

## Preliminary New Bond Issue Information

Issue: Kentucky Asset/Liability Commission Project Notes, 2020 Federal Highway Trust Fund (GARVEEs) First Refunding Series A

Purpose of Issue: To provide financing for a refunding in an amount not to exceed (NTE) \$63 million that will include (i) the 2010 Series A Notes authorized by H.B. 410 of the 2008 Regular Session for the purpose of producing economic savings, and (ii) to pay for costs of issuing the Notes.

Proposed Date of Sale: November 17, 2020

Proposed Date of Delivery: December 16, 2020

### 2020 Federal Highway Trust Fund

Expected Rating:

Moody's TBD

S&P TBD

Fitch TBD

### Sources:

#### Refunding of 2010 Series A

Par amount of notes 58,945,000

Premium/Original Issue Discount 3,259,514

Total Sources 62,204,514

### Uses:

Refunding Escrow Deposit 61,966,231

Issuance Cost/Underwriter's Discount 238,283

Total Uses 62,204,514

Arbitrage Yield: 0.59%

All-in True Interest Cost: 0.90%

Final Maturity Date: September 1, 2022

Average Annual Debt Service: 35,808,678

Total Debt Service: 62,665,188

Method of Sale: Negotiated

Bond Counsel: Kutak Rock LLP

Underwriter: Citigroup

Underwriters' Counsel: Dinsmore and Shohl LLP

Trustee: The Bank of New York Mellon

Financial Advisor: Office of Financial Management

Preliminary, subject to change

The Kentucky Transportation Cabinet has a memorandum of agreement with the Federal Highway Administration for payment of the GARVEEs from the federal annual obligation authority.

## SUMMARY OF BONDS REFUNDED

Kentucky Asset/Liability Commission  
Series 2010 Tax-exempt Current Refunding

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2010, SERIAL:					
	09/01/2021	3.500%	1,245,000.00	12/01/2020	100.000
	09/01/2021	4.000%	255,000.00	12/01/2020	100.000
	09/01/2021	5.000%	28,370,000.00	12/01/2020	100.000
	09/01/2022	3.500%	1,650,000.00	12/01/2020	100.000
	09/01/2022	4.000%	985,000.00	12/01/2020	100.000
	09/01/2022	5.000%	28,710,000.00	12/01/2020	100.000
			61,215,000.00		

## Notes:

Preliminary, subject to change  
Rates as of August 27, 2020

## SAVINGS

Kentucky Asset/Liability Commission  
Series 2010 Tax-exempt Current Refunding

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 12/01/2020 @ 0.5943529%
09/01/2021	32,874,925.00	30,960,437.50	1,914,487.50	1,908,250.21
09/01/2022	32,877,650.00	31,704,750.00	1,172,900.00	1,160,815.26
	65,752,575.00	62,665,187.50	3,087,387.50	3,069,065.47

Savings Summary

Dated Date	12/01/2020
Delivery Date	12/01/2020
PV of savings from cash flow	3,069,065.47
Plus: Refunding funds on hand	2,502.80
Net PV Savings	3,071,568.27

Notes:  
Preliminary, subject to change  
Rates as of August 27, 2020

## BOND DEBT SERVICE

Kentucky Asset/Liability Commission  
Series 2010 Tax-exempt Current Refunding

Period Ending	Principal	Interest	Debt Service
09/01/2021	28,750,000	2,210,437.50	30,960,437.50
09/01/2022	30,195,000	1,509,750.00	31,704,750.00
	58,945,000	3,720,187.50	62,665,187.50

## Notes:

Preliminary, subject to change  
Rates as of August 27, 2020



Commonwealth of Kentucky  
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Holly M. Johnson  
Secretary

Ryan Barrow  
Executive Director

September 25, 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 (Donerail Run Project), Series 2020 in a principal amount of \$48,000,000 (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 December 17, 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 Multifamily Housing Revenue Bonds (Donerail Run 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 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 <i>The State Journal</i> and November 22, 2019 in <i>The Courier Journal</i> . The Bonds will be the sole obligations of the Borrower.
Name of Project:	Donerail Run Apartments
Date of Sale:	September 17, 2020
Date of Issuance:	September 25, 2020
Ratings:	not rated
Net Proceeds:	\$48,000,000
Cost of Issuance:	See <u>Exhibit A</u> attached (costs of issuance paid from owner equity)
Bond Discount:	\$0
Debt Service Reserve Fund:	\$0, but a \$1,860,000 operating reserve will be funded from equity.
Insurance Premium:	N/A
Total Project Cost:	\$63,557,862
Net Interest Rate:	3.75%
Term:	18 years
Average Debt Service:	\$2,101,186
Gross Debt Service:	\$37,821,348
First Call Date:	September 11, 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	\$ 43,500,000
LIHTC Anticipated Net Syndication Proceeds	15,281,894
Deferred Developer Fee	<u>4,775,968</u>
<b>TOTAL</b>	<b>\$ 63,557,862</b>

**Costs of Issuance:**

Origination Fees	\$ 217,500
KHC Counsel	48,000
KHC Financing Fee	240,000
KHC Application Fee & Expenses	5,500
KHC Admin Fee	5,000
Bond Commission Fee	120,000
Bond Counsel	150,000
Trustee Counsel	5,000
Lender Counsel	65,000
Borrowers Counsel	35,000
Trustee Fee	8,500
<u>TEFRA/Publication/Print</u>	<u>5,000</u>
<b>TOTAL</b>	<b>\$ 904,500</b>



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Executive Director

September 16, 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 (Abel Court and Dudley Court Apartments Project), Series 2020A (Dudley Court) and Series 2020B (Abel Court) in a total principal amount of \$15,000,000 (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 October 15, 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

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## FINAL BOND ISSUE REPORT

### **BOND ISSUE**

Name of Bond Issue: (i) Kentucky Housing Corporation Multifamily Housing Revenue Bonds (Dudley Court Project) Series 2020A and (ii) Kentucky Housing Corporation Multifamily Housing Revenue Bonds (Abel Court Project) Series 2020B

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation, construction and equipping of (i) Dudley Court Apartments consisting of 96-units in Paducah, McCracken County, Kentucky to be owned by LSA Grier Dudley Court, LLC (the “Dudley Borrower”) and (ii) Abel Court Apartments consisting of 48-units in Bowling Green, Warren County, Kentucky to be owned by LSA Grier Abel Court Apartments, LLC (the “Dudley 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: Abel Court and Dudley Court Apartments

Date of Sale: September 9, 2020

Date of Issuance: September 16, 2020  
(\$14,500,000 drawn on 9/16/2020 & \$500,000 drawn on 9/25/2020)

Ratings: Moody’s Investors Service (Aaa)

Net Proceeds: \$15,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but \$494,447.06 operating reserves will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$26,963,042.06

Terms of Issue: Net interest rate: 0.30%  
Term: 36 months  
Average debt service: \$45,000  
Gross debt service: \$135,000 (with a 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: Raymond James & Associates, Inc.

Trustee: U.S. Bank National Association

## Exhibit A

### Project Funding Sources:

Bond Proceeds	\$15,000,000
Mortgage Loan	13,107,900
Federal Tax Credit Equity	8,100,569
Construction Period Cash Flow	501,703
Seller Note	2,255,000
<u>Deferred Developer Fee (Paid from CF)</u>	<u>2,875,975</u>
<b>TOTAL SOURCES</b>	<b>\$41,841,147</b>

### Costs of Issuance:

KHC Counsel	\$12,500
KHC Financing Fee, Application Fee and Admin Fee	\$154,979.08
Bond Counsel	\$98,000
Trustee Counsel	\$10,000
Underwriter's Counsel	\$50,000
Borrowers Counsel	\$85,000
Borrower Local Counsel	\$27,500
Trustee Fee	\$6,500
Rating Agency	\$5,500
<u>TEFRA/Publication/Print</u>	<u>\$5,000</u>
<b>Total:</b>	<b>\$454,979.08</b>