

**Pennsylvania Housing Finance Agency
Meeting of the Board
July 11, 2019**

Members Present:

Robin Wiessmann, Chair
Mark Schwartz, Vice Chair
Maria F. Coutts
Ronald F. Croushore
*Mark Dombrowski
Jennifer Koppel
Kathy Possinger (serving in the stead of
Dennis Davin, Secretary of Department
of Community and Economic Development)
Gary E. Lenker
Robert Loughery
*Beth Ellis (serving in the stead of
Teresa Miller, Secretary, Human Services)
Ross Nese
*John P. O'Neill
John Paone
Jennifer Langan (serving in the stead of
Joseph Torsella, State Treasurer)

*On Telephone conference call

Members Absent:

Others Present:

Brian A. Hudson, Executive Director
Rebecca L. Peace, Deputy Executive Director/Chief Counsel
Holly Glauser, Director of Development
Carl Dudeck, Director of Housing Management
Kathryn Newton, Director of Loan Servicing
Coleen Baumert, Director of Homeownership
Bryce Maretzki, Director of Strategic Policy & Planning
Scott Elliott, Director of Communications
Ali Tomich, Director of Western Region
Jay Hauser, Director of Eastern Region
Jordan Laird, Director of Finance
Melissa Grover, Director of Government Affairs
Charlotte Folmer, Executive Director, Commonwealth Cornerstone Group
Lori Toia, Director, Homeowners Emergency Mortgage Assistance Program
Ken Bobb, Senior Construction Document Examiner
Bill Bailey, Senior Development Officer
Stanley Salwocki, Manager of Architecture & Engineering
Lisa Case, Manager of Project Operations
David Doray, Manager of Multifamily Underwriting
Linda Stewart, Manager of Tax Credit Program
Ed Neuhart, Manager of Financial Operations

Gelene Nason, Manager of Housing Services
Bob Milne, Development Officer
Sherry Pates, Senior Development Officer
Kelly Wilson, Development Officer
Yashira Aybar, Development Officer
Lynette Davenport, Development Officer
Dave Gregorits, Development Officer
Joe Scott, Development Officer
Clay Lambert, Business Policy Officer
Ray Carey, Policy Associate
Chris Anderson, Communications Officer
Kristen Nagel, 811 Program Administrator
Lilia Putt, Development Intern
Jesse Murphy, Assistant Business Analyst
Frank Bobak, Senior Systems Analyst
Beth Silvick, Senior Development Officer
Autumn Summerville, Development Officer
Debra Clark, Multifamily Coordinator
Michelle Lugo, Administrative Assistant
Joanna Ball, Tax Credit Officer
Adam Kitchen, Environmental/Site Specialist
Tajuanna Franklin, Office of Senator Austin Davis
Diane McNaughton, Office of Senator Brooks
Ryan Bailey, Pennrose
Levana Layendecker, Housing Alliance
Anne Francois, Housing Alliance
Bryan Shumway, Wishrock
Bob Totaro, RCT Advisors
Jenna McCarthy, Malady Wooten, Inc.
Ron Boston, Duane Morris Government Strategies, LLC
Jim Pianka, JMG
Robert Foggio, Jefferies LLC
Mitch Gallo, RBC Capital Markets, LLC
Joe Monitto, Bank of America Merrill Lynch
Greg Brunner, M&T Securities
Patrice Mitchell, Wells Fargo Bank, N.A.
Joe Tait, Raymond James
Paul Haley, Barclays
Alan Flannigan, Department of Banking and Securities
Robert Theil, NewCourtland Senior Services
Kimberly Smeal, Assistant Secretary
Maggie Strawser, 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 11, 2019 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, 2, 2019.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Wiessmann at 10:55 a.m. The roll was called and a quorum was present.

2. APPROVAL OF THE MINUTES FROM THE JUNE 20, 2019 BOARD MEETING

Chair Wiessmann requested that the June 20, 2019 Board minutes be amended to reflect the fact that she abstained from voting on the motion regarding the salary decisions made by the Board in Executive Session. The minutes will be amended to reflect this action.

A motion was made that the minutes from the June 20, 2019 Board meeting be approved as amended. This motion was seconded by Mr. Schwartz and was unanimously approved.

3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT

Mr. Lenker as Acting Chair of the Program and Development Review Committee reported that the Committee met prior to the Board meeting to discuss and review the following items.

A. Review and Approval of the 2019 PHARE Allocation of Resources

Mr. Marezki briefly reviewed the history of the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE). He noted that there are three funding sources for the PHARE program. They include the impact fee from drillings in the Marcellus Shale regions throughout the Commonwealth; the revenue from the Realty Transfer Tax (RTT) and the monies from the National Housing Trust Fund (HTF) which are determined by the volume of business done by FreddieMac and FannieMae.

For the current year, the Agency received \$7,500,000 from the Marcellus Shale impact fee; \$25,000,000 from the RTT revenue; and \$7,500,000 from the HTF. The monies are used to fund projects across the Commonwealth which meet certain criteria under the PHARE Allocation Plan.

The Board approved the Final Plan in March 2018 and applications for funding were to be submitted to the Agency by November 16, 2018.

The Agency received 315 applications requesting \$125,410,000 in PHARE funding across all three funding sources (47 applications requesting \$8,930,000 of Marcellus Shale funds; 239 applications requesting \$69,530,000 of RTT funds; and 60 applications requesting \$48,810,000 in HTF funds. Mr. Marezki noted that the Agency retains five percent of the total available funds for administration of the program.

Staff has reviewed all of the applications in accordance with the Plan. Staff recommends approval of the process.

Mr. Marezki noted that the cap on the RTT funding portion of the program has been raised from \$25,000,000 to \$40,000,000 with the approval of the State's Fiscal Year 2019/2020 budget. Mr. Hudson expressed his appreciation to Senator Haywood and Senator Vogel for their support in obtaining this increase. Needless to say, the Agency is very pleased with that increased funding.

Staff recommends approval of the resolution submitted to the Board regarding the processing of the PHARE programs and the projects.

Mr. Lenker thanked Mr. Marezki and the Agency staff for their work in reviewing all of the applications received and making recommendations to the Board. The Board was reminded that the resolution simply approved the process, not the individual projects.

Mr. Lenker made the motion that the Board approve the resolution regarding the processing of the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund programs and projects. This motion was seconded by Mr. Paone.

Mr Schwartz believes that the fact that the Legislature increased the PHARE funding to \$40,000,000 reflects directly on the Agency doing a good job and making the program work. Chair Wiessmann echoed Mr. Schwartz's comments.

Mr. Hudson congratulated Mr. Marezki and other staff members for job well done on this program. He also thanked the Board for their vote of confidence in Agency staff.

Chair Wiessmann called for a vote on the motion that the Board approve the resolution regarding the processing of the Pennsylvania Housing Affordability

and Rehabilitation Enhancement Fund programs and projects. The motion passed unanimously. (See Appendix 1 of these Minutes.)

B. Review and Approval of the 2019 Low Income Housing Tax Credit Allocation Process

Ms. Glauser reported that the Agency received 86 applications (one was withdrawn) for funding requesting in excess of \$95,000,000 in tax credits; in excess of \$13,000,000 in PennHOMES funds; and in excess of \$49,700,000 in PHARE funds. The Agency's tax credit allocating authority is \$35,299,459; less forward commitments and awards of additional tax credits to 2018 developments to date of over \$9,600,000.

She briefly reviewed the Allocation Plan process which staff undertook in evaluating and ranking each development.

A group of affordable housing professionals selected North Negley Residences in Pittsburgh as the "Innovation in Design" awardee. This project will receive special recognition for its excellence in design, implementation of current and future energy efficient technologies and leveraging community and capital resources.

Ms. Glauser also reported that staff is requesting authorization to make an allocation of 9% tax credits for the City's Edge project located in Pittsburgh. This project previously received approval from the Board for a conditional commitment of up to \$30,000,000 of private activity funds and a preliminary reservation of PHARE funds to support the 4% phase of the development.

Lastly Ms. Glauser noted that the Highpoint Towers development in Erie is the recipient of a \$750,000 award from the Capital Magnet Fund which has been awarded to the Agency by CDFI.

Mr. Lenker reported that the Program and Development Review Committee recommends approval of the 2019 Low Income Housing Tax Credit Allocation process.

Mr. Lenker made the motion that the Board approve the year 2019 Federal Low Income Rental Housing Tax Credit Allocation process and authorize certain Agency actions regarding program funding. This motion was seconded by Ms. Coutts and was unanimously approved. (See Appendix 2 of these Minutes.)

C. Approval of the Year 2020 RFP for Tax-Exempt Volume Cap

Ms. Glauser reported that each year the Agency issues a Request for Proposals for developments seeking private activity bond volume cap. For 2020, applicants must submit a preliminary application for review by the Agency for financial viability and tax credit eligibility. PHFA will determine preliminary feasibility of the application and will then invite those applicants who are eligible to submit a full underwriting application.

Staff is requesting the Board's approval of the Request for Proposals for 2020 Tax- Exempt Private Activity Bond Allocations.

Ms. Possinger made the motion that the Board approve the Request for Proposals for 2020 Tax- Exempt Private Activity Bond Allocations as presented by staff. This motion was seconded by Mr. Croushore and was unanimously approved. (See Appendix 3 of these Minutes.)

D. Approval of ReCLAIM Loan Requests

1. Givner Building, Homewood, Allegheny County

Mr. Maretzki reported that the Agency has entered into a partnership with The Heinz Endowments, the Richard King Mellon Foundation, the Pittsburgh Urban Redevelopment Authority and others to fund the Revised Community Leveraging Assistance Initiative (ReCLAIM) program which has been modeled after the success of the Agency's Mixed Use Facility Financing (MUFFI) program. This program will be offered in certain targeted neighborhoods to promote redevelopment.

The Board authorized a set-aside of \$1,500,000 for this program. This set-aside will be matched by both The Heinz Endowments and the RK Mellon Foundation.

Mr Maretzki reviewed the Givner Building project and its financing plan. He reported that the requested loan of \$600,000 would assist in the redevelopment of this vacant building along the commercial corridor in the Homewood neighborhood. It would provide six affordable housing units as well as commercial space. This project has the support of both The Heinz Endowments and the RK Mellon Foundation.

Staff recommends approval of this loan request in an amount not to exceed \$600,000.

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

Mr. Lenker made the motion that the Board approve the resolution authorizing the funding of the ReCLAIM initiative proposal for the Givner Building. This motion was seconded by Mr. Nese and was unanimously approved. (See Appendix 4 of these Minutes.)

2. Boston Store Place, Erie, Erie County

Mr. Maretzki reported that the Agency has entered into a partnership with The Erie Community Foundation and other public and private funders in Erie County to fund this Revised Community Leveraging Assistance Initiative (ReCLAIM) program which has been modeled after the success of the Agency's Mixed Use Facility Financing (MUFFI) program. This program is being offered as a pilot program in the City of Erie and they are seeking applications for projects that are part of a comprehensive strategy for redevelopment and community revitalization in certain neighborhoods.

The Board previously authorized a set-aside of \$1,000,000 for this program. This set-aside is being matched by The Erie Community Foundation and other funders committing local resources as a match for the program.

Mr. Maretzki reviewed the Boston Store Place project and its financing plan. He reported that the requested loan of \$1,000,000 would assist with the purchase and the rehabilitation of the Boston Store located in the Central Business District of Erie.

Staff recommends approval of this loan request in an amount not to exceed \$1,000,000.

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

Mr. Lenker made the motion that the Board approve the resolution authorizing the funding of the ReCLAIM initiative proposal for the Boston Store Place project. This motion was seconded by Mr. Croushore and was unanimously approved. (See Appendix 5 of these Minutes.)

E. Portfolio Preservation Refinancing – Hulton Arbors, Penn Hills, Allegheny County

Mr. Dudeck reported that the owner of this project has requested permission to prepay the mortgage. The Agency must be assured that the development will extend the use agreement to ensure that the units remain as affordable housing stock in Pennsylvania for at least 30 years. The Agency must not incur any economic losses because of the refinancing and the refinancing must not create an economic hardship on the development. Staff has been assured that these conditions will be met.

Mr. Dudeck briefly reviewed the project and its financing plan. He stated that staff recommends approval of this request.

Mr. Lenker reported that the Program and Development Review committee concurs with staff's recommendation of approval.

Mr. Lenker made the motion that the Board approve the resolution authorizing portfolio preservation refinancing for the Hulton Arbors project. This motion was seconded by Ms. Possinger and was unanimously approved. (See Appendix 6 of these Minutes.)

F. Other Business

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

4. INVESTMENT BANKER REPORT

Mr. Gallo of RBC Capital Markets presented the investment banker report.

He reported that the economy remains strong despite the trade tensions and it is expected that it will continue along that same path. He stated that private savings are at a record high and consumer spending and confidence also remain strong. Finally, he reported that inflation remains exceptionally stable. Trade tensions do exist however.

Mr. Gallo stated that there has been very strong job growth and employment rates have also been increasing.

5. DEVELOPMENT STATUS REPORT

There were no comments or questions on this report.

6. PHFA INVESTMENT REPORT

There were no comments or questions on this report.

7. **OTHER BUSINESS**

A. **No August, 2019 Board Meeting**

Mr. Hudson reported that there will not be an August Board meeting. Should anything arise where a meeting needs to be convened, the members will be contacted by the Secretary.

B. **Conference Call Board Meetings**

Mr. Hudson reported that both the September 12 and October 10 Board meetings will likely be conference call meetings. Members will be contacted by the Secretary regarding these meetings.

C. **November Board Meeting**

Mr. Hudson informed the Board that the meeting date for the November meeting has been changed to Wednesday, November 6 and will be held in Philadelphia in the City Council's Chamber. There will be a dinner on Tuesday, November 5 at a place to be determined. The Secretary will be in contact with the members regarding this meeting as the date approaches. Any questions should be directed to the Secretary.

D. **Meeting with FHFA Director**

Mr. Hudson reported that NCSHA has scheduled a meeting with FHFA Director Mark Calabria later this month. Mr. Hudson has been invited to attend. The purpose of the meeting would be to inform the Director of the impact that housing finance agencies have on affordable housing.

E. **Meeting with FannieMae**

Mr. Hudson reported that NCSHA has also scheduled a meeting with FannieMae to discuss student debt. They want to discuss how to assist those with student debt to be able to qualify for home purchase. Mr. Hudson will report the findings of this meeting to the Board.

G. **House Bill 751**

Ms. Coutts reported that the Pennsylvania Builders Association is pleased to announce that the Governor signed HB 751 into law on July 2, 2019. This legislation remediated a recent change in federal tax law that had affected the way local utilities passed through taxes, resulting in higher construction costs of new homes.

H. **Other Business**

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

8. **ADJOURNMENT**

There being no further business to be discussed, a motion was made and seconded that the Board meeting be adjourned. The motion was unanimously approved. The meeting adjourned at 11:50 a.m.

The next monthly meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held at the Agency on Thursday, September 12, 2019 at 10:30 a.m.

Respectfully submitted,

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

Carrie M. Barnes
Secretary

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY APPROVING THE
PROCESSING OF PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION
ENHANCEMENT FUND (PHARE) PROGRAMS AND PROJECTS**

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... "; and

WHEREAS, in November 2010, the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program ("PHARE") was enacted (Act 105 of 2010), establishing a housing trust fund; which can be used to provide dwellings for rent or purchase to low and moderate-income individuals or families; increase the availability or quality of housing for elderly persons and accessible housing for persons with disabilities; prevent and reduce homelessness; development and rehabilitation of distressed neighborhoods; mortgage or rental assistance including housing counseling, foreclosure prevention and refinancing products; or provide loans or grants to low and moderate income owner occupants for repairs or improvements of their homes; and

WHEREAS, PHARE allows the Agency to give preference to projects that meet specific goals, to consider geographical distribution of program funds, and to make 30% of funds available for housing programs benefitting households with incomes less than 50% of the median area income; and

WHEREAS, PHARE currently has three separate sources; derived from (a) Act 13 of 2012 ("Impact Fee Act"), which provides for impact fees relating to activity in the Marcellus Shale region of the Commonwealth and includes funding for PHARE in certain counties of the Commonwealth (not less than 50% of the funds must be used in 5th, 6th, 7th and 8th class counties); (b) Act 58 of 2015 which provides revenue from the Realty Transfer Tax (RTT) to PHARE program activities in all 67 counties of the Commonwealth; based on a formula that makes revenue available to the PHARE fund equal to the lesser of forty percent (40%) of the difference between the total dollar amount of the RTT imposed under section 1102-C of the Tax Reform Code of 1971, collected for the prior fiscal year and the total amount of RTT estimated for the fiscal year beginning July 1, 2014; capped at \$25 million (\$40 million in 2020); and (c) the National Housing Trust Fund (HTF), enacted as part of the Housing and Economic Recovery Act of 2008 (HERA), P.L. 110-289 (July 30, 2008), and funded through an annual assessment of the volume of business of Freddie Mac and Fannie Mae; and

WHEREAS, in accordance with PHARE, the Agency adopted, after public comment, a plan establishing priorities and describing the method in which PHARE program funds will be distributed; and

WHEREAS, the Agency issued a request for proposals for application to PHARE and applications were received and reviewed by staff; and

WHEREAS, staff has outlined and reviewed with the Board the process undertaken in evaluating PHARE applications to meet the funding criteria for the PHARE program and achieve geographic and fund distribution.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 11th day of July, 2019, as follows:

Section 1. The Agency has determined that staff has properly applied its evaluation and review criteria for the PHARE program in accordance with the PHARE Plan.

Section 2. Staff is hereby authorized and directed to take all steps necessary to administer the allocation of PHARE funds throughout the Commonwealth in accordance with the staff recommendation (as outlined on the attached addendum) and to provide appropriate contracts outlining monitoring, reporting, record keeping, and low income set aside requirements.

Section 3. All 2019 projects which have been identified for funding in the Low Income Housing Tax Credit Program (as listed on the addendum to this Resolution and notated by an asterisk) are further subject to the conditional reservation processing requirements of the Agency and may be adjusted, recaptured or reallocated by staff as necessary to achieve program efficiency and funding requirements.

Section 4. This resolution shall take effect immediately.

2019 PHARE Resolution Addendum

| <u>Total Award (per County)</u> | <u>County</u> | <u>Project</u> | <u>Award</u> | <u>Program</u> |
|-------------------------------------|--------------------------|--|--------------|----------------|
| \$100,000 | Adams | Biglerville Country Store Rehab | \$50,000 | RTT |
| | | Home First 19 Program | \$50,000 | RTT |
| \$1,230,000 | Allegheny | A Safe Place Matters | \$50,000 | RTT |
| | | 2133 and 2155 Perrysville Ave | \$200,000 | RTT |
| | | Oakland Community Land Trust | \$100,000 | RTT |
| | | Housing Counseling for Allegheny County Save Your Home Program | \$100,000 | MS |
| | | Lawrenceville Community Land Trust Phase 3 | \$120,000 | RTT |
| | | Northside Home Rehabilitation | \$75,000 | RTT |
| | | Larimer Two-Home Development | \$100,000 | RTT |
| | | Family Healing Center | \$200,000 | RTT |
| | | Homeless Services and Supports Coordination to Access Affordable Housing | \$70,000 | RTT |
| | | Garfield Affordable Homeownership Project | \$200,000 | RTT |
| | | Financial Empowerment for Veterans | \$15,000 | RTT |
| \$100,000 | Allegheny/ Washington | CGF Site Assembly and Pre-Development Loan Program | \$100,000 | RTT |
| \$398,000 | Armstrong | Armstrong County PHARE Homeless Housing | \$148,000 | MS |
| | | McKean Street Housing | \$250,000 | RTT |
| \$275,000 | Beaver | Verland Center Township Residences | \$200,000 | RTT |
| | | Home Modification Program | \$50,000 | RTT |
| | | Rental and Utility Assistance | \$25,000 | MS |
| \$100,000 | Bedford | Defiance Senior Apartments | \$100,000 | RTT |
| \$425,000 | Berks | Forensic Tenant-Based Rental Assistance | \$200,000 | RTT |
| | | NHS of Greater Berks Down Payment Assistance Program | \$150,000 | RTT |
| | | Family Shelter | \$50,000 | RTT |
| | | Financial Literacy & Assistance with Housing Partnership | \$25,000 | RTT |
| \$125,000 | Blair | Blair County Housing Assistance Program | \$50,000 | MS |
| | | North Branch Avenue Shelter Apartment Development | \$75,000 | RTT |
| \$750,000 | Bradford | Bradford County Home Purchase Assistance Program | \$600,000 | MS |
| | | Bradford County Home Owner Rehabilitation Program | \$150,000 | MS |
| \$775,000 | Bucks | Housing Opportunities for Reentry Population | \$250,000 | RTT |
| | | 131 Harrison Rehabilitation | \$250,000 | RTT |
| | | Expanding Homeless Service Solutions | \$275,000 | RTT |
| \$334,000 | Butler | Butler County Home Accessibility Program | \$100,000 | RTT |
| | | Butler County Acquisition Rehab Program | \$144,000 | MS |
| | | Homeowner Occupied Rehab Program | \$90,000 | MS |
| \$110,000 | Cameron | Cameron County Homeless Prevention Program | \$50,000 | MS |
| | | Cameron County First Time Home Buyer Assistance Program | \$60,000 | MS |

| <u>Total Award (per County)</u> | <u>County</u> | <u>Project</u> | <u>Award</u> | <u>Program</u> |
|-------------------------------------|---------------------------|---|--------------|---------------------------|
| \$197,000 | Centre | THF Energy+ Affordable Rental Rehab | \$50,000 | RTT |
| | | State College Borough - Energy+ Housing Rehabilitation Project | \$75,000 | RTT |
| | | SCCLT Energy+ Housing Rehabilitation Project | \$50,000 | RTT |
| | | Rental Assistance Program | \$22,000 | MS |
| \$1,080,000 | Chester | Homelessness Prevention and Diversion | \$55,000 | RTT |
| | | Locust Court Windows | \$100,000 | RTT |
| | | Safe Harbor of Chester County, Inc. | \$150,000 | RTT |
| | | Housing Locator Program | \$100,000 | RTT |
| | | Homeless Prevention Program | \$75,000 | RTT |
| | | Gaudenzia Concord Place | \$50,000 | RTT |
| | | Decade to Doorways System Prioritization and Realignment | \$350,000 | RTT |
| | | Melton Center Expanded Services Program | \$200,000 | RTT |
| | | \$40,000 | Clarion | Rental Assistance Project |
| \$125,000 | Clearfield | ECHO 2 Demonstration Project | \$50,000 | RTT |
| | | Affordable Housing Rehabilitation | \$60,000 | MS |
| | | Specialized Housing Counselor | \$15,000 | RTT |
| \$50,000 | Clinton | Rental Assistance and Education Project, Year 5 | \$50,000 | MS |
| \$200,000 | Columbia | Silk Mill Apartments | \$200,000 | RTT |
| \$50,000 | Crawford | Assisted Re-Entry for Maximum Success | \$50,000 | RTT |
| \$470,000 | Cumberland | The Stuart House Apartments | \$70,000 | RTT |
| | | Blight Remediation RLF | \$400,000 | RTT |
| \$1,775,000 | Dauphin | The Beatrice House | \$125,000 | RTT |
| | | Dauphin County Transitional Living Program | \$50,000 | RTT |
| | | Mulder Square-Hummel Street Townhomes | \$500,000 | RTT |
| | | Coordinated Entry Hub | \$50,000 | RTT |
| | | Transitions | \$50,000 | RTT |
| | | Camp Curtin YMCA Housing Development | \$300,000 | RTT |
| | | TLC Midtown Renewal Project | \$400,000 | RTT |
| | | Ecumenical Community of Harrisburg | \$300,000 | RTT |
| \$225,000 | Delaware | First Time Home Buyer Program | \$125,000 | RTT |
| | | Rental Assistance Program | \$100,000 | RTT |
| \$15,000 | Delaware/ Philadelphia | Homeownership Education and Counseling | \$15,000 | RTT |
| \$135,000 | Elk | Housing Stability Project | \$60,000 | MS |
| | | Housing Rehabilitation, Accessibility Modifications and Slum and Blight Remediation | \$75,000 | MS |
| \$450,000 | Erie | Aaron Michael's Place-Royal Homes | \$300,000 | RTT |
| | | City of Erie Blight Reduction | \$100,000 | RTT |
| | | Doorways Collaborative | \$50,000 | RTT |
| \$225,000 | Fayette | Neighborhood Stabilization Initiative | \$125,000 | MS |
| | | Country Estates | \$100,000 | RTT |
| \$60,000 | Forest/Warren | Supportive Housing Initiative-Master Leasing/Bridge Subsidy Program | \$60,000 | RTT |
| \$600,000 | Franklin | Franklin County Housing Initiative | \$150,000 | RTT |
| | | Molly Pitcher Landing | \$450,000 | RTT |

| <u>Total Award (per County)</u> | <u>County</u> | <u>Project</u> | <u>Award</u> | <u>Program</u> |
|-------------------------------------|--------------------|--|--------------|----------------|
| \$900,000 | Greene | Home Purchase Fund Program | \$100,000 | MS |
| | | Nineveh Heights | \$800,000 | MS |
| \$100,000 | Huntingdon | Robertsdale Senior Apartments | \$100,000 | MS |
| \$100,000 | Indiana | 55+ Roof and Heating Systems Replacement Program | \$100,000 | MS |
| \$75,000 | Jefferson | Housing Emergency Repair Assistance Program | \$75,000 | MS |
| \$23,000 | Juniata | Juniata County Housing Support Program | \$23,000 | RTT |
| \$600,000 | Lackawanna | Cabrini Safety & Expansion of Services | \$100,000 | RTT |
| | | Goodwill at North | \$500,000 | RTT |
| \$956,000 | Lancaster | Community Rental Equity Fund | \$31,000 | RTT |
| | | Manufactured Housing Repair Program | \$250,000 | RTT |
| | | Eviction Prevention Counseling Program | \$25,000 | RTT |
| | | Blight Remediation Program | \$250,000 | RTT |
| | | Saxony Ridge Apartments | \$400,000 | RTT |
| \$225,000 | Lawrence | Lawrence County Expansion | \$50,000 | RTT |
| | | Blight Removal Program | \$175,000 | MS |
| \$175,000 | Lebanon | Central Lebanon Acquisition/Rehab for Resale | \$175,000 | RTT |
| \$300,000 | Lehigh | Lazarus Housing Properties | \$100,000 | RTT |
| | | Allentown Housing Rehab Project | \$200,000 | RTT |
| \$75,000 | Lehigh/Northampton | Rapid Rehousing | \$75,000 | RTT |
| \$300,000 | Luzerne | Volunteers of America, Haven Home | \$175,000 | RTT |
| | | Luzerne County Senior/Disabled Home Retention Program | \$125,000 | RTT |
| \$15,000 | Luzerne/Monroe | Housing Counseling and Homeless Prevention Program | \$15,000 | RTT |
| \$1,150,000 | Lycoming | Project 1: STEP, Inc. - Homes-in-Need | \$300,000 | MS |
| | | Project 2: STEP, Inc. - Supportive Housing Program | \$200,000 | MS |
| | | Project 3: Transitional Living Centers - Master Leasing Program | \$200,000 | MS |
| | | Project 4: STEP, Inc. - Urgent Need Home Repair Program | \$25,000 | MS |
| | | Project 5: City of Williamsport - Park Avenue Neighborhood Rental Rehabilitation Program | \$200,000 | MS |
| | | Project 6: American Rescue Workers - Rental Assistance Program | \$100,000 | MS |
| | | Project 7: Greater Lycoming Habitat for Humanity - Building Stability One Home at a Time | \$55,000 | MS |
| | | Project 8: YWCA North Central PA - Liberty House | \$70,000 | MS |
| \$110,000 | McKean | New Housing Construction and Single Family Housing Rehabilitation Project | \$60,000 | MS |
| | | Housing and Employment Services - Emergency Homeless Shelter | \$50,000 | RTT |
| \$18,000 | Mercer | CCC Rental Assistance | \$18,000 | MS |
| \$35,000 | Mifflin | Housing Stability Program | \$35,000 | RTT |

| <u>Total Award (per County)</u> | <u>County</u> | <u>Project</u> | <u>Award</u> | <u>Program</u> |
|-------------------------------------|---------------|--|--------------|----------------|
| \$245,000 | Monroe | Senior Housing Rehabilitation Program | \$100,000 | RTT |
| | | Affordable Housing Rehab for Pocono Community Land Trust | \$70,000 | RTT |
| | | Project Self Sufficiency | \$75,000 | RTT |
| \$860,000 | Montgomery | Supporting Returning Citizens Access to Housing through a Manual and Training for LIHTC Property Managers | \$75,000 | RTT |
| | | Emergency Generator at Sidney Pollock House | \$285,000 | RTT |
| | | Your Way Home | \$500,000 | RTT |
| \$475,000 | Northampton | Gaurite Lofts | \$225,000 | RTT |
| | | Conserve, Preserve, and Revitalize Northampton County | \$250,000 | RTT |
| \$3,370,000 | Philadelphia | The Philadelphia Co-Living Program | \$200,000 | RTT |
| | | Rapid Re-Housing and Case Management for Philadelphia's Survivors of Domestic Violence | \$100,000 | RTT |
| | | PhillySEEDS First Time Homebuyer Closing Cost Assistance Program | \$50,000 | RTT |
| | | Yorktown Arms Rehabilitation and Efficiency Improvement Program | \$75,000 | RTT |
| | | Free Income Tax Preparation Services as a Gateway to Housing Counseling | \$50,000 | RTT |
| | | Housing Agency Enhancement | \$15,000 | RTT |
| | | Esperanza Opportunity Community Pilot Phase 1 | \$300,000 | RTT |
| | | Expansion of Pilot Project to Assist Seniors Facing the Loss of their Homes Due to Property Tax Foreclosures | \$300,000 | RTT |
| | | Solarize Philly Special Financing Pilot | \$200,000 | RTT |
| | | Action Wellness Reentry Housing Project | \$75,000 | RTT |
| | | Middle Neighborhoods Initiative - Northwest Philadelphia | \$150,000 | RTT |
| | | Family Homelessness Prevention/Shelter Diversion Program | \$75,000 | RTT |
| | | Rights of Passage II | \$200,000 | RTT |
| | | Philadelphia Home Buy Now | \$100,000 | RTT |
| | | Health & Housing Partnership Program | \$50,000 | RTT |
| | | Fitzwater Homes Preservation Project | \$200,000 | RTT |
| | | Oxford Green | \$200,000 | RTT |
| | | Mortgage Retention Fund | \$15,000 | RTT |
| | | The West Philadelphia Handyman Program | \$200,000 | RTT |
| | | Mission Homeownership! | \$200,000 | RTT |
| | | Home Preservation Initiative | \$200,000 | RTT |
| | | Northeast Philadelphia Homeownership Initiative | \$15,000 | RTT |
| | | Walnut Park Plaza | \$200,000 | RTT |
| Mantua Preservation Project | \$200,000 | RTT | | |
| \$200,000 | Pike | Emergency Safe Housing Assistance Program & Senior Bridge Rental Assistance Housing Program | \$200,000 | RTT |
| \$60,000 | Potter | Potter County Homeless Prevention Program | \$60,000 | MS |
| \$1,075,000 | Schuylkill | Miners Loft | \$1,075,000 | RTT |
| \$75,000 | Snyder/Union | Bridges to Housing Stability | \$75,000 | RTT |

| <u>Total Award (per County)</u> | <u>County</u> | <u>Project</u> | <u>Award</u> | <u>Program</u> |
|--|----------------------|--|---------------------|-----------------------|
| \$75,000 | Somerset | D.W. Seibert House & Fox House | \$75,000 | RTT |
| \$80,000 | Sullivan | Rental Assistance Program | \$80,000 | MS |
| \$874,000 | Susquehanna | Susquehanna County Home Purchase and Repair Program | \$300,000 | MS |
| | | Susquehanna County Rental and Utility Assistance Program | \$124,000 | MS |
| | | Hallstead Affordable Housing | \$450,000 | MS |
| \$373,000 | Tioga | Cleveland Dream Center, Inc. | \$200,000 | MS |
| | | David's by the Lake | \$82,500 | MS |
| | | Kenner Court / Garnet House | \$90,500 | MS |
| \$50,000 | Venango | Housing Rehab and Blight Removal Program | \$50,000 | RTT |
| \$1,332,500 | Washington | South Strabane Community Housing Project | \$700,000 | MS |
| | | Washington County Home Purchase Fund | \$52,500 | MS |
| | | Reentry Housing & Self-Sufficiency Program | \$75,000 | RTT |
| | | Valley View At Canonsburg Single Bedroom Apartments Rehabilitation Project | \$105,000 | MS |
| | | Canonsburg Senior Lofts | \$400,000 | RTT |
| \$300,000 | Westmoreland | Union Mission | \$75,000 | RTT |
| | | Accessible Housing Program | \$100,000 | RTT |
| | | The SMART Housing Program | \$125,000 | RTT |
| \$276,000 | Wyoming | Wyoming County Home Buyer Assistance Program | \$126,000 | MS |
| | | Ruth Matthews Bourger Women with Children Program at Misericorida University | \$150,000 | RTT |
| \$328,600 | York | York County Homeless Rental Assistance and Homeless Prevention | \$100,000 | RTT |
| | | Foreclosure Intervention for Seniors | \$26,000 | RTT |
| | | Renter Readiness - Educational Workshops | \$12,600 | RTT |
| | | YWCA York Transitional Housing Enhancements | \$75,000 | RTT |
| | | East Side Community and Health Center with Veterans Housing | \$100,000 | RTT |
| | | One-on-One Counseling | \$15,000 | RTT |
| \$435,000 | Regional | Project New Start | \$75,000 | RTT |
| | | Project Shape Expansion | \$100,000 | RTT |
| | | Eastern Region Continuum of Care Coordinated Entry Access Sites | \$65,000 | RTT |
| | | Stabilizing Homeownership for Low-to-Moderate Income Seniors | \$15,000 | RTT |
| | | Comprehensive Financial Education Initiative | \$15,000 | RTT |
| | | Cupboards of Care | \$50,000 | RTT |
| | | Mortgage Foreclosure Mitigation Program | \$15,000 | RTT |
| | | Stabilize Housing for Low-to-Moderate Income Families through Education | \$15,000 | RTT |
| | | Solving Pennsylvania's Personal Care Assistant Crisis | \$25,000 | RTT |
| | | Pocono Rental Assistance Program | \$60,000 | RTT |
| \$240,000 | Statewide | Sustaining Permanent Housing for Low Income Rural Populations | \$240,000 | RTT |

| <u>Total Award (per County)</u> | <u>County</u> | <u>Project</u> | <u>Award</u> | <u>Program</u> |
|---------------------------------------|----------------|--|----------------------------|----------------|
| Low Income Housing Tax Credit: | | | | |
| \$8,677,237 | Allegheny | Natrona Heights (LIHTC)* | \$542,218 | RTT |
| | | New Granada Square Apartments (LIHTC)* | \$500,000 | RTT |
| | | Penn Hills aka Emerald Hills Retirement Residence (LIHTC)* | \$949,081 | HTF |
| | | Flats on Forward (LIHTC)* | \$1,000,000 | RTT |
| | | Larimer CNI Phase IV (LIHTC)* | \$1,000,000 | HTF |
| | | City's Edge (LIHTC) | \$500,000 / \$1,000,000 | RTT / HTF |
| | | North Negley Residences (LIHTC)* | \$1,250,000 | RTT |
| | | Clairton Inn Revitalization (LIHTC)* | \$1,000,000 | RTT |
| | | Sixth Ward Flats (aka Doughboy Affordable Living) (LIHTC) | \$935,938 | HTF |
| \$1,000,000 | Butler | Glade Run-Jeremiah Village (LIHTC)* | \$1,000,000 | HTF |
| \$1,174,400 | Centre | Cherry Lane Apartments (LIHTC)* | \$500,000 / \$674,400 | RTT / HTF |
| \$2,500,000 | Chester | Melton Center Apartments (LIHTC)* | \$875,000 | HTF |
| | | Red Clay Manor I (LIHTC)* | \$500,000 | RTT |
| | | Liberty House Preservation (LIHTC)* | \$125,000 / \$1,000,000 | RTT / HTF |
| \$1,340,000 | Dauphin | TLC Cornerstone Renewal (LIHTC)* | \$500,000 / \$840,000 | RTT / HTF |
| \$1,431,252 | Delaware | Kinder Park Redevelopment - Phase IV (LIHTC)* | \$500,000 / \$931,252 | RTT / HTF |
| \$500,000 | Lehigh | Episcopal House (LIHTC)* | \$500,000 | RTT |
| \$674,400 | Luzerne | Dupont Housing for the Elderly (LIHTC)* | \$674,400 | HTF |
| \$656,642 | Montgomery | Summit House (LIHTC)* | \$656,642 | HTF |
| \$1,000,000 | Northampton | The Mill at Easton (LIHTC)* | \$1,000,000 | HTF |
| \$500,000 | Northumberland | Mountainside Estates (LIHTC)* | \$500,000 | RTT |
| \$5,229,000 | Philadelphia | Sharswood Phase I (LIHTC)* | \$500,000 / \$750,000 | RTT / HTF |
| | | Rowan Judson Diamond (LIHTC)* | \$1,000,000 | HTF |
| | | Lillia Crippen Townhomes Preservation Development (LIHTC)* | \$729,000 | HTF |
| | | St. Rita Place (LIHTC)* | \$750,000 | HTF |
| | | Nicole Hines Townhomes (LIHTC)* | \$1,000,000 | HTF |
| | | Apartments at New Market West (LIHTC)* | \$500,000 | RTT |
| \$500,000 | Schuylkill | Frackville Flats (LIHTC)* | \$500,000 | RTT |

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING THE YEAR 2019 FEDERAL LOW INCOME RENTAL HOUSING TAX CREDIT
ALLOCATION PROCESS AND AUTHORIZING CERTAIN AGENCY ACTIONS REGARDING
PROGRAM FUNDING**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") exists and operates by virtue of and pursuant to the housing finance agency law, (1959, Dec. 3, P.L. 1688, as amended, 35 P.S. 1680.101, et seq.) (hereinafter, "the Act"), and pursuant to Executive Order 87-9, the Agency is designated as the tax credit allocating agency of the Commonwealth of Pennsylvania; and

WHEREAS, pursuant to Section 42(m) of the Internal Revenue Code of 1986, as amended, (the "Code"), the Agency adopted a qualified allocation plan (the "Year 2019-2020 Plan") authorizing the low income rental housing tax credit program (the "Program"), sought and received approval by the Governor of the Year 2019-2020 Plan and invited Year 2019 applications; and

WHEREAS, in approving the Year 2019-2020 Plan, the Board directed staff to present the results of the ranking and scoring process undertaken in the Program to the Board for review prior to announcing preliminary reservations of federal low income housing tax credits ("tax credits"); and

WHEREAS, staff has outlined and reviewed with the Board the process undertaken in evaluating Year 2019 Program applicants; and

WHEREAS, due to strategic needs and timing of resource commitments, staff has recommended and the Board has determined to undertake additional processing review of several projects identified through the initial evaluations, subject to satisfaction of program conditions within 90 days, and has further agreed to adjust preferences, modify a set-aside and waive minimum ranking scoring in specific instances to achieve Commonwealth housing goals; and

WHEREAS, the Agency expects to have approximately \$16.5 in funding for rental housing through the PHARE Realty Transfer Tax and federal Housing Trust Fund program, approximately \$7.5M in federal HOME program, \$3M in Capital Magnet Fund program resources for preservation properties, and additional recaptured or repaid funds (collectively "Agency Funds"), which are subject to various rules and deadlines and which will be used to supplement, adjust and leverage the tax credits ultimately allocated to qualified projects.

NOW THEREFORE, be it resolved by the Board of the Pennsylvania Housing Finance Agency on the 11th day of July, 2019, as follows:

Section 1. The Board has determined that the staff has properly applied the ranking and scoring process adopted by the Board for tax credits in the Year 2019 Program.

Section 2. Staff shall administer the allocation of Agency Funds to achieve program efficiency, achieve leveraging of resources and attain program compliance.

Section 3. Staff shall confirm financial viability and reservation qualification of Clairton and Flats on Forward and is authorized to provide a conditional reservation of Year 2020 9% tax credits for the City's Edge development to facilitate tax exempt financing in accordance with the Year 2019-2020 Allocation Plan subject to 2019 processing timeframes.

Section 4. This Resolution shall take effect immediately.

**PENNSYLVANIA HOUSING FINANCE AGENCY
REQUEST FOR PROPOSALS**

2020 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 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 2020 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 certain processing and underwriting criteria and the continued availability of volume cap for these purposes. All references herein to the “Code” refer to the Internal Revenue Code of 1986, as amended.

REQUEST FOR PROPOSALS SUMMARY

This RFP announces the availability of volume cap for the funding of multifamily developments on a first-come, first-served basis in 2020. 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 2019-2020 Allocation Plan for Low Income Housing Tax Credits (“Allocation 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 Allocation Plan in order to qualify for the Tax Credits associated with the tax-exempt bond financing.

To qualify for 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. The Agency may reject any application providing inadequate assurance of any of these qualifications or if there are unaddressed technical concerns relating to the financing.

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.

For 2020, the Agency will use a two-step application process which includes the submission of a Preliminary Application followed by a full Underwriting Application. Preliminary Applications will be accepted by the Agency, on a first come, first served basis, on or after **November 1, 2019** until **April 1,**

2020. The Agency will evaluate complete Preliminary Applications based on the requirements set forth herein within 60 days from the receipt of the Preliminary Application. If the Preliminary Application is approved by Agency staff, applicants may submit a full Underwriting Application. Underwriting Applications will not be accepted after **June 1, 2020**. In the event a Preliminary Application is rejected by the Agency, applicants may resubmit a Preliminary Application for consideration until **April 1, 2020** upon payment of the applicable Preliminary Application Fee. The Agency may extend any deadline based upon volume cap availability and evidence of the applicant's ability to meet appropriate timeframes. All applicants are urged to submit complete Preliminary Applications early 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 program timeframes.

The Agency will attempt to complete its review of the full Underwriting Application and provide a **preliminary allocation within three months from the receipt of** this submission. (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 approved by the Board, the developer and its bond finance team **must** close on the real estate and financing, issue bonds and commence construction **within ninety (90) days of the approval date**. To ensure time for Agency staff processing, in no event will closings be allowed after December 11, 2020. 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 non-refundable application processing fee. Developers and bond issuers are advised to review funding sources, commitments and financing structures to ensure they can meet all deadlines for year 2020 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.

If Agency tax exempt bond financing is requested, please provide notice to the Agency at least 30 days prior to Preliminary Application submission in the form of the Tax-Exempt Term Sheet with a proposed operating budget. (The applicable forms may be found on PHFA's website and submitted directly to PHFA's Manager of Multifamily Underwriting.) Applications seeking volume cap in excess of \$25 million may be required to utilize Agency financing.

PRELIMINARY APPLICATION REQUIREMENTS

For 2020, applicants must submit a Preliminary Application for consideration, which will consist of the submission of a Preliminary Application Fee of \$3,000 (or \$1,500 per project for portfolio applications) and each of the following items outlined in the 2019-2020 Multifamily Housing Application Package ("Application Package") and Guidelines ("Guidelines").

- Tab 1 – Development Synopsis;
- Tab 2 - Development Budget, Operating Budget, Rent Mix and 35 year pro forma (including commercial space if mixed-use building);
- Tab 7 – Appraisal (if required);
- Tab 21 – Construction and/or Permanent Financing Letters of Intent (including commercial space if mixed-use building);

- The Agency strongly encourages utilization of its first mortgage products in all affordable multifamily developments including tax credit financings. Applicable rates, terms and conditions are available on our website. For more information, please contact the Agency.
- Applicants seeking more than \$25M in volume cap may be required to use PHFA as bond issuer;
- Tab 40 - Bond Strategy Summary;
- Identify all required HUD and/or Public Housing Authority approvals and provide a detailed timeline for approval; and
- Identify all required municipal approvals (zoning, subdivision, lot consolidation, land plan) and provide a detailed timeline for approval.

Applications seeking Tax Credits must submit the following:

- Tab 3 – Preliminary Self Ranking;
- Tab 23 – Syndication/Equity Investment Information; and
- Tab 29 – Waiver Requests. Identify all Tax Credit Program waiver requests that will be sought in connection with the award of Tax Credits, including, but not limited to, development and unit amenities, maximum basis and development cost limits, and accessible and affordable unit policy.

Upon receipt of the Preliminary Application, Agency staff will review the above submission documents for financial viability. Tax Credit applications must also demonstrate the ability to meet the threshold criteria and minimum scoring criteria set forth in the Allocation Plan. Within 60 days of receipt of the Preliminary Application, Agency staff will provide written approval (or rejection) of the Preliminary Application.

UNDERWRITING APPLICATION REQUIREMENTS

Applicants that successfully complete the Preliminary Application will be invited to submit a full Underwriting Application, which will consist of ALL applicable submission requirements in the Application Package. The applicant and the proposed bond issuer must jointly submit online a completed Underwriting Application plus one hard copy. (The Application Package is available on the Agency’s website, www.phfa.org.) The Underwriting Application must be consistent with the approved Preliminary Application including, but not limited to, the proposed rent and income structures, approved operating budget, development team members, financial sources and structures, development site. **Any substantial change or modification from the approved Preliminary Application will result in the Agency’s rejection of the Underwriting Application.**

Each application for tax exempt issuing authority must be prepared in accordance with the Guidelines and must include all required submission requirements in the Application Package, including fees. The Application Package must include a narrative outlining the following:

- 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 a 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 35 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 15 year initial compliance 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 must be included with the application, addressed to the Agency, signed by the owner, general partner or sponsor as well as 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 (for local bond issuers only);
- 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; bond trustee; and credit enhancement entity).

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

- The amount of the volume cap request;
- Whether there will be more than one series or subseries of bonds (whether tax exempt or taxable), and if the bonds will be used for construction financing, permanent financing, or both;
- The term of bonds. If any portion of the bonds will be taken out by another financing source, identify the source and provide a letter outlining take out terms;
- The purchaser of the bonds if there will be a private placement.
- Developments utilizing local issuers other than PHFA must provide evidence, satisfactory to the Agency, that the governmental unit which issued the bonds has made a determination of the financial feasibility of the project and qualification as a low income housing project as required by Section 42(m)(2)(D).

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).

SUBMISSION OF APPLICATION FEES IDENTIFIED IN THE GUIDELINES

Upon submission of a Preliminary Application for a single project being financed with Tax Exempt bonds, the applicant is required to pay a Preliminary Application Fee equal to \$3,000. A \$1,500 Preliminary Application Fee is due for each existing housing development included in a portfolio application (which is generally one consisting of more than one existing housing development.) Applicants that are authorized to move forward and interested in submitting a full Underwriting Application are required to pay one-half of the estimated Tax Credit Allocation Fee with the Underwriting Application. The final Tax Credit Allocation Fee will be based on the amount of Tax Credits determined to be available to the project at the conclusion of the Cost Certification review. 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 three (3) weeks before closing). These fees are nonrefundable and will be retained by the Agency if the Project fails to meet timelines or proceed to closing for any reason.

Additionally, any and all costs incurred in this application process are the sole responsibility of the applicant. Upon Board approval of the tax exempt bond financing (or appointment of bond counsel, if earlier), deposits toward the bond issuance fees will be required. For projects using the Agency as bond

issuer, reimbursement agreements covering all costs and expenses to be incurred by the Agency will be required. The Agency will select and assign all professionals to the financing team if it serves as bond issuer (including bond counsel and trustee).

MINIMUM CRITERIA FOR AGENCY REVIEW

To be considered, developments must meet the minimum qualifications set forth below:

- The volume cap requested may not exceed the amount needed to 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 35 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, cause displacement or result in overconcentration of affordable units;
- Evidence of accessibility and/or VisitAbility design features in the development to the greatest extent economically feasible;
- Evidence of outreach to minority, women's, disadvantaged 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 11, 2020**, 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;
- Maximal efficiency of all financing resources and structure;
- Provision of quality housing within the community for persons with greatest need;
- Affordability of development's rents;
- Evidence the development affirmatively furthers fair housing in conformance with specific goals identified in the Assessment of Fair Housing of the Commonwealth or of a regional or local government or political subdivision;
- Reasonableness of costs for financing structure;
- Reasonableness of construction costs; and
- Reasonableness of all third party fees.

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 may include, among other things, 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 cost 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.

To ensure developments are managed by organizations with adequate tax credit experience, the Agency requires all applicants to participate in the ownership of the development during the entire 35 year minimum affordability period. All transfers of ownership interests other than in the investor limited partner or member require prior Agency approval. Investor partners and members are not permitted to succeed the initial general partner or managing member without the express prior approval of the Agency.

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. All projects must also use the Agency's mandated form of Lease Addendum.

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)780-3860. Additional information or guidance may also be published from time to time on the Agency's website.

All fees, signed narratives, and all required exhibits and attachments must be included with the Preliminary Application and Underwriting Application. All 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 prohibiting discrimination in its programs, which includes prohibiting discrimination against persons based upon race, gender, religious creed, color, sexual orientation, gender identity or expression, pregnancy, national origin, ancestry, disability, familial status, age or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING RESERVATION OF FUNDING FOR PILOT
REVISED COMMUNITY LEVERAGING ASSISTANCE INITIATIVE PROPOSAL-GIVNER
BUILDING (City of Pittsburgh) - HOMEWOOD AVENUE**

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... thus improving and stimulating the distribution of capital for housing and neighborhood revitalization projects ... " and

WHEREAS, the Agency has set aside funds for a pilot program to stimulate the production of housing, to increase economic development in commercial corridors and urban areas and to prevent and eliminate blight in selected parts of the Commonwealth where other sources of funding have been made available and has issued an invitation for applications from qualified entities; and

WHEREAS, Operation Better Block, Inc. has applied for the financing of the Givner Building project, which is comprised of a mixed use development at 627 North Homewood Avenue, City of Pittsburgh Allegheny County, seeking a loan in the amount of \$600,000 for use in the acquisition, renovation and operation of this project.

WHEREAS, the Agency has determined that this application may meet the program goals and criteria and has determined to authorize staff to provide a conditional reservation of loan funding for the development, subject to satisfaction of all program funding requirements.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 11th day of July, 2019, as follows:

Section 1. The Agency hereby approves a loan in an amount not to exceed \$600,000 to Operation Better Block, Inc. (and associated entities) for the Givner Building (627 N. Homewood Avenue) development proposal, subject to satisfaction of program funding requirements set forth below.

Section 2. Funding is contingent upon a.) submission and approval of all funding sources and related documents to secure the financial feasibility of the proposed development; b.) submission and approval of all necessary documentation for financially qualified ownership entity (or entities) for the development; c.) documentation establishing title to the real estate, subject only to encumbrances acceptable to the Agency; d.) recording of a mortgage and submission of such other forms of security as acceptable to the Agency to secure the repayment of the Agency's loan; e.) reimbursement of Agency expenses and costs; f.) submission of all necessary plans, construction contracts and local approvals to support the rehabilitation of the properties in accordance with the program proposal; g.) commitment in the form of a restrictive covenant agreement to operate the development in accordance with Agency requirements for the term of the loan; and h.) such satisfaction of such other loan closing requirements as deemed necessary by the Agency.

Section 3. This funding reservation is subject to recapture and withdrawal if substantial progress has not been made towards the finalization of all closing requirements within six months from the date hereof.

Section 4. Staff is hereby authorized and directed to take all actions as deemed necessary and appropriate to effectuate this resolution.

Section 5. This resolution shall take effect immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING RESERVATION OF FUNDING FOR PILOT
REVISED COMMUNITY LEVERAGING ASSISTANCE INITIATIVE PROPOSAL-
BOSTON STORE PLACE (CITY OF ERIE)**

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... thus improving and stimulating the distribution of capital for housing and neighborhood revitalization projects ... " and

WHEREAS, the Agency has set aside funds for a pilot program to stimulate the production of housing, to increase economic development in commercial corridors and urban areas and to prevent and eliminate blight in selected parts of the Commonwealth where other sources of funding have been made available and has invited applications from qualified entities; and

WHEREAS, HANDS has applied for a loan in the amount of \$1,000,000 to support the acquisition, renovation and operation of Boston Store Place project, which is a mixed use, mixed income building located at 716-718 State Street, City of Erie, Erie County; and

WHEREAS, the Agency has determined that this application may meet the program goals and criteria and has determined to authorize staff to provide a conditional reservation of loan funding for the development, subject to satisfaction of all program funding requirements.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 11th day of July, 2019, as follows:

Section 1. The Agency hereby approves a loan in an amount not to exceed \$1,000,000 to HANDS (and associated entities) for the Boston Store Project development proposal, subject to satisfaction of program funding requirements set forth below.

Section 2. Funding is contingent upon: (a.) approval of all funding sources and related documents to secure the financial feasibility of the proposed development; (b.) approval of all necessary documentation for financially qualified ownership entity (or entities) for the development; (c.) title to the real estate, subject only to encumbrances acceptable to the Agency; (d.) a mortgage and such other forms of security as acceptable to the Agency to secure the repayment of the Agency's loan; (e.) reimbursement of Agency expenses and costs; (f.) submission of all necessary plans, construction contracts and local approvals to support the rehabilitation of the properties in accordance with the program proposal; (g.) commitment through a restrictive covenant agreement to operate the development in accordance with Agency requirements for the term of the loan; and (h.) satisfaction of other loan closing requirements as deemed necessary by the Agency.

Section 3. This funding reservation is subject to recapture and withdrawal if substantial progress has not been made towards the finalization of all closing requirements within six months from the date hereof.

Section 4. Staff is hereby authorized and directed to take all actions as deemed necessary and appropriate to effectuate this resolution.

Section 5. This resolution shall take effect immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING PORTFOLIO PRESERVATION REFINANCING
HULTON ARBORS, PHFA NO. R-767**

WHEREAS, GWM Holdings, L.P. a Pennsylvania limited partnership ("Owner") is the current owner of a Section 8 project with outstanding Agency financing, known as Hulton Arbors (the "Project"); and

WHEREAS, Owner has requested that the Agency allow refinancing of the outstanding Agency mortgage loan; and

WHEREAS, the Agency has reviewed the Project, the remaining Section 8 contract terms and rent levels, the proposed new debt structures, and has calculated the economic losses which will be incurred by the Agency if such Project is refinanced: and

WHEREAS, the Agency has determined that it is willing to allow the refinancing if the Owner undertakes a long term affordability strategy for the Project, agrees to pay all of the lost revenues to the Agency which are associated with the bond financing and existing regulatory structure and agrees to extend and assign the existing Section 8 for the maximum term retaining the Agency as Contract administrator, and if the new Project financing does not create economic hardship on the Project; and

WHEREAS, based on its review and through its negotiations with the Owner, the Agency has determined that these conditions will be met.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 11th day of July, 2019, as follows:

Section 1. Staff is authorized to take the following actions regarding the Project and to do all things necessary to effect the referenced mortgage refinancing, subject to the Agency accepting a prepayment of the Agency's mortgage loan (outstanding principal \$740,995) with an additional payment of \$109,580 for lost economic value.

Section 2. As a condition of refinancing, Owner must agree to enter into an extended use agreement, to retain the Project in the Section 8 portfolio to the maximum extent possible and to extend the affordability period for the Project for 30 years.

Section 3. Staff is further directed to ensure Owner's receipt of all necessary HUD approvals of the transaction.

Section 4. This resolution shall take effect immediately.