

CITY OF RENO AFFORDABLE HOUSING FUND
A Non-Endowed Field of Interest Fund Agreement
With the Community Foundation of Northern Nevada

THIS FIELD OF INTEREST FUND AGREEMENT, entered into effective this _____ day of February 2024 by the Community Foundation of Northern Nevada, a Nevada non-profit corporation (the “Foundation”), AND the City of Reno (“the Donor”) to create the Fund (hereafter defined). This agreement sets forth the terms and conditions that will apply to the Fund beginning on the date of the initial contribution to the Fund.

1. **Establishment of Fund.** The Fund hereby created shall be known as the City of Reno Affordable Housing Fund (“Fund”) and, as a component fund of the Foundation, shall be established for the purpose and subject to the terms and conditions herein set forth. It is the express intent of the Foundation that the Fund shall not be treated as a “donor advised fund,” as defined in Section 4966(d) of the Internal Revenue Code of 1986, as amended (the “Code”) by virtue of the Fund being described in Section 4966(d)(2)(B)(i) of the Code, as a fund that benefits only a single identified field of interest. The Fund is not an endowment and the Fund may make distributions out of both principal and income.
2. **Purpose.** The Fund’s general purpose is to promote and further the Foundation’s charitable and educational purposes as set forth in the Foundation’s Articles of Incorporation and Bylaws. In particular, the Fund is being established primarily to create viable living environments for low-to moderate-income individuals and families through affordable housing.
3. **Contributions to the Fund.** Any other donor or entity may transfer to the Fund at any time, property acceptable to the Foundation, for such purposes. All contributions other than cash and marketable securities must be approved and acceptable to the Foundation.
4. **Investment of Fund Assets.** The Foundation shall hold, manage, invest and reinvest the assets of the Fund (including principal, interest, dividends, capital appreciation, and any undistributed income) as part of the Foundation’s investment portfolio consistent with the Foundation’s investment policy. The Foundation does not guarantee that the Fund will earn

any particular rate of return. The Foundation shall not be liable for any diminution in the value of the Fund, including, but not limited to any losses that may result from the investment of the fund.

5. **Distributions.** All distributions from Fund assets will be made exclusively as stated in the Purpose section, in accordance with the provisions specified in the Articles of Incorporation and Bylaws creating the Foundation, all of which are incorporated herein by reference and conclusively assented to and adopted. Distributions will be made for support of affordable housing developments serving households earning up to 120% AMI. Housing that is affordable is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.

Distributions will be made in accordance with an established procedure that includes no distributions taking place until such time that the fund reaches a balance of \$4,000,000. Once this threshold is met, the Community Foundation and City of Reno will work together to develop a distribution strategy to be approved by the Reno City Council.

Distributions for the purpose of grants, loans, compensation or any benefit to Donors, their advisors, or any related party is prohibited. Distributions may include the principal and income, including interest, dividends and any capital gains.

6. **Fees.** In consideration of the administrative services provided to the Fund by the Foundation, the Fund shall be charged an administrative fee of \$400 annually, or 1% of the average daily balance of the fund, whichever is more. If the fund balance reaches or exceeds \$1 million, the fee shall be reduced to 0.75% while the fund balance remains at \$1 million or more. Fees are calculated on the daily average fund balance for the most recent month and paid monthly by automatic deduction from the Fund balance.
7. **Component Fund.** The Fund shall be a component fund and part of the Foundation as defined in Treasury Regulations, and assets of the Fund will, at all times, be the property of the Foundation. Nothing in this Agreement shall affect the status of the Foundation as an Organization (i) described in section 501 (c)(3) of the Internal Revenue Code of 1986 ("Code") and (ii) which is not a private foundation within the meaning of section 509(a) of the Code. This Agreement shall be interpreted in a

manner consistent with the foregoing intention and conform with the requirements of the foregoing provisions of the Federal tax laws and any regulations issued thereunder.

8. **Variance Power.** The Donor acknowledges and agrees that the Fund is protected from obsolescence, and that all assets of the Fund will be administered by the Foundation, in accordance with the provisions and terms of the Articles of Incorporation and Bylaws of the Foundation, all of which are incorporated herein by reference and conclusively assented to and adopted. The Donor further acknowledges and agrees that, notwithstanding any provision contained in this Agreement to the contrary, should any of the purposes, restrictions, or conditions imposed upon the Fund or its assets ever become obsolete, unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes or needs served by the Foundation, the Foundation's Board of Trustees shall have the sole variance power to modify such purpose, restriction, or condition, and in so doing, the Board shall use its reasonable efforts to use Fund assets for a purpose as similar as possible to those set forth in this Agreement.
9. **Public Foundation Condition.** All transfers of property under this Agreement are subject to the condition that the Foundation, as of the date of transfer, remains an organization (i) described in section 501(c)(3) of the Code and (ii) which is not a private foundation as defined in section 509(a) of the Code.
10. **IRS Compliance.** This Fund and this Agreement shall comply with and be restricted by the Code and Treasury Regulations applicable to the Fund. This Agreement may be amended to comply with the provisions of the Code.
11. **Choice of Law.** The Fund shall be administered in and under the laws of the State of Nevada, and this Agreement and the validity thereof shall be governed by and construed in accordance with the laws of the State of Nevada.
12. **Miscellaneous.** This Agreement, together with Exhibit A attached hereto, constitutes the entire understanding and agreement concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, correspondence, representations, or understandings relating to the subject matter hereof, whether written or oral. The provisions of this Agreement are severable. The invalidity of any one

provision shall not affect the validity of other provisions of this Agreement. The waiver by a party of a breach of any provision of the Agreement shall not operate or be construed as a waiver of any subsequent breach. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Headings and captions herein have been provided solely for convenience of reference and shall in no way be construed to define, limit, or describe the scope or substance of any provision of this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be considered an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Foundation has executed this Agreement as of the date first above written.

CITY OF RENO

By: _____
Hillary Schieve
Mayor, City of Reno

_____ Date

COMMUNITY FOUNDATION OF NORTHERN NEVADA,
A Nevada Nonprofit Corporation

By: _____
Eaton Dunkelberger
President & CEO

_____ Date

EXHIBIT A

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CONTRIBUTIONS TO THE FUND

1. Checks for Door Fees will be made out to CFNN Reno Workforce Housing Fund
 - a. The name of the Development shall be included in the Memo Line
2. Checks can either be:
 - a. Mailed directly to the Community Foundation of Northern Nevada, Attn: Reno Workforce Housing Fund, 50 Washington Street, Suite 300, Reno, NV 89503
 - b. Submitted to Development Services
 - i. City of Reno Development Services will then send the check to the Community Foundation of Northern Nevada, Attn: Reno Workforce Housing Fund, 50 Washington Street, Suite 300, Reno, NV 89503
3. For all checks received by CFNN, we will send a gift recognition letter to the donor and copy the City of Reno's Development Services Department at PO Box 1900 Reno, NV 89505 or via email at _____.