

PUBLIC MEETING NOTICE
Pursuant to Act 84 of 1986 - Sunshine Act

The monthly meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on **Thursday, September 8, 2016 at 10:30 a.m.** at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania. The purpose of this meeting is to conduct normal Agency business and to approve the issuance of certain Agency securities. Inquiries should be directed to the Secretary.

If you are a person with a disability and wish to attend this meeting and require an auxiliary aid, service or other accommodation to participate, please contact the Secretary by Tuesday, September 6, 2016 to discuss how the Pennsylvania Housing Finance Agency may best accommodate your needs.

Anyone wishing to be recognized by the Chair to address the Members of the Board at this meeting must contact the Secretary no later than Tuesday, September 6, 2016 either in writing or by telephone and detail the nature of their presentation.

Carrie M. Barnes
Secretary
Phone: 717.780.3911
TTY: 717.780.1869

PENNSYLVANIA HOUSING FINANCE AGENCY

THURSDAY, SEPTEMBER 8, 2016

10:30 A.M.

A G E N D A

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE MINUTES FROM THE JULY 14, 2016 BOARD MEETING
3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT
 - A. Recommendation for Loan Commitment –
Laurel Village Phase II, Somerset, Somerset County
 - B. Request for Tax-Exempt Bond Issuing Authority –
Maple Mount Vernon Apartments, Philadelphia, Philadelphia County
 - C. Other Business
4. POLICY COMMITTEE REPORT
 - A. Preliminary Approval of the 2017 Request for Proposals – Tax Exempt Volume Cap
 - B. Other Business
5. CORPORATE AUTHORIZATION RESOLUTION
6. PRESENTATION BY MOODY’S INVESTORS SERVICES
7. PRESENTATION OF PHFA BUILDING EXPANSION
8. INVESTMENT BANKER REPORT
9. EXECUTIVE SESSION
10. PERSONNEL COMMITTEE REPORT
11. OTHER BUSINESS
12. ADJOURNMENT

**Pennsylvania Housing Finance Agency
Meeting of the Board
July 14, 2016**

Members Present:

Robin Wiessmann, Chair
Thomas B. Hagen, Vice Chair
*Craig H. Alexander
*Maria F. Coutts
Ronald F. Croushore
Ben Laudermilch (serving in the stead of
Ted Dallas, Secretary, Department
of Human Services)
Kathy Possinger (serving in the stead of
Dennis Davin, Secretary of Department
of Community and Economic Development)
Noel Eisenstat
Lisa R. Gaffney
Ross Nese
John Paone
Keith Welks (serving in the stead of
Timothy Reese, State Treasurer)

*On Telephone conference call

Members Absent:

Mark Schwartz

Others Present:

Brian A. Hudson, Executive Director
Rebecca L. Peace, Chief Counsel
William Fogarty, Director of Government Affairs
Carl Dudeck, Director of Housing Management
Holly Glauser, Director of Development
Bryce Maretzki, Director of Strategic Policy & Planning
Kate Newton, Director of Homeownership Programs
Kim Boal, Director of Information Technology
Scott Elliott, Director of Communications
John Zapotocky, Director of Accounting
Clay Lambert, Business Policy Officer
Thomas Brzana, Director of Loan Servicing
Joseph Knopic, Director of Finance
Steve O'Neill, Assistant Counsel
Chris Anderson, Communications Officer
Stan Salwocki, Manager of Architecture and Engineering
Carla Falkenstein, Director of Western Region
Melissa Raffensperger, Government Affairs Associates
Nancy Twyman, Director of Eastern Region
Barbara Stephens, Senior Public Affairs Officer
JoLynn Stoy, Associate Counsel

Jada Greenhowe, Assistant Counsel
Lori Toia, Director of HEMAP
Jordan Laird, Manager of Investments]
Scott Davis, GIS Technician
Ann Mermelstein, Senior Development Officer
Linda Stewart, Manager of Tax Credit Program
Frank Bobak, Senior Systems Analyst
Sherry Daniels, Development Officer
Kelly Wilson, Development Officer
Gail Shull, Senior Development officer
Nicole Eutzy, Development Officer
Lynette Davenport, Development Officer
Christine Gerbig, Senior Development Officer
Beth Silvick, Senior Development Officer
Kenneth Bobb, Construction Doc Examiner
Lauren Starlings, Assistant Counsel
Charlotte Folmer, Executive Director of CCG
Shana Erdley, Insurance Officer
David Doray, Manager of Multifamily Underwriting
La'Keisha Thomas, Development Officer
David Gregorits, Development Officer
Renaë Hodges, Communications Officer
Emily Paul, Legal Intern
Susan Jun, Bank of America/Merrill Lynch
Joel Johnson, Montgomery County Housing Authority
Jerry Nugent, Montgomery County Housing Authority
Jeff Davis, Presbyterian Senior Living
Milton Pratt, Mihaels Development Co.
Andrew Davenport, Michaels Development Co.
Malynda Hivner, Presbyterian Senior Living
Tarik Casteel, TLC Construction
Marie Boyer, PNC Bank
Jasa Dickson, PNC Bank
Alan Flannigan, Department of Banking
Michael McGee, PA Development Counsel
Jim Pianka,
Greg Brunner, M & T Bank
Peter Weiss, JP Morgan
Matt Engler, Barclays
Michael Polite, Ralph A. Falbo, Inc.
Vidhi Anderson, Presby's Inspired Life
Judee Bavaria, Presby's Inspired Life
Bill Canteen, Presby's Inspired Life
Charmaine Kent, Presby's Inspired Life
George Jaeger, Bank of America/Merrill Lynch
Mitch Gallo, RBC
Michael Baumrin, RBC
Cindy Daley, Housing Alliance

Phyllis Chamberlin, Housing Alliance
Robert Foggio, Jefferies
Alan Jaffe, Jefferies
Ben Laudermilch, Department of Human Services
Ralph Jones, US Bank
Terry McPoyle, US Bank
Greg Brunner, M & T Securities
Joe Task, Raymond James
*Paul Marfione, Tioga View Apartments
Maggie A. Strawser, Assistant Secretary
Charlotte L. Nelson, Assistant Secretary
Carrie M. Barnes, Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, July 14, 2016 at 10:30 a.m. at the offices of the Pennsylvania Housing Finance Agency, 211 North Front Street, Harrisburg, Pennsylvania.

In compliance with the provisions of the Sunshine Act, notification of this meeting appeared in the Legal Notices Section of *The Patriot News* in Harrisburg, Dauphin County on July 10, 2016.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Wiessmann at 10:45 a.m. The roll was called and a quorum was present.

2. APPROVAL OF THE MINUTES FROM THE JUNE 9, 2016 BOARD MEETING

There were no additions or corrections to the minutes.

Mr. Hagen made a motion that the minutes from the June 9, 2016 Board meeting be approved as submitted. This motion was seconded by Mr. Nese and was unanimously approved.

Mr. Hudson introduced Mr. Johnson from the Montgomery County Housing Authority. Mr. Johnson thanked the Board and the Agency for the allocation of tax credits which permitted the county to complete the Crest View Manor project. Mr. Nugent, also from the Montgomery Housing Authority, thanked the Board and the Agency for the Crest View Manor tax credit allocation on behalf of the residents of this development and also all other Commonwealth citizens residing in affordable housing developments made possible through the use of tax credits.

3. **PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT**

A. Review and Approval of the Low Income Housing Tax Credit Process and Allocation of Resources - 2016

Ms. Glauser reported that proposals for Low Income Housing Tax Credits were due to the Agency by March 4, 2016. The Agency received 111 applications (two applications were withdrawn by the applicants) requesting over \$124,000,000 in tax credits and \$22,600,000 in PennHOMES funds. The amount of federal tax credit authority available for 2016 is \$30,085,882, less \$23,378,851 in forward commitments, gives the Agency approximately \$6,700,000 available for the current year.

Ms. Glauser stated that all applications were reviewed and ranked by senior management and staff according to the approved selection criteria.

Following the ranking process, it has been determined that 39 developments will be recommended to the Board for funding approval. The total amount of tax credits for the 39 projects is \$40,307,325 plus \$5,900,000 in PennHOMES funds. All of these projects will be able to be funded by forward committing 2017 and 2018 tax credits.

Ms. Glauser noted that one proposal, Morningside Crossing, will receive tax credits because it was selected as the innovation in design project. This development receives this designation because of its excellence in design, energy efficiency technology and level of community and capital resources. It is for the reuse of an elementary school in Pittsburgh, Allegheny County.

Ms. Glauser thanked all of the multifamily staff involved in the evaluation process of these proposals. It was a very time consuming process.

Ms. Gaffney, on behalf of the Program and Development Review Committee, thanked Ms. Glauser and the entire staff for a very thorough presentation during the previous PDR Committee meeting. They appreciated the time and effort put forth by staff in preparing the documentation to be presented to the Committee.

Ms. Gaffney stated that the Program and Development Review Committee concurs with staff's review of the allocation process, the allocation of resources as well as the forward commitment of 2017 and 2018 tax credits.

Mr. Nese made a motion to approve the resolution approving the year 2016 Federal Low Income Rental Housing Tax Credit allocation process and

authorizing certain Agency actions regarding program funding. This motion was seconded by Mr. Hagen. Mr. Paone abstained. The motion carried. (See Appendix 1 of these Minutes.)

Mr. Hudson added his thanks to the staff for the good work in evaluating and ranking all of the proposals and the presentation to the Board.

B. Requests for an Allocation of Tax-Exempt Bond Issuing Authority

1. Courtyard Preservation, Philadelphia, Philadelphia County

Mr. Bailey reviewed the project specifics and its financing plan. He reported that the developer is requesting an allocation of tax-exempt bond issuing authority in an amount not to exceed \$54,000,000 for the acquisition and moderate rehabilitation of the building. After review, staff recommends approval of this request.

Ms. Gaffney as Chair of the Program and Development Review Committee stated that the Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing the issuance special limited obligation multifamily housing development bonds for Courtyard Preservation in an amount not to exceed \$54,000,000. This motion was seconded by Mr. Welks and was unanimously approved. (See Appendix 2 of these Minutes.)

2. Parkview Knoll Apartments, Cumberland Township, Greene County

Mr. Doray reviewed the project specifics and its financing plan. He reported that the developer is requesting an allocation of tax-exempt bond issuing authority in an amount not to exceed \$4,400,000 for the acquisition and substantial rehabilitation of six buildings. After review, staff recommends approval of this request.

Ms. Gaffney as Chair of the Program and Development Review Committee stated that the Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing the issuance special limited obligation multifamily housing development bonds for Parkview Knoll Apartments in an amount not to exceed \$4,400,000. This motion was seconded by Mr. Croushore and was unanimously approved. (See Appendix 3 of these Minutes.)

3. **Westminster Place at Ware Presbyterian Village, Borough of Oxford, Chester County**

Mr. Bailey reviewed the project specifics and its financing plan. He reported that the developer is requesting an allocation of tax-exempt volume cap authority in an amount not to exceed \$6,500,000. Staff recommends approval of this request.

Ms. Gaffney as Chair of the Program and Development Review Committee stated that the Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing a 2016 housing related bond allocation to Westminster Place at Ware Presbyterian Village in an amount not to exceed \$6,500,000. This motion was seconded by Mr. Welks and was unanimously approved. (See Appendix 4 of these Minutes.)

C. **Other Business**

1. **Tioga View Apartments, Mansfield, Tioga County**

Ms. Silvick reviewed the project specifics and its financing plan. She reported that the developer is requesting an allocation of tax-exempt volume cap authority in an amount not to exceed \$6,500,000. Staff recommends approval of this request.

Ms. Gaffney as Chair of the Program and Development Review Committee stated that the Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing the issuance of a letter of conditional commitment of mortgage funds to Tioga View Apartments. This motion was seconded by Mr. Hagen and was unanimously approved. (See Appendix 5 of these Minutes.)

4. **HOMEOWNERSHIP CHOICE PROGRAM**

Ms. Peace reported that the Agency funded and administered this program from 2000 through 2008. The Board authorized the recapture of the remaining Homeownership Choice Funds in 2014. She noted, however, that several projects have continued toward completion since that time. Two projects are currently requesting that the recaptured funds be released to cover their property expenses. Staff has reviewed the expenditures and made the determination that the funds have been expended. Staff recommends that the recaptured

funds be released to the developers of the Hunter School Homeownership Development (\$220,746) and Old Allentown Homeownership (\$275,000) projects. Following this action, the program will be closed completely and no other funds will be disbursed.

Ms. Gaffney reported that the Program and Development Committee concurs with staff's recommendation.

Mr. Paone made the motion that the Board authorize certain matters related the Homeownership Choice Program as discussed. This motion was seconded by Mr. Nese and was unanimously. (See Appendix 6 of these Minutes.)

5. POLICY COMMITTEE REPORT

A. 2016 Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE) – Amendment to Plan

In the absence of Chair Schwartz, Mr. Paone reported that the Policy Committee met prior to the Board meeting.

1. Realty Transfer Tax (RTT)

Mr. Maretzki reviewed the PHARE program, its funding sources and its purpose.

PHARE will now be receiving funding from the newly enacted Realty Transfer Tax (RTT). Until now, only those counties with active wells could apply for PHARE funds. Now that this new tax has been enacted, all 67 counties in the Commonwealth are eligible for funds which will be capped at \$25,000,000 a year.

Mr. Maretzki discussed the new priorities which will take effect throughout the Commonwealth for these funds; including but not limited to furthering fair housing in targeted communities and neighborhoods,, addressing community development issues, and addressing blighted and abandoned properties. The Board received copies of the amended PHARE Plan which includes the language regarding Realty Transfer Tax funding.

Mr. Maretzki stated that an RFP will be issued statewide with proposals due this Fall. Funding recommendations will be made to the Board at the March 2017 meeting.

No action is required by the Board at this time on this issue.

2. National Housing Trust Action Plan (HTF)

Ms. Glauser reported that the National Housing Trust Fund (HTF) was established in 2008 as part of the Housing and Economic Recovery Act. The

Agency, through the Pennsylvania Housing and Rehabilitation Enhancement Program, will be the administrator of these funds amounting to approximately \$3,800,000 for this year. The funds are specifically designated for developing, rehabbing and preserving housing for very low and extremely low income households. In compliance with the PHARE Program, the Agency must publish an action plan outlining how the funds will be awarded.

The Agency has been working with the Department of Community and Economic Development on this action plan because it must be included in DCED's Annual Consolidated Plan. A public meeting was held on June 9, 2016.

The Agency plans to utilize these HTF funds, along with the awards of Low Income Housing Tax Credits or other federal funding sources to increase the number of units to be funded by the proposals

Staff requests the Board's approval of the National Housing Trust Fund Action Plan.

Ms. Possinger made the motion that the Board approve the National Housing Trust Fund 2016 Action Plan as submitted. This motion was seconded by Mr. Nese and was unanimously approved. (See Appendix 7 of these Minutes.)

B. Other Business

There was no other business to be brought before the Board by the Committee.

6. APPROVAL OF ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2016-121 AND SERIES 2016-122

Mr. Hudson reported that the Agency's Series 2016-120 bonds have been sold and provided \$60,000,000 for 30-year mortgages with an interest rate of 3.25 percent.

The Agency is currently working on several other bond issues to take advantage of the favorable conditions of the bond market. Staff is proposing its next two bond issues, Series 2016-121 and Series 2016-122 each in an amount not to exceed \$375,000,000. It is anticipated that mortgage interest rates could be below 3 percent for each of these deals.

Mr. Hudson requested the Board's approval to continue working on these two issues and proceeding if the market conditions continue to be favorable. The negotiations and final approval would be delegated to the Finance Committee.

A motion was made that the Board approve the resolutions authorizing the issuance of Single Family Mortgage Revenue Bonds, Series 2016-121 and Series 2016-

122 delegating the negotiations and final approval to the Finance Committee. This motion was seconded and was unanimously approved. (See Appendices 8 and 9 respectively of these Minutes.)

7. INVESTMENT BANKER REPORT

Mr. Jaffe of Jefferies distributed an Economic and Market Update booklet to the Board.

He reported that the vote by the United Kingdom to leave the European Union has affected both the domestic and global economies making everything very unclear.

There was a mixed employment report in June with the unemployment rate rising slightly which has caused some concern about liquidity and financial stability of the economy by the Federal Reserve. It is now projected that the Federal Reserve will not be increasing interest rates any time soon. Mr. Jaffe reported that the Federal Reserve would like to raise rates to some sort of normalization but there is too much uncertainty at this time although the United States economy is doing fairly well.

Mr. Jaffe reported that homeownership continues to improve as home prices have moderated and stabilized. Delinquencies and foreclosures continue to decline and mortgage applications for home purchases remain strong. He did note that finding affordable housing is becoming more challenging.

A brief discussion took place regarding the effect BREXIT will have on the United States economy and interest rates. Mr. Jaffe stated that it will have some impact on the US economy and there may be some effect felt in the financial market. But, one can only speculate on to what extent this will occur.

There was no further discussion.

8. DEVELOPMENT STATUS REPORT

There were no comments or questions from the Board on this report.

9. PHFA INVESTMENT REPORT

There were no comments or questions from the Board on this report.

10. OTHER BUSINESS

A. No August, 2016 Board Meeting

Mr. Hudson reported that there will not be an August 2016 Board meeting. In the event something requires the Board's action, members will be contacted by the Secretary.

B. NCSHA Annual Conference

Mr. Hudson reported that the National Council of State Housing Agencies annual conference will be held in Miami, Florida on September 24 – 27, 2016. Any Board member who would like to attend should contact the Secretary as soon as possible to make arrangements.

C. PHFA's New Website

Mr. Hudson reported that there have been no issues with PHFA's new website and it has been working well. Mr. Elliott thanked Ms. Bailey for her work in updating the website. He noted that all work was done in-house.

11. ADJOURNMENT

There being no further business to be discussed, a motion was made and seconded that the meeting be adjourned. The motion was unanimously approved. Chair Wiessmann adjourned the meeting of the Board at 11:30 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, September 8, 2016 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,



Carrie M. Barnes
Secretary

Subject: Laurel Village Phase II

Recommendation for a Loan Commitment
PHFA No. R-395, 48 Units
Somerset, Somerset County, Region 4
Non-participating Jurisdiction
Development Officer: J. Gail Shull

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson



Proposal Description:

Laurel Village was first occupied in 1981 and is located at 800 East Main Street, Somerset, Somerset County. There are five (5) non-elevator buildings containing a total of 48 units for general occupancy. On-site amenities include a community building with laundry facilities and a playground. The building and site have been well maintained and are in good condition.

PHFA has been the mortgagee for this project since its construction. The existing loan has an interest rate of 8.43% and will mature in January 2021.

The purpose of this proposal is to preserve the housing by lowering the annual debt service, provide capital for project improvements and to reimburse the owner for out of pocket expenditures.

Rental Rates:

Type of Unit	Number of units	Square Feet	HAP Rent	Utility Cost	Total Housing Expense
2 Bedroom	36	830	\$741	\$59	\$800
3 Bedroom	12	1080	\$1,035	\$65	\$1,100

Laurel Village receives rental assistance pursuant to a Housing Assistance Payment (“HAP”) contract for all 48 units. The owner has submitted a request to PHFA and HUD to renew the contract for a 20 year term. The residents will be required to pay 30% of their monthly income for rent.

Owner:

Coleman Laurel Village Apartments
John Coleman

Statement of Sources and Uses of Funds:

Sources of Funds	
Refinancing Loan	\$926,312
Energy Audit Grant	<u>3,850</u>
Total Sources	\$930,162
Uses of Funds	
Repayment of Existing PHFA Loan	\$482,867
Repairs	210,000
Economic Loss Payment	105,911
Other Costs and Fees	26,813
Equity Take-out	<u>104,571</u>
Total Uses	\$930,162

PHFA's refinancing loan will have an interest rate of 4.625% and a term of 20 years.

Conditions:

Staff is recommending commitment approval contingent upon the following conditions:

1. Owner agrees to the terms and conditions of a regulatory agreement that extends the existing affordability restrictions for 30 years.
2. The prepayment of PHFA's outstanding primary loan balance and PHFA's economic loss and prepayment fee as of the date of closing.
3. The Agency's final review and approval of the necessary financing documents.

JGS
9/8/16

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING A MORTGAGE REFINANCING FOR
LAUREL VILLAGE PHASE II, PHFA NO. R-395**

WHEREAS, on September 27, 1979, the Agency provided financing in the amount of \$1,570,000 with an interest rate of 8.43% for the development of 48 residential rental units in Somerset, Somerset County, Pennsylvania, known as Laurel Village, PHFA No. R-395 (the "Development") owned by Coleman Laurel Village Apartmnetes ("Owner"); and

WHEREAS, staff has reviewed the Development's financial condition and has determined that refinancing the Agency's loan (with a current outstanding loan balance of \$482,867) will lower the annual debt service, will provide capital for Development improvements and will reimburse Owner for out of pocket Development expenditures thereby preserving the existing affordable housing provided by the Development; and

WHEREAS, staff recommends that the Agency refinance the existing mortgage loan by providing a loan in the amount of \$926,312 with an interest rate of 4.625% amortized over 20 years.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 8th day of September, 2016, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to refinance the existing mortgage loan to reduce debt service, to assist with improvements to the Development and to reimburse Owner for expenditures provided by Owner to the Development by providing a loan in a principal mortgage amount not in excess of \$1,065,259 (which includes the loan and a 15% contingency allowance) with an interest rate of 4.625% amortized over 20 years subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that extends the existing affordability restrictions for 30 years; (b) prepayment of the Agency's outstanding loan balance and the Agency's economic loss and prepayment fee as of the date of closing; and (c) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.

TAX EXEMPT BOND ISSUING AUTHORITY

Pennsylvania Housing Finance Agency
August 31, 2016

SUBJECT: Maple Mount Vernon Apartments

Request for tax exempt bond issuance

Tax-Exempt Bond/Tax Credit Development: PHFA No. TC2016-115, 42 units
City of Philadelphia, County of Philadelphia, Region 1
Development Officer: William G. Bailey, Jr.

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson
Executive Director



Proposal Description

Maple Mount Vernon is located at 1701,1702,1704,1706,1710,1711,1713,1721,1725,1736,1738 and 1740 Mount Vernon Street in a mixed residential/commercial area in the Fairmount/Spring Garden neighborhood of Philadelphia. This proposal is for the acquisition and moderate historic rehabilitation of 12 three-story buildings for general occupancy. There are five efficiency units, ten one-bedroom units and twenty-seven two bedroom units. The structural system is masonry and wood frame with a brick and stucco exterior finish. The development contains a total of 42,789 square feet and approximately .52 acres of ground.

1. Construction Financing Plan

Construction financing will be provided in the approximate amounts of:

Tax-Exempt Bond - Citibank, N.A. private placement	\$ 6,556,845
Maple Corporation Seller loan	2,015,000
Deferred developer fee and reserves	1,165,225
Interim Income	309,446
Equity from the sale of tax credits (LIHTC and Historic)	<u>630,523</u>
Total Development Cost	\$10,677,039

2. Permanent Financing Plan

Permanent financing will be provided in the approximate amounts of:

Tax Exempt Bond - Citibank, N.A. private placement	\$ 5,199,976
Maple Corporation Seller loan	2,015,000
Interim Income	309,446
Equity from the sale of tax credits (LIHTC and Historic)	<u>3,152,617</u>
Total Development Cost	\$10,677,039

3. Development Costs

The Agency will be the conduit issuer of the tax exempt bond which will be structured using Citibank, N.A.'s Back to Back Loan Structure. Citibank, N.A. will be the initial funding lender and loan servicer. The bond proceeds will be used to establish an escrow from which funds will be disbursed during construction.

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$ 3,018,624	\$ 71,872	\$ 71
Replacement Cost	\$ 9,304,068	\$221,525	\$217
Total Replacement Costs & Reserves	\$ 9,643,212	\$229,600	\$225
Total Development Costs	\$10,677,039	\$254,215	\$250
Tax-Exempt Bond	\$ 6,556,845	\$156,115	\$153
Acquisition Costs	\$ 4,765,000	\$113,452	\$111

4. Leveraging of Other Resources

The owner anticipates that Wells Fargo will provide an equity contribution of \$3,152,617 from the proceeds of the syndication of Federal Low Income Housing Tax Credits and Federal Historic Tax Credits, with a net pay-in of \$1.08. The development anticipates qualifying for an allocation of Low Income Housing Tax Credits in the approximate amount of \$197,338 and Historic Tax Credits of \$909,274. Developments financed with tax-exempt private activity bonds are generally eligible to claim a four percent LIHTC allocation on the development's eligible basis.

5. Rental Estimates

Unit Type	No. of Units	Avg. Net Rentable Sq. Ft.	Projected Tenant Rent	Estimated Cost of Utilities	Rental Subsidy	Total Housing Expense
Eff	5	375	\$591	\$84	\$325	\$1,000
1BR	10	600	\$670	\$98	\$682	\$1,450
<u>2BR</u>	<u>27</u>	925	\$792	\$125	\$733	\$1,650
Total	42					

All units receive rental assistance under an existing HUD Section 8 Project Rental Assistance Contract. HUD has approved a 20 year renewal of the HAP Contract, post rehab rents as stated above and the transfer of the HAP Contract to the new owner. The HAP Contract will be signed and become effective at closing.

Five units will be available to tenants earning up to 20% of the area median income, twenty units will be available to tenants earning up to 50% of area median income and seventeen units will be available to tenants earning up to 60% of area median income.

7. Relocation

All tenants will be temporarily moved to off-site apartments for 30 to 90 days while rehabilitation of their units is completed. They will be returned to their units upon completion. The owner will cover

all costs of the temporary relocation. A preliminary review of the rent roll indicates one tenant having income exceeding the tax credit program limits. Any over income tenants will be provided relocation benefits. The budget provides for the costs of temporary relocation and permanent relocation as needed to complete unit renovations.

8. Supportive Services

The Ingerman Management Company will provide coordination of supportive services and will establish linkages to a number of community service providers. Services will include case management, vocational and employment assistance, financial and credit counseling, health screenings and referrals.

Development Team

1. Identification of Owner

The owner of this development is MMV Associates Limited Partnership, a Pennsylvania limited partnership with Ingerman Affordable Housing LLC being the managing general partner and Maple FP, LLC as its co-general partner.

2. Development Team Members

Sponsor:	MBI Development Company, Inc. M. Brad Ingerman Collingswood, NJ
Owner:	MMV Associates Limited Partnership M. Brad Ingerman Collingswood, NJ
Attorney:	Ronen L. Mitra and Associates, Inc. Ronen L. Mitra Belle Mead, NJ
Architect:	Haley Donovan James Haley Haddonfield, NJ
Contractor:	Ingerman Construction Management, LLC. Edward Coupe Collingswood, NJ
Management Agent:	Ingerman Management Company Martin Josephs Collingswood, NJ

Site Description

The site is located in a mixed residential/commercial area in the Fairmount/Spring Garden neighborhood of Philadelphia. The site is level and the primary pedestrian access to the site is available from Mount Vernon Street.

A number of neighborhood amenities are located within a few blocks of the site as are the public transit bus and the Broad Street Subway providing access to the additional services throughout the City.

Conditions

Final allocation of volume cap will be conditioned upon receipt of the following:

1. Submission, review, and approval of all documentation necessary to secure construction and permanent loan financing of the project.
2. Evidence, satisfactory to the Agency, that all conditions and qualifications relating to Section 42 of the Internal Revenue Code of 1986, as amended, and all applicable requirements of the Agency's Tax Credit Program have been met.
3. Evidence, satisfactory to the Agency, that all conditions and qualifications relating to Sections 103 and 142 (and related sections) of the Internal Revenue Code of 1986, as amended, have been met.
4. Compliance with the timeframes and deadlines established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Volume Cap Request for Proposals.
5. Evidence of the commitment of construction and permanent financing in amounts sufficient to ensure financial feasibility of the project.
6. Evidence of the commitment to serve low income tenants for a period of not less than 30 years, which will be included in the Restrictive Covenant Agreement.
7. Evidence of the satisfaction of accessibility requirements.
8. Contribution of equity in an amount sufficient to ensure the financial feasibility of the development.
9. Final underwriting of the application for tax-exempt bond financing and low income housing tax credits.
10. Evidence of the final approval from HUD of the Rents stated in the application and the extension of the current HUD Section 8 HAP Contract for a period of not less than 20 years and the transfer to the new owner.
11. Submission of two sets of complete full-size architectural plans and specifications at least 60 days prior to the construction/bond closing to allow sufficient time for Agency review and approval. Civil engineering, architectural, structural, HVAC, plumbing, and electrical drawings and specifications shall be submitted, as applicable. Agency comments and recommendations made during its review must be addressed and approved prior to the construction/bond closing.

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$7,500,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Note
(Maple Mount Vernon Apartments)**

Adopted: September 8, 2016

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$7,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT NOTE
(Maple Mount Vernon Apartments)**

WHEREAS, the Housing Finance Agency Law, Act of December 3, 1959, P.L. 1688, as amended (35 P.S. Section 1680.101 *et seq.*) (the "**Act**"), determines and declares that the welfare of the Commonwealth of Pennsylvania (the "**Commonwealth**") is threatened by an inadequate supply of housing for persons and families of low and moderate income and the elderly; that the housing need for persons and families of low and moderate income and the elderly has not had economic expression in a market demand sufficient to encourage greater production of such housing by private industry due to high construction costs, a scarcity of financing and increased interest rates; that necessary governmental activities in urban renewal programs and under regulatory laws protecting health and safety face serious curtailment or interruption unless it becomes economically feasible for persons and families to acquire housing in place of the dwellings being eliminated by such activities; that the Commonwealth has a strong moral responsibility to assist in providing opportunity for the rental of relocation housing by persons and families displaced by necessary governmental activities and a general responsibility to eliminate conditions which prevent private industry from supplying housing to relieve the general shortage of housing; that private industry alone is unable to provide financing necessary for housing for persons and families of low and moderate income at a cost which such persons and families can afford; that the financing provided for in the Act will encourage greater expenditure of private capital for housing; and that there is a clear relationship between the provision of adequate, safe and sanitary housing and the advancement of public health and morals and the prevention of fire, accident and crime; and

WHEREAS, the Act empowers the Pennsylvania Housing Finance Agency (the "**Agency**") to make loans to eligible borrowers to provide for the construction, rehabilitation or permanent financing of such residential housing developments as in the judgment of the Agency have promise of supplying well planned, well designed apartment units which will provide housing for low and moderate income persons or families or the elderly and others in locations where there is a need for such housing and to purchase, service and sell such loans and to accept grants and subsidies from and to enter into agreements or other transactions with any federal agency or agency of the Commonwealth or other entity and to do all things necessary or convenient to carry out the powers granted by the Act; and

WHEREAS, the Agency is further authorized to issue and sell, subject to written approval by the Governor, bonds or notes in such principal amounts as, in the opinion of the Agency, are necessary to provide sufficient funds for achieving its corporate purposes; and

WHEREAS, the Agency has the power to invest any funds held in reserve or sinking funds and any funds not required for immediate disbursement in such investments as may be lawful for fiduciaries under any law of the Commonwealth, and the Agency may pledge reserve funds to the holders of bonds or notes which are issued pursuant to the Act and proceeds of loans created therefor by the Agency, all or any part of the assets acquired by the Agency pursuant to the Act, and any other lawfully available money to secure the payment of such bonds or notes; and

WHEREAS, the Act provides that bonds or notes issued by the Agency may be secured by a trust agreement by and between it and a trustee and that the resolution providing for the issuance of such bonds or notes or such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Agency in relation to the custody, safeguarding and application of all moneys, may set forth the rights and remedies of the bondholders or noteholders and of the trustee, and may contain such other provisions as the Agency may deem reasonable and proper for the security of the bondholders or noteholders; and

WHEREAS, Citibank, N.A. (the "**Funding Lender**"), or such successor entity as may be approved by the Agency, will make a loan to the Agency to provide funding for the Project (the "**Funding Loan**"), and certain documents to evidence the transaction, including the note to be issued by the Agency evidencing the Funding Loan (the "**Funding Loan Note**") and other financing documentation relating to the Project, will be prepared; and

WHEREAS, the Agency has determined to issue and secure the Funding Loan Note in accordance with, pursuant to and under this Resolution, a loan agreement and/or similar loan or financing agreements (such operative documents shall be referred to hereinafter collectively as the "**Funding Loan Agreement**"); and

WHEREAS, MMV Associates Limited Partnership, a Pennsylvania limited partnership (the "**Borrower**") sponsored by MBI Development Company, Inc., a Pennsylvania corporation, has requested financing from the Agency in an amount not to exceed \$7,500,000 (the "**Project Loan**") to fund a portion of the costs of acquiring and renovating three twelve-story buildings for general occupancy, known as "Maple Mount Vernon Apartments", comprised of 42 units in Philadelphia County, Pennsylvania (the "**Project**"); and

WHEREAS, the Agency will issue the Funding Loan Note and use the proceeds thereof to fund the Project Loan to the Borrower pursuant to a loan agreement between the Agency and the Borrower (the "Project Loan Agreement"); and

WHEREAS, the Agency may use a portion of the proceeds of the Funding Loan Note to reimburse itself or the Borrower for original expenditures paid prior to the date of issuance of the Funding Loan Note; and

WHEREAS, this Resolution is intended, inter alia, to constitute a statement of "Official Intent" pursuant to Treasury Regulations §1.150-2, T.D. 8476 (the "**Treasury Regulations**").

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AS FOLLOWS:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

Section 101. Authority for Resolution. This Resolution (hereinafter referred to as the "**Resolution**") is adopted pursuant to the authority granted to the Agency in the Act.

Section 102. Definitions. All terms which are used but not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement.

ARTICLE II AUTHORIZATION OF NOTE

Section 201. Principal Amount and Designation. The Funding Loan Note is hereby authorized to be issued, in an aggregate principal amount not to exceed \$7,500,000. The Funding Loan Note shall carry the designation set forth in the Funding Loan Agreement. The Funding Loan Note shall be issued pursuant in all respects to the terms of this Resolution.

Section 202. Purposes. The Funding Loan Note is being issued as a special and limited obligation of the Agency, payable solely out of the moneys derived pursuant to the Funding Loan Agreement, the Project Loan Agreement and the Project Note evidencing the Project Loan. Proceeds of the Funding Loan Note shall be used for the payment of qualified costs associated with the acquisition, construction, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance; and which Project is in every respect intended to qualify as a "residential rental facility" under the exempt facility provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "**Code**").

Section 203. Conditions. This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review, and approval of all documentation necessary to secure construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; (d) compliance with all timeframes and deadlines established by the Agency; (e) evidence of the commitment of construction and permanent financing in amounts sufficient to ensure financial feasibility of the Project; (f) evidence of the commitment to serve low income tenants for a period of not less than thirty (30) years, which will be included in the Restrictive Covenant Agreement; (g) evidence of the satisfaction of accessibility requirements; (h) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) evidence of final HUD approval off the pre- and post-rehab rents as stated in the application and the extension and assignment of the current HUD Section 8 HAP Contract for a period of not less than 20 years; and (k) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the commencement of construction to allow sufficient time for Agency review and approval. Civil engineering, architectural, structural, HVAC, plumbing, and electrical drawings and specifications shall be submitted, as applicable. Agency comments and recommendations made during its review must be addressed and approved prior to the commencement of the loan closing.

Section 204. Date, Principal Amount, Maturity and Interest Rate. The Funding Loan Note shall be dated the date of issuance, except as may be otherwise provided in the Funding Loan Agreement or the Funding Loan Note. The maturity date, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Funding Loan Note shall be as provided in the Funding Loan Agreement as finally executed; provided, however, that the maximum aggregate principal amount of the Funding Loan Note shall not exceed \$7,500,000; the interest rate on the Funding Loan Note shall not exceed the lesser of eight percent (8%) per annum or such rate supported by the final underwriting; and the final maturity of the Funding Loan Note shall be no later than 35 years or such date supported by the final underwriting (whichever is shorter).

Section 205. Payments. The Funding Loan Note shall bear interest from its dated date and shall be payable as set forth in the Funding Loan Note and the Funding Loan Agreement, until the date of maturity of the Funding Loan Note or prepayment prior to maturity, as provided in the Funding Loan

Agreement. All principal shall be due at maturity or prepayment prior to maturity, as provided in the Funding Loan Agreement.

Section 206. Form. The Funding Loan Note shall be in substantially the form and tenor prescribed in the Funding Loan Agreement.

Section 207. Execution of Funding Loan Note. The Funding Loan Note shall be executed by the manual or facsimile signature of the Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance and the seal of the Agency or a facsimile thereof shall be imprinted, impressed or otherwise reproduced on the Funding Loan Note and attested by the manual or facsimile signature of the Executive Director, Deputy Executive Director and Chief Counsel, Director of Finance or Secretary of the Agency. The Funding Loan Note shall be delivered to or on behalf of the Funding Lender.

Section 208. Place of Payment. The principal payments, including payments upon prepayment, of the Funding Loan Note shall be payable as provided in the Funding Loan Agreement.

Section 209. Prepayment. The Funding Loan Note shall be subject to prepayment as provided in the Funding Loan Agreement.

Section 210. Execution of Agreement. Any of the Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance of the Agency is hereby authorized to execute, for and on behalf of and in the name of the Agency, the Funding Loan Note, the Funding Loan Agreement and the Project Loan Agreement, with such final terms and provisions as their counsel may deem advisable, provided that the Funding Loan Note shall contain such substantive terms and provisions materially consistent with this Resolution.

ARTICLE III NOTE PROCEEDS AND PAYMENTS OF COSTS

Section 301. Note Proceeds. Pursuant to the Funding Loan Agreement, upon receipt of the proceeds of the Funding Loan and the issuance of the Funding Loan Note in connection therewith, such proceeds shall be advanced to the Borrower pursuant to the Project Loan Agreement.

Section 302. Payments of Costs. At closing, the Borrower shall pay the costs, expenses and professional fees associated with the issuance of the Funding Loan Note.

ARTICLE IV SECURITY FOR THE NOTE

Section 401. Limited Obligation. The Funding Loan Note shall be a special and limited obligation of the Agency, and shall be payable only from funds paid by or on behalf of Borrower for such purposes. The Funding Loan Note shall be secured by the collateral described in the Funding Loan Agreement as security for the Funding Lender. The Funding Loan Note shall contain a statement therein to the effect that the obligations of the Agency on the Funding Loan Note are expressly limited to and are payable solely from the sources described in the Funding Loan Agreement.

Section 402. Credit of Commonwealth Not Pledged. The Funding Loan Note shall contain therein a statement to the effect that the Funding Loan Note shall be a special and limited obligation of the Agency payable only from the sources provided in the Funding Loan Agreement, that neither the Commonwealth nor any political subdivision thereof shall be liable on the Funding Loan Note and that

neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Funding Loan Note. Neither the members of the Board nor the officers of the Agency nor any person executing the Funding Loan Note shall be liable personally on the Funding Loan Note or be subject to any personal liability or accountability by reason of the issuance thereof.

ARTICLE V MISCELLANEOUS

Section 501. Authorization of Officers. The Chairperson, Vice Chairperson, Executive Director, Director of Finance, Deputy Executive Director and Chief Counsel, Secretary and any Assistant Secretary of the Agency, and any other authorized officer of the Agency, are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the Funding Loan Note and the Funding Loan Agreement as shall, with the advice of the Agency Counsel and Bond Counsel, be advisable.

Section 502. Covenant to Comply with Federal Tax Requirements. The Agency hereby covenants to comply, and to take appropriate steps to ensure that the Borrower complies, with all applicable requirements of the Code so that interest on the Funding Loan Note will be excluded from gross income of the holders thereof for federal income tax purposes, including all applicable requirements of the Code regarding the provision of funds for qualified residential rental properties, investment of proceeds, treatment of fund investment earnings, repayments or unused proceeds, restriction of earnings on reserve funds, and rebate and yield restrictions set forth in Section 148 of the Code. The Agency also covenants to make any required payment imposed by the United States to maintain compliance with said requirements from time to time as required by Section 148 of the Code (or by applicable subsequent Treasury Regulation.) The Agency shall require that Borrower contract for and fund the retention of qualified computation advisers to perform all applicable disclosure and federal tax compliance requirements.

Section 503. Official Intent. In accordance with Treasury Reg. §1.150-2, the Agency hereby confirms its intentions that a portion of the proceeds of the Funding Loan Note may be used to reimburse itself or the Borrower for qualifying expenditures paid prior to the date of issuance of the Funding Loan Note. All original expenditures to be reimbursed will be capital expenditures (as defined in Treas. Reg. Sec. 1.150-1(b)) and other amounts permitted to be reimbursed pursuant to Treas. Reg. Sec. 1.150-2(d)(3) and (f).

Section 504. Effective Date and Validity. This Resolution shall take effect immediately and shall remain in effect until specifically repealed.

PENNSYLVANIA HOUSING FINANCE AGENCY

Date: August 31, 2016

Subject: Preliminary Approval of the
2017 Request for Proposals
Tax Exempt Volume Cap

To: Members of the Board
Pennsylvania Housing Finance Agency

From: Brian A. Hudson
Executive Director 

Each year, the Department of Community and Economic Development provides private activity bond cap ("volume cap") to the Agency to allocate private activity bonds to qualified issuers (including the Agency) for housing purposes. Developments which use tax exempt volume cap as part of their financing are eligible for the 4% low income housing tax credit ("tax credit") and we continue to see an increase in the number of developments using these resources

Applications are submitted on a first come, first served basis pursuant to a Request for Proposals for Tax Exempt Volume Cap and for the last several years, we start accepting applications in November of the previous program year to ensure all timelines can be met. These developments must meet the minimum requirements of the tax credit Allocation Plan for the applicable funding year. Until the Agency releases the 2017 Allocation Plan and establishes new criteria and timelines for considering Tax Exempt applications, the threshold and selection criteria set forth in the 2016 Allocation Plan will be used for determining eligibility for tax credits.

Staff is requesting your preliminary approval of the 2017 Request for Proposals for Tax Exempt Volume Cap.

**PENNSYLVANIA HOUSING FINANCE AGENCY
REQUEST FOR PROPOSALS
2017 Tax Exempt Qualified Residential Rental Facilities
Seeking Private Activity Bond Allocations**

INTRODUCTION

Private activity bonds to finance qualified residential rental facilities are subject to the limitations imposed through the statewide unified private activity bond cap (“volume cap”) under federal tax law. The Pennsylvania Department of Community and Economic Development (“DCED”) provides for the allocation of volume cap to issue private activity bonds among the various qualified issuers in the Commonwealth of Pennsylvania. Each year, DCED provides certain allocations to the Pennsylvania Housing Finance Agency (the “Agency”) for the issuance of private activity bonds for housing purposes.

The Agency encourages the development of quality affordable rental housing in the Commonwealth. This Request for Proposals (“RFP”) has been designed to establish a process for inviting, evaluating and selecting qualified tax exempt residential rental facilities seeking allocations of year 2017 volume cap.

The Agency encourages use of this resource for multifamily developments and will provide volume cap to as many qualified properties as are reasonably feasible, subject to the continued availability of volume cap for these purposes. All references herein to the “Code” refer to the Internal Revenue Code.

PROGRAM DEADLINES

Timelines have been established for processing and reviewing applications. Developers are advised to evaluate their financing goals and development preparedness **prior to** applying for volume cap. Applications not meeting the minimum qualifications or otherwise failing to evidence an ability to meet applicable deadlines may be rejected at any time by the Agency.

To ascertain that sufficient volume cap is available to fund an application, the Tax-Exempt Bond Term Sheet (“Term Sheet”), which is an attachment to this RFP, must be submitted at least fifteen (15) days prior to the submission of an application. Applications will be accepted on a first-come, first-served basis on or after November 1, 2016 and may be accepted up to July 1, 2017. The Agency may extend any deadline based upon volume cap availability and the applicant’s ability to meet appropriate timeframes. All applicants are urged to submit complete applications early in the acceptance period to ensure adequate processing time for consideration of an allocation of volume cap and to best ensure that all financing activity will be completed within the program timeframe.

The Agency will attempt to complete its application review and provide a preliminary allocation within three months from the receipt of an application. (Portfolio applications, consisting of the acquisition/rehabilitation of several existing, occupied, developments to be financed under a common ownership as one project, will generally take longer to process.) **Also, projects involving federal approvals including but not limited to Rental Assistance Demonstration (“RAD”) or other HUD rent increases are urged to have these processes completed prior to application.** Once a preliminary allocation of volume cap for a housing facility is awarded, the developer and its bond

finance team must hold the actual construction loan closing, issue bonds and commence construction within ninety (90) days of the allocation date. **To ensure time for Agency staff processing, in no event, will closings be allowed after December 15, 2017.** All development funding must be in place and actual construction or property rehabilitation contracts must be completed, without condition; escrow or construction bridge loan closings will not satisfy the Agency's closing requirement. Failure to finalize all aspects of development and bond financing within this time period and to submit all required pre-closing and closing documentation to the Agency may result in recapture of the reserved volume cap **and forfeiture of the application processing fee.** Developers and bond issuers are advised to review funding sources, commitments and financing structures to ensure they can meet these deadlines for year 2017 submissions. Developers using local bond issuers for their transactions will not be able to "carry forward" unused volume cap at the end of the year and the Agency will strictly monitor deadlines.

REQUEST FOR PROPOSALS SUMMARY

This RFP announces the availability of housing bond volume cap for the funding of multifamily developments on a first-come, first-served basis in 2017. Depending on the total volume cap available in the Commonwealth for housing bonds, the Agency may determine to fund such multifamily developments as meet the minimum qualifications set forth herein. The Agency may provide a preference to developments being financed by the Agency.

Please be reminded that eligibility for tax exempt bond financing does not ensure qualification or eligibility under the Allocation Plan ("Plan") for applicants seeking federal Low-Income Housing Tax Credits ("Tax Credits") for a portion of the development financing. Applications must meet the requirements of the Plan in order to qualify for the Tax Credits associated with the tax-exempt bond financing. **Until the Agency releases the 2017 Plan and establishes new criteria and timelines for considering Tax Exempt applications, Developments seeking Tax Credits must meet the threshold and selection criteria set forth in the 2016 Plan.**

To qualify for private activity volume cap, residential rental facilities must meet all qualifications of the Code. Such facilities may involve the rehabilitation of existing rental facilities, new construction of facilities, modernization of public housing facilities, and construction of qualified 'assisted living' housing. Evidence of qualification must be provided through a narrative description of the financing structure at the time of application and supported by a qualifying opinion from bond counsel specializing in matters relating to private activity bond financings. The Agency may reject any application not providing adequate assurance of any of these qualifications or if there are unaddressed technical concerns relating to the financing.

APPLICATION REQUIREMENTS

The owner, general partner, or sponsor and the proposed bond issuer must jointly submit a completed application (online application (if submitted in calendar year 2017; contact the Agency for availability) plus one hard copy and one electronic copy, as detailed in the 2016 Multifamily Housing Application Package and Guidelines ("Guidelines")) to the Agency for consideration. Applications seeking volume cap may be required to utilize Agency bond financing. (If Agency financing is requested, please provide notice to the Agency prior to application submission.)

Each application for tax exempt issuing authority must be prepared in accordance with the Guidelines and must include as an attachment to the Application package:

Narrative Description of the Development

A narrative must outline how the development meets each of the following criteria:

- Qualification under the relevant bond financing sections of the Code;
- Qualification for Tax Credits under Section 42 of the Code, if applicable, and a supporting letter from counsel or an certified public accountant experienced in the Tax Credit Program;
- Qualification of the development team and the bond financing team;
- Evidence of financial feasibility of the facility and detailed description of bond financing structure;
- Evidence of commitment of all necessary financing sources;
- Ability to support a 30-year minimum affordability period for low income tenants or a demonstrable feasible plan to convert the development to affordable homeownership at the end of the qualified development period; and
- Demonstration of an adequate market for the units, without adversely affecting or impairing existing or proposed rental properties in the proposed development locale and without resulting in overconcentration of affordable units.

A. Letter Outlining Bond Financing Structure and Identifying Financing Team

A letter must be included with the application, addressed to the Agency, signed by both the owner, general partner, or sponsor and the proposed bond issuer (if other than the Agency) outlining the bond financing structure and identifying each of the following (with names, addresses and phone numbers):

- The proposed bond issuer;
- Development ownership entity and principal partners or guarantors;
- Bond counsel to the issuer (if other than the Agency);
- Underwriters or placement agents, if any;
- Underwriter's counsel, if any; and
- All other entities involved in the financing (i.e.; rating agencies; bond insurer; letter of credit bank; and credit enhancement entity).

In outlining the bond structure, the letter should include, at a minimum, the following:

- Amount of the volume cap request.
- Identify if there will be more than one series of bonds (tax exempt and taxable), and if the bonds will be used for construction financing, permanent financing, or both.

- Clarify the term of bonds. If any portion of the bonds will be taken out by another financing source, the source should be identified and **a letter outlining take out terms should be provided.**
- If there will be a private placement of the bonds, identify the purchaser of the bonds.

In the event the Agency is not the bond issuer, the bonds must receive an investment quality rating from one of the nationally recognized rating agencies (or otherwise meet the Agency criteria to ensure that the bonds are maximizing and reasonably achieving market opportunities).

B. Submission of Application Fees Identified in the Guidelines

Upon submission of an application for a single project being financed with Tax Exempt bonds, the applicant is required to pay an application fee equal to \$3,000. A \$1,500 application fee is due for each project included in a portfolio application (which is generally one consisting of more than one existing housing development.) If the Agency is requested to complete the Section 42(m) review for another issuing agency, an additional \$5,000 fee is due with the request **(and all materials must be submitted at least there (3) weeks before closing)**. These are nonrefundable fees and will be retained by the Agency if the Project fails to meet timelines or proceed to closing.

For facilities intending to use and qualify for Tax Credits, **the Agency will also require the deposit of one half of the estimated Tax Credit Allocation Fee to be submitted with the application.** The final Tax Credit Allocation Fee will be based on the amount of Tax Credits preliminary determined to be available to the project in the Agency's 42(m) letter, to be issued prior to the consummation of the Tax Exempt Financing. Additionally, any and all costs incurred in this application process are the sole responsibility of the applicant. Upon approval of the tax exempt bond financing from the Agency's Board, deposits toward the bond issuance fees will be required.

MINIMUM CRITERIA FOR AGENCY REVIEW

For Agency consideration, developments must meet the minimum qualifications set forth below:

- May not apply for more volume cap than will reasonably support the financing structure. (The Agency may disallow applications for volume cap for construction financing if the applicant has another source of permanent financing, such as PennHOMES, which reduces the financing on a dollar for dollar basis. Such disallowance is not intended to discourage leveraging HOPE VI and other public housing funds.);
- Evidence of qualification under the relevant bond financing sections of the Code;
- Evidence of qualification for Tax Credits, if applicable;
- Evidence of qualification of development team and bond financing team;
- Evidence of financial feasibility of facility and cost efficiency of bond financing structure. The Agency reserves the right to impose a cap on any volume cap requests.
- Evidence of commitment of all long term development financing sources;

- Evidence of ability to support a 30-year minimum low income set aside period or a feasible financial conversion to affordable homeownership at the end of the qualified project period;
- Evidence and support of adequate market for the units;
- Demonstration that the development will not adversely impact other affordable housing properties in the identified market area or result in overconcentration of affordable units; and
- Evidence of accessibility and/or VisitAbility design features in the development to the greatest extent economically feasible.
- Evidence of outreach to minority, women's and/or veteran's businesses to be part of the development team.
- **Demonstration that the development will be able to close on all financings and commence construction or rehabilitation within six (6) months from the application submission date or December 15, 2017, whichever is earlier, which may include evidence of zoning, regulatory, lender and all third party approvals.**
- All funded applications will be required to comply with Agency reporting and recordkeeping, and unit accessibility requirements set forth in the Agency's program.

FUNDING PRIORITIES OF THE PROGRAM

The Agency will give priority to developments that best demonstrate the following characteristics:

- Ability to quickly and efficiently close their financing, commence and complete construction;
- Maximum efficiency of all financing resources and structure;
- Provision of quality housing within the community for persons with greatest need;
- Affordability of development's rents;
- Reasonableness of costs for financing structure;
- Reasonableness of construction costs; and
- Reasonableness of all third party fees.
- **Evidence opportunities to affirmatively further fair housing.**

The Agency may consider such additional criteria it deems necessary in its discretion to achieve maximum benefit of the resources available to it for financing low and moderate income residential rental facilities. Such additional factors include, *inter alia*, consideration of geographic and regional representation and resource allocation, community and economic impact and achieving the most qualified developments with the scarce resources through the imposition of a maximum per-development allocation of volume cap. The Agency may disallow or may impose costs adjustments upon developments with identity of interest between any of the principal parties.

The Agency reserves the right to discontinue, modify, suspend or amend this program at any time, with or without further notice to any interested party. All decisions of the Agency are subject to such additional conditions, restrictions and requirements as determined by the Agency in its sole discretion. In addition, the Agency's selection of developments for possible allocation of volume cap is subject to final availability of resources. The Agency also reserves the right to impose any conditions on the financing that it deems reasonable in its discretion.

In order to provide a resource for households seeking affordable housing throughout the Commonwealth, the Agency will require all developments financed with volume cap to participate in its interactive database for affordable housing units. Developments will be required to provide information including, but not limited to, unit amenities, household size, household income and move-in information and any ongoing unit vacancies in a secure and timely manner to the Agency throughout the project affordability and compliance period.

APPLICATION SUBMISSION/CONTACT INFORMATION

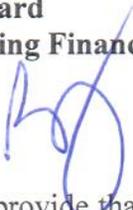
Copies of this RFP and the required Guidelines are available on the Agency's website, www.phfa.org. Questions may be addressed to the Development Division at (717)780-3876. Additional information or guidance may also be published from time to time on the Agency's website.

In an effort to determine the amount of volume cap to be utilized for multifamily tax exempt housing bonds in 2017, the Agency requests the applicant submit the attached Term Sheet at least fifteen (15) days prior to the submission of an application. Upon receipt of the Term Sheet, the Agency will advise the applicant on the availability of volume cap for the proposed development.

Applications for year 2017 volume cap will be accepted on or after November 1, 2016. All fees, signed narratives, and all required exhibits and attachments must be included with the application. Applications must be signed and may not be submitted via facsimile or e-mail. All information submitted by the applicant or gathered by the Agency in the review of the application is the sole property of the Agency and may be made public.

The Agency is committed to a policy which prohibits discrimination against persons based upon race, religion, gender, national origin, handicap, familial status or age in its programs and employment.

PENNSYLVANIA HOUSING FINANCE AGENCY

Date: September 1, 2016
Subject: Updated Resolution for Corporate Officers
To: Members of the Board
Pennsylvania Housing Finance Agency
From: Brian A. Hudson
Executive Director 

The bylaws of the Agency provide that the actions of the Agency shall be carried out by officers authorized by the Board through resolutions.

The corporate resolution authorizing officers is being updated to reflect several recent changes. The specific changes reflect a transfer of Kate Newton to head up the Loan Servicing division, appointment of Coleen Baumert to the position of Director of Home Ownership and creation of a new unit of Business Analytics headed up by Tom Brzana. The resolution also updates the current roster of Assistant Secretaries.

The following persons are the corporate officers in the following positions (with effective dates from the date of the respective corporate resolution):

Brian A. Hudson, Executive Director and Chief Executive Officer (Effective July 2003)
Rebecca L. Peace, Deputy Executive Director and Chief Counsel (Effective October 2015)
Joseph Knopic, Director of Finance (Effective July 2003)
John Zapotocky, Director of Accounting (Effective February 2015)
Kathryn Newton, (formerly Director of Homeownership Programs), Director of Loan Servicing (Effective September 2016)
Thomas Brzana, (formerly Director of Loan Servicing), Director of Business Analytics (Effective September, 2016)
Coleen Baumert, Director of Home Ownership (Effective September 2016)
Carrie Barnes, Secretary (Effective April 1980)
Charlotte Nelson, Assistant Secretary (Effective May 1996)
Margaret Strawser, Assistant Secretary (Effective May 1996)
Tracy Horetsky, Assistant Secretary (Effective March 2010)
Kimberly A. Smeal, Assistant Secretary (Effective November 2015)
Brittany Bassett, Assistant Secretary (Effective November 2015)

A resolution is attached for your approval.

RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AFFIRMING POWERS OF THE OFFICES OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER, DEPUTY EXECUTIVE DIRECTOR AND CHIEF COUNSEL, DIRECTOR OF FINANCE, DIRECTOR OF ACCOUNTING, DIRECTOR OF HOMEOWNERSHIP PROGRAMS, DIRECTOR OF DEVELOPMENT, DIRECTOR OF HOUSING MANAGEMENT, DIRECTOR OF LOAN SERVICING, DIRECTOR OF BUSINESS ANALYTICS, AND OTHER DIRECTOR OFFICES AND CONFIRMING CERTAIN APPOINTMENTS OF SECRETARY AND ASSISTANT SECRETARIES

WHEREAS, the Agency exists, pursuant to the housing finance agency law, Act of Dec. 3, 1959, P.L. 1688, as amended (35 P.S. Section 1680.101 *et seq.*) (the "Act"), as a body corporate and politic, constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania with continued succession until terminated by law;

WHEREAS, the Act provides that the Agency is governed by a Board, consisting of designated members of the Agency, by office or appointment, empowered, *inter alia*, to make and alter bylaws for the management and regulation of its affairs; to enter into contracts and execute all instruments necessary or convenient for carrying out its operations; to acquire, hold and dispose of personal property, real or any interest therein; to hold, sell, lease, assign, encumber, mortgage or otherwise dispose of or compromise its interest in any real or personal property; to borrow money; to invest funds; to do any and all other things necessary or convenient to carry out the powers and purposes of the Agency, the Act or other acts; and

WHEREAS, the Act empowers the members to employ and engage the services of an executive director and such other officers, agents, employees, and professional and business advisors as may be necessary in carrying out its business and affairs; and accordingly, in authorized resolutions and bylaws, the Agency has established offices, has delegated certain powers to such offices and hereby confirms such authorizations; and

WHEREAS, there have been changes in Agency personnel and positions and there is a need for the Agency to update and reiterate powers and offices held by staff.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 8th day of September, 2016 as follows:

Section 1. The Executive Director shall be the chief executive officer, fully authorized to carry out all general administrative functions and business affairs necessary or convenient to the Agency, its operations, its programs, its facilities, its employees and contractors, agents and vendors, with full signatory authority for all matters conducted in accordance with the directives and resolutions of the Board and is further specifically authorized to execute and authorize checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 2. The Deputy Executive Director and Chief Counsel shall perform all of the functions and duties of the Executive Director as directed by the Board and the Executive Director, may execute contracts, and agreements of all kinds on behalf of the Agency and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time. In the event of unavailability or incapacity of the Executive Director, the Deputy Executive Director and Chief Counsel shall perform the duties and functions of the Executive Director, including the execution and authorization of checks and other appropriate documents with respect to the Agency accounts and financial transactions, during such period of unavailability or incapacity. Legal staff may be designated by the Deputy Executive Director and Chief Counsel to perform loan and program transactions and closings on behalf of the Agency.

Section 3. The Director of Finance shall perform all functions and duties assigned by the Executive Director and by the Board and may execute contracts, documents and agreements of every kind on behalf of the Agency, including checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 4. The Director of Accounting shall perform all functions and duties assigned by the Executive Director and by the Board and may execute contracts, documents and agreements of every kind on behalf of the Agency, including checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 5. The Director of Homeownership Programs shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 6. The Director of Development shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 7. The Director of Housing Management shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 8. The Director of Loan Servicing shall perform such functions and duties as assigned by the Executive Director and may execute documents, contracts, and agreements of every type on behalf of the Agency, (with the exception of executing checks on the Agency's accounts) and shall have such additional powers as may be specifically authorized in resolution or as directed by the Board from time to time.

Section 9. The Director of Business Analytics shall perform all functions and duties as assigned by the Executive Director and may execute documents, contracts and agreement of every type on behalf of the Agency, (with the exception of executing checks on the Agency's accounts) and shall have such additional powers as may be specifically authorized in resolution or as directed by the Board from time to time.

Section 10. The Secretary shall perform all duties as Board administrator and shall keep all of the official records and books of the Agency, shall keep minutes of all meetings of the Agency, may issue calls for meetings, shall have charge of the seal of the Agency and may affix the seal, attested by his or her signature to such instruments as may require the same. Assistant secretaries shall be appointed from time to time, in accordance with a resolution of the Board to assist the Secretary in any and all official duties.

Section 11. The following persons are ratified and confirmed in the following positions:
Brian A. Hudson, Executive Director and Chief Executive Officer (Effective July 2003)
Rebecca L. Peace, Deputy Executive Director and Chief Counsel (Effective October 2015)
Joseph Knopic, Director of Finance (Effective July 2003)
John Zapotocky, Director of Accounting (Effective February 2015)
Coleen Baumert, Director of Homeownership Programs (Effective August 2016)
Kathryn Newton, Director of Loan Servicing (Effective August 2016)
Holly Glauser, Director of Development (Effective September 2006)
Carl Dudeck, Director of Housing Management (Effective September 2011)
Thomas Brzana, Director of Business Analytics (Effective August 2016)
Carrie Barnes, Secretary (Effective April 1980)
Charlotte Nelson, Assistant Secretary (Effective May 1996)
Margaret Strawser, Assistant Secretary (Effective May 1996)
Tracy Horetsky, Assistant Secretary (Effective March 2010)
Kimberly A. Smeal, Assistant Secretary (Effective November 2015)
Brittany Bassett, Assistant Secretary (Effective November 2015)

Section 12. The Executive Director shall appoint such other directors as shall be appropriate to perform such functions and duties as may be assigned by the Executive Director and the Executive Director may authorize certain signatories for certain Agency accounts, checks, financial transactions as may be appropriate from time to time including individuals serving as manager of investments, investment officers, manager of accounting, internal auditors and staff accountants.

Section 13. This resolution shall take effect immediately and, in the event of any inconsistency, this resolution is intended to supplement all prior grants of authority and power set forth in specific authorizing resolutions pertaining to each of the offices set forth above or pertaining to any particular Agency transaction.