



Toll Brothers/L+M Joint Venture Secures \$160 million in Construction Financing for New Multifamily Development in Washington, DC

December 15, 2020

Toll Brothers Apartment Living and Partnership of L+M Development Partners and Goldman Sachs Join Together to Create New 561-Unit Community

FORT WASHINGTON, Pa., Dec. 15, 2020 (GLOBE NEWSWIRE) -- Toll Brothers, Inc. (NYSE: TOL) (www.TollBrothers.com), today announced the closing of \$160 million in construction financing through a newly formed joint venture between its Toll Brothers Apartment Living® rental subsidiary and GSLM Capital Partners, a venture of L+M Development Partners and Goldman Sachs Urban Investment Group. The financing will be used to develop Phase 1 of a 6.7-acre site in the heart of Washington, D.C., located at the nexus of NoMa, Mount Vernon Triangle and Shaw – three fast growing and vibrant neighborhoods northwest of Union Station. Phase 1 will bring 561 units, approximately 20% of which are affordable, one-acre of public open space and nearly 50,000 square feet of residential amenities.

Citi Community Capital is providing a \$160 million construction loan funded with \$23 million of tax-exempt notes issued through the Washington, D.C. Housing Finance Agency (DCHFA) and a \$137 million taxable construction loan. In addition, Citi arranged a \$160 million forward commitment for permanent financing from Freddie Mac in its role as an Optigo lender. Goldman Sachs, in addition to its land loan financing and equity participation, will be the purchaser of approximately \$15.7 million of low-income tax credits generated as-of-right. The financing was secured by Toll Brothers and L+M Development Partners. Toll Brothers Apartment Living and L+M will oversee the development, management, and marketing of the project.

The property, bounded by First Place, M, First and L Streets, NW, was acquired from the Sursum Corda Cooperative in 2018. As part of the agreement, members of the Sursum Corda Cooperative will have the right to return to up to 127 units included in the development. Phase 1 of the development won unanimous approval from the Zoning Commission last year and will be built on the southern portion of the site. While Phase 1's tax exempt bond and low-income credits support 118 units that will be restricted at various incomes at or below 80% of Area Median Income, the aggregate units, which will include up to 1,100 apartments of which 199 will be

Phase 1's two buildings will offer building in Phase 1 will be complete amenities for the community, including:

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room floorplans. The southwest health and wellness-centered and cycling rooms, an outdoor

yoga deck, locker rooms, and pet spa. There will also be a children's playroom, a co-working lounge and a pool on the second floor with cabanas and seating overlooking the community park.

The southeast building will include 345 apartment homes and feature community-driven amenities, including a coffee bar, a large co-working space, maker space, game room, full-service kitchen and dining room, a greenhouse equipped with gardening stations and indoor greenery, and a rooftop deck with indoor-outdoor space.

Mount Airy in Action, an affiliate of neighboring Mount Airy Baptist Church, will participate in the joint venture in addition to being a co-applicant in the Planned Unit Development. Mount Airy is one of the area's most enduring institutions and will help promote the development's affordable housing.

Fred Cooper, Toll Brothers' Senior Vice President of Finance and Investor Relations, stated: "We are thrilled to secure this financing, which will enable us to execute on a highly anticipated redevelopment plan that will create new housing, including a significant amount of much-needed affordable housing. We have assembled a very strong team. We've enjoyed working with L+M, Citi and Freddie Mac in the past, and are excited to also partner with Goldman Sachs' Urban Investment Group, Mount Airy Baptist Church, City leaders, and the Washington, D.C. Housing Finance Agency on this transformational project."

Charles Elliott, President of Toll Brothers Apartment Living, said, "Toll Brothers Apartment Living has developed over 2,300 units in the region and over 1,100 in the District. As we continue to grow our pipeline in this vibrant market, we are committed to bringing the same elevated customer experience and quality we are known for throughout the country to each of our communities."

Ron Moelis, CEO and Founding Partner of L+M Development Partners, said, "We're proud to expand our work to Washington, D.C. to help revitalize this area of the city through mixed-income housing and a community park. It is particularly meaningful for us to provide high-quality affordable apartments to members of the Sursum Corda Cooperative, and we look forward to welcoming them and their neighbors to their new homes in 2022. Thanks to the D.C. Housing Finance Agency and all of our partners for helping us reach this major milestone in the area's redevelopment."

Margaret Anadu, Goldman Sachs Managing Director and Head of the Urban Investment Group, said, “Reactivating this site and creating much needed mixed-income housing, especially for previous Sursum Corda residents, is an example of the progress that is possible when leaders from the community, the public sector, and private sector work towards a common goal. The mixed-income housing, new park, more pedestrian-friendly streets, and infrastructure improvements will collectively provide a slightly wider path to more opportunity and socioeconomic mobility for local residents.”

Rev. L. B. West, D.R.S., of Mount Airy, represented a pillar of strength surrounding communities. It has affiliates, Mount Airy in Action 2 rich beyond compare. MAIA202 is with grateful hearts that we afford affordable housing for future North Carolinians.

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L+M partnership in developing

Melissa Lockett, Citi Community Capital Vice President, said, "Citi has been providing financial services on the ground in Washington, DC since the early 1900s. The closing of Sursum Corda marks the continuation of Citi's commitment to revitalizing our nation's capital and funding high quality, much needed housing that will greatly benefit the community."

Christopher E. Donald, Interim Executive Director, of Washington D.C. Housing Finance Agency, said, "DCHFA's investment in the redevelopment of Sursum Corda reflects the agency's mission and the Bowser administration's mandate to provide affordable housing across all eight wards of the District, including the thriving neighborhood where this development will be located. This is evidenced by the right for former residents to return and the reservation of affordable units within the development."

Peter Lillestolen, director & co-head for Targeted Affordable Housing Retail at Freddie Mac, said, "As a result of this effort, more than 100 District residents will have an affordable place to call home. Freddie Mac is proud to provide financial certainty to this unique redevelopment through a \$160 million forward commitment."

Construction has commenced on Phase 1, which is estimated to welcome its first residents in 2022. Please visit TollBrothersApartmentLiving.com for future updates and information regarding the community.

ABOUT TOLL BROTHERS

Toll Brothers, Inc., A FORTUNE 500 Company, is the nation's leading builder of luxury homes. The Company began business over fifty years ago in 1967 and became a public company in 1986. Its common stock is listed on the New York Stock Exchange under the symbol "TOL." The Company serves first-time, move-up, empty-nester, active-adult, affordable luxury and second-home buyers, as well as urban and suburban renters. It operates in 24 states: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington, as well as in the District of Columbia.

Toll Brothers builds an array of luxury residential single-family detached, attached home, master planned resort-style golf, and urban low-, mid-, and high-rise communities, principally on land it develops and improves. The Company acquires and develops rental apartment and commercial properties through Toll Brothers Apartment Living, Toll Brothers Campus Living, and the affiliated Toll Brothers Realty Trust, and develops urban low-, mid-, and high-rise for-sale condominiums through Toll Brothers City Living. The Company operates its own architectural, engineering, mortgage, title, land development and land sale, golf course development and management, and landscape subsidiaries. Toll Brothers operates its own alarm monitoring company through TBI Smart Home Solutions, a complete home technology division. In addition to providing security monitoring, TBI Smart Home Solutions offers homeowners a full range of low voltage options, allowing buyers to maximize the potential of technology in their new home. The Company also operates its own lumber distribution, house component assembly, and manufacturing operations. Through its Gibraltar Real Estate Capital joint venture, the Company provides builders and

and equity capital.

In 2020, Toll Brothers was named one of the World's Most Admired Companies by Fortune magazine. The Company has received numerous other awards, including the 2019 Best Places to Work in America by Fortune magazine, the first two-time

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Metropolitan Opera International Radio Network, bringing opera to neighborhoods throughout the world. For more information visit www.TollBrothers.com.

ABOUT TOLL BROTHERS APARTMENT LIVING®

Toll Brothers Apartment Living is the apartment development division of Toll Brothers, Inc. (NYSE: TOL). Toll Brothers Apartment Living is bringing the same quality, value, and service familiar to luxury home buyers throughout the country to upscale rental communities in select markets, including Atlanta, Boston, Dallas, Los Angeles, New York, Philadelphia, Phoenix and Washington, DC. Toll Brothers Apartment Living was ranked 11th largest apartment developer in the U.S. in 2020 by the National Multi-Family Housing Council. The firm has developed more than 6,200 units, has more 4,000 units under management and controls a national pipeline of more than 16,700 units. Toll Brothers Apartment Living communities combine the energy of vibrant locations with unparalleled amenities, resident services, design, and the expertise of the nation's leading builder of luxury homes. For more information visit TollBrothersApartmentLiving.com

ABOUT L+M DEVELOPMENT PARTNERS

Since its inception in 1984, L+M Development Partners has been an innovator in developing quality affordable, mixed-income and market-rate housing, while improving the neighborhoods in which it works. A full-service firm, L+M works from conception to completion, handling development, investment, construction, and management with creativity that leads the industry. L+M is responsible for over \$9 billion in development and investment, and has acquired, built or preserved nearly 30,000 high-quality residential units in New York's tristate area, the West Coast, and Gulf Coast regions. Community leaders, government officials, and institutional investors turn to L+M because of its consistent track record of excellence. L+M is a double bottom line company, where its success is measured not only in financial returns, but also by positive impacts. L+M takes pride in its long-standing partnership with the communities it serves, demonstrated through an annual scholarship fund, workforce development programs, after-school programs, and substantial support for local nonprofits. L+M brings a superior level of commitment to its investments in developments, and equally important, to its investment in people.

ABOUT GOLDMAN SACHS URBAN INVESTMENT GROUP

Established in 2001, the Urban Investment Group ("UIG") is a business unit of Goldman Sachs ("GS"). Through its comprehensive community development platform, UIG deploys capital by making investments and loans that benefit underserved people and places. Since its inception, UIG has committed over \$9.6 billion, facilitating the creation and preservation of over 40,300 housing units - the majority of which are affordable to low, moderate and middle-income families - as well as over 2,800,000 square feet of community facility space and over 11,200,000 square feet of commercial, retail, and industrial space.

ABOUT MOUNT AIRY BAPTIST CHURCH

Mount Airy Baptist Church is a Missionary Baptist Church with a rich history of community service designed to help meet the spiritual and social needs of the community. We are active in the community through a wide variety of programs and services. Our church is located in the northwest part of Washington, DC, just one mile north of the United States Capitol.

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ABOUT CITI COMMUNITY CAPITAL

Citi Community Capital (CCC) is a leading provider of financing for affordable housing. CCC has leveraged its specialized expertise in financing all types of affordable housing arrangements, including construction and permanent loans to finance 37,840 units of renovated or new affordable housing. CCC's

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origination, structuring, asset and risk management staff across the country provides creative financing solutions designed to meet their clients' needs. CCC helps community development financial institutions, real estate developers, national intermediaries and nonprofit organizations achieve their goals through a broad, integrated platform of debt and equity offerings. For more information, please visit: <http://www.citicommunitycapital.com>.

ABOUT WASHINGTON D.C. HOUSING FINANCE AGENCY

The District of Columbia Housing Finance Agency is an S&P A + rated issuer, serving Washington, D.C.'s residents for more than 40 years. The Agency's mission is to advance the District of Columbia's housing priorities; the Agency invests in affordable housing and neighborhood development, which provides pathways for D.C. residents to transform their lives. We accomplish our mission by delivering the most efficient and effective sources of capital available in the market to finance rental housing and to create homeownership opportunities.

ABOUT FREDDIE MAC

Freddie Mac makes home possible for millions of homebuyers and renters nationwide by providing mortgage capital to lenders. As the nation's multifamily housing finance leader, more than 95% of the rental units funded by Freddie Mac are affordable to families with low-to-moderate incomes earning up to 120% of area median income.

Toll Brothers' Forward-Looking Statements

This release contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. One can identify these statements by the fact that they do not relate to matters of a strictly historical or factual nature and generally discuss or relate to future events. These statements contain words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "may," "can," "could," "might," "should," "will" and other words or phrases of similar meaning. Such statements may include, but are not limited to, information related to market conditions; demand for our homes; anticipated operating results; home deliveries; financial resources and condition; changes in revenues; changes in profitability; changes in margins; changes in accounting treatment; cost of revenues; selling, general and administrative expenses; interest expense; inventory write-downs; home warranty and construction defect claims; unrecognized tax benefits; anticipated tax refunds; sales paces and prices; effects of home buyer cancellations; growth and expansion; joint ventures in which we are involved; anticipated results from our investments in unconsolidated entities; the ability to acquire land and pursue real estate opportunities; the ability to gain approvals and open new communities; the ability to sell homes and properties; the ability to deliver homes from backlog; the ability to start or complete projects, whether or not through joint ventures; the ability to secure materials and subcontractors; the ability to produce the liquidity and capital necessary to expand and take advantage of opportunities; and legal proceedings, investigations and claims.

Any or all of the forward-looking statements included in our reports or public statements made by us are not guarantees of future performance and may turn out to be inaccurate. This can occur as a result of incorrect assumptions or as a consequence of changes in our environment, will be important materially from those that might

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Many factors mentioned in our regulation, and the competitive environment, will be important materially from those that might

The factors that could cause a statements include, among other things, changes in the economy and the housing industry; demand fluctuations in the housing industry; adverse changes in economic conditions in markets where

implied by our forward-looking statements include, among other things, changes in the economy and the housing industry; demand fluctuations in the housing industry; adverse changes in economic conditions in markets where

we conduct our operations and where prospective purchasers of our homes live; increases in cancellations of existing agreements of sale; the competitive environment in which we operate; changes in interest rates or our credit ratings; the availability of capital; uncertainties in the capital and securities markets; the ability of customers to obtain financing for the purchase of homes; the availability and cost of land for future growth; the ability of the participants in various joint ventures to honor their commitments; effects of governmental legislation and regulation; effects of increased taxes or governmental fees; weather conditions; the availability and cost of labor and building and construction materials; the cost of raw materials; the outcome of various product liability claims, litigation and warranty claims; the effect of the loss of key management personnel; changes in tax laws and their interpretation; construction delays; and the seasonal nature of our business. For a more detailed discussion of these factors, see the risk factors in the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent periodic reports filed on Forms 10-K and 10-Q with the SEC.

From time to time, forward-looking statements also are included in our periodic reports on Forms 10-K, 10-Q and 8-K, in press releases, in presentations, on our website and in other materials released to the public.

This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all of our forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referenced in this section.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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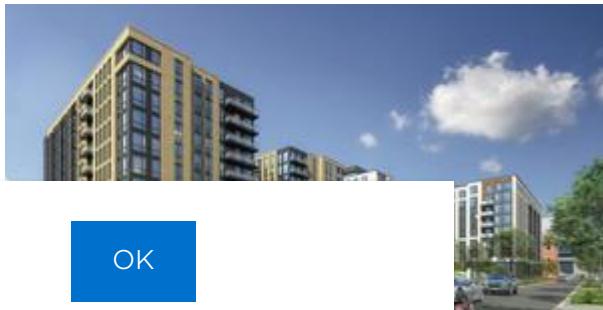
A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/be4d402c-1d56-4ee2-8f46-cb878c63015c>



Source: Toll Brothers, Inc.

Community Rendering, Washington, DC



Luxury Home Builder