

Notice of Public Meeting
of the
Nevada Rural Housing Authority Board of Commissioners

The Nevada Rural Housing Authority ("NRHA") Board of Commissioners will conduct a public meeting on February 23, 2017 beginning at 1:30 pm by teleconference at (888) 585-9008; Participants need to enter 357186700 to join the conference call.

NOTICE

1. Items may be taken out of order;
2. Two or more items may be combined;
3. Items may be removed from the agenda or delayed at any time;
4. Public comment is limited to 3 minutes per person. Comment cannot be restricted based on viewpoint.

Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Please call the number listed in advance so that arrangements for attendance may be made, (775) 887-1795.

Public comment is limited to 3 minutes per person.

AGENDA

Action may be taken only on those items denoted for possible action, designated by an asterisk “*”.

1. **Call to Order and Roll Call**
2. **Pledge of Allegiance**
3. **Public comment and discussion:** No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.
4. ***For Possible Action*: Approval of minutes from prior meetings:**
 - a) Board Meeting Minutes from January 19, 2017
5. **For Possible Action Resolution 2017-02-01*:** To Approve the redemption of the NRHA’s 2007A Bonds currently outstanding in the approximate principal amount of \$428,907, thus acquiring the Mortgage Backed Securities bearing interest at 5.45%.
6. ***For Discussion and Possible Action*:** Approval for the purchase of Desert Family, Desert Elderly, Bristlecone Family and Bristlecone East Apartments from Rural Nevada Development Corp; and, Belmont Apartments from Nye Associates LLP
7. **For Discussion:** Performance of Mortgage Backed Securities from 2006B Bond redemption.
8. **For Discussion:** Possible Formation of Community Land Trust
9. **Date of next meeting:**
 - a) In-Person Board Meeting March 16, 2017 at 1:30pm in the NRHA Board Room at 3695 Desatoya Drive, Carson City, Nevada 89701
10. **Public comment and discussion:** No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.
11. **Adjournment:**

Members of the public can request copies of the supporting material for the meeting by contacting Sherry Wood at (775) 887-1795 ext. 129 or email swood@nvrural.org.

This Agenda has been posted at the following locations:

NRHA Website Home Page, under Events: www.nvrural.org

Nevada Public Notice Website: <https://notice.nv.gov/>

Government: Special Districts

Entity: Nevada Rural Housing Authority

Public Entity: Nevada Rural Housing Authority

NRHA Main Office: 3695 Desatoya Drive, Carson City, NV. 89701

NRHA Las Vegas Office: 3685 Pecos-McLeod, Las Vegas, NV 89121

Weststates Property Management: 106 W. Front St., Elko, NV. 89801

MINUTES

1. **Call to Order and Roll Call**

Meeting convened at 1:30pm on February 23, 2017

Board member attendees via telephone are Rose Cook, Roger Mancebo, Joni Eastley, Willis Swan

NRHA attendees are: Gary Longaker, William Brewer, Ernest Adler (Legal Counsel), Tammy Lancaster, Sherry Wood, Lizzie Higgenbotham, and Morris Hatley (via telephone).

2. **Pledge of Allegiance**

3. **Public comment and discussion:** No Public Comment, move to next item on agenda.

4. ***For Possible Action*: Approval of minutes from prior meetings:**

b) Board Meeting Minutes from January 19, 2017

Mancebo moves to approve January 19, 2017 board meeting minutes. Eastley seconds, Motion carries unanimously.

5. **For Possible Action Resolution 2017-02-01*:** To Approve the redemption of the NRHA's 2007A Bonds currently outstanding in the approximate principal amount of \$428,907, thus acquiring the Mortgage Backed Securities bearing interest at 5.45%.

Longaker states for the record he and Brewer are both in support of this item. Hatley also fully supports this.

Lancaster states that on January 12, 2016, the Board approved redeeming the remaining bonds from the 2006A bond issue with cash from reserves. NRHA took ownership of the related mortgaged backed securities thereby earning 5.25% on its investment as opposed to the .20% earned through out Money Market account. It was estimated that NRHA would earn approximately \$42,600 annually in interest. Net of the cost of the bond redemption, it was anticipated that first year earnings would net \$6,970. Current value: \$899,601.40. Interest earned to date: \$36,227, representing January 22, 2016 through December 31, 2016. Effective March 1, 2017, bonds from the 2007A bond issue are up for redemption. It is proposed that NRHA redeem the remaining bonds in the amount of \$418,000 out of reserves that are currently \$2.9 million. Costs including bond premium are approximately \$19,820. Approximate interest earnings on an annual basis: \$20,000-\$22,000. In the first year, the costs break even with earnings. However, it allows us the opportunity to earn additional interest over time. Would put overall interest on Mortgage Backed Securities at approximately \$60,000 a year as opposed to the .20% on the same funds.

Lancaster recommends we pursue this opportunity. The only potential risk is the default of mortgagers or early pay off of the mortgages. Gives us the opportunity to have this money set aside for reserves. We may also have the potential while earning interest on these funds to use towards a credit facility or collateral in the future without having to put up other cash as collateral.

We also have another opportunity August 1, 2017 to do something similar with the 2007B bond issue. We will look for board approval at the July 2017 board meeting. The amount is approximately \$1.5 million dollars. It would provide us with the same opportunities.

Swan moves to adopt Resolution 2017-02-01. Mancebo seconds. Motion carries unanimously.

6. ***For Discussion and Possible Action*:** Approval for the purchase of Desert Family, Desert Elderly, Bristlecone Family and Bristlecone East Apartments from Rural Nevada Development Corp; and, Belmont Apartments from Nye Associates LLP

Eastley abstains from discussion and vote.

Brewer updates Board on status of the purchase agreement. We had hoped to have a purchase and sale agreement for approval at this meeting. We were unable to accomplish that. We want to inform the board on where we are at.

Working with RNDC to come to an agreement on the purchase of the Tonopah and Ely properties. We are in general agreement on that and have received a letter of intent from Jerry Martin. We have been engaged in preparing the full purchase and sale agreement. We have been working with legal counsel and should have that put together to present to Jerry Martin and his board. We should have completed late this afternoon or tomorrow.

General terms of the sale would be \$140,000 cash for the 4 properties from us plus assuming the existing debt on the properties which is all with USDA. There are additional funds through USDA that have been obligated and have not closed yet that we would also pursue to effect repairs on the Desert properties. Also pursuing additional funding that would go toward making repairs to the Desert properties.

In addition we will purchase the Belmont properties as well. Purchase price on those would be \$150,000 plus assumption of the debt. Would put Belmont property in Tax Credit Application Process for this Fiscal Year-2017 which will be due around April 1, 2017. Will hold Desert properties for another year and put in the Tax Credit Application Process for 2018.

Mancebo raised concern on the timing for the tax credit process because of the delay in the purchase. He wants to know if we can still meet our time frame. Brewer explains that we might miss some opportunities this year for funding with Desert properties. We would have to pick up some additional funding opportunities next year on those. We could still move forward on the Belmont properties this year.

Cook inquires if we are asking the board for their approval today to do a purchase agreement without coming back to the board? Brewer states that he would like the board to be comfortable with giving approval today.

Mancebo states that he is comfortable and feels that the board should move forward to approve due to time sensitivity.

Brewer states he will limit it to the \$140,000 purchase price for RNDC properties plus the assumption of the debt.

Cook questions Adler if this is legal to approve. Adler states it is on the agenda for approval so we should be fine with that.

Swan moves to purchase the Desert Family, Desert, Elderly, Bristlecone Family and Bristlecone East Apartments from RNDC for \$140,000 plus assumption of the debt and the purchase of the Belmont properties from NYE Associates for \$150,000 plus assumption of the debt. Mancebo seconds. Eastley Abstains. Motion passes 4-0 with one abstention.

7. **For Discussion:** Performance of Mortgage Backed Securities from 2006B Bond redemption.

Lancaster states that she has already mentioned this above under section 5.

8. **For Discussion:** Possible Formation of Community Land Trust

Longaker gives a brief synopsis on the idea for forming a Community Land Trust. This would be another tool for Nevada Rural Housing Authority to use if we need to. We may or may not use. It has been discussed in detail with Brewer and Longaker. He states that this will only cost about \$2,000 to set this up.

Brewer is asking policy guidance from board in this regard. He mentions both positives and negatives and his concerns. Should we form this land trust? Should we use in Reno?

Eastley inquires if Fallon has a Community Land Trust. Longaker states he is not aware of a Land Trust in Fallon. Longaker states he does not envision us using this Land Trust in Reno. Discussion ensues.

Brewer states we are not asking for a decision today.

Cook would like to save this for an in-person board meeting.

9. **Date of next meeting:**

- b) In-Person Board Meeting March 16, 2017 at 1:30pm in the NRHA Board Room at 3695 Desatoya Drive, Carson City, Nevada 89701

Mancebo, Swan and Eastley, Cook will be available. Adler cannot be there but can call in.

10. **Public comment and discussion:** There was no public comment.

11. **Adjournment:**

Swan moves to adjourn, Mancebo seconds. Motion carries unanimously. Meeting was adjourned at 2:08pm