

## INVESTMENT GRADE RATINGS

Ratings reflect a credit rating agency’s opinion of a state’s creditworthiness relative to other borrowers in the financial markets. Ratings below Baa3/BBB-/BBB-/BBB- are considered speculative credits (“junk bonds”).

The rating agencies also assign “positive,” “stable,” and “negative” outlooks to their ratings to indicate the direction the rating is likely to move over an intermediate time period. The outlooks represent trends affecting a credit which have not reached a level warranting a change in a state’s credit rating, but may if continued. A negative outlook indicates a higher likelihood of a downgrade in a state’s credit rating while a positive outlook indicates a higher likelihood of an upgrade in a state’s credit rating.

Moody’s*		Standard and Poor’s*		Fitch*		Kroll*		Description
Long-Term	Short-Term**	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	
Aaa	MIG 1	AAA	A-1+	AAA	F1+	AAA	K1+	Prime
Aa1		AA+		AA+		AA+		
Aa2		AA		AA***		AA		
Aa3***		AA-		AA-****		AA-***		
A1****		A+	A-1	A+	F1/F1+	A+****	K1/K1+	Upper
A2	MIG 2	A***	A-2	A	F1/F1+	A	K1	Medium
A3		A-****		A-	F2/F1	A-	K2/K1	Grade
Baa1		BBB+	BBB+	BBB+	F2/F1	BBB+	K2	Lower
Baa2	MIG 3	BBB	A-3	BBB	F3/F2	BBB	K3/K2	Medium
Baa3		BBB-		BBB-	F3	BBB-	K3	Grade

\*Outlooks are Stable/Stable/Stable/Stable

\*\*MIG is Moody’s acronym for Municipal Investment Grade

\*\*\*Commonwealth’s issuer credit/default ratings (ICRs/IDRs)/implied general obligation ratings (effectively what the Commonwealth’s general obligation ratings would be if it were to issue general obligation debt)

\*\*\*\*Commonwealth’s lease appropriation rating for general fund supported debt

State Investor Relations and Debt Calendar websites are <https://bonds.ky.gov> and <https://finance.ky.gov/office-of-the-controller/office-of-financial-management/Documents/CurrentBondCalendar.pdf>.

## NEW BOND ISSUE REPORT

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Davis Park Station), Series 2023

Purpose of Issue: The bonds will be used to finance the acquisition, construction, and equipping of Davis Park Station, a multifamily residential rental facility consisting of seventy-three (73) units, located at 757 De Roode Street, Lexington, Kentucky 40508, to be known as Davis Park Station. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on July 17, 2023, following the delivery of notice to the public at least seven days prior to such hearing.

Name of Project: Davis Park Station

Anticipated Date of Sale: August 31, 2023

Anticipated Date of Issuance: August 31, 2023

Anticipated Ratings: Private Placement

Anticipated Net Proceeds: \$9,000,000

Cost of Issuance: See Exhibit A attached (Fees associated paid from owner equity)

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but an estimated \$354,839 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$22,005,240 (estimated)

Terms of Issue: Net interest rate: 5.90%  
Term: July 1, 2063  
Average debt service: \$586,719.46  
Gross debt service: \$23,468,778.51

First Call Date: TBD

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: Cedar Rapids Bank & Trust Company

Trustee: N/A

**Exhibit A**

**Project Funding Sources:**

Permanent Tax-Exempt Bond Proceeds (Series A)	\$9,000,000
Tax Credit Equity (Ohio Capital Corporation for Housing)	\$7,285,950
Deferred Developer Fee	\$768,290
LFUCG Affordable Housing Fund – Amortizing Loan	\$1,000,000
Lexington HOME Funds	\$950,000
LFUCG Affordable Housing Fund – Non-Amortizing	\$3,000,000
Loan Other: GP Equity	\$1,000
<hr/>	
Total	\$22,005,240

**Fees Paid:**

Origination Fee	\$60,000
KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax Credit Reservation Fee	\$77,153
KHC Market Study Review Fee	\$1,000
KHC Construction Inspection Fee	\$8,578
KHC Tax-Exempt Bond Upfront Issuer Fee	\$27,000
KHC Tax-Exempt Bond Annual Issuer Fee	\$19,120
KHC Tax-Exempt Bond Counsel Fee	\$12,500
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$60,000
TEFRA/Publication/Print	\$5,000
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Total	\$279,851

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 was 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.



**President & Owner – Johan Graham**

Johan has been involved in affordable housing development finance and construction for over 20 years and is a graduate of The University of North Carolina at Chapel Hill with a Masters in Regional Planning with a focus on Affordable Housing, Real Estate, and Community Development. He has been responsible for over \$250 million in Low-Income Housing and Historic Tax Credit equity investments totaling over 2,000 units and, as a developer, has delivered over thirty 8609s to our investors and lenders.

Johan is the incoming President and Owner of AU Associates, Inc. His primary responsibilities revolve around structuring, underwriting, syndicating, repositioning, and managing AU's current and future portfolio of LIHTC projects while expanding AU's regional footprint.

**Director of Property Management – Martha Dryden**

Since re-joining AU Associates, Inc. in January of 2003, Martha has served as Office Administrator, Project Manager, Director of Operations, and now currently serves as the company's Director of Property Management. Martha initially became interested in AU's work during an internship while obtaining her B.S. in Business Administration and Communication Arts from Georgetown College. Upon graduating, she gained several experiences in marketing, product management, and information technology before returning to AU. Her duties and responsibilities include overseeing AU's portfolio of properties including the property management and maintenance staff, daily operations, and all property compliance.



**Director of Development – Brandon Shetler**

Brandon joined AU Associates, Inc. in April of 2018 as a Development Associate and now serves as Director of Development. He is a graduate of The Pennsylvania State University with a Bachelors in Bio-Behavioral Health. His primary responsibilities include the acquisition, underwriting, project finance, syndicating, construction management, and closeout of all of AU's LIHTC projects.

**Controller - Lynn Jones**

Lynn Jones joined AU Associates in December of 2015 as the Controller. Lynn is a CPA with almost 15 years of experience combined in public accounting and the accounting industry. Lynn graduated with a B.S. in Accounting from Campbellsville University in 1999 and then while working in the accounting industry earned a Masters of Business Administration from the University of Kentucky in 2005. Lynn's varied experience brings a broad range of financial accounting expertise to the team at AU Associates.



**Andy Beshear**  
GOVERNOR

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

200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, Kentucky 40622  
Phone: (502) 564-2924

**Holly M. Johnson**  
SECRETARY

**L. Joe McDaniel**  
ACTING CONTROLLER

**Ryan Barrow**  
EXECUTIVE DIRECTOR

June 22, 2023

Holly M. Johnson  
Secretary, Finance and Administration Cabinet  
Chair, Kentucky Asset/Liability Commission  
200 Mero Street, 5th Floor  
Frankfort, KY 40622

Dear Secretary Johnson:

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of debt by all state agencies. The attached constitutes the review and approval of the \$54,840,000 Kentucky Asset/Liability Commission Project Notes, 2023 Federal Highway Trust Fund First Refunding Series A dated June 22, 2023.

Sincerely,

*Ryan Barrow*

Ryan Barrow  
Executive Director  
Office of Financial Management

Attachments

**OFM APPROVAL PURSUANT TO KRS 42.420**  
**\$54,840,000**  
**COMMONWEALTH OF KENTUCKY**  
**ASSET/LIABILITY COMMISSION**  
**PROJECT NOTES, 2023 FEDERAL HIGHWAY TRUST FUND**  
**FIRST REFUNDING SERIES A**

**DESCRIPTION:**

The proceeds of the 2023 Series A Notes will be used to currently refund outstanding Kentucky Asset/Liability Commission, Project Notes 2013 Federal Highway Trust Fund First Series A, and to pay for the costs of issuing the Notes.

	<b>Series 2023A</b>
<b>PAR AMOUNT:</b>	\$54,840,000
<b>PRICING DATE:</b>	06/06/2023
<b>CLOSING DATE:</b>	06/22/2023
<b>DATED DATE:</b>	06/22/2023
<b>FINAL MATURITY:</b>	09/01/2025

<b>ARBITRAGE YIELD:</b>	3.1902%
<b>NIC:</b>	3.3412%
<b>TIC:</b>	3.2798%
<b>All-In TIC:</b>	3.4230%

<b>METHOD OF SALE:</b>	Competitive
<b>FINANCIAL ADVISOR:</b>	Hilltop Securities Inc.

[Remainder of this page intentionally left blank]



**RATINGS:**

Standard & Poor's Rating Service:

AA

**SOURCES AND USES OF FUNDS**

**Sources of Funds**

Principal Amount of Series A Bonds	\$54,840,000.00
Plus Net Original Issue Premium	1,632,247.65
<b>TOTAL SOURCES</b>	<u>\$56,472,247.65</u>

**Uses of Funds**

Refunding Escrow Deposits	\$56,253,959.00
Costs of Issuance*	218,288.56
<b>TOTAL USES</b>	<u>\$56,472,247.65</u>

\*Includes underwriters' discount, legal fees, printing, rating agency fees, and miscellaneous costs.

**REFUNDING:**

Par Amount of Refunded Bonds:	\$55,405,000.00
Net PV Savings:	1,598,618.46
Percentage Savings of Refunded Bonds:	2.885%

[Remainder of this page intentionally left blank]

**PROFESSIONAL SERVICES:**

Pursuant to KRS Chapter 45, the Issuer is providing information on all costs associated, either directly or indirectly, with this bond issuance. Costs are actual or estimated as of the date of closing of the issue.

<u>Firm</u>	<u>Service</u>	<u>Fee</u>
Dinsmore & Shohl	Bond Counsel	\$19,194.00
Hilltop	Financial Advisor	\$26,323.20
OFM	Financial Advisor	\$13,710.00
Bondlink	Printer	\$9,300.00
Standard & Poor's	Rating Service	\$54,000.00
Bank of New York Mellon	Trustee	\$2,500.00
Ipreo Fee		\$760.00
CUSIP		\$238.00
	Misc./Contingency.	<u>\$5,000.00</u>
<b>TOTAL</b>		<b><u>\$131,025.20</u></b>

**ATTACHMENTS:**

Official Statement Cover  
Debt Service Schedules  
Summary of Refunding Results

# OFFICIAL STATEMENT

NEW ISSUE - Book-Entry Only

See "Rating" herein:  
S&P: "AA"

*In the opinion of Dinsmore & Shohl LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions, interest on the 2023A Notes (including original issue discount treated as interest) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on any 2023A Notes held by an "applicable corporation" is included in annual "adjusted financial statement income" for purposes of calculating the alternative minimum tax imposed on applicable corporations for tax years beginning after December 31, 2022. Bond Counsel also is of the opinion that, under existing laws of the Commonwealth of Kentucky, interest on the 2023A Notes is exempt from Kentucky income tax and the 2023A Notes are exempt from ad valorem taxation by the Commonwealth of Kentucky and by all political subdivisions thereof. See "CERTAIN FEDERAL INCOME TAX CONSEQUENCES" herein for a more complete description of the opinion of Bond Counsel and additional federal tax law consequences.*



**\$54,840,000**  
**KENTUCKY ASSET/LIABILITY COMMISSION**  
**PROJECT NOTES, 2023 FEDERAL HIGHWAY TRUST FUND FIRST REFUNDING SERIES A**

**Dated: Date of Delivery**

**Due: September 1, as shown below**

The Project Notes, 2023 Federal Highway Trust Fund First Refunding Series A (the "2023A Notes") will bear interest, payable from their dated date, on each March 1 and September 1, commencing September 1, 2023, and mature on the dates, in the principal amounts, bear interest at the rates per annum, and have the prices and yields as follows:

Year	Principal Amount	Interest Rate	Yield	Price	CUSIP <sup>†</sup> 49118N FY6 FZ3
2024	26,745,000	5.000%	3.250%	102.024%	
2025	28,095,000	5.000%	3.150%	103.883%	

The 2023A Notes will be issued only as fully registered notes, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2023A Notes. Purchasers will not receive certificates representing their ownership interest in the 2023A Notes purchased. So long as DTC or its nominee is the registered owner of the 2023A Notes, payments of the principal of and interest due on the 2023A Notes will be made directly to DTC. The 2023A Notes will be issued in denominations of \$5,000 or any integral multiple thereof. The principal of and interest on the 2023A Notes will be paid directly to DTC by The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as Trustee and Paying Agent (the "Trustee" and the "Paying Agent").

The 2023A Notes are not subject to redemption before maturity.

The Kentucky Asset/Liability Commission (the "Commission") is issuing the 2023A Notes under a Resolution adopted by the Commission on April 18, 2023, to (i) currently refund the outstanding notes of the Commission identified in "EXHIBIT E – Summary of Prior Notes" (the "Prior Notes") and (ii) pay the costs of issuing the 2023A Notes. The 2023A Notes are being issued as Refunding Notes (as defined herein) under the Master Trust Indenture dated as of May 1, 2005, as previously supplemented by a Series Trust Indenture dated as of September 1, 2007, a Series Trust Indenture dated as of March 1, 2010, a Series Trust Indenture dated as of August 1, 2013, a Series Trust Indenture dated as of March 1, 2014, a Series Trust Indenture dated as of October 1, 2015, and a Series Trust Indenture dated as of December 1, 2020, and as further supplemented by a Series Trust Indenture dated as of June 1, 2023 (as so supplemented, the "Indenture"), each by and between the Commission and the Trustee. See "THE 2023A NOTES" herein.

The 2023A Notes, together with the Commission's outstanding (i) Project Notes, 2014 Federal Highway Trust Fund First Series A, (ii) Project Notes, 2015 Federal Highway Trust Fund First Series A, and (iii) any Additional Notes issued under the Indenture (collectively, the "Notes"), and any interest due thereon are payable solely from a special fund created under the Indenture and defined therein as the Note Payment Fund, into which payments received from the Kentucky Transportation Cabinet (the "State Agency"), a department and agency of the Commonwealth of Kentucky (the "Commonwealth"), are deposited. The payments from the State Agency to the Commission arise under a Financing/Lease Agreement dated as of May 1, 2005, as amended and supplemented by a First Supplement to Financing/Lease Agreement dated as of September 1, 2007, a Second Supplement to Financing/Lease Agreement dated as of March 1, 2010, a Third Supplement to Financing/Lease Agreement dated as of August 1, 2013, a Fourth Supplement to Financing/Lease Agreement dated as of March 1, 2014, a Fifth Supplement to Financing/Lease Agreement dated as of October 1, 2015, a Sixth Supplement to Financing/Lease Agreement dated as of December 1, 2020, and a Seventh Supplement to Financing/Lease Agreement dated as of June 1, 2023 (as so amended and supplemented, the "Financing Agreement"), each by and among the Commission, the State Agency, and the Commonwealth of Kentucky Finance and Administration Cabinet. The Kentucky General Assembly has appropriated to the State Agency, from the Federal Highway Administration (the "FHWA") funds described below, amounts projected to be sufficient to meet principal and interest requirements on the Notes through June 30, 2024. Such appropriations are subject to the discretion and approval of each successive regular or extraordinary session of the Kentucky General Assembly. There can be no assurance that (a) there will be FHWA funds available in an amount sufficient to meet the principal and interest requirements on the Notes, (b) the available FHWA funds will be appropriated in future sessions, or (c) the Governor, in the performance of his or her obligation to balance the Commonwealth's budget, will not reduce or eliminate such appropriations. See "SECURITY FOR THE 2023A NOTES" and "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE FINANCING AGREEMENT" herein.

The State Agency has entered into the Memorandum of Agreement (as defined herein) with the FHWA. The Memorandum of Agreement provides that the FHWA will reimburse the State Agency for debt service and costs incurred for the 2023A Notes, including principal, interest, and other bond related costs, as provided in Section 122 of Title 23 of the United States Code. Payments by the State Agency under the Financing Agreement are payable solely from FHWA Funds (as defined herein) that are paid to the State Agency under the Memorandum of Agreement and Title 23 (as defined herein).

The Commission deems this Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

**THE 2023A NOTES ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COMMISSION AND DO NOT CONSTITUTE A DEBT OR OBLIGATION OF THE COMMISSION, THE COMMONWEALTH, OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION OR STATUTES OF THE COMMONWEALTH, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF ANY OF THE FOREGOING ARE PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE 2023A NOTES.**

The 2023A Notes are offered when, as, and if issued and accepted by the Underwriter, subject to the approving legal opinion of Dinsmore & Shohl LLP, Louisville, Kentucky, Bond Counsel. It is expected that delivery of the 2023A Notes will be made on or about June 22, 2023, through the facilities of DTC, against payment therefor.

**BofA Securities, Inc.**

Dated: June 6, 2023

<sup>†</sup> See footnote on following page.

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**BOND DEBT SERVICE**

**Commonwealth of Kentucky  
Kentucky Asset/Liability Commission  
Project Refunding Notes Federal Highway Trust Fund, Series 2023  
\*\*\*Final Numbers\*\*\***

Dated Date           06/22/2023  
Delivery Date       06/22/2023

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
09/01/2023		525,550	525,550	
03/01/2024		1,371,000	1,371,000	
06/30/2024				1,896,550
09/01/2024	26,745,000	1,371,000	28,116,000	
03/01/2025		702,375	702,375	
06/30/2025				28,818,375
09/01/2025	28,095,000	702,375	28,797,375	
06/30/2026				28,797,375
	54,840,000	4,672,300	59,512,300	59,512,300

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**SUMMARY OF BONDS REFUNDED**

**Commonwealth of Kentucky  
Kentucky Asset/Liability Commission  
Project Refunding Notes Federal Highway Trust Fund, Series 2023  
\*\*\*Final Numbers\*\*\***

<b>Bond</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Par Amount</b>	<b>Call Date</b>	<b>Call Price</b>
<b>ALCo Project Notes, Federal Highway Trust Fund, Series 2013A, 2013A, SERIAL:</b>					
	09/01/2024	4.000%	380,000	09/01/2023	100.000
	09/01/2024	5.250%	26,615,000	09/01/2023	100.000
	09/01/2025	4.000%	3,250,000	09/01/2023	100.000
	09/01/2025	5.250%	25,160,000	09/01/2023	100.000
			<b>55,405,000</b>		

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**SAVINGS**

**Commonwealth of Kentucky  
Kentucky Asset/Liability Commission  
Project Refunding Notes Federal Highway Trust Fund, Series 2023  
\*\*\*Final Numbers\*\*\***

<b>Date</b>	<b>Prior Debt Service</b>	<b>Refunding Debt Service</b>	<b>Savings</b>
06/30/2024	2,863,387.50	1,896,550.00	966,837.50
06/30/2025	29,152,143.75	28,818,375.00	333,768.75
06/30/2026	29,135,450.00	28,797,375.00	338,075.00
	61,150,981.25	59,512,300.00	1,638,681.25

**Savings Summary**

Savings PV date	06/22/2023
Savings PV rate	3.423005%
PV of savings from cash flow	1,593,558.92
Plus: Refunding funds on hand	5,059.54
Net PV Savings	1,598,618.46



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

200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, Kentucky 40622  
Phone: (502) 564-2924

**Andy Beshear**  
GOVERNOR

**Holly M. Johnson**  
SECRETARY

**L. Joe McDaniel**  
ACTING CONTROLLER

**Ryan Barrow**  
EXECUTIVE DIRECTOR

June 30, 2023

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 (Prestonian Project), Series 2023 in a principal amount of \$55,000,000 (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 May 23, 2023 meeting. 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 Multifamily Conduit Revenue Bonds (The Prestonian), Series 2023

Purpose of Issue: The bonds will be used to finance the acquisition, construction, and equipping of The Prestonian, a multifamily residential rental facility consisting of three hundred and forty-three (343) units, located in Jefferson County, Kentucky, at 715 E Gray Street. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on September 2, 2022, following the delivery of notice to the public at least seven days prior to such hearing.

Name of Project: The Prestonian

Date of Sale: June 30, 2023

Date of Issuance: June 30, 2023

Ratings: Private Placement

Net Proceeds: \$55,000,000

Cost of Issuance: See Exhibit A attached (Fees associated paid from owner equity)

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but an estimated \$2,229,564 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$129,132,798 (estimated)

Terms of Issue: Net interest rate: 6.10%

Term: April 1, 2063

Average annual debt service: \$3,677,523.35

Gross debt service: \$146,794,473.72

First Call Date: July 1, 2035

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Dinsmore & Shohl LLP

Bond Purchaser Counsel: Greenburg Traurig, LLP

Financial Advisor: N/A

Bond Purchaser: Red Stone (or a designated affiliate)

Trustee: The Huntington National Bank



Exhibit A

Project Funding Sources:

KHC Tax-Exempt Bonds	\$55,000,000
Louisville Affordable Housing Trust Fund	\$2,000,000
LMHA Funds	\$10,000,000
Lease Revenue During Construction	\$1,628,295
Developer Cash Flow Loan	\$1,700,000
ODR LOC Equity at Conversion	\$1,138,000
Deferred Architect Fee	\$1,752,445
LIHTC	\$44,856,108
Deferred Developer Fee	\$11,057,950
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Total	\$129,132,798

Fees Paid:

KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax Credit Reservation Fee	\$486,147
KHC Market Study Review Fee	\$1,000
KHC Construction Inspection Fee	\$67,520
KHC Tax-Exempt Bond Upfront Issuer Fee	\$275,000
KHC Tax-Exempt Bond Annual Issuer Fee	\$68,750
KHC Counsel Fee	\$25,000
KHC Tax-Exempt Bond Administrative Fee	\$5,000
TEFRA/Publishing/Printing & KHC Extension Fees	\$256,500
Trustee & Counsel	\$13,500
Bond Counsel	\$125,000
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Total	\$1,327,917



**Andy Beshear**  
GOVERNOR

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

200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, Kentucky 40622  
Phone: (502) 564-2924

**Holly M. Johnson**  
SECRETARY

**L. Joe McDaniel**  
ACTING CONTROLLER

**Ryan Barrow**  
EXECUTIVE DIRECTOR

June 16, 2023

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 (Gateway on Broadway Project), Series 2023 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 project was presented to the Capital Projects and Bond Oversight Committee (“CPBO”) at the July 21, 2022 meeting. The attached includes a finalized listing of costs related to the issuance of the Bonds pursuant to KRS 45.816.

Sincerely,

*Ryan Barrow*

Ryan Barrow  
Executive Director

Attachments

## FINAL BOND ISSUE REPORT

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (1405 West Broadway), Series 2023

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of 1405 West Broadway (also referred to as, Gateway on Broadway Apartments), a multifamily residential rental facility consisting of one hundred sixteen (116) units, located in 1405 West Broadway, Louisville, Jefferson County, Kentucky, to be known as Gateway on Broadway Apartments. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on July 8, 2022, following the delivery of notice to the public at least seven days prior to such hearing.

Name of Project: 1405 West Broadway (Gateway on Broadway Apartments)

Date of Sale: June 16, 2023

Date of Issuance: June 16, 2023

Ratings: Private Placement

Net Proceeds: \$25,000,000

Cost of Issuance: See Exhibit A attached (Fees associated paid from owner equity)

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but \$613,518 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$63,205,558 (estimated)

Terms of Issue: Net interest rate: 6.00%

Term: May 31, 2058

Average debt service: \$1,710,569.12

Gross debt service: \$59,869,919.35

First Call Date: June 25, 2027

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

Trustee: N/A

**Exhibit A**

**Project Funding Sources:**

Equity Investment	\$15,350,318
Federal Historic Equity Investment	\$6,420,870
First Mortgage	\$25,000,000
Seller Note	\$700,000
KHC AHTF	\$500,000
LAHTF Forgivable	\$500,000
Louisville EPA Grant	\$350,000
LAHTF – Cash Flow Loan	\$750,000
LAHTF - Forgivable (ARPA)	\$4,750,000
HPIS Capital Magnet Grant	\$700,000
State Historic Tax Credits	\$6,399,360
<u>Deferred Dev. Fee</u>	<u>\$1,785,010</u>
Total	\$63,205,558

**Fees Paid:**

Origination Fee	\$255,500
KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax Credit Reservation Fee	\$159,796
KHC Market Study Review Fee	\$1,000
KHC Construction Inspection Fee	\$22,694
KHC Tax-Exempt Bond Upfront Issuer Fee	\$150,000
KHC Tax-Exempt Bond Annual Issuer Fee	\$31.250
KHC Tax-Exempt Bond Counsel Fee	\$15,000
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$65,000
<u>TEFRA/Publication/Print</u>	<u>\$5,000</u>
Total	\$683,521