

NEW BOND ISSUE REPORT

Name of Bond Issue: Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Notes (The Puritan Apartments), Series 2018

Purpose of Issue: The proceeds will be used to finance the acquisition, rehabilitation and equipping of the Puritan House Apartments Project, a 247 unit property located at 1244 South 4th Street, Louisville, Kentucky, 40203. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on September 18, 2018 following the delivery of notice to the public on September 1, 2018.

Name of Project: The Puritan Apartments

Proposed Date of Sale: November 2018

Proposed Date of Issuance: November 2018

Ratings: Private Placement

Net Proceeds: \$24,000,000

Cost of Issuance: See Exhibit A, attached (Costs of issuance above 2% will be paid from owner equity)

Insurance Premium: N/A

Total Project Cost: \$43,116,786

Net Interest Rate: 5.75%

Term: 30 years

Average Debt Service: \$734,697

Gross Debt Service: \$22,040,910

First Call Date: September 1, 2021

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Stites & Harbison PLLC

Financial Advisor: The Housing Partnership, Inc.

Underwriter Counsel: N/A

Trustee: N/A

Developer: SOCAYR, Inc.

EXHIBIT A

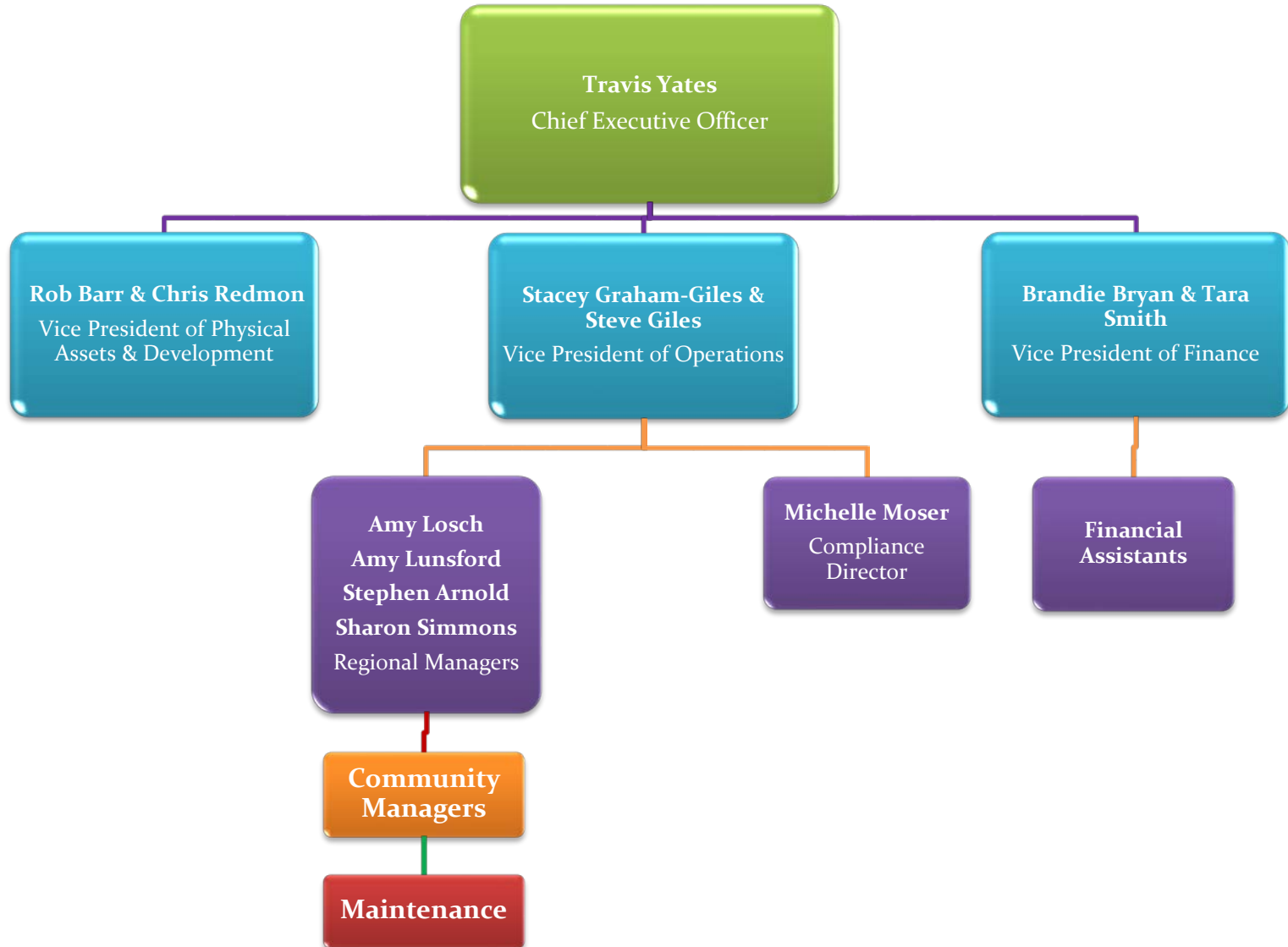
Project Funding Sources:

LIHTC Equity	\$ 16,650,346
Tax-Exempt Bond Financing	10,491,370
Seller Note	11,349,170
Existing Reserves	92,202
Cash Flow from Operations	697,858
Deferred Developer Fee	<u>3,835,840</u>
TOTAL	\$ 43,116,786

Costs of Issuance:

KHC Issuer Fee	\$ 120,000
KHC Reservation Fee	119,844
KHC Application Fee	5,500
KHC Admin Fee	5,000
Issuer Counsel	15,000
Bond Counsel	60,000
Borrower Counsel	<u>170,000</u>
TOTAL	\$ 495,344

SOCAYR Inc. Organizational Chart





1244 South Fourth Street Louisville, Kentucky 40203 • Phone (502) 634-9830 Fax (502) 634-4737 • www.socayr.com

9/11/18

Subject: Project Narrative Puritan Apartments

SOCAYR, Inc. is proposing a development project that will renovate and rehab the Puritan Apartments located at 1244 S. 4th St., Louisville, KY. Puritan is a 249 unit Section 202/8 property that has been serving elderly 62 and over since 1978. However, the Puritan is a historical building that was originally constructed in 1910. Unfortunately, while the asset is extremely well maintained, it is in need of a substantial renovation.

This will be SOCAYR's tenth substantial rehab development on a HUD-Assisted community. This project will be funded utilizing Tax-Exempt Bonds with 4% Low Income Housing Tax Credits (LIHTC). Another funding source will be both national and state Historic Tax Credits. This renovation will have hard construction costs of \$17,469,075 (\$70,725/unit).

The rehab will include, but not limited to, all new mechanical systems, including the elimination of window A/C units and radiators inside the apartment homes. We will move to a centralized system with individual thermostats. We will install all new plumbing throughout the building. All of the appliances and cabinets will be replaced, and we will add dishwashers plus over-the-stove microwaves. In the bathrooms, all of the water closets, medicine cabinets, sink, fixtures, and tub surround (mostly with walk-in showers) will be replaced. The roof of the building needs replacing. There's quite a bit of masonry and terracotta work that needs to be secured on the exterior of the building. Plus all of the windows are getting an interior storm window for energy efficiency without jeopardizing the historical look of the original windows.

SOCAYR, Inc. is a 501(c)3 non-profit. Our mission is to create, acquire, and preserve Affordable Housing. SOCAYR has developed over 1300 units. SOCAYR has an ownership interest in over 2000 units. SOCAYR's for-profit parent company, Beacon Property Management, manages over 3200 Affordable Housing Units throughout the state of Kentucky.

The existing owner will continue to be 50% of the new controlling ownership entity along with SOCAYR, Inc. All of the existing HUD Debt will be retired at the sale of the project; with a projected closing in mid-November. The new entity is applying for the current HUD Section 8 Contract be assigned and assumed post-closing, and would look to enter into a new 20 year contract. Please feel free to contact me directly, if you should have any additional thoughts or concerns. Thank you in advance for your prompt attention to helping preserve the Puritan Apartments as a means for Affordable Housing long into the future.

Kindest Regards,

Travis E. Yates, CPM

Beacon/SOCAYR

502.640.4159

tyates@beaconproperty.com



NEW BOND ISSUE REPORT

Name of Bond Issue: Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Westminster Village), Series 2018

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the Westminster Village Project, a one hundred and thirty-two unit property located at 1510 Versailles Road, Lexington, Kentucky 40504. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on October 11, 2018 following the delivery of notice to the public on September 26, 2018.

Name of Project: Westminster Village Apartments

Date of Sale: November 8, 2018

Date of Issuance: November 15, 2018

Anticipated Ratings: Standard & Poor's (AA-)

Anticipated Net Proceeds: \$9,500,000

Cost of Issuance: See Exhibit A attached (costs of issuance paid from owner equity)

Debt Service Reserve Fund: \$0, but a \$632,809 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$17,859,224

Term: 2 years

Net Interest Rate: 2.00%

Average Debt Service: \$190,000

Gross Debt Service: \$9,880,000

First Call Date: November 2022

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: Norris George & Ostrow PLLC

Financial Advisor: N/A

Underwriter: Citigroup Global Markets, Inc.

Trustee: U.S. Bank National Association

Developer: Allied Real Estate Partners, LLC

EXHIBIT A

Project Funding Sources:

Permanent Mortgage Loan	\$ 7,061,000
Tax Credit Equity	5,399,511
Seller Carryback Note	3,082,167
Resubordinated HUD Note	1,718,413
Cash Flow During Construction	200,000
Lexington AHTF	200,000
Lexington HOME Funds	138,479
Deferred Developer Fee	<u>59,653</u>
TOTAL	\$ 17,859,223

Costs of Issuance:

Origination Fee	\$ 51,377
KHC Counsel	12,500
KHC Financing Fee	56,634
KHC Application Fee	3,500
KHC Admin Fee	5,000
Bond Counsel	63,500
Lender Counsel	35,000
Borrowers Counsel	12,000
TEFRA/Publication/Print	<u>5,000</u>
TOTAL	\$ 244,511

OUR MISSION IS TO CREATE VALUE FOR ALL STAKEHOLDERS BY DEVELOPING SUSTAINABLE AFFORDABLE HOUSING

AlliedArgenta

Allied Argenta, LLC and its affiliates (“Allied”) specialize in the acquisition, financing, development, construction and management of affordable multifamily properties – this is our pathway to creating authentic, balanced communities where individuals and families thrive. Collectively, the Allied leadership team holds decades of national experience in the affordable housing industry. Building on this experience, we collaborate with public and private sector partners to enrich communities, provide our residents with the high-quality homes, services, and amenities everyone deserves, and inspire our neighbors to employ their own potential to effect change.

With a sharp focus on understanding the unique needs and assets of every project we undertake, Allied implements a careful selection process that ensures our acquisitions and partnerships allow us to further our goals and deliver what we promise. Our strategy includes the utilization of existing resources, identifying and fostering relationships with residents, businesses, and government agencies, extensive neighborhood research, and developing a resident services plan in tandem with local providers. In the last four years, Allied completed the acquisition and substantial rehabilitation of over 1,000 units across six existing affordable properties. Allied secured financing for these deals through the combination of tax-exempt bonds, FHA loan proceeds (under HUD’s 221(d)(4) and HUD 223(f) programs), and 4% low income housing tax credits.

For Allied, an investment in a property is a commitment to continuous improvement and obligation to operate with loyalty and respect.

The Allied Companies

Allied Real Estate Partners, LLC works closely with clients, partners and service providers to develop value-add solutions that match the unique characteristics and intended housing goals of each project.

Allied Affordable Housing, LLC has extensive experience with LIHTC properties and is focused on the acquisition and renovation of existing multifamily properties to create affordable housing communities where people of modest resources can form a home.

Argenta Property Management Group, LLC ensures properties are managed in an efficient, professional and profitable manner. These foundational elements ensure tenant satisfaction, excellent apartment conditions and rents that prove valuable for tenants and investors alike.

Argenta Construction Group, LLC executes superior quality construction, producing a competitive market position for properties by delivering in-demand upgrades, premium amenities, and durable asset improvements.

The Allied Properties

Property Name & State	Number of Units	Acquisition Date	Acquisition Price	Year Built	Hard Costs	Completion Date	Allied Role
Meadowlark, Indiana	360	December, 2012	\$15,000,000	1969	\$11,000,000	January, 2014	Developer General Contractor (JV) Managing Member
Ashwood Downs, Washington	96	January, 2013	\$6,344,000	1995	\$2,012,708	December, 2013	Developer Construction Manager Property Manager (JV) Managing Member
Atherton Woods, Washington	102	January, 2013	\$6,656,000	1994	\$2,116,414	December, 2013	Developer Construction Manager Property Manager (JV) Managing Member
Covered Bridge, Indiana	252	May, 2013	\$12,500,000	1981	\$7,226,492	March, 2014	Developer General Contractor (JV) Managing Member
Summerhill Apartments, Nevada	221	April, 2015	\$9,500,000	1997	\$6,895,133	April, 2016	Developer General Contractor Property Manager Managing Member
Fircrest Manor, Oregon	59	February, 2017	\$5,200,000	1972	\$2,969,54	Construction in Progress	Developer General Contractor Property Manager Managing Member

The Allied Leadership Team

The Leadership Team for Argenta has extensive backgrounds in multifamily acquisitions, construction, rehabilitation, finance, and operations. Our leadership team has:

- ❖ Completed transaction in 22 states
- ❖ Financed over \$200 million in multifamily properties
- ❖ Managed 10,000 units in 6 states
- ❖ In the last 36 months, completed 5 HUD-financed LIHTC multifamily renovation projects totaling over \$25 million in renovations
- ❖ Coordinated resident relocation and transition logistics for four LIHTC rehab projects, meeting differing project construction needs

Chuck O’Neal, CEO/Principal, is the majority owner of Allied Argenta’s group of companies and serves as its CEO. Since 2001, Chuck has been a Principal with Bridge Ventures and Bridge Equity Partners which own and manage a portfolio of companies and real estate assets ranging from light manufacturing to specialty trades to mechanical and electrical engineering as well as commercial and multifamily real estate. Chuck also led the efforts in the rehabilitation of a historic property. He currently serves on the Board of Salas O’Brien Engineers, Inc., which provides engineering and consulting services for energy, technology and infrastructure projects with an emphasis on energy efficiency and sustainable design. Following successful ventures in the financial services industry, Chuck founded and managed a consulting and project management company that performs site acquisition, planning, architecture and engineering, in addition to both construction and property management for thousands of cellular sites for wireless carriers. Chuck holds an MBA with a concentration in finance from the University of Notre Dame where he graduated with High Honors and was presented with the Dean’s Award. He holds a B.A. in business economics from the University of California, Riverside and has his California Real Estate Broker’s license.

James Angelica, CFO/Principal, brings 15+ years of investment banking and real estate-related experience to the Allied team and is responsible for overseeing the underwriting of acquisitions, arranging for debt financing and equity capital for new projects, and managing all real estate assets post-closing. James began his real estate career working as an associate for a London-based, \$5 billion private equity fund targeting large, European property portfolios. He subsequently went on to become the Finance Director of a non-profit affordable housing developer where he helped acquire, finance, and manage, approximately 1,000 apartment units. Later, as a Vice President with a major equity syndicator and leading sponsor of affordable housing tax credit partnerships, James supervised the acquisition and early stage development of multi-family 4% and 9% tax credit properties throughout the United States and helped manage several key investor relationships. Immediately prior to joining Allied, James worked in the fixed-income group of a prominent Wall Street investment bank where he assisted municipal issuers structure and bring to market a variety of tax-exempt obligations and worked extensively with affordable housing developers to arrange for debt financing – typically private activity bonds or 501(c)(3) bonds – and alternative forms of equity capital, such as 4% tax credits. James holds an MBA from London Business School as well as an AB in economics and history from Stanford University where he graduated with honors.

Anthony Jowid, COO/Principal, affords more than 20 years of operations, management, sales and marketing experience to the Allied team. Prior to joining Allied Argenta, he was an Officer for the Rabine Group, a \$200 Million group of companies focused on construction services and fuel distribution. He was charged with designing, implementing and managing all sales and marketing efforts for the group's 15 different companies. The Rabine Group was ranked as one of the 50 fastest growing private companies in Illinois for 2009, 2010, 2011, 2012 and listed in Inc. Magazine's 500/5000 fastest-growing companies in North America for 2009, 2010, 2011, 2012. He was on the Board of the Schaumburg Business Association, as well as a member of the Executives' Club of Chicago where he was on the Real Estate and Professional Services committees. Prior to Rabine, Mr. Jowid was a Regional Vice President and equity partner with CertaPro Painters, North America's largest painting company. During his nine years at CertaPro, he was an integral member of the executive team, which grew annual revenue from \$60 Million to \$200 Million in four years. His focus was on building and supporting operational, marketing, sales and financial systems. Anthony also co-founded and was a Vice President of Operations for Marathon Development Group, a real estate development company focused on developing residential communities. He was part of Marathon Homes, a subsidiary of Marathon Development Group, which built and sold over \$40 million of single-family homes. Anthony holds an M.B.A. with a concentration in International Business and a B.B.A. in Marketing from the University of Notre Dame Mendoza College of Business.

Scott Montague, Vice President of Construction, brings a strong background in construction project management, facilities management, and construction contracting. In his role as Vice President, Scott works with subcontractors, architects and property managers to define the scope and budgets for Allied's LIHTC renovation projects, and manages the construction process to completion. He also assists with property inspections and analysis for acquisitions. After receiving his MBA from the University of Texas, Austin, Scott attained two CA contractor licenses, and established a relationship with a leading big-box home improvement outlet. He founded and managed a contracting company to serve this client, specializing in the trades of flooring and custom stone and tile installations. His company established a reputation for outstanding craftsmanship and professionalism. Scott's prior experience includes Construction Project Manager at a wireless telecom consulting firm, leading a team of project managers, architects and support staff to put over 100 high- capacity transceiver sites on-air in one of the toughest markets in the nation (Los Angeles area). Projects ranged from raw land construction with substantial geo-tech surveying and structural embedment's, to urban rooftop installations requiring extensive engineering and logistics. Scott's team consistently completed project deliverables based on aggressive client timelines, including contractor bidding, utilities interconnect, and oversight/direction through integration of sites into the network. He also helped develop a system-integrated database for tracking and reporting construction process milestones.

Brian Corbell, Vice President of Acquisitions, brings an extensive experience in acquisitions and asset management. Having worked for several institutional real estate developers and investors over his 20 year career, Brian has completed acquisitions of over \$400mn in multifamily and other product types, asset managed \$1.5bn loan and hard asset portfolios, developed property as a principal, and monetized historic tax credits. Brian previously served as Head of Asset Management for Legg Mason Real Estate Investors where he asset managed \$1.5bn of loan and hard asset portfolios across the U.S. and as Vice President at ING Realty Partners investing joint venture equity with developers in the western U.S. Brian also spent 10 years in Japan where he acquired multiple property types throughout the country and became fluent in Japanese. Brian holds a B.A. in Business Economics from UC Santa Barbara and is a California Real Estate Broker.

Yvonne Delgadillo, Vice President of Community Development, brings with her extensive experience in nonprofit management, business development and grant writing. Her responsibilities include identifying and securing project grants and soft loans, developing housing models for developmentally disabled adults, research and project development as well as asset management. Prior to her joining Allied, she worked as the Executive Director of a community development corporation along the US-Mexican border. As the Executive Director she incorporated innovative business practices to develop and grow the opportunities available to the organization. In six years, she increased the annual operating budget almost tenfold, and developed fee-for-service and revenue development opportunities for the organization's long-term sustainability. During this time the organization also secured and managed a grant portfolio exceeding \$15 million. Yvonne has a Master's of Nonprofit Administration Degree from the University of Notre Dame, a Bachelor's Degree in Business Administration from the University of Arizona and is a Certified Economic Development Professional (CEcD) through the International Economic Development Council.

Hart Comess-Daniels, Financial Analyst, brings nearly a decade of experience in the LIHTC industry. His responsibilities include underwriting potential acquisitions, conducting market and additional research related to acquisition opportunities, aiding in the new deal closing process, and engaging in ongoing financial analysis and research related to asset management. Prior to joining Allied, Hart was an Account Manager with Boston Financial Investment Management. As Account Manager, he underwrote LIHTC transactions in over 25 states and closed more than \$300 million in investor equity. Prior to his time at Boston Financial, he began his career as a project manager for two Southern California based LIHTC developers where he gained valuable experience in site acquisition, finance, government agency negotiations, planning, design and construction. Hart received his bachelor's degree in American Studies from Brandeis University.

Jeff McMullen, Asset Manager, is a seasoned, hands-on property and asset manager who brings 10+ years multifamily sector knowledge and experience to the HGI Property Services team. Prior to joining HGIPS, Jeff was an Asset Manager for Empire USA and managed 26 multifamily properties totaling over 2,600 units throughout California, Oregon, Nevada and Hawaii. He directed and oversaw all daily operations, collaborated with project management teams and contractors for repositioning of aged and underperforming assets. Mr. McMullen was also a General Manager for Silton Group where he managed a private real estate trust consisting of 9 multifamily communities totaling 320 units. At Silton, he led a team of 21 property management professionals in the daily operations of the portfolio as well as oversaw the refinancing and repositioning of properties resulting in significant loan proceeds and rental growth, respectively. Jeff held other positions of responsibility at Rockdyne Enterprises as a Property Manager as well as at the City of Long Beach. Jeff received his Juris Doctorate from Tulane University Law School and is a member of the State Bar of California. Jeff also received his B.A. in History from California State University – Fresno. He is a veteran of the United States Navy where he worked on F-18 Hornet fighter jets and received several awards and recognitions including the Commander, Strike Fighter Wing, United States Pacific Fleet Standout Warrior Award and nomination to the Seaman to Admiral Program.



MATTHEW G. BEVIN
Governor

Commonwealth of Kentucky
FINANCE AND ADMINISTRATION CABINET
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WILLIAM M. LANDRUM III
Secretary

RYAN BARROW
Executive Director

September 21, 2018

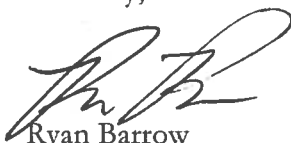
William E. Summers, V
Chairman
Kentucky Housing Corporation
1231 Louisville Road
Frankfort, KY 40601-6191

Dear Chairman Summers:

This letter will advise that the Office of Financial Management ("OFM") of the Finance and Administration Cabinet has reviewed and is hereby approving the issuance of the Kentucky Housing Corporation Multifamily Housing Revenue Bonds (Jefferson Green Apartments Project), Series 2018 in a principal amount of \$30,000,000 (the "Bonds"). The Bonds, by its terms, provide that payment of principal and interest thereon are not an obligation of the Commonwealth of Kentucky or its departments or agencies.

Pursuant to OAG 83-453, OFM has restricted its review and approval process to reviewing certain documents incidental to the issue and to obtaining assurance that the documents include language which provides that the Notes and interest thereon shall not be deemed to constitute a debt, liability or obligation of the Kentucky Housing Corporation ("KHC") or the Commonwealth of Kentucky or any political subdivision thereof. OFM notes that the approval of this issue by the Capital Projects and Bond Oversight Committee ("CPBOC") occurred on December 19, 2017. The attached includes a finalized listing of costs related to the issuance of the Notes pursuant to KRS 45.816.

Sincerely,


Ryan Barrow
Executive Director

Attachments

FINAL BOND ISSUE REPORT

Name of Bond Issue: Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Jefferson Green Apartments Project), Series 2018

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the Jefferson Green Apartments Project, a three hundred and twelve unit property located at 3010 Jefferson Green Drive, Louisville, Kentucky 40219. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on June 14, 2017 following the delivery of notice to the public on May 26, 2017.

Name of Project: Jefferson Green Apartments

Date of Sale: September 10, 2018

Date of Issuance: September 14, 2018

Ratings: Standard & Poor's (A-1+)

Net Proceeds: \$30,000,000

Cost of Issuance: See Exhibit A attached (costs of issuance paid from owner equity)

Debt Service Reserve Fund: \$0, but a \$1,519,882 operating reserve will be funded from equity

Insurance Premium: N/A

Total Project Cost: \$56,279,592

Term: 48 months, September 2022

Net Interest Rate: 2.205%

Average Debt Service: \$660,000

Gross Debt Service: \$2,640,000

First Call Date: September 1, 2022

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter: Stifel, Nicolaus & Company, Inc.

Underwriter Counsel: Butler Snow LLP

Financial Advisor: N/A

Trustee: The Huntington National Bank

Exhibit A

Project Funding Sources:

Tax-Exempt Bond Financing	\$ 29,230,000
Louisville AHTF	2,310,000
LP Equity	20,064,435
GP Equity	100
Deferred Developer Fee	<u>4,675,057</u>
TOTAL	\$ 56,279,592

Costs of Issuance:

Bond Counsel	\$ 102,000
Trustee Fee	6,500
Underwriter Fee	165,500
Underwriter Counsel	35,000
Issuer Fee	104,094
Issuer Counsel	22,500
Transcript	<u>2,500</u>
TOTAL	\$ 438,094