

**Bridging
the Gap**

FUND

**Downtown
Housing
Assistance**

**LOUISVILLE
KENTUCKY**

INVESTING IN RESIDENTIAL DOWNTOWN DEVELOPMENT

FLEUR-DE-LIS ON MAIN



OUR MISSION

is to stimulate the development of market-rate housing units in the Central Business District and adjacent neighborhoods.

Focused on developing your plans.

DHA

The Downtown Housing Assistance Fund is an economic development tool designed to stimulate residential development in Downtown Louisville.

The Downtown Housing Assistance Fund, LLC (DHA) is a revolving loan fund designed to assist urban developers in financing their Downtown housing projects. Structured as a gap financing program, DHA assumes a secondary position to primary financing and offers below-market lending terms. The \$6.8 million fund is enhanced by available New Markets Tax Credits and Historic Tax Credits.

The Fund is administered by the Louisville Downtown Partnership (LDP). Loan applications are reviewed and approved by a Loan Review Committee which is comprised of representatives of several of the Fund Investors.

Guidelines:

Primary to the success of the program are favorable DHA loan terms. Lower rates, combined with the Fund's willingness to bear part of the risk, brings benefit to the borrower, Louisville Metro, and Downtown Louisville. Terms may incorporate some or all of the following conditions:

- > DHA loan may be subordinate to senior financing.
- > DHA loan is generally limited to 25% of the overall project cost.
- > The interest rate will be targeted below the senior financing rate.
- > Total loan-to-value must not exceed 100% of the secured loan collateral.
- > Developer(s) will be required to provide full and adequate personal guarantees.
- > The origination fee will be targeted below the senior fee with consideration to the complexity of the transaction.
- > Ongoing due diligence will require annual financing reporting and additional information as requested.

Characteristics:

DHA focuses the Fund's assets on developing housing in Downtown Louisville that meets certain criteria.

Projects incorporating some of the following features will receive the most favorable consideration:

- > Quality, high-density housing
- > Development in high-priority areas
- > Mixed use urban design projects with retail on the ground floor
- > Projects that include adaptive reuse or historic preservation
- > Energy efficient and sustainable building elements
- > Development that replaces surface parking lots
- > Projects that provide infill development

Application Process

A complete loan application is to be submitted to the Fund for consideration.

The application is similar to the senior lender's application, and requires

project, borrower, and guarantor information. A meeting is then scheduled with the developer to review the application. The project will be reviewed by the Loan Review Committee for approval.



LOUISVILLE DOWNTOWN PARTNERSHIP

Fund Participants

BB&T
Brown and Williamson
Brown Forman
Fifth Third Bank
Humana
JPMorgan Chase Bank
LG&E-KU Capital, LLC
Metro Bank
Norton Healthcare
Papa John's
PNC Bank
Stock Yards Bank

TO LEARN MORE ABOUT THE LOUISVILLE
DOWNTOWN HOUSING ASSISTANCE
FUND, PLEASE CONTACT:

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