

NEW BOND ISSUE REPORT

BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Crossings at Mill Creek), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of the Crossings at Mill Creek, a multifamily residential rental facility consisting of one hundred and eighty (180) units, located at 4801 Manslick Road, Louisville, Kentucky 40216. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on June 2, 2021 following the delivery of notice to the public at least seven days prior to such hearing.

Name of Project: Crossings at Mill Creek

Anticipated Date of Sale: September 9, 2021

Anticipated Date of Issuance: September 9, 2021

Anticipated Ratings: N/A (Private Placement)

Anticipated Net Proceeds: \$22,300,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$888,632 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$38,072,223

Terms of Issue: Net interest rate: 3.753%

Term: October 1, 2061 (480 months)

Average debt service: \$1,077,159.60

Gross debt service: \$43,086,383.07

First Call Date: 240 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 (or a designated affiliate)

Trustee: N/A

Exhibit A

Project Funding Sources:

KHC Tax-Exempt Bonds	\$22,300,000
Tax Credit Equity	\$15,274,642
Cash Flow Loan	\$1,900,000
GP Contribution	\$100
Deferred Developer Fee	<u>\$147,480</u>
	\$39,622,222

Costs of Issuance:

Origination Fee	\$172,566
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	\$68,750
KHC Tax-Exempt Bond Annual Issuer Fee	\$34,375
KHC Tax-Exempt Bond Counsel Fee	\$19,101
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$135,000
Trustee Counsel	\$8,500
Purchaser's Counsel	\$75,000
TEFRA/Publication/Print	<u>\$5,000</u>
	\$552,792



MARIAN DEVELOPMENT GROUP

PROJECT: Crossings at Mill Creek
4801 Manslick Road, Louisville, KY 40216 (Jefferson County)

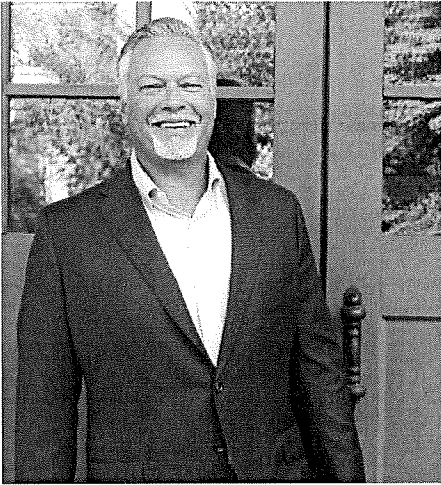
The Marian Group was formed in 2001 for the purpose of developing residential, multi-family and commercial real estate by Jacob L. Brown, its Founder and Principal. Through partnerships with nonprofit entities and for-profit investors, Marian produces market rate and commercial projects, and develops affordable housing through the utilization of Low Income Housing Tax Credits.

Marian Development is a full-service real estate development, construction, advisory and investment firm based in Louisville, KY. Since its inception, Marian Development has successfully completed 21 developments producing a total of 1,435 affordable housing units with budgets totaling \$203,583,497, utilizing tax exempt bonds, 4% and 9% LIHTCs and additional funding resources including state and federal HTCs, FHLB AHP, HOME, CDBG, and HUD Mixed Financing. In addition to these affordable housing projects, we have completed market rate developments, most recently the Bradford Mills Lofts. These market rate developments produced another 373 units, with combined budgets of \$43,917,952.

We coordinate with community organizations to ensure the project is a good fit for the community. As developer, we guide the project from inception through construction completion as the primary contact to the project contractor, architect, engineer, real estate agents and various other stakeholders associated with the project. We utilize a combination of funding sources including grants and loans from federal, state and local funding agencies as well as private investors and banks to create a project that is sustainable.

Marian has utilized the following funding sources, administered by either KHC, HUD or Metro Louisville Department of Housing & Family Services: HOME, CDBG, LEAD, Risk Sharing, Mixed Finance, Section 221(d)(4) Sub-Rehab, and ARRA Exchange funds. Marian has experience with HUD regulations as they relate to the aforementioned funding sources as well as the Housing Choice Voucher Program, Project Based Section 8, Mod Rehab and the Moving to Work initiative. Additionally, Marian has leveraged private fund raising, grants or donations along with private construction and permanent lending to meet development goals.

Marian exists to enhance the quality of life for people, through thoughtful selection and development of projects that strengthen and revitalize neighborhoods, and through strong partnerships and collaborations that benefit the larger community.



Jacob L. (Jake) Brown
Founder & Principal

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Jake Brown has been involved in the real estate development and general construction industry from a very young age. Since founding The Marian Group and its associated companies, he has actively led over \$300 million of development, management and construction work.

Projects he has led have amassed thirteen awards for excellence, while Marian has developed an outstanding reputation for honesty, leadership, non-profit involvement, and outsized returns to investors, stakeholders, clients and the community.

Early in his career, Mr. Brown was Project Manager and General Superintendent for Cardinal Industrial Services, providing industrial and commercial hazardous environmental cleanup to clients like Dow Chemical, Rohm and Haas, DuPont Chemical, PNC Bank and Humana.

An experienced developer with a passion for repurposing and repositioning historic, bank owned, foreclosed or stalled real estate assets, Mr. Brown is knowledgeable in the structuring and implementation of multiple financing strategies including bank, private equity, taxable and non-taxable bond issuance, and Federal and State Historic Tax Credit.



NEW BOND ISSUE REPORT

BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Bowling Green Tower), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the Bowling Green Tower, an existing two hundred two (202) unit residential rental multifamily facility located at 1149 College Street, #1, Bowling Green, Warren County, Kentucky 42101. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on June 2, 2021 following the delivery of notice to the public on May 21, 2021.

Name of Project: Bowling Green Tower

Anticipated Date of Sale: September 15, 2021

Anticipated Date of Issuance: September 7, 2021

Anticipated Ratings: Moody's (Aaa/VMIG 1)

Anticipated Net Proceeds: \$22,500,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$1,089,884.00 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$42,887,100.00

Terms of Issue: Net interest rate: 1.00%
Term: 36 months
Average debt service: \$225,000.00
Gross debt service: \$23,175,000.00

First Call Date: 24 months

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: Jeffries LLC

Trustee: U.S. Bank National Association

Exhibit A**Project Funding Sources:**

Tax-Exempt Bonds	\$22,500,000.00
Permanent Loan (A Note)	\$24,755,103.00
Permanent Loan (B Note)	\$ 316,613.00
Deferred Developer Fee	\$ 2,397,924.00
Private Equity (Tax Credits and GP Capital)	<u>\$15,417,460.00</u>
	\$65,387,100.00

Costs of Issuance:

Upfront Issuer Fee - KHC (35 bps)	\$78,750.00
Pre-Application Fee	\$1,000.00
Application Fee (\$3,500)	\$3,500.00
Administration Fee (MF \$5,000)	\$5,000.00
KHC Bond Counsel Fee	\$22,500.00
Bond Counsel	\$75,000.00
Underwriter's Counsel	\$50,000.00
Underwriter	\$109,250.00
Rating Agency -	\$5,500.00
Printer - ImageMaster	\$1,500.00
Verification Agent -	\$2,500.00
Trustee	\$3,000.00
Trustee's Counsel	\$9,000.00
<u>Annual Issuer Fee</u>	<u>\$28,125.00</u>
Total Fees	\$394,625.00

Community Housing and Opportunity Foundation

Profile

Community Housing and Opportunity Foundation (CHOF) is a newly formed Delaware based non profit organization with a focus on fostering low-income housing. CHOF is managed by an experienced board of directors with expertise in housing, healthcare, and education. CHOF intends to draw upon the experience of this initial board of directors to create quality affordable housing that provides a safe and decent place to live and that is informed by the healthcare and educational needs of the residents.

Board of Directors

Michael McIlmurray:

Michael has been involved in the design and renovation of six (6) properties involving 800 units. His experience in affordable housing comes through his design work and his ownership stake in three (3) affordable developments with 300 units combined. Michael has worked on the design and renovation of these communities as well as a 113 unit workforce housing community in Seattle, WA. Currently, Michael was been involved in the design of the Bowling Green Tower development as well as another development in Bridgeton, NJ, both of which are expected to close by the end of 2021.

Dr. Edward Machtinger:

Edward is a Professor of Medicine at the University of California, San Francisco. He is additionally the Director of the Women's HIV program and the Director of the Center to Advance Trauma-informed Health Care. Dr. Machtinger's focus and research is on aligning the services of the U.S. primary health care system to more effectively address the traumatic roots of most physical and mental illness and disparities in health. His work seeks to expand access to mental health and substance use treatment through full integration of these fields into primary medical care. Dr. Machtinger is able to bring his trauma and mental illness expertise to CHOF in order to better provide relevant services to affordable developments.

Scott Hirschfield:

Scot is the co-founder of the Jackson Hole Community School, where he served as Head of School from 2004-2014. Following his tenure at the Community School, Scott and his family moved to Northern California where he continued his professional career in the field of education. Scott holds a Master's Degree in Education from Stanford University and is looking to provide his education expertise to CHOF in order to form a foundation of education for the residents in affordable housing developments.

Gil Seton Jr.

Profile

Gil Seton Jr. beneficially owns a number of real estate companies that have developed, renovated, operated, and/or invested in over 100 affordable housing projects involving well over 10,000 units of government subsidized housing:

1. Through SP Investment Fund LLC, SP Investment Fund I LLC, SP Investment Fund III LLC and SP Investment Fund IV LLC, as well as single purpose development entities, all of which are beneficially owned by Gil Seton Jr. or his retirement plans, Gil Seton Jr. has overseen the investment in limited partner and/or general partner interests in over limited partnerships collectively owning over 100 projects and 10,000 apartments with Project Based Section 8 HAP contracts.
2. Additionally, Gil Seton Jr. has been involved in the new construction or renovation of thousands of apartment units:
 - A. Through single purpose development entities, all of which are beneficially owned by Gil Seton Jr. or his retirement plans, Gil Seton Jr. has overseen the renovation of three 4% LIHTC renovation projects, with an additional two projects involving 400 units in the pipeline.
 - B. Through Showplace Development, Inc., an entity owned 100% by Gil Seton Jr. since 1990, Gil Seton Jr has developed four new construction 9% tax credit projects with over 300 housing units with a total cost of approximately \$40,000,000. These projects were financed with conventional construction and permanent financing, tax credit equity, and subordinate financing from a myriad of government programs including, CDBG, HOME, Section 108 loan guarantee, and Century Freeway Housing Program.
 - C. Prior to 1990, Gil Seton Jr. was a Project Manager for Calmark Development. Calmark Development specialized in developing affordable housing in Southern California and, during his tenure, was rated the 13th largest multi-family developer in the United States. While at Calmark Development, he was responsible for seven multi-family projects involving over 1,100 housing units with a cost in excess of \$80,000,000.

Gil Seton, Jr. attended the Wharton School of the University of Pennsylvania where he was selected to receive the Samuel Furman Memorial Fellowship for excellence in real estate and finance.

NEW BOND ISSUE REPORT*

NEW BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Multifamily Revenue Bonds (Lower Hunter's Trace Project), Series 2021

Purpose of Issue: The Bonds will be used to finance the acquisition, construction and equipping of a multifamily residential rental project containing approximately 168 units, located on multiple parcels at 4225 Kerrick Lane, Louisville, Kentucky 40216 (the "Project") to be owned by Lower Hunter's Trace, LLC a Kentucky limited liability company or its successors and assigns (the "Borrower"). The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on 17th day, August, 2021, following the delivery of notice to the public in the *State Journal* and in *The Courier Journal*. The Bonds, if approved, will be the sole obligations of the Borrower.

Name of Project: Lower Hunter's Trace

Date of Sale: Fall 2021

Date of Issuance: Fall 2021

Anticipated Ratings: No rating currently anticipated

Anticipated Net Proceeds: \$18,500,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but \$842,077 estimated operating deficit reserve to be funded from equity.

Insurance Premium: Bond Insurance is not currently anticipated

Total Project Cost: \$35,046,966

Terms of Issue: Anticipated net interest rate: 4.00%
Anticipated term: 17 years
Anticipated average annual debt service: \$927,823

First Call Date: To be determined

Premium at First Call: To be determined

Method of Sale: Private Placement

Bond Counsel: Frost Brown Todd LLC

Underwriter/Placement Agent Counsel: Kutak Rock

Financial Advisor: Bellwether Enterprise

Underwriter: Stifel or Piper Sandler (still under review)

Trustee: to be determined

Developer: Marian Development Group, LLC

* Preliminary (as of 8/2/21) and subject to change.

Exhibit A*

Project Funding Sources:

Tax-Exempt Bonds	\$18,500,000
Deferred Developer Fee	\$1,241,196
Louisville Affordable Housing Trust Fund	\$1,000,000
GP Equity	\$100.00
<u>LIHTC Anticipated Net Syndication Proceeds (4%)</u>	<u>\$14,305,670</u>
Total	\$35,046,966

Costs of Issuance:

Origination Fee	\$226,158
KHC Counsel	\$13,875
KHC Financing Fee	\$103,125
KHC Application Fee & Expenses	\$6,500
KHC Admin Fee	\$5,000
Bond Counsel	\$60,000
Trustee Counsel	\$26,500
Placement Agent Counsel	\$75,000
Borrowers Counsel	\$60,000
Syndicator Counsel	\$70,000
Trustee Fee	\$5,000
TEFRA/Publication/Print	\$8,625
<u>Cost of Issuance Contingency</u>	<u>\$75,000</u>
Total:	\$734,783

* All amounts are preliminary estimates (as of 8/2/21) and subject to change.



MARIAN DEVELOPMENT GROUP

PROJECT: Lower Hunter's Trace
5416 Distler Lane, Louisville, KY 40258 (Jefferson County)

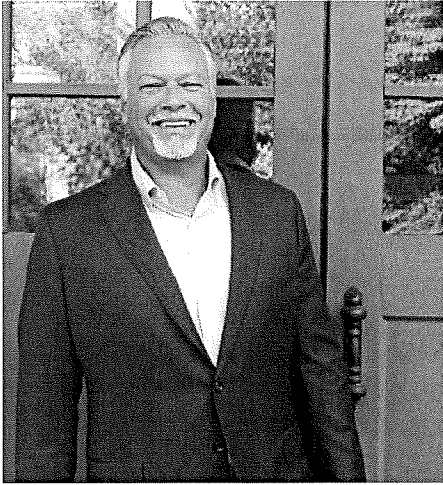
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