

**PROPOSED REGULATION OF THE
BOARD OF DIRECTORS OF
THE NEVADA STATE INFRASTRUCTURE BANK**

LCB FILE NO. R017-22I

**The following document is the initial draft regulation proposed
by the agency submitted on 02/08/2022**

NAC 408.____ *State Infrastructure Bank Fund (“SIBF”) Program defined.*

State Infrastructure Bank Fund Program means the program designed to offer loans and other financial assistance to qualified borrowers from the Nevada State Infrastructure Bank Fund.

NAC 408.____ *Financing*

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.

- a) *The interest rate for each financing will be set by the SIBF Program Interest Rate Setting Methodology as approved by the Board of Directors.*
- b) *The term of each financing will be set by the SIBF Program Term Setting Methodology*

NAC 408.____ *Applications*

Applications for the SIBF Program will be accepted on a continuous basis; however, the Board of Directors may set prioritization and other criteria for approval of applications for financing. Other criteria include, but are not limited to, the following:

- 1.
- 2.
- 3.

NAC 408.____

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.

NAC 408.____ *Set-asides*

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.

NAC 408.____ Applications

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.

NAC 408.____ 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:

- a. 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.*
- b. 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.*
- c. General Fund Lease. SIBF Financings secured by leases of Borrower assets.*
- d. Land Secured. SIBF Financings repaid with property taxes or property-related assessments.*

e. *Voter-approved General Fund debt or other voter-approved debt secured by full faith and credit (general obligation).*

f. *Non-voter approved secured by full faith and credit (general obligation) that is approved by a governing body of a government unit.*

g. *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.*

h. *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.

NAC 408.____ 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.

NAC 408.____ 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.

NAC 408.____ 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.

NAC 408.____ 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.

NAC 408.____ 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).

NAC 408.____ 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.

NAC 408.____ 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:

- 1. Are located in Qualified Census tracts according to the United States Department of Housing and Urban Development;*
- 2. Score disproportionately high on the Social Vulnerability Index developed by the United States Center for Disease Control;*
- 3. Have sizable populations with limited English proficiency;*
- 4. Are located on Tribal lands or in areas where members of Tribes commonly reside; or*
- 5. 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.

NAC 408.____ Financing Terms and Limitations

A. 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.

B. 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 in the SIBF Program Interest Rate Setting Methodology approved by the Board of Directors.*

C. 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.

D. 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.

E. 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.

F. 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.

NAC 408.____ 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.*

NAC 408.____ 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.

NAC 408.____ The Nevada State Infrastructure Bank Fund

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.*

NAC 408.____ 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.

A. 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:

- 1. A governmental unit (city, county, local or general improvement district, school district, state agency, etc.);*
- 2. An Indian reservation or colony; or*
- 3. 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.

B. 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.*

C. Eligible Projects & Costs:

- 1. To be eligible for financing through the Affordable Housing Investment Trust, a project must:*
 - a. 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%;*

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:

- 1. A governmental unit (city, county, local or general improvement district, school district, state agency, etc.);*
- 2. An Indian reservation or colony; or*
- 3. 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:

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

B. 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.*

C. Eligible Projects & Costs:

- 1. To be eligible for financing through the Charter School Capital Needs Fund, a project must:*
 - a. Be for the construction of a new charter school or for the improvement of an existing charter school;*
 - b. Be authorized by the Executive Director of the Nevada State Public Charter Authority or the local school district for applicable charter schools; and*

- c. *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).*
2. *The eligible costs for a charter school project that can be financed through the Charter School Capital Needs Fund include:*
 - a. *Preliminary engineering studies;*
 - b. *Traffic studies;*
 - c. *Revenue studies;*
 - d. *Right-of-way acquisition;*
 - e. *Legal and financial services associated with the development of a qualified project;*
 - f. *Construction;*
 - g. *Construction management;*
 - h. *Facilities;*
 - i. *Sustainability certification; and*
 - j. *Other necessary costs for the qualified project to the extent that such costs are for a public purpose.*

D. 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.

NAC 408.____ 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.

A. 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:

- 1. A governmental unit (city, county, local or general improvement district, school district, state agency, etc.);*
- 2. An Indian reservation or colony; or*
- 3. 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.

B. 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.*

C. 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.