

Governor Steve Sisolak



*Members*

Treasurer Zach Conine  
Director David Bobzien  
Director Michael Brown  
Director Terry J. Reynolds  
Director Kristina Swallow

State of Nevada  
STATE INFRASTRUCTURE BANK

PUBLIC NOTICE

**AGENDA**

MEETING OF THE STATE INFRASTRUCTURE BANK  
January 5, 2022  
10:00 A.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  
555 E. Washington Avenue, Suite 5100  
Las Vegas, NV 89101

Members of the public may also view this meeting remotely on the Nevada State Treasurer's Office YouTube Channel, accessible at:

<https://www.youtube.com/channel/UCHUGwNz8nDGey5ZGoggVVxA>

**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. Comment 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. Approval of the minutes from the State Infrastructure Bank Board of Directors meeting from August 16, 2021. **(For discussion and possible action).**
4. Informational Item: Presentation on how the Infrastructure Investment and Jobs Act will benefit the State of Nevada – Congressman Steven Horsford. **(For discussion only).**
5. Informational Item: Presentation on the need to expand registered apprenticeship and apprenticeship readiness programs to capitalize on the Investing in Infrastructure and Jobs

Act – Rob Benner, Secretary-Treasurer of the Building and Construction Trades of Northern Nevada and William Stanley, Executive Secretary-Treasurer of the Southern Nevada Building Trades Unions. **(For discussion only).**

6. Informational Item: Presentation on the AFL-CIO Housing Investment Trust and opportunities for partnerships with the Nevada State Infrastructure Bank – Ted Chandler, Senior Managing Director of Strategic Initiatives for the AFL-CIO Housing Investment Trust **(For discussion only).**
7. Approval of a 30-day public comment period for staff to solicit feedback on the Proposed Capital Allocation of the State Infrastructure Bank Fund and to report back to this Board regarding any such comments and approval to pursue the regulation making process where needed. **(For discussion and possible action).**
8. Approval of a 30-day public comment period for staff to solicit feedback on the Financing Application for qualified borrowers of the State Infrastructure Bank and to report back to this Board regarding any such comments and approval to pursue the regulation making process where needed. **(For discussion and possible action).**
9. Approval of a 30-day public comment period for staff to solicit feedback on the establishment of criteria, policies, and guidelines for qualified borrowers and to report back to this Board regarding any such comments and approval to pursue the regulation making process where needed. **(For discussion and possible action).**
10. Informational Item: Board to receive an update on the search for an Executive Director of the State Infrastructure Bank **(For discussion only).**
11. Public Comment.  
Comments from the public are invited at this time. Pursuant to NRS 241.020(3)(d)(7), the Board intends to limit to 3 minutes the time for an individual to speak and reserves the right to impose other reasonable restrictions on place or manner for such comment. No restriction will be imposed based on viewpoint. Comment 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:

STACKED AGENDA: Below is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda by the discretion of the Chair. Items may also be combined for consideration or pulled or removed from the agenda at any time. Persons who have business before the Commission are solely responsible to see that they are present when their business is conducted. Pursuant to NRS 241.030 the



Commission may conduct a closed meeting to consider the character, allegations of misconduct, professional competence, or physical and mental health of a person. 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 Infrastructure Bank is pleased to make reasonable accommodations for persons with physical disabilities. Please call (775) 684-7109 if assistance is needed.

Erik Jimenez, Secretary to the Board may be contacted at (775) 684-5600 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**
- **Online at [notice.nv.gov](http://notice.nv.gov)**

Also online at: [https://www.nevadatreasurer.gov/PublicInfo/Public Notices/](https://www.nevadatreasurer.gov/PublicInfo/Public%20Notices/)

## **STATE INFRASTRUCTURE BANK**

**August 16, 2021 – 9:00 AM**

### **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	

Treasurer Conine called the meeting to order at 9:00 am

#### **Board members present:**

Treasurer Zach Conine – Las Vegas  
Director David Bobzien – Dept. of Energy - Carson City  
Director Michael Brown – Governor's Office of Economic Development – Las Vegas  
Director Terry Reynolds – Business and Industry - Carson City  
Director Kristina Swallow – Nevada Dept. of Transportation – Las Vegas

#### **Others present:**

Tara Hagan:	Treasurer's Office
Erik Jimenez:	Treasurer's Office
Jeff Landerfelt:	Treasurer's Office
Brody Leiser:	Legislative Counsel Bureau
Terry Reynolds:	Business & Industry
Jason Cooper:	Environmental Protection
David Pope:	Attorney General

#### **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** – Election of a Chair and Vice Chair for the Board of Directors of the Nevada State Infrastructure Bank.

**Motion to elect Treasurer Conine as Chair of the Nevada State Infrastructure Bank from Director Brown and a second from Director Reynolds. Motion passed unanimously.**

**Motion to elect Director Swallow from NDOT to be the Vice-Chair of the Nevada State Infrastructure Bank from Treasurer Conine and a second from Director Brown. Motion passed unanimously.**

## **Information Agenda**

**Agenda Item 4 – For discussion:** Presentation on the powers and duties of the Board of Directors for the State Infrastructure Bank pursuant to NRS Chapter 408 and Senate Bill 430 of the 81<sup>st</sup> Session of the Nevada Legislature.

Chief Policy Deputy, Erik Jimenez presented the powers and duties of the Board of Directors for the State Infrastructure Bank (“the Board”) pursuant to NRS Chapter 408 and Senate Bill 430 of the 81<sup>st</sup> Session of the Nevada Legislature. He explained that the Infrastructure Bank was set up in 2017 and had not been funded nor projects commenced. Thanks to the leadership of Governor Sisolak, Senate Bill 430 expanded on the types of projects that are eligible to be financed under the bank, and also the statutory date was moved to July 1, 2021. He noted pursuant to NRS 408.55071, the Board is authorized to establish bylaws, provide loans, or other financial assistance to qualified borrowers, enter into contracts, arrangements, and agreements for the bank. Additionally, the Board may establish policies and procedures for the selection of qualified projects, adopt any necessary controls or accounting procedures, and incur expenses related to the management of the bank.

There were no questions on this item. Chairman Treasurer Conine thanked Mr. Jimenez and noted his thoroughness.

**This item was presented as information only and no motion is required.**

**Agenda Item 5 – For discussion and possible action:** Approval of necessary Articles of Incorporation, Bylaws, or other necessary procedures for the operation of State Infrastructure Bank, and direction to staff as appropriate.

Mr. Jimenez presented this item to the Board. He noted preliminary steps shall be taken in order to start drafting the bylaws. Pursuant to NRS 408.55071, the Board has the authority to establish bylaws as needed for the operation of the bank. He noted that other State Infrastructure Banks that are successful, such as California and New Jersey have collaborative and non-static processes to ensure the bylaws are as broad and all-encompassing as needed. He noted that some states are focused on particular types of projects, however, we have a broader scope of projects that this Board is eligible to fund and finance. In terms of other states, what is commonly seen is a standardized application, a scoring rubric, and then the bylaws outline how projects are prioritized, selected, and vetted through that process. He noted it would be prudent to list in the bylaws related to fiscal controls, underwriting, and loan terms arrangements.

Director Terry Reynolds with the Department of Business & Industry asked if this entity has the authority to approve or if it will go to the regular State process for review in terms of bond financing.

Mr. Jimenez explained that the \$75,000,000 in the initial capitalization will go through the standard Board of Finance process for the issuance. Once that occurs, this Board will have authority on how to distribute or loan those funds. He noted when funds come in the future they may be inside the Board of Finance’s purview or outside if they are through federal grants or private contributions, therefore it is dependent on where the capital comes from.

Director Reynolds noted it is important to distinguish between the two and to be able to segregate the funds in the bylaws that are subject to the State bond conditions.

Director Kristina Swallow moved to direct staff to draft the first version of articles of incorporation, bylaws, and other procedures for approval at the next Board meeting recognizing that these could be changed.

Chairman Treasurer Conine noted that the articles of incorporation are not in the statute therefore should be removed nor required from the Attorney General's perspective.

**Motion to approve this agenda item from Chairman Treasurer Conine and a second from Director Reynolds. Motion passed unanimously.**

**Agenda Item 6 – For discussion and possible action:** Approval to commence a search for an Executive Director for the State Infrastructure Bank, and direct staff as appropriate.

Director David Bobzien asked if there is a position description before the search commences or if it will be in tandem.

Mr. Jimenez noted it can be done either way. He stated he would be happy to share the position description as drafted informally to the Board or within another meeting.

Director Bobzien stated it would suffice if they were provided a copy of the description as the search commences.

**Director Swallow moved to approve Agenda Item 6 and a second from Director Brown Motion passed unanimously.**

**Agenda Item 7 – Approval to establish an advisory committee on water and wastewater infrastructure, and direct staff as appropriate.**

**Agenda Item 8-** Approval to establish an advisory committee on broadband and digital infrastructure, and direct staff as appropriate.

**Agenda Item 9-** Approval to establish an advisory committee on economic development and equity infrastructure, and direct staff as appropriate.

Mr. David Pope from the Attorney General's Office noted that items 7, 8, and 9 are for the approval of a committee. He stated under Open Meeting Law, the definition of a public body includes a subcommittee and committee. He advised that the Board could approve to establish a committee and recommends discussion and approval of those individuals for each specific committee at the next Board meeting to determine if there is a quorum when needed.

Director Swallow expressed she would be more comfortable establishing those committees once they have a better idea of the rules and procedures in order to determine those roles within the committee if acceptable.

Chairman Conine echoed her comment and noted from a staff perspective the Board will want to have another meeting as this gets decided.

Mr. Jimenez noted there are significant federal funds related to water, wastewater, broadband, economic development, and other projects in the pipeline. He stated it is imperative for this Board to start looking at ways to leverage capital in the most expedient way possible which is important to the State's economic recovery.

Director Swallow expressed the State has robust teams that if in the interim there was a need to vet projects, she's certain these individuals would be willing to help in the case that it becomes an emergency prior to the next Board meeting.

Chairman Conine concurred with Director Swallow's comment. Director Bobzien noted that funds may be coming and there are state resources to be able to provide the advisory capacity. He expressed his concern regarding the committee process and stated that it would be great to have bylaws and candidates to bring forward in the next meeting.

**Motion to approve this agenda items 7-9 from Director Swallow. and a second from Director Brown. Motion passed unanimously.**

**Agenda Item 10- Informational Item: Board to receive a report regarding the issuance of general obligation bonds in or around November 2021 to capitalize the State Infrastructure Bank and provide for operational expenses.**

Chief Deputy Tara Hagan presented this item with an update to the Board regarding the \$75,000,000 in State General Obligation bonds. She noted that the issuance and the other series could be taken to the State Board of Finance as early as its October meeting for approval, therefore the bonds would be sold in November and proceeds would be received in December. The proceeds will be set in a custodial account and ready for deployment by the Board when the bylaws and applicants are prepared.

Director Brown inquired if the issuance of the bonds will be separate or if it will be combined with others.

Ms. Hagan noted it will be its own issuance but will also be combined with other series such as the capital improvement projects.

Mr. Brown stated all uses will be specified as part of the issuances.

Ms. Hagan stated that they will be recommending that it be issued as taxable therefore there are no restrictions.

### **Agenda Item 11- Public Comment**

Jonathan Daniels from Mercantile Logistics & International Trade, Inc. congratulated the Chair and Vice-Chair on their roles. He requested to bring forth the issues of small businesses that were affected by COVID-19 and noted the corporate middle class that is disadvantaged.

Chairman Treasurer Conine thanked all the Board members, Mr. Jimenez, and Ms. Hagan in preparation for this meeting.

Meeting adjourned at 9:23 am.

DRAFT



DECEMBER 2021

# BUILDING

## NEVADA'S WORKFORCE



Key things to know  
about Nevada's  
registered  
apprenticeship  
programs





**The Building and Construction Trades have been training, supporting, and advancing the men and women who build Nevada for almost a century.**

**Our priorities are:**

- Facilitating and promoting state-of-the-art workforce training programs,
- Furthering opportunities for construction career growth from apprenticeship to small business ownership,
- Providing a highly-skilled workforce to local construction industry companies,
- Partnering with local leaders and organizations to improve our communities,
- Promoting economic development in Nevada to keep our state growing, vibrant, and a great place to live, work, and play.





## Points for discussion:

- What is a registered apprenticeship?
- What programs do we have here in Nevada?
- Apprenticeship utilization on publicly-financed projects





# What is apprenticeship?

Registered apprenticeship is a Department of Labor recognized, voluntary industry-driven training program. An apprenticeship program can be implemented by employers, employer associations or a partnership of business and a labor union.





# Key Elements of Registered Apprenticeship

## Federal compliance for standards

When apprenticeship program sponsors voluntarily request state or federal approval [registration] for their training programs, they also voluntarily choose to come under various state or federal regulations affecting the standards, duration and quality of their training.

## Structured, on-the-job learning

Placement in an apprenticeship program includes a combination of on-the-job learning and classroom instruction. Registered apprenticeship programs ensure that apprentices have access to the most-up-to date training programs in the construction industry.

## Joint labor-management training committees

A Joint Apprenticeship and Training Committee (JATC) is an independent committee of management and labor, with equal representation. The JATC must have its standards and policies approved by the state. The JATC is the body responsible for determining the criteria and guidelines for an apprentice's progress through the program toward journeyworker status.





# Consistency & Quality

- All Building Trades apprenticeship programs are registered with the Nevada State Apprenticeship Council.
- Building Trades affiliates and industry partners also provide training for hundreds of thousands of journey-level workers each year, continually improving their cutting edge skills.
- The Building Trades and their signatory contractors invest over \$1 billion annually in apprentice and journey-level training (not including tens of millions invested in plant and equipment).





# Registered apprenticeships offer...



\$100k Career Opportunities



Earn While You Learn



Debt-Free Education



Nationally Recognized Training



College Credit



State of the Art Technology

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## Employer Benefits

- Helps in recruitment and development of skilled workforce
- Improves productivity and bottom line: employers earn \$1.47 in increased productivity for each \$1 invested in apprenticeship
- Reduces turnover costs and increases employee retention
- Provides opportunities for tax credits and employee tuition benefits (federal and state)
- Proven to diversify workforce
- Standardizes training across multiple sites





# Worker Benefits

- Full-time salary and benefits while learning
- Wages increase as skill increases
- Average starting salary of \$50k while earning credential equivalent to a 2 or 4-year college degree
- Completers earn approximately \$60,000 per year & more than \$300k more than non-apprentice peers in lifetime earnings
- 87% of completers remain employed
- Opportunities to earn college credit and degrees
- National, portable, industry-valued credential





# Apprenticeship Programs in Nevada

Bricklayers and Tilesetters, Carpenters, Electrical Workers, Elevator Constructors, Floor Coverers, Glaziers, Heat and Frost Insulators, Construction Craft Laborers, Reinforcing Ironworkers, Painters and Drywall Finishers, Plasterers and Cement Masons, Plumbers and Pipefitters, Roofers and Water Prooferers, Sheet Metal Workers, Structural Ironworkers, Teamsters

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# Nevada's Apprenticeship Numbers

SOURCE: NEVADA STATE APPRENTICESHIP DIRECTOR'S REPORT  
NOVEMBER 16, 2021 NEVADA STATE APPRENTICESHIP COUNCIL MEETING

**Current Number of Registered Program Sponsors: 71**  
**Currently Active Apprentices: 5,991**

By Gender

Male 5,670  
Female 290  
Not Provided 31

By Ethnicity

Hispanic 2,671  
Non-Hispanic 2,917  
Not Provided 403

By Veteran Status

Veteran 450  
Non-Veteran 5,470  
Not Provided 71

By Age

16 - 24: 2,294  
25 - 34: 2,565  
35 and Over: 1,132

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# Months to escape poverty

## At Building Trades Wages

Occupation	Journeyman Rate	50% Journey Rate	Family of 4	Family of 8
Bricklayer	\$59.83	\$29.92	6 months	9 months
Carpenter	\$65.36	\$32.68	5 months	9 months
Cement Mason	\$59.33	\$29.67	6 months	9 months
Electrician	\$68.89	\$34.45	5 months	8 months
Elevator Constructor	\$92.65	\$46.33	4 months	6 months
Floor Coverer	\$57.29	\$28.65	6 months	10 months
Glazier	\$77.05	\$38.53	4 months	7 months
Ironworker	\$74.49	\$37.25	4 months	7 months
Laborer	\$58.79	\$29.40	6 months	9 months
Insulator	\$68.48	\$34.24	5 months	8 months
Operating Engineer	\$78.72	\$39.36	4 months	7 months
Painter	\$61.92	\$30.96	5 months	9 months
Plasterer	\$57.81	\$28.91	6 months	10 months
Plumber/Pipefitter	\$68.73	\$34.37	5 months	8 months
Roofer	\$40.18	\$20.09	8 months	14 months
Sheet Metal	\$79.50	\$39.75	4 months	7 months
Sprinkler Fitter	\$70.58	\$35.29	5 months	8 months
Tile Setter	\$58.18	\$29.09	6 months	10 months

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# Apprenticeship Utilization in Nevada

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## SB207: Apprenticeship Utilization Act

This 2019 bill requires a contractor or subcontractor engaged on a public work to employ one or more apprentices for certain percentages of the total hours of labor performed on a public work (3% on horizontal construction, 10% on vertical).

## Building Nevada's workforce one jobsite at a time.

By providing for apprenticeship utilization on public works projects, Nevada's state government can facilitate training and experience that will help assure that a skilled workforce will be available in sufficient numbers for the construction of public works in the future.

## A statewide strategy.

Unifying state and local agencies, educational institutions, and employers around an apprenticeship strategy and monitoring progress toward established goals can help scale up the number of high-quality earn-and-learn opportunities for residents.







# Questions?



# Nevada State Infrastructure Bank

December 20, 2021

AFL-CIO  
**HIT**



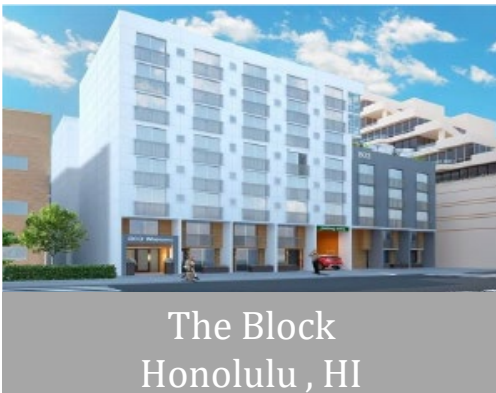
## AFL-CIO HOUSING INVESTMENT TRUST

COMPETITIVE RETURNS | UNION CONSTRUCTION JOBS | HOUSING FINANCE

Page 23 of 69  
Granada Senior Apartments  
San Antonio, TX

# History of the HIT

- ✓ Opened doors in 1984 (successor to the Mortgage Investment Trust, started in 1965)
- ✓ Created by the AFL-CIO Executive Council led by President George Meany:
  - Established to encourage and assist development of lower income housing while creating employment for the construction trades
  - “A massive attack would be made to meet America’s tremendous unmet housing needs”, George Meany\*
- ✓ **100 percent union labor requirement** for all directly-sourced construction related investments



*\*Letter from George Meany, President, AFL-CIO, dated March 23, 1964 regarding the establishment of a Mortgage Investment Trust and Auxiliary Housing Corporation at p.2 (the “Meany Letter”). The Meany Letter is available on the HIT’s website at [https://www.aflcio-hit.com/wp-content/uploads/2019/10/meany\\_letter.pdf](https://www.aflcio-hit.com/wp-content/uploads/2019/10/meany_letter.pdf).*

- ✓ **\$7 billion investment grade fixed-income portfolio** *(as of 9/30/2021)*
- ✓ Open-end institutional commingled mutual fund registered under Investment Company Act of 1940 and regulated under the federal securities laws administered by the U.S. Securities and Exchange Commission (SEC)
- ✓ Owned by 364 institutional investors – funds that have union members as beneficiaries

## **The HIT seeks to offer:**

- ✓ Value Added – Impact Investments:
  - ✓ Union Construction Jobs, Affordable Housing
  - ✓ Economic and Social Impact Investing in Underserved Communities
  - ✓ HIT Difference – Relative Value and Impact Investing through Directly Sourced Multifamily Investments

# HIT's Long History of Impact Investing

Successful track record as a fixed income impact investor

## NATIONWIDE ECONOMIC IMPACT OF INVESTMENTS\*

(1984-present)



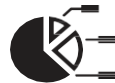
**562**  
Projects



**\$9.7B**  
in HIT  
Investment,  
\$185.0M in New  
Markets Tax  
Credit (NMTC)  
allocations



**\$18.1B**  
in total  
development cost



**\$35.6B**  
in total economic  
benefits



**\$14.6B**  
in personal  
income, including  
wages and benefits  
with \$7.4B for  
construction  
workers



**187.2M**  
hours of on-site  
union  
construction  
work created



**207,632**  
total jobs  
generated across  
communities



**122,675**  
housing and  
healthcare units,  
with 67%  
affordable  
housing



53 Colton Street  
San Francisco, CA



Mark Twain Apartments  
Chicago, IL



Providence Public Library  
Providence, RI



Renaissance Village  
Welch, WV

\*Source: Pinnacle Economics, Inc., and HIT. Job and economic impacts provided are estimates calculated using IMPLAN, an input-output model based on HIT and HIT subsidiary Building America CDE, Inc. project data. Data current as of September 30, 2021. Economic impact data is in 2020 dollars and all other figures are nominal.



# HIT's Investment in Major Markets\*

(1984- 2021)	Bay Area	Boston	Chicago	New York City	Twin Cities	Major Markets	Nationwide
# of Projects	21	36	58	73	71	259	562
HIT Investment^	\$467.2M	\$667.4M	\$993.9M	\$1.9B	\$1.3B	\$5.3B	\$9.7B
Total Development Cost	\$866.0M	\$1.6B	\$2.1B	\$4.5B	\$1.9B	\$10.9B	\$18.1B
Union Construction Hours	10.2M	12.9M	20.1M	24.2M	18.5M	85.9M	187.2M
Total Jobs Created	11,127	14,890	21,540	26,220	23,114	96,891	207,632
Housing Units (% affordable)	3,520 (35%)	4,232 (89%)	13,400 (69%)	43,896 (92%)	10,344 (49%)	75,392 (79%)	122,675 (67%)
Total Economic Impact	\$1.9B	\$2.9B	\$3.6B	\$4.8B	\$3.9B	\$17.1B	\$35.6B

^ In addition, HIT subsidiary Building America CDE, Inc. (Building America) contributed New Markets Tax Credit (NMTC) allocations as follows: \$21M in Boston, \$10M in Chicago, \$8M in NYC. \$185.0M nationwide

\*Source: Pinnacle Economics, Inc., and HIT. Job and economic impacts provided are estimates calculated using IMPLAN, an input-output model based on HIT and HIT subsidiary Building America CDE, Inc. project data. Data current as of September 30, 2021. Economic impact data is in 2020 dollars and all other figures are nominal.

## Location of HIT-Financed & Union- Affiliated Affordable Housing



# Investment in Union-Affiliated Developments

HIT Union-Affiliated Projects			
Project Names	Units	HIT Commitment	City, State
Casa Del Pueblo	165	\$ 24,982,000	San Jose, CA
Gabilan Plaza Phases 1 & 2	200	\$ 16,820,900	Salinas, CA
Rolla Apartments	150	\$ 5,188,300	Rolla, MO
Amalgamated Warbasse Houses	2,583	\$ 33,393,400	Brooklyn, NY
Harry Silver	288	\$ 8,000,000	Brooklyn, NY
Penn South	2,820	\$ 134,000,000	Manhattan, NY
Electchester Housing	2,399	\$ 49,000,000	Queens, NY
Pinzone Towers	100	\$ 6,583,800	Rocky River, OH
Ya Po Ah Terrace (Condo A)	109	\$ 7,405,000	Eugene, OR
Ya Po Ah Terrace (Condo B)	112	\$ 7,879,300	Eugene, OR
Westmorelands Union Manor	300	\$ 25,927,400	Portland, OR
Granada Senior Apartments	265	\$ 37,610,590	San Antonio, TX
Total	9,491	\$356,790,690	
BACDE Union-Affiliated Projects			
Project Name	Units	BACDE Commitment	City, State
Renaissance Village	16	\$ 9,000,000	Welch, WV
HIT Advisers Union-Affiliated Pipeline			
Project Names	Units		City, State
UAW Tower	215		Pekin, IL
Carville Park Apartments	208		Reno, NV
Ridgecrest Senior Apartments	152		San Antonio, TX
Skyline Towers	100		Casper, WY
Total	675		

# Proposed Affordable Housing Program

## Program Goal:

- ✓ Address Nevada's need for affordable rental housing and sustainable, equitable job creation by leveraging long term responsible investment capital from pension funds for construction and permanent debt financing
- ✓ Incentivize communities and developers to make a long-term commitment to both affordable housing construction and responsible workforce development through the construction of affordable housing with a skilled and trained workforce

## What We Propose:

- ✓ Parameters included within Nevada State Infrastructure Bank's Affordable Housing Investment Trust
- ✓ A program to attract pension fund investment for the creation of affordable housing and careers in construction Award publicly-funded gap financing to teams including pension fund investors
- ✓ Pension fund investors allocate financing to developers committed to creating careers in construction and affordable multifamily rental housing construction
- ✓ Public funds supplement first mortgage debt from the pension fund investors for construction and permanent financing, making affordable housing development feasible

## Priority Given to:

- ✓ Qualified developers and developments that have been awarded Federal Low Income Housing Tax Credits or otherwise plan income-restricted rents
- ✓ Nonprofit general partners affiliated with organizations that negotiate for higher wages and benefits and improved conditions in the workplace
  - Nonprofit sponsors affiliated with labor organizations have successfully developed affordable housing in at least 29 states

## Requirements:

- ✓ Developments involving contracts or subcontracts for entry into construction careers via state-registered apprenticeship programs, including utilization of nationally-recognized apprenticeship readiness programs and curriculum
- ✓ Developments with minimum 10% hours of on-site construction by apprentices enrolled in state-registered apprenticeship programs
- ✓ Utilization of contractors dedicated to creating careers in construction through their funding of joint labor-management apprenticeship programs
- ✓ Developments involving Project Labor Agreements with local building trades

## To receive funds, Qualified Applicants' teams would include:

- ✓ Pension funds and pension fund investors with a demonstrated track record of financing construction of affordable housing utilizing a skilled and trained workforce, including apprentices enrolled in state-registered apprenticeship programs

## Funding - \$20 million:

- ✓ Funded via set-aside within State Infrastructure Bank program, similar to existing set-aside within HOME program for Community Housing Development Organizations (CHDOs)

# Original Community Investment Demonstration Program (Original CIDP)

- ✓ Enacted as the HUD Demonstration Act of 1993 ( H.R 2517)
- ✓ Directed the HUD Secretary to carry out a five-year demonstration program to encourage and attract pension fund investment in the construction or rehabilitation of affordable housing through Section 8 Project Based Rental Assistance (PBRA).
- ✓ Created partnerships with public and private sectors to demonstrate methods of underwriting comprehensive strategies for assisting homeless individuals and families (including individuals who have AIDS or who are infected with HIV).
- ✓ Appropriated an Initial \$100 million for FY94
  - Continued in FY95, budget authority rescinded July 1995
  - Competitive allocation process

# Original CIDP – Continued

## Background on the HIT's Experience with the Original CIDP Program (1990s):

- ✓ In 1994 and 1995, under the previous version of the Community Investment Demonstration Program, the HIT was awarded a total of \$115 million in Project-based Rental Assistance
- ✓ HIT financed 18 projects across the country, in California, Georgia, Louisiana, Maine, Maryland, Massachusetts, New Jersey, New York, and Texas
- ✓ HIT leveraged additional financing, including \$67.8 million of its own capital, to build 1,970 units of rental housing and create 1,562 on-site union construction jobs, with a total development investment of \$231.9 million.
- ✓ The program facilitated the HIT's growth from an investor of \$676 million of pension capital in 1994, to a \$7 billion fund today
- ✓ Today the HIT is one of the largest investors in Ginnie Mae and GSE multifamily securitization programs – it has provided \$9.7 billion in HIT funding to develop more than 122,000 housing and health care units in more than 560 projects, 67% of them affordable, as well as 187.2 million hours of construction work\*

\*Source: Pinnacle Economics, Inc., and HIT. Job and economic impacts provided are estimates calculated using IMPLAN, an input-output model based on HIT and HIT subsidiary Building America CDE, Inc. project data. Data current as of September 30, 2021. Economic impact data is in 2020 dollars and all other figures are nominal.



# HIT Community Investment Demonstration Program Projects

🏠 **\$115 Million** in awarded CIDP allocation    🏠 **18 Total Projects**    🏠 Located in **13 cities** across **10 states**

🏠 **1,970 units** of Housing (51% Affordable Housing)    🏠 **\$67.8 Million** in HIT Invested Capital    🏠 **\$231.9 Million** in Total Development Cost



# HIT CIDP Projects (1994-1999)









Project Name	City	State	Total Units	TDC	HIT Commitment
Androscoggin Village	Auburn	ME	70	\$2,977,529	\$1,656,705
El Azteca Apartments	Laredo	TX	50	\$2,778,725	\$1,078,587
Imperial Hotel	Atlanta	GA	120	\$9,449,919	\$1,700,000
Lowell Square/West End Place	Boston	MA	183	\$31,737,494	\$12,122,000
Main Street Housing / Umoja	Los Angeles	CA	30	\$6,496,943	\$1,016,160
Concord Street Elderly Housing (Anna Bissonnette House)	Boston	MA	41	\$5,641,870	\$500,000
Rio Vista Village	Los Angeles	CA	75	\$16,100,000	\$1,183,764
Woodland Springs (Hilltop Gardens)	District Heights	MD	506	\$35,107,216	\$10,976,000
Corona del Valle	El Paso	TX	100	\$6,619,098	\$2,821,800
Daly Avenue Apartments	Bronx	NY	84	\$15,940,100	\$2,890,000
Jefferson Place	Jefferson Parish	LA	112	\$7,381,618	\$2,145,347
New Pennley Place	Pittsburgh	PA	102	\$14,600,000	\$3,540,000
Bernal Gateway	San Francisco	CA	55	\$14,300,000	\$5,406,536
Putnam-Tompkins/Market Heights	San Francisco	CA	46	\$2,574,000	\$2,340,000
NJ AIDS Scattered Housing I	Scattered Sites	NJ	34	\$5,828,212	\$995,894
NJ AIDS Scattered Housing II	Scattered Sites	NJ	30	\$5,392,540	\$813,161
Carl Mackley Apartments	Philadelphia	PA	184	\$21,011,627	\$9,200,000
Heritage Homes	San Francisco	CA	148	\$27,999,667	\$7,400,000
<b>Total</b>			<b>1,970</b>	<b>\$231,936,558</b>	<b>\$67,785,954</b>

# HIT's CIDP Impact Investing

Successful track record in allocating HUD awarded CIDP allocation

## NATIONWIDE ECONOMIC IMPACT OF CIDP INVESTMENTS\*

(1994-1999)

 <p><b>18</b> Projects</p>	 <p><b>\$67.8M</b> in HIT Investment &amp; <b>\$115M</b> in CIDP Investment</p>	 <p><b>\$231.9M</b> in total development cost</p>	 <p><b>\$621.3M</b> in total economic benefits</p>	 <p><b>\$243.1M</b> in personal income, including wages and benefits with \$119 M for construction workers</p>	 <p><b>3.2M</b> hours of on-site union construction work created</p>	 <p><b>3,533</b> total jobs generated across communities</p>	 <p><b>1,970</b> housing units, with 51% affordable housing</p>
---	--	--	---	---	---	---	--



Umoja Apartments  
Los Angeles, CA



Woodlands Springs  
District Heights, MD



Bernal Gateway  
San Francisco, CA



Anna Bissonnette House  
Boston, MA

\*Source: Pinnacle Economics, Inc., and HIT. Job and economic impacts provided are estimates calculated using IMPLAN, an input-output model based on HIT and HIT subsidiary Building America CDE, Inc. project data. Data current as of September 30, 2021. Economic impact data is in 2020 dollars and all other figures are nominal.

## AFL-CIO Housing Investment Trust

1227 25<sup>th</sup> Street, NW, Suite 500  
Washington, DC 20037  
(202) 331-8055

[www.aflcio-hit.com](http://www.aflcio-hit.com)

**Ted Chandler**, *Senior Managing Director – Strategic Initiatives*

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*Investors should consider the HIT's investment objectives, risks and expenses carefully before investing. Investors may view the HIT's current prospectus, which contains more complete information, on its website at [www.aflcio-hit.com](http://www.aflcio-hit.com) and may obtain a copy from the HIT by calling the Marketing and Investor Relations Department collect at 202-331-8055. Investors should read the current prospectus carefully before investing.*

*This document contains forecasts, estimates, opinions, and/or other information that is subjective. Statements concerning economic, financial, or market trends are based on current conditions, which will fluctuate. There is no guarantee that such statements will be applicable under all market conditions, especially during periods of downturn. It should not be considered as investment advice or as a recommendation of any kind.*

- Possible areas for regulations-  
(related to agenda item #7)

## Nevada State Infrastructure Bank

### *Proposed Capital Allocation*

Pursuant to NRS 408.55073, the Nevada State Infrastructure Bank Fund is created as an enterprise fund that continues without reversion. Additionally, with the approval of the 2021 Capital Improvement Program, the State Infrastructure Bank is authorized to expend \$75,000,000 in general obligation bonds to finance qualified infrastructure projects.

The Nevada State Infrastructure Bank Fund is designed to offer loans and other financial assistance to qualified borrowers. This fund shall be referred to as the State Infrastructure Bank Fund Program ("SIBF Program").

SIBF Program financing is available to qualified borrowers in amounts up to \$25,000,000, with terms of up to 35 years or the useful life of the project, whichever is less. The interest rate for each financing will be set by the SIBF Program Interest Rate Setting Methodology as approved by the Board of Directors.

Applications for the SIBF Program will be accepted on a continuous basis; however, the Board of Directors may set prioritization and other criteria for financing approval of applications.

To leverage the assets within the SIBF Program, the Bank, from time-to-time, may issue State Infrastructure Bank Fund Revenue Bonds ("SIBF Program Bonds") secured by SIBF Program financings ("SIBF Financing" or "Financing") and other assets under the SIBF Program.

To the extent that funds are available, the SIBF Program will contain the following capital allocation:

- 1) Up to \$20,000,000 for the Affordable Housing Investment Trust to be used to provide loans and other financial assistance to support the development, construction, maintenance, repair, or acquisition of affordable housing, or to secure debt issued to provide such assistance.
- 2) Up to \$15,000,000 for the Charter School Capital Needs Revolving Fund to be used solely to support the development, construction, maintenance, repair, or acquisition of facilities to support the delivery of public education through high-performing charter schools as defined in NRS 388A that serve low-income and at-risk student populations, or to secure debt issued to provide such assistance.
- 3) Up to \$40,000,000 to be used to provide financial assistance to qualified borrowers in helping to meet matching requirements for federal infrastructure funding.

## *Affordable Housing Investment Trust*

The SIBF Program contains a set-aside of up to \$20,000,000 for to support investments in Nevada's housing supply through the Affordable Housing Investment Trust. This program operates as a revolving fund to provide loans and other financial assistance to support the development, construction, maintenance, repair, or acquisition of affordable housing.

Overall, this set aside within the SIBF is designed to attract pension fund investments into the creation and rehabilitation of affordable housing in Nevada, while aiding in job creation in the building and construction trades.

Funds through the program will serve as gap financing to developers who are committed to creating careers in construction for affordable multifamily rental housing construction. Program funds will supplement first mortgage debt from pension fund investments for construction and permanent financing, tax credit equity, as well as other forms of financing required to make the development of affordable housing financially viable.

### **Applicants / Qualified Borrowers:**

Pursuant to NRS 408.55063, certain qualified borrowers may apply for loans or other financial assistance from the Nevada State Infrastructure Bank. The Affordable Housing Investment Trust has the same requirements for qualified borrowers.

A qualified borrower can be either:

- A governmental unit (city, county, local or general improvement district, school district, state agency, etc.);
- An Indian reservation or colony; or
- A private non-profit entity that is created for charitable or educational purposes.

Public-private partnerships would fall under the definition of a qualified borrower, assuming a governmental unit, Indian reservation or colony, or private non-profit entity created for charitable or educational purposes, serves as the primary sponsor who is applying for financial assistance for a project.

### **Program Requirements:**

1. All projects must attract a match from a pension fund investor or commingled fund of pension fund investments, with a responsible contractor policy and a demonstrated track record of successful investment in affordable housing.
2. A qualified borrower should ensure that any developer that is being utilized for an affordable housing project can demonstrate a long-term commitment to hiring local residents and utilizing apprentices in registered apprenticeship programs.
3. All projects under this program must utilize a project labor agreement as described in 29 U.S.C. 158(f).
4. Additionally, all projects must adhere to the statutes and regulations governing the Nevada State Infrastructure Bank, including without limitation, the payment of prevailing wage.

### **Eligible Projects & Costs:**

To be eligible for financing through the Affordable Housing Investment Trust, a project must:



1. Be a multifamily housing project, although non-residential uses will be permitted so long as the share of the project's total rentable area attributable to a residential use meets or exceeds 80%;
2. Be intended to serve a resident population that falls within the definition of Tier 1, Tier 2, or Tier 3 affordable housing as defined in NRS 278; and
3. Secure a matching pension fund investment no less than the funding request from the Affordable Housing Investment Trust.

The eligible costs for an affordable housing project that can be financed through the Affordable Housing Investment Trust include:

- Preliminary engineering studies;
- Traffic studies;
- Revenue studies;
- Right-of-way acquisition;
- Legal and financial services associated with the development of a qualified project;
- Construction;
- Construction management and development oversight;
- Facilities;
- Sustainability certification; and
- Other necessary costs for the qualified project to the extent that such costs are for a public purpose.

#### **Financial Terms and Structuring:**

Financing through the Affordable Housing Investment Trust is available in amounts up to \$20 million per applicant. Larger SIBF Financings may be approved by Board of Directors subject to lending capacity and other factors including collateral and credit quality.

The financing term will not exceed the lesser of the project's useful life or 35 years. However, borrowers may choose shorter maturities.

All financings from the Affordable Housing Investment Trust will be structured as subordinate debt to pension fund investors making a significant investment on an affordable housing project.

Additionally, all financial terms and underwriting processes adopted by the Nevada State Infrastructure Bank Board of Directors apply to all loans and other financial assistance made through the Affordable Housing Investment Trust.

### *Charter School Capital Needs Fund*

The Nevada State Infrastructure Bank Fund ("SIBF") Program contains a set-aside of up to \$15,000,000 for to support investments in Nevada's public education facilities through the Charter School Capital Needs Fund.

This program operates to provide loans and other financial assistance to support the development, construction, maintenance, repair, or acquisition of charter school facilities serving low income and at-risk student populations.

Funds through the program are designed to provide high quality charter school operators with low-interest financing, at or below the market rate, to assist with capital needs.

**Applicants / Qualified Borrowers:**

Pursuant to NRS 408.55063, certain qualified borrowers may apply for loans or other financial assistance from the Nevada State Infrastructure Bank. The Charter School Capital Needs Fund has the same requirements for qualified borrowers.

A qualified borrower can be either:

- A governmental unit (city, county, local or general improvement district, school district, state agency, etc.);
- An Indian reservation or colony; or
- A private non-profit entity that is created for charitable or educational purposes.

Public-private partnerships would fall under the definition of a qualified borrower, assuming a governmental unit, Indian reservation or colony, or private non-profit entity created for charitable or educational purposes, serves as the primary sponsor who is applying for financial assistance for a project.

For the Charter School Capital Needs Fund, it is anticipated that applicants will be either:

- A non-profit charter school operator in Nevada, authorized by the Nevada State Public Charter School Authority;
- A non-profit Charter Management Organization, which operates approved charter school by the Nevada State Public Charter School Authority; or
- A charter school, which is sponsored by a local school district in Nevada;

**Program Requirements:**

Under the Charter School Capital Needs Revolving Fund, all projects must adhere to the following requirements:

1. All projects must be designed to prepare a charter school to commence its first year of operation or to improve an existing charter school that has been in operation;
2. A qualified borrower should ensure that any developer(s) that is being utilized for an eligible project can demonstrate a long-term commitment to hiring local residents and utilizing apprentices in registered apprenticeship programs.
3. All projects under this program should utilize a project labor agreement as described in 29 U.S.C. 158(f), whenever possible.
4. Additionally, all projects must adhere to the statutes and regulations governing the Nevada State Infrastructure Bank, including without limitation, the payment of prevailing wage.

**Eligible Projects & Costs:**

To be eligible for financing through the Charter School Capital Needs Fund, a project must:

1. Be for the construction of a new charter school or for the improvement of an existing charter school;
2. Be authorized by the Executive Director of the Nevada State Public Charter Authority or the local school district for applicable charter schools; and



3. Serve a low-income or at-risk student population that would make the charter school eligible to receive funding pursuant to Title I, Part A of the Elementary and Secondary Education Act (ESEA).

The eligible costs for a charter school project that can be financed through the Charter School Capital Needs Fund include:

- Preliminary engineering studies;
- Traffic studies;
- Revenue studies;
- Right-of-way acquisition;
- Legal and financial services associated with the development of a qualified project;
- Construction;
- Construction management;
- Facilities;
- Sustainability certification; and
- Other necessary costs for the qualified project to the extent that such costs are for a public purpose.

#### **Financial Terms and Structuring:**

Financing through the Charter School Capital Needs Fund is available in amounts up to \$5,000,000 per applicant. Larger SIBF Financings may be approved by Board of Directors subject to lending capacity and other factors including collateral and credit quality.

The financing term will not exceed the lesser of the project's useful life or 35 years. However, borrowers may choose shorter maturities.

All qualified borrowers that receive financing from the Charter School Capital Needs Fund will need to receive written approval from the authorizing entity prior to being approved for financing through this program.

Additionally, all financial terms and underwriting processes contained within the bylaws of the Nevada State Infrastructure Bank apply to all loans and other financial assistance made through the Charter School Capital Needs Fund.

### *Federal Infrastructure Matching Fund*

The Nevada State Infrastructure Bank Fund ("SIBF") Program contains a set-aside of up to \$40,000,000 to support the Federal Infrastructure Matching Fund.

This program operates to provide loans and other financial assistance to assist qualified borrowers in meeting matching requirements that are necessary to leverage federal infrastructure investments into Nevada.

Funds through the program are designed to provide local governments, state agencies, Tribal governments, and other qualified borrowers with necessary capital to maximize the State of Nevada's opportunity utilize federal funding for infrastructure projects.

#### **Applicants / Qualified Borrowers:**

Pursuant to NRS 408.55063, certain qualified borrowers may apply for loans or other financial assistance from the Nevada State Infrastructure Bank. The Federal Infrastructure Matching Fund has the same requirements for qualified borrowers.

A qualified borrower can be either:

- A governmental unit (city, county, local or general improvement district, school district, state agency, etc.);
- An Indian reservation or colony; or
- A private non-profit entity that is created for charitable or educational purposes.

Public-private partnerships would fall under the definition of a qualified borrower, assuming a governmental unit, Indian reservation or colony, or private non-profit entity created for charitable or educational purposes, serves as the primary sponsor who is applying for financial assistance for a project.

#### **Program Requirements:**

Under the Federal Infrastructure Matching Fund, all projects must adhere to the following requirements:

1. All projects must be able to secure a federal investment greater than 100% of the requested financing from the State Infrastructure Bank;
2. A qualified borrower should ensure that any developer(s) that is being utilized for an eligible project can demonstrate a long-term commitment to hiring local residents and utilizing apprentices in registered apprenticeship programs.
3. All projects under this program should utilize a project labor agreement as described in 29 U.S.C. 158(f), whenever possible.
4. Additionally, all projects must adhere to the statutes and regulations governing the Nevada State Infrastructure Bank, including without limitation, the payment of prevailing wage.

#### **Financial Terms and Structuring:**

Financing through the Federal Infrastructure Matching Fund is available in amounts up to \$40,000,000 per applicant. Larger ISRF Financings may be approved by Board of Directors subject to lending capacity and other factors including collateral and credit quality.

The financing term will not exceed the lesser of the project's useful life or 35 years. However, borrowers may choose shorter maturities.

Additionally, all financial terms and underwriting processes adopted by the Nevada State Infrastructure Bank Board of Directors apply to all loans and other financial assistance made through the Federal Infrastructure Matching Fund.



**Nevada State Infrastructure Bank**  
555 E. Washington Ave.  
Las Vegas, NV 89101

**Nevada State Infrastructure Bank - Financing Application**

**Part 1: Applicant Information**

**Legal Name of the Applicant:**

**Type of Applicant:**

☐ Governmental Unit

☐ Indian Reservation or Colony

☐ Private Non-Profit Organization created for charitable or educational purposes

**If applicant is a governmental unit or non-profit organization, please explain:**

**Mailing Address of the Applicant:**

**Street Address 1**

**Street Address 2**

**City**

**State**

Not Applicable - Not liv

**Zip Code**

**Name of the Individual Submitting this Application:**

**First Name**

**Last Name**

**Address for the individual submitting the application:**

**Street Address 1**

**Street Address 2**

**City**

**State**

**Zip Code**

Email for Individual submitting the application:

Phone number of individual submitting this application:

Please list the contact information (Name, Address, Phone, Email) for for other authorized individuals associated with the project (i.e., consultants, advisors, engineers, attorneys, etc.)

Part 2: Financing Requested

What type of financial assistance is the Applicant seeking? (Please select all that apply)

- ☐ Loan
- ☐ Grant
- ☐ Other Financial Assistance

Financing Amount Requested:

Is the State Infrastructure Bank origination fee included in financing?

- ☐ Yes
- ☐ No

Financing term requested? (Number of years)

Source of financing repayment:

- ☐ Enterprise Fund
- ☐ Special Fund
- ☐ General Fund Lease
- ☐ Assessment District
- ☐ Special Taxes/Property Related Assessments
- ☐ Voter approved general obligation debt
- ☐ Other

Please explain the source(s) of financing repayment:



Part 3: Project Information

Project Name:

Project Address:

Street Address 1

Street Address 2

City

State

Not Applicable - Not liv

Zip Code

Project Category (Please reference the Nevada State Infrastructure Bank bylaws):

- ☐ Transportation Facility
- ☐ Utility Infrastructure
- ☐ Water and Wastewater Infrastructure
- ☐ Renewable Energy Infrastructure
- ☐ Digital Infrastructure
- ☐ Recycling and Sustainability Infrastructure
- ☐ Social Infrastructure
- ☐ Other Infrastructure related to Economic Development

If the project category selected was "Other Infrastructure related to Economic Development" please explain the project:

Is the project located in a disadvantaged or historically underserved community?

- ☐ Yes
- ☐ No

Is any part of the proposed project located on Tribal land?

- ☐ Yes
- ☐ No

Please attach a detailed description of the project. If the funding request is limited to a portion of the project, please identify as appropriate. If you have a feasibility study, a capital improvement plan, environmental study, or other such reports containing a detailed description of the project, please include as appropriate. Attach all necessary documents as Exhibit 1. [Please label and attach items as Exhibits 1a, 1b, 1c, etc.]

Please list applicable permits for the project:

Type of Permit (Please include permit number)	Granting Authority	Date Submitted	Date Received	Expiration Date

Please complete the attached Project Sources and Uses of Proceeds Table as Exhibit 2. Attach any and all cost estimates, bids, project labor agreements, and construction contracts, if available. [Please label and attach them as Exhibits 2a, 2b, 2c, etc.]

Please provide for any and all documentation commitment(s) for project funding sources other than financing from the Infrastructure State Revolving Fund Program. This could include resolutions, grant agreements, loan agreements, contracts, etc. [Please label and them as Exhibit 3 – if multiple documents are needed, please label and attach as Exhibits 3a, 3b, 3c, etc.]

Is land acquisition a component of the project?

- ☐ Yes
- ☐ No

If yes, please provide a copy of the purchase agreement as Exhibit 4. Include a description of the land that has been or will be acquired (current owner, address, assessor’s parcel number, purchase date or expected purchase date, cost or estimated cost), and identify the funding source(s) for the land below:

Does the applicant already own the land needed for the project?

- ☐ Yes
- ☐ No

Please provide a comprehensive project timeline as Exhibit 5. Include specific project milestones such a preliminary engineering report, all required permits, design, engineering, land/right-of-way acquisition, preparation of bid documents, awarding of construction contract, construction start date, construction completion date, and the date that the project will become operational.

Private Activity - Will any entity, including a governmental entity other than the Applicant, use or directly benefit from any portion of the Project other than as a member of the general public? (For example, will a private entity or a federal

**agency operate, or lease space in the proposed project?)**

- ☐ Yes
- ☐ No

**If yes, please describe the entity that will use or otherwise benefit from the Project. Provide a copy of the agreement(s) with such private entity, or federal agency. [Please label and attach as Exhibit 6.]**

**Will financing be used to finance more than 5 percent of any private activity costs?**

- ☐ Yes
- ☐ No

**If yes, please explain:**

**Business Relocation - Will the proposed Project require the relocation of a private sector business from one area of the State to another?**

- ☐ Yes
- ☐ No

**If yes, please provide a justification to support the move:**

**Please describe any economic and/or community benefits that will result from the completion of this project. Please include the method, or calculation by which these results were identified:**

**What are the total number of jobs that will be created and the average wage for the project? (Please include the method or calculation by which these results were identified)**

**What are total number of jobs retained and the average wage? (Please include the method or calculation by which these results were identified)**

**Describe the environmental impact that will result from this project? (Please include the method or calculation by which these results were identified)**

**Useful Life - Please provide evidence detailing the useful life of the Project. Useful life is defined as the estimated number of years the project is anticipated to remain in service. Please include estimated useful life projections with and without any anticipated maintenance costs. [Label and attach as Exhibit 7]**

**Is this project eligible to apply for funding from the Affordable Housing Investment Trust within the Infrastructure State Revolving Fund Program? (Please reference the Nevada State Infrastructure Bank bylaws for the guidelines and policies for the Affordable Housing Investment Trust.**

- ☐ Yes
- ☐ No
- ☐ Unknown

**Is this project eligible to apply for funding from the Charter School Capital Revolving Fund within the Infrastructure State Revolving Fund Program? (Please reference the Nevada State Infrastructure Bank bylaws for the guidelines and policies for the Charter School Capital Revolving Fund.)**

- ☐ Yes
- ☐ No
- ☐ Unknown

Part 4: Financial Information

**Please provide copies of the five most recent fiscal year-end audited financial statements for the applicant and related parties to the project, if not already provided, as well as applicable revenue projections and cash flows. [Label and attach as Exhibits 8a, 8b, 8c, etc.]**

**Please provide the current year’s adopted budget as Exhibit 9.**

**Are there any events or circumstances that have occurred since the date of the last financial statement could materially affect the overall financial condition of the Applicant?**

- ☐ Yes
- ☐ No

**If yes, please explain:**

**In the table below, please list all outstanding financing obligations (debts, notes, capital leases, etc.) secured by the source of repayment for the requested financing. Attach as Exhibit 10, and include a copy of all financing documents (e.g., the official statement along with any underlying loan agreements, lease agreements, or indentures, etc.) [Label and attach as Exhibits 10a, 10b, 10c, etc.]**

Name of Lender	Date of Debt	Outstanding Balance (as of _____)	Maximum Annual Debt Service/Lease Payment
		\$	\$
		\$	\$
		\$	\$
		\$	\$

Please provide a description of any off-balance-sheet debt obligations, including capital leases and other contractual obligations:

Has the Applicant defaulted on any debt or other obligation including, but not limited to, bonds, leases, or loans within the last ten years?

- ☐ Yes
- ☐ No

If yes, please specify the date(s) and circumstances:

Please attach as Exhibit 11 the current Capital Improvement Plan. Explain below any expected plan for future debt issuance:

Does the Applicant have an Inter-fund Transfer Policy?

- ☐ Yes
- ☐ No

If yes, please attach a copy of the policy as Exhibit 12.

Is the Applicant planning on utilizing any collateral in order to receive a loan or other financial assistance?

- ☐ Yes
- ☐ No

If yes, please explain:



Part 5: Loan Proceeds

Will the loan proceeds pay for any general administration or overhead costs?

☐ Yes

☐ No

Have any general administration or overhead costs already been incurred?

☐ Yes

☐ No

If yes, please explain:

Will the Project include the payment of prevailing wages as set forth in the Nevada State Infrastructure Bank Bylaws?

☐ Yes

☐ No

Will loan proceeds finance preliminary costs for the Project?

☐ Yes

☐ No

Have any preliminary costs already occurred?

☐ Yes

☐ No

If yes, please explain:

Part 6: Legal Information

Please describe the composition of the Applicant’s governing body, including the number of positions, term, and the selection/appointment process. Additionally, please provide a current list of individuals in these positions:

Please describe any pending or anticipated litigation and/or contractual disputes that the Applicant a party to:

Please describe any past, present, or potential issues or controversies that may impact the Project:

For any applicant that is a Charter City, please attach as Exhibit 13 a copy of the City’s Charter including all addendums and supplements thereto.

For any applicant that is a School District, Special District, or Joint Powers Authority (JPA), please provide the statutory citation of formation authority or attach a copy of all formation documents and amendments as Exhibit 14.

For any applicant that is a non-profit organization, please provide as Exhibit 15, a copy of the following:

- a. Articles of Incorporation, together with all amendments.
- b. Certificate of Status/Good Standing
- c. Bylaws, together with all amendments.
- d. 501 (c)(3) Determination Letter(s) from the IRS, and any related documents and correspondence with/from the IRS.
- e. All Form 990s for the last three years
- f. All Form 990-Ts for the last three years.
- g. Capital Campaign brochures, forms, pledge cards, and related materials, if any.

*I acknowledge that:*

*All information submitted to the Nevada State Infrastructure Bank is true and correct at the time of submission, and such information does not contain any untrue or misleading statement of a material fact or omits to state any material fact necessary to make the statements contained herein not misleading.*

*By signing below, I acknowledge that I understand that it is unlawful to knowingly make a false claim, a false statement, use a false or fictitious name, or obtain money or benefit under false pretenses. I understand these acts are a violation of the laws of the State of Nevada punishable by civil penalties, including repayment, and/or criminal penalties including up to a category D felony and six years in state prison.*

<b>AUTHORIZED SIGNATURE</b>	<b>PRINT NAME AND TITLE</b>	<b>DATE</b>

Submit Form

- Possible areas for regulations -  
(related to agenda item #9)

## Nevada State Infrastructure Bank

### *Criteria, Policies, and Guidelines for Qualified Borrowers*

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## Introduction

The Nevada State Infrastructure Bank (“Bank”) was created to provide an accessible low-cost financing option to qualified borrowers for the development, construction, repair, improvement, operation, maintenance, decommissioning, or ownership of infrastructure projects.

The Bank was first authorized in Nevada Revised Statutes in 2017 through the passage of Assembly Bill 399 of the 79<sup>th</sup> Legislative Session, but was not provided any funding.

In 2021, Senate Bill 430 of the 81<sup>st</sup> Legislative Session expanded the scope of the Bank and allowed operations to begin as of July 1, 2021. Additionally, the 2021 Capital Improvement Program made possible through Assembly Bill 492 of the 81<sup>st</sup> Legislative Session provided \$75,000,000 in general obligation bonding authority to fund eligible Bank projects.

The statutes governing the Bank and its operation can be found in NRS 408.55048 to 408.55088.

This document serves as a guide to qualified borrowers wishing to apply for loans or other financial assistance from the Bank.

## Eligibility Criteria

### Applicants / Qualified Borrowers

Pursuant to NRS 408.55063, certain qualified borrowers may apply for loans or other financial assistance from the Bank. A qualified borrower can be either:

- A governmental unit (city, county, local or general improvement district, school district, state agency, etc.);
- An Indian reservation or colony; or
- A private non-profit entity that is created for charitable or educational purposes.

Public-private partnerships would fall under the definition of a qualified borrower, assuming a governmental unit, Indian reservation or colony, or private non-profit entity created for charitable or educational purposes, serves as the primary sponsor who is applying for financial assistance for a project.



A qualified borrower that wishes to obtain a loan or other financial assistance from the Bank to develop, construct, repair, operate, maintain, decommission, or own an eligible project must submit an application to the Bank for the proposed project.

## **Eligible Projects**

Pursuant to NRS 408.55073 the Bank can provide loans and financial assistance to a variety of infrastructure projects, including: transportation facilities, utility infrastructure, water and wastewater infrastructure, renewable energy infrastructure, digital infrastructure, social infrastructure, and other infrastructure related to economic development.

All projects which are supported, financed, assisted, developed, or owned, in part, or in whole, must be for a public purpose.

### Transportation Facilities:

The Bank can provide loans and other financial assistance for transportation facilities. Pursuant to NRS 408.55066, a transportation facility is defined any existing, enhanced, upgraded or new facility that is used or useful for the safe transport of people, information, or goods via one or more modes of transport, including, without limitation, any of the following:

1. A road, railroad, bridge, tunnel, overpass, airport, mass transit, light or commuter rail, conduit, ferry, boat, vessel, parking facility, intermodal or multimodal system or any other mode of transport, including, without limitation, those utilizing autonomous technology, and any rights of way necessary for any eligible transportation facility.
2. Related or ancillary to, or used or useful to provide, operate, maintain or generate revenue for a facility such as administrative buildings, other buildings, structures, rest areas, maintenance yards, rail yards, ports of entry or storage facilities, vehicles, rolling stock, energy systems, control, communications and information systems, parking facilities and similar commercial facilities used for the support of or the transportation of persons, information or goods or other related equipment, items or property, including, without limitation, any other property that is needed to operate the facility.
3. All improvements, including equipment necessary to the full utilization of a transportation facility, including, without limitation, site preparation, roads and streets, sidewalks, water supply, outdoor lighting, belt line railroad sidings and lead tracks, bridges, causeways, terminals for railroad, automotive and air transportation, and transportation facilities incidental to the project.

### Utility Projects:

The Bank can provide loans and financial assistance for utility infrastructure projects. Pursuant to NRS 408.55068, utility infrastructure is defined as any infrastructure of a utility as defined in NRS 408.407, that is installed in any city or county that improves or expands the system of the utility.

### Water and Wastewater Projects:

The Bank can provide loans and financial assistance to projects related to Water and Wastewater Projects, which is defined any infrastructure which:

1. Relates to water, including, without limitation, clean water, drinking, wastewater, energy efficiency projects at drinking water and wastewater facilities, brackish or seawater desalination, aquifer recharge, alternative water supply, water recycling, and drought mitigation projects; and
2. Augments the existing programs outlined in Chapter 445A of the Nevada Revised Statutes.

#### Renewable Energy Projects:

The Bank can provide loans and financial assistance to projects related to renewable energy infrastructure, which is defined as any infrastructure which allows for the generation, storage, or usage of renewable energy as defined in NRS 701.070.

This would include energy projects related to:

- Biomass;
- Fuel cells;
- Geothermal energy;
- Solar energy;
- Waterpower;
- Wind;
- And other renewable sources of energy.

#### Recycling and Sustainability Projects:

The Bank can provide loans and financial assistance to projects related to recycling and sustainability infrastructure, which is defined as any infrastructure which allows for the processing, storage, or transfer of recyclable materials as defined in NRS 444A.013.

#### Digital Infrastructure Projects:

The Bank can provide loans and financial assistance to projects related to digital infrastructure, which is defined as any infrastructure which allows for the use of data, computerized devices, methods, systems and processes that are designed to enhance broadband connectivity or facilitate the development of new or existing technologies.

The following types of projects would be eligible for financing through the Bank (this is a non-exhaustive list, and other types of projects may be eligible if they meet the statutory definition of social infrastructure in NRS 408:

- Internet backbone infrastructure;
- Fixed broadband networks;
- Wireless connectivity;
- Mobile telecommunications;
- Communication satellite;
- Network infrastructure;
- Data centers;
- Cloud computing platforms;
- Systems and associated software solutions;
- APIs and Integration Services;
- Projects that enable the operation of IOT devices; and
- Other projects necessary for the development, enhancement, or adoption of new technologies

### Social Infrastructure:

The Bank can provide loans and financial assistance to projects related to social infrastructure, which is defined as infrastructure:

1. That is used or useful for the construction, development, and maintenance of facilities and systems that support social services, including, without limitation, services related to health care, education, affordable housing, homelessness, and food security; and
2. Augment existing services, including, without limitation the services provided pursuant to Chapters 319 and 387 of the Nevada Revised Statutes.

The following types of projects would be eligible for financing through the Bank (this is a non-exhaustive list, and other types of projects may be eligible if they meet the statutory definition of social infrastructure in NRS 408:

- Federally Qualified Health Centers
- Hospitals
- Public Health Facilities
- Pharmacies
- Behavioral Health Clinics
- Public school facilities, including charter schools
- Libraries
- Workforce training centers, including apprenticeship and pre-apprenticeship facilities
- Early childhood educational facilities
- Childcare facilities
- Affordable housing projects
- Temporary supportive housing projects
- Transitional housing projects
- Homeless shelters and projects that work to serve those at-risk of homelessness
- Food banks and nutrition centers

### Other Infrastructure Related to Economic Development:

In addition to the aforementioned projects eligible to be financed by the Bank, the Bank can also provide loans and other financial assistance to other infrastructure projects related to economic development.

For a project to be considered under this definition of “other infrastructure related to economic development” the project must:

- Support a public purpose while promoting economic development for a local, regional, or state purpose; and
- Not fall within the definitions of transportation facility, utility infrastructure, water and wastewater infrastructure, renewable energy infrastructure, recycling and sustainability infrastructure, digital infrastructure, or social infrastructure.

### **Eligible Costs**

Pursuant to NRS 408.55052, the Bank can finance certain eligible costs for the development, construction, repair, improvement, operation, maintenance, decommissioning, and ownership of a qualified project.

The eligible costs that can be financed by the Bank include:



- Preliminary engineering studies
- Traffic studies
- Revenue studies
- Right-of-way acquisition
- Legal and financial services associated with the development of a qualified project
- Construction
- Construction management
- Facilities
- Sustainability certification
- And other necessary costs for the qualified project to the extent that such costs are for a public purpose.

The acquisition of property for a qualified project should be considered as a necessary cost for the qualified project, to the extent that the property acquisition is for a public purpose.

## Infrastructure State Revolving Fund Program

Pursuant to NRS 408.55073, the Nevada State Infrastructure Bank Fund is created as an enterprise fund that continues without reversion.

The Nevada State Infrastructure Bank Fund is designed to offer loans and other financial assistance to qualified borrowers. This fund shall be referred to as the State Infrastructure Bank Fund Program ("SIBF Program").

SIBF Program financing is available to qualified borrowers in amounts up to \$25,000,000, with terms of up to 35 years or the useful life of the project, whichever is less. The interest rate for each financing will be set by the SIBF Program Interest Rate Setting Methodology as approved by the Board of Directors.

Applications for the SIBF Program will be accepted on a continuous basis; however, the Board of Directors may set prioritization and other criteria for financing approval of applications.

To leverage the assets within the SIBF Program, the Bank, from time-to-time, may issue State Infrastructure Bank Fund Revenue Bonds ("SIBF Program Bonds") secured by SIBF Program financings ("SIBF Financing" or "Financing") and other assets under the SIBF Program.

To the extent that funds are available, the SIBF Program will contain a set-aside of up to \$20,000,000 to be used to provide loans and other financial assistance to support the development, construction, maintenance, repair, or acquisition of affordable housing, or to secure debt issued to provide such assistance.

Additionally, to the extent that funds are available, the SIBF Program will also consist of a set aside of up to \$15,000,000 to be used solely to support the development, construction, maintenance, repair, or acquisition of facilities to support the delivery of public education through high-performing charter schools as defined in NRS 388A that serve low-income and at-risk student populations, or to secure debt issued to provide such assistance.

Finally, to the extent that funds are available, the SIBF Program will also consist of a set aside of up to \$40,000,000 to be used to provide financial assistance to qualified borrowers in helping to meet matching requirements for federal infrastructure funding.

The Board will adopt policies and guidelines for projects that are eligible to be financed through the Affordable Housing Investment Trust, the Charter School Capital Fund, and the Federal Infrastructure Matching Fund.

## The Financing Application

All qualified borrowers wishing to receive a loan or other financial assistance from the Bank must first submit an application to the Bank.

An application for loans and other financial assistance from the Bank can be found on the Bank's website.

### Readiness and Feasibility:

Applicants must demonstrate project readiness and feasibility to complete construction within 2 years after the Bank's financing approval. In this context, "completion of a project" means the portion of the project financed by the Bank must meet construction contract specifications for completeness and/or the ability to operate.

Additionally, projects must meet the feasibility requirements set forth below:

1. Permitting

Applicant must provide evidence that it has applied for and/or received all permits or approvals, if appropriate for the type of financing being considered, necessary for the construction of the project.

2. Source of Financing Repayment

Eligible sources of financing repayment include, without limitation, the following:

- Water or Sewer Enterprise/Special Fund. Projects that will be part of a revenue-producing water or sewer enterprise system may be financed with a financing that is payable with revenues from the water or sewer enterprise/special fund.
- Other Enterprise/Special Fund. Other revenue producing enterprise systems such as ports, airports, solid waste systems, bridges, tolls, and parking facilities may be eligible if the proposed project and repayment stream are acceptable to the Bank.
- General Fund Lease. SIBF Financings secured by leases of Borrower assets.
- Land Secured. SIBF Financings repaid with property taxes or property-related assessments.
- Voter-approved General Fund debt or other voter-approved debt secured by full faith and credit (general obligation).
- Non-voter approved secured by full faith and credit (general obligation) that is approved by a governing body of a government unit.
- Other sources of revenue such as sales tax, tax increment financing, housing revenues and rental payments, and state and/or local funds that are provided to operators of charter schools may also be considered.
- Other sources of repayment and/or alternative financing structures not contained within this list may be considered by the Bank at its discretion.

3. Project Funds

The Bank will require all project funding sources, other than the Bank's loans and/or other financial assistance to be identified at the time of application and committed prior to financing approval by the Board of Directors.

The Bank may also require additional reviews and evaluations of project feasibility and potential risks.

#### 4. Prevailing Wages

Projects financed with funding from the Bank will be required to comply with the provisions of NRS 338.013 to 338.090, including the payment of prevailing wages.

### Application Process

Applications will be accepted on a continuous basis. However, during any period where application deadlines have been imposed by the Bank, applicants must submit complete Financing Applications by an announced application deadline date for such applications to be considered.

The Board of Directors' approved form of SIBF Program Financing Application, found on the Bank's website, requires detailed information and documentation about the applicant and the project to enable the Bank to determine if the application complies with the Bank's Criteria including its creditworthiness and underwriting criteria.

Prospective applicants are encouraged to contact the Executive Director or other Bank staff to schedule a preapplication meeting to discuss the Criteria and the Program.

#### Final Financing Approval:

The Board is authorized to make financing and other decisions at any of its meetings in accordance with and pursuant to Chapter 408 of the Nevada Revised Statutes and as otherwise provided by law.

#### Assistance during the Application and Financing Process:

Staff from the Bank are available to provide applicants with assistance in the process of completing the Financing Application. All applicants are encouraged to contact staff for assistance during the application and financing process.

### Project and Labor Standards

#### Local Hiring and Apprenticeship Requirements

For each qualified project which is financed, in part or in whole, by the Bank, the following requirements shall apply to each Prime Contractor Subcontractor that performs work on the Project:

1. The mandatory participation level shall be 50% of all Project Work Hours within each construction trade performed by Nevada Residents, with no less than 15% of all Project Work Hours within each construction trade performed by disadvantaged workers.
2. At least 15% of the total Project Work Hours within each construction trade shall be performed by apprentices, with 5% of the total apprentice work hours per trade being performed by first-year apprentices.

A first-year apprentice who is hired on the Project will be counted as a first-year apprentice, for purposes of calculating the required first-year apprentice participation, for as long as he or she is employed on the Project.

An apprentice that graduates from his or her apprentice program while employed on the Project shall be counted toward the total apprentice participation of 15% for as long as he or she is employed on the Project.

An apprentice hired on the Project that is terminated because of a reduction in force by any contractor or sub-contractor working on the Project may be dispatched by the Local Union or recalled by the contractor, to the extent allowed by law and the applicable hiring hall rules and procedures, to the Project for another contractor or sub-contractor and shall maintain their apprentice status as if they would have been continuously employed.

It is the responsibility of the qualified borrower to ensure compliance with the local hiring requirements under this section. If there are extenuating circumstances which make compliance with the section impossible, the qualified borrower must receive an exemption directly from the Executive Director of the Bank.

As used in this section:

**Apprentice** is defined as “Any worker who is indentured in a construction apprenticeship program that maintains current registration with the Nevada State Apprenticeship Council.”

**Contractor** is defined as “Any person, firm, partnership, owner operator, limited liability company, corporation, joint venture, proprietorship, trust, association, or other entity that contracts directly to perform construction work on a Qualified Project.”

**Disadvantaged Worker** is defined as “A Nevada Resident who (a) resides in a census tract within the State of Nevada with a rate of unemployment in excess of 150% of the State unemployment rate, as reported by the State of Nevada’s Department of Employment, Training and Rehabilitation; or (b) at the time of commencing work on a Covered Project has a household income of less than 80% of the Area Median Income, or (c) faces or has overcome at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; participating in a vocational English as a second language program; or having a criminal record or other involvement with the criminal justice system.

**Nevada resident** is defined as “An individual who is domiciled within the State of Nevada for at least 30 days immediately prior to commencing work on the project.

**Project Work** is defined as “Construction work performed as part of a Qualified Project.”

**Project Work Hours** are defined as “The total hours worked on a construction contract by all Apprentices and journey level workers, whether those workers are employed by the Contractor or any Subcontractor.”

**Subcontractor** is defined as “Any person, firm, partnership, owner operator, limited liability company, corporation, joint venture, proprietorship, trust, association, or other entity that contracts with a Prime Contractor or another subcontractor to provide services to a Prime Contractor or another subcontractor in



fulfillment of the Prime Contractor's or that other subcontractor's obligations arising from a contract for construction work on a Covered Project."

## Project Labor Agreements

Applications for loans and other financial assistance from the Bank are strongly encouraged to contain a commitment to utilizing Project Labor Agreements for eligible projects whenever possible.

Applications for financing through the Bank will be scored and prioritized based on an applicant's commitment to utilizing Project Labor Agreements for work that is performed on an eligible project.

**Project Labor Agreement** means "a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and is an agreement described in 29 U.S.C. 158(f)."

## Climate, Environmental and Sustainability Standards

The Bank is committed to upholding strong standards to address climate change, reduce the impact that infrastructure projects have on the environment, and aid in the promotion State of Nevada's goals for a more sustainable future.

In particular, the Bank will work to support and finance projects that assist the State of Nevada in meeting greenhouse gas emissions-reductions targets of 28% by 2025, 45% by 2030, and net-zero (or near-zero) by 2050.

All qualified borrowers will be required to explain the potential environmental impacts that may come with the proposed project and shall ensure that the project adheres to the standards and goals set forth in the Nevada Revised Statutes and the 2020 State Climate Strategy.

## Targeted Investments in Disadvantaged Communities

The Bank recognizes that many communities in Nevada have historically been disadvantaged and underserved because of various economic, social, and environmental inequities. These inequities have resulted in poorer health outcomes, reduced economic mobility, greater levels of risk from climate impacts for members of low-income communities, communities of color, and people with disabilities.

To ensure that new investments in infrastructure are made with these factors in mind, the Bank is committed to setting a goal of having at least 40% of all its investments go to support projects that:

- Are located in Qualified Census tracts according to the United States Department of Housing and Urban Development;
- Score disproportionately high on the Social Vulnerability Index developed by the United States Center for Disease Control;
- Have sizable populations with limited English proficiency;
- Are located on Tribal lands or in areas where members of Tribes commonly reside; or
- Have been subject to historical instances of redlining, segregation, or other discriminatory practices.

In pursuit of this goal, the Board of Directors will collect data surrounding the location and impacts of all its approved projects and will work towards increasing investments in disadvantaged communities.

## Financing Terms and Limitations

### Financing Amounts

SIBF Financings are available in amounts up to \$25,000,000 per applicant. Larger SIBF Financings may be approved by Board of Directors subject to lending capacity and other factors including collateral and credit quality.

### Interest Rates

The interest rate on SIBF Financings will be based on a combination of the Interest Rate Benchmark and Interest Rate Adjustments.

The Interest Rate Benchmark will be based on the Refinitiv Municipal Market Monitor and other nationally recognized benchmark. The Interest Rate Benchmark determination will be detailed in the SIBF Program Interest Rate Setting Methodology approved by the Board of Directors.

Generally, Interest Rate Adjustments will cause the interest rate on SIBF Financings to be below the Interest Rate Benchmark. Interest Rate Adjustments will be based on the following factors dependent upon the repayment source:

1. Applicant Structure/Organization
2. Local Fiscal Capacity - As measured by median household income, debt per user/household, and applicable taxes/charges/fees as a percentage of median household income.
3. Security/Repayment Pledge - As measured by credit rating/review and lien position of the SIBF Financing as senior, parity, or subordinated.
4. The term of the SIBF Financing
5. Other Terms and Conditions of the SIBF Financing—Includes frequency of repayment, repayment provisions, and, as applicable, reserves and coverage.
6. Bank Staff Review and Analysis
7. Interest rate setting methodology, including the Interest Rate Benchmark determination, detailed in the SIBF Program Interest Rate Setting Methodology approved by the Board of Directors.

### Amortization

The SIBF Financing term will not exceed the lesser of the project's useful life or 35 years. However, borrowers may choose shorter maturities.

Repayment of the SIBF Financing will be targeted to begin within one year of SIBF Financing origination. As required, interest payments can be made from capitalized interest included in the SIBF Financing amount or other sources identified by the borrower as documented in the SIBF Financing agreement.

SIBF Financings will generally be amortized on a level repayment basis, but other amortization structures may be required or approved by the Bank as appropriate.

### Prepayment

Borrowers may be permitted to prepay their SIBF Financings in whole or in part with the prior written consent of the Bank, and such prepayments may be subject to prepayment premiums and other restrictions as required by the Bank.

## SIBF Financing and Amendment Fees

For SIBF Financings with a principal amount equal to or greater than \$250,000, a one-time origination fee of the greater of ten thousand dollars (\$10,000.00) or 1.00% of the original SIBF Financing amount will be paid as a condition of closing.

For SIBF Financings with a principal amount less than \$250,000, the one-time origination fee may be reduced or waived, at the Bank's discretion. The origination fee may be financed as part of the SIBF Financing. A servicing fee of 0.30% of the outstanding balance will be payable annually, in arrears. An amendment fee will be charged as appropriate for each amendment to the SIBF Financing documents.

## Credit Underwriting Guidelines and Procedures

The SIBF Program's credit underwriting guidelines and procedures outlined below represents the general requirements for the listed repayment sources. To adequately address the unique credit features of a particular SIBF Financing, and to provide sufficient security for the SIBF Program, additional covenants, credit enhancement, or security may be required by the Bank.

Additional security may include:

1. A covenant for a debt service reserve fund at the borrower level;
2. A provision for additional security during the construction or start-up phase of a project; or
3. Stricter financial covenants for borrowers with limited historical coverage or dependence on a concentrated source of revenues.

Bank staff will discuss the need for such covenants with the applicant during the underwriting process and such covenants will become part of any SIBF Financing agreement entered into between the borrower and the Bank.

Alternate sources of SIBF Financing repayment or financing structures may be considered by the Bank on a project-by-project basis.

No uncured bond, loan, or debt defaults may exist at the time the SIBF Financing is approved or funded. Additionally, prior cured defaults may be grounds to not approve a request, depending on circumstances.

## General Quantitative Analysis and Evaluation Process

### **For SIBF Financings secured solely or primarily by a revenue pledge:**

#### **Part A: Evaluate Applicant's Repayment Ability**

1. Determine the amount of revenue available for pledging from the revenue source.
2. Verify that the purpose of the financing can be secured by the proposed revenue source.
3. Evaluate the historical receipt of revenues from the proposed revenue source.
4. Evaluate the historical expenses and transfers paid from the proposed revenue source.
5. Determine amount and pledge status of any outstanding debt or other proposed debt secured or to be secured by the proposed revenue source.

6. Calculate the amount of cash flow available for debt service and the debt service coverage ratio.
7. If the amount of cash flow available for debt service is insufficient to demonstrate repayment ability for the requested SIBF Program financing plus existing and other proposed debt, determine if the borrower has cash available in an amount sufficient to establish a rate stabilization fund and/or debt service reserve fund.

**Part B: Determine impact of the financing on the operating and other funds**

1. Measure revenue from pledged source against total operating budget.
2. Determine the effect on the operating budget from use of the specific revenue for financing purposes.
3. Determine impact of borrowing on fund balances and projected cash flow.

**For SIBF Financings with a general fund financing structure:**

**Part A: Evaluate general fund revenues**

1. Determine the sources of and the likely recurrence of the general fund revenues.
2. Verify that the purpose of the financing is consistent with a general obligation pledge.

**Part B: Determining the impact of financing on operating and other funds**

1. Determine if the financed project will result in an increase in annual operating costs to the borrower.
2. Determine impact of the financing on general fund balances and projected cash flow.

**For SIBF Financings with joint or inter-governmental agreements:**

In addition to financial viability, the Bank will review the legal and structural feasibility of borrowers formed through a joint powers agreement or inter-governmental agreement.

**Part A: Legal Review of Agreements**

1. Review agreements for consistency.
2. Determine the life of the agreement and consistency with requested financing term.
3. Confirm that agreements allow the applicant to enter into financing.

**Part B: Evaluation of official public support for the SIBF Financing through the agreement**

This could include a vote of approval by a governing body, voter authorization, or some other showing of official public support.

**For All Borrowers:**

The following process conducted by Bank staff will apply to all borrowers seeking SIBF Financings:

**Part A: Completeness of the Application**

1. Ensure that SIBF Financing application is complete, including attachments and exhibits.
2. Ascertain that governing body of borrower has approved SIBF Financing application.
3. Confirm that the applicant is a qualified borrower.
4. Confirm that the project is an eligible project.
5. Confirm that the proposed source of repayment is appropriate for the request for financing.



6. Confirm the borrower's ability to repay from the proposed revenue source.
7. Determine the impact of the financing on fund balances and operations.

**Part B: Evaluation of Capital Planning and Financial Condition of the Borrower**

1. Inquire whether the borrower has other unmet capital needs.
2. Review at least the previous five years' audited financial statements. If the applicant is a newer entity, there will be a review of a feasibility study for the project.
3. Conduct a financial analysis of borrower's general credit, including:
  - a. Performing an analysis of financial statements using criteria appropriate for analysis of municipal credits or private credits, as applicable.
  - b. Reviewing any official statements or prospectus used in conjunction with the issuance of bonds.
  - c. Conducting discussions with the borrower's financial advisor/underwriter to assist in the evaluation of financial conditions.
  - d. Reviewing reports of bond rating agencies where applicable.
  - e. Reviewing existing property tax rates and general obligation bonding capacity, as applicable for public entity borrowers.
  - f. Analyzing existing indebtedness, both secured and unsecured.
  - g. Analyzing cash flow projections, as appropriate.

**Part C: Evaluation of Economic and Demographic Trends**

1. Examine population trends
2. Examine assessed value trends

**Part D: Legal Review to Evaluate Applicable Legal Authority**

1. Pursuant to State law and any relevant local ordinances or resolutions.
2. Pursuant to Federal tax law.

**Part E: Meet with Management and Conduct Site Visit of the Project**

1. Determine management's understanding of all obligations, terms, and conditions of the SIBF Financing.
2. Determine management's readiness and ability to assume responsibility for the timely repayment of the SIBF Financing.
3. Visit the project site to determine viability of the project and to identify other potential obstacles or restrictions.

**SIBF Financing Eligibility Determination and Staff Recommendation to the Board of Directors**

The Bank staff will provide its analysis, including its credit analysis, and make a recommendation to the Board of Directors for SIBF Financing consideration, including:

1. The total SIBF Financing amount;
2. Interest Rate Adjustments; and
3. SIBF Financing terms and conditions.

If Bank staff does not recommend approving an SIBF Financing, staff will provide its reasoning to the applicant.

The Board of Directors has the authority to waive or amend credit standards as necessary to accommodate complex or unusual transactions.

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