

**Pennsylvania Housing Finance Agency
Meeting of the Board
December 10, 2015**

Members Present:

Robin Wiessmann, Chair
Thomas B. Hagen, Vice Chair
Maria F. Coutts
*Ronald F. Croushore
Joanne Glover (serving in the stead of
Ted Dallas, Secretary,
*Joseph Meade (serving in the stead of
Dennis Davin, Secretary of Department
of Community and Economic Development)
Department of Human Services)
*Noel Eisenstat
Lisa R. Gaffney
*Ross Nese
*John Paone
Keith Welks (serving in the stead of
Timothy Reese, State Treasurer)
Mark Schwartz

*On Telephone conference call

Members Absent:

Craig H. Alexander

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
Melissa Raffensperger, Policy Associate
JoLynn Stoy, Associate Counsel
Jada Greenhowe, Assistant Counsel
Clay Lambert, Business Policy Officer
Thomas Brzana, Director of Loan Servicing
Joseph Knopic, Director of Finance
Chris Anderson, Communications Officer
Steve O'Neill, Assistant Counsel
David Doray, Manager of Multifamily Underwriting
Nancy Twyman, Director of Eastern Region
Lisa Case, Manager of Project Operations

Jordan Laird, Manager of Investments
Stan Salwocki, Manager of Architecture and Engineering
Barbara Stephens, Public Affairs Officer
Carla Falkenstein, Director of Western Region
Charlotte Folmer, Sr. Asset and Compliance Officer
Lori Toia, Director of HEMAP
Larry Jackson, Manager of Internal Audit
James Smith, Assistant Director of Loan Servicing
Julius Coursey, Wells Fargo
Michael Baumrin, RBC
Michael Judge, Bank of New York Mellon
Steve Baloga, Mitchell Titus
Mitch Gallo, RBC
Dan Rosen, Bank of New York Mellon
Alan Jaffe, JP Morgan
Cindy Daley, Housing Alliance
*Ken Robertson, Cherry Grove Apartments
*Gil Steton, Cherry Grove Apartments
*Jonette Hahn, Cherry Grove Apartments
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, December 10, 2015 at 9:30 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 December 1, 2015.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Wiessmann at 9:30 a.m. The roll was called and a quorum was present.

2. APPROVAL OF THE MINUTES FROM THE NOVEMBER 12, 2015 BOARD MEETING

There were no additions or corrections to the minutes.

Mr. Hagen made a motion that the minutes from the November 12, 2015 Board meeting be approved as submitted. This motion was seconded by Mr. Schwartz and was unanimously approved.

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

Ms. Gaffney, as Chair of the Program and Development Review Committee, reported that the Committee met prior to the Board meeting regarding the following items.

A. **Request for an Allocation of Tax Exempt Issuing Authority**

1. **Cherry Grove Apartments, Altoona, Blair County**

Mr. Doray reported that the owner is requesting tax-exempt bond financing in an amount not to exceed \$6,000,000 for the acquisition and substantial rehabilitation of this 76 unit development. He briefly reviewed the project specifics for the Board noting that staff recommends approval of this request.

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

Ms. Gaffney made the motion that the Board approve the resolution authorizing the issuance of \$6,000,000 maximum aggregate principal amount of Special Limited Obligation Multifamily Housing Development Notes for Cherry Grove Apartments. This motion was seconded by Mr. Schwartz and was unanimously approved. (See Appendix 1 of these Minutes.)

Ms. Hahn representing the sponsor thanked the Board for their approval of their request.

B. **Other Business**

1. **Lindley Court**

Ms. Glauser reported that the Agency has received a request for the reallocation of tax credits for the Lindley Court project located in Philadelphia. The project previously received a 2013 tax credit reservation but has encountered construction delays. Staff is requesting the Board's approval to reallocate 2015 tax credits to this project recapturing the 2013 credits.

The Program and Development Review Committee was unable to take action on this issue because of a lack of a quorum, therefore, it is presented to the Board for approval.

Ms. Gaffney made the motion that the Lindley Court be reallocated 2015 tax credits. This motion was seconded by Mr. Welks and was unanimously approved.

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

4. **POLICY COMMITTEE REPORT**

Mr. Schwartz, as Chair of the Policy Committee, reported that the annual policy meeting held with staff was very informative. He thanked those Board members who attended and noted that the meeting and its preparation was very well done by staff.

A. **Approval of Agency Set-Aside of Funds for 2016**

Mr. Hudson reported that staff is recommending that the Board authorize the set-aside of funds for 2016 in the following amounts: Homebuyer/owner Counseling Programs - \$1,500,000 and the ReCLAIM program - \$1,500,000.

Mr. Schwartz made the motion that the Board authorize the set-aside and reservation of available funds for Agency programs and initiatives in 2016 as reported by Mr. Hudson. This motion was seconded by Mr. Hagen and was unanimously approved. (See Appendix 2 of these Minutes.)

B. **Review of Housing Trust Fund/Marcellus Shale Proposed Plan for 2016**

Mr. Maretzki reported that no action is required by the Board on this proposed plan. He stated that the Agency is required to adopt a plan each year establishing program priorities and describing the method in which the funds will be distributed. The proposed plan will be submitted for public comment and then will be presented to the Board for final approval at a later date.

He briefly reviewed the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE).

There were no questions from the Board.

C. **Other Business**

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

5. **STATEWIDE MORTGAGE CREDIT CERTIFICATE PROGRAM**

Ms. Peace reported that the Mortgage Credit Certificate Program (MCC) offers an alternative to the mortgage revenue bond program. The MCC program provides direct limited tax credits to homeowners to offset their federal tax liability. These credits can be used with most mortgage loans and may serve as a home buying incentive. The Agency has used this program successfully in the past.

The Agency is requesting an allocation of approximately \$400,000,000 as a result of electing not to issue mortgage revenue bonds under federal tax law. This election will result in approximately \$100,000,000 in MCC authority and should subsidize approximately 800 mortgage loans.

Staff requests the Board's approval of this conversion.

Mr. Schwartz made the motion that the Board approve the resolution authorizing the conversion of housing related bond volume cap allocation and related matters for the implementation and administration of a statewide Mortgage Credit Certificate Program. This motion was seconded by Mr. Hagen and was unanimously approved. (See Appendix 3 of these Minutes.)

6. HEMAP COMMITTEE REPORT

Mr. Paone, as chair of the HEMAP Committee, requested that Mr. Hudson report on the HEMAP Committee meeting.

Mr. Hudson stated that the HEMAP Committee met with Mitchell/Titus, the auditors for the program to review the financial statements. There were no concerns or issues. He noted that the program will continue through at least 2017 while receiving funding from the mortgage settlement.

The Committee accepted the report of Mitchell/Tutus.

There were no questions from the Board.

Mr. Schwartz noted that the loan made to the HEMAP program by the Agency has been repaid.

7. AUDIT COMMITTEE REPORT

Mr. Meade, as chair of the Audit Committee, requested that Mr. Hudson report on the Audit Committee meeting.

Mr. Hudson stated that the Audit Committee met with KPMG, the auditors for the Agency, to review the Agency's financial statements. There were no concerns or issues noted to the Agency's financial statements.

The Committee accepted the report of KPMG.

There were no comments or questions from the Board.

8. INVESTMENT BANKER REPORT

Mr. Baumrin of RBC Capital Markets distributed an Economic and Interest Rate Outlook booklet. He briefly reviewed its contents noting that strong employment data has been recorded and wage growth and salaries have begun to increase slightly. He noted that consumer spending has also begun to pick up as a result but job growth will likely slow down.

Mr. Baumrin stated that the collapse in oil prices has produced a downward impact on inflation.

Housing starts are slow but housing remains as the largest expenditure of personal consumption. Mr. Baumrin noted, however, that homeownership rates continue to decline as more Americans move toward renting.

Mr. Baumrin stated that the GDP is around three percent and that the economy appears to be expanding steadily.

9. Development Status Report

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

10. PHFA Investment Report

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

11. Other Business

A. ReCLAIM Program

Mr. Hudson reported that the Agency's first ReCLAIM loan in Hazelwood has closed. He reported that \$900,000 was awarded to ACTION Housing to create this mixed use project. The total development cost is expected to total \$4,300,000.

B. No January 2016 Board Meeting

Mr. Hudson reported that no January 2016 Board meeting has been scheduled. Should a meeting become necessary, the Secretary will contact the members.

C. Thank You to Staff

Mr. Hudson thanked staff for their efforts in preparing reports for the Board during the policy session.

Ms. Glover added that she appreciates the follow up from the policy meeting by staff. They provided the information she requested in a very timely manner.

D. PHFA's Building Expansion

Mr. Hagen requested an update on the Harrisburg building expansion project. Mr. Hudson reported that all approvals have been received from the City of Harrisburg and that the project should begin sometime in the spring of next year. He would expect the expansion should be completed by 2017.

12. 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 10:10 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, February 12, 2016 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

RESOLUTION

**Authorizing the Issuance of \$6,000,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(Cherry Grove Apartments)**

Adopted: December 10, 2015

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$6,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(Cherry Grove 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 such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders 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 and of the trustee, and may contain such other provisions as the Agency may deem reasonable and proper for the security of the bondholders; and

WHEREAS, the Agency has determined to issue and secure the bonds in one or more series or subseries, in accordance with, pursuant to and under this Resolution, Bond Purchase Agreements, Loan Agreements and/or similar loan or financing agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

WHEREAS, Riverside Charitable Corporation, a nonprofit corporation, the managing member of Walnut Preservation LLC, a limited liability company (the "**Borrower**"), has requested financing from the Agency in an amount not to exceed \$6,000,000 (the "**Bonds**") to fund a portion of the costs of acquiring and renovating nine one and two story buildings for general occupancy, known as "Cherry Grove Apartments", comprised of 76 units in Altoona, Blair County, Pennsylvania (the "**Project**"); and

WHEREAS, the Agency will issue the bonds and use the proceeds thereof to fund a loan to the Borrower pursuant to the Agreement; and

WHEREAS, the Agency may use a portion of the proceeds of the Bonds to reimburse itself or the Borrower for original expenditures paid prior to the date of issuance of the Bonds; 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**"); and

WHEREAS, AGM Financial Services, Inc., or such successor entity as may be approved by the Agency, will provide cash collateralized construction financing and permanent loan funding for the Project and certain documents to evidence the transaction, including financing documentation relating to the security for the Bonds and relating to the Project will be prepared.

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 Agreement.

**ARTICLE II
AUTHORIZATION OF BONDS**

Section 201. Principal Amount and Designation. The Bonds are hereby authorized to be issued, in one or more series or subseries, in an aggregate principal amount not to exceed \$6,000,000.

The Bonds shall be designated as the Agency's "Special Limited Obligation Multifamily Housing Development Bonds (Cherry Grove Apartments) ", and shall carry the designation set forth in the Bonds and the Agreement. The Bonds shall be issued pursuant in all respects to the terms of this Resolution.

Section 202. Purposes. The Bonds are being issued as special and limited obligations of the Agency, payable solely out of the moneys derived pursuant to the Agreement and the notes evidencing the certain loan or loans to the Borrower. Proceeds of the Bonds shall be used for the payment of qualified costs associated with the acquisition, construction, renovation, equipping and/or improvement of the Project; 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 and to the Agency's bond financing 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 and to provide appropriate security for the Bonds; (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 bond financing and low income housing tax credits; (j) evidence of final HUD approval of the 221(d)(4) financing application and related project based assistance contracts to support the financing application; 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 construction/bond closing.

Section 204. Date, Principal Amount, Maturity and Interest Rate. The Bonds shall be dated the date of their issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity dates, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Bonds shall be as provided in the Agreement as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$6,000,000; the interest rate on the Bonds 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 Bonds shall be no later than 36 months, or such date supported by the final underwriting (whichever is shorter).

Section 205. Payments. The Bonds shall bear interest from their dated date and shall be payable as set forth in the Bonds and the Agreement, until the date of maturity of the Bonds or redemption prior to maturity, as provided in the Agreement. All principal shall be due at maturity or redemption prior to maturity, as provided in the Agreement.

Section 206. Denominations, Numbers, Letters and Forms. The Bonds shall be issued as registered Bonds in \$5,000 minimum denominations and any multiple of \$1.00 in excess thereof, provided that for purposes of redeeming Bonds, the authorized denomination shall mean \$1.00. The

Bonds shall be numbered consecutively, as appropriate. The Bonds shall be in substantially the form and tenor prescribed in the Agreement.

Section 207. Execution of Bonds. The Bonds 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 Bonds 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 Bonds shall be delivered to or on behalf of the Bond Purchaser.

Section 208. Place of Payment. The principal payments, including payments upon redemption, of the Bonds shall be payable as provided in the Agreement.

Section 209. Redemption and Tender. The Bonds shall be subject to optional redemption, extraordinary optional redemption, mandatory redemption and tender as provided in the 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 Bonds, all necessary documents relating to the offering of the Bonds and the Agreement, with such final terms and provisions as their counsel may deem advisable, provided that the Bonds shall contain such substantive terms and provisions materially consistent with this Resolution.

ARTICLE III BOND PROCEEDS AND PAYMENTS OF COSTS

Section 301. Bond Proceeds. Pursuant to the Agreement, upon receipt of the proceeds of sale of the Bonds from the purchase thereof, such proceeds shall be advanced to the Borrower.

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

ARTICLE IV SECURITY FOR THE BONDS

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

Section 402. Credit of Commonwealth Not Pledged. All Bonds shall contain therein a statement to the effect that the Bonds shall be special and limited obligations of the Agency payable only from the sources provided in the Agreement, that neither the Commonwealth nor any political subdivision thereof shall be liable on the Bonds 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 Bonds. Neither the members of the Board nor the officers of the Agency nor any person executing the Bonds shall be liable personally on the Bonds 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 Bonds and the 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 Bonds 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 Bonds may be used to reimburse itself or the Borrower for qualifying expenditures paid prior to the date of issuance of the Bonds. 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.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING THE SET-ASIDE AND RESERVATION OF AVAILABLE FUNDS
FOR AGENCY PROGRAMS AND INITIATIVES IN 2016**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") exists and operates pursuant to the Housing Finance Agency Law (35 P.S. Section 1680.101 *et seq.*) for the purposes ". . . of alleviating hardship which results from insufficient production of private homes and of rental housing for persons and families of low and moderate income, including the elderly . . . the deleterious effect of inadequate housing upon the general welfare of the Commonwealth. . . by broadening the market for private homes and for housing for persons and families of low and moderate income, through the provision of specialized financing secured by mortgages to corporations, individuals, joint ventures, partnerships, limited partnerships, trusts, cooperatives and condominiums which are unable to obtain such financing in the general market. . . thus improving and stimulating the distribution of investment capital for housing . ." and is authorized by Section 1680.503a to create such funds and accounts as are necessary for its corporate purposes; and

WHEREAS, the Agency has determined that funding for Agency programs and initiatives is necessary and appropriate as follows:

Homebuyer/owner Counseling Programs	\$1,500,000
ReCLAIM	\$1,500,000

WHEREAS, the Agency has determined that the above set-asides may be made available without impairing the economic stability of the Agency and without affecting any existing security of pledged interests through fund balance earnings and unexpended program funds.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 10th day of December 2015, as follows:

Section 1. The Agency hereby approves and authorizes the set-aside of an aggregate amount of \$3,000,000 for program funding in 2016 as described in the preamble above.

Section 2. Staff is hereby authorized and directed to take all actions necessary to effectuate the above authorized set-aside and reservation.

Section 3. This resolution shall take effect immediately.

RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING CONVERSION OF HOUSING RELATED BOND VOLUME CAP ALLOCATION
AND RELATED MATTERS FOR THE IMPLEMENTATION AND ADMINISTRATION OF A
STATEWIDE MORTGAGE CREDIT CERTIFICATE PROGRAM

WHEREAS, the Pennsylvania Housing Finance Agency (the “Agency” or “PHFA”) exists and operates by virtue of the housing finance law (1959, Dec. 3, P.L. 1688, as amended; 35 P.S. Sections 1680.101 *et seq.*) (hereinafter, the “Act”); and

WHEREAS, the Agency has available statewide bond volume cap carried forward from prior years and designated for the purpose of issuing mortgage revenue bonds or mortgage credit certificates in accordance with federal tax law; and

WHEREAS, subject to and in accordance with the applicable provision of federal tax law, qualified issuers may elect to convert housing bond cap into authority to issue “mortgage credit certificates” (“MCCs”), which may be used in connection with loans to qualified homebuyers throughout the Commonwealth as a direct credit against household tax liability; and

WHEREAS, the Agency has now determined that it is desirable to convert unused 2013 and 2014 volume cap for the administration of a statewide mortgage credit certificate (“MCC”) program and to establish a maximum credit percentage for eligible borrowers not to exceed the maximum amount eligible under federal tax law; and

WHEREAS, this conversion of approximately \$400,000,000 in volume cap will result in an aggregate amount of approximately \$1,000,000 of MCC authority to be issued as tax credits to homebuyers.

NOW, THEREFORE, BE IT RESOLVED, THIS 10th DAY OF DECEMBER, 2015, BY THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AS FOLLOWS:

Section 1. The Agency hereby elects to convert into authority to issue mortgage credit certificates approximately \$400,000,000 in unused volume cap carried forward from 2013 and 2014.

Section 2. Staff is authorized and directed to take all necessary actions to maintain an effective mortgage credit certificate program and to take all requisite actions required by federal and state law relating thereto, including all necessary state authorizations and approvals, all public notices and public hearings required by federal tax law and all necessary federal tax filings.

Section 3. Staff is further authorized and directed to work with all members of the real estate industry to provide trainings, materials, and instructions for lenders, housing counseling agencies, homebuyers, and others to assist in the administration and implementation of the program.

Section 4. This resolution shall take effect immediately.