

NEW BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Christian Towers Project), Series 2020
Purpose of Issue:	The bonds will be used to finance the acquisition, rehabilitation and equipping of the Christian Towers, a multifamily residential rental facility consisting of one hundred and forty two (142) units, located in Fayette County, Kentucky, at 1511 Versailles Rd, Lexington, KY 40504. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on August 11, 2020 following the delivery of notice to the public on July 31, 2020.
Name of Project:	Christian Towers
Date of Sale:	September 14, 2020
Date of Issuance:	September 14, 2020
Anticipated Ratings:	Private Placement
Anticipated Net Proceeds:	\$19,800,000
Cost of Issuance:	See Exhibit A attached (costs of issuance paid from owner equity)
Bond Discount:	\$0
Debt Service Reserve Fund:	\$0, but a \$720,096 operating reserve will be funded from equity.
Total Project Cost:	\$54,044,535
Net Interest Rate:	3.75%
Term:	35 years
Average Debt Service:	\$1,016,703
Gross Debt Service:	\$35,584,580
First Call Date:	24 months
Premium at First Call:	No premium
Method of Sale:	Private Placement
Bond Counsel:	Dinsmore & Shohl LLP
Underwriter:	N/A
Underwriter Counsel:	N/A
Financial Advisor:	N/A
Trustee:	N/A
Developer:	Mansermar Development, LLC

Exhibit A

Project Funding Sources:

KHC Tax-Exempt Bonds	\$	19,800,000
Freddie Mortgage Loan		10,870,000
Lexington HOME		500,000
Tax Credit Equity		11,279,963
Affordable Housing Trust Fund		500,000
Seller Carryback Note		8,300,000
Seller's Transferred Reserves		428,386
Lexington AHTF		500,000
Deferred Developer Fee		849,792
Interim Income		<u>1,016,394</u>
TOTAL	\$	54,044,535

Costs of Issuance:

Origination Fee	\$	163,050
KHC Counsel		12,500
KHC Financing Fee		24,750
KHC Application Fee & Expenses		3,500
KHC Admin Fee		5,000
Bond Counsel		75,000
Lender Counsel		50,000
Borrowers Counsel		125,000
TEFRA/Publication/Print		<u>5,000</u>
TOTAL	\$	463,800

Mansermar Development LLC (fka Psalms 127 LLC)

Psalms 127, LLC

1171 Hammond Creek Trail

Watkinsville, GA 30677

706-433-1880

Cwatson.psalms127@gmail.com

Affordable Housing Experience

Psalms 127, LLC was founded in 1998 as a consulting company to aid non-profit organizations in the development and management of affordable multifamily housing. Cissy C. Watson is the Manager of the company.

In scripture, Psalm 127 reads:

Unless the Lord builds the house, They labor in vain who build it; Unless the Lord guards the city, The watchman stays awake in vain. It is vain for you to rise up early, to sit up late, to eat the bread of sorrows; for so He gives His beloved sleep. . . .

It is our strong hope and desire that all that we might do in development and consulting would be led by the Lord, guided by His wisdom and through His Holy Spirit.

Having 30 years of experience in the development and property management of affordable multifamily housing, Ms. Watson will lead the consulting and development services of the company. She has vast experience with HUD and Tax Credit properties and all of the compliance and regulatory issues that accompany these types of properties. She has developed over \$250 Million in new construction or acquisition-rehab affordable multifamily communities. Ms. Watson owned Hometowne Communities, Inc., a successful property management, construction management and development firm for 14 years, before selling the assets to a larger national firm in 2010. She retains ownership in a 115 unit mixed use community with 86 affordable units in downtown San Diego, just outside of the Gas Lamp District. In addition, Ms. Watson retains a minority ownership in Mansermar, Inc. an experienced managing agent specializing in affordable housing for senior citizens. Mansermar currently has 67 communities under management.

Psalms 127 will be responsible for the development services of new construction properties, acquisition and rehab properties as well as the refinancing of existing communities. The development services will be tailored to the specific needs of the client and the asset.

NEW BOND ISSUE REPORT

Name of Bond Issue: Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Overlook at Elkhorn Creek Apartments Project), Series 2020

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of the Overlook at Elkhorn Creek Apartments, a multifamily residential rental facility consisting of one hundred and fifty six (156) units, located in Scott County, Kentucky, at Overview Path. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on August 13, 2020 following the delivery of notice to the public on August 5, 2020.

Name of Project: Overlook at Elkhorn Creek Apartments

Date of Sale: September 14, 2020

Date of Issuance: September 14, 2020

Anticipated Ratings: Private Placement

Anticipated Net Proceeds: \$21,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$831,103 operating reserve will be funded from equity.

Total Project Cost: \$33,815,621

Net Interest Rate: 3.75%

Term: 35 years

Average Debt Service: \$1,016,703

Gross Debt Service: \$35,584,580

First Call Date: 24 months

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Dinsmore & Shohl LLP

Bond Purchaser: Red Stone Partners

Underwriter: N/A

Underwriter Counsel: N/A

Financial Advisor: N/A

Trustee: Huntington National Bank

Developer: LDG Multifamily, LLC

Exhibit A

Project Funding Sources:

KHC Tax-Exempt Bonds	\$ 21,000,000
Tax Credit Equity	7,836,808
Deferred Developer Fee	<u>4,978,813</u>
TOTAL	\$ 33,815,621

Costs of Issuance:

Origination Fee	\$ 307,320
KHC Counsel	12,500
KHC Financing Fee	105,000
KHC Application Fee & Expenses	3,500
KHC Admin Fee	5,000
Bond Counsel	108,000
Trustee Counsel	5,000
Borrowers Counsel	125,000
TEFRA/Publication/Print	<u>5,000</u>
TOTAL	\$ 676,320



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.”

Xpert Design & Construction LLC
Projects Under Construction Summary
7/31/19

Project Name	Project Location	% complete
Bristol Bluffs	Louisville, KY	99%
Meadows at Nicholson*	Baton Rouge, LA	98%
The Pointe at Crestmont*	Houston, TX	95%
Commons at Goodnight*	Austin, TX	96%
Jefferson (Grove) Family*	Newnan, GA	68%
Bridge at Cameron*	Austin, TX	68%
Springs Apartments*	Balch Springs, TX	63%
Le Jolliet	Lake Charles, LA	41%
Copper Pointe*	San Antonio, TX	24%
Forestwood	Balch Springs, TX	33%
Jefferson Green*	Louisville, KY	35%
Manor Apartments	Manor, TX	20%
Sansom Bluff	Sansom, TX	16%
Elysium Grand	Austin, TX	20%
Brook Pointe	Lafayette, LA	15%
Avoca Ridge	Louisville, KY	15%
The Rail at MLK*	Austin, TX	8%
Patriot Pointe	Ft. Worth, TX	3%
Manchaca	Austin, TX	0%
Sunrise View	Dekalb, GA	1%
Stallion Ridge	Ft. Worth, TX	0%
The Oaks	Austin, TX	0%
Frontgate Apartments	Louisville, KY	0%
Union Landing	Union City, GA	0%
Buffalo Trail	Nashville, TN	0%

* Xpert Design & Construction Joint Ventures



ANDY BESHEAR
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

HOLLY M. JOHNSON
Secretary

RYAN BARROW
Executive Director

July 22, 2020

Holly M. Johnson
Secretary
Finance and Administration Cabinet
Executive Director
State Property and Buildings Commission
702 Capital Avenue
Frankfort, KY 40601

Dear Secretary Johnson:

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 \$121,450,000 State Property and Buildings Commission Revenue Bonds, Project No. 124 Series A, dated July 22, 2020.

Sincerely,

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

Ryan Barrow
Executive Director
Office of Financial Management

Attachments

OFM APPROVAL PURSUANT TO KRS 42.420
\$121,450,000
COMMONWEALTH OF KENTUCKY
STATE PROPERTY AND BUILDINGS COMMISSION
REVENUE BONDS, PROJECT NO. 124 SERIES A

DESCRIPTION:

The Bonds are being issued to provide funds with which to (i) provide permanent financing for approximately \$150 million of General Fund supported capital projects authorized by the General Assembly of the Commonwealth of Kentucky in H.B. 1 (2010 Special Session), H.B. 265 (2012 Session), H.B. 235 (2014 Session), H.B. 303 (2016 Session), H.B. 200 (2018 Session), H.B. 268 (2019 Session) and H.B. 352 (2020 Session); and, (ii) pay costs of issuance.

BOND SUMMARY STATISTICS:

Par Amount:	\$121,450,000
Pricing Date:	June 30, 2020
Closing Date:	July 22, 2020
Dated Date:	July 22, 2020
Final Maturity:	November 1, 2039
Arbitrage Yield:	1.7175%
TIC:	2.3802%
NIC:	2.3915%
All-In TIC:	2.3915%
Benchmark (BBWK20GO):	2.210% (July 2, 2020)
Method of Sale:	Negotiated
Underwriter:	Citigroup

RATINGS:

Moody's:	A1
Fitch Ratings:	A+

SOURCES AND USES OF FUNDS:

SOURCES OF FUNDS:

Par Amount of Bonds	\$ 121,450,000.00
Net Original Issue Premium	<u>30,183,020.90</u>
TOTAL SOURCES	\$ 151,633,020.90

USES OF FUNDS:

Deposit to Project Fund	\$ 150,000,000.00
Costs of Issuance*	<u>1,633,020.90</u>
TOTAL USES	\$ 151,633,020.90

*Includes underwriters' discount, insurance, legal fees, rating agency fees, trustee fees, printing and other expenses of the issuance and offering of the Bonds.

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.

Firm	Service	Fee
Bond Link	Printer / Roadshow	\$ 12,729.00
U.S. Bank	Trustee	1,500.00
Kutak Rock LLP	Bond Counsel	18,217.50
Moody's	Rating Service	30,000.00
Fitch Ratings	Rating Service	45,000.00
OFM	Financial Advisor	30,362.50
Assured Guaranty Municipal Corp.	Bond Insurance	987,719.74
	Contingency / Misc.	<u>10,965.72</u>
TOTAL		\$1,136,494.46

GROSS SPREAD/UNDERWRITER'S DISCOUNT:

	Per Bond	Total
Underwriter's Average Takedown	3.846410	\$ 467,146.25
Underwriter's Other Fee	0.140000	17,235.19
Underwriter's Counsel	<u>0.100000</u>	<u>12,145.00</u>
TOTAL	4.253930	\$ 496,526.44

COST OF ISSUANCE GRAND TOTAL: **\$1,633,020.90**

ATTACHMENTS:

OS Cover
Bond Debt Service Schedule

NEW ISSUE

(See "RATINGS" herein)

In the opinion of Bond Counsel for the Bonds, based upon an analysis of laws, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants made by the Commission, and subject to the conditions and limitations set forth herein under the caption "TAX TREATMENT," interest on the Bonds is excludible 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 TREATMENT" herein for a more complete discussion, and EXHIBIT E – "FORM OF BOND COUNSEL OPINION FOR THE BONDS."



COMMONWEALTH OF KENTUCKY
State Property and Buildings Commission
\$121,450,000 Revenue Bonds, Project No. 124 Series A

Dated: Date of Delivery**Maturity: November 1, as shown on inside cover**

The Commonwealth of Kentucky State Property and Buildings Commission (the "Commission") is issuing its Revenue Bonds, Project No. 124 Series A (the "Bonds"). 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, premium, if any, and interest due on the Bonds will be made directly to DTC. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Bonds will bear interest payable on each November 1 and May 1, commencing on November 1, 2020. Principal of, premium, if any, and interest on the Bonds will be paid directly to DTC by U.S. Bank National Association, Louisville, Kentucky, as Trustee and Paying Agent.

The Bonds mature on the dates and in the principal amounts, bearing semiannual interest and have the prices and/or yields shown on the inside cover.

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption".

The Bonds are being issued by the Commission, an independent agency of the Commonwealth of Kentucky (the "Commonwealth"), at the request of the Finance and Administration Cabinet of the Commonwealth (the "Cabinet") pursuant to Bond Resolution adopted on May 18, 2020 (the "Resolution"). The Bonds are being issued to (i) pay the costs of the Project (as defined herein) and (ii) pay costs of issuing the Bonds.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COMMISSION. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY, OR OBLIGATION OF THE COMMONWEALTH, OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH, BUT ARE PAYABLE SOLELY FROM AMOUNTS DEPOSITED IN CERTAIN FUNDS AND ACCOUNTS CREATED BY THE RESPECTIVE RESOLUTIONS AND FROM RENTAL INCOME DERIVED FROM THE BIENNIAL OR ANNUALLY RENEWABLE LEASE WITH THE CABINET AND THE SUBLEASES (AS DESCRIBED AND DEFINED HEREIN), THE RENT FROM WHICH IS SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH ON A BIENNIAL OR ANNUAL BASIS. THE BONDHOLDERS HAVE NO SECURITY INTEREST IN ANY PROPERTIES CONSTITUTING THE PROJECT OR ANY AMOUNTS DERIVED THEREFROM. See "SECURITY FOR THE BONDS" herein.

The scheduled payment of principal of and interest on the Bonds maturing on November 1 of the years 2024 through 2039, inclusive (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **ASSURED GUARANTY MUNICIPAL CORP.** See "BOND INSURANCE" herein.



The cover page contains information for quick reference only and is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the approving legal opinion of Kutak Rock LLP, Omaha, Nebraska, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, Frost Brown Todd LLC, Louisville, Kentucky. It is expected that the Bonds will be available for delivery in New York New York, through the book-entry procedures of DTC, on or about July 22, 2020.

Citigroup
Morgan Stanley

Baird**Raymond James****PNC Capital Markets LLC****FTN Financial Capital Markets****First Kentucky Securities Corp.**

Dated: July 1, 2020

BOND DEBT SERVICE

Kentucky State Property and Buildings Commission
Revenue Bonds, Project No. 124 Series A
Rates as of June 30, 2020
Final Numbers

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2020	3,485,000	** %	1,628,880	5,113,880	
05/01/2021			2,889,475	2,889,475	
06/30/2021					8,003,355
11/01/2021	2,805,000	** %	2,889,475	5,694,475	
05/01/2022			2,834,350	2,834,350	
06/30/2022					8,528,825
11/01/2022	2,915,000	** %	2,834,350	5,749,350	
05/01/2023			2,781,050	2,781,050	
06/30/2023					8,530,400
11/01/2023	3,030,000	** %	2,781,050	5,811,050	
05/01/2024			2,720,300	2,720,300	
06/30/2024					8,531,350
11/01/2024	3,170,000	5.000%	2,720,300	5,890,300	
05/01/2025			2,641,050	2,641,050	
06/30/2025					8,531,350
11/01/2025	20,000,000	5.000%	2,641,050	22,641,050	
05/01/2026			2,141,050	2,141,050	
06/30/2026					24,782,100
11/01/2026	4,360,000	5.000%	2,141,050	6,501,050	
05/01/2027			2,032,050	2,032,050	
06/30/2027					8,533,100
11/01/2027	4,580,000	5.000%	2,032,050	6,612,050	
05/01/2028			1,917,550	1,917,550	
06/30/2028					8,529,600
11/01/2028	4,815,000	5.000%	1,917,550	6,732,550	
05/01/2029			1,797,175	1,797,175	
06/30/2029					8,529,725
11/01/2029	5,065,000	5.000%	1,797,175	6,862,175	
05/01/2030			1,670,550	1,670,550	
06/30/2030					8,532,725
11/01/2030	5,320,000	** %	1,670,550	6,990,550	
05/01/2031			1,539,125	1,539,125	
06/30/2031					8,529,675
11/01/2031	5,590,000	5.000%	1,539,125	7,129,125	
05/01/2032			1,399,375	1,399,375	
06/30/2032					8,528,500
11/01/2032	5,880,000	5.000%	1,399,375	7,279,375	
05/01/2033			1,252,375	1,252,375	
06/30/2033					8,531,750
11/01/2033	6,180,000	5.000%	1,252,375	7,432,375	
05/01/2034			1,097,875	1,097,875	
06/30/2034					8,530,250
11/01/2034	6,500,000	5.000%	1,097,875	7,597,875	
05/01/2035			935,375	935,375	
06/30/2035					8,533,250
11/01/2035	6,820,000	** %	935,375	7,755,375	
05/01/2036			773,375	773,375	
06/30/2036					8,528,750
11/01/2036	7,165,000	5.000%	773,375	7,938,375	
05/01/2037			594,250	594,250	
06/30/2037					8,532,625
11/01/2037	7,530,000	5.000%	594,250	8,124,250	
05/01/2038			406,000	406,000	
06/30/2038					8,530,250
11/01/2038	7,915,000	5.000%	406,000	8,321,000	
05/01/2039			208,125	208,125	
06/30/2039					8,529,125
11/01/2039	8,325,000	5.000%	208,125	8,533,125	
06/30/2040					8,533,125
	121,450,000		64,889,830	186,339,830	186,339,830