

## NEW BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Notes (The Colony Apartments), Series 2020
Purpose of Issue:	The proceeds will be used to finance the acquisition, rehabilitation and equipping of the The Colony Apartments Project, a 137 unit property located at 3800 Locke Street, Covington, Kentucky, 41015. The Kentucky Housing Corporation anticipates conducting a public hearing concerning the proposed project on March 10, 2020 following the anticipated publication of notice to the public on March 2, 2020.
Name of Project:	The Colony Apartments
Proposed Date of Sale:	May 2020
Proposed Date of Issuance:	May 2020
Ratings:	N/A (Private Placement)
Net Proceeds:	\$14,000,000
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:	\$20,157,792
Net Interest Rate:	3.84%
Term:	16 years
Average Debt Service:	\$696,164
Gross Debt Service:	\$11,138,629
First Call Date:	May 2030
Premium at First Call:	No premium
Method of Sale:	Private Placement
Bond Counsel:	Stites & Harbison PLLC
Financial Advisor:	N/A
Underwriter Counsel:	N/A
Trustee:	BNY Mellon Corporate Trust
Developer:	FA Developer LLC

Preliminary; Subject to Change

## **EXHIBIT A**

### **Project Funding Sources:**

LIHTC Equity	\$ 6,093,000
Tax-Exempt Bond Financing	13,391,000
Cash Flow from Operations	354,700
Deferred Developer Fee	<u>319,092</u>
<b>TOTAL</b>	<b>\$ 20,157,792</b>

### **Costs of Issuance:**

KHC Issuer Fee	\$ 50,217
KHC Reservation Fee	60,934
KHC Application Fee	4,500
KHC Admin Fee	5,000
Issuer Counsel	13,391
Bond Counsel	75,000
Borrower Counsel	<u>40,000</u>
<b>TOTAL</b>	<b>\$ 249,042</b>

# FAIRSTEAD // AFFORDABLE



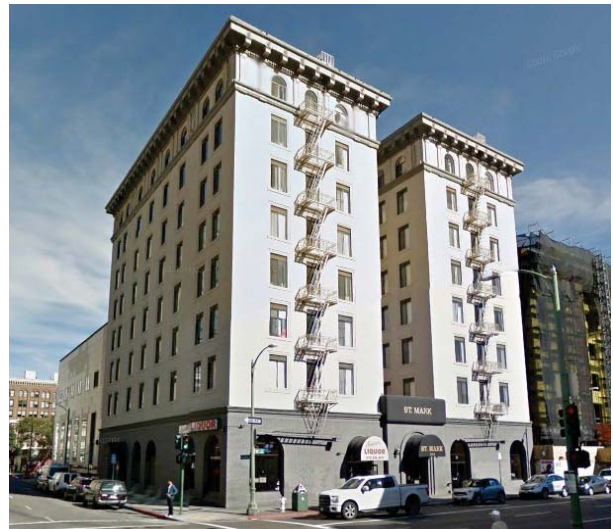
Euclid Beach Villa | Cleveland, OH | 559 units | Section 8 / LIHTC



St. Nicholas Manor | Manhattan, NY | 112 units | Section 8



Savoy Park | Manhattan, NY | 1,800 units | Workforce / Affordable



St. Marks | Oakland, CA | 102 units | Section 8 / LIHTC

Fairstead Affordable, a Fairstead subsidiary, specializes in the acquisition, rehabilitation and preservation of affordable and mixed-income housing across the US.

Fairstead is a real estate investor, developer and operator specializing in multifamily housing. Fairstead owns over 10,000 market rate, workforce and affordable rental units across the U.S.

Through its disciplined investment approach, Fairstead has acquired nearly \$3 billion in real estate since 2013.

For More Information Contact:

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## NEW BOND ISSUE REPORT

<b>Name of Issue:</b>	\$815,000,000 Kentucky Higher Education Student Loan Corporation (“KHESLC”) Student Loan Backed Notes to be issued in one or more tranches in an interim or permanent mode	
<b>Purpose of Issue:</b>	The LIBOR Indexed Student Loan Backed Notes are being issued in one or more tranches in an interim (Bridge Line) and permanent mode for the purpose of financing Federal Family Education Loan Program (“FFELP”) Student Loans and rehabilitated FFELP loans. The Student Loan Backed Notes will be either Directly Placed Notes (“DPNs”) or Floating Rate Notes (“FRNs”), will bear interest on the basis of a fixed spread to LIBOR (as do the FFELP Loans to be financed) and will be issued on a taxable and/or tax-exempt basis. KHESLC’s Board Executive Committee has provided preliminary bond issuance authorization and approval of up to \$815 million FFELP loan backed bonds through June 30, 2021.	
<b>Proposed Date of Sale:</b>	Various dates on or prior to June 30, 2021	
<b>Proposed Date of Issue:</b>	Various dates on or prior to June 30, 2021	
<b>Rating (Anticipated):</b>	TBD	
<b>Estimated Net Proceeds For Project<sup>(1)</sup>:</b>	Estimated Net Proceeds	\$ 807,959,654
	Debt Service Reserve Fund	2,852,500
	<u>Cost of Issuance</u>	<u>4,187,846</u>
	Gross Proceeds	<b>\$ 815,000,000</b>
<b>Expected Initial Interest Rates<sup>(1)</sup>:</b>	One Month LIBOR + 0.75%	
<b>Length of Term<sup>(1)</sup>:</b>	Final Maturity Date: June 1, 2050	
<b>Gross Debt Service<sup>(1)</sup>:</b>	\$ 1,020,941,928	
<b>Average Annual Debt Service<sup>(1)</sup>:</b>	\$ 68,062,795	
<b>First Call:</b>	TBD	

(1) Assuming a single \$815,000,000 issuance, typical FFELP portfolio characteristics and current market conditions

<b>Method of Sale:</b>	Bridge Lines or DPNs: Direct Placed; FRNs: Negotiated
<b>Bond Counsel:</b>	Hawkins Delafield & Wood LLP
<b>Purchaser:</b>	For any Bridge Lines or DPNs, Bank of America, N.A. and/or an affiliate of Bank of America Corporation
<b>Purchaser's Counsel:</b>	For any Bridge Lines or DPNs, Chapman and Cutler LLP
<b>Underwriter:</b>	For any FRNs, BofA Securities, Inc.
<b>Underwriter's Counsel:</b>	For any FRNs, Kutak Rock LLP
<b>Financial Advisor:</b>	SL Capital Strategies LLC
<b>Trustee:</b>	TBD

**Kentucky Higher Education Student Loan Corporation (KHESLC)  
LIBOR Indexed Student Loan Backed Notes<sup>(1)</sup>**

Date	Annual Gross Debt Service		
	Interest	Principal	Total
6/23/2020	\$ -	\$ -	\$ -
6/1/2021	26,232,275	65,934,000	92,166,275
6/1/2022	27,997,049	68,165,000	96,162,049
6/1/2023	25,670,828	63,696,000	89,366,828
6/1/2024	22,698,159	71,751,000	94,449,159
6/1/2025	19,619,259	81,609,000	101,228,259
6/1/2026	16,631,192	78,628,000	95,259,192
6/1/2027	13,830,440	74,669,000	88,499,440
6/1/2028	11,055,769	70,794,000	81,849,769
6/1/2029	8,403,258	65,235,000	73,638,258
6/1/2030	6,198,187	44,597,000	50,795,187
6/1/2031	11,234,323	33,113,000	44,347,323
6/1/2032	8,545,407	31,870,000	40,415,407
6/1/2033	5,317,267	29,852,000	35,169,267
6/1/2034	2,349,813	26,891,000	29,240,813
6/1/2035	158,702	8,196,000	8,354,702
<b>Total</b>	<b>\$ 205,941,928</b>	<b>\$ 815,000,000</b>	<b>\$ 1,020,941,928</b>

(1) Assuming a single \$815,000,000 issuance, typical FFELP portfolio characteristics and current market conditions



**ANDY BESHEAR**  
Governor

**Commonwealth of Kentucky**  
**FINANCE AND ADMINISTRATION CABINET**  
**Office of Financial Management**  
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**HOLLY M. JOHNSON**  
Secretary

**RYAN BARROW**  
Executive Director

February 18, 2020

Ms. Sarah Heil, Debt & Liquidity Director  
University of Kentucky  
310 Peterson Service Building  
Lexington, KY 40506-005

Dear Ms. Heil,

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 University of Kentucky debt issuance of the \$46,120,000 General Receipts Bonds, 2020 Series A; and \$12,405,000 General Receipts Bonds, 2020 Taxable Series B

Sincerely,

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

Ryan Barrow  
Executive Director

Attachments

**OFM APPROVAL PURSUANT TO KRS 42.420**  
**UNIVERSITY OF KENTUCKY**  
**\$46,120,000 GENERAL RECEIPTS BONDS, 2020 SERIES A**  
**\$12,405,000 GENERAL RECEIPTS BONDS, 2020 SERIES B**  
**DATED FEBRUARY 19, 2020**

**DESCRIPTION:**

Bond proceeds of the 2020 Series A and Series B 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.

**BOND SUMMARY STATISTICS:**

	<b>Series A</b>	<b>Series B</b>
Par Amount:	\$46,120,000	\$12,405,000
Pricing Date:	01/22/2020	01/22/2020
Closing Date:	02/19/2020	02/19/2020
Dated Date:	02/19/2020	02/19/2020
Final Maturity:	04/01/2040	04/01/2026
Arbitrage Yield:	2.011%	2.011%
TIC:	2.319%	1.842%
NIC:	2.412%	1.851%
All-In TIC:	2.349%	1.962%
Benchmark: (as of 01/23/2020)	2.54% (01/23/2020)	(BBWK20GO)
Method of Sale:	Competitive	
Purchaser:	Series A – UBS Financial Services, Inc. Series B – Janney Montgomery Scott LLC	

<b>RATINGS:</b>	Moody's:	Aa2
	S & P:	AA

**SOURCES AND USES OF FUNDS:****SOURCES OF FUNDS:**

	<b>Series A</b>	<b>Series B</b>
Par Amount of Bonds	\$46,120,000.00	\$12,405,000.00
Net Premium	3,997,798.55	60,808.80
<b>TOTAL SOURCES</b>	<b>\$50,117,798.55</b>	<b>\$12,465,808.80</b>

**USES OF FUNDS:**

Project Fund Deposit	\$49,600,000.00	\$12,400,000.00
Cost of Issuance*	167,214.50	49,854.46
Underwriter's Discount	350,584.04	15,954.34
<b>TOTAL USES</b>	<b>\$50,117,798.55</b>	<b>\$12,465,808.80</b>

\*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.

<b><u>Firm</u></b>	<b><u>Service</u></b>	<b><u>Fee</u></b>
Baird	Financial Advisor	\$40,967.50
Dinsmore & Shohl	Bond Counsel	29,262.50
	Legal Expenses / Advertising	1,072.12
OFM	Financial Advisor	14,631.25
Moody's	Rating Agency	61,000.00
Standard & Poor's	Rating Agency	43,500.00
BKD	Auditor	11,950.00
US Bank	Trustee	2,000.00
Misc./Contingency		10,000.00
		<b>\$214,383.37</b>

**ATTACHMENTS:**

Official Statement Cover  
Debt Service Schedule



*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 MATTERS," interest on the 2020 Series A Bonds (defined below) is excludable from gross income for Federal income tax purposes and is not a specific item of tax preference for purposes of the Federal individual or corporate alternative minimum taxes. HOWEVER, INTEREST ON THE 2020 SERIES B BONDS (DEFINED BELOW) IS NOT EXCLUDIBLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. 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 MATTERS" herein.*



**UNIVERSITY OF KENTUCKY**

**\$46,120,000**  
**GENERAL RECEIPTS BONDS,**  
**2020 SERIES A**

**and**

**\$12,405,000**  
**GENERAL RECEIPTS BONDS,**  
**2020 TAXABLE SERIES B**

**Dated: Date of Delivery**

**Due: April 1, as shown on the inside cover**

The University of Kentucky General Receipts Bonds, 2020 Series A (the "2020 Series A Bonds") are being issued as tax-exempt obligations. The University of Kentucky General Receipts Bonds, 2020 Taxable Series B (the "2020 Series B Bonds") will be issued as taxable obligations. The 2020 Series A Bonds and 2020 Series B Bonds are referred to herein, collectively as the "Series 2020 Bonds." The Series 2020 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 Series 2020 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2020 Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2020 Bonds, payments of the principal of and interest due on the Series 2020 Bonds will be made directly to DTC.

The Series 2020 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 on inside cover hereof. Principal of, premium, if any, and interest on the Series 2020 Bonds will be paid directly to DTC by U.S. Bank National Association, having offices in Louisville, Kentucky, as Trustee and Paying Agent. The Series 2020 Bonds shall be issued only as fully registered bonds.

The 2020 Series A Bonds are subject to optional and mandatory redemption prior to their stated maturities as described herein.

The 2020 Series B Bonds are not subject to redemption prior to their maturity.

The Series 2020 Bonds constitute special obligations of the University of Kentucky 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 Series 2020 Bonds constitute Obligations under the Trust Agreement dated as of November 1, 2005 between the University and the Trustee, and the payment of the principal of, premium, if any, and interest on Series 2020 Bonds is secured by a pledge of the University's General Receipts, as defined in the Trust Agreement. See "SECURITY FOR THE BONDS."

The Series 2020 Bonds are issued subject to the approval of legality by Dinsmore & Shohl LLP, Covington, Kentucky, Bond Counsel. Delivery of the Series 2020 Bonds is expected on February 19, 2020 in New York, New York, through the facilities of DTC.

Dated: January 22, 2020

## BOND DEBT SERVICE

University of Kentucky  
Series 2020 Tax-Exempt

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2020			895,962.71	895,962.71	
04/01/2021			726,456.25	726,456.25	
06/30/2021					1,622,418.96
10/01/2021			726,456.25	726,456.25	
04/01/2022			726,456.25	726,456.25	
06/30/2022					1,452,912.50
10/01/2022			726,456.25	726,456.25	
04/01/2023			726,456.25	726,456.25	
06/30/2023					1,452,912.50
10/01/2023			726,456.25	726,456.25	
04/01/2024			726,456.25	726,456.25	
06/30/2024					1,452,912.50
10/01/2024			726,456.25	726,456.25	
04/01/2025			726,456.25	726,456.25	
06/30/2025					1,452,912.50
10/01/2025			726,456.25	726,456.25	
04/01/2026	1,395,000	5.000%	726,456.25	2,121,456.25	
06/30/2026					2,847,912.50
10/01/2026			691,581.25	691,581.25	
04/01/2027	2,535,000	5.000%	691,581.25	3,226,581.25	
06/30/2027					3,918,162.50
10/01/2027			628,206.25	628,206.25	
04/01/2028	2,665,000	5.000%	628,206.25	3,293,206.25	
06/30/2028					3,921,412.50
10/01/2028			561,581.25	561,581.25	
04/01/2029	2,795,000	4.000%	561,581.25	3,356,581.25	
06/30/2029					3,918,162.50
10/01/2029			505,681.25	505,681.25	
04/01/2030	2,910,000	3.000%	505,681.25	3,415,681.25	
06/30/2030					3,921,362.50
10/01/2030			462,031.25	462,031.25	
04/01/2031	2,995,000	3.000%	462,031.25	3,457,031.25	
06/30/2031					3,919,062.50
10/01/2031			417,106.25	417,106.25	
04/01/2032	3,085,000	2.000%	417,106.25	3,502,106.25	
06/30/2032					3,919,212.50
10/01/2032			386,256.25	386,256.25	
04/01/2033	3,150,000	3.000%	386,256.25	3,536,256.25	
06/30/2033					3,922,512.50
10/01/2033			339,006.25	339,006.25	
04/01/2034	3,245,000	2.000%	339,006.25	3,584,006.25	
06/30/2034					3,923,012.50
10/01/2034			306,556.25	306,556.25	
04/01/2035	3,310,000	3.000%	306,556.25	3,616,556.25	
06/30/2035					3,923,112.50
10/01/2035			256,906.25	256,906.25	
04/01/2036	3,405,000	2.250%	256,906.25	3,661,906.25	
06/30/2036					3,918,812.50
10/01/2036			218,600.00	218,600.00	
04/01/2037	3,485,000	3.500%	218,600.00	3,703,600.00	
06/30/2037					3,922,200.00
10/01/2037			157,612.50	157,612.50	
04/01/2038	3,605,000	3.000%	157,612.50	3,762,612.50	
06/30/2038					3,920,225.00
10/01/2038			103,537.50	103,537.50	
04/01/2039	3,715,000	3.000%	103,537.50	3,818,537.50	
06/30/2039					3,922,075.00
10/01/2039			47,812.50	47,812.50	
04/01/2040	3,825,000	2.500%	47,812.50	3,872,812.50	
06/30/2040					3,920,625.00
	46,120,000		19,051,931.46	65,171,931.46	65,171,931.46

## BOND DEBT SERVICE

University of Kentucky  
Series 2020 Taxable

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2020			141,137.43	141,137.43	
04/01/2021	2,045,000	1.650%	114,435.75	2,159,435.75	
06/30/2021					2,300,573.18
10/01/2021			97,564.50	97,564.50	
04/01/2022	2,270,000	1.680%	97,564.50	2,367,564.50	
06/30/2022					2,465,129.00
10/01/2022			78,496.50	78,496.50	
04/01/2023	2,310,000	1.700%	78,496.50	2,388,496.50	
06/30/2023					2,466,993.00
10/01/2023			58,861.50	58,861.50	
04/01/2024	2,350,000	1.780%	58,861.50	2,408,861.50	
06/30/2024					2,467,723.00
10/01/2024			37,946.50	37,946.50	
04/01/2025	2,390,000	1.870%	37,946.50	2,427,946.50	
06/30/2025					2,465,893.00
10/01/2025			15,600.00	15,600.00	
04/01/2026	1,040,000	3.000%	15,600.00	1,055,600.00	
06/30/2026					1,071,200.00
	12,405,000		832,511.18	13,237,511.18	13,237,511.18



**ANDY BESHEAR**  
Governor

**Commonwealth of Kentucky**  
**FINANCE AND ADMINISTRATION CABINET**  
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**HOLLY M. JOHNSON**  
Secretary

**RYAN BARROW**  
Executive Director

February 17, 2020

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 (City View Park Project), Series 2020 in a principal amount of \$34,000,000 (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 August 27, 2019. The attached includes a finalized listing of costs related to the issuance of the Bonds 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 (City View Park), Series 2020
Purpose of Issue:	The bonds will be used to finance the acquisition, rehabilitation, construction and equipping of the City View park Project, a five hundred three (503) unit property located at (i) 1001 Place Juane, Louisville, Kentucky 40203, (ii) 1279 Place Noir, Louisville, Kentucky 40203 and (iii) 625 S. 10 <sup>th</sup> St., Louisville, Kentucky 40203 and to be owned by HC Russell Neighborhood LP (the "Borrower"). The Kentucky Housing Corporation conducted a public hearing concerning the proposed project on November 16, 2018 following the delivery of notice to the public on December 4, 2018. The Bonds will be the sole obligations of the Borrower.
Name of Project:	City View Park Project
Date of Sale:	February 3, 2020
Date of Issuance:	February 7, 2020
Rating:	Moody's Investor Service (Aaa)
Net Proceeds:	\$34,000,000
Cost of Issuance:	See Exhibit A attached (costs of issuance paid from owner equity)
Bond Discount:	\$0
Debt Service Reserve Fund:	\$0, but a \$1,551,709 operating reserve will be funded from equity.
Insurance Premium:	N/A
Total Project Cost:	\$137,716,312
Term:	36 months
Net Interest Rate:	1.16%
Average Debt Service:	\$394,000
Gross Debt Service:	\$1,176,000 (balloon payment due at maturity)
First Call Date:	August 2022
Premium at First Call:	No premium
Method of Sale:	Public Offering
Bond Counsel:	Dinsmore & Shohl LLP
Underwriter Counsel:	Tiber Hudson LLC
Financial Advisor:	N/A
Underwriter:	Stifel, Nicolaus & Company, Inc.
Trustee:	The Huntington National Bank

## **EXHIBIT A**

### **Project Funding Sources:**

KHC Tax-Exempt Bonds	\$ 34,000,000
Permanent Loan	34,250,000
LAHTF Loan	2,000,000
City HOME Loan	800,000
Existing Replacement Reserves	1,514,290
Syndication Proceeds	19,481,093
Assumption of Subordinated Debt	43,770,929
Deferred Developer Fee	<u>1,900,000</u>
<b>TOTAL</b>	<b>\$ 137,716,312</b>

### **Costs of Issuance:**

Origination Fee	\$ 158,000
KHC Counsel	25,500
KHC Financing Fee	85,000
KHC Application Fee	7,500
KHC Admin Fee	7,500
Bond Counsel	79,500
Trustee Counsel	5,000
Underwriter Counsel	60,000
Borrower Counsel	70,000
Trustee Fee	13,600
Rating Agency	5,500
TEFRA/Publication/Print	<u>5,000</u>
<b>TOTAL</b>	<b>\$ 522,100</b>