

## NEW BOND ISSUE REPORT

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Kearney Ridge Apartments), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of the Kearney Ridge Apartments, a multifamily residential rental facility consisting of two hundred fifty-two (252) units, located at 2559 Kearney Ridge Boulevard, Lexington, Kentucky 40511 in Fayette County. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on October 11, 2021 following the delivery of notice to the public at least seven day prior to such hearing.

Name of Project: Kearney Ridge Apartments

Anticipated Date of Sale: November 15, 2021

Anticipated Date of Issuance: November 15, 2021

Anticipated Ratings: N/A (Private Placement)

Anticipated Net Proceeds: \$26,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$369,000 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$45,366,214

Terms of Issue: Net interest rate: 3.53%

Term: 15 years/35 year amortization

Average debt service: \$1,294,895.76

Gross debt service: \$34,980,189.39

First Call Date: 24 Months

Premium at First Call: No premium

Method of Sale: Direct Placement (Fannie Mae MTEBs)

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: Tiber Hudson

Financial Advisor: N/A

Underwriter: Stifel, Nicolaus & Company, Incorporated

Trustee: TBD

**Exhibit A**

**Project Funding Sources:**

KHC Tax-Exempt Bonds	\$26,000,000
Tax Credit Equity	\$13,632,744
Lexington HOME	\$900,000
GP Contribution	\$1,000
KHC HOME	\$500,000
Lexington AHTF	\$1,000,000
Deferred Developer Fee	<u>\$3,332,470</u>
	\$45,366,214

**Costs of Issuance:**

Underwriter Fee	\$290,000
KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax-Exempt Bond Upfront Issuer Fee	\$83,500
KHC Tax-Exempt Bond Annual Issuer Fee	\$32,500
KHC Tax-Exempt Bond Counsel Fee	\$25,000
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$85,500
Purchaser's Counsel	\$50,000
TEFRA/Publication/Print	<u>\$5,000</u>
	\$581,000

AU Associates was founded in 1990 by Holly Wiedemann on the principles of Adaptive Use, and focuses on opportunities for urban infill as well as the revitalization of existing structures. AU has been directly responsible for creating over 1350 units of mixed income housing, 250,000 square feet of commercial space and over \$200 million of projects across the Commonwealth of Kentucky and West Virginia. In June of 2010, Holly founded AU Construction, in order to vertically integrate the company and build all of the projects that AU develops. In January of 2013, AU created its own management arm, AU Management, LLC, to manage all our properties to ensure excellence at every level.

As AU Associates has grown over time, we have focused more on larger, urban infill developments. In 2021, after 31 years, AU's succession plan is being implemented. Johan Graham, who served as the former Director of Development, began as the new President of AU Associates, Inc., in October of 2021.

Each of AU's developments, now spanning three decades, have received numerous local, state, and national awards.

AU works to enhance the communities in which our projects are located. AU's projects have created more than 8,280 jobs throughout Kentucky and West Virginia, in addition to providing exceptional places to live, work, and play. Our mission is to make the places we create become an invaluable part of the community.

AU continues to grow and evolve in today's ever changing housing market and is always seeking new and creative opportunities to generate exciting and livable communities. Please explore the AU website to see past and future projects, as well as potential leasing opportunities.

## NEW BOND ISSUE REPORT

### **BOND ISSUE**

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Mt. Lebanon Apartments), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of the Mt. Lebanon Apartments, a multifamily residential rental facility consisting of seventy (70) units, located at 223 West Magazine Street, Louisville, KY 40211 in Jefferson County. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on October 11, 2021 following the delivery of notice to the public at least seven day prior to such hearing.

Name of Project: Mt. Lebanon Apartments

Anticipated Date of Sale: November 15, 2021

Anticipated Date of Issuance: November 15, 2021

Anticipated Ratings: N/A (Private Placement)

Anticipated Net Proceeds: \$6,500,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$369,000 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$14,194,117

Terms of Issue: Net interest rate: 3.50%  
Term: December 1, 2024 (36 months)  
Average debt service: \$235,555.40  
Gross debt service: \$7,206,666.19

First Call Date: 18 Months

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: N/A

Financial Advisor: N/A

Bond Purchaser: Merchants Bank of Indiana, an Indiana banking and financial institution (or a designated affiliate)

Trustee: N/A

**Exhibit A**

**Project Funding Sources:**

KHC Tax-Exempt Bonds	\$6,500,000
Tax Credit Equity	\$3,879,060
Soft Permanent Financing (Louisville AHTF, Seller Financing)	\$2,866,739
GP Contribution	\$200
Replacement Reserves	\$276,820
Deferred Developer Fee	<u>\$671,298</u>
	\$14,191,117

**Costs of Issuance:**

Origination Fee	\$65,000
KHC Counsel	\$25,000
KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax-Exempt Bond Upfront Issuer Fee	\$39,000
KHC Tax-Exempt Bond Annual Issuer Fee	\$8,125
KHC Tax-Exempt Bond Counsel Fee	\$19,101
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$42,500
Purchaser's Counsel	\$25,000
TEFRA/Publication/Print	<u>\$5,000</u>
	\$238,226



ALLIEDARGENTA

# DEVELOPMENT CONSTRUCTION MANAGEMENT

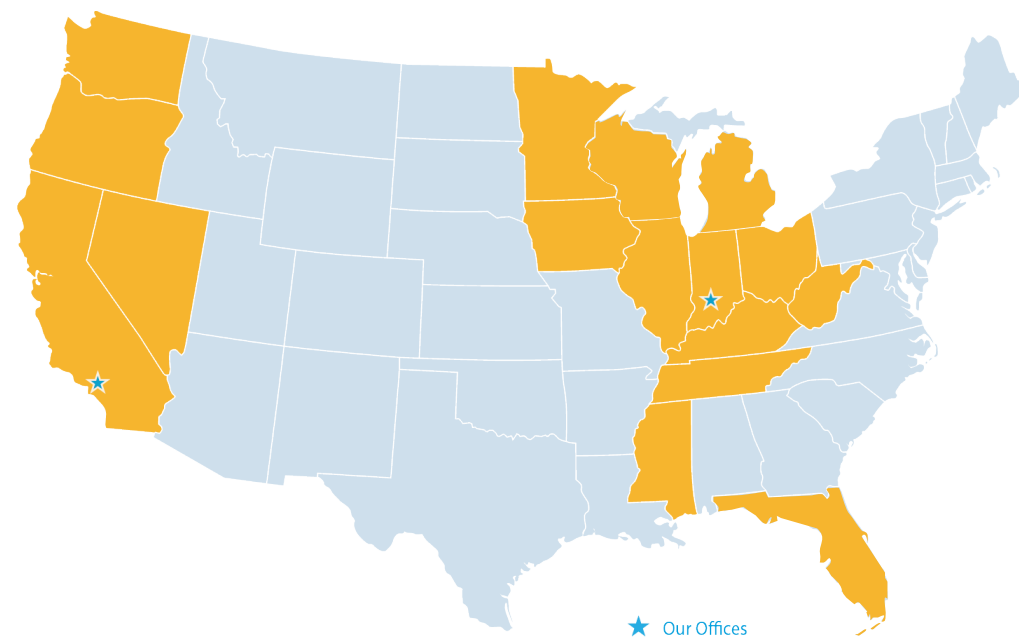
*CREATING VALUE FOR ALL STAKEHOLDERS BY  
DEVELOPING SUSTAINABLE AFFORDABLE HOUSING*

ALLIED ARGENTA, LLC  
100 Wilshire Blvd, Suite 700 Santa  
Monica, CA 90401 310.394.9090  
[info@alliedargenta.com](mailto:info@alliedargenta.com)

2565 South Breaking A Way, Suite 200  
Bloomington, Indiana 47403  
812.876.5478

# TABLE OF CONTENTS

Who We Are	3
The Allied Companies	4
The Allied Properties	5
The Allied Leadership Team	8



Allied Argenta, LLC and its affiliates (“Allied”) specialize in the acquisition, financing, development, construction and management of affordable multifamily properties – this is our pathway to creating authentic, balanced communities where individuals and families thrive. Allied Affordable Housing, LLC, one of the Allied companies, was originally formed in 2006. Collectively, the Allied leadership team holds decades of national experience in the affordable housing industry. Building on this experience, we collaborate with public and private sector partners to enrich communities, provide our residents with the high-quality homes, services, and amenities everyone deserves, and inspire our neighbors to employ their own potential to effect change.

With a sharp focus on understanding the unique needs of every project we undertake, Allied implements a careful selection process ensuring our acquisitions and partnerships allow us to further our goals and deliver what we promise. Our strategy includes the utilization of existing resources, identifying and fostering relationships with residents, businesses, and government agencies, extensive neighborhood research, and developing a resident services plan in tandem with local providers. Allied finances through the combination of tax-exempt bonds, FHA loan proceeds (under HUD’s 221(d)(4) and HUD 223(f) programs), as well as private placement and 4% low income housing tax credits. In addition, Allied is working on new construction projects tailored to our Special Needs initiative to develop housing for adults with developmental disabilities and Seniors.

For Allied, an investment in a property is a commitment to continuous improvement and obligation to operate with loyalty and respect.

# THE ALLIED COMPANIES



*Allied Real Estate Partners, LLC* works closely with clients, partners and service providers to develop value-add solutions that match the unique characteristics and intended housing goals of each project.



*Allied Affordable Housing, LLC* has extensive experience with LIHTC properties and is focused on the acquisition and renovation of existing multifamily properties to create affordable housing communities where people of modest resources can form a home.



*Argenta Construction Group, LLC* executes superior quality construction, producing a competitive market position for properties by delivering in-demand upgrades, premium amenities, and durable asset improvements.



*Hayes Gibson Property Services, LLC* ensures properties are managed in an efficient, professional and profitable manner. These foundational elements ensure tenant satisfaction, excellent apartment conditions and rents that prove valuable for tenants and investors alike.

# ALLIED'S PROJECT EXAMPLES



**ASHWOOD DOWNS**  
**96 UNITS**  
*Washington*  
**Year Built:** 1995  
**Project Size:** \$10.6 million  
**Allied Role:** Construction Manager, Developer and Property Manager

**ATHERTON WOODS**  
**102 UNITS**  
*Washington*  
**Year Built:** 1994  
**Project Size:** \$11.5 million  
**Allied Role:** Construction Manager, Developer and Property Manager



**SUMMERHILL**  
**221 UNITS**  
*Nevada*  
**Year Built:** 1997  
**Project Size:** \$23 million  
**Allied Role:** Developer, General Contractor, Managing Member



## FIRCREST MANOR 59 UNITS

*Oregon*

**Year Built:** 1972

**Project Size:** \$10.8 million

**Allied Role:** Developer, General Contractor, Managing Member, Property Manager



## WESTMINSTER VILLAGE 132 UNITS

*Kentucky*

**Year Built:** 1970-71

**Project Size:** \$17.8 million

**Allied Role:** Developer, General Contractor, Managing Member, Property Manager



## HENRY GREENE 125 UNITS

*Kentucky*

**Year Built:** 1969

**Project Size:** \$17.8 million

**Allied Role:** Developer, General Contractor, Managing Member, Property Manager



## LAKESIDE MANOR 20 UNITS

*Kentucky*

**Year Built:** 1970

**Project Size:** \$1.3 million

**Allied Role:** Developer, General Contractor, Consultant, Property Manager



## GREATER COMMUNITY 15 UNITS

*Kentucky*

**Year Built:** 2003

**Project Size:** \$725,000

**Allied Role:** Developer, General Contractor, Consultant, Property Manager



## COVERED BRIDGE 252 UNITS

*Indiana*

**Year Built:** 1981

**Project Size:** \$30 million

**Allied Role:** Developer, Co-General Contractor, Managing Member, Property Manager





## MEADOWLARK 360 UNITS

*Indiana*

**Year Built:** 1969

**Project Size:** \$30 million

**Allied Role:** Developer, Co-General Contractor, Managing Member, Property Manager



## FRIENDSHIP HOUSE 174 UNITS

*Indiana*

**Year Built:**

**Project Size:** \$27 million

**Allied Role:** Developer, Consultant, Property Manager

## UNDER DEVELOPMENT

### LUTHERAN 225 UNITS

*Florida*

**Project Size:** \$36.6 million

**Allied Role:** Developer, General Contractor, Consultant

### ARC VILLAGE 36 UNITS

*California*

**Project Size:** \$11.1 million

**Allied Role:** Developer, General Contractor, Consultant

### RICHLAND 172 UNITS

*Indiana*

**Project Size:** \$22 million

**Allied Role:** Developer, General Contractor, Consultant

### GOVERNOR PARK 90 UNITS

*Indiana*

**Project Size:** \$15.3 million

**Allied Role:** Developer, General Contractor, Consultant

# THE ALLIED LEADERSHIP TEAM

The Leadership Team for Allied has extensive backgrounds in multifamily acquisitions, construction, rehabilitation, finance, and operations.



## CHUCK O'NEAL *CEO / Principal*

Chuck is the CEO of Allied Argenta's group of companies, which includes development, construction and property management. Our development company is a general partner in fourteen multifamily property partnerships and Hayes Gibson Property Management, our management group, currently manages approximately 6,000 units in 10 states. Additionally, Chuck currently serves on the Board of Directors of Salas O'Brien Engineers, Inc., which provides engineering and consulting services for energy, technology and infrastructure projects with an emphasis on energy efficiency and sustainable design with 21 offices throughout the United States. Following successful ventures in the financial services industry, Chuck founded and managed a consulting and project management company that performs site acquisition, planning, architecture and engineering, construction and property management for thousands of cellular sites for wireless carriers. Chuck also served on the board of Site Management Solutions, Inc. which managed and sublicensed hundreds of cellular sites to wireless telecommunications carriers in the public right-of-way. He has also had ownership interests in company is the manufacturing and lighting industries. Chuck's diverse business experience enables him to effectively analyze opportunities and implement strategies to appreciably enhance their value. Chuck holds an MBA with a concentration in finance from the University of Notre Dame where he graduated with High Honors and was presented with the Dean's Award. He also holds a B.A. in business economics from the University of California, Riverside and has his California Real Estate Broker's license. Chuck is married with two adult children and lives in Incline Village, Nevada.



## ANTHONY JOWID

*COO / Principal*

Anthony affords more than 25 years of operations, management, sales and marketing experience to the Allied team. Prior to joining Allied Argenta, he was an Officer for the Rabine Group, a \$200 Million group of companies focused primarily on construction services. He was charged with designing, implementing and managing all sales and marketing efforts for the group's 15 different companies. The Rabine Group was ranked as one of the 50 fastest growing private companies in Illinois for 2009, 2010, 2011, 2012 and listed in Inc.

Magazine's 500/ 5000 fastest-growing companies in North America for 2009, 2010, 2011, 2012. He was on the Board of the Schaumburg Business Association, as well as a member of the Executives' Club of Chicago where he was on the Real Estate and Professional Services committees. Prior to Rabine, Mr. Jowid was a Regional Vice President and equity partner with CertaPro Painters, North America's largest painting company. During his nine years at CertaPro, he was an integral member of the executive team, which grew annual revenue from \$60 Million to \$200 Million in four years. His focus was on building and supporting operational, marketing, sales and financial systems. Anthony also co-founded and was a Vice President of Operations for Marathon Development Group, a real estate development company focused on developing residential communities. He was part of Marathon Homes, a subsidiary of Marathon Development Group, which built and sold over \$40 million of single-family homes. Anthony is the school board President and board member of Environmental Charter Schools in the Los Angeles area, and serves on the Facilities and Governance committees. Anthony holds an M.B.A. with a concentration in International Business and a B.B.A. in Marketing from the University of Notre Dame Mendoza College of Business. He is married with two children and lives in the Los Angeles area.



## YVONNE DELGADILLO

*VP of Community Development / Principal*

Yvonne brings with her extensive experience in nonprofit management, business development and grant writing. Her responsibilities include identifying and securing project grants and soft loans, developing housing models for developmentally disabled adults, research and project development as well as asset management. Prior to her joining Allied, she worked as the Executive Director of a community development corporation along the US- Mexican border. As the Executive Director she incorporated innovative business practices to develop and grow the opportunities available to the organization. In

six years, she increased the annual operating budget almost tenfold, and developed fee-for-service and revenue development opportunities for the organization's long-term sustainability. During this time the organization also secured and managed a grant portfolio exceeding \$15 million. Yvonne has a Master's of Nonprofit Administration Degree from the University of Notre Dame, a bachelor's Degree in Business Administration from the University of Arizona and is a Certified Economic Development Professional (CEcD) through the International Economic Development Council.



## BRIAN CORBELL

*Director of Acquisitions / Principal*

Brian brings an extensive experience in acquisitions and asset management. Having worked for several institutional real estate developers and investors over his 20-year career, Brian has completed acquisitions of over \$400mn in multifamily and other product types, asset managed \$1.5bn loan and hard asset portfolios, developed property as a principal, and monetized historic tax credits. Brian previously served as Head of Asset Management for Legg Mason Real Estate Investors where he asset managed \$1.5bn of loan and hard asset portfolios across the U.S. and as Vice President at ING Realty Partners investing joint venture equity with developers in the western U.S. Brian also spent 10 years in Japan where he acquired multiple property types throughout the country and became fluent in Japanese. Brian holds a B.A. in Business Economics from UC Santa Barbara and is a California Real Estate Broker.



## ALEXANDRA S. JACKIW, CPM, CAPS

*COO*

*Hayes Gibson Property Services*

Alexandra (Alex) is the Chief Operating Officer and in that capacity, she manages and oversees all corporate and property operations. Additionally, she is part of the leadership team responsible for the long-term growth strategic direction of the company. Prior to HGPS, Alex worked at an executive leadership level for several privately held regional companies as well as large publicly traded investment management firms. She has experience managing LIHTC and HUD-regulated properties, purpose-built student housing, conventional market-rate properties, full-service retirement communities and nursing homes. Her experience includes all aspects of property and asset management, marketing, training, consulting, troubled property turnarounds, and new business development.

Active in professional organizations, Alex served as Chairman of the Board of the National Apartment Association (NAA) in 2013 and President of the NAA Education Institute in 2008/2009. She is Past Chair of the Residential Property Management Advisory Board at Virginia Tech and Past President of the Ball State University Residential Property Management Advisory Board. Alex is a graduate of the University of Rochester and received her M. Ed. from Ohio University.



## CARSON L. HAYES

*President*

*Hayes Gibson Property Services*

Carson is the President and founder of Hayes Gibson Property Services in Bloomington, Ind. For over fifteen years, Carson was also a Senior Associate with the National Center for Housing Management (NCHM) in Washington D.C. In that capacity, he trained thousands of industry professionals on all facets of affordable housing throughout the United States. Carson has authored several publications on various aspects of affordable housing and developed a video training series on housing management with NCHM. Carson is a long-time Real Estate Broker and has several designations related to the affordable housing industry. Under his leadership Hayes Gibson Property Services has received numerous national and state awards for best practices and innovations in housing management and Carson has been inducted into the Kentucky Housing Hall of Fame. Carson is a graduate of Indiana University's School of Education.



## HART COMESS-DANIELS

*Senior Financial Analyst*

Hart brings nearly a decade of experience in the LIHTC industry. His responsibilities include underwriting potential acquisitions, conducting market and additional research related to acquisition opportunities, aiding in the new deal closing process, and engaging in ongoing financial analysis and research related to asset management. Prior to joining Allied, Hart was an Account Manager with Boston Financial Investment Management. As Account Manager, he underwrote LIHTC transactions in over 25 states and closed more than \$300 million in investor equity. Prior to his time at Boston Financial, he began his career as a project manager for two Southern California based LIHTC developers where he gained valuable experience in site acquisition, finance, government agency negotiations, planning, design and construction. Hart received his bachelor's degree in American Studies from Brandeis University.



## JASON RACINE

*Director of Development*

Jason has spent the last 13 years in the affordable housing industry. Most recently structuring and closing of 15 acquisition rehabilitation projects representing approximately 1,400 units for a national affordable housing developer. Prior to that, Jason originated \$500M+ in affordable housing tax credit investments representing 5,000 units for CREA, a premier national tax credit syndicator. Mr. Racine started his career with an Illinois affordable housing developer and developed, constructed and managed 25 properties containing over 1,300 units. Jason holds a J.D. and an MBA from Northern Illinois University as well as a Bachelor of Business Administration in Accounting from Benedictine University. He is a licensed attorney and CPA in Illinois. He is married with two children and lives in the Indianapolis area.



## MARTIN CASAGRAND

*Director of Construction*

Martin Casagrand brings over 15 years of construction project management, property management, and construction contracting. Prior to joining Argenta, Marty was a Senior Project Manager for an affordable housing developer and general contractor. He led six (6) Project Managers in several states successfully remodeling and rehabilitating multifamily properties totaling approximately \$35 million. Marty was a Manager of Capital Improvement Projects and supervised 22 simultaneous construction projects for a portfolio of 29 multifamily apartment communities totaling approximately 3,000 units throughout the Midwest, South and Texas. Marty also owned a property management company and managed 75 rental properties. Mr. Casagrand served in the U.S. Army as a Captain of the 82nd Airborne Division. He holds a Master's in Project Management, Construction Management and Professional Studies of Real Estate as well as a Bachelor's in Communications. He is a Certified Associate in Project Management (CAPM), a LEED Green Associate, has his Real Estate License and is OSHA 10 Certified.



## NEW BOND ISSUE REPORT

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Oakdale Apartments), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of the Oakdale Apartments, a multifamily residential rental facility consisting of one hundred forty-four (144) units, located at 1201 Greendale Road, Lexington, Kentucky 40511 in Fayette County. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on October 11, 2021 following the delivery of notice to the public at least seven day prior to such hearing.

Name of Project: Oakdale Apartments

Anticipated Date of Sale: November 15, 2021

Anticipated Date of Issuance: November 15, 2021

Anticipated Ratings: N/A (Private Placement)

Anticipated Net Proceeds: \$15,930,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$708,856 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$26,778,458

Terms of Issue: Net interest rate: 3.75%  
Term: 18 Years/40 Year Amortization  
Average debt service: \$769,469  
Gross debt service: \$23,365,810.63

First Call Date: 24 Months

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: N/A

Financial Advisor: N/A

Bond Purchaser: Piper Sandler & Co.

Trustee: N/A

**Exhibit A**

**Project Funding Sources:**

KHC Tax-Exempt Bonds	\$15,930,000
Tax Credit Equity	\$7,847,707
Cash Flow Loan (Developer)	\$600,000
GP Contribution	\$100
LFUCG	\$600,000
Piper Sandler – Taxable Loan	\$900,000
45L Tax Credits	\$244,775
Deferred Developer Fee	<u>\$655,876</u>
	\$26,778,458

**Costs of Issuance:**

Origination Fee	\$199,125
KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax-Exempt Bond Upfront Issuer Fee	\$95,580
KHC Tax-Exempt Bond Annual Issuer Fee	\$19,913
KHC Tax-Exempt Bond Counsel Fee	\$15,930
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$85,500
Purchaser's Counsel	\$25,000
TEFRA/Publication/Print	<u>\$5,000</u>
	\$455,548



### **Experience Narrative for KHC Public Meetings**

Beargrass Development was started in 2020 by James Duffy and Jeremy Dyer, with the intent of developing better places for all people in a community, with a focus on providing affordable housing in those spaces that will lead to better outcomes for the residents. Together, James and Jeremy have almost 20 years of combined affordable housing experience managing and executing complex financing structures and development processes. Through their work, they have cultivated strong relationships in the real estate and more specifically the affordable housing industry, that have allowed them the ability to construct very skilled teams to execute their plans. Overall, Beargrass strives to innovate the affordable housing model.

Beargrass Development started by creating greater affordable housing choices through a project called Opportunity East. That project was conceived to provide replacement housing for former residents of Beecher Terrace, a public housing project that was demolished by Louisville Metro Housing Authority. Beargrass Development identified areas of opportunity and purchased 16 units in the East End of Louisville, an area that would not typically be a housing choice for LMHA residents. Opportunity East was awarded Project Based Vouchers through a competitive RFP process with LMHA and received additional funding from the Louisville Affordable Housing Trust Fund and HOPE of Kentucky. Total developments costs for this project were \$1.78MM.

Beargrass is currently working on Oakdale Community Apartments and Neighborhood Center. Oakdale is a mixed-use development with 144 residential units and 15,000 square feet of commercial restaurant space in an affluent suburb with a large employment base in Lexington, Kentucky. The innovative combination of uses and the well-designed space should provide quality options to many of Lexington's residents that are currently very scarce. It will bring much needed affordable rental housing to an area that has almost none for families and restaurant services and jobs to a neighborhood that is lacking them.

Beargrass is planning 2-3 more projects in the state of Kentucky and Indiana for 2022. They are again seeking out opportunities to mixed-use developments that will have significant impacts on the communities in which they are built to serve and the residents who chose to call those places home.

PRELIMINARY NEW BOND ISSUE REPORT \*

Issue: \$12,320,000 (est.) Murray State University Series 2021

Purpose of Issue: Bond proceeds will be used to finance the projects listed as "Historic Building Preservation Pool" in H.B. 192 of the 2021 Regular Session of the Kentucky General Assembly and pay associated costs of issuance.

Date of Sale: TBD

Date of Delivery: TBD

Ratings:

Moody's TBD

Series 2021 (\$)

**Sources:**

Par amount of bonds: 12,320,000.00

**Total Sources:** 12,320,000.00

**Uses:**

Project Fund Deposit: 12,000,000.00

Issuance Cost: 73,600.00

Underwriter's Discount: 246,400.00

**Total Uses:** 12,320,000.00

All-in True Interest Cost: 2.3689%

Final Maturity Date: 9/1/2041

Average Annual Debt Service: 767,297.58

Total Debt Service: 15,137,076.16

Average Life (years): 10.81

Method of Sale: Competitive

Bond Counsel: Dinsmore & Shohl, LLP

Trustee: U.S. Bank

Financial Advisor: Baird

Based off cashflows as of 10/4/2021

Preliminary Subject to Change



BOND DEBT SERVICE

Murray State University  
Series 2021

Assumes Moody's A1 / Underlying A2  
Current Market Rates + 50 bps cushion  
Level Debt Service

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2022			48,945.91	48,945.91	
06/30/2022					48,945.91
09/01/2022	540,000	0.460%	107,442.25	647,442.25	
03/01/2023			106,200.25	106,200.25	
06/30/2023					753,642.50
09/01/2023	545,000	0.520%	106,200.25	651,200.25	
03/01/2024			104,783.25	104,783.25	
06/30/2024					755,983.50
09/01/2024	545,000	0.610%	104,783.25	649,783.25	
03/01/2025			103,121.00	103,121.00	
06/30/2025					752,904.25
09/01/2025	550,000	0.750%	103,121.00	653,121.00	
03/01/2026			101,058.50	101,058.50	
06/30/2026					754,179.50
09/01/2026	555,000	0.910%	101,058.50	656,058.50	
03/01/2027			98,533.25	98,533.25	
06/30/2027					754,591.75
09/01/2027	560,000	1.110%	98,533.25	658,533.25	
03/01/2028			95,425.25	95,425.25	
06/30/2028					753,958.50
09/01/2028	565,000	1.290%	95,425.25	660,425.25	
03/01/2029			91,781.00	91,781.00	
06/30/2029					752,206.25
09/01/2029	575,000	1.470%	91,781.00	666,781.00	
03/01/2030			87,554.75	87,554.75	
06/30/2030					754,335.75
09/01/2030	585,000	1.600%	87,554.75	672,554.75	
03/01/2031			82,874.75	82,874.75	
06/30/2031					755,429.50
09/01/2031	595,000	1.780%	82,874.75	677,874.75	
03/01/2032			77,579.25	77,579.25	
06/30/2032					755,454.00
09/01/2032	605,000	1.930%	77,579.25	682,579.25	
03/01/2033			71,741.00	71,741.00	
06/30/2033					754,320.25
09/01/2033	620,000	2.080%	71,741.00	691,741.00	
03/01/2034			65,293.00	65,293.00	
06/30/2034					757,034.00
09/01/2034	630,000	2.180%	65,293.00	695,293.00	
03/01/2035			58,426.00	58,426.00	
06/30/2035					753,719.00
09/01/2035	645,000	2.230%	58,426.00	703,426.00	
03/01/2036			51,234.25	51,234.25	
06/30/2036					754,660.25
09/01/2036	660,000	2.280%	51,234.25	711,234.25	
03/01/2037			43,710.25	43,710.25	
06/30/2037					754,944.50
09/01/2037	675,000	2.380%	43,710.25	718,710.25	
03/01/2038			35,677.75	35,677.75	
06/30/2038					754,388.00
09/01/2038	690,000	2.420%	35,677.75	725,677.75	
03/01/2039			27,328.75	27,328.75	
06/30/2039					753,006.50
09/01/2039	710,000	2.470%	27,328.75	737,328.75	
03/01/2040			18,560.25	18,560.25	
06/30/2040					755,889.00
09/01/2040	725,000	2.510%	18,560.25	743,560.25	
03/01/2041			9,461.50	9,461.50	
06/30/2041					753,021.75
09/01/2041	745,000	2.540%	9,461.50	754,461.50	
06/30/2042					754,461.50
	12,320,000		2,817,076.16	15,137,076.16	15,137,076.16



Commonwealth of Kentucky  
Finance and Administration Cabinet  
**OFFICE OF FINANCIAL MANAGEMENT**  
Room 76, Capitol Annex  
702 Capital Avenue  
Frankfort, KY 40601-3462  
(502) 564-2924

Andy Beshear  
Governor

Holly M. Johnson  
Secretary

Ryan Barrow  
Executive Director

September 30, 2021

M. B. Denham Jr.  
Board Chair  
Kentucky Housing Corporation  
1231 Louisville Road  
Frankfort, KY 40601-6191

Dear Board Chair Denham:

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 Conduit Multifamily Housing Revenue Bonds (Christian Towers), Series 2021 in a principal amount of \$18,897,988 (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 12, 2020. 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

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Christian Towers), Series 2021

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 thirty two (132) 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 and August 12, 2021, in each instance following the delivery of notice to the public of at least seven (7) days. .

Name of Project: Christian Towers

Date of Sale: September 30, 2021

Date of Issuance: September 30, 2021

Ratings: Private Placement

Net Proceeds: \$18,897,988

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$706,686 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$55,620,792

Terms of Issue: Net interest rate: 4.25%

Term: Mandatory Prepayment: April 1, 2042  
Maturity Date: September 1, 2061

Average debt service: \$552,585.00

Gross debt service: \$25,992,574.42 (includes a pay down of 9,986,988 on the first call date and a \$6.105,105.17 on April 1, 2042)

First Call Date: March 1, 2024

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: N/A

Financial Advisor: N/A

Underwriter: N/A

Trustee: U.S. Bank National Association (as Fiscal Agent)

**Exhibit A****Project Funding Sources:**

KHC Tax-Exempt Bonds	\$18,897,988
CitiBank Mortgage Loan	\$9,702,000
Lexington AHTF	\$500,000
Tax Credit Equity	\$14,709,694
Seller Carryback Note	\$9,687,287
GP Loan	\$371,996
Special Limited Partner Contribution	\$10
Deferred Developer Fee	\$684,817
Interim Income	<u>\$1,067,000</u>
	\$55,620,792

**Costs of Issuance:**

Origination Fee	\$188,979.88
KHC Counsel	\$12,500
KHC Financing Fee	\$34,650
KHC Application Fee & Expenses	\$3,500
KHC Annual Issuer Fee	\$24,750
KHC Admin Fee	\$5,000
Bond Counsel	\$87,500
Lender Counsel	\$66,000
Borrowers Counsel	\$79,000
TEFRA/Publication/Print	<u>\$5,000</u>
	\$506,880