



**FINANCE AND ADMINISTRATION CABINET  
OFFICE OF THE CONTROLLER  
OFFICE OF FINANCIAL MANAGEMENT**

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EXECUTIVE DIRECTOR

October 28, 2022

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 (Eclipse in Russell Project), Series 2022 in a principal amount of \$43,000,000 (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 project was presented to the Capital Projects and Bond Oversight Committee (“CPBO”) at the April 13, 2022 meeting. The attached includes a finalized listing of costs related to the issuance of the Bonds pursuant to KRS 45.816.

Sincerely,

*Steven Starkweather*

Steven Starkweather  
Deputy Executive Director

Attachments

## 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 610 S. 29th 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 September 8, 2022, following the delivery of notice to the public on August 31, 2022. The Bonds will be the sole obligations of the Borrower.

Name of Project: The Eclipse in Russell Project

Date of Sale: October 28, 2022

Date of Issuance: October 28, 2022

Ratings: Private Placement – Not Rated

Net Proceeds: \$43,000,000

Cost of Issuance: See Exhibit A attached

Bond Discount: \$0

Debt Service Reserve Fund: \$0 but a \$1,212,960 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$75,891,167

Terms of Issue: Locked interest rate: 4.87%  
Maturity Date: November 1, 2040  
Anticipated average debt service: \$2,000,564.88 (anticipated annual principal and interest debt service on permanent mortgage loan not taking into account final balloon payment)  
Anticipated gross debt service: \$75,662,940.69

First Call Date: November 1, 2025

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Frost Brown Todd LLC

Counsel to Bond Purchasers: Thompson Hine LLP, Dinsmore & Shohl LLP, and Kutak Rock LLP

Bond Purchaser: Fifth Third Commercial Funding, Inc. and The Huntington National Bank (construction period) & Federal Home Loan Mortgage Company (upon completion of construction)

Fiscal Agent: The Huntington National Bank

**Exhibit A**

**Permanent Project Funding Sources:**

Permanent Bond Loan (amount outstanding after construction period = \$43,000,000-9,434,000)	\$33,566,000
Deferred Developer Fee	\$6,144,897
General Partner Equity	\$100
Income from Operations	2,240,873
LIHTC Anticipated Net Syndication Proceeds (4%)	29,939,297
Louisville Affordable Housing Trust Fund/ARP	<u>4,000,000</u>
Total Development Costs	<u>\$75,891,167</u>

**Costs of Issuance:**

Permanent Loan Financing Fee	\$367,800
KHC Counsel	\$32,250
KHC Financing Fee (Upfront Issuer Fee)	\$215,000
KHC Application Fees, Reservation Fee, Other Expenses	\$362,954
KHC Admin Fee	\$5,000
Bond Counsel	\$65,000
Freddie Mac Counsel	\$65,000
Syndicator Counsel	\$55,000
Borrowers Counsel	\$40,000
Fiscal Agent/Fiscal Agent Counsel	\$15,000
TEFRA/Publication	<u>\$2,000</u>
TOTAL	<u>\$1,225,004</u>

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