



Commonwealth of Kentucky
Finance and Administration Cabinet
OFFICE OF FINANCIAL MANAGEMENT
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Andy Beshear
Governor

Holly M. Johnson
Secretary

Ryan Barrow
Executive Director

September 7, 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 (330 Newtown Apartments), Series 2021 in a principal amount of \$25,000,000 (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 November 17, 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: \$25,000,000 Kentucky Housing Corporation Multifamily Housing Revenue Bonds (330 Newtown Apartments Project), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of the 330 Newtown Apartments Project, a two hundred and nine unit property located at 330 Newtown Pike, Lexington, Kentucky 40508. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on November 9, 2020 following the delivery of notice to the public on or prior to October 30, 2020.

Name of Project: 330 Newtown Apartments Project

Date of Sale: August 12, 2021

Date of Issuance: August 12, 2021

Ratings: Not Rated/Private Placement

Net Proceeds: \$25,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$1,049,786 operating reserve and \$200,000 lease up reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$50,026,256

Terms of Issue: Anticipated net interest rate: 4.18%
Anticipated term: March 8, 2042 (30 year amortization)
Anticipated average debt service: \$1,459,892.88
Anticipated gross debt service: \$43,796,785

First Call Date: April 8, 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

Bond Purchaser: HOPE of Kentucky, LLC (construction period) & Cedar Rapids Bank and Trust Company (upon completion of construction)

Trustee: N/A

Exhibit A

Sources of Funds:

Private Equity Investment (Limited Partner's Capital Contribution)	\$17,945,082
Hope of Kentucky/Cedar Rapids Bank & Trust	\$25,000,000
Lexington AHTF & KHC HOME	\$2,000,000
GP Contribution	\$100
HOME Match	\$75,000
<u>Deferred Developer Fees</u>	<u>\$5,006,074</u>
Total:	\$50,026,256

Cost of Issuance:

Bond Counsel Legal Fees	\$93,000
Kentucky Housing Corporation Fees	\$375,823
Loan Fees	\$223,500
Issuer's Counsel Legal Fees	\$13,500
Hope of Kentucky Fees	\$188,514
CRBT Legal Fees	\$44,000
<u>Hope of Kentucky Legal Fees</u>	<u>\$8,950</u>
Total:	\$947,287