ 728,679	\$ 750,540
Staff Payroll & Benefits	\$ 491,592	\$ 506,339	\$ 521,530	\$ 537,175	\$ 553,291	\$ 569,889	\$ 586,986	\$ 604,596
Property Management	\$ 126,700	\$ 129,234	\$ 131,818	\$ 134,455	\$ 137,144	\$ 139,887	\$ 142,684	\$ 145,538
Taxes & Insurance	\$ 209,645	\$ 215,934	\$ 222,412	\$ 229,085	\$ 235,957	\$ 243,036	\$ 250,327	\$ 257,837
Replacement Reserves	\$ 88,112	\$ 90,755	\$ 93,478	\$ 96,282	\$ 99,171	\$ 102,146	\$ 105,210	\$ 108,367
<b>Proforma Operating Expenses</b>	<b>\$ 1,648,281</b>	<b>\$ 1,696,462</b>	<b>\$ 1,746,064</b>	<b>\$ 1,797,128</b>	<b>\$ 1,849,697</b>	<b>\$ 1,903,816</b>	<b>\$ 1,959,532</b>	<b>\$ 2,016,891</b>
<b>Effective Net Operating Income</b>	<b>\$ 2,958,981</b>	<b>\$ 3,002,945</b>	<b>\$ 3,047,332</b>	<b>\$ 3,092,136</b>	<b>\$ 3,137,352</b>	<b>\$ 3,182,973</b>	<b>\$ 3,228,993</b>	<b>\$ 3,275,405</b>
<b>Senior Debt Service</b>								
	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413	\$2,059,413
<b>Debt Service Coverage</b>	<b>144%</b>	<b>146%</b>	<b>148%</b>	<b>150%</b>	<b>152%</b>	<b>155%</b>	<b>157%</b>	<b>159%</b>
<b>Residual Receipts</b>	<b>\$ 899,568</b>	<b>\$ 943,532</b>	<b>\$ 987,918</b>	<b>\$ 1,032,723</b>	<b>\$ 1,077,939</b>	<b>\$ 1,123,560</b>	<b>\$ 1,169,580</b>	<b>\$ 1,215,992</b>
<b>LP Asset Mgt Fee</b>								
	\$ 16,396	\$ 16,888	\$ 17,395	\$ 17,917	\$ 18,454	\$ 19,008	\$ 19,578	\$ 20,165
<b>DDF Payments</b>	<b>\$ 883,172</b>	<b>\$ 926,644</b>	<b>\$ 970,524</b>	<b>\$ 1,014,806</b>	<b>\$ 36,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>DDF Balance</b>	<b>\$ 2,948,877</b>	<b>\$ 2,022,234</b>	<b>\$ 1,051,710</b>	<b>\$ 36,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,022,581</b>	<b>\$ 1,104,552</b>	<b>\$ 1,150,002</b>	<b>\$ 1,195,826</b>

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

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

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

☐ **Option A**

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

☒ **Option B**

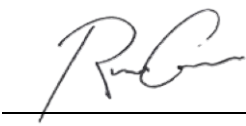
The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above- named project.

**Sponsor/Borrower Statement:**

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

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

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

By:   
Russell Condas, Vice President

**Pinyon Apartments**

1120 E Moana Lane

Reno, NV 89502

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

**Project Description**

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

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

**Physical Description**

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

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

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

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

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

### **Location**

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

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

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

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

### **Target Population and Demand**

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

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

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

The 1<sup>st</sup> Quarter 2022 Apartment Survey published by Johnson Perkins Griffin states that supply within the major apartment projects in the region is expected to remain extremely tight over the coming year. The current vacancy rate across the region is 2.66% and the average rent is \$1,633, which is up 1.05% from the 4th quarter of 2021. Vacancies are expected to remain extremely low, and rental rates are anticipated to show continued increases.

We expect strong and continued demand for the Pinyon Apartments development. The proposed rents at Pinyon will be significantly below market rents in Washoe County. Rents for the 60% AMI units will start at \$994 for a one-bedroom unit, \$1,194 for a two-bedroom unit, and \$1,390 for a three-bedroom unit. For the 50% AMI units, rents will start at \$819 for a one-bedroom unit, \$984 for a two-bedroom unit, and will be \$1,147 for a three-bedroom unit. All 50% AMI units will also receive Section 8 project-based rental assistance. For comparison, the current average market rents from Johnson Perkins Griffin 1<sup>st</sup> Quarter 2022 study are \$1,460 for a one-bedroom unit, \$1,787 for a two-bedroom unit, and \$2,180 for a three-bedroom unit. The 2023 HUD Fair Market Rents are \$1,256 for a one-bedroom unit, \$1,585 for a two-bedroom unit, and \$2,253 for a three-bedroom unit.

### **Development Team**

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

Nevada housing developments include:

- Whittell Pointe I & II Apartments, Reno (2004, 2005), 228 units – family affordable housing, which recently completed rehabilitation;
- Zephyr Pointe Apartments, Reno (2005), 216 units – family affordable housing; and,

- Southwest Village Apartments, Reno (2008), 332 units – family affordable housing, which began rehabilitation in 2021 and will include 66 project-based rental vouchers for homeless veterans.

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

Formed in 2004, **Praxis Consulting Group, LLC** is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund raising and public policy development. Since its founding, Praxis has directly assembled the financing and closed over 85 affordable housing developments totaling over 8,600 units and \$1.6 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt. Praxis has particular expertise in working with public housing authorities in portfolio assessment and RAD and mixed-finance development. Through this work, Praxis has facilitated the creation and preservation of thousands of additional units across multiple housing authorities.

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

### **Project Financing and Schedule**

The financing for Pinyon Apartments will include tax-exempt bonds issued by the Nevada Housing Division (NHD) and purchased direct by Citibank and equity from the sale of non-competitive 4% Low Income Housing Tax Credits. The developer is requesting gap financing through the NHD Transferable State Tax Credits (TSTC) program. We have also requested \$10.6 million through the Home Means Nevada Initiative. In May 2022, the project was awarded \$50,000 in HOME funds from the Washoe County HOME Consortium, qualifying the project for a project tax exemption. The project also received a sewer and permit fee reduction from the City of Reno.

### *Pinyon Apartments Project Narrative*

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

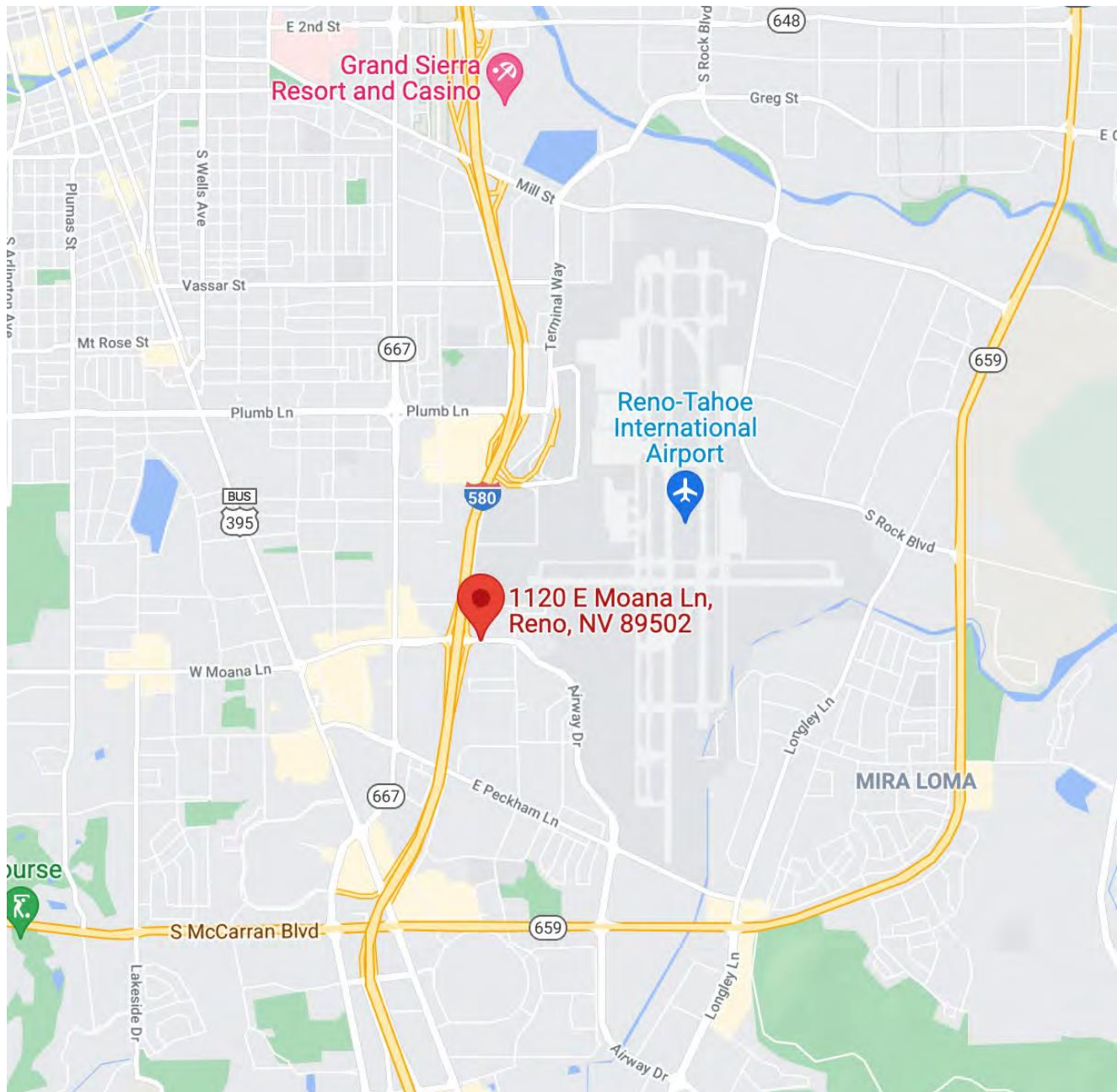
The estimated total development cost is approximately \$103.47 million.

Pinyon Apartments will close in approximately January 2023, with construction completion by November 2024 and conversion by January 2026.



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

**Location Map**



**Pinyon Apartments**

1120 E Moana Lane

Reno, NV 89502

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

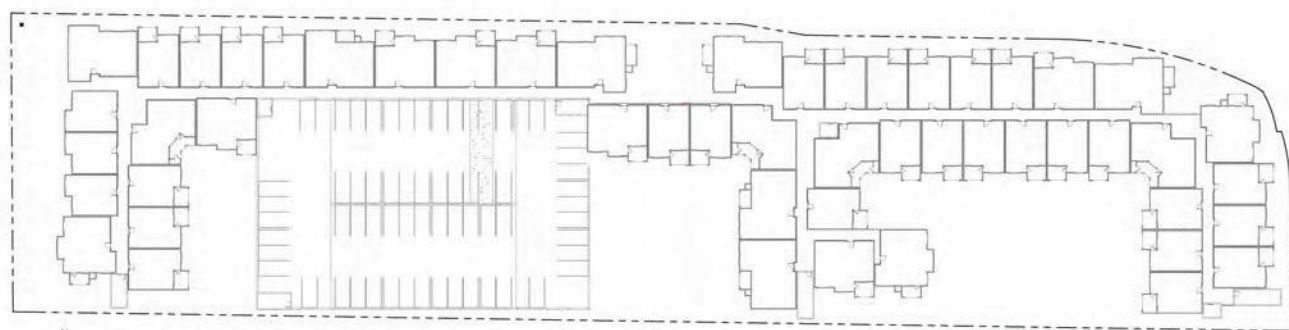
**Aerial Photo**





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

**Site Plan and Isometric Drawing**



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



ISOMETRIC LOOKING AT REAR OF PROJECT

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

**Development:** Pinyon Apartments

**Development Type:** New Construction

**BoF Meeting Date:** 12.13.22

### Administrator's Summary

This bond issuance will be used to provide for the construction of a 252-unit affordable family apartment complex in Reno. The rental housing will serve 252 households at or below 60% of area median income. This site is located near retail, restaurants, parks, banks, grocery stores and schools. The site is within a ½ mile of the Neil Road Recreation Center. This project will create new affordable units which will retain the rent restrictions for 30-years. Lincoln Avenue Capital is a California based company and has had two prior applications before the Board of Finance.

- 100% Affordable Rents: 244 units <60% AMI, 8 units <50% AMI, 0 units <40% AMI
- 1-bedroom units = 158, 2-bedroom units = 60, 3-bedroom units = 34
- 1-bedroom rents \$425 less than market rate
- 2-bedroom rents \$236 less than market rate
- 3-bedroom rents \$784 less than market rate

**Developer** – Lincoln Avenue Capital; **Equity Investor** – Alliant Capital **Permanent Loan** – Citibank  
\$55M in Bond Proceeds leverages \$44.8M in LIHTC Equity (43.2% of total development cost)

	The Ridge at Sun Valley	Program Average	Notes
Total Tax-exempt Bond ask	\$ 55,000,000	\$30,000,000	
Total Development Cost	\$103,583,778	\$54,415,824	Average of last 12 new construction projects previously approved
Size of site	2.88 Acres	n/a	31 Units per acre average
Total # of Units	252	270	Average of previous 12 new construction projects approved
Cost Per Unit	\$411,046	\$227,898	Average of previous 3 new construction projects approved
Bond Cap used Per Unit	\$218,253	\$125,523	Average of previous 12 new construction projects approved
Percentage of Units above 60% AMI	n/a	n/a	No Units in this project
Percentage of Units at 60% AMI	96.8%	91.1%	244 Units in this project
Percentage of Units at 50% AMI	3.2%	7.4%	8 Units in this project
Percentage of Units at 40% AMI	0%	0.1%	No Units in this project
Percentage of Units at 30% AMI	0%	1.4%	No units in this project
Veteran's Preference	Yes	n/a	This has only been allowable since 2019
Length of Affordability Restrictions	30 years	30 years	

	Pinyon Apartments	Market Rate	
1 Bedroom Rent	\$ 994 Average	\$1,419	JPG Data
2 Bedroom Rent	\$1,194 Average	\$1,430	JPG Data
3 Bedroom Rent	\$1,390 Average	\$2,174	JPG Data
Average Vacancy Rate	n/a	1.63%	JPG Data

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

DATE: November 14, 2022

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 (James Down Towers Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

Stephen Aichroth  
Stephen Aichroth (Nov 15, 2022 13:24 PST)

-----  
A. Time and Place of Meeting:

1:00 p.m., Tuesday, December 13, 2022, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact (Findings) of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (James Down Towers Apartments).

C. The Findings relate to the issuance of up to \$42,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for acquisition and rehabilitation of a 200-unit senior apartment complex in Clark County located at 5000 Alta Drive in Las Vegas (the Project).

D. The Housing Division will issue up to \$42,000,000 of multi-unit housing revenue bonds which is proposed as a direct bond purchase by Citibank. The bonds are expected to be reduced to approximately \$19,000,000 following completion of construction and permanent loan conversion. Citibank and Wells Fargo will jointly provide construction period financing of approximately \$45,000,000 to fund project costs in advance of final tax credit equity installments. The borrower/ownership entity will be James Down Towers LLC. The 0.01% Managing Member of the LLC will be a sole purpose limited liability company, James Down Towers Manager LLC, whose sole manager will be AHP, Inc. Wells Fargo. will be the 99.99% Investor Member and will provide an equity investment of approximately \$37,774,000 in exchange for 4% low-income housing tax credits to be allocated to the Project. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this acquisition and rehabilitation housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as “Multi-Unit Housing Revenue Bonds (James Down Towers 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  
James Down Towers 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 housing at rental rates that eligible seniors can afford within the Las Vegas, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will increase the supply and improve the quality of decent, safe and sanitary rental housing for eligible seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Las Vegas, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

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

BY: Stephen Aichroth  
Stephen Aichroth (Nov 15, 2022 13:24 PST)

Steve Aichroth  
Administrator  
Nevada Housing Division

DATE: Nov 15, 2022





October 14, 2022

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

Re: Multi-Unit Housing Revenue Bonds  
(James Down Towers Apartments) Series 2022

Mr. Aichroth:

This Review and Opinion is provided in support of the request by the Nevada Housing Division (“Division”) to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Russell IV Senior Apartments project (“Project”). The Division is requesting authorization from the State of Nevada Board of Finance for issuance of up to \$42,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of this affordable seniors housing property located in Las Vegas, Nevada.

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

The proposed permanent financing will be a fixed rate issue of tax-exempt securities issued by the Nevada Housing Division and purchased by Citibank, N.A. (“Citibank”). A construction period bridge financing will be jointly provided by Wells Fargo Bank (“Wells Fargo”) and Citibank. 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 Clark County. A tax-exempt financing by the Division of this Project is necessary for compliance with Federal tax rules to qualify the Project for 4% Low Income Housing Tax Credits. Equity proceeds from the sale of these credits for construction of this new affordable seniors housing at the proposed restricted income levels are necessary to achieve successful funding of this Project.

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 final loan and equity approval and loan, bond, and tax documentation.

The following Exhibits A and B have been prepared by PFM. Exhibits C and D were submitted by the Borrower.

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

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff  
Director

**Project Overview and Plan of Finance****The Project**

The Project will be the acquisition and rehabilitation of an existing affordable senior housing project originally constructed in 1972 and located at 5000 Alta Drive in Las Vegas. The property contains 200 units of senior housing and is situated on a site of approximately 5.2 acres. It will be configured with one-bedroom and two-bedroom units. Greater detail regarding the Project configuration and amenities is included in Exhibit D.

Summary details of the configuration of the 200 units, size and rent restrictions are provided in Table A.

**Table A: Project Unit & Rent Profile**

Unit Mix	Number Units	Unit Size (SF)	Allowable Monthly Rent <sup>1</sup>	Tenant Share Monthly Rent <sup>2</sup>	Project Based Section 8 <sup>3</sup>	Total Monthly Revenue	Total Annual Revenue
<b><u>1 Bedroom</u></b>							
< 50% RAD	80	480	\$ 767	\$ 460	\$ 481	\$ 75,280	\$ 903,360
< 50% PBV	118	480	\$ 767	\$ 460	\$ 746	\$ 142,308	\$ 1,707,696
<b><u>2 Bedroom</u></b>							
< 50% PBV	2	828	\$ 921	\$ 552	\$ 907	\$ 2,918	\$ 35,016
Total Project Units	200					\$ 220,506	\$ 2,646,072

<sup>1</sup> 2022 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)

Ancillary Income  
\$ 7,512

<sup>2</sup> Assumes 30% of Average Household Income

<sup>3</sup> Per HUD Section 8 project contract

**Project Developers**

Southern Nevada Regional  
Housing Authority  
340 N. 11<sup>th</sup> Street  
Las Vegas, NV 89101

Affordable Housing Program, Inc  
340 N. 11<sup>th</sup> Street  
Las Vegas, NV 89101

Southern Nevada Regional Housing Authority (“SNRHA”) was formed in 2010 through the consolidation of three housing authorities in the Las Vegas Valley. SNRHA operates 2,148 public housing units and 1,457 affordable housing units. SNRHA is the 32<sup>nd</sup> largest public housing authority in the country. Affordable Housing Program, Inc (“AHP, Inc.”) is a non- profit affiliate of SNRHA formed primarily to function as co-borrower and participant in tax- credit partnerships.

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

### **Borrower Entity**

The borrower/ownership entity will be James Down Towers LLC. The 0.01% Managing Member of the LLC will be a sole purpose limited liability company, James Down Towers Manager LLC, whose sole manager will be AHP, Inc. Wells Fargo. will be the 99.99% Investor Member and will provide an equity investment of approximately \$37,774,000 in exchange for 4% low-income housing tax credits to be allocated to the Project.

The periodic advances of the equity investment by Wells Fargo are expected to occur as follows (subject to adjustment):

- 1<sup>st</sup> Installment - \$3,777,000 at Closing (Nov 2022)
- 2<sup>nd</sup> Installment - \$1,692,000 at 100% completion/placed in service (Jul 2024)
- 3<sup>rd</sup> Installment – \$32,055,000 at Conversion to permanent loan (Oct 2024)
- 4<sup>th</sup> Installment - \$250,000 at delivery of IRS Form 8609 (Apr 2025)

### **Contractor**

Cobblestone Construction  
3830 N. Jones Blvd.  
Las Vegas, NV 89108

Cobblestone Construction is based in Las Vegas and has over seventeen years of commercial and residential construction experience in Las Vegas, Southern Nevada and wider areas of the Southwest. They are experienced with renovation and rehabilitation of a wide variety of facilities, including senior housing and apartment properties.

### **Property Manager**

Southern Nevada Regional Housing Authority will serve as the property manager for this property.

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

Project financing will be accomplished using permanent debt provided by a direct placement with Citibank. Tax-exempt bonds in an amount not to exceed \$42,000,000 will be issued by the Division. The bonds are expected to be reduced to approximately \$19,000,000 following completion of construction and permanent loan conversion.

Citibank and Wells Fargo will jointly provide construction period financing of approximately \$45,000,000 to fund project costs in advance of final tax credit equity installments.

### **Reserves:**

The Borrower will be required to fund deposits to a replacement reserve initially set at \$300/unit/year. Minimum required replacement reserve deposits may be adjusted based on periodic future physical needs assessments.

The Borrower will also be required to fund an Operating Reserve initially set at \$1,097,000.

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

<b>Sources of Funds</b>			
	<b>Construction Phase</b>	<b>Permanent Phase</b>	
NHD Bond Proceeds (Exempt)	\$ 42,000,000	\$ 18,950,000	
Construction Bridge Loan (Taxable), net	\$ 3,022,309		
LIHTC Equity	\$ 5,469,752	\$ 37,774,092	
Seller Note	\$ 26,000,000	\$ 26,000,000	
City of Las Vegas HOME Loan	\$ 1,000,000	\$ 1,000,000	
Deferred Developer Fee		\$ 4,712,444	
	<b>\$ 77,492,061</b>	<b>\$ 88,436,536</b>	
<b>Uses of Funds</b>			<b>\$/Unit</b>
Land Cost	\$ 4,840,000	\$ 4,840,000	\$ 24,200
Building Acquisition Cost	\$ 23,375,000	\$ 23,375,000	\$ 116,875
Construction Hard Costs	\$ 37,100,000	\$ 37,100,000	\$ 185,500
Soft Costs	\$ 3,987,801	\$ 3,987,801	\$ 19,939
Construction Period Interest	\$ 2,480,597	\$ 2,480,597	\$ 12,403
Contingencies	\$ 4,016,320	\$ 4,016,320	\$ 20,082
Operating & Repair Reserves		\$ 1,096,818	\$ 5,484
Developer Fee	\$ 1,692,343	\$ 11,540,000	\$ 57,700
	<b>\$ 77,492,061</b>	<b>\$ 88,436,536</b>	<b>\$ 442,183</b>

**Bond/Loan Term Summary:**

**Construction Lenders:** Wells Fargo Bank and Citibank

**Permanent Lender:** Citibank N.A.

**Bond Structure:****Construction Phase**

- Estimated at \$42,000,000
- Variable rate at 1-month SOFR (floor of 0.50%) plus 2.10% (exclusive of Division/Trustee fees). Rate adjusts monthly. Rate estimated at 4.25% (as of 7/19/22).
- Bonds are interest only
- Term – 30 months from initial loan closing date, plus one 6-month extension.

**Permanent Phase:**

- Estimated at \$19,000,000
- Fixed rate at 18-year LIBOR swap rate (floor of 0.75%) plus 2.10% (excluding Division and Trustee fees). Rate is locked at closing of the Construction Phase.
- Rate estimated at 5.24% (as of 7/19/22)
- Amortization factor is 40 years
- Maturity – 18 years following Closing Date
- Payments are monthly principal and interest.
- Loan/Value – 90%
- Debt Service Coverage – Minimum of 1.15 to 1.00

1) Issuer Annual Fee @ 0.25% (25 bp) paid semiannually in advance

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

**Bond Rating:** Not rated

Nevada Housing Division  
Multifamily Housing Revenue Bonds  
James Down Towers Apartments  
Series 2022

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>INCOME</b>												
Annual Gross Rental Income	\$ 2,752,973	\$ 2,808,033	\$ 2,864,193	\$ 2,921,477	\$ 2,979,907	\$ 3,039,505	\$ 3,100,295	\$ 3,162,301	\$ 3,225,547	\$ 3,290,058	\$ 3,355,859	\$ 3,422,976
Other: Ancillary Revenue	\$ 7,815	\$ 7,972	\$ 8,131	\$ 8,294	\$ 8,460	\$ 8,629	\$ 8,802	\$ 8,978	\$ 9,157	\$ 9,340	\$ 9,527	\$ 9,718
<b>Total Residential Income</b>	<b>\$ 2,401,886</b>	<b>\$ 2,816,005</b>	<b>\$ 2,872,325</b>	<b>\$ 2,929,771</b>	<b>\$ 2,988,367</b>	<b>\$ 3,048,134</b>	<b>\$ 3,109,097</b>	<b>\$ 3,171,279</b>	<b>\$ 3,234,704</b>	<b>\$ 3,299,398</b>	<b>\$ 3,365,386</b>	<b>\$ 3,432,694</b>
Less: Residential Vacancy/Discounts	\$ (120,094)	\$ (140,800)	\$ (143,616)	\$ (146,489)	\$ (149,418)	\$ (152,407)	\$ (155,455)	\$ (158,564)	\$ (161,735)	\$ (164,970)	\$ (168,269)	\$ (171,635)
<b>Proforma Gross Income</b>	<b>\$ 2,281,792</b>	<b>\$ 2,675,204</b>	<b>\$ 2,728,708</b>	<b>\$ 2,783,283</b>	<b>\$ 2,838,948</b>	<b>\$ 2,895,727</b>	<b>\$ 2,953,642</b>	<b>\$ 3,012,715</b>	<b>\$ 3,072,969</b>	<b>\$ 3,134,428</b>	<b>\$ 3,197,117</b>	<b>\$ 3,261,059</b>
<b>EXPENSES</b>												
General Administrative	\$ 55,755	\$ 57,427	\$ 59,150	\$ 60,924	\$ 62,752	\$ 64,635	\$ 66,574	\$ 68,571	\$ 70,628	\$ 72,747	\$ 74,929	\$ 77,177
Operating & Maintenance	\$ 530,169	\$ 546,074	\$ 562,456	\$ 579,330	\$ 596,710	\$ 614,611	\$ 633,049	\$ 652,041	\$ 671,602	\$ 691,750	\$ 712,503	\$ 733,878
Staff Payroll & Benefits	\$ 366,626	\$ 377,625	\$ 388,953	\$ 400,622	\$ 412,641	\$ 425,020	\$ 437,770	\$ 450,904	\$ 464,431	\$ 478,364	\$ 492,714	\$ 507,496
Property Management	\$ 136,908	\$ 160,512	\$ 163,723	\$ 166,997	\$ 170,337	\$ 173,744	\$ 177,219	\$ 180,763	\$ 184,378	\$ 188,066	\$ 191,827	\$ 195,664
Taxes & Insurance	\$ 18,955	\$ 19,524	\$ 20,109	\$ 20,713	\$ 21,334	\$ 21,974	\$ 22,633	\$ 23,312	\$ 24,012	\$ 24,732	\$ 25,474	\$ 26,238
Replacement Reserves	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643	\$ 73,792	\$ 76,006	\$ 78,286	\$ 80,635	\$ 83,054	\$ 85,546
<b>Proforma Operating Expenses</b>	<b>\$ 1,111,701</b>	<b>\$ 1,224,816</b>	<b>\$ 1,259,955</b>	<b>\$ 1,296,116</b>	<b>\$ 1,333,330</b>	<b>\$ 1,371,627</b>	<b>\$ 1,411,038</b>	<b>\$ 1,451,597</b>	<b>\$ 1,493,337</b>	<b>\$ 1,536,293</b>	<b>\$ 1,580,502</b>	<b>\$ 1,625,998</b>
Senior Debt Service	\$ 302,947	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786
Debt Service Coverage		120%	121%	123%	124%	126%	127%	129%	130%	132%	133%	135%
<b>Residual Receipts</b>	<b>\$ 715,032</b>	<b>\$ 238,602</b>	<b>\$ 256,967</b>	<b>\$ 275,380</b>	<b>\$ 293,832</b>	<b>\$ 312,314</b>	<b>\$ 330,817</b>	<b>\$ 349,331</b>	<b>\$ 367,845</b>	<b>\$ 386,348</b>	<b>\$ 404,829</b>	<b>\$ 423,274</b>
LP Asset Mgt Fee	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	\$ 13,439	\$ 13,842
DDF Payments	\$ 705,032	\$ 228,302	\$ 246,358	\$ 264,452	\$ 282,577	\$ 300,721	\$ 318,877	\$ 337,033	\$ 355,178	\$ 373,301	\$ 391,390	\$ 409,432
DDF Balance	\$ 4,007,412	\$ 3,779,110	\$ 3,532,752	\$ 3,268,299	\$ 2,985,723	\$ 2,685,001	\$ 2,366,124	\$ 2,029,092	\$ 1,673,914	\$ 1,300,614	\$ 909,224	\$ 499,792
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	6.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$4,712,444
GAHP Loan:	\$0

Permanent Loan Amount	\$18,950,000
Loan Term	40
Core Loan Rate	5.45%
NHD & Trustee Factor	0.30%
Total Loan Rate	5.75%
Annual Debt Service	\$1,211,786

Nevada Housing Division

Multifamily Housing Revenue Bonds

James Down Towers Apartments

Series 2022

	2036	2037	2038	2039	2040	2041	2042
<b>INCOME</b>							
Annual Gross Rental Income	\$ 3,491,436	\$ 3,561,265	\$ 3,632,490	\$ 3,705,140	\$ 3,779,242	\$ 3,854,827	\$ 3,931,924
Other: Ancillary Revenue	\$ 9,912	\$ 10,110	\$ 10,312	\$ 10,519	\$ 10,729	\$ 10,944	\$ 11,162
<b>Total Residential Income</b>	<b>\$ 3,501,348</b>	<b>\$ 3,571,375</b>	<b>\$ 3,642,802</b>	<b>\$ 3,715,658</b>	<b>\$ 3,789,971</b>	<b>\$ 3,865,771</b>	<b>\$ 3,943,086</b>
Less: Residential Vacancy/Discounts	\$ (175,067)	\$ (178,569)	\$ (182,140)	\$ (185,783)	\$ (189,499)	\$ (193,289)	\$ (197,154)
<b>Proforma Gross Income</b>	<b>\$ 3,326,280</b>	<b>\$ 3,392,806</b>	<b>\$ 3,460,662</b>	<b>\$ 3,529,875</b>	<b>\$ 3,600,473</b>	<b>\$ 3,672,482</b>	<b>\$ 3,745,932</b>
<b>EXPENSES</b>							
General Administrative	\$ 79,493	\$ 81,877	\$ 84,334	\$ 86,864	\$ 89,470	\$ 92,154	\$ 94,918
Operating & Maintenance	\$ 755,894	\$ 778,571	\$ 801,928	\$ 825,986	\$ 850,765	\$ 876,288	\$ 902,577
Staff Payroll & Benefits	\$ 522,721	\$ 538,402	\$ 554,554	\$ 571,191	\$ 588,327	\$ 605,977	\$ 624,156
Property Management	\$ 199,577	\$ 203,568	\$ 207,640	\$ 211,793	\$ 216,028	\$ 220,349	\$ 224,756
Taxes & Insurance	\$ 27,025	\$ 27,836	\$ 28,671	\$ 29,531	\$ 30,417	\$ 31,330	\$ 32,270
Replacement Reserves	\$ 88,112	\$ 90,755	\$ 93,478	\$ 96,282	\$ 99,171	\$ 102,146	\$ 105,210
<b>Proforma Operating Expenses</b>	<b>\$ 1,672,822</b>	<b>\$ 1,721,011</b>	<b>\$ 1,770,605</b>	<b>\$ 1,821,647</b>	<b>\$ 1,874,178</b>	<b>\$ 1,928,244</b>	<b>\$ 1,983,887</b>
Senior Debt Service	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786	\$1,211,786
Debt Service Coverage	136%	138%	139%	141%	142%	144%	145%
<b>Residual Receipts</b>	<b>\$ 441,672</b>	<b>\$ 460,009</b>	<b>\$ 478,270</b>	<b>\$ 496,442</b>	<b>\$ 514,508</b>	<b>\$ 532,452</b>	<b>\$ 550,258</b>
LP Asset Mgt Fee	\$ 14,258	\$ 14,685	\$ 15,126	\$ 15,580	\$ 16,047	\$ 16,528	\$ 17,024
DDF Payments	\$ 427,415	\$ 72,378	\$ -	\$ -	\$ -	\$ -	\$ -
DDF Balance	\$ 72,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ 372,946</b>	<b>\$ 463,144</b>	<b>\$ 480,862</b>	<b>\$ 498,461</b>	<b>\$ 515,924</b>	<b>\$ 533,234</b>

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

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

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

☐ **Option A**

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

☒ **Option B**

The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above-named project.

**Sponsor/Borrower Statement:**

The Southern Nevada Regional Housing Authority carried out a formal procurement for debt and equity for the James Down Towers project in May 2022. The RFP went out to 9 potential lenders. SNRHA received 5 bids for construction financing and 7 bids for permanent financing. (Several were joint construction / permanent financing bids.) A number of the lenders were also proposing to provide the tax credit equity for the transaction.

SNRHA chose the Citi Community Capital back-to-back loan structure because it dovetailed well with the Wells Fargo taxable construction debt and equity. Citi has participated in a number of tax-exempt financings recently in NV co-underwriting projects with Wells, so is familiar with the NHD programs. Further, the index rate, spread, amortization and LTV terms in the Citi proposal were competitive with other permanent debt proposals.



**By: Fred Haron, Chief Administrative Office**

**Firm Southern Nevada Regional Housing Authority**



**James Down Towers**  
5000 Alta Drive Las Vegas, NV 89107  
APN#: 138-36-601-007 (5.28 acres)

**Project Description**

James Down Towers entails the acquisition, rehabilitation, and RAD / Section 18 conversion of an existing 200-unit senior public housing development located at 5000 Alta Drive, west of downtown Las Vegas. The site is located in a governmentally determined Opportunity Zone, a new investment program to spur economic development in economically distressed communities under the Tax Cuts and Jobs Act of 2017.

Southern Nevada Regional Housing Authority (“SNRHA”) and its non-profit affiliate, Affordable Housing Programs, Inc. (“AHP”) will act as sponsor and developer of this residential project. Under the U.S. Department of Housing and Urban Development’s (HUD) Rental Assistance Demonstration (RAD) program, and its innovative new RAD/Section 18 blended conversion, the SNRHA can rehabilitate and preserve its aging public housing developments using a variety of public and private affordable housing resources, including private debt supported by project-based rental assistance, federal low-income housing tax credits and City of Las Vegas HUD HOME funds. James Down Towers is SNRHA/AHP’s eighth recent preservation project, beginning with Landsman Gardens in 2013.

The property was originally constructed in 1972. The proposed extensive renovation at James Down Towers, totaling over \$184,500 per unit in construction hard cost, not including contingency, will result in 200 fully modernized and energy efficient elderly units and will preserve this important affordable housing resource in the long term for the residents of Nevada.

The goals of the rehabilitation include:

- To address major capital items in order to preserve this important housing asset and extend its life under the HUD RAD and Section 8 programs and 30-year low-income housing tax credit compliance period;
- To bring the units up to modern standards including new plumbing, wiring, cabinets, removeable cabinet fronts, countertops, sinks, tubs and vanities, paintings, flooring and appliances;
- To meet and/or exceed energy conservation requirements as detailed in Section 12 of the 2022 Nevada Housing Division Qualified Allocation Plan, and to lower future utility costs for the owner, this will include new vinyl dual-pane windows, new exterior doors, additional furring, insulation and duct work, use of no-VOC paints, low-VOC adhesives, and low-urea-formaldehyde-free particle board;
- To increase site security and “defensible space” through landscaping, improved site lighting and security cameras in the common areas; and,

- To reduce water consumption through the replacement of some lawn areas with low maintenance rock and desert landscaping and the addition of low-flow faucets and commodes.

### Physical Description

James Down Towers consists of one four-story elevator building, in four wings. The unit mix is as follows:

#	Type	Net Square Footage
198	1 Bedroom/ 1 Bathroom	480 Sq. Ft.
2	2 Bedrooms/ 1 Bathroom	828 Sq. Ft.
<b>200</b>	<b>Total</b>	<b>96,696 Sq. Ft.</b>

The site contains a large community room and on-site laundry facility.

In-unit amenities will include hard flooring throughout the units, covered patio/balcony areas, enclosed storage spaces for each unit and ceiling fans.

### Location and Neighborhood

James Down Towers is well located on a 5.28-acre site west of S Decatur Boulevard and north of Alta Drive. The site is a few blocks from the US-95 and Meadows Mall. The subject site is also in a governmentally determined Opportunity Zone and a Qualified Census Tract (QCT). The development is located adjacent to Nevada HAND's Stella Fleming Towers and the new mixed-use 480-unit affordable apartment community, Decatur Commons.

James Down Towers is 0.2 miles north of the Charleston Heights Shopping Center and 0.5 miles south of other major shopping centers providing access to many stores including Ross, Charleston Antique Mall, Walgreens, Cardenas Market, Walmart, Dollar Tree, Southern Nevada Health District and several restaurants. Walgreens, additional restaurants and retail stores are all within walking distance of the project. There are many medical facilities in close proximity to the project: Wirig Shaw Orthodontics (0.6 miles), Align Medical (0.6 miles), Applied Behavior Analysis Institute (0.9 miles), and Red Rock Medical Group (1.1 miles). The site is located approximately 1.2 miles west of Springs Preserve and Nevada State Museum, which contains exhibits, botanical gardens, walking paths and open space.

Howard Lieburn Senior Center is located 1.6 miles west of the site. The Senior Center offers a variety of programs to seniors in the community such as arts and crafts, aerobics, gardening, dance and yoga. It contains on-site classrooms, a computer room, community garden, kitchen, multipurpose group, and social groups. Additionally, the site is less than a 0.25 miles away from Arizona Charlie's Hotel and Casino offering live entertainment and dining.

Major bus routes running east and west along Alta Drive are located directly in front of James Down Towers and north and south routes on Decatur less than 0.25 miles away.

## **Target Population**

James Down Towers is a senior development available to households with incomes at or below 60% of area median income. All of the 200 units will receive project-based rental assistance under the Rental Assistance Demonstration (RAD) and Section 8 Project-Based Housing Choice Voucher programs. Under these programs, households pay 30% of their adjusted gross income towards rent, allowing the development to serve very low-income elderly households, including those on SSI/DI.

The need for affordable housing, and especially affordable senior housing, in the City of Las Vegas is well documented. The City of Las Vegas 2020-2025 Consolidated Plan & Action Plan found that there is an estimated need for 44,400 units more affordable units. (pg. 2). The Plan indicates that 42.6% of all renter households have a housing cost burden greater than 30% of income and 23% of households have a cost burden greater than 50% of income (page 54)<sup>1</sup>. The City of Las Vegas recognizes affordable housing as a high priority. Approximately 82% of the available housing stock in the City of Las Vegas is in need of rehabilitation (pg. 152)<sup>1</sup>.

The Clark County Housing Market Analysis, dated April 2013, which was cited in the City's Consolidated Plan, stated that the population of Southern Nevada is aging, and that people over 65 will make up 20% of the population in 2035 (pg. 2)<sup>1</sup>. This is up from 12% in 2012. The aging of the population "will decrease demand for single-family detached units and increase demand for housing types specific to seniors." (pg. 2)<sup>2</sup>

The Nevada Housing Division 2020 Annual Affordable Apartment Survey reported a vacancy rate of 1.6%, 2.4% and 2.5% for one-bedroom, two-bedroom and three-bedroom units, respectively in Clark County. These low vacancy rates indicate a severe need for affordable housing in the south.

James Down Towers addresses the growing need for barrier-free and affordable senior housing in the City of Las Vegas by preserving this important community asset for many years to come.

## **Relocation**

James Down Towers is occupied. The current residents will have the first right to return after completion of rehabilitation.

Some of the residents of James Down Towers will need to be temporarily relocated during construction to allow the contractor an area to begin construction. However, under RAD, all

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<sup>1</sup> "The City of Las Vegas 2020-2025 Consolidated Plan and Action Plan" prepared by The City of Las Vegas on March 22, 2021. <https://sawebfilesprod001.blob.core.windows.net/community-services/2020-2025-Consolidated-Annual-Action-Plan.pdf?sv=2017-04-17&sr=b&si=DNNFileManagerPolicy&sig=Y0eQgupP17qRVYk6TQkAgzIC%2BwBbowqZ0SdlfYGvMj4%3D>

<sup>2</sup> "Clark County Housing Market Analysis, 2012-2035" prepared by Southern Nevada Strong and ECONorthwest on April 12, 2013. <http://sns.rtcnv.com/wp-content/uploads/2016/05/Clark-Co-HousingMarketAnalysis-041213-FNL.pdf>

residents have the right to return to the property. The SNRHA will provide relocation assistance to all households that have to be relocated in compliance with federal relocation requirements.

Households that must be relocated will be offered other units on-site, other SNRHA-owned properties, or, as a last resort, other affordable housing developments, to enable the contractor control of the required section of units to begin construction. The construction will likely be conducted in phases with specific floors or wings identified in each phase. As such, residents will be relocated in phases. All residents will receive notices, supportive services, and coverage of relocation expenses in accordance with their construction phase. The SNRHA will confirm the phasing with the contractor prior to the start of construction. All households that do not wish to transition to the new program and wish to remain in the public housing program will be offered a transfer to other public housing as available and to the extent possible.

All relocation activities, prior to rehab and post rehab for households returning to James Down Towers, will be conducted in compliance with the RAD Relocation Notice dated November 10, 2016 (PIH 2016-17) and the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. § 4601 et seq.) and its implementing regulations at 49 CFR 24, as applicable. The SNRHA's Supportive Services Department will manage the relocation process and services for the residents of James Down Towers during both the initial relocation and assisting those residents returning to this property post construction.

SNRHA staff has extensive experience in relocating SNRHA public housing residents to other housing resources under similar circumstances. A staffed relocation office will be maintained on-site at James Down Towers throughout the entire relocation process. All residents will be treated fairly on a nondiscriminatory basis, without regard to race, color, religion (creed), national origin, handicap, age, familial status, sex, sexual orientation, or gender identity, in compliance with applicable federal, state, and local laws.

### **Supportive Services**

James Down Towers will employ a part-time Resident Services Coordinator who will assist residents with remaining financially and physically self-sufficient by implementing referral services, programs, activities and social supports that enable them to age in place. The Service Coordinator will also assist residents in accessing resources available in the community, including home health care and homemaker assistance, taxi vouchers, energy assistance, rental rebates, and emergency food. The Resident Services Coordinator will also seek out, coordinate and schedule outside activities and programs with local agencies and recreation centers and coordinate transportation with weekly routes offering access to grocery and drug stores, post offices, malls, special events, etc.

Residents will also be provided with a number of social supports including monthly newsletter containing information on on-site services, community resources, maintenance tips, and social activities. Property management, in partnership with the resident council, will organize holiday lunches, entertainment, game clubs, outings and activity classes.

### **Rehabilitation Scope of Work**

The rehabilitation scope of work for James Down Towers is based upon a Capital Needs Assessment (CNA) completed by AEI Consultants on December 16, 2020.

The extensive rehabilitation scope of work, totaling over \$184,500 per unit not including contingency, falls into three major categories: 1 & 2) General; 3) Civil; and, 4) Plumbing, Mechanical, and Electrical.

#### **1) General Work—Residential Units**

- Replace interior drywall as needed after completion of hazardous materials survey;
- Remove tile/mastic and install new VCT planks throughout units;
- Install wood baseboard or contour rubber vinyl base;
- Remove HVAC unit screens if mini-split system used;
- Repair CMU/stucco exterior walls as required; prime and paint entire buildings;
- Provide R-30 insulation at ceilings to provide energy savings; provide adequate roof ventilation;
- Install new hardwood kitchen cabinets and new countertops;
- Install new medicine cabinets;
- Install new grab bars;
- Install removeable cabinet fronts at all sinks;
- Paint interior;
- Install new fiberglass entry doors and frames with weather stripping. Install new locking system throughout;
- Install new raised panel interior doors with hardware;
- Install raised panels closet doors;
- Install dual pane e-vinyl windows w/weather stripping and bug screens. Window openings to meet egress code requirement;
- Install window coverings (vertical blinds);
- Install new Energy Star appliances;
- Re-design exterior of units/buildings; utilize architectural elements to enhance the exterior (i.e. columns, pop outs, stucco/dryvit, brick, etc.); and,
- Add patio shade structure (front or back) to each of the units;

#### **2) General Work—Community Building**

- Upgrade Community Center/Management/Maintenance Office Building as required;
- Replace Cooling Tower;
- Upgrade heating and cooling system in shop building;
- Upgrade lighting throughout;
- Remove acoustical ceiling;
- Replace all flooring and new paint throughout;
- Photovoltaic panels shall be installed on the roof to aid with energy savings;
- Maintenance Building upgrades includes doors and lighting for the interior and

exterior, including electrical and plumbing fixtures;

- Repair hydraulic elevator;
- Evaluate outside storage for removal or make it part of the building; and,
- Provide automatic door openers on all common area doors.

3) Civil Work:

- Preserve accessible routes to wheelchair accessible units, community centers and through the property (curb cuts, handicap parking, etc.), per UFAS /ANSI /504;
- Replace broken and raised sidewalks;
- Replace asphalt parking areas and re-stripe;
- Replace shade structures as required;
- Design desert landscaping in all common areas and create defensible space. Coordinate design with Southern Nevada Water Authority (SNWA); and,
- Repair/replace main water shut off valves as required to existing main and lateral waterlines/cast iron sewer lines as required, video camera sewer-lines and provide report.

4) Plumbing, Mechanical and Electrical Work:

- Install LED lighting, with high impact casing, throughout the development. Replace poles. Provide power to existing monument sign;
- Upgrade electrical, including main panels and subpanels, and install GFI's in kitchen and bath areas and arc fault in bedrooms;
- Install new interconnected hard wire w/battery backup smoke detector, per code and fire extinguisher and CO detectors;
- Install wiring for Internet in each unit
- Install new back-lit unit addresses and building addresses signage as per the City Ordinance. Unit address' sign to be located on parking side for easy unit address identification;
- Replace HVAC and associated ductwork associated to meet current energy code and Tax Credit QAP energy efficiency requirements;
- Evaluate make up air for carbon monoxide in units;
- Install ceiling fan with light fixture in living room and bedroom;
- Install recessed lighting in kitchen;
- If tankless water heaters are installed, the gas line will have to increase in size (diameter). Coordinate with Gas Company;
- Install new tankless water heaters and relocate if possible;
- Install new water save commode;
- Install new bathroom sinks with vanity;
- Re-use fiberglass tubs and upgrade plumbing fixtures. Provide access panel;
- Install sinks and plumbing fixtures;
- Wire bedrooms and living rooms for cable and telephone and wire kitchens for telephones;
- Install exhaust fan in the bathrooms; and,
- Install range hoods vented to the outside.

## **Development Team**

<b>Developer:</b>	Southern Nevada Regional Housing Authority and its non-profit Affiliate, Affordable Housing Programs, Inc.
<b>Consultant:</b>	EJP Consulting Group, LLC and Praxis Consulting Group, LLC
<b>General Contractor:</b>	Cobblestone Construction
<b>Property Manager:</b>	Southern Nevada Regional Housing Authority
<b>Architect:</b>	KME Architects

James Down Towers will be owned by sole purpose limited liability company, James Down Towers LLC. The 0.01% Managing Member of the LLC will also be a sole purpose limited liability company, James Down Towers Manager LLC. Affordable Housing Programs, Inc. (AHP, Inc.), the non-profit instrumentality of SNRHA, will be the sole manager of the Manager LLC. AHP, Inc. will act as Developer to the ownership LLC. SNRHA will provide professional property management services, with compliance assistance from a third-party agency.

### Southern Nevada Regional Housing Authority / Affordable Housing Program, Inc.

Formed in January 2010 through the consolidation of the three housing authorities in the Las Vegas Valley, SNRHA currently operates 2,148 public housing units and 1,457 affordable housing units. With its approximately 12,000 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.

The Development and Modernization Department is responsible for construction administration for SNRHA. The department oversees Capital Fund Program (CFP) and Replacement Housing Factor (RHF) funds in the amount of approximately \$6,000,000 per year and in more recent years Neighborhood Stabilization Program (NSP) funds of approximately \$12 million and American Recovery and Reinvestment Act (ARRA) funds totaling approximately \$20 million.

Development and Modernization Department staff performs construction management and inspection on various levels of rehabilitation, including new construction, of the SNRHA's public housing and affordable housing stock. Staff also coordinated the purchase of single-family homes under the NSP1 and 3 Program, as well as oversaw the required energy upgrades to those homes. The Department monitors contractor compliance to Davis Bacon Wage Determination Act and assists in enforcing adherence to the agency's mandatory Section 3 hiring requirements and HUD Environmental Reviews. In addition, the Development/Modernization staff administers professional services contracts, including Architectural, Engineering, Hazardous Materials Consulting and Abatement and submits special applications for Demolition/Disposition and other grant funding, including Tax Credit submissions to the State of Nevada.

Recent SNRHA new construction or rehabilitation projects include:

- Otto Merida Desert Villas, built in 2007 (60 new construction family public housing units utilizing 9% LIHTC);

- Marion D. Bennett Sr. Plaza, built in 2010 in partnership with the non-profit Nevada H.A.N.D., (65 new construction senior public housing units financed with ARRA, RHF and FHLB AHP funds);
- Landsman Gardens Apartments, re-opened in October 2014 (100-unit multi-family RAD conversion financed with tax exempt bonds, public housing capital funds, 4% LIHTC, FHLBSF AHP funds and HUD HOME funds from the City of Henderson);
- Vera Johnson Manor B, in partnership with co-developer Nevada H.A.N.D, Inc., re-opened in May 2016 (112-unit multi-family RAD conversion financed with 9% LIHTC, HUD HOME funds, form the City of Las Vegas and SNRHA capital funds);
- Biegger Estates Apartments completed in Summer 2017 (119-unit multi-family RAD conversion financed with 9% LIHTC and SNRHA Capital Funds);
- Vera Johnson Manor A, completed in June 2018 (76-unit multi-family public housing rehabilitation financed with 9% LIHTC and SNRHA capital funds);
- Rose Gardens, in partnership with co-developer Nevada HAND, Inc., which opened in November 2018 (120-unit new construction senior RAD conversion financed with tax-exempt bonds, 4% LIHTC, HUD HOME funds from the City of North Las Vegas and Clark County, NHD GAHP funds and SNRHA capital funds);
- Espinoza Terrace Apartments, which finished construction in 2020 (100-unit senior RAD conversion financed with 9% LIHTC, FHLBSF AHP funds and HUD HOME funds from Clark County and the City of Henderson);
- Archie Grant Apartments, which finished construction in August 2020 (125-unit elderly/non-elderly disabled RAD conversion financed with 9% LIHTC, HUD HOME funds from the City of Las Vegas, NHD HTF, FHLBSF AHP, and housing authority capital funds); and,
- Wardelle Street Apartments, which finished construction in June 2021 (57-unit, new construction family duplex and rowhouse development, financed with public housing capital funds, 9% LIHTC, HUD HOME funds from the City of Las Vegas and Clark County, and Section 8 and public housing rental assistance).

Other recent SNRHA rehabilitation projects include:

- Parking Lots, Exterior Lighting and Conversion to Xeriscape Landscape at James Down Towers, Sartini Plaza and Sartini Plaza Annex – Senior Public Housing;
- Energy Upgrades at forty-three (43) Scattered Sites Homes – Family public housing;
- Wheelchair accessibility at Schaffer Heights-Senior public housing and Hampton Court-Family public housing;
- Parking Lots upgrades at Schaffer Heights and Espinoza Terrace – Senior public housing;
- Roofing upgrades and Cooling Tower replacement at Harry Levy Gardens – Senior public housing;
- Playground, Safety surface and canopy installation at Vera Johnson B and Marble Manor Annex – Family public housing;
- Exterior Painting at Aida Z. Brents – Senior public housing.
- Roof replacement and Exterior painting Sartini Plaza Annex – senior public housing; and,
- Acquisition and Modernization of ninety-one (91) Neighborhood Stabilization Program (NSP) Units.



The SNRHA has extensive experience managing affordable rental housing. Its staff manages its public housing portfolio and is well-versed in Fair Housing and other affordable housing requirements.

Key SNRHA staff taking part in the development and operations include: Lewis Jordan, Executive Director, Frank Stafford, Director of Modernization and Development, Fred Haron, Director of Finance and Administration, and Patricia Stephens, Director of Operations and Affordable Housing.

EJP Consulting Group, LLC / Praxis Consulting Group, LLC

SNRHA will receive consulting assistance from EJP Consulting Group, LLC and Praxis Consulting Group LLC.

EJP Consulting Group, LLC (EJP) provides services to clients nationwide who are seeking to improve community-level outcomes. As former Abt Associates employees, EJP's three partners – Gayle Epp, Scott Jepsen and Rhae Parkes – have been working together for more than 10 years to assist clients to develop new housing, revitalize neighborhoods, increase resident self-sufficiency, and plan for sustainable futures. Scott Jepsen, EJP partner based in Manchester, WA, has extensive experience with public housing mixed-finance development, strategic planning, and economic growth initiatives.

Formed in 2004, Praxis Consulting Group LLC is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Mr. Novak, its President, has over 30 years of experience in all aspects of the affordable housing development process, including HOPE VI, CNI, RAD, public housing mixed-finance development and affordable assisted living. Hilary Lopez, Ph.D., Senior Associate has over 20 years of experience in affordable housing finance, programs, and policy. Since 2004, Praxis has secured the financing for over 85 affordable housing developments primarily in Nevada, totaling over 8,600 units and \$1.6 billion in financing. Financing sources have included project-based Housing Choice Vouchers, public housing Capital and Replacement Housing Factor funds and ACC operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

**Project Financing**

The project financing for James Down Towers includes tax-exempt bonds issued by Nevada Housing Division, 4% Low Income Housing Tax Credits issued through the Nevada Housing Division, City of Las Vegas HOME Funds, a SNRHA Sellers Note and deferred developer fee.

The site is located within census tract 1.06, which is a HUD Qualified Census Tract in 2022, qualifying James Down Towers for a 130% boost in tax credit eligible basis. The site is also located in a governmentally determined Opportunity Zone.

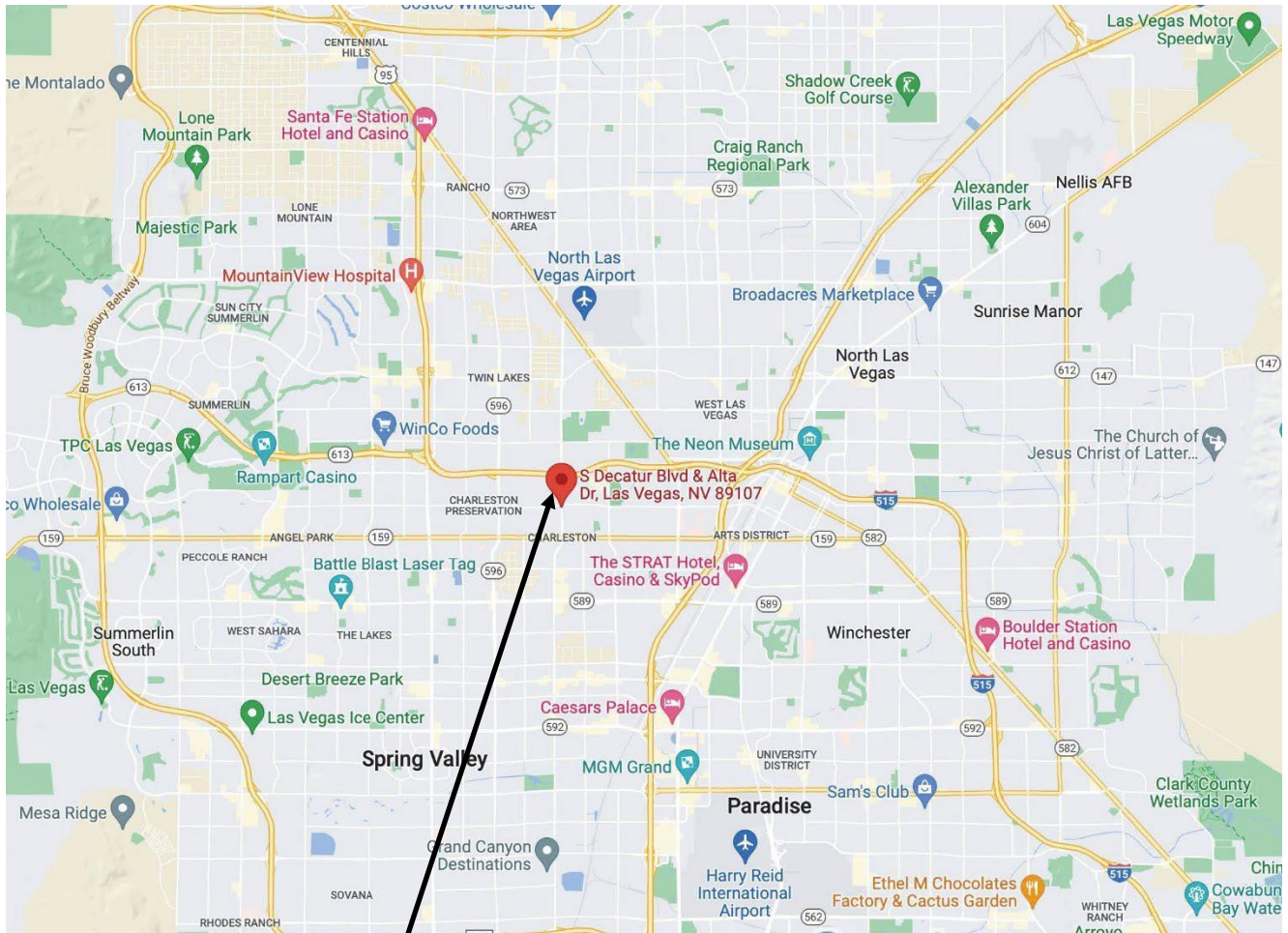
The projected total development cost is \$88.5 million or about \$442,500 per unit (of which about \$141,000 per unit is a non-cash acquisition payment).

**Estimated Project Schedule**

Construction Start	October 2022
Construction Completion	April 2024
Conversion	April 2025

**James Down Towers**  
5000 Alta Drive Las Vegas, NV 89107  
APN#: 138-36-601-007 (5.28 acres)

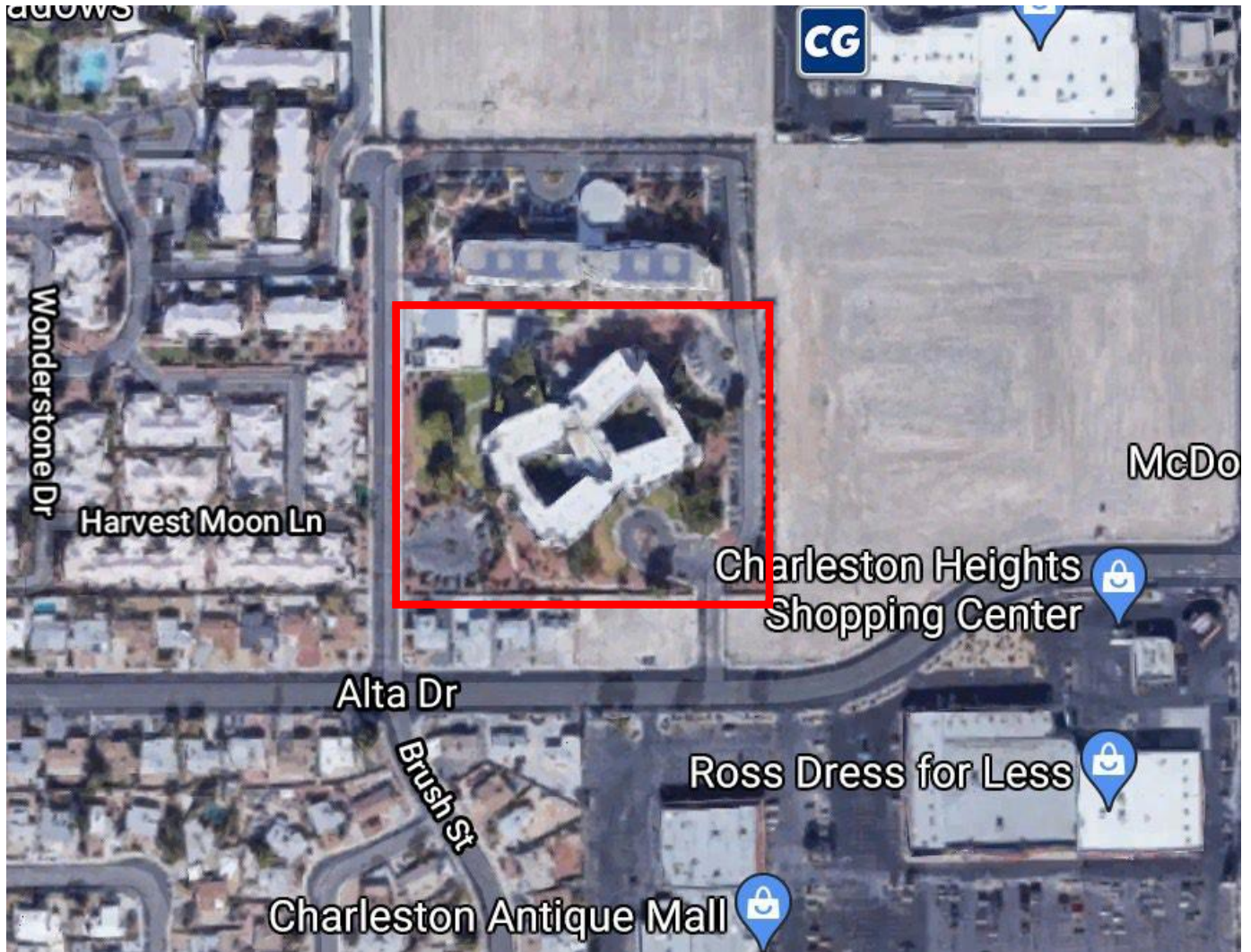
**Location Map**



**James Down Towers**

**James Down Towers**  
5000 Alta Drive Las Vegas, NV 89107  
APN#: 138-36-601-007 (5.28 acres)

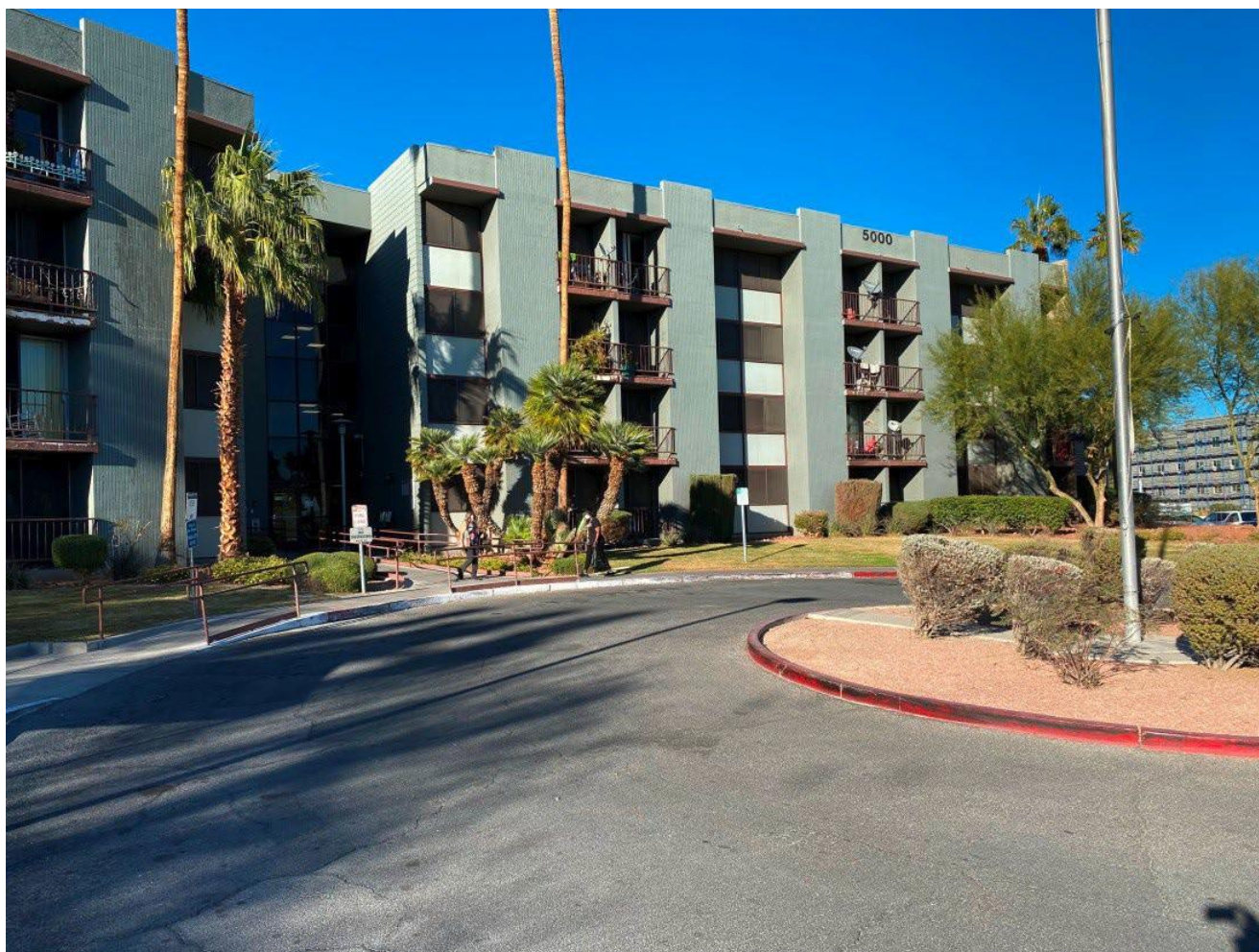
**Aerial Photo**





**James Down Towers**  
5000 Alta Drive Las Vegas, NV 89107  
APN#: 138-36-601-007 (5.28 acres)

**Site Photo**



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

**Development:** James Down Towers  
Apartments

**Development Type:** Acquisition &  
Rehabilitation

**BoF Meeting Date:** 12.13.22

### Administrator's Summary

This bond issuance will be used to provide for the acquisition and rehabilitation of a 200-unit affordable senior apartment complex in Las Vegas. The rental housing will serve 200 households at or below 50% of area median income. Renovation will include new plumbing, wiring, cabinets, removeable cabinet fronts, countertops, sinks, tubs and vanities, paintings, flooring and appliances. The renovation will also improve the projects energy efficiency via new vinyl dual-pane windows, new exterior doors, additional furring, insulation and duct work, use of no-VOC paints, low-VOC adhesives, and low-urea-formaldehyde-free particle board; This project will create new affordable units which will retain the rent restrictions for 30-years and the project also has 120 units with project-based vouchers. The Southern Nevada Regional Housing Authority is a Nevada based agency and has had one prior application before the Board of Finance since 2014.

100% Affordable Rents: 0 units <60% AMI, 200 units <50% AMI, 0 units <40% AMI, 0 units <30% AMI

1-bedroom units = 198, 2-bedroom units = 2, 3-bedroom units = 0

1-bedroom rents \$819 less than market rate

2-bedroom rents \$605 less than market rate

**Developer** – Southern Nevada Regional Housing Authority.; **Equity Investor** – Wells Fargo **Permanent Loan** – Citibank  
\$42M in Bond Proceeds leverages \$37.7M in LIHTC Equity (42.6% of total development cost)

	James Down Towers	Program Average	Notes
Total Tax-exempt Bond ask	\$42,000,000	\$30,000,000	
Total Development Cost	\$88,436,536	\$54,415,824	Average of last 12 new construction projects previously approved
Size of site	5.2 Acres	n/a	31 Units per acre average
Total # of Units	200	270	Average of previous 12 new construction projects approved
Cost Per Unit	\$442,183	\$227,898	Average of previous 3 new construction projects approved
Bond Cap used Per Unit	\$210,000	\$125,523	Average of previous 12 new construction projects approved
Percentage of Units above 60% AMI	n/a	n/a	No Units in this project
Percentage of Units at 60% AMI	0%	91.1%	No Units in this project
Percentage of Units at 50% AMI	100%	7.4%	200 Units in this project
Percentage of Units at 40% AMI	0%	0.1%	No Units in this project
Percentage of Units at 30% AMI	0%	1.4%	No units in this project
Veteran's Preference	Yes	n/a	This has only been allowable since 2019
Length of Affordability Restrictions	30 years	30 years	

	James Down Towers	Market Rate	
1 Bedroom Rent	\$ 613 Average	\$1,432	Rent.com
2 Bedroom Rent	\$ 907 Average	\$1,512	Rent.com
Average Vacancy Rate	n/a	1.63%	

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

DATE: November 14, 2022

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 (Buffalo & Cactus Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division Stephen Aichroth  
Stephen Aichroth (Nov 15, 2022 13:29 PST)

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A. Time and Place of Meeting:

1:00 p.m., Tuesday, December 13, 2022, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact (Findings) of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (Buffalo & Cactus Apartments).

C. The Findings relate to the issuance of up to \$22,500,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 125-unit senior apartment complex in Clark County located at the Southwest corner of Buffalo Drive and Cactus Avenue in Las Vegas (the Project).

D. The Housing Division will issue up to \$22,500,000 of multi-unit housing revenue bonds which is proposed as a direct bond purchase by Capital One and Citibank. The financing structure will consist of two components with the construction loan provided by Capital One and permanent loan provided by Citibank. The construction loan amount is projected to be approximately \$21,500,000. Loan proceeds will be advanced to the Borrower as needed to fund construction expenditures. Monthly debt service payments will be interest only. At conversion to the permanent period loan the outstanding construction loan balance will be reduced to approximately \$8,000,000 from proceeds of the Citibank permanent loan and additional tax credit equity installments. The borrower entity is expected to be a limited partnership consisting of Nevada HAND, Inc as a 0.01% General Partner and Raymond James Tax Credit Funds (“RJTCF”) as 99.99% investor limited partner. RJTCF will provide an equity investment of approximately \$18,100,000 to the partnership in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low-income housing tax credits. The proposed private placement

financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (Buffalo & Cactus 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  
Buffalo & Cactus 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 housing at rental rates that eligible seniors can afford within the Las Vegas, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will increase the supply and improve the quality of decent, safe and sanitary rental housing for eligible seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Las Vegas, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

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

BY: Stephen Aichroth  
Stephen Aichroth (Nov 15, 2022 13:29 PST)

Steve Aichroth  
Administrator  
Nevada Housing Division

DATE: Nov 15, 2022



October 10, 2022

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

Re: Multi-Unit Housing Revenue Bonds  
(Buffalo & Cactus Apartments) Series 2023

Mr. Aichroth:

This Review and Opinion is provided in support of the request by the Nevada Housing Division (“Division”) to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Buffalo & Cactus Apartments project (“Project”). The Division will be requesting authorization for issuance of up to \$22,500,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of this new affordable senior housing property in Las Vegas.

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

The financing is proposed as a mixed provider direct placement fixed rate financing with Capital One Bank (“Capital One”) and Citibank N.A. (“Citibank”) which provides both construction and permanent financing. The financing and operating projections are reviewed in detail in Exhibits A and B.

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

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

The following Exhibits A & B have been prepared by PFM. Exhibit C was submitted by the Borrower.

Exhibit A: Project Overview, Plan of Finance and Bond/Loan Term Summary

Exhibit B: Operating Proforma

Exhibit C: Borrower Finance Plan Statement

Sincerely,

**PFM Financial Advisors LLC**

Fred Eoff  
Director

## **Project Overview and Plan of Finance**

### **The Project**

The Project consists of original new construction of an affordable senior rental community located in Las Vegas at the SW corner of Buffalo Drive and Cactus Avenue. This property will be a 125-unit facility situated on a 3.84-acre site. It will consist of a mix of one-bedroom and two-bedroom units in a two-story building. Unit size and rent restrictions for the property are provided in Table A. Additional amenities include a community room, exercise room, computer lap and pool.

<b>Table A: Project Unit &amp; Rent Profile</b>					
<b>Unit Mix</b>	<b>Number Units</b>	<b>Unit Size (SF)</b>	<b>Allowable Monthly Rent <sup>1</sup></b>	<b>Total Monthly Revenue</b>	<b>Total Annual Revenue</b>
<b><u>1 Bedroom</u></b>					
< 30% RAD	8	648	\$ 460	\$ 3,680	\$ 44,160
< 60% PBV	68	648	\$ 921	\$ 62,628	\$ 751,536
<b><u>2 Bedroom</u></b>					
< 30% RAD	5	825	\$ 552	\$ 2,760	\$ 33,120
< 60% PBV	44	825	\$ 1,105	\$ 48,620	\$ 583,440
<b>Total Project Units</b>	<b>125</b>			<b>\$ 117,688</b>	<b>\$ 1,412,256</b>
<sup>1</sup> 2022 Income Limits (Las Vegas-Henderson-Paradise, NV MSA)				Ancillary Income	\$ 9,300

### **Project Sponsor**

Nevada HAND, Inc  
295 East Warm Springs Road, Suite 101  
Las Vegas, NV 89119

Nevada H.A.N.D, Inc is a real estate development firm whose primary mission is to provide development services for low-income housing projects. Their focus is primarily on the development and management of properties throughout Clark County and the cities of Las Vegas, North Las Vegas, and Henderson. Their portfolio includes 10 family affordable projects consisting of 1,807 units and 26 senior housing projects containing 2,291 units. Nevada H.A.N.D. has previously successfully completed financings for rehabilitation of several of these projects.

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

The borrower entity is expected to be a limited partnership consisting of Nevada HAND, Inc as a 0.01% General Partner and Raymond James Tax Credit Funds ("RJTCF") as 99.99% investor limited partner. RJTCF will provide an equity investment of approximately \$18,100,000 to the partnership in exchange for the right to receive 99.99% of the tax benefits available to the Project, including the 4% low-income housing tax credits.

The timing and amounts of periodic advances of the equity investment have not yet been finalized:

## **Contractor**

HAND Construction Company  
295 East Warm Springs Road, Suite 101  
Las Vegas, NV 89119

HAND Construction Company is a not-for-profit subsidiary of Nevada HAND Inc. and specializes in new residential and commercial construction, and rehabilitation of low-income housing.

## **Property Management**

HAND Property Management Company  
295 East Warm Springs Road, Suite 101  
Las Vegas, NV 89119

HAND Property Management Company is an affiliated non-profit company of Nevada HAND, Inc. and provides management services for low-income family and senior housing projects. They are a HUD-approved management agent and an Accredited Management Organization (AMO) through the Institute of Real Estate Management.

## **Debt Plan of Finance:**

The financing is proposed as a direct bond purchase by Capital One and Citibank. The financing structure will consist of two components with the construction loan provided by Capital One and permanent loan provided by Citibank.

The construction loan amount is projected to be approximately \$21,500,000. Loan proceeds will be advanced to the Borrower as needed to fund construction expenditures. Monthly debt service payments will be interest only.

At conversion to the permanent period loan the outstanding construction loan balance will be reduced to approximately \$8,000,000 from proceeds of the Citibank permanent loan and additional tax credit equity installments. Greater detail regarding both loan components is included in the Bond/Loan Term Summary section.

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

<b>Sources of Funds</b>			
	<b>Construction Phase</b>	<b>Permanent Phase</b>	
NHD Bond Proceeds (Exempt)	\$ 20,834,346	\$ 8,000,000	
LIHTC Equity	\$ 5,469,752	\$ 18,094,116	
Clark County CHF	\$ 8,550,000	\$ 8,550,000	
State Tax Credits	\$ -	\$ 2,639,736	
NHD HTF Loan	\$ 1,300,000	\$ 1,300,000	
City of Las Vegas HOME Loan	\$ 1,000,000	\$ 1,000,000	
Deferred Developer Fee		\$ 3,492,812	
	\$ 37,154,098	\$ 43,076,664	

<b>Uses of Funds</b>			<b>\$/Unit</b>
Land Cost	\$ 4,577,401	\$ 4,577,401	\$ 36,619
Construction Hard Costs	\$ 27,261,343	\$ 27,261,343	\$ 218,091
Soft Costs	\$ 2,163,850	\$ 2,163,850	\$ 17,311
Construction Period Interest	\$ 1,747,812	\$ 1,747,812	\$ 13,982
Contingencies	\$ 1,403,692	\$ 1,403,692	\$ 11,230
Operating & Repair Reserves		\$ 307,746	\$ 2,462
Developer Fee		\$ 5,614,820	\$ 44,919
	\$ 37,154,098	\$ 43,076,664	\$ 344,613

**Reserves:**

The Borrower will be required to fund deposits to a replacement reserve initially set at \$250/unit/year (subject to a property condition survey). Minimum required replacement reserve deposits may be adjusted based on periodic future physical needs assessments. The Borrower will also be required to fund an Operating Reserve initially set at approximately \$309,000.

**Bond/Loan Term Summary****Lenders:**

Citibank, N.A.  
Capital One Bank, N.A.

**Principal Amount:****Construction Phase:**

- Estimated at approximately \$21,500,000

**Permanent Phase:**

- Not to exceed 85% loan to value based on the “as-stabilized” final appraised value of the Project.
- Minimum debt coverage ratio of 1.15x.
- Amortization factor of 40 years.
- Loan expected to be approximately \$7,900,000

**Bond/Loan Structure:**

During the construction period, loan proceeds will be advanced by Capital One to the Trustee on a draw-down basis to meet Project disbursement requirements. The Trustee will advance loan proceeds to the Borrower pursuant to the Loan Agreement. Upon satisfaction of conversion criteria, Citibank will advance permanent loan proceeds which together with the final installment of tax credit equity will be used to retire the Capital One construction loan.

**Bond/Loan Rates:**

**Construction Phase:** The rate will be variable through the construction period.

- The current Capital One indicative construction loan rate is 4.69% net of market cushion. (not including Division and Trustee fees)

**Permanent Phase:** The rate will be fixed at Closing for the period of conversion through the mandatory redemption date.

- *Rate Formula:* 18-year LIBOR Swap Index (subject to a floor of 0.75%) plus a spread of 2.10%. At the time of delivery of the lender letter of intent (9/30/2022) the indicative loan rate was 5.81% (not including Division and Trustee fees).

**Interest Payments:**

Monthly. Loan is interest only through Conversion which is estimated to be 30 months following the Closing Date.

**Principal Payments:**

Monthly, commencing with the 1<sup>st</sup> month following Conversion.

**Redemption:**

1) The permanent loan is subject to optional prepayment by the Borrower at a redemption premium of 1% at any time prior to 15 years following the Closing Date. Thereafter the loan may be prepaid at any time at par (100%).

2) The permanent loan is subject to mandatory repayment at par (100%) at the end of the 17<sup>th</sup> year following the Closing Date.

**Indenture Funds:**

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

**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

**Bond Rating:**

Not rated

## Nevada Housing Division

## Multifamily Housing Revenue Bonds

## Buffalo &amp; Cactus Apartments

## Series 2023

	2025											
INCOME <sup>1</sup>												
Annual Gross Rental Income	\$ 1,498,697	\$ 1,528,671	\$ 1,559,245	\$ 1,590,430	\$ 1,622,238	\$ 1,654,683	\$ 1,687,777	\$ 1,721,532	\$ 1,755,963	\$ 1,791,082	\$ 1,826,904	\$ 1,863,442
Other: Ancillary Revenue	\$ 9,869	\$ 10,067	\$ 10,268	\$ 10,473	\$ 10,683	\$ 10,896	\$ 11,114	\$ 11,337	\$ 11,563	\$ 11,795	\$ 12,031	\$ 12,271
Total Residential Income	\$ 1,508,567	\$ 1,538,738	\$ 1,569,513	\$ 1,600,903	\$ 1,632,921	\$ 1,665,579	\$ 1,698,891	\$ 1,732,869	\$ 1,767,526	\$ 1,802,877	\$ 1,838,934	\$ 1,875,713
Less: Residential Vacancy/Discounts	\$ (75,428)	\$ (76,937)	\$ (78,476)	\$ (80,045)	\$ (81,646)	\$ (83,279)	\$ (84,945)	\$ (86,643)	\$ (88,376)	\$ (90,144)	\$ (91,947)	\$ (93,786)
Proforma Gross Income	\$ 358,285	\$ 1,461,801	\$ 1,491,037	\$ 1,520,858	\$ 1,551,275	\$ 1,582,300	\$ 1,613,946	\$ 1,646,225	\$ 1,679,150	\$ 1,712,733	\$ 1,746,988	\$ 1,781,927
EXPENSES <sup>1</sup>												
General Administrative	\$ 66,930	\$ 68,937	\$ 71,006	\$ 73,136	\$ 75,330	\$ 77,590	\$ 79,917	\$ 82,315	\$ 84,784	\$ 87,328	\$ 89,948	\$ 92,646
Operating & Maintenance	\$ 269,767	\$ 277,860	\$ 286,196	\$ 294,782	\$ 303,625	\$ 312,734	\$ 322,116	\$ 331,779	\$ 341,733	\$ 351,985	\$ 362,544	\$ 373,421
Staff Payroll & Benefits	\$ 218,545	\$ 225,102	\$ 231,855	\$ 238,810	\$ 245,975	\$ 253,354	\$ 260,955	\$ 268,783	\$ 276,847	\$ 285,152	\$ 293,707	\$ 302,518
Property Management	\$ 17,914	\$ 73,090	\$ 74,552	\$ 76,043	\$ 77,564	\$ 79,115	\$ 80,697	\$ 82,311	\$ 83,957	\$ 85,637	\$ 87,349	\$ 89,096
Taxes & Insurance	\$ 84,686	\$ 87,227	\$ 89,844	\$ 92,539	\$ 95,315	\$ 98,175	\$ 101,120	\$ 104,154	\$ 107,278	\$ 110,496	\$ 113,811	\$ 117,226
Replacement Reserves	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643	\$ 73,792	\$ 76,006	\$ 78,286	\$ 80,635	\$ 83,054	\$ 85,546	\$ 88,112
Proforma Operating Expenses	\$ 180,374	\$ 797,780	\$ 820,982	\$ 844,866	\$ 869,452	\$ 894,760	\$ 920,811	\$ 947,629	\$ 975,234	\$ 1,003,652	\$ 1,032,905	\$ 1,063,019
Senior Debt Service	\$127,893	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572
Debt Service Coverage	35%	130%	131%	132%	133%	134%	135%	137%	138%	139%	140%	141%
Residual Receipts	\$ (83,415)	\$ 152,449	\$ 158,483	\$ 164,419	\$ 170,251	\$ 175,969	\$ 181,563	\$ 187,025	\$ 192,343	\$ 197,509	\$ 202,510	\$ 207,336
LP Asset Mgt Fee	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	\$ 13,439	\$ 13,842	\$ 14,258	\$ 14,685
DDF Payments	\$ (94,024)	\$ 141,522	\$ 147,228	\$ 152,827	\$ 158,311	\$ 163,670	\$ 168,895	\$ 173,977	\$ 178,904	\$ 183,667	\$ 188,253	\$ 192,651
DDF Balance	\$ 3,492,812	\$ 3,351,290	\$ 3,204,063	\$ 3,051,236	\$ 2,892,925	\$ 2,729,255	\$ 2,560,360	\$ 2,386,383	\$ 2,207,479	\$ 2,023,813	\$ 1,835,560	\$ 1,642,909
Surplus Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<sup>1</sup> 2025 proforma results reflect partial year of operations

Revenue Escalation:	2.00%
Expense Escalation:	3.00%
Property Management:	5.00%
Vacancy Assumption:	5.00%
Deferred Developer Fee :	\$3,492,812
GAHP Loan:	\$0

Permanent Loan Amount	\$8,000,000
Loan Term	40
Core Loan Rate	5.45%
NHD & Trustee Factor	0.30%
Total Loan Rate	5.75%
Annual Debt Service	\$511,572

**Nevada Housing Division**  
**Multifamily Housing Revenue Bonds**  
**Buffalo & Cactus Apartments**  
**Series 2023**

	2037					
<b><u>INCOME</u><sup>1</sup></b>						
Annual Gross Rental Income	\$ 1,900,711	\$ 1,938,725	\$ 1,977,499	\$ 2,017,049	\$ 2,057,390	\$ 2,098,538
Other: Ancillary Revenue	\$ 12,517	\$ 12,767	\$ 13,022	\$ 13,283	\$ 13,548	\$ 13,819
<b>Total Residential Income</b>	<b>\$ 1,913,227</b>	<b>\$ 1,951,492</b>	<b>\$ 1,990,522</b>	<b>\$ 2,030,332</b>	<b>\$ 2,070,939</b>	<b>\$ 2,112,357</b>
Less: Residential Vacancy/Discounts	\$ (95,661)	\$ (97,575)	\$ (99,526)	\$ (101,517)	\$ (103,547)	\$ (105,618)
<b>Proforma Gross Income</b>	<b>\$ 1,817,566</b>	<b>\$ 1,853,917</b>	<b>\$ 1,890,996</b>	<b>\$ 1,928,815</b>	<b>\$ 1,967,392</b>	<b>\$ 2,006,740</b>
<b><u>EXPENSES</u><sup>1</sup></b>						
General Administrative	\$ 95,426	\$ 98,288	\$ 101,237	\$ 104,274	\$ 107,402	\$ 110,624
Operating & Maintenance	\$ 384,623	\$ 396,162	\$ 408,047	\$ 420,288	\$ 432,897	\$ 445,884
Staff Payroll & Benefits	\$ 311,593	\$ 320,941	\$ 330,570	\$ 340,487	\$ 350,701	\$ 361,222
Property Management	\$ 90,878	\$ 92,696	\$ 94,550	\$ 96,441	\$ 98,370	\$ 100,337
Taxes & Insurance	\$ 120,742	\$ 124,365	\$ 128,096	\$ 131,939	\$ 135,897	\$ 139,974
Replacement Reserves	\$ 90,755	\$ 93,478	\$ 96,282	\$ 99,171	\$ 102,146	\$ 105,210
<b>Proforma Operating Expenses</b>	<b>\$ 1,094,018</b>	<b>\$ 1,125,930</b>	<b>\$ 1,158,781</b>	<b>\$ 1,192,599</b>	<b>\$ 1,227,413</b>	<b>\$ 1,263,251</b>
Senior Debt Service	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572	\$511,572
Debt Service Coverage	141%	142%	143%	144%	145%	145%
<b>Residual Receipts</b>	<b>\$ 211,975</b>	<b>\$ 216,415</b>	<b>\$ 220,642</b>	<b>\$ 224,644</b>	<b>\$ 228,407</b>	<b>\$ 231,916</b>
LP Asset Mgt Fee	\$ 15,126	\$ 15,580	\$ 16,047	\$ 16,528	\$ 17,024	\$ 17,535
DDF Payments	\$ 196,849	\$ 200,835	\$ 204,595	\$ 208,116	\$ 211,383	\$ 214,381
DDF Balance	\$ 1,446,059	\$ 1,245,224	\$ 1,040,629	\$ 832,513	\$ 621,130	\$ 406,749
<b>Surplus Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<sup>1</sup> 2025 proforma results reflect partial year of operations



### Borrower Financing Representation

#### Proposed Project:

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

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

#### ☐ Option A

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

#### ☒ Option B


The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above- named project.

#### Sponsor/Borrower Statement:

*Capital One opened its first retail bank branch in the state of Nevada in November 2021. This new presence in the state has opened new opportunities for Capital One to pursue community reinvestment lending and investing prospects in Clark County. Since this opening, Capital One's Community Finance department has been in discussion with Nevada HAND about their development pipeline. Capital One provided Nevada HAND with a debt and equity offer on a prior transaction and provided a debt support letter for another project's tax credit application. Capital One has shown Nevada HAND consistent interest and support for all their recent projects.*

*Capital One was able to provide much more of a competitive debt and equity offer on Buffalo Cactus and has selected Raymond James to facilitate its proprietary investment. One of the advantages to utilizing a proprietary execution is that Capital One is able to do both the debt and equity on a 4% bond deal, like Buffalo Cactus. Raymond James has invested in several of Nevada HAND's prior projects, and this existing relationship will play an integral role in facilitating the closing with Capital One as a new financial partner for HAND. Capital One's Community Finance department is also uniquely structured in that the debt and equity underwriting, and closing is handled by the same team, which will help provide a smoother execution.*

*Capital One has historically provided additional support to nonprofit developer partners, like Nevada HAND. Capital One's Community Finance department also has the ability to offer social purpose grants to cover resident services, financial literacy courses, and digital access. Capital One really strives to invest in organizations whose missions align with theirs and prioritize supporting impactful developments over volume and financial returns.*

  
**By** **Ralph Murphy**  
**Title** **Sr. Vice President of Real Estate Development**  
**Firm** **Nevada HAND**

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

**Development:** Buffalo & Cactus Apartments

**Development Type:** New Construction

**BoF Meeting Date:** 12.13.22

### Administrator's Summary

This bond issuance will be used to provide for the construction of a 125-unit affordable senior apartment complex in Las Vegas. The rental housing will serve 125 households at or below 60% of area median income. Amenities will include a community room, exercise room, computer lab and pool. This project will create new affordable units which will retain the rent restrictions for 30-years. Nevada H.A.N.D., Inc. is a Nevada based agency and has had eight prior applications before the Board of Finance since 2014.

- 100% Affordable Rents: 112 units <60% AMI, 0 units <50% AMI, 0 units <40% AMI, 13 units <30% AMI
- 1-bedroom units = 76, 2-bedroom units = 49, 3-bedroom units = 0
- 1-bedroom rents \$511 less than market rate
- 2-bedroom rents \$407 less than market rate
- 
- 

· **Developer** – Nevada H.A.N.D., Inc.; **Equity Investor** – Raymond James **Permanent Loan** – Citibank  
· \$22.5M in Bond Proceeds leverages \$18M in LIHTC Equity (41.8% of total development cost)

	<b>Buffalo &amp; Cactus</b>	<b>Program Average</b>	<b>Notes</b>
Total Tax-exempt Bond ask	\$ 22,500,000	\$30,000,000	
Total Development Cost	\$40,076,664	\$54,415,824	Average of last 12 new construction projects previously approved
Size of site	3.84 Acres	n/a	31 Units per acre average
Total # of Units	125	270	Average of previous 12 new construction projects approved
Cost Per Unit	\$320,613	\$227,898	Average of previous 3 new construction projects approved
Bond Cap used Per Unit	\$180,0200	\$125,523	Average of previous 12 new construction projects approved
Percentage of Units above 60% AMI	n/a	n/a	No Units in this project
Percentage of Units at 60% AMI	89.6%	91.1%	112 Units in this project
Percentage of Units at 50% AMI	3.2%	7.4%	No Units in this project
Percentage of Units at 40% AMI	0%	0.1%	No Units in this project
Percentage of Units at 30% AMI	10.4%	1.4%	13 units in this project
Veteran's Preference	Yes	n/a	This has only been allowable since 2019
Length of Affordability Restrictions	30 years	30 years	

	<b>Buffalo &amp; Cactus</b>	<b>Market Rate</b>	
1 Bedroom Rent	\$ 921 Average	\$1,432	Rent.com
2 Bedroom Rent	\$1,105 Average	\$1,512	JPG Data
Average Vacancy Rate	n/a	1.63%	