

NEW BOND ISSUE REPORT

BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Multifamily Housing Revenue Bonds (Carl D Perkins), Series 2022

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of Carl D Perkins Apartments, a multifamily residential rental facility consisting of one hundred fifty (150) units, located at 200 Douglas Pkwy, Pikeville, KY 41501. The Kentucky Housing Corporation has conducted a public hearing by teleconference concerning the proposed project on April 7, 2022 following the delivery of notice to the public at least seven days prior to such hearing.

Name of Project: Carl D Perkins Apartments

Anticipated Date of Sale: June 15, 2022

Anticipated Date of Issuance: June 15, 2022

Anticipated Ratings: N/A (Private Placement)

Anticipated Net Proceeds: \$10,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$445,000 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$18,512,782

Terms of Issue: Net interest rate: 4.08%

Term: 17 years/35 year amortization

Average debt service: \$549,103

Gross debt service: \$9,334,751

First Call Date: 10 years

Premium at First Call: Defeasance

Method of Sale: Direct Placement (Freddie Mac TEL)

Bond Counsel: Stites & Harbison, PLLC

Underwriter Counsel: N/A

Financial Advisor: N/A

Underwriter: N/A

Trustee: Zions Bancorporation

Exhibit A

Project Funding Sources:

KHC Tax-Exempt Bonds	\$10,000,000
Tax Credit Equity	\$6,539,075
GP Contribution	\$100
Transferred Reserves	\$145,000
Income During Construction	\$637,065
Deferred Developer Fee	<u>\$1,191,642</u>
	\$18,512,782

Costs of Issuance:

KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax-Exempt Bond Upfront Issuer Fee	\$60,000
KHC Tax-Exempt Bond Annual Issuer Fee	\$12,500
KHC Tax-Exempt Bond Counsel Fee	\$10,000
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$65,000
<u>Purchaser's Counsel</u>	<u>\$100,000</u>
	\$257,000

Heritage Housing, Inc.

Resume / Capabilities

David McCarthy founded Heritage Housing, Inc. (HHI) in March, 2017 to acquire and rehabilitate affordable housing in the Northeast US. David has partnered with J. Tomilson (Tom) Hill to finance the acquisitions business, combining affordable housing expertise with substantial financial capacity. David and Tom comprise the two members of Heritage Housing Holdings LLC, which is HHI's acquisitions affiliate. Below are their resumes and attached is a list of HHI's project experience.

David R. McCarthy, Managing Member

David R. McCarthy founded Heritage Housing, Inc. in 2017 and serves as its President. David has 15 years of experience in real estate development and acquisitions with a specialty in affordable housing. David developed or preserved over 1,500 units of affordable housing prior to founding Heritage Housing, Inc. and worked on projects that ranged from 10 to 400 units and from \$3 million to \$100 million. He is deeply familiar with 9% and 4% Low-Income Housing Tax Credits; tax-exempt bond financing; HUD Project-Based Section 8 programs and Section 236, Section 221(d)4, and Section 223(f) financing; public housing authority Project-Based Voucher and RAD programs; and HOME / state funding programs. He has worked on projects in Connecticut, New Jersey, Michigan, and West Virginia.

David was previously employed at Jonathan Rose Companies in Stamford, CT / New York, NY, a national developer and investor in affordable housing, for 8 years as a Senior Project Manager and Project Manager. Before that he worked at New Neighborhoods, Inc. in Stamford, CT, a not-for-profit Community Development Company, for 3 years as an Asset Management Associate.

J. Tomilson Hill, Member

J. Tomilson Hill retired in 2018 as the Chairman of Blackstone's Hedge Fund Solutions group, Vice Chairman of Blackstone and a member of the board of directors of its general partner, following a 25-year career at Blackstone. Under his leadership, Blackstone Alternative Asset Management (BAAM) grew from \$1 billion to over \$75 billion of funds under management. Mr. Hill currently works at Two Sigma Investments, a data-driven hedge fund and focuses on opportunities in real estate. Mr. Hill also recently launched the Hill Art Foundation, a private collection open to the public and located in the Chelsea neighborhood of Manhattan.

Heritage Housing, Inc.
Affordable Housing Experience

Project Name	City	State	Units	TDC	Project Type	Sponsor	Role	Status	HUD Involvement	PILOT	Financing
Current Projects											
Brookpark Place	Wheeling	WV	152	\$14,000,000	In Place Rehab	HHI	Owner	Under renovation	Section 8 MUTM & FHA Loan		4% LIHTC Tax-Exempt Bond FHA 221(d)4 Loan
Canaan Parish	New Canaan	CT	100	\$45,000,000	Demolish / New Construction	Housing Authority of New Canaan	Consultant	In construction	Section 8 MUTM	Yes	4% LIHTC Tax-Exempt Bond FHA 221(d)4 Loan
Hartford Preservation Portfolio	Hartford	CT	205	\$35,000,000	In Place Rehab	HHI	Owner	Expected 2020	Section 8 MUTM	Yes	4% LIHTC Tax-Exempt Bond CHFA Loan
Donora Towers	Donora	PA	104	\$13,000,000	In Place Rehab	HHI	Owner	Expected 2020	Section 8 MUTM		4% LIHTC Freddie Mac TEL
Potomac Heights	Keyser	WV	141	\$18,000,000	In Place Rehab	HHI	Owner	Under renovation	Section 8 MUTM		4% LIHTC Tax-Exempt Bond RD 538 Loan HOME Loan
West Virginia Preservation Portfolio	Parkersburg & Chapmanville	WV	219	\$22,000,000	In Place Rehab	HHI	Owner	Expected 2021	Section 8 MUTM		4% LIHTC Tax-Exempt Bond RD 538 Loan
Carl D. Perkins Apartments	Pikeville	KY	151	\$18,000,000	In Place Rehab	HHI	Owner	Expected 2021	Section 8 Assignment		4% LIHTC Tax-Exempt Bond FHA 223(f) Loan
Completed Projects											
Village Center	Detroit	MI	254	\$24,000,000	In Place Rehab	Jonathan Rose Companies	Consultant	Completed 2018	Section 8 MUTM	Yes	4% LIHTC MSHDA Loan
Burton Place	Burton	MI	200	\$23,000,000	In Place Rehab	Jonathan Rose Companies	Consultant	Completed 2018	Section 8 MUTM	Yes	4% LIHTC MSHDA Loan MSHDA Pres Loan HOME Loan
Millport Phase II	New Canaan	CT	40	\$13,000,000	Demolish / New Construction	Housing Authority of New Canaan	Consultant	Completed 2018	RAD Conversion	Yes	4% LIHTC Tax-Exempt Bond State of CT Funds Town Funds
Millport Phase I	New Canaan	CT	33	\$10,000,000	New Construction	Housing Authority of New Canaan	Consultant	Completed 2017	N/A	Yes	4% LIHTC Tax-Exempt Bond Town Funds
Prior Work Experience											
Metro Green Terrace	Stamford	CT	131	\$50,000,000	New Construction	Jonathan Rose Companies	Project Manager	Completed 2017	N/A		4% LIHTC Citi Back-to-Back Loan Citi Funds State of CT Funds

Squire Village	Manchester	CT	379	\$94,000,000	In Place Rehab	Jonathan Rose Companies	Project Manager	Completed 2016	Section 8 MUTM	Yes	4% LIHTC Tax-Exempt Bond Freddie Mac TEL
Metro Green Residences	Stamford	CT	50	\$24,000,000	New Construction	Jonathan Rose Companies	Project Manager	Completed 2012	N/A		9% LIHTC TCAP Funds Fannie Mae Loan
Chamberlain Heights	Meriden	CT	124	\$24,000,000	Phased Rehab	Meriden Housing Authority	Project Manager	Completed 2012	Section 8 PBV	Yes	9% LIHTC State of CT Funds CHFA Loan
Metro Green Apartments	Stamford	CT	50	\$20,000,000	New Construction	Jonathan Rose Companies	Project Manager	Completed 2009	N/A		9% LIHTC Fannie Mae Loan
Friendship House	Stamford	CT	121	\$24,000,000	In Place Rehab	New Neighborhoods	Asst. Project Mgr	Completed 2011	Section 8 MUTM		4% LIHTC CHFA Loan
Martin Luther King Apartments	Stamford	CT	88	\$11,000,000	In Place Rehab	New Neighborhoods	Asst. Project Mgr	Completed 2006	Section 8 MUTM	Yes	FHA 221(d)4 Loan
Totals			2,542	\$482,000,000							

PROJECTS IN DEVELOPMENT

CANAAN PARISH – NEW CANAAN, CT

Heritage Housing is working with the HANC and New Canaan Neighborhoods, Inc., a local non-profit, to redevelop Canaan Parish, a 60-unit Section 8 property in New Canaan, CT. The current buildings, constructed in 1978, would be demolished and replaced with new buildings and 40 new affordable housing units would be added to the site.

Role: Consultant to HANC / New Canaan Neighborhoods, Inc.

Project Type / Status: New Construction / under construction

Project Size: 100 units / \$40 million

Affordability: 100% affordable to 80% of State Median Income; 60% of units project-based Section 8

Financing: 4% LIHTCs, Tax-Exempt Bond, FHA 221(d)4 Loan, Town of New Canaan funds.



BROOKPARK PLACE - WHEELING, WV

Heritage Housing acquired Brookpark Place, a 152-unit senior affordable housing property built in 1975 and located in a quiet residential neighborhood of Wheeling, WV, in November, 2018. It closed on LIHTC and tax-exempt bond financing in July, 2019 to preserve the long-term affordability of 100 units and complete a rehabilitation that will replace several key building systems.

Role: Developer

Project Type / Status: Acquisition and Rehabilitation / under construction

Project Size: 152 units / \$14.5 million

Affordability: 66% affordable to 60% of Area Median Income; 20% of units project-based Section 8.

Financing: 4% LIHTCs, Tax-Exempt Bond, and FHA 221(d)4 financing.



HARTFORD PRESERVATION PORTFOLIO – HARTFORD, CT

Heritage Housing is acquiring five Section 8 properties located in Hartford, CT and preserving / rehabilitating them in a single LIHTC redevelopment project. Heritage Housing will complete an average of \$65,000 per unit of rehabilitation and extend affordability for 30 additional years. One of the properties, Barbour Gardens, lost its Section 8 assistance and was vacated by HUD due to its degraded condition. The LIHTC redevelopment will enable HHI to restore all five properties to excellent condition.

Role: Developer

Project Type / Status: Acquisition and Rehabilitation / construction start expected in December, 2020

Project Size: 204 units / \$35 million

Affordability: 83% project-based Section 8

Financing: 4% Low-Income Housing Tax Credits, CHFA Tax-Exempt Bond financing, and Historic Tax Credits



POTOMAC HEIGHTS – KEYSER, WV

Heritage Housing acquired Potomac Heights, a 141-unit senior and family affordable housing property built in 1982 in Keyser, WV. We plan to preserve the long-term affordability and complete a moderate rehabilitation.

Role: Developer

Project Type / Status: Acquisition and Rehabilitation / under construction

Project Size: 141 units / \$18 million

Affordability: 100% affordable to 60% of Area Median Income; 100% of units project-based Section 8

Financing: 4% Low-Income Housing Tax Credits, Tax-Exempt Bond financing, WVHDF RD 538 loan, WVHDF HOME loan



DONORA TOWERS – DONORA, PA

Heritage Housing acquired Donora Towers, a 103-unit senior affordable housing property built in 1979 in Donora, PA. We plan to preserve the long-term affordability and complete a moderate rehabilitation, which will include creating a 2,000 square foot space for the Donora Senior Center.



Role: Developer

Project Type / Status: Acquisition and Rehabilitation / acquisition completed September, 2019 and construction start expected November, 2020

Project Size: 104 units / \$13 million

Affordability: 100% affordable to 60% of Area Median Income; 99% of units project-based Section 8

Financing: 4% Low-Income Housing Tax Credits, Freddie Mac TEL financing

MOUNTAIN STATE PORTFOLIO – PARKERSBURG AND CHAPMANVILLE, WV

Heritage Housing is under contract to purchase two senior affordable housing communities in Parkersburg, WV and Chapmanville, WV from the same seller. Heritage Housing is working with the WVHDF to arrange a single LIHTC renovation for the two properties as a portfolio bond issuance in 2021.

Role: Developer

Project Type / Status: Acquisition and Rehabilitation / acquisition of Parkland Place completed in July, 2020 and construction start expected in 2021

Project Size: 221 units / \$22 million

Affordability: 100% affordable to 60% of Area Median Income; 99% of units project-based Section 8

Financing: 4% Low-Income Housing Tax Credits, Tax-Exempt Bond, FHA 221(d)4 financing (Parkland Place), WVHDF RD 538 loan (Chapmanville Towers)



CARL D. PERKINS APARTMENTS – PIKEVILLE, KY

Heritage Housing is under contract to purchase Carl D. Perkins Apartments, a 151-unit senior affordable housing community in Pikeville, KY, a small city in rural eastern Kentucky. Heritage Housing will acquire the property with short-term financing in the Fall of 2020 and line up LIHTC renovation financing in 2021.



Role: Developer

Project Type / Status: Acquisition and Rehabilitation / acquisition expected November, 2020 and construction start expected in 2021

Project Size: 151 units / \$18 million

Affordability: 100% affordable to 60% of Area Median Income; 99% of units project-based Section 8

Financing: 4% Low-Income Housing Tax Credits, Tax-Exempt Bond, FHA 221(d)4 financing

COMPLETED PROJECTS

MILLPORT PHASE I - NEW CANAAN, CT

Millport Phase I is located in a quiet residential area of New Canaan a half-mile from its lively downtown, which includes grocery stores, banks, pharmacies, a post office, a library, and many other daily conveniences. There is a pond and park across the street and an elementary school, fields and playground one block away.

Role: Consultant to the Housing Authority of the Town of New Canaan (HANC)

Project Type / Status: New Construction / Completed 2016

Project Size: 33 units / \$10.5 million

Affordability: 100% affordable to 80% of State Median Income

Financing: 4% LIHTCs to People's United Bank, Tax-Exempt Bond financing from Bankwell, Town of New Canaan funding



MILLPORT PHASE II - NEW CANAAN, CT

Built adjacent to Millport Phase I, Millport Phase II completes the redevelopment of the HANC's portfolio of affordable housing and incorporates a RAD conversion and demolition/replacement of an 18-unit public housing development.

Role: Consultant to HANC

Project Type / Status: New Construction / Completed 2018

Project Size: 40 units / \$13.2 million

Affordability: 55% affordable to 80% of State Median Income;
45% affordable to 60% of State Median Income and project-based Section 8 (RAD)

Financing: 4% LIHTCs to People's United Bank, Tax-Exempt Bond financing from Bankwell, RAD Conversion, State of CT FLEX funding, Town of New Canaan funding.





BURTON PLACE - BURTON, MI

Heritage Housing managed predevelopment of a \$23,000 per unit rehab and recapitalization of Burton Place, which was built in 1978 and provides affordable housing to seniors in a suburb of Flint, MI. The redevelopment includes a refinancing of existing MSHDA debt with new MSHDA debt and 4% LIHTCs.

Role: Consultant to Jonathan Rose Companies

Project Type / Status: Acquisition and Rehabilitation / Closed 2018

Project Size: 200 units / \$22.9 million

Affordability: 100% affordable to 60% of Area Median Income and project-based Section 8.

Financing: 4% LIHTCs to PNC Bank, Tax-Exempt Bonds financed by MSHDA

VILLAGE CENTER - DETROIT, MI

Heritage Housing managed predevelopment of a \$33,000 per unit rehab and recapitalization of Village Center, which was built in 1983 and provides affordable housing to families and seniors in the New Center neighborhood of Detroit. The redevelopment includes MSHDA debt and 4% LIHTCs and will incorporate enhanced community facilities and a new community center.

Role: Consultant to Jonathan Rose Companies

Project Type / Status: Acquisition and Rehabilitation / Closed 2018

Project Size: 254 units / \$24.6 million

Affordability: 100% affordable to 60% of Area Median Income and project-based Section 8.

Financing: 4% LIHTCs to PNC Bank, Tax-Exempt Bonds financed by MSHDA.



NEW BOND ISSUE REPORT*

NEW BOND ISSUE

Name of Bond Issue:	Kentucky Housing Corporation Multifamily Revenue Bonds (Eclipse in Russell Project), Series 2022
Purpose of Issue:	The Bonds will be used to finance the acquisition, rehabilitation, construction and equipping of a multifamily residential rental project containing approximately 280 units, located on multiple parcels at 2929 Magazine Street, Louisville, Kentucky 40211 (the "Project") to be owned by The Bouvier, 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 February 23, 2022, following the delivery of notice to the public on February 16, 2022 in <i>The State Journal</i> and in <i>The Courier Journal</i> . The Bonds, if approved, will be the sole obligations of the Borrower.
Name of Project:	The Eclipse in Russell Project
Date of Sale:	Summer 2022
Date of Issuance:	Summer 2022
Anticipated Ratings:	Private Placement - Ratings not currently anticipated
Anticipated Net Proceeds:	\$43,000,000
Cost of Issuance:	See Exhibit A attached
Bond Discount:	\$0
Debt Service Reserve Fund:	\$0 but a \$1,081,005 estimated operating reserve will be funded from equity.
Insurance Premium:	N/A
Total Project Cost:	\$73,741,688
Terms of Issue:	Anticipated net interest rate: 4.05% Anticipated term: 40 years Anticipated average debt service: \$1,742,550 (anticipated annual principal and interest debt service on permanent mortgage loan) Anticipated gross debt service: \$69,702,000
First Call Date:	TBD
Premium at First Call:	No premium
Method of Sale:	Private Placement
Bond Counsel:	Frost Brown Todd LLC
Purchaser's Counsel:	Sidley Austin LLP and Norris George & Ostrow PLLC
Bond Purchaser:	Citibank, N.A.
Trustee:	TBD

* All amounts are preliminary estimates (as of 03/28/22) and subject to change.

Exhibit A*

Project Funding Sources:

Total Tax-Exempt Bond Issuance	\$43,000,000
Tax-Exempt Bridge Bond Redemption	(\$8,512,000)
Deferred Developer Fee	\$7,611,497
LIHTC Anticipated Net Syndication Proceeds (4%)	30,497,910
Related Party Loan	<u>1,144,281</u>
Total	<u>\$73,741,688</u>

Costs of Issuance:

Origination Fee	\$747,100
KHC Counsel	\$32,250
KHC Financing Fee (Upfront Issuer Fee)	\$215,000
KHC Application Fees, Reservation Fee, Other Expenses	\$367,891
KHC Admin Fee	\$5,000
Bond Counsel	\$75,000
Trustee Counsel	\$8,000
Syndicator Counsel	\$55,000
Borrowers Counsel	\$40,000
Trustee Fee	\$7,000
Rating Agency	\$0
TEFRA/Publication/Print	\$5,000
Cost of Issuance Contingency	<u>\$0</u>
Total:	<u>\$1,557,241</u>

* All amounts are preliminary estimates (as of 03/28/22) and subject to change.

Everyone Deserves a Quality Place to Live.

Kentucky Fact Sheet

WE ARE DRIVEN

LDG Development was founded based on our belief that everyone deserves a quality place to live. That is why, for more than 25 years, we have worked to develop close to 20,000 units of high-quality affordable housing for thousands of hardworking families and active seniors across the country, including almost 2,500 units right here in KY. From the first responders who are the front lines of keeping our communities safe; to the service workers who have sacrificed income for service, we make sure that those who help our community run have a place they are proud to call home. By building desirable, welcoming housing, we are doing more than just giving families a great place to live. We are helping communities thrive.



WE BEGIN WITH THE END IN MIND

We understand that the needs of each city are different. That is why we partner with local leaders and organizations that meet the needs of the community and reflect those characteristics that make it a special place.

Because we have our own architectural and design firm, as well as a construction management team, you will have a single point of contact throughout the development and construction stages. Ultimately, this "one stop" experience can lead to significant cost and time savings.

WE ARE BUSTING THE MYTHS THAT SURROUND AFFORDABLE HOUSING

To start, we never cut corners. Instead, we go above and beyond design and maintenance standards to ensure our communities stay gorgeous and our residents have a place they are proud to call home.



LDG
DEVELOPMENT

WE ARE BUSTING THE MYTHS THAT SURROUND AFFORDABLE HOUSING

At LDG, we are in it for the long haul. That means we view every development as an opportunity to make an investment in a community that we will be a part of for decades to come. This approach ensures that our properties will be maintained to look as beautiful as the day they were built.

What's more, our onsite local teams all have a direct line to LDG senior leaders, ensuring decisions can be made quickly and with the needs of the local community in mind and are empowered to make decisions that are driven by our "residents first" philosophy.

WE IMPROVE LIVES

Because our hard-working residents live busy lives, we go out of our way to support them by offering a variety of residents-first support services.

This includes a partnership with the state's largest healthcare system to provide weekly onsite medical services to all residents regardless of their health insurance status. These services range from routine primary care services focused on prevention and wellness; to more complex patient care typically performed at a physician's office. Residents can also receive assistance enrolling in Medicaid or other federal or state sponsored programs—all without leaving their home!



HIGH-QUALITY, AFFORDABLE HOUSING ISN'T THE ONLY WAY WE GIVE BACK

We believe in the power of education and its ability to change the trajectory in our residents' lives. This guiding philosophy is reflected in a partnership with the National Association of Housing and Redevelopment Officials that is designed to provide scholarships to students living in public housing. Through a \$1 million scholarship fund, students receive up to \$6,000 annually for four years that can be used to pay tuition and other expenses associated with obtaining a college degree. The foundation also supports dozens of local community groups focused on helping some of the nation's most vulnerable and at-risk populations.

To help ensure students living in our communities have the support they need to succeed academically, we are piloting an initiative with a local non-profit focused on improving academic outcomes for underserved populations that is designed to boost reading scores for elementary and middle school students.

WHEN YOU'RE GOOD AT WHAT YOU DO, PEOPLE NOTICE

In addition to our scholarship fund, we are also proud to have been selected for the following awards:

- **#2** Best Places to Work in Louisville (2021)
- **#1** Developer of Affordable Housing (2020, 2019)
- **#2** Developer of Affordable Housing (2018)
- **#1** Developer of Affordable Housing (2017)
- **#20** Top 25 Builder (2019)
- **#18** Top 50 Developer (2019)

www.ldgdevelopment.com



LDG
DEVELOPMENT

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