

**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, June 8, 2017 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, June 6, 2017 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, June 6, 2017 either in writing or by telephone and detail the nature of their presentation.

Carrie M. Barnes  
Secretary  
Phone: 717.780.3911  
TTY (in Pennsylvania): 711

**PENNSYLVANIA HOUSING FINANCE AGENCY**

**THURSDAY, JUNE 8, 2017**

**10:30 A.M.**

**A G E N D A**

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE MINUTES FROM THE APRIL 13, 2017 BOARD MEETING
3. JOINT HEMAP AND FINANCE COMMITTEES REPORT
  - A. HEMAP Budget for Fiscal Year Ending June 30, 2018
  - B. PHFA Budget for Fiscal Year Ending June 30, 2018
4. JOINT HEMAP AND AUDIT COMMITTEES REPORT
  - A. HEMAP Audit Report
  - B. PHFA Audit Report
5. APPROVAL OF SINGLE FAMILY MORTGAGE REVENUES BONDS, SERIES 2017-124
6. INVESTMENT BANKER REPORT
7. OTHER BUSINESS
8. EXECUTIVE SESSION
9. PERSONNEL COMMITTEE REPORT
10. ADJOURNMENT

**Pennsylvania Housing Finance Agency  
Meeting of the Board  
April 13, 2017**

**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, Human Services)  
\*Kathy Possinger (serving in the stead of  
Dennis Davin, Secretary of Department  
of Community and Economic Development)  
Noel Eisenstat  
\*Robert Loughery  
John Paone  
Keith Welks (serving in the stead of  
Joseph Torsella, State Treasurer)  
Mark Schwartz

\*On Telephone conference call

**Members Absent:**

Denis Davin  
Ross Nese

**Others Present:**

Brian A. Hudson, Executive Director  
Rebecca L. Peace, Deputy Executive Director/Chief Counsel  
Holly Glauser, Director of Development  
Bryce Maretzki, Director of Strategic Policy & Planning  
Kim Boal, Director of Information Technology  
Scott Elliott, Director of Communications  
Thomas Brzana, Director of Business Analytics  
Steve O'Neill, Assistant Counsel  
Chris Anderson, Communications Officer  
Melissa Grover, Government Affairs Associates  
Carl Dudeck, Director of Housing Management  
David Doray, Manager of Multifamily Underwriting  
Clay Lambert, Business Policy Officer  
Jordan Laird, Manager of Investments  
Coleen Baumert, Director of Homeownership  
Joseph Knopic, Director of Finance  
John Zapotocky, Director of Accounting  
JoLynn Stoy, Associate Counsel  
Stan Salwocki, Manager of Architecture & Engineers  
\*Nancy Twyman, Director of Eastern Region  
\*Carla Falkenstein, Director of Western Region  
Lisa Case, Manager of Project Operations

Nicole Eutzy, Development Officer  
Charlotte Folmer, Executive Director of CCG  
Lori Toia, Director of HEMAP  
Jada Greenhowe, Assistant Counsel  
Linda Stewart, Manager of Tax Credit Program  
Lauren Starlings, Assistant Counsel  
Gail Shull, Senior Development Officer  
Ara Kervandjian, HFL Corporation  
Laura Northrup, Mullin & Lonergan Associates  
Mitch Gallo, RBC  
John Leach, Barclays  
Valerie Allen, Ballard Spahr  
Phyllis Chamberlin, Housing Alliance  
Robert Foggio, Jefferies  
Greg Brunner, M & T Securities  
Jim Stretz, GK Baum  
Elizabeth Pettis, OGC  
Jere Thompson, Ballard Spahr  
Peter Weiss, J P Morgan  
Larry Segal Cindy Daley, Housing Alliance  
\*Becky Foster, Larimer/East Liberty Phase II (McCormack Baron Salazar)  
\*Meg Manley, Larimer/East Liberty Phase II (McCormack Baron Salazar)  
Maggie 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, April 13, 2017 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 March 26, 2017.

**1. CALL TO ORDER AND ROLL CALL**

The meeting was called to order by Acting Chair Hagen at 10:30 a.m. The roll was called and a quorum was present.

**2. APPROVAL OF THE MINUTES FROM THE MARCH 9, 2017 BOARD MEETING**

There were no additions or corrections to the minutes.

**Mr. Schwartz made the motion that the minutes from the March 9, 2017 Board meeting be approved as submitted. This motion was seconded by Mr. Paone and unanimously approved.**

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

**A. Tax-Exempt Volume Cap Request**

**1. Larimer/East Liberty Phase II, Pittsburgh, Allegheny County**

Ms. Shull reviewed the project specifics and its financing plan. She reported that the owner is requesting a tax-exempt volume cap allocation in an amount not to exceed \$25,500,000. The private activity bonds will be issued by the Housing Authority of the City of Pittsburgh. Staff recommends approval of this request.

Mr. Welks, as Chair of the Program and Development Review Committee, reported that the committee concurs with staff's recommendation.

**Mr. Welks made a motion that the Board approve the resolution authorizing the housing related bond allocation to Larimer/East Liberty Phase II in an amount not to exceed \$25,500,000. This motion was seconded and unanimously approved. (See Appendix 1 of these Minutes.)**

**B. Loan Commitment – Pleasant Pointe, College Township, Centre County**

Ms. Eutsy reviewed the project specifics and its financing plan. She reported that the proposal is for the new construction of 48 units of housing for general occupancy. Staff recommends approval.

Mr. Welks reported that the Program and Development Review Committee concurs with staff's recommendation.

**Mr. Welks made a motion that the Board approve the resolution authorizing the issuance of a letter of conditional commitment of mortgage funds to Pleasant Pointe. This motion was seconded by Mr. Croushore and unanimously approved. (See Appendix 2 of these Minutes.)**

Acting Chair Hagen recognized Mr. Kervandjian, representing the ownership. Mr. Kervandjian thanked the Board for their approval. He reported that he appreciates the assistance from the Agency and its staff and is pleased to be able to provide these affordable housing units.

**C. 2017 PHARE/RTT Project Funding Recommendations**

Mr. Maretzki began by reporting that in 2010 the General Assembly passed the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE) which established a housing trust fund. He gave a brief overview of the various uses and types of activities for the fund.

He noted that in 2015, Act 58 was passed which created the funding to expand the PHARE program to the entire Commonwealth through funding derived through the Realty Transfer Tax (RTT). The Agency's allocation for calendar year 2016 was \$12,660,000. Mr. Maretzki reported that each year's allocation will be capped at \$25,000,000.

This year in response to an RFP, the Agency received 140 applications located in 49 counties across the Commonwealth requesting a total funding amount of \$54,790,000. He reported that staff thoroughly reviewed each of the applications. He thanked his staff which includes Melissa Grover and Clay Lambert for their diligence and hard work in this effort.

Mr. Maretzki stated that staff is recommending the approval of 68 projects utilizing \$12,036,000 of the current allocation. The Agency will retain five percent of the total allocation, or \$633,000, for the overall administration of the program.

Of the projects being recommended for funding, Mr. Maretzki reported that 12 are nine percent tax credit projects. Thirty-eight counties in the Commonwealth are represented by the 68 projects being recommended for approval.

With respect to the next year's allocation, the Agency may be receiving a lesser amount simply because of the downturn in homeownership purchases and therefore a lesser amount in RTT collections.

Mr. Welks reported that the Program and Development Review Committee concurs with staff's recommendations.

**Mr. Welks made a motion that the Board approve the resolution authorizing the funding of PHARE/RTT programs and projects. This motion was seconded. Messrs. Schwartz and Paone abstained because of conflicts of interest. The motion carried. (See Appendix 3 of these Minutes.)**

Mr. Schwartz complimented staff for the good job in implementing this program. The diversity of the projects selected was impressive.

Acting Chair Hagen recognized Phyllis Chamberlain, Executive Director of the Housing Alliance. Ms. Chamberlain thanked the Board and the Agency staff for their approval of the PHARE/RTT programs and especially their support of the housing trust fund. She appreciates all of the work done on these important programs and is grateful for PHFA's involvement, work and guidance.

**D. Other Business**

Mr. Welks reported that the Program and Development Review Committee approved the transfer of general partner interests for Huntingdon Village located in Huntingdon Township, Westmoreland County and Wimmerton Apartments located in Latrobe, Westmoreland County. (See Appendix 4 of these Minutes.)

He noted that no Board action is required on this issue because the Program and Development Committee has been authorized by the Board to act on these requests.

**4. POLICY COMMITTEE REPORT**

**A. Final Approval of 2107 PHARE Plan**

Mr. Maretzki briefly reviewed the legislation which created the housing trust fund, the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE). He included updates on the Realty Transfer Tax, the Impact Fee Act, the National Housing Trust Fund and how all of the various funding sources come together to provide affordable housing in the Commonwealth.

Each year, the Agency is required by legislation to adopt a plan establishing priorities and outlining how the program funds will be distributed. Mr. Maretzki reported that a 45 day public comment period expired with no comments or revisions being received.

Staff is recommending approval of the Final Plan for the PHARE Fund as presented. He noted that the RFP for the current year's funds will be issued this summer and applications will be due in October 2017.

Mr. Schwartz stated that the Policy Committee reviewed the plan and concurs with staff's recommendation of approval.

**Mr. Schwartz made a motion that the Board approve the 2017 Final Plan for the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund dated April 13, 2017. This motion was seconded by Mr. Welks and unanimously approved. (See Appendix 5 of these Minutes.)**

**B. Final Approval of 2017/2018 Low Income Housing Tax Credit Allocation Plan**

Ms. Glauser reported that a public hearing was held on March 7, 2017 to receive comments on the proposed Low Income Housing Tax Credit Allocation Plan for 2017/2018. In response to comments submitted, Ms. Glauser noted that several areas of the Plan have been amended since the Board last reviewed and approved the preliminary Plan. Those areas include extending the affordability period,

development characteristics, zoning and commitment of funds. Ms. Glauser briefly outlined the changes for the Board.

Mr. Schwartz reported that the Policy Committee has reviewed the specific changes and concurs with staff's recommendation of approval of the Final Plan.

**Mr. Schwartz made the motion that the Board approve the 2017/2018 Low Income Housing Tax Credit Allocation Plan. The motion was seconded by Mr. Paone and unanimously approved. (See Appendix 6 of these Minutes.)**

Mr. Schwartz noted that the Agency is highly regarded nationally as one of the leaders in operating its tax credit program. He congratulated staff for their oversight of the program.

**5. INVESTMENT BANKER REPORT**

Robert Foggio of Jefferies LLC distributed an Economic and Market Update booklet.

He reported that the economy should continue to grow, the rate of which will depend on the Administration's fiscal proposals and tax plan.

Mr. Schwartz asked what impact the Administration's policies will have on the tax credit program. Mr. Foggio stated that no one really knows at this point how it will be affected. There is much uncertainty that is fueling the market disruptions.

Jefferies predicts that inflation will continue to accelerate and noted that it is higher than expected. The general consensus is that interest rates could increase two more times this year.

With regard to employment, it continues along an erratic path. Employment numbers for unskilled laborers continue to rise faster than the skilled labor force.

With regard to housing, home prices have moderated and stabilized at a sustainable rate. Mortgage applications remain healthy but they have also moderated. Both delinquency and foreclosure rates continue to decline and are now at their lowest in a number of years.

**6. DEVELOPMENT STATUS REPORT**

There were no comments or questions on this report.

**7. PHFA INVESTMENT REPORT**

There were no comments or questions on this report.

8. **OTHER BUSINESS**

A. **Keith Welks Receives Award**

Mr. Hudson congratulated Mr. Welks on receiving the PBA Environmental and Energy Law Section Award.

B. **PHARE/RTT Program**

Mr. Hudson expressed his thanks to Mr. Marezki, Ms. Grover and Mr. Lambert and other staff members who worked on the PHARE/RTT program. It was a huge undertaking.

C. **Low Income Housing Tax Credit Allocation Plan**

Mr. Hudson also expressed his thanks to Ms. Glauser and her staff who work on a daily basis with the Low Income Housing Tax Credit Allocation Plan and program. This too, was a huge undertaking.

D. **PHFA's Housing Forum**

Mr. Hudson reported that PHFA's Housing Forum, which is held every two years, takes place next month, May 11 and 12 at the Harrisburg Hilton. Any Board member who wishes to attend should contact the Secretary to make hotel reservations and to register for the Forum.

E. **PHFA's May Board Meeting**

Mr. Hudson stated that PHFA's May Board meeting will be held on Wednesday, May 10, 2017. It has been moved ahead one day to accommodate the Housing Forum. The Secretary will be contacting the Board regarding this meeting.

F. **Thanks to Housing Alliance**

Mr. Hudson thanked Phyllis Chamberlain for Housing Alliance's hard work and assistance with the PHARE/RTT program, especially in getting the housing trust fund legislation approved.

He also specifically thanked Cindy Daley for all of her efforts in this regard over the past several years.

G. **PHFA Board Committees**

Mr. Hudson distributed an updated listing of Board Committee assignments. He thanked those members who have expressed an interest in serving on various committees.

There being no further business to be discussed, a motion was made and seconded that the meeting be adjourned. The motion was unanimously approved. Acting Chair Hagen 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 Wednesday, May 10, 2017 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carrie M. Barnes".

Carrie M. Barnes  
Secretary

Pennsylvania Housing Finance Agency  
Memorandum

Date: June 8, 2017

To: Members of the Board  
Pennsylvania Housing Finance Agency

From: Brian A. Hudson  
Executive Director & CEO



Re: Pennsylvania Housing Finance Agency  
Single Family Mortgage Revenue Bonds,  
Series 2017-124

Conditions in the bond market remain attractive for refunding higher coupon debt and achieving savings. The Agency continues to explore refundings to achieve cost savings to help lower interest rates on new mortgage loans.

The Series 2017-123 Bonds were successfully sold on May 10, 2017 with closing expected in two weeks. We are continuing to originate mortgages at a fixed rate of 3.75% in our program.

We are seeking authorization for the Series 2017-124 transaction so we can proceed while the market continues to provide savings opportunities. The attached resolution authorizes the transaction.

RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING  
FINANCE AGENCY AUTHORIZING THE ISSUANCE OF  
SINGLE FAMILY MORTGAGE REVENUE BONDS,  
SERIES 2017-124

WHEREAS, pursuant to the Housing Finance Agency Law, 35 P.S. Section 1680.101 et seq., "the Agency has the power...as authorized from time to time by resolution of the members and subject to the written approval of the Governor to issue its negotiable bonds...and notes in such principal amount as... shall be necessary to provide sufficient funds for achieving its corporate purposes...at such price or prices as the Agency shall determine..."; and

WHEREAS, the Agency has determined to issue its Single Family Mortgage Revenue Bonds, Series 2017-124 in accordance with a Series Resolution to be attached hereto and made a part hereof; and

WHEREAS, pursuant to a resolution of the Agency adopted June 13, 1991 and entitled "RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY DELEGATING TO THE FINANCE COMMITTEE CERTAIN SPECIFIC AUTHORITY RELATING TO AGENCY BOND ISSUES," the Agency has determined to delegate to the Finance Committee of the Board of the Agency, within the perimeters established herein, the authorization to negotiate the final terms of such series of bonds.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 8th day of June, 2017 as follows:

Section 1. Adoption of the Series 2017-124 Resolution. The Series Resolution authorizing the issuance of the Agency's Single Family Mortgage Revenue Bonds, Series 2017-124 (the "Bonds") is hereby incorporated herein by reference and is adopted by the Agency.

Section 2. Delegation of Authorization to Negotiate Final Terms. (a) Subject to the provisions of this Section 2, the Finance Committee is hereby authorized and directed to negotiate, prepare or accept, execute, deliver and distribute, for and on behalf of the Agency and in the name thereof, a contract of purchase and/or agreement and memorandum of understanding, which outlines terms of final pricing, interest rates, tender and redemption provisions, bond maturities, payment of associated costs of issuance appropriate for the financing (including reasonable compensation for applicable structuring and fees related thereto), and such documents as may be necessary for the transaction, including offering and disclosure documents, an indenture and all other documents relating to the issuance of and investment mechanisms relating to the Bonds and related securities, which may include taxable, variable rate or fixed rate notes. At the time such final terms have been negotiated on behalf of the Agency, such final terms shall be incorporated into the Series 2017-124 Resolution, which, with such final terms so incorporated, shall constitute the Series Resolution of the Agency authorizing the issuance of the Bonds.

(b) The final terms of the Series 2017-124 Bonds shall be as negotiated by the Finance Committee, provided, however, as follows: (i) the principal amount of the Series 2017-124 Bonds shall not exceed \$350,000,000, (ii) the final maturity of the Series 2017-124 Bonds shall be no later than 2048, and (iii) the initial interest rate or rates on the Series 2017-124 Bonds shall be a rate or rates resulting in a net interest cost no higher than 8% per annum.

Section 3. The Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance is authorized to enter into one or more guaranteed investment contracts, escrow deposit agreements or other investment instruments relating to the Bonds, to take all necessary actions and to make any necessary and appropriate amendments or adjustments to all or a relevant portion of any bonds issued under the Indenture and to secure substitute facilities and remarketing agreements for any of the Agency's outstanding variable rate demand obligations.

Section 4. This Resolution shall take effect immediately.