

NEW BOND ISSUE REPORT

| | |
|----------------------------|---|
| Name of Bond Issue: | Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Donerail Run Apartments Project), Series 2020 |
| Purpose of Issue: | The Bonds will be used to finance the acquisition, rehabilitation, construction and equipping of a multifamily residential rental project containing approximately 312 units, located at 11312, 11314 and 11404 Taylorsville Road, Louisville, Kentucky 40299 (the "Project") to be owned by Donerail Run, LP, a Kentucky limited partnership or its successors and assigns (the "Borrower"). The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on December 3, 2019, following the delivery of notice to the public on November 21, 2019 in the State Journal and November 22, 2019 in the Courier Journal. The Bonds, if approved, will be the sole obligations of the Borrower. |
| Name of Project: | Donerail Run Apartments |
| Date of Sale: | March 30, 2020 |
| Date of Issuance: | March 30, 2020 |
| Anticipated Ratings: | Standard & Poor's (A-1+) |
| Cost of Issuance: | See Exhibit A attached (costs of issuance paid from owner equity) |
| Bond Discount: | \$0 |
| Debt Service Reserve Fund: | \$0, but a \$1,231,000 operating reserve will be funded from equity. |
| Insurance Premium: | N/A |
| Total Project Cost: | \$61,870,831 |
| Net Interest Rate: | 4.20% |
| Term: | 18 years |
| Average Debt Service: | \$2,252,179 |
| Gross Debt Service: | \$36,805,928 |
| First Call Date: | April 1, 2038 |
| Premium at First Call: | No premium |
| Method of Sale: | Private Placement |
| Bond Counsel: | Frost Brown Todd LLC |
| Underwriter: | N/A |
| Underwriter Counsel: | N/A |
| Financial Advisor: | N/A |
| Trustee: | The Huntington National Bank |
| Developer: | LDG Multifamily LLC |

Exhibit A

Project Funding Sources:

| | |
|--|----------------------|
| Permanent Mortgage Loan | \$ 39,875,000 |
| LIHTC Anticipated Net Syndication Proceeds | 6,478,691 |
| Deferred Developer Fee | <u>15,517,140</u> |
| TOTAL | \$ 61,870,831 |

Costs of Issuance:

| | |
|--------------------------------|-------------------|
| Origination Fee | \$ 398,000 |
| KHC Counsel | 48,000 |
| KHC Financing Fee | 120,000 |
| KHC Application Fee & Expenses | 6,500 |
| KHC Admin Fee | 5,000 |
| Bond Counsel | 150,000 |
| Trustee Counsel | 5,000 |
| Placement Agent Counsel | 35,000 |
| Borrowers Counsel | 35,000 |
| Trustee Fee | 8,500 |
| Rating Agency | 5,000 |
| TEFRA/Publication/Print | 5,000 |
| Cost of Issuance Contingency | <u>25,000</u> |
| TOTAL | \$ 846,000 |



LDG Development is an ensemble of design and development professionals, whose mission is to provide the highest quality housing possible for our residents. Since its inception in 1994, LDG Development has specialized in the development of high quality, sustainable apartments and single-family homes. Led by Louisville, KY natives Chris Dischinger and Mark Lechner, LDG Development has provided over 13,000 units of housing for individuals, families and seniors in Georgia, Kansas, Kentucky, Louisiana, Tennessee, Texas, and Virginia.

LDG Development takes great pride in providing the highest quality affordable housing options to the communities it serves. To maintain its commitment to excellence, LDG has looked to Xpert Design and Construction, LLC to bring its vision from paper to reality. Xpert has provided superior construction coordination and worksite management services for affordable housing developments since the company's inception in 2004.

LDG Development Fact Sheet

- ✓ **LDG is socially driven.** LDG is built on the belief that “everyone deserves a quality place to live.” This philosophy, for the past two decades has and will continue to serve as the guiding principle for all of LDG’s work.
- ✓ **LDG engages thoughtful design.** With contemporary design, quality eco-friendly materials and strategic planning LDG builds dwellings that will sustain in style and durability for years to come.
- ✓ **LDG stimulates the local economy.** Every community development LDG builds brings revenue for local contractors and partners. For every 100 units built, there are an average of 122 short-term contractors hired and (5) five permanent positions created. LDG helps reverse a slowing economy and troubled job market. Additionally, our new residents bring much needed revenue to local businesses.
- ✓ **LDG continues to excel.** LDG has developed over 13,000 units, making LDG one of the largest affordable housing developers in the country.

- ✓ **LDG is highly respected in the housing industry.** LDG Development is highly respected throughout the affordable housing community and has a stellar reputation of consistently delivering quality, contemporary and sustainable housing for the hard-working families of the communities they serve.
- ✓ **LDG has a solid track record built on performance.** LDG takes great pride in the strong working relationships it has cultivated over the years with state governments and municipalities across the US. LDG's emphasis on long-term partnerships with the communities and the people it serves is reflected by our upcoming developments, nearly all of which will serve markets where LDG enjoys an established track record of success.
- ✓ **LDG cares about the communities and families they serve.** When families take pride in where they live - they stay and they thrive. Behavioral Studies continue to show that children perform better at school when they are proud of where they live. Single parents worry less about income after rent is due. It means active seniors can finally relax after a lifetime of work. Children can enjoy a safe environment to play, learn and grow. This is why we take every measure to insure the safety and wellbeing of our residents.



“Everyone deserves a quality place to live.”

Preliminary New Bond Issue Report

Issue: \$50,445,000 (est.) University of Kentucky General Receipts Bonds, 2020 Series A; and \$9,530,000 (est.) University of Kentucky General Receipts Bonds, 2020 Taxable Series B*

Purpose of Issue: Bond proceeds will be used to 1) finance the projects listed as "Renew/Modernize Facilities" in H.B. 200 of the 2018 Regular Session of the Kentucky General Assembly; and 2) pay associated costs of issuance.

Proposed Date of Sale: January 22, 2020
Proposed Date of Delivery: February 19, 2020

Ratings:
Moody's TBD
S&P TBD

| | 2020 Series A | 2020 Taxable Series B | Total |
|------------------------|-----------------|-----------------------|-----------------|
| <u>Sources:</u> | | | |
| Par amount of bonds: | \$50,445,000.00 | \$9,530,000.00 | \$59,975,000.00 |
| Premium | \$3,449,900.00 | | \$3,449,900.00 |
| Total Sources: | \$53,894,900.00 | \$9,530,000.00 | \$63,424,900.00 |

| | | | |
|-----------------------|-----------------|----------------|-----------------|
| <u>Uses:</u> | | | |
| Project Fund Deposit: | \$52,700,000.00 | \$9,300,000.00 | \$62,000,000.00 |
| Cost of Issuance | \$186,000.00 | \$39,400.00 | \$225,400.00 |
| Underwriter Discount | \$1,008,900.00 | \$190,600.00 | \$1,199,500.00 |
| Total Uses: | \$53,894,900.00 | \$9,530,000.00 | \$63,424,900.00 |

| | | |
|------------------------------|-----------------|-----------------|
| All-in True Interest Cost: | 2.808% | 3.006% |
| Final Maturity Date: | 4/1/2040 | 4/1/2025 |
| Average Annual Debt Service: | \$3,583,526.31 | \$1,975,493.81 |
| Total Debt Service: | \$72,088,604.17 | \$10,107,943.33 |
| Average Life (years): | 13.419 | 2.851 |

Method of Sale: Competitive
Bond Counsel: Dinsmore & Shohl
Financial Advisor: Baird
Trustee: U.S. Bank

Based off cashflows as of 11/25/19

Preliminary Subject to Change

**Tax Exempt to Taxable split will be determined pending final tax analysis*

BOND DEBT SERVICE

University of Kentucky
Series 2020 Tax-Exempt

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|--------------|--------------|---------------------|
| 10/01/2020 | | | 1,051,879.17 | 1,051,879.17 | |
| 04/01/2021 | | | 852,875.00 | 852,875.00 | |
| 06/30/2021 | | | | | 1,904,754.17 |
| 10/01/2021 | | | 852,875.00 | 852,875.00 | |
| 04/01/2022 | | | 852,875.00 | 852,875.00 | |
| 06/30/2022 | | | | | 1,705,750.00 |
| 10/01/2022 | | | 852,875.00 | 852,875.00 | |
| 04/01/2023 | | | 852,875.00 | 852,875.00 | |
| 06/30/2023 | | | | | 1,705,750.00 |
| 10/01/2023 | | | 852,875.00 | 852,875.00 | |
| 04/01/2024 | | | 852,875.00 | 852,875.00 | |
| 06/30/2024 | | | | | 1,705,750.00 |
| 10/01/2024 | | | 852,875.00 | 852,875.00 | |
| 04/01/2025 | 1,715,000 | 5.000% | 852,875.00 | 2,567,875.00 | |
| 06/30/2025 | | | | | 3,420,750.00 |
| 10/01/2025 | | | 810,000.00 | 810,000.00 | |
| 04/01/2026 | 2,490,000 | 5.000% | 810,000.00 | 3,300,000.00 | |
| 06/30/2026 | | | | | 4,110,000.00 |
| 10/01/2026 | | | 747,750.00 | 747,750.00 | |
| 04/01/2027 | 2,615,000 | 5.000% | 747,750.00 | 3,362,750.00 | |
| 06/30/2027 | | | | | 4,110,500.00 |
| 10/01/2027 | | | 682,375.00 | 682,375.00 | |
| 04/01/2028 | 2,745,000 | 4.000% | 682,375.00 | 3,427,375.00 | |
| 06/30/2028 | | | | | 4,109,750.00 |
| 10/01/2028 | | | 627,475.00 | 627,475.00 | |
| 04/01/2029 | 2,855,000 | 4.000% | 627,475.00 | 3,482,475.00 | |
| 06/30/2029 | | | | | 4,109,950.00 |
| 10/01/2029 | | | 570,375.00 | 570,375.00 | |
| 04/01/2030 | 2,970,000 | 3.000% | 570,375.00 | 3,540,375.00 | |
| 06/30/2030 | | | | | 4,110,750.00 |
| 10/01/2030 | | | 525,825.00 | 525,825.00 | |
| 04/01/2031 | 3,060,000 | 3.000% | 525,825.00 | 3,585,825.00 | |
| 06/30/2031 | | | | | 4,111,650.00 |
| 10/01/2031 | | | 479,925.00 | 479,925.00 | |
| 04/01/2032 | 3,150,000 | 3.000% | 479,925.00 | 3,629,925.00 | |
| 06/30/2032 | | | | | 4,109,850.00 |
| 10/01/2032 | | | 432,675.00 | 432,675.00 | |
| 04/01/2033 | 3,245,000 | 3.000% | 432,675.00 | 3,677,675.00 | |
| 06/30/2033 | | | | | 4,110,350.00 |
| 10/01/2033 | | | 384,000.00 | 384,000.00 | |
| 04/01/2034 | 3,340,000 | 3.000% | 384,000.00 | 3,724,000.00 | |
| 06/30/2034 | | | | | 4,108,000.00 |
| 10/01/2034 | | | 333,900.00 | 333,900.00 | |
| 04/01/2035 | 3,440,000 | 3.000% | 333,900.00 | 3,773,900.00 | |
| 06/30/2035 | | | | | 4,107,800.00 |
| 10/01/2035 | | | 282,300.00 | 282,300.00 | |
| 04/01/2036 | 3,545,000 | 3.000% | 282,300.00 | 3,827,300.00 | |
| 06/30/2036 | | | | | 4,109,600.00 |
| 10/01/2036 | | | 229,125.00 | 229,125.00 | |
| 04/01/2037 | 3,650,000 | 3.000% | 229,125.00 | 3,879,125.00 | |
| 06/30/2037 | | | | | 4,108,250.00 |
| 10/01/2037 | | | 174,375.00 | 174,375.00 | |
| 04/01/2038 | 3,760,000 | 3.000% | 174,375.00 | 3,934,375.00 | |

BOND DEBT SERVICE

University of Kentucky
Series 2020 Tax-Exempt

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|------------|--------|---------------|---------------|---------------------|
| 06/30/2038 | | | | | 4,108,750.00 |
| 10/01/2038 | | | 117,975.00 | 117,975.00 | |
| 04/01/2039 | 3,875,000 | 3.000% | 117,975.00 | 3,992,975.00 | |
| 06/30/2039 | | | | | 4,110,950.00 |
| 10/01/2039 | | | 59,850.00 | 59,850.00 | |
| 04/01/2040 | 3,990,000 | 3.000% | 59,850.00 | 4,049,850.00 | |
| 06/30/2040 | | | | | 4,109,700.00 |
| | 50,445,000 | | 21,643,604.17 | 72,088,604.17 | 72,088,604.17 |

BOND DEBT SERVICE

University of Kentucky
Series 2020 Taxable

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|-----------|--------|------------|---------------|------------------------|
| 10/01/2020 | | | 121,853.33 | 121,853.33 | |
| 04/01/2021 | 1,985,000 | 1.900% | 98,800.00 | 2,083,800.00 | |
| 06/30/2021 | | | | | 2,205,653.33 |
| 10/01/2021 | | | 79,942.50 | 79,942.50 | |
| 04/01/2022 | 2,245,000 | 2.000% | 79,942.50 | 2,324,942.50 | |
| 06/30/2022 | | | | | 2,404,885.00 |
| 10/01/2022 | | | 57,492.50 | 57,492.50 | |
| 04/01/2023 | 2,290,000 | 2.100% | 57,492.50 | 2,347,492.50 | |
| 06/30/2023 | | | | | 2,404,985.00 |
| 10/01/2023 | | | 33,447.50 | 33,447.50 | |
| 04/01/2024 | 2,335,000 | 2.200% | 33,447.50 | 2,368,447.50 | |
| 06/30/2024 | | | | | 2,401,895.00 |
| 10/01/2024 | | | 7,762.50 | 7,762.50 | |
| 04/01/2025 | 675,000 | 2.300% | 7,762.50 | 682,762.50 | |
| 06/30/2025 | | | | | 690,525.00 |
| | 9,530,000 | | 577,943.33 | 10,107,943.33 | 10,107,943.33 |



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

November 12, 2019

Mr. Russ Kerdolff, Comptroller
Northern Kentucky University
605 Administration Center
Highland Heights, KY 41099

Dear Mr. Kerdolff,

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 recent Northern Kentucky University debt issuance of the \$37,870,000 General Receipts Bonds, 2019 Series A.

Sincerely,

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

Ryan Barrow
Executive Director

Attachments

**OFM APPROVAL PURSUANT TO KRS 42.420
NORTHERN KENTUCKY UNIVERSITY
\$37,870,000 GENERAL RECEIPTS BONDS, 2019 SERIES A
DATED NOVEMBER 12, 2019**

DESCRIPTION:

Bond proceeds of the 2019 Series A will be used to 1) pay the costs of the acquisition, construction, and equipping of new student housing and the renovation of existing housing and parking facilities; 2) pay capitalized interest on the Bonds; and 3) pay associated costs of issuance.

BOND SUMMARY STATISTICS:

| | |
|-----------------------|--------------------------------|
| Par Amount: | \$37,870,000 |
| Pricing Date: | 10/22/2019 |
| Closing Date: | 11/12/2019 |
| Dated Date: | 11/12/2019 |
| Final Maturity: | 09/01/2044 |
| Arbitrage Yield: | 2.726% |
| TIC: | 2.871% |
| NIC: | 2.919% |
| All-In TIC: | 2.896% |
| Benchmark (BBWK20GO): | 2.75% (10/24/2019) |
| Method of Sale: | Competitive |
| Purchaser: | Citigroup Global Markets, Inc. |

RATINGS:

| | | |
|----------|-----------------|-------------------|
| | <u>Enhanced</u> | <u>Underlying</u> |
| Moody's: | A1 | A1 |

SOURCES AND USES OF FUNDS:

SOURCES OF FUNDS:

| | |
|----------------------------|-------------------------|
| Par Amount of Bonds | \$ 37,870,000.00 |
| Net Original Issue Premium | 2,066,064.25 |
| TOTAL SOURCES | \$ 39,936,064.25 |

USES OF FUNDS:

| | |
|------------------------|-------------------------|
| Capitalized Interest | \$ 2,311,515.92 |
| Project Fund Deposit | 37,000,000.00 |
| Cost of Issuance* | 113,303.33 |
| Underwriter's Discount | 511,245.00 |
| TOTAL USES | \$ 39,936,064.25 |

*Includes municipal advisor, legal fees, rating agency fees, trustee fees, and miscellaneous costs.

PROFESSIONAL SERVICES:

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

| <u>Firm</u> | <u>Service</u> | | <u>Fee</u> |
|-------------------|----------------------------|----|-----------------|
| Baird | Municipal Advisor | \$ | 26,509.00 |
| Dinsmore & Shohl | Bond Counsel | | 26,509.00 |
| | Legal Expenses/Advertising | | 540.00 |
| Moody's | Rating Service | | 42,500.00 |
| US Bank | Trustee | | 1,000.00 |
| OFM | Financial Advisor | | 9,467.50 |
| Misc./Contingency | | | <u>6,777.83</u> |
| TOTAL | | \$ | 113,303.33 |

ATTACHMENTS:

Official Statement Cover
Debt Service Schedule

Book-Entry Only

Rating: KBRA "AA+/Stable (Insured)
S&P "AA/Stable" (Insured)
Moody's: "A1"
(See "Rating" herein)

New Issue

In the opinion of Bond Counsel for the Bonds (defined below), based upon an analysis of laws, regulations, rulings, and court decisions, and assuming continuing compliance with certain covenants made by the University, and subject to the conditions and limitations set forth herein under the caption "TAX EXEMPTION," interest on the Bonds is excludable from gross income for Federal income tax purposes and is not a specific item of tax preference for purposes of the Federal alternative minimum tax. Interest on the Bonds is exempt from Kentucky income tax and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions. See "TAX EXEMPTION" herein.

**OFFICIAL STATEMENT RELATING TO
\$37,870,000
NORTHERN KENTUCKY UNIVERSITY
GENERAL RECEIPTS BONDS, 2019 SERIES A**

Dated: Date of delivery

Due: September 1, 2021 - 2044

The Northern Kentucky University General Receipts Bonds, 2019 Series A (the "Bonds") will be issued only as fully registered bonds, and when issued, 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 Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest due on the Bonds will be made directly to DTC.

The Bonds are in the denomination of \$5,000 or integral multiples thereof and bear interest from their dated date, payable semiannually, in amounts, having maturities, interest rates, yields, and CUSIPs as set forth below. Principal of, premium, if any, and interest on the Bonds will be paid directly to DTC by U.S. Bank National Association, having offices in Louisville, Kentucky, as Trustee and Paying Agent. The Bonds shall be issued only as fully registered bonds.

Interest on the Bonds will be payable from their date of delivery, on March 1 and September 1 of each year, commencing March 1, 2020, and the Bonds mature on the dates, as shown below:

| Year (September 1) | Amount | Interest Rate | Price/ Yield | Year (September 1) | Amount | Interest Rate | Price/ Yield |
|-----------------------|-----------|------------------|----------------------|-----------------------|-------------|------------------|----------------------|
| 2021 | \$960,000 | 5.00% | 106.569 | 2031 | \$1,505,000 | 3.000% | 104.062 ^c |
| 2022 | 1,010,000 | 5.000 | 109.916 | 2032 | 1,550,000 | 3.000 | 103.806 ^c |
| 2023 | 1,060,000 | 5.000 | 113.244 | 2033 | 1,600,000 | 3.000 | 103.552 ^c |
| 2024 | 1,115,000 | 5.000 | 116.359 | 2034 | 1,650,000 | 3.000 | 102.981 ^c |
| 2025 | 1,175,000 | 5.000 | 119.195 | 2035 | 1,700,000 | 3.000 | 102.414 ^c |
| 2026 | 1,235,000 | 5.000 | 121.614 | 2036 | 1,750,000 | 3.000 | 101.850 ^c |
| 2027 | 1,290,000 | 4.000 | 114.645 ^c | 2037 | 1,805,000 | 3.000 | 101.414 ^c |
| 2028 | 1,345,000 | 4.000 | 113.887 ^c | 2038 | 1,860,000 | 3.000 | 101.042 ^c |
| 2029 | 1,400,000 | 4.000 | 112.998 ^c | 2039 | 1,915,000 | 3.000 | 100.857 ^c |
| 2030 | 1,455,000 | 4.000 | 112.253 ^c | 2040 | 1,975,000 | 3.000 | 100.610 ^c |

\$8,515,000; 3.000%; Term Bond due September 1, 2044; Price: 99.750%; Yield: 3.014%;

The Bonds are subject to redemption prior to their stated maturities as described herein.

The Bonds constitute special obligations of Northern Kentucky University and do not constitute a debt, liability, or obligation of the Commonwealth of Kentucky nor a pledge of the full faith and credit of the Commonwealth. The Bonds constitute Obligations under the Trust Agreement dated as of May 1, 2007 between the University and the Trustee, and the payment of the principal of, premium, if any, and interest on Bonds is secured by a pledge of the University's General Receipts, as defined in the Trust Agreement. See "SECURITY FOR THE BONDS."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp.



The Bonds are issued subject to the approval of legality by Dinsmore & Shohl LLP, Covington, Kentucky, Bond Counsel. Delivery of the Bonds is expected on November 12, 2019, in New York, New York, through the facilities of DTC.

Dated: October 22, 2019

Citigroup

^c indicates priced to call

* See inside cover

\$37,870,000
Northern Kentucky University
General Receipts Bonds
2019 Series A Bonds
Semi-Annual Net Debt Service Requirements

| Date | Coupon | Principal | Interest | Capitalized Interest | Total Net P+I | Fiscal Total |
|--------------|--------|----------------------|------------------------|-------------------------|------------------------|------------------------|
| 03/01/2020 | - | - | \$400,302.50 | (\$400,302.50) | - | - |
| 09/01/2020 | - | - | 661,050.00 | (661,050.00) | - | - |
| 03/01/2021 | - | - | 661,050.00 | (661,050.00) | - | - |
| 09/01/2021 | 5.000% | \$960,000.00 | 661,050.00 | (661,050.00) | \$960,000.00 | - |
| 03/01/2022 | - | - | 637,050.00 | - | 637,050.00 | \$1,597,050.00 |
| 09/01/2022 | 5.000% | 1,010,000.00 | 637,050.00 | - | 1,647,050.00 | - |
| 03/01/2023 | - | - | 611,800.00 | - | 611,800.00 | 2,258,850.00 |
| 09/01/2023 | 5.000% | 1,060,000.00 | 611,800.00 | - | 1,671,800.00 | - |
| 03/01/2024 | - | - | 585,300.00 | - | 585,300.00 | 2,257,100.00 |
| 09/01/2024 | 5.000% | 1,115,000.00 | 585,300.00 | - | 1,700,300.00 | - |
| 03/01/2025 | - | - | 557,425.00 | - | 557,425.00 | 2,257,725.00 |
| 09/01/2025 | 5.000% | 1,175,000.00 | 557,425.00 | - | 1,732,425.00 | - |
| 03/01/2026 | - | - | 528,050.00 | - | 528,050.00 | 2,260,475.00 |
| 09/01/2026 | 5.000% | 1,235,000.00 | 528,050.00 | - | 1,763,050.00 | - |
| 03/01/2027 | - | - | 497,175.00 | - | 497,175.00 | 2,260,225.00 |
| 09/01/2027 | 4.000% | 1,290,000.00 | 497,175.00 | - | 1,787,175.00 | - |
| 03/01/2028 | - | - | 471,375.00 | - | 471,375.00 | 2,258,550.00 |
| 09/01/2028 | 4.000% | 1,345,000.00 | 471,375.00 | - | 1,816,375.00 | - |
| 03/01/2029 | - | - | 444,475.00 | - | 444,475.00 | 2,260,850.00 |
| 09/01/2029 | 4.000% | 1,400,000.00 | 444,475.00 | - | 1,844,475.00 | - |
| 03/01/2030 | - | - | 416,475.00 | - | 416,475.00 | 2,260,950.00 |
| 09/01/2030 | 4.000% | 1,455,000.00 | 416,475.00 | - | 1,871,475.00 | - |
| 03/01/2031 | - | - | 387,375.00 | - | 387,375.00 | 2,258,850.00 |
| 09/01/2031 | 3.000% | 1,505,000.00 | 387,375.00 | - | 1,892,375.00 | - |
| 03/01/2032 | - | - | 364,800.00 | - | 364,800.00 | 2,257,175.00 |
| 09/01/2032 | 3.000% | 1,550,000.00 | 364,800.00 | - | 1,914,800.00 | - |
| 03/01/2033 | - | - | 341,550.00 | - | 341,550.00 | 2,256,350.00 |
| 09/01/2033 | 3.000% | 1,600,000.00 | 341,550.00 | - | 1,941,550.00 | - |
| 03/01/2034 | - | - | 317,550.00 | - | 317,550.00 | 2,259,100.00 |
| 09/01/2034 | 3.000% | 1,650,000.00 | 317,550.00 | - | 1,967,550.00 | - |
| 03/01/2035 | - | - | 292,800.00 | - | 292,800.00 | 2,260,350.00 |
| 09/01/2035 | 3.000% | 1,700,000.00 | 292,800.00 | - | 1,992,800.00 | - |
| 03/01/2036 | - | - | 267,300.00 | - | 267,300.00 | 2,260,100.00 |
| 09/01/2036 | 3.000% | 1,750,000.00 | 267,300.00 | - | 2,017,300.00 | - |
| 03/01/2037 | - | - | 241,050.00 | - | 241,050.00 | 2,258,350.00 |
| 09/01/2037 | 3.000% | 1,805,000.00 | 241,050.00 | - | 2,046,050.00 | - |
| 03/01/2038 | - | - | 213,975.00 | - | 213,975.00 | 2,260,025.00 |
| 09/01/2038 | 3.000% | 1,860,000.00 | 213,975.00 | - | 2,073,975.00 | - |
| 03/01/2039 | - | - | 186,075.00 | - | 186,075.00 | 2,260,050.00 |
| 09/01/2039 | 3.000% | 1,915,000.00 | 186,075.00 | - | 2,101,075.00 | - |
| 03/01/2040 | - | - | 157,350.00 | - | 157,350.00 | 2,258,425.00 |
| 09/01/2040 | 3.000% | 1,975,000.00 | 157,350.00 | - | 2,132,350.00 | - |
| 03/01/2041 | - | - | 127,725.00 | - | 127,725.00 | 2,260,075.00 |
| 09/01/2041 | 3.000% | 2,035,000.00 | 127,725.00 | - | 2,162,725.00 | - |
| 03/01/2042 | - | - | 97,200.00 | - | 97,200.00 | 2,259,925.00 |
| 09/01/2042 | 3.000% | 2,095,000.00 | 97,200.00 | - | 2,192,200.00 | - |
| 03/01/2043 | - | - | 65,775.00 | - | 65,775.00 | 2,257,975.00 |
| 09/01/2043 | 3.000% | 2,160,000.00 | 65,775.00 | - | 2,225,775.00 | - |
| 03/01/2044 | - | - | 33,375.00 | - | 33,375.00 | 2,259,150.00 |
| 09/01/2044 | 3.000% | 2,225,000.00 | 33,375.00 | - | 2,258,375.00 | 2,258,375.00 |
| Total | | 37,870,000.00 | \$18,069,502.50 | (\$2,383,452.50) | \$53,556,050.00 | \$53,556,050.00 |



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

November 27, 2019

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 (Volunteer Management & Development Portfolio II Project), Series 2019 in a principal amount of \$12,800,000 (the "Bonds"). The Bonds, by their 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 Bonds 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 ("CPBO") occurred on October 15, 2019. The attached includes a finalized listing of costs related to the issuance of the Bonds pursuant to KRS 45.816.

Sincerely,

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

Ryan Barrow
Executive Director

Attachments

FINAL BOND ISSUE REPORT

Name of Bond Issue: Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Volunteer Management & Development Portfolio II), 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.

Date of Sale: November 15, 2019

Date of Issuance: November 21, 2019

Ratings: Moody's Aaa/VMIG 1

Net Proceeds: \$12,800,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0; each project will maintain an operating reserve equal to 6 months of the respective operating expenses and a replacement reserve fund for ongoing repairs, each will be funded from and cash flow.

Insurance Premium: N/A

Total Project Cost: \$34,020,665

Term: 36 months

Net Interest Rate: 1.45%

Average Debt Service: \$185,600

Gross Debt Service: \$556,800

First Call Date: June 1, 2022

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter: Raymond James & Associates, Inc.

Underwriter Counsel: Tiber Hudson LLC

Trustee: Regions Bank

EXHIBIT A

Project Funding Sources:

| | |
|------------------------|----------------------|
| Bond Proceeds | \$ 12,800,000 |
| Tax Credit Equity | 6,112,803 |
| USDA RD New Loan | 6,490,000 |
| USDA RD Deferred | 5,582,648 |
| Home Funds | 1,915,000 |
| Project Reserves | 617,429 |
| Deferred Developer Fee | <u>502,785</u> |
| TOTAL | \$ 34,020,665 |

Costs of Issuance:

| | |
|-------------------------|-------------------|
| Legal Fees | \$ 117,000 |
| Bond Commission Fees | 33,000 |
| Rating Agency | 29,000 |
| Underwriter | 32,000 |
| KHC Pre-Application Fee | 8,000 |
| KHC Application Fee | 28,000 |
| KHC Issuer Fee | 31,295 |
| KHC Annual Fee | 15,563 |
| KHC Admin Fee | <u>40,000</u> |
| TOTAL | \$ 333,858 |