



Community Development Lending & Investment



Community Development Lending & Investment (CDLI)

The Community Development Lending & Investment business continues to be a growth lever for KeyBank and is a significant contributor to CRA, the Community Benefits Plan, and ESG efforts within the Bank

Mission and Objectives

- Be a **National Leader in Affordable Housing / Community Development**
- Maintain our **Outstanding CRA Rating**
- **Major Contributor** to the Community Benefits Plan
- **Dedicated to Helping** Clients & Communities Thrive

Target Clients

- **For profit, non-profit, & housing authorities engaged in owning & developing affordable housing, and other community development organizations**
 - Targeted clients focused on LIHTC projects, Section-8, Preservation, and Workforce Housing
 - Targeted clients use balance sheet debt, equity investments (with a focus on LIHTC equity & preservation equity), mortgage banking, deposits/payment, and other capital market solutions
 - Other Community Development type activities such as SBIC's, CDFI's, etc.

Capabilities & Expertise

Construction & Acquisition	Bridge-to-re-syndication	Tax Exempt Bonds	Equity Investments	SHTC	CDFI
Lines of Credit	Fannie Mae / Freddie Mac	Private Placement	Equity Syndication	NMTC	SBIC
FHA/HUD	Federal Home Loan Bank Programs	Loan Securitization	LIHTC	HTC	EQ2

Recent Accomplishments



3rd
Largest Affordable Housing Capital Provider in 2020



\$3.1B
Debt, Perm Loan, and Equity Originations in 2020



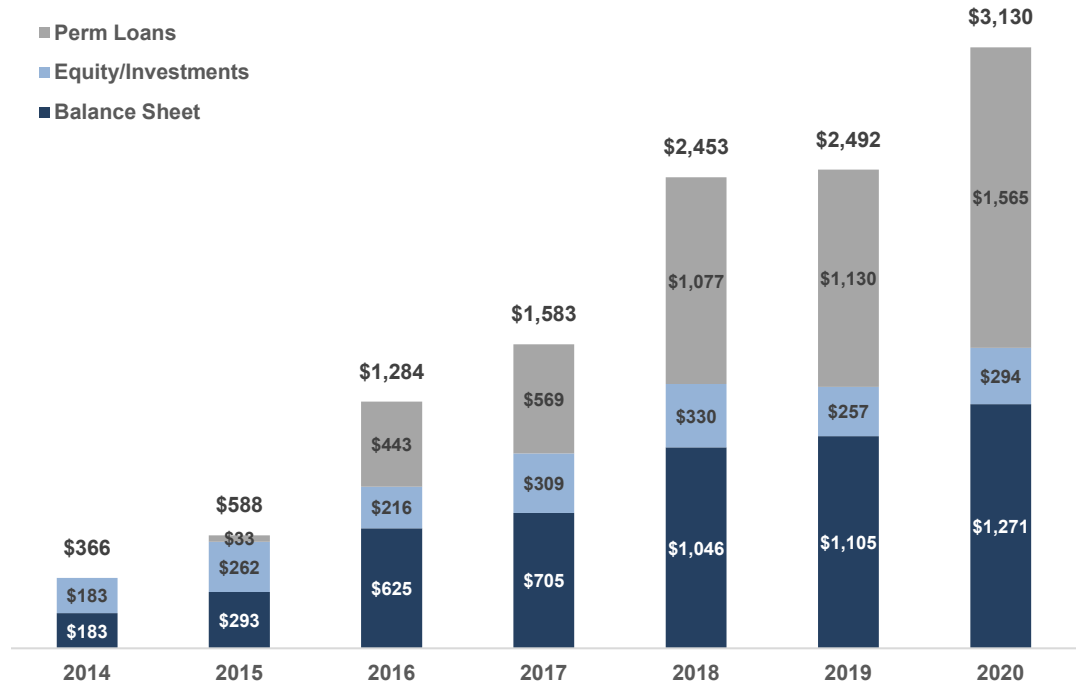
10 Consecutive Outstanding CRA Ratings



CDLI: Business Growth

Key has grown to become one of the top affordable housing lenders in the nation

Total Originations (\$MM)



Affordable Housing League Table¹

<i>\$ in millions</i>	2020	2019
	\$7,002	\$6,092
	\$4,310	\$4,749
#3	\$3,704	#5 \$2,656
	\$3,532	\$2,987
	\$3,439	\$1,926
	\$3,049	\$1,545
	\$2,671	\$2,425
	\$2,438	\$1,344
	\$2,373	\$1,117
	\$2,242	\$1,228

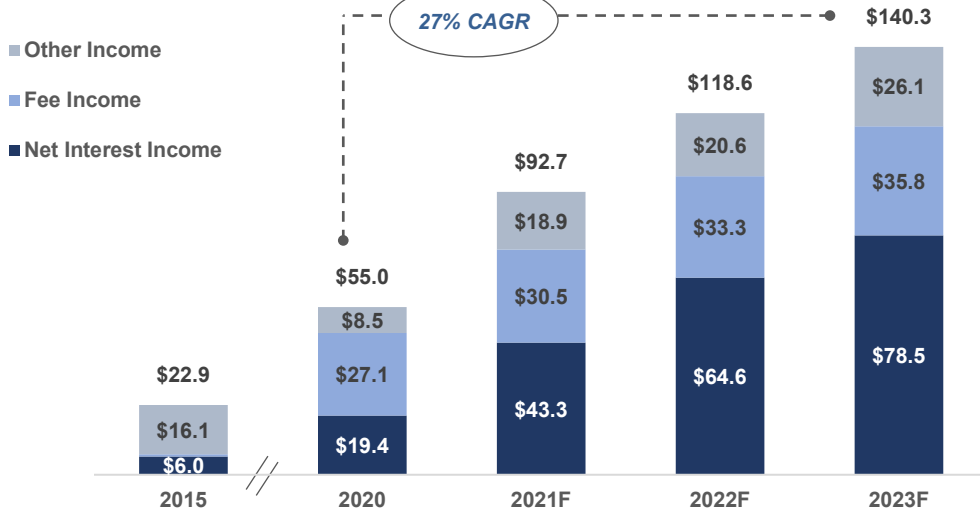


CDLI: Focused Forward

The business is poised to add nearly \$85MM in revenue over the next 3 years as investments in growth levers deliver over \$5B in originations by 2023

Driver Metrics & Key Financials

Revenue Growth (\$MM)



Originations	2015	2020	2021F	2022F	2023F
Originations	\$0.6B	\$3.1B	\$3.7B	\$4.4B	\$5.2B

Growth Levers

Lending – Balance Sheet and Perm Mortgages

- Continued robust pipelines for BS and Perm debt driven by sector tailwinds from the affordable housing crisis, as well as favorable tax and regulatory policy, contributes to exceptional CDLI performance

Talent

- Diligent recruiting efforts to strategically scale our Relationship Banker population with top external talent and accelerating matriculation of internal top talent continues to bolster CDLI growth

Equity Growth Initiative

- The creation of a syndication platform investing nationally in LIHTC properties with the intent to syndicate to institutional investors allows Key to be even more competitive by offering a debt and equity pairing

Private Placement Securitization Program

- Programmatic securitization of LIHTC construction-to-perm loans will allow Key to expand its mortgage banking capabilities, while alleviating client exposure constraints and generating debt placement revenue

Commercial Primacy

- Targeted focus on our deposits and payments business drives sticky, recurring, high value revenue streams while increasing momentum in new client acquisitions and deepening existing client relationships



Grayson Ridge Apartments

4% New Construction – Seniors Housing



\$25MM Construction Loan, \$16.6MM Equity Bridge Loan, \$25.2MM Freddie Forward TEL

Client: Dominion

Description: 4% LIHTC - The newly constructed subject property is located in Lawrenceville, Georgia, a suburb approximately 35 miles northeast of Atlanta. The LIHTC property will consist of one 4-story residential building marketed 100% towards seniors 55 years of age and older. Construction is expected to take 18 months and be completed by December 2021.

Population Served: The unit mix consists of 124 one-bedroom, 100 two-bedroom, and 16 three-bedroom units. The units will be reserved for tenants earning between 30-80% of AMI to achieve an average of 60% AMI. The rent advantage of 60% AMI level versus achievable market rents in the PMA is approximately 33%.

Community Benefit: With the number of 55+ senior households expected to increase by 4.2% per annum through 2022, there is strong demand for affordable senior housing in the PMA. Affordable comparables in the market reported overall vacancy rates of 0.9% which is indicative of a supply-constrained market. The construction of Grayson Ridge Apartments will help alleviate some of these supply and demand issues seen within the market for senior housing.



Heritage at Stonecrest

4% New Construction - Multifamily



\$35MM Construction Loan, \$22.05MM Private Placement Loan

Client: LDG Multifamily – College Park, GA

Description: 4% LIHTC - The subject property is located in Stonecrest, GA, which is approximately 16 miles east of downtown Atlanta. The new construction is a 240-unit (including 18 ADA units) affordable multifamily community containing 46 one and two-story residential buildings and a one-story leasing office/community building.

Population Served: The unit mix consists of 120 two-bedroom and 120 three-bedroom units. The property is encumbered by 30-year Land Use Restrictive Covenants and will operate all 240 units as LIHTC units. 100% of the units will be reserved for families with household earnings 60% or below of the area median income.

Community Benefit: This property is an ideal choice for families or young professionals who desire quality, apartment home living at an affordable price. The market vacancy for similar LIHTC properties is 1.5% with most operating at 100% occupancy, meaning Heritage at Stonecrest will continue to fulfill the affordable housing demand in this area.



Carter Manor – Section 8 Seniors Housing



\$21.6MM High Leverage Bridge Loan, \$40.7MM Freddie TEL Immediate

Client: Evergreen Real Estate Group

Description: Acquisition and rehab of Carter Manor, a 270-unit, 11-story apartment building with first floor commercial space located in Downtown Cleveland near the edge of the Playhouse Square District. The property is 100% occupied and fully subsidized with a project-based Section 8 HAP Contract. The subject was originally constructed in 1917 as a luxury hotel with 600 suites and later repurposed as low-income housing rental apartments in 1972. The re-syndication will generate \$26.3MM in LIHTC and Historic Tax Credits. These proceeds along with the Freddie TEL proceeds will support the redevelopment.

Population Served: All units set aside for residents that are age 55 and older. All units will benefit from a Project Based Section 8 HAP contract which allows tenants to pay 30% of their income towards rent and the balance paid by HUD.

Community Benefit: Various programming activities, health and wellness programs, and superior resident common areas to provide safe and quality affordable housing for the aging senior population.



Lanvale Towers

High Leverage Bridge – Section 8 & 236



\$21.2MM High Leverage Bridge Loan, \$25.6 Fannie Mae Perm Loan

Client: Radiant Property Management LLC, a Newark, NJ-based real estate services company, focused on the acquisition and redevelopment of multifamily properties, in the NYC/NJ MSA.

Description: Existing 321-unit, Section 8 & Section 236 housing project located in Baltimore. The subject is comprised of one, “L” shaped, eight-story tower and 34 garden-style townhouse buildings. The site area is 8.009 acres. The 16.67-acre site is currently vacant.

Population Served: The property is a mix of studio, one-, two-, three- and four-bedroom units and is currently 93% leased. 184 units (57%) are fully subsidized with a Section 8 Project-Based HAP Contract that expires September 2038. The remaining 137 units are Section 236 with a 60% AMI restriction outlined in the LURA. Radiant will receive a new 20-year HAP contract required prior to Closing with Mark-Up-To-Market rents.

Community Benefit: Local area demographics supports a significant need for affordable housing as evidenced by strong occupancy in the market with affordable and market rate comparables averaging 98% to 99% occupancy. Radiant works with tenant associations, performs community surveys, and communicates with local stakeholders as it works to enhance the lives of its residents. Through targeted, quality upgrades that reflect the concerns and desires of the local community, Radiant has succeeded in transforming living spaces, enhancing the lives of its residents, and revitalizing neighborhoods.

