



WASHOE COUNTY COMMISSION

1001 E. 9th Street
Reno, Nevada 89512
(775) 328-2000

AUTHORIZING THE TRANSFER OF WASHOE COUNTY'S 2023 PRO-RATA SHARE OF THE STATE OF NEVADA'S PRIVATE ACTIVITY BONDING AUTHORITY (\$6,889,172.03) TO THE DIRECTOR OF THE STATE OF NEVADA DEPARTMENT OF BUILDING AND INDUSTRY TO SUPPORT THE CONSTRUCTION OF A MULTIFAMILY HOUSING PROJECT OF APPROXIMATELY 240 AFFORDABLE HOUSING UNITS RENT RESTRICTED TO 60% OF AREA MEDIAN INCOME OR BELOW LOCATED OFF OF CHOCOLATE DRIVE IN SUN VALLEY, NEVADA. (APN: 502-250-09 AND 502-250-10, APPLICANT: PEDCOR INVESTMENTS, LLC. PROJECT PROPERTY OWNER (AS PROVIDED IN NRS 348A.010 ET. SEQ. AND NAC 348.180)

WHEREAS, The federal tax code classifies state and local bonds as either governmental bonds or private activity bonds. Governmental bonds are intended for governmental projects, and private activity bonds are for projects that primarily benefit private entities. Typically, the interest earned by holders of governmental bonds is exempt from federal income taxes. The federal tax code also allows state and local governments to use tax-exempt bonds to finance certain projects that would be considered private activities.

WHEREAS, The private activities that can be financed with tax-exempt bonds are called "qualified private activities." Congress uses an annual state volume cap to limit the amount of tax-exempt bond financing generally and restricts the types of qualified private activities that would qualify for tax-exempt financing to selected projects defined in the tax code. The federal government determines the amount of tax-exempt private activity bonding to be allocated to each state, and each state then determines how to allocate its volume capacity.

WHEREAS, Washoe County's share of the State of Nevada's allocation in 2023 is \$6,889,172.03.

WHEREAS, Nevada Administrative Code ("NAC") Chapter 348A, including but not limited to NAC 348A.180(2), authorizes a local government such as Washoe County to transfer to the Director of the Department of Building and Industry of the State of Nevada (Director) all or any portion of the local government's volume cap or local population share for any specified project or use authorized by the Internal Revenue Code of 1954, as amended, for private activity bonds, as defined in 26 U.S.C. § 141, subject to the Director's approval.

WHEREAS, it is the position of Washoe County that the generation of revenue to be used by private developers for the construction of affordable housing, as defined by law including NRS 278.0105, units in the community constitutes a "qualified private activity," and the county desires to facilitate the development of affordable housing in the community.

WHEREAS, based primarily upon the representations of the developer made in connection with Chocolate Drive Project, Washoe County finds that this project is eligible to receive funding via the issuance of qualified private activity bonds, and the transfer of the county's bonding

authority to the Director for this purpose will confer a substantial benefit on the residents of Washoe County.

NOW THEREFORE BE IT RESOLVED, the Board of Commissioners of the County does hereby find, resolve, determine and order as follows:

Section 1. Recitals. The recitals set forth herein above are true and correct in all respects.

Section 2. Transfer of Private Activity Bond Cap. Pursuant to NAC Chapter 348A, including but not limited to NAC 348A.180(2), and any regulations adopted thereunder, Washoe County hereby resolves to transfer its 2023 Bond Cap in the amount of \$6,889,172.03 to the Director to support the construction of approximately 240 affordable housing units as part of the Chocolate Drive low-income affordable multi-family housing project, Sun Valley, Nevada.

Section 3. Conditions on Transfer. The transfer made in Section 2 is subject to the conditions contained within this Section and all applicable federal and state legal requirements. The transfer in Section 2 is for the purpose of supporting the specified project. The details of the project are as identified in the letter of application and attached here as Exhibit A. Further, if for any reason the bonds are not issued within three years of this date, the Board requests that the State carry the Volume Cap forward to prevent its loss, and that the Volume Cap be used for affordable housing projects in Washoe County.

Section 4. Representative of County. The Director may contact Kendra S. Follett, regarding this resolution at (775) 323-1980 or in writing c/o Sherman and Howard, 50 W Liberty St. Ste 1000, Reno, NV 89501.

Section 5. Additional Action. The Chair and Clerk of the County are hereby authorized and directed to take all actions as necessary to effectuate the transfer of the 2023 Bond Cap, and carry out the duties of County hereunder, including the execution of all certificates pertaining to the transfer as required by law, including NRS Chapter 348A and NAC Chapter 348A.

Section 6. Obligations of County. This Resolution is not to be construed as a pledge of the faith and credit of or by the County, or of any agency, instrumentality, or subdivision of the County. Nothing in this Resolution obligates or authorizes the County to issue bonds for any project or to grant approvals for a project or constitutes a representation that such bonds will be issued.

Section 7. Enforceability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution. This resolution shall go into effect immediately upon signing by the Chair of the Commission.

ADOPTED this ____ day of _____, to be effective only as stated above.

WASHOE COUNTY COMMISSION

Alexis Hill, Chair

ATTEST:

Janis Galassini, County Clerk