

## **Downard, Kelly**

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**From:** Fritz, Gabriel A.  
**Sent:** Wednesday, September 7, 2016 5:55 PM  
**To:** Downard, Kelly  
**Subject:** RE: Norton Commons  
**Attachments:** Project Summary.pdf; Open Records Request Docs.pdf; SK CV - Resume.pdf; NC Zoning.pdf

CM Downard:

Please find attached the requested documents.

Louisville CARES, HOPE of Kentucky, and tax credit equity will finance the construction. HOPE of Kentucky has a permanent loan of approximately \$1 million. CARES will be paid off in years two through five with equal installments of \$482,500 plus 1% interest from syndication proceeds.

The zoning information is excerpted from the Norton Commons pattern book since is a Planned Village Development and references general uses. For more specific information beyond that excerpt, please feel free contact Emily Liu in Planning and Design.

Steve Kersey, the developer of the project would be happy to speak with you if you have any additional questions regarding the specific details of the project. He may be reached at 583-0094.

Please let me know if you have any additional questions. Thanks, Gabe.

**GABE FRITZ**



**DEVELOP  
LOUISVILLE**  
LOUISVILLE FORWARD

DIRECTOR  
OFFICE OF HOUSING & COMMUNITY DEVELOPMENT  
444 SOUTH 5<sup>TH</sup> STREET, SUITE 500  
LOUISVILLE, KENTUCKY 40202  
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## Loan Summary

Project Name: Norton Commons

Project Address: Delphinium Street (Lot 426), Louisville, KY 40059

Loan Summary: The applicant is requesting a firm commitment to borrow \$1,900,000 for the development of new affordable 3 BR units targeted to families. The project will consist of the new construction of 21 units. 4 units will be targeted at tenants making 50% or less of AMI and 17 units will be targeted at tenants making 60% or less of AMI.

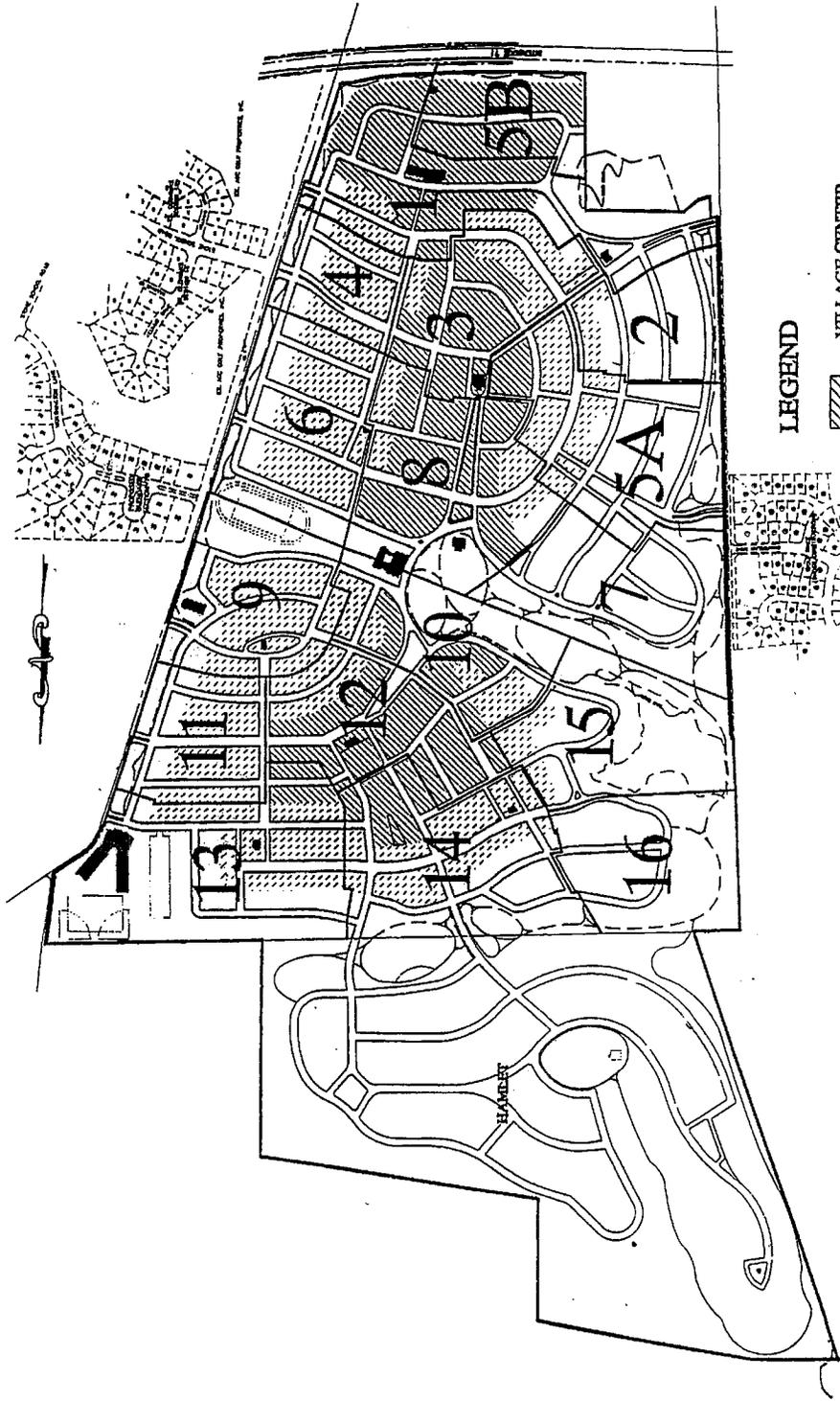
Number of Units	BR Size	Gross Rent	AMI
4	3	\$804	50%
17	3	\$989	60%

Number of Louisville CARES Units: 21

Total Development Cost: \$4,290,969

Loan Terms: The applicant will receive a CARES loan of \$1,900,000 at 1% for 5 years. Borrowing \$1,900,000 will allow them to provide a credit enhancement to the tax credit investors allowing them to delay investment of a portion of their money until year 5. The applicant will repay CARES through equal annual installments beginning in year 2 of \$482,500 from their syndication proceeds. The CARES loan will be repaid in full at the end of year 5.

Zoning: The property is zoned Planned Village Development District (PVDD). The PVDD has three zones; Village Edge, Village General and Village Center. Multifamily dwellings are a permitted use in the Village Center where the proposed apartments are to be located.



LEGEND

-  VILLAGE CENTER
-  VILLAGE GENERAL
-  VILLAGE EDGE

# NORTON COMMONS

## TABLE OF PERMITTED, LIMITED AND PROHIBITED USES

The following table lists the uses permitted within a village. P means the use is permitted, subject to design standards and location standards where noted. L means the use is limited. Limited uses must be approved in accordance with the procedures that follow this Table. X means the use is not permitted. No permitted use or limited use shall be required to secure a conditional use permit.

Residential Use	Village Edge	Village General	Village Center	Civic Use	Village Edge	Village General	Village Center
Detached dwelling	P	P	P	Churches, parish halls and temples	L	L	Village Center
Semi-detached dwelling	X	P	P	Clubs, private proprietary	L	L	L
Attached dwelling	X	P	P	Colleges, schools and institutions of learning (except trade, business or industrial schools), not for profit	L	L	L
Two-family dwelling	X	P	P	Community residence	L	L	L
Multi-family dwelling	X	P <sup>1</sup>	P	Convents and monasteries	L	L	L
Accessory resid. unit	P	P	P	Day care center	L	P <sup>1</sup>	P
Live/Work unit	X	L <sup>2</sup>	P	Family day care center	P	P	P
<b>Lodging Use</b>				Family care home	P	P	P
Bed and breakfast inn	L	L	P	Nursing homes and homes for the infirm and aged	L	L	L
Hotel	X	X	P	Historical buildings and grounds	P	P	P
<b>Office Use</b>				Libraries, museums, arboretums and art galleries, not for profit	L	L	L
Home occupation	P	P	P	Meeting hall	L	L	L
Office	X	P <sup>3</sup>	P	<b>Other</b>			
<b>Commercial Use</b>				Agriculture	P	P	P
Neighborhood Commercial/service <sup>4</sup>	X	P <sup>3</sup>	P	Garage sale	P <sup>1</sup>	P	P
General commercial <sup>5</sup>	X	X	P	Outdoor advertising sign	X	X	X
				Utilities	L	L	L

<sup>1</sup>Only at intersections where at least one street is designated as the highest classification of streets in the village.

<sup>2</sup>Only along major streets. Major streets are defined as all of the highest street classifications (AV-1, AV-2, AV-3, AV-4 and S-1).

<sup>3</sup>Only at intersections where at least one street is included in the Highest Classification of Streets (AV-1, AV-2, AV-3 and AV-4) as shown on the Master Plan, and only on the first floor. Office or other commercial use shall not exceed 50% of the floor area of the entire structure. The remaining floor area shall be residential.

<sup>4</sup>Includes only permitted and special permitted uses in the CR zone, not subject to CR requirements. Drive-through facilities, commercial towers (including cellular towers), on-site dry cleaning plants, and automobile service stations are not permitted. Single retail uses with a building footprint that is over 50,000 square feet shall be discouraged.

<sup>5</sup>Includes only uses permitted in the C1 zone plus neighborhood pubs and live music in restaurants. Drive-through facilities, commercial towers (including cellular towers), on-site dry cleaning plants, automobile service stations, and car washes are not permitted. Single retail uses with a building footprint that is over 50,000 square feet shall be discouraged.

# NORTON COMMONS

# TABLE OF PERMITTED, LIMITED AND PROHIBITED USES (CONTINUED)

## Limited Uses

Section 2.1.5 of the Planned Village Development Ordinance ("PVD Regulation") of the Louisville and Jefferson County Development Code, indicates that the Planning Commission must approve *limited uses* at the time of approval of the Master Plan. Subsequent requests for limited uses shall require amendment of the Master Plan and shall be reviewed according to Section 3.2 of the PVD Regulation. The following procedures and criteria have been incorporated in this Master Plan Report and shall be applicable to the project.

1) Approved *limited uses* for the Norton Commons development shall be identified either by reference on the face of the Master Plan (as originally approved or amended through action of the Planning Commission pursuant to the provisions of Section 3.2 of the Planned Village Ordinance), or by application of the criteria identified below.

a) All types of *limited uses* may be permitted within a Village Center subject to the following conditions and/or limitations:

1. *Limited uses* may not occupy more than twenty (20) percent of the net land area (gross land area less road rights-of-way and designated open space) of a Village Center.

2. The location of *limited uses* within the Village Center is not restricted, except for land parcels that adjoin the edge of the Center as depicted on the Master Plan. For these parcels, *limited uses* shall be permitted on parcels that meet any of the criteria specified in (b).

b) All types of *limited uses* may be permitted within the Village General. Limited uses shall be restricted to those locations depicted on the face of the Master Plan, or to any site that meets one of the following criteria: the site location will deflect a vista (see Illustration for a deflected vista); the site location will terminate a vista (see Illustration for a terminated vista); or the site is located at a street intersection where at least one street is included in the Highest Classification of Streets (AV-1, AV-2, AV-3, AV-4) as shown on the Master Plan.

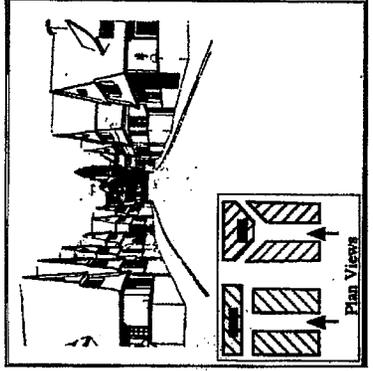


Illustration of a Terminated Vista

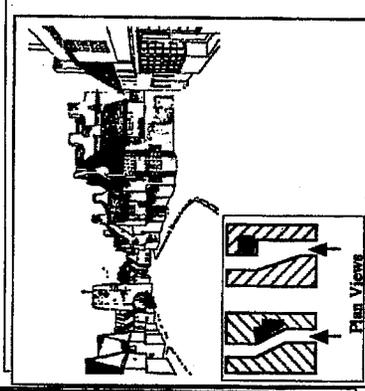


Illustration of a Deflected Vista

- c) All types of *limited uses* may be permitted within the Village Edge subject to the following conditions and/or limitations:
1. *Limited uses* shall be restricted to those locations depicted on the face of the Master Plan, or to any site that abuts a designated open space area or civic use.
  2. *Limited use* sites, whether depicted on the Master Plan or consistent with the criteria contained herein, shall be depicted on the Final Plan for the applicable portion of the development. The physical boundaries of each site and the designated *limited use(s)* shall be identified on the Final Plan.
  3. Subsequent to approval of a Final Plan, no additional *limited use* sites may be designated within the area of the approved Final Plan except as provided by Section 3.2 of the Planned Village Ordinance (amendment of Master Plan).
  4. The boundaries of *limited use* sites identified and approved as part of a Final Plan may be modified through a Revised Final Plan that is reviewed and approved by the Technical Review Committee. Modifications that may be approved through this process shall be limited to fifteen (15) percent increase in the limited use site area.
  5. No building permit for a limited use approved by the Planning Commission shall be issued without the prior review and approval of the Norton Commons Village Architect.

OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT  
DEVELOP LOUISVILLE  
LOUISVILLE, KENTUCKY

GREG FISCHER  
MAYOR

GABRIEL FRITZ  
DIRECTOR

June 13, 2016

Mr. Steve Kersey  
Integrated Services, LLC  
839 East Gray Street  
Louisville, KY 40204

Dear Mr. Kersey,

The Louisville CARES Loan Review Committee met May 25, 2016 and voted to conditionally approve your loan request under the Louisville CARES Revolving Loan Program subject to the following terms and conditions:

**Amount:** Louisville CARES shall loan to Integrated Services, LLC the sum of One Million, Nine Hundred Thirty Thousand Dollars (\$1,930,000) to be used for construction financing for your project at Delphinium Street (Lot 426), Louisville, KY.

**Terms:** The outstanding principal balance shall accrue interest at a one percent (1%) fixed rate. There will be an origination fee of one-half percent (1/2%) in the amount of Nine Thousand, Six Hundred Fifty Dollars (\$9,650) due at construction closing. There is no penalty for paying the loan off early.

The annual payment for the loan is Four Hundred Eight-Two Thousand, Five Hundred Dollars (\$482,500) plus one percent (1%) interest on the outstanding principal balance. The first payment will be due December 31, 2018 and due December 31 every year thereafter until December 31, 2021.

**Collateral:** The following shall be used as collateral on this loan:

Delphinium Street (Lot 426), Louisville, KY 40059

**Description:** 21 units  
4 (3) BR units – 50% AMI  
17 (3) BR units – 60% AMI

**Contingencies:** This conditional commitment is contingent upon compliance with all Louisville CARES policies and guidelines, and submission of all required documentation.

**LOUISVILLE FORWARD**

[www.louisvilleky.gov](http://www.louisvilleky.gov)

HOUSING & COMMUNITY DEVELOPMENT 444 S. 5<sup>TH</sup> STREET, LOUISVILLE, KENTUCKY 40202 502.574.4016 FAX 502.574.6215

You will be notified via email of any findings and discrepancies noted after review of the documentation. Any findings or concerns will constitute additional conditions that must be satisfied before this commitment will be considered firm. The final terms of Louisville CARES resources will be determined after final underwriting has been completed.

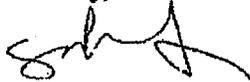
The documents listed below must be received before the expiration of this conditional commitment. The documents must be found acceptable by Louisville CARES staff and the Louisville CARES Loan Committee.

1. Market study (The market study must account for Jacob School and adequately demonstrate that the market can support both projects.)
2. Phase I Environmental Report
3. Appraisal
4. Final plans and specifications
5. Firm Commitment letters for permanent and construction financing
6. Partnership Agreement
7. Certificate of Good Standing from the Louisville Metro Human Relations Commission

This commitment will expire six months from the date of this letter and may be renewed for an additional three months at the request of the applicant. This commitment letter must be signed and returned to us within ten days. Signing this commitment letter and returning the original to our office shall evidence acceptance of this commitment.

If you have any questions, please call Heather Hairgrove at 502-574-3733.

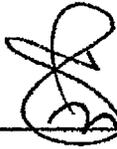
Sincerely,



Gabe Fritz  
Director  
Office of Housing and Community Development

June 13, 2016  
Page 3

We hereby accept this commitment on June 24, 2016.



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Steve Kersey  
Integrated Services, LLC

# Integrated Services LLC

*Developing Ideas and Building the Future*

839 East Gray Street  
Louisville, Kentucky 40204  
Tel. 502/583-0094  
Fax 502/585-2728

June 27, 2016

Mr. Tim Barry  
Executive Director  
Louisville Metro Housing Authority  
420 S. 8th Street  
Louisville, KY 40204

Dear Mr. Barry:

Integrated Services LLC is pleased to offer this letter of support and conditional commitment to use project based vouchers for up to 10 units in our Norton Commons "Lot 426" Development, located in an Area of Opportunity, should they become available through the Housing Authority's procurement process and subject to the conditions listed below.

The Norton Commons Lot 426 development project was recently awarded tax credits and should begin construction in Q1 of 2017, and intends to be completed by Q2 2018. It is located in a mixed use/mixed income traditional village neighborhood, and is comprised of (21) twenty-one 3-bedroom units.

This commitment is subject to the receipt of a Choice Neighborhood Implementation Grant, the Louisville Metro Housing Authority's normal procurement process for Project Based Vouchers, and customary due diligence and project underwriting.

This project will offer a unique, affordable housing opportunity in an area of town that has less than 5% subsidized housing. This development will feature energy efficient construction techniques and appliances to ensure sustainability and reduced operating and utility costs. It is also within walking distance of numerous options for working, shopping, and recreation.

We look forward to continuing our work to provide affordable housing options across Louisville Metro, and continued partnership with the Louisville Metro Housing Authority. Please feel free to contact me if with any questions, or if you need any additional information about this affordable housing development.

Sincerely,

Integrated Services LLC



By: Steven Kersey, CEO



OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT  
DEVELOP LOUISVILLE  
LOUISVILLE, KENTUCKY

GREG FISCHER  
MAYOR

GABE FRITZ  
DIRECTOR

Nov. 19, 2015

Mr. Steve Kersey,  
AIA  
Integrated  
Services, LLC  
839 E. Gray Street  
Louisville, KY  
40204

SUBJECT: LIHTC Multi-Family Development in Norton

Commons Dear Mr. Kersey:

Thank you for the opportunity to present this provisional letter of intent as it relates to Louisville Metro Government's financial participation in the subject project.

Through its Louisville CARES program, Louisville Metro Government ("LMG") is willing to participate in financing a portion of the proposed affordable units located in Norton Commons. We understand the subject project is being developed in connection with Kentucky Housing Corporation's ("KHC") Areas of Opportunity program, and that Kersey and Kersey (Developer) is proposing twenty-one (21) affordable housing units on Lot 426 within Norton Commons (Project). Louisville Metro's commitment is as follow:

1. LMG is interested in providing Louisville CARES funds up to \$15,809 per unit for a term of up to fifteen (15) years.
2. Either option outlined above assumes these funds will be used in connection with KHC's nine-percent (9%) Low Income Housing Tax Credit Program.
3. We understand the total development costs for the Project are estimated to be \$4,300,000.
4. We understand the sources of funds will include equity investment in the estimated amount of \$2,500,000, and an estimated first mortgage of \$1,200,000.
5. The maximum gap subsidy proposed by Louisville CARES is \$332,000.
6. LMG is willing to take a subordinate position to the equity and first mortgage guarantees.
7. LMG's commitment is made assuming firm commitments are made by all other relevant parties other than KHC as required to finance and develop the Project.

**LOUISVILLE FORWARD**

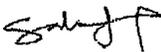
[www.louisvilleky.gov](http://www.louisvilleky.gov)

METRO DEVELOPMENT CENTER 444 S. 5<sup>TH</sup> STREET, LOUISVILLE, KY 40202 PHONE 502-574-5850 FAX 502-574-4199

8. The rate of interest on the Louisville CARES loan is assumed to be below market.
9. The period of affordability required by LMG will conform to KHC's terms, standards and requirements, but not be less than fifteen (15) years.
10. The commitment by LMG assumes the same underwriting requirements as KHC.
11. Our commitment assumes the site is located in an Area of Opportunity as defined by KHC.
12. The commitment by LMG assumes the units will at a minimum incorporate Energy Star design standards and high efficiency construction techniques as defined by KHC.
13. The commitment assumes that fifteen percent (15%) of the Project units will be for persons with disabilities and / or special needs and will incorporate Universal Design Features as defined by KHC.
14. The commitment assumes that residents residing in Project units will have equal access to Norton Commons' amenities, and an on-site play space will provided as part of the amenities provided by the Project.
15. We assume the Project can be successfully integrated into the Norton Commons development and will satisfy all Norton Commons design standards, as well as all applicable building, zoning, and ~~and~~ ~~division~~ regulations, and any and all applicable local, state and federal regulations.
16. The commitment assumes that the Developer will work with LMG in the approval of project plans, project schedules, construction coordination, pay applications, progress meetings, project closeout, project oversight, and other tasks required to successfully implement the Project.
17. The commitment by is subject to a full and complete application submission by the Developer to receive Louisville CARES funding, and final approval by the Louisville CARES Loan Review Committee, who will have full responsibility for the review of Project development and financing conditions, and final approval of the loan application.

We hope the aforementioned conditions are acceptable for this stage of Project development. We welcome further input as to how LMG can assist with the development of affordable housing opportunities throughout the community.

Regards,



Gabe Fritz  
Director,  
OHCD

**LOUISVILLE FORWARD**

[www.louisvilleky.gov](http://www.louisvilleky.gov)

METRO DEVELOPMENT CENTER 444 S. 5<sup>TH</sup> STREET, LOUISVILLE, KY 40202 PHONE 502-574-5850 FAX 502-574-4199

December 3, 2015

Office of Housing & Community Development  
Mr. Gabe Fritz, Director  
444 S. 5<sup>th</sup> Street  
Louisville, Kentucky 40202

Subject: Norton Commons Lot 426 Apartments Impediments to Fair Housing

Dear Mr. Fritz,

**Analysis of Impediments & Project Background**

Norton Commons Lot 426 Apartments will provide 21 units of affordable, rental housing for households with very low to low incomes. Conveniently located, the project site is within close proximity & walking distance to many great amenities in the Norton Commons Traditional Town including the TARC On-Demand Transit Service for persons with disabilities. The project's developer, Integrated Services, LLC, has committed to including a leasing preference in the NC Lot 426 Tenant Selection Plan to provide integrated housing opportunities to the Olmstead population.

The '2015 Analysis of Impediments to Fair Housing Choice in Louisville Metro, KY' indicates several factors associated with the limitation of Fair housing of choice. Three impediments which the Norton Commons Lot 426 Apartments addresses are: 1) Segregation of Special Needs Populations & Segregation of affordable housing; 2) Fair Housing of choice for persons with disabilities; 3) Inadequate Affordable Housing stock.

The aforementioned impediments will be reduced as a result of the project's commitment of Fifteen percent of the total project units to be set aside for the Olmstead population which includes households with a head of household with a diagnosis of severe mental illness who has been residing in a personal care home or a state psychiatric hospital, persons with serious mental illness who are at risk of institutionalization. The Olmstead preference will take first priority in the Norton Commons Lot 426 TSP. If no households are available meeting this criterion, then the pledged units will serve households up to 50% AMI.

The project's developer will be partnering with Seven Counties Services, Inc. to provide supportive services to the Norton Commons Lot 426 special needs residents. The Olmstead population being targeted by the proposed project has extensive supportive service needs, including facilitation with accessing community services and amenities, crisis intervention and on-going, flexible support services to facilitate stability. Persons with serious mental illness (SMI) are at risk of homelessness and often need assistance with obtaining and maintaining resources such as SSI. Because these individuals have resided in personal care homes or state psychiatric hospitals for an extended period of time, they have become accustomed to having a high level of assistance with their everyday activities and their schedules have been created for them. Therefore, moving into an independent living situation, while something they wish to do, can cause apprehension and stress. The services provided by Seven Counties Services, Inc. are designed to alleviate this anxiety by supporting them and assuring them they are not alone in their journey to independence. Once the individual has settled into their new surroundings and feels more comfortable, supportive services will focus on helping to maintain housing stability and working toward long-term goals relating to education and employment. All services are provided in a person-centered manner that allows individuals to participate in their recovery.

Additionally, Integrated Services, LLC/Norton Commons Lot 426 Apartments has committed to notifying the local PHA (Louisville Metro Housing Authority) of any property vacancies and will give preference to individuals on the local PHA waiting list and give priority to U.S. Military Veterans.

Furthermore in relation to reducing the impediment of inadequate affordable housing stock, the project will employ capital improvements and resident education that together will reduce energy consumption and in turn lower utility costs, making the cost of housing more affordable. The housing units affected by the project will be superior to the housing stock in the area. The project site is located in a Metro Council District that contains less than 5% subsidized housing as a percentage of the whole and is located within an "Area of Opportunity" as defined by the Kentucky Housing Corporation QAP.

#### **Fair Housing**

In support of its efforts to further fair housing, it is the intention of the sponsor to ensure the proposed project complies fully with title VI of the civil rights act of 1964, title vii and section three of the civil rights act of 1968 (as amended by the community development act of 1974), executive order 11063, section 504 of 1973 rehabilitation act, the age discrimination act of 1975, and any legislation protecting the individual rights of residents, applicants or staff which may be subsequently enacted.

Integrated Services LLC nor project shall not discriminate on the basis of race, color, sex, religion, sexual orientation, age handicap, disability, national origin, familial status or creed in the leasing, rental or other disposition of housing or related facilities under its jurisdiction thereof, in the following areas:

Deny any family the opportunity to apply for housing, nor deny any eligible applicant the opportunity to lease housing suitable to its needs;  
Provide housing which is different than that provided to others;  
Subject a person to segregation or disparate treatment;  
Restrict a person's access to any benefit enjoyed by others in connection with the housing program;  
Treat a person differently in determining eligibility or other requirement for admission;  
Deny a person access to the same level of services; or,  
Deny a person the opportunity to participate in planning or advisory group, which is an integral part of the housing program.

Integrated Services LLC shall not automatically deny admission to a particular group of otherwise eligible applicants. Each applicant shall be treated on an individual basis in the normal processing routine. Integrated Services LLC seeks to identify and eliminate situations or procedures, which create a barrier to equal housing opportunity for all.

We appreciate The Office of Housing & Community Developments consideration and anticipated support for the development of this deserving, new affordable housing opportunity.

Best regards,  
Integrated Services, LLC  
Mr. Steve Kersey  
839 East Gray Street  
Louisville, KY 40204  
Tel. 502/583-0094

## Downard, Kelly

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**From:** Downard, Kelly  
**Sent:** Wednesday, September 14, 2016 2:18 PM  
**To:** Fritz, Gabriel A.  
**Cc:** Carroll, Debbie  
**Subject:** RE: Norton Commons Lot 426 Development

Gabe,

Thank you for the information. Councilman Downard has some additional questions...

1. As it relates to the Olmstead population, what is the definition of "severe mental illness?" Does a person qualify under this only if they are head of household or does a person/family qualify if any member of the household falls under this category?
2. Is there any requirement on size of family? Meaning can a single person or married couple rent one of these units or must the person have children? Also if more than two persons living within the unit is required, how is it determined that such persons makeup the household? Example: Would a couple and their two grown children (ages 25 and 28) count as a four person family? What about Grandparents or other family members living within the unit or non-related persons who agree to share the unit?
3. Are there any examples of established neighborhoods/developments in Metro Louisville that have the same requirements or objectives? Can you direct us to those developments that this developer has taken part in in this community or others?
4. Public Housing Waiting List – Have persons on this list qualified for AMI? What is the current AMI? How are people chosen from the waiting list?
5. Explanation of numbers – Total costs are \$4,300,000. At one point it states Louisville Cares will provide a \$1,930,000 (1%) loan and Louisville Metro will provide a \$332,000 gap loan. That is \$2,262,000. Then it later says there is \$2,500,000 in equity and a \$1,200,000 first mortgage, which totals \$3,700,000. I assume the equity comes partially from tax credits, if so how much? Can you please give me the real funding sources that make up the \$4,300,000 costs?

We look forward to your reply. Thanks...

Debbie Carroll  
Dist 16 LA

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## Downard, Kelly

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**From:** Laura Bettencourt <lbettencourt@wearehpi.org>  
**Sent:** Monday, September 26, 2016 9:43 AM  
**To:** Downard, Kelly  
**Cc:** Laura Bettencourt  
**Subject:** RE: Norton Commons Lot 426 Development AKA The Delphinium Apartments

Good morning Councilman Downard,

In response to an email that you had sent to Mr. Gabe Fritz regarding clarifications related to the proposed Norton Commons Lot 426 development (going forward to be known as The Delphinium Apartments) in particular your question/clarification request of the definition of "Serious Mental Illness or SMI". KHC has provided us with the applicable definition as it relates to the Olmstead Population. Please see below:

Councilman Downard's Question:

1. As it relates to the Olmstead population, what is the definition of "severe mental illness?" Does a person qualify under this only if they are head of household or does a person/family qualify if any member of the household falls under this category?

**C. "Serious Mental Illness" ("SMI") shall mean a mental illness or disorder (but not a primary diagnosis of Alzheimer's disease or dementia) that is described in the Diagnostic and Statistical Manual of Mental Disorders (DSM), 5th Edition, or the DSM currently in use, that impairs or impedes functioning in one or more major areas of living and is unlikely to improve without treatment, services and/or supports.**

Additionally, You can have an Olmstead person living with, for example, his or her kids or a family with someone who meets the Olmstead criteria and be eligible for the unit. They are not required to be the Head of Household. I trust that this information will provide you with the clarification that you were seeking. Please feel free to contact us with any additional questions or concerns. Thanks again!

Laura Bettencourt, COS, TCS  
Real Estate Analyst  
The Housing Partnership, Inc.  
Phone: 502.814.2721  
[lbettencourt@WeAreHPI.org](mailto:lbettencourt@WeAreHPI.org)

**Please find below follow up answers in bold below from the developer of the project.**

1. As it relates to the Olmstead population, what is the definition of "severe mental illness?" Does a person qualify under this only if they are head of household or does a person/family qualify if any member of the household falls under this category?

**We have asked KHC for further clarification on their interpretation of the SMI definition as it relates to this project due to discrepancies of the definition within the QAP and Multifamily Guidelines. This information will be forwarded upon receipt which is anticipated early next week.**

2. Is there any requirement on size of family?

**There is not a minimum occupancy requirement, meaning a single-person household that otherwise meets the established income guidelines and all other project qualifications would qualify for residency. There is a Maximum occupancy standard of no more than 2 people per bedroom.**

Meaning can a single person or married couple rent one of these units or must the person have children?

**Having children is not a requirement.**

Also if more than two persons living within the unit is required, (Not a "requirement".) how is it determined that such persons makeup the household? Example: Would a couple and their two grown children (ages 25 and 28) count as a four person family?

**Yes, that would count as a four occupancy household.**

What about Grandparents or other family members living within the unit or non-related persons who agree to share the unit?

**Yes. - Households may consist of related and non-related individuals/ the applicable program income guidelines are based on the number of individuals residing in the unit. Page 3 of the TSP (Attached) discusses in detail who is included and excluded when determining family size and income eligibility.**

3. Are there any examples of established neighborhoods/developments in Metro Louisville that have the same requirements or objectives? **See links below.** Can you direct us to those developments that this developer has taken part in in this community or others?

**Management will be responsible for meeting the requirements of the TSP and compliance with KHC requirements. Note- the links provided below are to successful developments in Louisville or surrounding areas that manage integrated housing developments for**

**individuals with SMI or functional disabilities. These projects were not developed by Integrated Services.**

<http://www.applepatch.org/>

<http://dayspringky.org/>

<http://www.wellspring-house.org/>

4. **Public Housing Waiting List – Have persons on this list qualified for AMI? That is a question for LMHA. Regardless of whether LMHA has pre-qualified applicants, our Property Management will income qualify every applicant referred to this property. What is the current AMI? The applicable AMI is dependent upon the applicant’s household size, therefore it varies with household size. How are people chosen from the waiting list? Just to clarify, the projects commitment or obligation as it relates to the PHA is that the Property Management will notify LMHA of current or upcoming vacancies. LMHA maintains a master list of available properties with vacancies to which they will refer individuals. Any individuals that LMHA refers to the project will still undergo the same income & project screening, and admission qualifications process as any other tenant prospect. Management does not actually select people from LMHA’s waiting list as they do not have access to the LMHA waiting list. The Property Management simply has to notify the LMHA of current or upcoming vacancies. If LMHA refers a household to the property from their waiting list, and they meet all other income and resident selection criteria, they will be given preference as indicated in the TSP. Additionally, the project is not required to “hold” any units for individuals on the LMHA waiting list. If there is no timely response, the next preference is reviewed by Management.**

5. **Explanation of numbers – Total costs are \$4,300,000. At one point it states Louisville Cares will provide a \$1,930,000 (1%) loan and Louisville Metro will provide a \$332,000 gap loan. That is \$2,262,000. Then it later says there is \$2,500,000 in equity and a \$1,200,000 first mortgage, which totals \$3,700,000. I assume the equity comes partially from tax credits, if so how much? Can you please give me the real funding sources that make up the \$4,300,000 costs?**

**Louisville CARES funds will be used for construction financing and repaid through syndication proceeds in years two through five. The table below outlines the funding sources used to construct the project.**

**Construction Financing Sources:**

(May include permanent sources listed above)

	Amount Available During Construction	% TDC	Developer Notes
Louisville CARES Loan	1930000	45.0%	
Bank Construction Loan	\$1,650,421	38.5%	HOPE of Kentucky LLC 5 yr. term; 1% interest
Developer Equity (Self-Financing)		0.0%	
Deferred Developer Fee		0.0%	
Housing Credit Equity Available During Construction	\$477,406	11.1%	
Costs Not Paid During Construction (Must Identify)	\$233,142	5.4%	Reserves, Construction Interest
Other:		0.0%	
<b>Total Construction Sources:</b>	<b>\$4,290,969</b>	<b>100.0%</b>	

# Integrated Services LLC

*affiliated with Kersey and Kersey Architects*

839 East Gray Street  
Louisville, Kentucky 40204  
Tel. 502/583-0094  
Fax 502/585-2728

**Integrated Services LLC** is affiliated with Kersey and Kersey Architects. It was created in 2005 in response to growing market demand and client requests to offer a wider range of complimentary services to the Architecture Firm's design capabilities. Specializing in Project Feasibility, Financial Analysis and Modeling, as well as Comprehensive Project Development, **Integrated Services** provides a bridge between the Design and Planning of Projects and their execution through feasibility, financial analysis and development.

In addition to providing third party professional services, **Integrated Services** undertakes at-risk development of Commercial Real Estate. Experience in urban infill, historic preservation and adaptive re-use of properties has led to development of income producing real estate ventures including multi-family housing, hospitality and healthcare related projects, among other endeavors. Projects that require complex underwriting to structure stable operating performance utilizing third party equity, syndication, interest rate subsidies and other non-traditional financial engineering tools are at the firm's core. The firm has experience with many non-traditional funding sources including: TIF, EB-5, HTC, NMTC, LIHTC, USDA, FHLB, AHTF, ARC, DLG, CDBG, Others.

Steven Kersey is the firm's Chief Executive Officer. His background includes over 35 years in fields related to comprehensive project development on a wide range of commercial real estate endeavors as a designer, consultant and advisor to lenders and investors, as well as a real estate developer on his own account. He has gained experience working with internationally recognized firms on projects throughout the world. He also works with lenders and investors assessing project risk and monitoring project development during construction.

Integrated Services focuses on Project Development, Finance and Consulting Services for Commercial Real Estate. The firm continues to grow its experience in assessing risk and structuring debt and equity opportunities for lenders, investors, and developers of income producing real estate. Over the past 11 years, he has worked extensively in the Affordable Housing Market, developing in low income communities and qualified census tracts.

The Firm's objectives include expanding its client base and portfolio, as well as its market regionally, nationally and internationally. Its primary regional focus is on Kentucky and the adjacent States, and its efforts focus on identifying unique Project Development opportunities, whether as a consultant or principal, or through Joint Ventures with other entrepreneurs and organizations. Partnering with non-profit organizations that may lack such expertise in development is of particular interest.

Integrated Services, LLC focuses on several project types:

Healthcare Development – Continuum of Care, Specialty Hospitals, Medical Retail and Medical Office  
Multifamily Housing – Market Rate and Affordable  
Hospitality Planning, Underwriting, and Development  
Mixed Use and Urban Development including Traditional Town Planning and Development, Student Housing and special niche opportunities...Distressed Properties Re-positioning, Adaptive Re-Use, Industrial Development including Distilleries, Athletic, Equine, and Entertainment.

Contact Information:

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Louisville, Kentucky 40204  
502-583-0094  
Steven Kersey, CEO  
steve@integ-serv.com

Comprehensive Real Estate Development Services  
Feasibility • Finance • Development

## Selected Project Experience

Kersey and Kersey Architects builds cities; and they have been doing it for over 35 years. This means they have accumulated experience and expertise in virtually any building type and program, including urban infrastructure. The firm has successfully completed Commercial, Residential, Healthcare, Education, Correctional, Military, Transportation and Historic Preservation projects; as well as Urban Design, Interiors, Planning and Campus Master Planning. Selected Projects include the following:

### **Partial List-Multifamily Housing Projects**

#### *Louisville Metro Housing Authority*

- 801 East Broadway Development
- Avenue Plaza - Lobby Renovation
- Site Offices - Standard Casework
- Dosker Manor - Exterior Renovation
- Parkway Place - Exhaust Upgrades
- Clarksdale - Bathroom Exhaust Fans
- St. Peter Claver Renovation

*Jacob School Apartments  
Louisville, Kentucky*

*Back Track Apartments  
Louisville, Kentucky*

*St. Columba Court  
Louisville, Kentucky*

*Waterford Place Apartments  
Elizabethtown, Kentucky*

*Heritage Green Apartments  
Louisville, Kentucky*

*Wilart Arms Apartments  
Louisville, Kentucky*

*The Housing Partnership (Numerous Projects)  
Neighborhood Stabilization Program  
Louisville, Kentucky*

#### *Consulting Architect To Housing Lenders:*

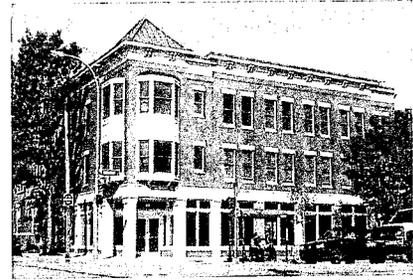
- Citizens Union Bank
- Farmers & Merchants Bank
- Stockyards Bank
- Nations Bank
- Red Capital
- National City Bank
- PNC Bank

*Givemy Gardens  
Georgetown, Kentucky*

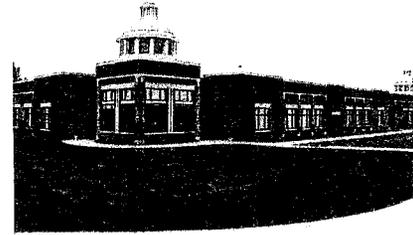
*Colonial Gardens  
Paris, Kentucky*

*Blue Lick Apartments  
Louisville, Kentucky*

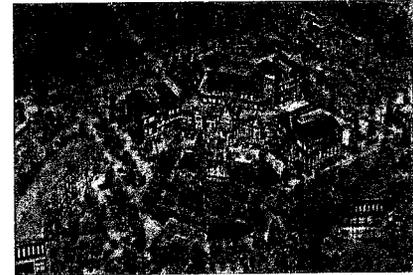
*Cambridge Point Apartments  
Henderson, Kentucky*



801 East Broadway Apartments



Bowling Green Community College



Healthcare Commons



WKU Carroll Kniceley Conference Center



Hotel NuLu

KERSEY AND KERSEY ARCHITECTS

