

NEW BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Ashland Portfolio Project), Series 2019
Purpose of Issue:	The bonds will be used to finance the acquisition, rehabilitation and equipping of the Ashland Portfolio Project consisting of two separate projects financed to be known as Brucecrest Apartments and Gla-low Apartments. Brucecrest Apartments consist of two sites located at 1709 Clements Drive, Ashland, KY 41101 (Bruce Apartments) and 215 Carl Perkins Drive, Ashland, KY 41101 (Hillcrest Apartments). The Gla-Low Apartments project is located at 1200 Stella Drive, Ashland, KY 41102 (Gla-low Apartments). The Ashland Portfolio Project will cause the rehabilitation of four hundred and sixty-two units of existing multifamily residential rental housing located at the aforementioned sites. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on June 25, 2019 following the delivery of notice to the public on June 18, 2019.
Name of Project:	Ashland Portfolio Project
Date of Sale:	October 15, 2019
Date of Issuance:	October 22, 2019
Anticipated Ratings:	Standard & Poor's (A-1+)
Anticipated Net Proceeds:	\$34,000,000
Cost of Issuance:	See Exhibit A attached (costs of issuance paid from owner equity)
Debt Service Reserve Fund:	\$0, but a \$2,914,966 operating reserve will be funded from equity
Total Project Cost:	\$95,850,634
Net Interest Rate:	1.75%
Term:	36 months
Average Debt Service:	\$595,000
Gross Debt Service:	\$1,785,000 (with a balloon payment due at maturity)
First Call Date:	October 2021
Premium at First Call:	No premium
Method of Sale:	Public Offering
Bond Counsel:	Dinsmore & Shohl LLP
Underwriter:	Stifel, Nicolaus & Company, Inc.
Underwriter Counsel:	Tiber Hudson LLC
Financial Advisor:	N/A
Trustee:	The Huntington National Bank
Developer:	Wabuck Development Company

Exhibit A

Project Funding Sources:

Tax-Exempt Bonds	\$ 32,500,000
FHA Mortgage	11,282,994
National Housing Trust Funds	2,700,000
Affordable Housing Trust Funds	500,000
HOME Funds	750,000
Seller's Loan	21,280,000
GP Contribution	600,000
Future Designs - Donated Material	87,142
Cash Flow During Construction	775,000
Return of IOD & Working Capital	344,160
Equity from Sale of Tax Credits	20,851,338
Deferred Developer Fee	<u>4,180,000</u>
TOTAL	\$ 95,850,634

Costs of Issuance:

KHC Admin Fee	\$ 10,000
RCM Underwriting & Placement Fee	243,750
Underwriter Counsel	50,000
Bond Counsel	55,000
KHC Issuer Counsel	32,500
KHC Issuer Fee	162,500
KHC Annual Fee	40,625
Bond Clearance	4,000
Trustee Fee	10,000
Rating Agency	10,500
Misc Bond Costs	<u>5,000</u>
TOTAL	\$ 623,875

Ashland Bond Portfolio - Project Narrative

The Ashland Bond Portfolio is made up of 3 projects, all located in Ashland, Kentucky. There is a total of 462 units in these developments that are serving mixed populations. Bruce Apartments and Hillcrest Apartments serve families with Glalow Apartments having 60 of its 152 units serving elderly/disabled (the remaining units serve families).

This portfolio is made up of existing HUD projects with the earliest being placed in service in 1969 and the other two being placed in service in 1970 and 1972. There has not been any substantial rehabilitation done on these projects since their placed in-service dates. This portfolio will be an acquisition/rehabilitation in an attempt to bring them up to marketable standards, making necessary repairs to maintain the projects as affordable housing serving the same populations.

Each of the three projects require significant rehabilitation to preserve the life of the developments. There are no proposed improvements that will modify the existing structures. Each project will include replacements such as: cabinets and countertops, flooring, doors, windows, appliances, and electrical and plumbing fixtures. Increasing energy efficiency and water conservation are proposed to reduce utility consumption. Exterior improvements will include improving accessibility and repairing stairs/railing. The architects have performed a walk-through of the property and the scope is being finalized with the Capital Needs Assessments.

Bruce Apartments is located at 1709 Clements Drive and contains 160 units of family designated one two and three bedroom apartments.

Glawow Apartments is located at 1200 Stella Drive and contains 152 units of mixed population one two and three bedroom apartments.

Hillcrest Apartments is located at 215 Carl Perkins Drive and contains 150 units of family designated two and three bedroom apartments.

All three of these developments have existing HAP contracts. Bruce Apartments and Hillcrest Apartments have Project Base Section 8 rental assistance on all of their units. Glalow Apartments has Project Base Section 8 on the 60 units (of its 152 units) which serves elderly/disabled.

Wabuck Development

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August 1, 2019

Meet Our Staff

Garry D. Watkins

President

Garry graduated from Western Kentucky University in 1975 with a Bachelor of Science degree in Accounting. He achieved his Certified Public Accountant license in 1977 from the state of Kentucky and went on to found the firm known as Watkins , Buckles, Travis & Sloan, CPAs. Garry practiced public accounting for 20 years, founding Wabuck Development Company in 1980 as an affiliate company. In 1997, he decided to devote his full-time efforts to real estate development and has brought Wabuck Development Company to its status as one of the top 50 developers of affordable housing in the nation. Garry has extensive knowledge and creativity in the development of affordable housing and its financial structure. He served on the Advisory Council for Federal Home Loan Bank of Cincinnati for 11 years, with 2 of those years acting as Chairman. He has also been named to the Kentucky Affordable Housing Hall of Fame by the US Department of Housing and Urban Development. His long history in developing collaborative partnerships, to assure the excellence and success of Wabuck's developments, establishes this organization as a leader in the affordable housing industry.

Anthony D. Elmore

Chief Operating Officer/VP of Construction

Anthony is responsible for overseeing the day to day operations of Wabuck Development Company and Wabuck's construction affiliate, Clayton Watkins Construction (CWC). Since 1998, he has worked in all areas of development and construction with Wabuck and CWC. He is primarily responsible for Wabuck's real estate due diligence, coordinating all aspects of project design, overseeing the construction and budgets of the developments, and new development opportunities. Anthony is also very involved in legislative efforts to promote affordable housing programs. He currently serves on the board of the Kentucky Affordable Housing Coalition. Anthony graduated from Western Kentucky University in 2002 with a B.S. in Civil Engineering Technology and Construction Management. *Email Anthony*

Tracey Glasscock

Vice-President

Tracey graduated from Brescia University in 2009 with a Bachelor of Science degree in Accounting and is currently preparing to sit for her Certified Public Accounting license from the state of Kentucky. Tracey has a long history in the construction industry, having worked for a local Owensboro, Kentucky single family housing developer for 7 years and Clayton Watkins Construction Company for 15 years in the multi-family arena. Tracey has been with Wabuck Development Company for approximately 15 years working directly with the development's collaborative planning, financial analysis and funding application process to help assure our development's success. Tracey's expertise in the construction and development process help assure that Wabuck Development Company stays at the top of its peer group. *Email Tracey*

Angela Clark

Administrative Assistant

Angela has been with Wabuck since August 2012. Before joining Wabuck, Angela worked for a local dentist practice for 14 years. She graduated from Elizabethtown Community College in 1997 with an Associate Degree in Office Administration. She assists Garry in

day to day tasks and is responsible for coordinating partnership closings and amassing the many documents required to successfully develop our projects. *Email Angela*

April Bowman

Development Officer

April comes to Wabuck bringing a strong financial banking background with a heavy emphasis on real estate and the closing process. She served 21 years in the banking industry having fulfilled roles including loan officer, loan processor, branch manager and business development. April's long history in finance and closing strengthens Wabuck's staff bringing expertise to our closing processes. She will work directly with our development team, leading new development efforts inside and outside of Kentucky. April's expertise and organizational skills will help assure that Wabuck Development has the ability to develop multiple projects and handle closing deadlines with ease. *Email April*

Scott Arndell

Financial Analyst

Scott joined Wabuck in 2017 and is responsible for providing financial and analytical decision support. Using his accounting and finance background, he provides underwriting support through financial modeling, analysis, and risk assessment. Prior to joining Wabuck, Scott was the Chief Financial Officer for Twin Lakes Regional Medical Center, a 75 bed acute care hospital, for nearly two decades and before that worked with Garry at the accounting firm for nine years providing accounting, auditing, tax, and consulting services to a wide array of clients. He has held a Certified Public Accounting license from the State of Kentucky since 1993 and graduated from Western Kentucky University in 1991 with a Bachelor of Science in Accounting. *Email Scott*

Abbey Gibson

Development Officer

Abbey joined Wabuck in 2019 to assist in all aspects of the development process. She has prior experience in public accounting. She is a 2019 graduate of the University of Kentucky and majored in Accounting and Management in the Gatton College of Business. *Email Abbey*

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NEW BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Chapel House Project), Series 2019
Purpose of Issue:	The bonds will be used to finance the acquisition, rehabilitation and equipping of a multifamily residential rental facility containing 203 units located at 945 South 5 th St, Louisville, Kentucky. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on May 30, 2019 following the delivery of notice to the public on May 15, 2019.
Name of Project:	Chapel House Project
Date of Sale:	December 15, 2019
Date of Issuance:	December 22, 2019
Anticipated Ratings:	Moody's Investor Service – MIG-1
Anticipated Net Proceeds:	\$14,000,000
Cost of Issuance:	\$235,325 (costs of issuance paid from equity)
Bond Discount:	\$0
Debt Service Reserve Fund:	None
Insurance Premium:	None
Total Project Cost:	\$26,257,708
Net Interest Rate:	1.35%
Term:	23 months
Average Debt Service:	\$182,250
Gross Debt Service:	\$349,313
First Call Date:	Non-callable, mandatory tender 12/1/2021, maturity 12/1/2022
Premium at First Call:	No premium
Method of Sale:	Public Offering
Bond Counsel:	Ice Miller LLP
Underwriter:	The Sturges Company
Underwriter Counsel:	Squire Patton Boggs, LLP
Financial Advisor:	N/A
Trustee:	The Huntington National Bank
Developer:	Christian Care Communities, Inc.

Exhibit A

Project Funding Sources:

Equity Investment	\$ 8,295,691
First Mortgage	7,000,000
Seller Note	3,606,644
Assumed HUD Cap. Adv.	3,450,000
KHC HOME	1,000,000
HOME Match	75,000
KHC AHTF	1,325,000
Assumed Rep Res. Acct.	50,445
Louisville HOME	500,000
Louisville AHTF, Note A	465,564
Louisville AHTF, Forgive.	465,564
Gap	<u>23,800</u>
TOTAL	\$ 26,257,708

Costs of Issuance:

Bond Counsel	\$ 40,000
Issuer Counsel	13,500
Underwriter Counsel	30,000
Issuer Fee	60,125
Underwriter Fee	70,000
Trustee Fee	7,500
Rating Agency	9,200
Printing/Misc	<u>5,000</u>
TOTAL	\$ 235,325

Christian Care Communities

Christian Care Communities, Inc. (“CCC”) is Kentucky’s largest faith based nonprofit provider of affordable senior retirement living and long-term care. CCC consists of senior care facilities in 10 communities in Kentucky that provide services to older adults. Operations are in Louisville, Bowling Green, Corbin, Grayson, Hopkinsville, Lexington, Midway, Nicholasville, Owensboro, and Taylorsville. Senior care services provided include independent living, assisted living, skilled nursing, short-term rehabilitation, long-term care and adult day care. The Obligated Group consists of 4 skilled nursing health centers, 2 assisted living/personal care facilities, 6 entry fee independent living facilities, and 2 adult day care centers. In aggregate, the Obligated Group offers 387 skilled nursing beds, 128 personal care/AL beds and 185 entry fee independent living units. The CCC non-obligated group members include Homeplace at Midway (24 skilled nursing beds & 24 assisted living beds) and all HUD housing facilities.

The organization’s charter was created by an act of the Kentucky General Assembly in 1872. Since 1974, the mission and top priorities have included serving low- and middle-income elders in need of post-acute care or affordable housing. .



Mary Lynn Spalding, BS
Chair, The Broadhurst Group
President/CEO, Christian Care Communities

Spalding joined Christian Care Communities in 2009. She has held regional and national corporate positions with both for profit and non-profit healthcare providers. Her experience ranges over a thirty-year period of time in both the acute and post-acute health care settings. Prior to joining Christian Care Communities, she was a Vice President with a large for-profit nursing home provider and the Chief Executive Officer for Kentucky's largest non-profit home health, home infusion, and durable medical equipment provider. Spalding has experience in all aspects of post-acute care to include; business development, operational improvement, receivable management, divestitures and acquisitions. During her tenure with Christian Care Communities, Spalding has held a variety of positions to include; Vice President of Innovation and Growth as well as Chief Operating Officer. Spalding is a licensed nursing home administrator and a member of the Leading Age Kentucky Board of Directors as well as chair of the Legislative Regulatory Committee for Leading Age. She is a registered Kentucky lobbyist and enjoys advocacy work. Spalding is an advocate for Alzheimer/Dementia Care and continues to be actively engaged in the organization's field operations. She has a very patient husband, two wonderful adult sons, two amazing grandchildren and is an elder with Mt. Tabor Presbyterian Church.



John Dadds, CPA
Secretary / Treasurer, The Broadhurst Group
Vice President of Finance / CFO

Dadds joined The Broadhurst Group and Christian Care Communities in 2014 bringing more than 30 years of health-care related accounting experience, particularly in the areas of management and fiscal responsibility. Prior to joining the Broadhurst Group and Christian Care, Mr. Dadds has held senior leadership positions in finance and operations. John's experience includes home care pharmacy operations, insurance and medical equipment. John had a 17-year career as Chief Financial Officer for SpectraCare, Inc., a regional home healthcare company where he joined during the start-up phase and was instrumental in their growth. His responsibilities have included overseeing financial and operating divisions with annual revenues approximating \$70 million. John graduated from the University of Kentucky in 1981 and joined PricewaterhouseCoopers where he became an Audit Manager specializing in healthcare. His knowledge of mergers & acquisitions, banking and private equity financing make him a valuable resource to our team as we position for future growth.

The 
Broadhurst
 Group

The Broadhurst Group is a not-for-profit, Kentucky-based affiliate corporation of Christian Care Communities. It provides management services for Christian Care's statewide network of affordable senior living retirement communities and older adult services, as well as management and consulting services for other owners or sponsors. It is named in memory of our founder, Reverend William Broadhurst.

We manage operations located in Bowling Green, Corbin, Grayson, Hopkinsville, Louisville, Midway, Nicholasville, Owensboro and Taylorsville.

NEW BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (City View Park Project), Series 2019
Purpose of Issue:	The bonds will be used to finance the acquisition, rehabilitation, and equipping of the City View Park Project, a five hundred and three unit property located at (i) 1001 Place Jaune, Louisville, Kentucky 40203, (ii) 1279 Place Noir, Louisville, Kentucky 40203 and (iii) 625 S. 10th St., Louisville, Kentucky 40203 and to be owned by HC Russell Neighborhood LP (the "Borrower"). The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on December 4, 2018 following the delivery of notice to the public on November 16, 2018. The Bonds, if approved, will be the sole obligations of the Borrower.
Name of Project:	City View Park Project
Date of Sale:	September 6, 2019
Date of Issuance:	September 13, 2019
Anticipated Ratings:	Standard & Poor's (A-1+)
Anticipated Net Proceeds:	\$34,000,000
Cost of Issuance:	See Exhibit A attached (costs of issuance paid from owner equity)
Debt Service Reserve Fund:	\$0, but a \$2,914,966 operating reserve will be funded from equity
Insurance Premium:	N/A
Total Project Cost:	\$129,068,795
Net Interest Rate:	1.75%
Term:	36 months
Average Debt Service:	\$595,000
Gross Debt Service:	\$1,785,000 (with a balloon payment due at maturity)
First Call Date:	September 2021
Premium at First Call:	No premium
Method of Sale:	Public Offereing
Bond Counsel:	Dinsmore & Shohl LLP
Underwriter:	Stifel, Nicolaus & Company, Inc.
Underwriter Counsel:	Tiber Hudson LLC
Financial Advisor:	N/A
Trustee:	The Huntington National Bank
Developer:	Telesis Louisville

Exhibit A

Project Funding Sources:

Tax-Exempt Bonds	\$ 34,000,000
Permanent Loan	30,171,788
LAHTF Loan	2,000,000
City HOME Loan	800,000
Existing Replacement Reserves	1,812,791
Interim Income	1,751,593
Syndication Proceeds	19,928,842
Assumption of Subordinated Debt	36,703,781
Deferred Developer Fee	<u>1,900,000</u>
TOTAL	\$ 129,068,795

Costs of Issuance:

Origination Fee	\$ 150,750
KHC Counsel	21,177
KHC Financing Fee	52,942
KHC Application Fee & Expenses	7,500
KHC Admin Fee	5,000
Bond Counsel	95,000
Trustee Counsel	5,000
Placement Agent Counsel	45,000
Borrowers Counsel	51,000
Trustee Fee	6,500
Rating Agency	5,500
TEFRA/Publication/Print	5,000
Cost of Issuance Contingency	<u>99,000</u>
TOTAL	\$ 549,369



TELESIS
CORPORATION

Background of the Firm

Telesis Corporation plans, finances, and builds urban communities that are livable, beautiful, and safe. Since our founding, in 1985, Telesis has planned or structured a complex mix of over \$2.8 billion in public and private financing for the planning and regeneration of neighborhoods with more than 17,000 units of housing and a diversity of commercial and civic uses. Based in Washington, DC, our work has taken us to neighborhoods from New York to San Francisco, Chicago to Miami, and many communities in between.

We focus on large-scale neighborhood transformations with a mix of uses, including rental, homeownership, commercial, and community facilities. Our experience encompasses a mix of leveraged financing tools and sources, including RAD, HOPEVI, Low Income Housing Tax Credits, New Markets Tax Credits, other local and federal subsidies, and private debt and equity.

Our expertise lies in bringing together public and private partners—housing agencies and banks; resident corporations and local community leaders; federal and municipal agencies; and a range of private and public investors—to strengthen the physical, social, and economic fabric of neighborhoods. By doing so, we're able to secure the organizational, civic and financial support required to make

neighborhood developments successful. Our goal is constant: neighborhoods that offer sound opportunities for investment and conditions conducive to family life.

Telesis believes that physical and community development are inseparable. In all of our neighborhoods, we address the diverse elements of an investment-worthy community and undertake comprehensive revitalization— from affordable homeownership opportunities to mixed-income rental opportunities; from world-class architecture to world-class landscape design; from learning centers to employment centers; from community policing to community daycare. This breadth of approach to development assures public and private investors positive financial and social returns. And it assures residents of a good place to live and continued affordability.

Telesis builds equitable, sustainable communities that spark the reemergence of neighborhoods and cities. We view the existing infrastructure and neighborhood resources as foundations to build upon and as sources of energy for renewal. Cities have always been the locus of innovation and vivid human and civic experience. At Telesis, our goal is to preserve and enhance urban life by nurturing the essence of cities: their neighborhoods. We are a team of creative professionals motivated by a singular commitment: to build strong communities as the bedrock of vibrant cities.

EXPERIENCE

Financial Expertise



Telesis has worked closely with global and local banks, public and private agencies, and different levels of government to assemble financing for over 17,000 units of housing and a diversity of commercial, civic, and community activities. To meet the special needs of each neighborhood, our work has involved a complex mix of financing, including:

- Private mortgage financing
- Private institutional equity
- Subordinate financing
- Loan guarantees
- Credit enhancement
- Homebuyer secondary mortgage assistance
- Tax credits (LIHTC, Historic Rehabilitation, New Markets)
- Public investment and foundation grants
- Tax-exempt bonds
- Mortgage insurance

Each community confronts a different set of financing opportunities and constraints. Telesis specializes in identifying the needs of the projects and the availability of funds from public and private sources to meet those specific needs. Telesis obtains the appropriate funds and maximizes the value received for each budgeted dollar. Private financial partners include J.P. Morgan Chase, Fannie Mae, U.S. Bank, PNC, Morgan Stanley, Capital One, and Enterprise Community Investments, among others.

Tax Credits

Telesis has developed more than 2,500 units of tax-credit assisted housing in partnership with residents, housing agencies, nonprofits, and investors. We have been awarded over \$200 million in LIHTCs. Within the last five years,

Telesis has been secured 9% LIHTC allocations in Arlington, VA; Pittsburgh, PA; Bradenton, FL; Baltimore, MD, and Washington, DC. We have expertise with federal and state Historic Rehabilitation Tax Credits, and combining 4% LIHTCs with tax-exempt bond financing. Moreover, Telesis has substantial experience using New Markets Tax Credits (NMTCs). Through our CDE, Telesis has been awarded multiple NMTC allocations totaling \$135 million, which have been used for projects covering a mix of residential, commercial, civic and institutional uses.

Federal, State, and Local Programs

Telesis has collaborated extensively with housing authorities to redevelop public housing into mixed-finance communities. We actively participated in the HOPEVI program, both as developer and as consultant to public housing authorities, serving as master planner for nine HOPEVI applications and developer or program manager for six. These efforts for 15 projects secured over \$377 million in HOPEVI awards and leveraged more than \$1 billion in other investments. In addition to HOPEVI, Telesis has participated actively in federal programs such as RAD, NSP2, CDBG, HOME, and Section 8. Specializing in leveraging public funding with private investment, Telesis has been able to successfully combine federal programs with additional local and state gap financing tools, such as tax-increment financing, tax credits, and Affordable Housing Program grants from Federal Home Loan Banks.

EXPERIENCE

Highlights of Our Approach



Quality Design

Excellence in site and building design is essential to the creation of safe, livable environments. Our projects are known for high-quality architectural and landscape design. For example, Ellen Wilson Townhomes in Washington, DC, was awarded the prestigious Urban Design award by the American Institute of Architects, the Urban Land Institute's Award of Excellence, and the Congress for New Urbanism's Charter Award. The architects and planners with whom we work are carefully selected as collaborators and are nationally known for their creativity.

Sustainable Development

All Telesis communities are designed to meet or exceed green building certifications, such as Enterprise Green Communities, Energy Star, LEED, and EarthCraft. Bass Circle Apartments in Washington, DC, for example, exceeded Enterprise Green Communities requirements and incorporated a site design that represents the region's first large-scale application of low-impact development (LID) measures for revitalized housing. Bass Circle was awarded Best Large Affordable Housing Project by HAND.

Mixed-Income Neighborhoods

We focus on reducing concentrated poverty and creating mixed-income communities. In Baltimore, we created a redevelopment strategy for the Barclay neighborhood that includes the scattered-site development of hundreds of parcels into mixed-income housing, with both rental and homeownership opportunities. The redevelopment effort, now over two-thirds complete, also introduced vital community amenities and commercial amenities.

Family Self Sufficiency

Working with residents, Telesis has incorporated family programs as a key component of community revitalization since its first neighborhood transformation in 1985. Telesis believes that providing opportunities for work, education, and recreation is an integral part of the community revitalization process.

MBE/WBE Participation

Telesis, a woman-owned business, is committed to working with minority- and women-owned businesses. All of our projects have met and exceeded goals for MBE/WBE contracts. In many cases, Telesis has provided training and organizational assistance to help create local business enterprises.

Section 3 Goals

Telesis is an experienced supporter of Section 3 efforts. We always hire residents in the communities where we work. Telesis has designed and overseen highly successful resident-training and apprenticeship programs, in particular, construction-training programs.

Market Analysis

Commissioning a market analysis is a fundamental starting point for all of our development projects, as is a Taking Stock report, which examines community and supportive service attributes not normally considered in traditional market analyses.

KEY TELESIS PERSONNEL

- **Marilyn Melkonian, President**

Marilyn Melkonian founded Telesis Corporation in 1985. She has over 30 years of experience in housing policy, real estate development, and finance. She brings her knowledge and expertise to the various boards on which she serves, including the Eisenhower Foundation, Brookings, and the National Housing Trust, which she founded in 1986 and chairs. Former positions include Deputy Assistant Secretary for Housing at HUD, under President Carter, General Counsel for Lucasfilm, and counsel to the architecture firm of John Carl Warnecke & Associates. She practiced law for 15 years in New York and DC and is a graduate of Princeton University and Stanford Law School.

- **Laura Lazarus, Chief Operating Officer**

Laura recently returned to Telesis after serving as Executive Director of Lantern Community Services, a supportive housing nonprofit, and Chief Program Officer at Lenox Hill Neighborhood House, a New York-based settlement house serving 20,000 people annually. Laura has a longstanding commitment to high-impact projects that bring change to low-income and distressed communities. While at Telesis, Laura led the redevelopment East Hills in Pittsburgh and laid the foundation for the Barclay regeneration in Baltimore. In 2007, she served as Deputy Commissioner of New York's Department of Housing Preservation and Development. Laura serves as Vice Chair of Women in Housing and Finance in New York. Laura earned her A.B. from Princeton and her J.D. from Georgetown.

- **Bertrand Mason, Director of Development**

Bert has extensive experience in commercial and residential development and finance. His development experience includes single-family and multifamily housing; rental and homeownership; office, retail, and mixed-use complexes; and new construction and substantial rehabilitation. He has arranged debt and equity financing utilizing private and public sources, FHA insurance, Fannie Mae and Freddie Mac credit enhancements, private offerings, and a variety of public subsidies and tax credits. Bert's work as an attorney has included private practice, as a partner in a large law firm, and public service, as executive assistant to the Federal Housing Commissioner and general counsel of the California Department of Housing and Community Development.

- **Catherine Stokes, Director of Telesis Baltimore**

Catherine has 15 years of real estate and community development experience. She has extensive experience working with community partners and leads multidisciplinary teams of design, finance, and construction professionals on mixed-income and mixed-finance redevelopment projects. Previously, Catherine worked at the New York City Department of Housing Preservation and Development. From 2003 to 2005, she was a Presidential Management Fellow with the Treasury Department's Community Development Financial Institutions Fund. Catherine is a graduate of the University of Notre Dame and received her Master of City Planning from MIT.

- **Kevin Smith, Director of Preservation and Acquisitions**

Kevin has more than 30 years of real estate management and development experience. At Telesis, he focuses on preservation of affordable housing in existing Telesis communities and expansion of Telesis' portfolio through real estate acquisitions. He has worked on complex multifamily

transactions with nonprofit and for-profit firms. Prior to Telesis, Kevin was the Director of Asset Management for a national syndicator that placed over \$1 billion in LIHTC equity. Previously, he held Director of Special Asset Management roles with two national syndicators. Kevin's underlying experience is in property operations, and he holds CPM and HCCP certifications.

- **Juanita Waddell Priddy, Construction Consultant**

Juanita has nearly four decades of experience in development and management. She has held leadership positions with the Northwestern Regional Housing Authority, Marshall Blackwell Group, and MB Corporation. In her work as a consultant, working with numerous firms across the country, she has supervised the development of dozens of LIHTC properties across the country. Juanita specializes in the acquisition, development, and substantial renovation of tax-credit properties and developments receiving Section 8 or other rental assistance or subsidized financing.

- **David Godschalk, General Counsel**

David has 15 years of experience in housing and government finance, including at HUD, where he led investigations into program compliance and civil rights matters at several housing authorities. David spent seven years in private practice at Hawkins, Delafield & Wood and Vinson & Elkins, where his practice encompassed affordable housing and public finance, including the first bond issuance backed by public housing operating grant funds, and related securities law. He earned his J.D. from the University of North Carolina and has a Master in Public Administration from Harvard.

- **Reshma Holla, Senior Project Manager**

Reshma oversees the development and preservation of affordable/mixed-income housing. In addition to managing several development efforts, she focuses on broader community revitalization, including the creation of supportive commercial and civic uses. Prior to joining Telesis, Reshma worked as a consultant at the real estate advisory services firm RCLCO. She is a graduate of the University of Pennsylvania and is certified by the National Development Council as a Housing Development Finance Professional. Reshma is a member of the Executive Committee for the Young Leaders in Affordable Housing, serving as chair of its Philanthropy and Service Committee. She is also an active member of ULI Washington Young Leader's Group and her neighborhood's Economic Development Committee.

- **Pamela Lee, Project Manager**

Pam manages design, predevelopment, and construction for a pipeline of mixed-use multifamily projects. Prior to Telesis, Pam was a housing finance advisor at FHA, where she worked on housing finance reform with the White House, energy-efficiency policies, and a multiagency initiative to increase access to credit. Pam was a founding member of the Urban Institute's Housing Finance Policy Center, and was a development fellow at the Cambridge Housing Authority and an editor at Random House. Pam holds a Master in Urban Planning from Harvard University and a B.A. from Cornell University.

NEW BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Winterwood Portfolio II Project), Series 2019
Purpose of Issue:	The bonds will be used to finance the acquisition, rehabilitation and equipping of the properties listed in Exhibit A. The properties are currently financed by the United States Department of Agriculture, Rural Development and utilized as rural affordable housing. The rehabilitation of the units will not displace any existing tenant and will improve the quality of housing for the residents. All state and local officials have been notified about the upcoming project. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on June 25, 2019 following the delivery of notice to the public on or prior to June 18, 2019.
Name of Project:	Winterwood Portfolio II Project
Date of Sale:	October 24, 2019
Date of Issuance:	October 31, 2019
Anticipated Ratings:	Standard & Poor's (A-1+)
Anticipated Net Proceeds:	\$17,000,000
Cost of Issuance:	See Exhibit B attached (costs of issuance paid from owner equity)
Debt Service Reserve Fund:	\$0, but a \$1,845,088 operating reserve will be funded from equity
Insurance Premium:	N/A
Total Project Cost:	\$47,220,768
Net Interest Rate:	1.75%
Term:	36 months
Average Debt Service:	\$297,500
Gross Debt Service:	\$892,500
First Call Date:	October 2021
Premium at First Call:	No premium
Method of Sale:	Public Offering
Bond Counsel:	Dinsmore & Shohl LLP
Underwriter:	Stifel, Nicolaus & Company, Inc.
Underwriter Counsel:	Tiber Hudson LLC
Financial Advisor:	N/A
Trustee:	The Huntington National Bank
Developer:	Winterwood Development, LLC

Exhibit A

	<u>Borrower Name</u>	<u>Project Location</u>	<u>Amount of Bonds</u>
1	Bardstown Place, LLC	210 Bourbon Ct., Bardstown, KY 40004	\$1,162,000
2	Columbia Place, LLC	305 Trabue St., Columbia, KY 42728	\$1,342,000
3	Cumberland Place Apartments, LLC	101 Cumberland Ct., Monticello, KY 42633	\$1,162,000
4	Elkton Place, LLC	609 S. Main St., Elkton, KY 42220	\$1,112,000
5	Elmwood Place, LLC	100 Elm Street, Eminence, KY 40019	\$402,000
6	Glades II Place, LLC	192 Glades Rd, Berea, KY 40403	\$1,062,000
7	Shelby House Apartments, LLC	101 Willowood Dr., Shelbyville, KY 40065	\$1,142,000
8	Shelby Heights, LLC	70 and 201 Willowood Dr., Shelbyville, KY 40065	\$1,172,000
9	Pembroke Senior Place, LLC	113 E. Cherry St., Pembroke, KY 42266	\$702,000
10	Poplar Place Apartments, LLC	51 Mastin Dr., Cumberland, KY 40823	\$1,862,000
11	Rosedale Place, LLC	45 Rosedale Ct, Dawson Springs, KY 42408	\$1,652,000
12	Silver Creek Heights, LLC	100 Miracle St., Berea, KY 40403	\$1,762,000
13	Town Branch Heights, LLC	70 Crawford St., Mt. Vernon, KY 40456	\$993,000
14	Wells Hill Place, LLC	939 Liberty Rd, West Liberty, KY 41472	\$1,473,000

Exhibit B

Project Funding Sources:

Tax-Exempt Bonds	\$ 14,766,000
LIHTC Equity	8,173,007
HOME Loan	1,000,000
538 Program Loan	2,052,000
Direct 515 Program Loan	11,417,000
Assumed 515 Loan	7,512,017
Assumed 515 Loan - 2nd	1,123,910
Investment Income	258,408
Reserves	47,200
Deferred Developer Fee	<u>871,226</u>
TOTAL	\$ 47,220,768

Costs of Issuance:

Underwriter Fee & Expenses	\$ 100,980
Underwriter Counsel	89,999
Bond Counsel & Expenses	81,500
KHC Issuer Fee	36,918
KHC Issuer Counsel	14,766
Trustee Fee	7,994
Trustee Legal Fee	7,000
Rebate Analysis/Dissemination Fee	9,002
Advisor Fee	18,001
Rating Agency Fee	4,494
Annual Issuer Fee	38,390
Other (TEFRA, etc.)	<u>7,000</u>
TOTAL	\$ 416,044



Winterwood Inc. was founded in 1979 with 115 units under management. Over the past 40 years we have grown to manage more than 9,000 units in Kentucky, Tennessee, West Virginia and Indiana. The dedication to safe and affordable housing along with our passion for hard work has made us the outstanding Management and Development Company we are today.

Property Types under Management

- HUD Insured
- Conventional financed
- Rural Development 515
- Public Housing
- BMIR
- 221 d(4)
- LIHTC financed properties under IRS Code 42

Achievements and Recognition

HUD, Lifetime Achievement Award, 2008

CAHEC, Outstanding Property Management Company, 2009

2015, 2016, 2017 & 2018 *Best Places to Work in Kentucky*

Management Statistics

225 Properties Managed

1395 Elderly Units Managed

7247 Family Units Managed

3855 Rental Assisted Units Managed

22 year average length of management for properties

98% retention rate of properties

90% of reviews rated 'Above Average' by Government standards

94% average occupancy rate.



Areas of Expertise

Accounting

Two Certified Public Accountants on the Accounting Team
Process monthly financial statements for in excess of 200 entities
Prepare financial statements for RD and HUD and Housing Agencies that are mirrored after those agency's required reports
Maintain a full receivable and payable system for all properties under management
Complete the budgets each year for 200+ entities

Affordable Housing Development

Bond Transactions: 19 Properties 891 Units	\$73,400,000.00
USDA MPR Transaction: 12 Properties 332 Units	\$8,400,000.00
Tax Credit Transactions: 16 Properties 498 Units	\$52,000,000.00
Total Development in the past 9 Years:	\$134,000,000.00
Total Development Units in the past 9 Years:	1,721

Property Maintenance and REAC Prep

Over 700 Inspections completed
Over 300 REAC Inspections completed
Maintaining a 90% + Average on all Inspection Scores
Train 150 Techs yearly to maintain Properties

Compliance

In the last year 78 file reviews of which 68 received a Superior rating. That indicates no file findings. The remaining 10 scored an Above Average.

15,950 files were reviewed and approved

Monitor HOME, Tax Credit, HUD, PHA, Smal, AHTF, Risk Sharing, Tax Exempt Bonds and Rural Development property types.

Created a central location/process for all managers to locate forms, income/rent limits, manuals, processes and procedures.

Conduct training's for various types of affordable housing across a vast portfolio.



Human Resources

Excellence in processes and procedures in accordance with governmental laws and partner with Third Party Administrators to meet these requirements.

Employee Benefits, Payroll and Taxes, Employee Relations and Recruiting for 365 employees in KY, IN, WV and TN.

IT/TRAINING

Established a learning management program which fosters fun, fast paced courses designed for our employees' personal growth and professional development.

Provide one-on-one mentoring and training to equip every employee with the skills and knowledge to conduct business in a fair, effective manner which enables us to give our residents the quality housing they deserve while protecting our owners investments.

Created an immense library of standard operating procedures, forms and valuable learning tools for our employees to access and refer to as needed

Migrating projects, data bases and business tools to a Google cloud platform for continuous work flow, flexibility and security of our information for employees and clients

Winterwood Development, LLC.

Winterwood Development has over 60 years combined experience in Low Income Housing. With a mission of providing affordable safe housing for those in need.

Managing Member

Carol Worsham

Education

Degree in Accounting © Courses in Managing Housing for the Elderly by NCHM

Courses in Accounting for Managing Agents by NCHM The following Institute of Real Estate

Management courses:

o Marketing & Leasing Multi Family Properties o Investment Real Estate - Financial Tools & Property Management Plan - IREM model

- Various HUD and RD seminars on subsidized housing

Certified Professional Compliance designation by The Spectrum Companies Housing Credit Certification

Professional designation as awarded from Theo Pro Compliance & Consulting, Inc. Spectrum Seminar, HUD, and Kentucky Housing Corporation on Fair

Housing and Equal Opportunity training sessions

- Member and former President of the Board of Directors for the Kentucky

Affordable Housing Association Member of the Kentucky Governor's Housing Policy Advisory Committee

Professional Experience

President since 1980 for Winterwood, Inc., which today operates approximately 9000 affordable and conventional multifamily housing units Responsible for the entire oversight of each property with hands on financial planning and execution to maximize the potential of each

development @ Collaborates and networks with community housing advocates to assist in the preservation of affordable housing Began property management career in 1978

Winterwood Development, LLC.

Member

Fred Worsham III, (859) 977-6929 fworsham@winterwoodonline.com

Education

- University of Kentucky
- Certified Occupancy Specialist - 2007 (current) Spectrum Seminar Courses on FmHA/USDA Rural Development Various Kentucky Housing Conference seminars and courses Licensed Real Estate Agent

Professional Experience

. Worked for Winterwood since 2000 in every aspect of the company (Administrative, Accounting, Field, Human Resources, etc.) Director of Corporate Operations from 2009 until 2010. Now serves as an Asset Manager Currently oversees the financial and physical aspects of a large portfolio of properties

Member

Zach Worsham (859) 276-5388 zworsham@winterwoodonline.com

Education

University of Kentucky Certified Occupancy Specialist - 2007 (current) Spectrum Seminar Courses on FmHA/USDA Rural

Development

- Various Kentucky Housing Conference seminars and courses

Professional Experience

Worked for Winterwood since 2010 Chief Operating Officer

Currently oversees the financial and physical aspects of a large portfolio of properties

Winterwood Development, LLC.

WWW

WANAONE

Member

Fred Worsham Jr. (859)276-5388

Education

University of Kentucky Certified Paramedic

General Contractor License

- Various Kentucky Housing Conference seminars and courses

Professional Experience

- . Worked for Winterwood since 1981 . General Contractor on \$60,000,000.00 in projects
- Oversees all aspects of Construction

Member

Emily Johnson Business Owner

Education University of Nevada Las Vegas Various Kentucky Housing Conference seminars and courses
Business Owner

-

Professional Experience

- Has worked for Winterwood since 2019
Business Owner . Philanthropist



MATTHEW G. BEVIN
Governor

Commonwealth of Kentucky
FINANCE AND ADMINISTRATION CABINET
Office of Financial Management
702 Capital Avenue
Suite 76
Frankfort, Kentucky 40601
(502) 564-2924
(502) 564-7416 Facsimile

WILLIAM M. LANDRUM III
Secretary

RYAN BARROW
Executive Director

July 10, 2019

William M. Landrum III
Secretary
Finance and Administration Cabinet
Executive Director
Kentucky Asset/Liability Commission
702 Capital Annex
Frankfort, KY 40601

Dear Secretary Landrum:

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of debt by all state agencies. The attached constitutes the review and approval of the \$400,000,000 Kentucky Asset/Liability Commission General Fund Tax and Revenue Anticipation Notes, 2019 Series A dated July 10, 2019.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Barrow".

Ryan Barrow
Executive Director
Office of Financial Management

Attachments

OFM APPROVAL PURSUANT TO KRS 42.420

KENTUCKY ASSET/LIABILITY COMMISSION

**\$400,000,000 GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES,
2019 SERIES A**

DESCRIPTION:

The 2019 Series A Notes are being issued to finance cash flow requirements of the General Fund for the fiscal year ending June 30, 2020 in anticipation of General Fund taxes and revenues to be collected during fiscal year 2020.

PRICING DATE: June 25, 2019

CLOSING DATE: July 10, 2019

FINAL MATURITY: June 25, 2020

RATINGS: Moody's: MIG 1
Fitch: F1+

COUPON: 3.00%

YIELD: 1.40%

PRICE: 101.513

METHOD OF SALE: Negotiated

UNDERWRITER: J.P. Morgan

BENCHMARK: 1.25% (1-Year MMD AAA GO as of 6/25/2019)

REDEMPTION PROVISIONS:

The notes are not subject to redemption prior to their maturity.

SECURITY FOR THE NOTES:

The Notes are direct obligations of the General Fund of the Commonwealth and are payable from taxes and revenues collected by the Commonwealth. The Commonwealth is required to deposit collected taxes and revenues in amounts sufficient to pay the Notes and interest thereon into the General Fund. Revenues to be deposited to the General Fund shall be pledged for the repayment of the Notes so long as any Notes remain outstanding. The lien on and security interest in taxes and revenues are prior and superior to any other lien or security interest created by law or otherwise.

Repayment of the Notes is not subject to appropriation of funds by the General Assembly, but solely from the taxes and revenues pledged thereto.

SOURCES AND USES OF FUNDS:

SOURCES OF FUNDS:

Note Amount	\$	400,000,000
Net Original Issue Premium		<u>6,052,000</u>
TOTAL USES	\$	406,052,000

USES OF FUNDS:

Deposit to the Proceeds Fund	\$	405,348,360
Costs of Issuance*		<u>703,640</u>
TOTAL USES	\$	406,052,000

*Includes underwriters discount, legal fees, rating fees, printing and miscellaneous costs.

UNDERWRITER'S DISCOUNT:

		<u>Amount</u>
Average Takedown	\$	380,000.00
Aggregate Underwriting Expenses		17,000.00
Underwriter's Counsel		<u>40,000.00</u>
TOTAL	\$	\$437,000.00

PROFESSIONAL SERVICES:

Pursuant to KRS Chapter 45, the Issuer is providing information on all costs associated, either directly or indirectly, with this Note issuance. Costs are actual or estimated as of the date of closing of the issue.

<u>Firm</u>	<u>Service</u>		<u>Fee</u>
Kutak Rock LLP	Bond Counsel	\$	40,000.00
	Transcript Fee		1,350.00
ImageMaster	Printer & RoadShow		990.00
Zions Bank Corporate Trust	Trustee		300.00
Compass Municipal Advisors	Bid Agent		39,000.00
Moody's	Rating Service		53,000.00
Fitch Ratings	Rating Service		27,000.00
OFM	Financial Advisor		100,000.00
	Contingency/Misc.		<u>5,000.00</u>
TOTAL		\$	266,640.00

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel also is of the opinion that, under existing laws of the Commonwealth of Kentucky, interest on the Notes is excluded from the gross income of the recipients thereof for Kentucky income tax purposes and the Notes are exempt from ad valorem taxes by the Commonwealth of Kentucky and all political subdivisions thereof. See "TAX MATTERS" for a full description of the tax treatment of interest on the Notes.

\$400,000,000

**KENTUCKY ASSET/LIABILITY COMMISSION
GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES, 2019 SERIES A**

Dated: Date of Delivery

Due: June 25, 2020

Interest Rate: 3.000%

Priced to Yield: 1.400%

CUSIP No.: 491189FY7*

The Kentucky Asset/Liability Commission (the "Commission") is issuing its General Fund Tax and Revenue Anticipation Notes, 2019 Series A (the "Notes") to finance General Fund cash flow requirements of the Commonwealth of Kentucky (the "Commonwealth") for the fiscal year ending June 30, 2020 ("Fiscal Year 2020"). The Notes are issuable only in fully registered form, without coupons, initially in denominations of \$100,000 and any integral multiple of \$5,000 above \$100,000. When issued the Notes will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Notes. Purchasers will not receive certificates representing their ownership interest in the Notes purchased. Accordingly, principal of and interest on the Notes will be paid by Zions Bancorporation, National Association, Pittsburgh, Pennsylvania, as Trustee, Registrar and Paying Agent (in such capacities, the "Trustee," "Registrar" and "Paying Agent"), directly to DTC or Cede & Co., its nominee. DTC will, in turn, remit or direct its nominee to remit such principal and interest to the DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Notes. See Exhibit D – BOOK-ENTRY-ONLY SYSTEM herein.

The Notes will bear interest at the annual rate shown above, computed on the basis of a 360-day year and 30-day months, accrued from the date of delivery. Principal of and interest on the Notes are payable at maturity. See "THE NOTES – General Provisions.

The Notes are not subject to redemption prior to their maturity.

The Notes are direct obligations of the General Fund of the Commonwealth and are payable from taxes and certain revenues collected by the Commonwealth during Fiscal Year 2020. The Notes are issued pursuant to a Trust Indenture dated as of July 1, 2019 between the Commission and the Trustee (the "Indenture"). As provided in the Indenture and under Kentucky law, taxes and revenues in amounts sufficient to pay the Notes and interest thereon are required to be deposited into the General Fund, which shall be held by the Finance and Administration Cabinet of the Commonwealth (the "Finance and Administration Cabinet") for the benefit of the Holders of the Notes. The Notes are secured under the Indenture. The holders of the Notes have a priority lien on all taxes and revenues required to be deposited into the General Fund. The Notes are special limited obligations of the Commission and are payable solely from the taxes and revenues pledged thereto. See "SECURITY FOR THE NOTES" herein.

The Notes are also secured by certain other funds and accounts pledged therefor and described herein. See "EXHIBIT B - SUMMARY OF CERTAIN PROVISIONS OF THE 2019 RESOLUTION AND THE INDENTURE" herein for a description of such funds and accounts.

The Notes are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by Kutak Rock LLP, Bond Counsel. Certain legal matters will be passed on for the Underwriter by its counsel, Dinsmore & Shohl LLP, Covington, Kentucky. It is expected that the Notes in definitive form will be available for delivery in New York, New York, on or about July 10, 2019.

J.P. MORGAN

Dated: June 25, 2019.

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