

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

The monthly meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on **Thursday, July 9, 2015 at 10:30 a.m.** at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania. The purpose of this meeting is to conduct normal Agency business and to approve the issuance of certain Agency securities. Inquiries should be directed to the Secretary.

If you are a person with a disability and wish to attend this meeting and require an auxiliary aid, service or other accommodation to participate, please contact the Secretary by Monday, July 6, 2015 to discuss how the Pennsylvania Housing Finance Agency may best accommodate your needs.

Anyone wishing to be recognized by the Chair to address the Members of the Board at this meeting must contact the Secretary no later than Monday, July 6, 2015 either in writing or by telephone and detail the nature of their presentation.

Carrie M. Barnes
Secretary
Phone: 717.780.3911
TTY: 717.780.1869

PENNSYLVANIA HOUSING FINANCE AGENCY

THURSDAY, JULY 9, 2015

10:30 A.M.

A G E N D A

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE MINUTES FROM THE JUNE 11, 2015 BOARD MEETING
3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT
 - A. Request for Tax Exempt Bond Issuance
 1. Brinton Manor and Brinton Towers
 2. Breslyn House Apartments
 - B. Other Business
4. POLICY COMMITTEE REPORT
 - A. Discussion of the 2016 Low Income Housing Tax Credit Allocation Plan Process
5. OTHER BUSINESS
6. ADJOURNMENT

**Pennsylvania Housing Finance Agency
Meeting of the Board
June 11, 2015**

Members Present:

Robin Wiessmann, Chair
*Thomas B. Hagen, Vice Chair
*Craig H. Alexander
K. Scott Baker
*Ronald F. Croushore
Joseph Meade (serving in the stead of
Dennis Davin, DCED)
Lisa R. Gaffney
Noel E. Eisenstat
Keith Welks (serving in the stead of
Christopher Craig, Executive Deputy
State Treasurer)
*Ross Nese
*John Paone

*On telephone conference call

Members Absent:

Maria F. Coutts
Ted Dallas, Secretary, Department
of Human Services
Mark Schwartz

Others Present:

Brian A. Hudson, Executive Director
Rebecca L. Peace, Chief Counsel
*Carl Dudeck, Director of Housing Management
Scott Elliott, Director of Communications
Abby Newport, Communications Intern
Holly Glauser, Director of Development
Bryce Marezki, Director of Strategic Policy & Planning
Kate Newton, Director of Homeownership Programs
Bill Fogarty, Director of Government Affairs
Melissa Raffensperger, Government Affairs Associate
Kim Boal, Director of Information Technology
Michael O'Neill, Assistant Counsel
JoLynn Story, Associate Counsel
Jada Greenhowe, Assistant Counsel
Greg Hennessey, Legal Intern
Brian Shull, Manager of Preservation Programs
Heather Shull, Senior Investment Officer
Joseph Knopic, Director of Finance
John Zapotocky, Director of Accounting
Thomas Brzana, Director of Loan Servicing
James Smith, Assistant Director of Loan Servicing
Stan Salwocki, Manager of Architecture and Engineering
Donna Sciortino, Manager of Investments

Amy Diehl, Investment Officer
Christine Gerbig, Senior Development Officer
Susan Belles, Manager of Loan Programs
William Bailey, Senior Development Officer
Diane Hoffman, Manager of Accounting
Barbara Stephens, Public Affairs Officer
Carla Falkenstein, Director of Western Region
Bob Foggio, Morgan Stanley
Matt Engler, Barclays
Cindy Daley, Housing Alliance
*Claude Hicks, Director of Real Estate Development,
Housing Development Corporation MidAtlantic
*Nancy Batchelder, Development Officer, Housing Development Corporation MidAtlantic
*Ian McLaren, Project Coordinator, Housing Development Corporation MidAtlantic
*Gerry Joseph, Consultant for Housing Development Corporation MidAtlantic
*Linda Metropulos, ACTION Housing
*Larry Swanson, ACTION Housing
Charlotte L. Nelson, Assistant Secretary
Maggie Strawser, Assistant Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, June 11, 2015 at 10:45 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 June 2, 2015.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Wiessmann at 10:53 a.m. The roll was called and a quorum was present.

2. APPROVAL OF THE MINUTES FROM THE MAY 14, 2015 BOARD MEETING

There were no additions or corrections to the minutes.

Ms. Gaffney made a motion that the minutes from the May 14, 2015 Board meeting be approved as submitted. This motion was seconded by Mr. Welks and was unanimously approved.

3. PROGRAM DEVELOPMENT AND REVIEW COMMITTEE REPORT

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

A. Portfolio Preservation Refinancings – Broadwood Towers, Franklin Arbors and Wade D. Mertz Towers

Mr. Dudeck reported that the owner of Broadwood Towers, Franklin Arbors and Wade D. Mertz Towers have requested permission to prepay the mortgages.

Mr. Dudeck stated that to permit prepayment requests, staff must be assured that the development will commit to remain in Pennsylvania's affordable housing stock for at least an additional 30 years; the Agency must not incur any economic losses due to the refinancing; and the Department of Housing and Urban Development's Housing Assistance Payment contract must be renewed for an additional term.

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 approving the refinancing of Broadwood Towers, Franklin Arbors and Wade D. Mertz Towers. This motion was seconded and unanimously approved. (See Appendix 1 of these Minutes.)

B. Request for an Allocation of Tax Exempt Issuing Authority - Bond 2 LP

Mr. Bailey reviewed the proposal for acquisition and rehabilitation tax exempt financing regarding four developments, Market House Apartments, Parkesburg School Apartments, Plum Tree Apartments and Whistlestop View Apartments. The developments offer a combined total of 137 units. All units will be occupied, tax credit eligible and affordable to tenants at or below 50% and 60% of area median income. The proposal will be funded in two series of bonds for a total development cost of \$16.9 million.

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 approving the tax exempt issuance for Bond 2 LP pursuant to the conditions outlined. This motion was seconded by Mr. Welks. The motion was unanimously approved. (See Appendix 2 of these Minutes.)

C. ReCLAIM Program - Hazelwood Project

Mr. Maretzki reported about the re-engineering of the former mixed-use financing program into ReCLAIM (Revised Community Leveraging Assistance Initiative)

Program. Hazelwood is the first of the projects under this new pilot program. The Agency has set aside \$1.5 million for the program and both The Heinz Endowments and Richard King Mellon Foundation are providing matching funds. Hazelwood will encompass the redevelopment of two vacant historic buildings and four vacant lots in the Hazelwood neighborhood of the City of Pittsburgh. He outlined the development plan and the conditions for the financing.

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 regarding the funding of the Hazelwood ReCLAIM development pursuant to the conditions outlined. This motion was seconded by Mr. Baker and unanimously approved. (See Appendix 3 of these Minutes.)

Ms. Metropulos from ACTION Housing expressed her appreciation for the Board's approval of the Hazelwood development.

D. Other Business

Ms. Glauser reported on the change in methodology in calculating eligibility for awards of additional allocations of Year 2015 tax credits. She reviewed the change in the way the Agency treats the reinvestment of the developer's fee when it allocates tax credits. While this is allowed under the Allocation Plan, it will be a deviation from past methodology and the Agency is publically adopting and announcing this change.

Ms. Gaffney made a motion to publically accept and announce this change in methodology regarding the allocation of the Year 2015 Tax Credits. The motion was seconded by Mr. Welks and unanimously approved.

4. JOINT HEMAP AND FINANCE COMMITTEES REPORT

Mr. Paone reported the HEMAP Committee reviewed and approved the HEMAP budget for the fiscal year ending June 30, 2016. Mr. Hudson outlined that the HEMAP budget shows a 19% decrease from the previous year's budget. This decrease is due to the decrease in HEMAP applications because more lenders are assisting borrowers.

Mr. Welks reported the Finance Committee met to review the Agency's budget for the fiscal year ending June 30, 2016. Mr. Hudson stated there are no significant changes in the Agency's budget. The budget does show an increase of 4.71% from the previous year to allow for the hiring of three new staff members.

A motion was made and seconded to approve both the HEMAP and Agency budget for the fiscal year ending June 30, 2016. This motion was unanimously approved.

5. JOINT HEMAP AND AUDIT COMMITTEES REPORT

Mr. Paone reported the committee reviewed and accepted the HEMAP audit plan submitted by Mitchell Titus.

Mr. Welks reported the committee reviewed and accepted the Agency audit plan submitted by KPMG. He indicated that KPMG was appreciative of staff's support and prompt responses for information during last year's audit. Since this year's audit is the second year KPMG is auditing the Agency's books, they anticipate the audit to be even smoother.

6. APPROVAL OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2015-117

Mr. Hudson indicated the Agency is ready to start its Single Family Mortgage Revenue Bonds, Series 2015-117. This transaction would provide the conversion of certain variable rate debt into fixed rate debt and provide an attractive interest rate to borrowers around 3%. It is expected that the Agency would be in the market over the summer. The Agency has already started to accept reservations for three percent thirty-year fixed rate mortgages under the program.

A motion was made to approve the Agency's Single Family Mortgage Revenue Bonds, Series 2015-117. The motion was seconded by Mr. Welks and unanimously approved. (See Appendix 4 of these Minutes.)

7. OTHER BUSINESS

A. Additional Commitment of Tax Credits

Mr. Hudson reported that the Agency received returned credits and has determined to forward commit tax credits to Susquehanna Homes, located in the Homewood neighborhood of the City of Pittsburgh.

Mr. Welks made a motion that the Board approve the forward commitment of tax credits regarding Susquehanna Homes. The motion was seconded and was unanimously approved. (See Appendix 5 of these Minutes.)

B. Agency Retirees

Mr. Hudson recognized Mr. Brian Shull, Ms. Donna Sciortino, Ms. Susan Belles and Ms. Peg McCall for their service to the Agency. All four staff members will retire

by the end of June. Mr. Shull has 34 years of service, Ms. Sciortino, has the Agency's longest tenure with 40 years of service, Ms. Belles has 35 years of service and Ms. McCall has 13 years of service.

C. Conferences

Mr. Hudson provided a summary of the NCSHA Tax Credit Conference held in Los Angeles, June 1 - 4, 2015. Several Board members were able to attend, along with members of PHFA staff who were among the speakers at the conference, including Ms. Glauser and Ms. Peace. The major topics were lobbying efforts to protect the program, costs per unit, fair housing and the legislative push to have Housing Trust Fund monies replace HOME funds.

Mr. Hudson mentioned the NCSHB conference (for Board members) will be held in Annapolis, Maryland in August, and the upcoming annual NCSHA conference will be held in Nashville, Tennessee in September.

8. EXECUTIVE SESSION

At this point, the Chair called for an Executive Session of the Board to discuss personnel matters. At 11:35 a.m., the public meeting reconvened.

9. PERSONNEL COMMITTEE REPORT

Mr. Hagen reported that the Personnel Committee recommends the creation of full time positions and the maximum merit increase. Mr. Welks seconded and the motion carried unanimously.

10. ADJOURNMENT

There being no further business to be discussed, a motion was made and seconded that the meeting be adjourned. The motion was unanimously approved. Chair Wiessmann adjourned the meeting of the Board at 11:40 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, July 9, 2015 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,



Charlotte L. Nelson
Assistant Secretary



Margaret A. Strawser
Assistant Secretary

501(c)(3) TAX EXEMPT BOND AND TAXABLE BOND TRANSACTION

Pennsylvania Housing Finance Agency
July 7, 2015

SUBJECT: Brinton Manor Apartments and Brinton Towers

501(c)(3) Tax-Exempt and Taxable Bonds: PHFA No. 2015-3, 409 units
Borough of Braddock Hills, County of Allegheny, Region 5
Development Officer: William G. Bailey, Jr.

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson
Executive Director



Proposal Description

Brinton Manor Apartments is an existing 219 unit affordable housing development for general occupancy supported in part by a project based Section 8 contract. There are 10 two- and three-story walk up buildings. The structural system is wood frame with brick exterior. The development contains a total of 157,380 square feet and is situated on an approximately 17.74 acre site.

Brinton Towers is an existing 190 unit affordable housing development for senior occupancy, 62 and above, supported in part by a project based Section 8 contract. There is one six-story building with two elevators. The structural system is concrete with a concrete block exterior. The development contains a total of 138,381 square feet and is situated on an approximately 9.6 acre site.

This proposal is for the acquisition and minor rehabilitation of Brinton Manor Apartments and Brinton Towers. There are 50 efficiency, 266 one-bedroom, 81 two-bedroom and 12 three-bedroom units. There are 15 accessible units in Brinton Towers. The Agency has reviewed the capital needs assessment for the developments.

1. Financing Plan

Permanent financing will be provided in the approximate amounts of:

501(c)(3) Tax-Exempt Mortgage Note – Series A	\$18,460,000
Original Issue Discount	(461,500)
Taxable Bond Note – Series B*	182,500
Original Issue Discount*	(1,825)
Owner/Borrower Equity	<u>1,000,000</u>
Total Development Cost	\$19,179,175

* Taxable bonds will only be issued if necessary to cover costs of the transaction not paid for by the equity contribution of the Owner.

2. Development Costs

The permanent financing will be funded through tax-exempt and taxable bonds issued by the Agency, underwritten by Stifel, Nicolas & Company, Incorporated, and sold in a public offering. The bonds have a 35 year maturity (but are subject to optional redemption beginning after 10 years.) The transaction has been rated A+ by Standard & Poor's Rating Services.

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Renovation Cost	\$400,000	\$978	\$1
Replacement Cost	\$18,451,765	\$45,114	\$62
Total Replacement Costs & Reserves	\$18,979,175	\$46,404	\$64
Total Development Costs	\$19,179,175	\$46,893	\$65
Tax-exempt Bonds – First Mortgage	\$18,460,000	\$45,134	\$62
Taxable Bonds – Second Mortgage (if necessary)	\$182,500	\$446	\$0
Acquisition Costs	\$17,250,000	\$42,176	\$58

3. Leveraging of Other Resources

There are no Federal or State Tax Credits associated with 501(c)(3) bonds and there is no need for an allocation of statewide housing bond volume cap.

4. Rental Estimates

Unit Type	No. of Units	Avg. Net Rentable Sq. Ft.	Projected Tenant Rent (Avg.)	Estimated Cost of Utilities	Rental Subsidy (Avg.)	Total Housing Expense
0 BR	50	370	\$186	\$79	\$379	\$644
1 BR	140	503	\$232	\$75	\$471	\$778
1BR	71	671	\$91	\$73	\$415	\$579
1BR	55	671	\$506	\$73	\$0	\$579
2BR	56	722	\$257	\$122	415	\$794
2BR	25	722	\$672	\$122	\$0	\$794
3BR	7	966	\$362	\$168	\$415	\$945
3BR	5	966	\$777	\$168	\$0	\$945
Total	409					

Currently, 190 units in Brinton Towers and 134 units in Brinton Manor receive rental assistance through two project-based Section 8 HAP contracts. The Brinton Towers Contract was extended for 20 years from May 1, 2015, and the Brinton Manor Contract was extended for 20 years from August 1, 2014.

5. Commercial Space

There is no significant commercial space income associated with the developments.

6. Relocation

Renovations are minor and will be completed without displacing any tenants.

7. Supportive Services

The Owner provides service coordination to help connect tenants with services available from local Community Service Organizations.

Development Team

1. Identification of Owner

The sponsor and owner of this development is Brinton Apartments Penn LLC, a Pennsylvania limited liability corporation. JPC Charities, an Ohio non-profit corporation, is the sole member of the Owner. JPC Charities currently owns two Section 8 affordable housing rental properties consisting of 329 units.

2. Development Team Members

Sponsor/Owner/Management Agent:

Brinton Apartments Penn LLC
Jason Cook
Rocky River, OH

Sole Member of Owner:

JPC Charities
Jason Cook
Rocky River, OH

Developer/Management Consultant:

PF Holdings LLC
Chaikel Poretz
Brooklyn, NY

Attorney for Sponsor/Owner/Management Agent:

Rosenbeck Law, LLC
Meredith L. Rosenbeck
Dublin, OH

Site Description

Brinton Manor Apartments and Brinton Towers are located in a stable, mixed residential and commercial neighborhood in the Borough of Braddock Hills. Most neighborhood amenities, including retail stores, pharmacies, medical facilities, senior centers and government services, are in close proximity to the developments.

Conditions

Final commitment of the bond financing will be conditioned upon receipt and review of the following:

1. Submission, review and approval of all documentation necessary to secure construction and permanent loan financing of the developments.
2. Evidence, satisfactory to the Agency and its bond counsel, that all conditions and qualifications relating to the Internal Revenue Code of 1986, as amended, have been satisfied.
3. Evidence of all required HUD approvals including the transfer of the two HAP contracts to the new owner.
4. Submission of a detailed scope of work for the budgeted repairs/renovations and replacements together with a detailed cost estimate.
5. Evidence of the satisfactory IRS 990 filings of the nonprofit owner/sponsor entity and good standing documentation relating to the borrower entity.
6. Evidence of the commitment to serve low income tenants for a period of not less than 30 years, which will be included in the Land Use Restriction Agreement. At least 40% of the dwelling units must be occupied by tenants whose incomes do not exceed 60% of area median income. Additionally, at least 75% of the units must be occupied by tenants whose incomes do not exceed 80% of area median income.
7. Evidence of the satisfaction of all accessibility standards and requirements.
8. Contribution of equity in an amount sufficient to ensure the financial feasibility of the development.
9. Final underwriting of the project and financing by the Agency.
10. Submission of Appraisals of the subject properties which is satisfactory to the Agency in all respects.

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$20,000,000
Maximum Aggregate Principal Amount of
Special Limited Obligation 501(c)(3) Nonprofit Bonds
(Brinton Manor Apartments and Brinton Towers Apartments)
Series 2015-3**

Adopted: July 9, 2015

A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$20,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
501(c)(3) NONPROFIT BONDS
(Brinton Manor Apartments and Brinton Towers Apartments) SERIES 2015-3

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 and a Bond Purchase and Loan Agreement or similar financing agreement (the "**Agreement**"); and

WHEREAS, Brinton Apartments Penn LLC (the "**Borrower**"), a Pennsylvania limited liability company with JPC Charities, an Ohio non-profit corporation, has requested financing from the Agency in an amount not to exceed \$20,000,000 (the "**Bonds**") to fund certain costs associated with a residential rental housing project known as "Brinton Manor Apartments and Brinton Towers Apartments", located at 2000 Brinton Manor Drive and 3000 Locust Street in the Borough of Braddock Hills, Allegheny County, Pennsylvania (the "**Project**"); and

WHEREAS, the Agency will lend the proceeds of the Bonds 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, (the "**Purchaser**"), or such successor entity as may be approved by the Agency, will purchase the Bonds from the Agency to provide funding for the Project and certain documents to evidence the transaction, including financing documentation 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 \$20,000,000. The Bonds shall be designated as the Agency's "Special Limited Obligation 501(c)(3) Nonprofit Bonds

(Brinton Manor Apartments and Brinton Towers Apartments) Series 2015-3", and any subseries may 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, equipping and/or improvement of the Project; and which Project is in every respect purported to be qualified as a "residential rental facility" owned and operated by a qualified 501(c)(3) entity under the Internal Revenue Code of 1986, as amended (the "**Code**"), and, additionally, proceeds of taxable bonds may be applied to payment of certain costs of issuance in the transaction.

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 of the developments; (b) evidence, satisfactory to the Agency and its bond counsel, that all conditions and qualifications relating to the Internal Revenue Code of 1986, as amended, have been satisfied; (c) evidence of all required HUD approvals including the transfer of the two HAP contracts to the new owner; (d) submission of a detailed scope of work for the budgeted repairs/renovations and replacements together with a detailed cost estimate; (e) evidence of the satisfactory IRS 990 filings of the nonprofit owner/sponsor entity and good standing documentation relating to the borrower entity; (f) evidence of the commitment to serve low income tenants for a period of not less than 30 years, which will be included in the Land Use Restriction Agreement; (g) at least 40% of the dwelling units must be occupied by tenants whose incomes do not exceed 60% of area median income. Additionally, at least 75% of the units must be occupied by tenants whose incomes do not exceed 80% of area median income; (h) evidence of the satisfaction of all accessibility standards and requirements; (i) contribution of equity in an amount sufficient to ensure the financial feasibility of the development (j) final underwriting of the project and financing by the Agency; and (k) submission of appraisals of the subject properties which is satisfactory to the Agency in all respects.

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 principal amount of the Bonds shall not exceed \$20,000,000; 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 35 years 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, 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, Chief Counsel, Director of Finance or Secretary of the Agency. The Bonds shall be delivered to the Purchaser.

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

Section 209. Redemption. The Bonds shall be subject to optional redemption, extraordinary optional redemption and mandatory redemption as provided in the Agreement.

Section 210. Execution of Agreement. Any of the Executive Director, 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 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, which may be made, in whole or in part, with proceeds derived through the sale of taxable 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 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, 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 Chief 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.

TAX EXEMPT BOND ISSUING AUTHORITY

Pennsylvania Housing Finance Agency
July 8, 2015

SUBJECT: Breslyn House Apartments

Request for an Issuance of Tax Exempt Bonds
Tax-Exempt Bond/Tax Credit Development: PHFA No. TC2015-107, 60 units
City of Philadelphia, County of Philadelphia, Region 1
Tax Credit Officer: Douglas Haughton

TO: Members of the Policy Review Committee
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson
Executive Director



Proposal Description

The Breslyn House Apartments development is located at 4642-42 Walnut Street in a mixed use neighborhood of commercial and residential properties in the City of Philadelphia. This proposal is for the acquisition and substantial rehabilitation of five three-story residential buildings for general occupancy. The 60 total units consist of 48 two-bedroom units and 12 three-bedroom units. The structural system is stone masonry exterior with wood framing interior. The development contains a total of 74,771 square feet, and is situated on approximately 0.58 acres of ground.

1. Construction Financing Plan

Construction financing will be provided in the approximate amounts of:

Bank of America Construction Loan	\$ 7,700,000
Bank of America Subordinate Debt	2,000,000
Assumed HUD Mortgage Restructuring Note	1,119,204
Assumed HUD Contingent Repayment Note	619,694
Acquired Reserves	250,000
Interim Income	165,152
Historic Tax Credit Equity	1,264,639
Deferred Developer Fee	374,294
Low-Income Housing Tax Credit Equity	<u>562,284</u>
Total Development Cost	\$ 14,470,671

2. Permanent Financing Plan

Permanent financing will be provided in the approximate amount of:

Tax-Exempt Bonds – Citibank, N.A., Freddie Mac – Series A	\$ 3,850,000
Tax-Exempt Bonds – Citibank, N.A. – Series B (short term bond redeemed by LIHTC equity)	\$ 3,850,000
Bank of America Subordinate Debt	2,000,000
Assumed HUD Restructuring Note	1,119,204
Assumed HUD Contingent Repayment Note	619,694
Acquired Reserves	250,000
Interim Income	165,152
Historic Tax Credit Equity	1,264,639
Deferred Developer Fee	374,294
Net Low-Income Housing Tax Credit Equity	<u>4,412,284</u>
 Total Development Cost	 \$ 14,470,671

3. Development Costs

At the closing of the Bank of America Construction Loan, Citibank, N.A. and Freddie Mac will provide a forward commitment to purchase the tax-exempt Series A bonds, and Citibank, N.A. will provide a forward commitment to purchase the tax-exempt Series B bonds. The Agency will be the conduit issuer of the tax-exempt bonds, which will be privately placed with Citibank, N.A. at the completion of construction and stabilization ("Conversion"). After Conversion, Freddie Mac will purchase the long term Series A bonds from Citibank, N.A. for securitization.

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$6,448,750	\$107,479	\$86
Replacement Cost	\$12,485,324	\$208,089	\$167
Total Replacement Costs & Reserves	\$12,748,709	\$212,478	\$171
Total Development Costs	\$14,470,671	\$241,178	\$194
Tax-Exempt Bonds – First Mortgage	\$3,850,000	\$64,167	\$51
Acquisition Costs	\$4,335,000	\$72,250	\$58

4. Leveraging of Other Resources

The owner anticipates Bank of America, N.A. providing an equity contribution of \$4,412,284 from the proceeds of the syndication of Federal Low Income Housing Tax Credits, with a net pay-in of \$1.065. The development anticipates qualifying for an allocation of tax credits in the approximate amount of \$414,299 per year for a ten year period. Developments financed with tax-exempt private activity bonds are generally eligible to claim a four percent credit allocation on the development's eligible basis. The project is also expected to qualify for federal historic rehabilitation tax credits, for which Bank of America will make an additional equity contribution in the anticipated amount of \$1,264,639.

5. Rental Estimates

Unit Type	No. of Units	Avg. Net Rentable Sq. Ft.	Projected Tenant Rent	Estimated Cost of Utilities	Rental Subsidy	Total Housing Expense
2 BR	24	638	\$96	\$81	\$1094	\$1271
2 BR	24	685	\$235	\$81	\$955	\$1271
3 BR	7	951	\$101	\$111	\$1415	\$1627
3 BR	5	1006	\$477	\$111	\$1039	\$1627

The project benefits from a project-based Section 8 HAP contract covering 100% of the units. Thirty-one units will be available to tenants earning up to 50% of the area median income and twenty-nine units will be available to tenants earning up to 60% of the area median income. The current HAP contract was executed on October 1, 2005 and 10 years remain on the 20 year renewal period.

6. Commercial Space

None.

7. Relocation

The rehabilitation of the buildings will not result in any off-site relocation. Residents may need to vacate their units at certain times during the workday hours to allow the construction crew uninterrupted access. A Hospitality Room will be set up where residents can spend time during the day as needed. At the end of each day, all tenants will return to renovated, habitable units with fully operable kitchens and bathrooms.

8. Supportive Services

A full array of services is available to the tenants of the buildings.

Development Team

1. Identification of Owner

WinnDevelopment Company Limited Partnership, a Massachusetts limited partnership, has created a new single purpose, single asset entity, Midtown Plaza Apartments Limited Partnership, a Pennsylvania limited partnership, to acquire and preserve Breslyn House Apartments. Midtown Plaza Winn LLC, a Pennsylvania limited liability company, will serve as the 0.01% General Partner.

2. Development Team Members

Sponsor: WinnDevelopment Company Limited Partnership
Brett Meringoff and Gilbert Winn
Boston, MA

Owner: Midtown Plaza Apartments Limited Partnership
c/o WinnDevelopment Company Limited Partnership
Brett Meringoff and Gilbert Winn
Boston, MA

Attorney: Murtha Cullina LLP
John W. Gahan III, Esq.
Boston, MA

Architect: The Architectural Team, Inc.
Mike Binette
Chelsea, MA

Contractor: Keith Construction, Inc.
Timothy Forde
Stoughton, MA

Management Agent: Winn Managed Properties, LLC
Deirdre Kuring
Boston, MA

Site Description

Located in a mixed residential and commercial area, the neighborhood is highly walkable, and is in close proximity to the main neighborhood amenities, including grocery store, pharmacy, restaurants, schools and recreation.

Site control is in the form of a Real Estate Purchase and Sale Agreement, which extends to August 31, 2015.

Conditions

Final commitment of the bond financing will be conditioned upon receipt and review of the following:

1. Submission, review, and approval of all documentation necessary to secure both the Construction Loan and the Tax Exempt Loan and conditions relating to the terms and conditions of Conversion.
2. Evidence, satisfactory to the Agency, and Agency Counsel approval, that all conditions and qualifications relating to Section 42 of the Internal Revenue Code of 1986, as amended, and all applicable requirements of the Agency's Year 2015 Tax Credit Program have been met.
3. Evidence, satisfactory to the Agency, that all conditions and qualifications relating to Sections 103 and 142 (and related sections) of the Internal Revenue Code of 1986, as amended, have been met.
4. Compliance with the timeframes and deadlines established by the Agency in the 2015 Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Volume Cap Request for Proposals.
5. Evidence of the commitment of construction and permanent financing in an amount sufficient to ensure financial feasibility of the project.
6. Evidence of the commitment to serve low income tenants for a period of not less than 30 years, which will be included in the Restrictive Covenant Agreement.
8. Evidence of the contribution of equity in an amount sufficient to ensure the financial feasibility of the project.
9. Evidence of the satisfaction of accessibility requirements.
10. Submission, review, and approval of the final terms and conditions for the syndication of the Low Income Housing Tax Credits.
11. Final underwriting of the application for tax-exempt bond financing and low income housing tax credits.
12. Evidence of appropriate documents reflecting the final approval of all necessary financing documents by Freddie Mac and by Citibank, N.A.
13. Evidence of appropriate documents reflecting the necessary approvals from HUD, as applicable.
14. 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.
15. Agency Approval of all guarantors.

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$8,500,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(Breslyn House Apartments)
Series 2015-2**

Adopted: July 9, 2015

A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$8,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(Breslyn House Apartments) SERIES 2015-2

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, a Bond Purchase and Loan Agreement, a Freddie Mac Tax-Exempt Loan Forward Commitment and/or similar loan or financing agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

WHEREAS, Midtown Plaza Apartments Limited Partnership, a Pennsylvania limited partnership supported by the WinnDevelopment Company Limited Partnership, a Massachusetts limited partnership (the "**Borrower**"), has requested financing from the Agency in an amount not to exceed \$8,500,000 (the "**Bonds**") to fund a portion of the costs of acquiring and renovating a multifamily residential rental housing project known as "Breslyn House Apartments", located at 4624-4642 Walnut Street, Philadelphia in Philadelphia 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, Bank of America, N.A. (the "**Construction Lender**"), or such successor entity as may be approved by the Agency, has agreed to provide a construction loan ("**Construction Loan**"), and upon the completion of construction and satisfaction of all relevant conditions set forth in the Agreement (the "**Conversion**"), two series of Tax Exempt Bonds issued by the Agency will provide permanent funding to repay the Construction Loan and will provide funding for the Project; and certain documents to evidence the transaction, including financing documentation relating to the Project will be prepared establishing all terms and conditions of the tax exempt financing (the "**Tax Exempt Loan**"); and

WHEREAS, the Tax Exempt Loan is expected to be issued in two series, a first lien position to be initially privately placed with Citibank, N.A. ("**CITI**"), then purchased and held by Freddie Mac, and a subordinate series loan to be purchased and held by CITI; and both series to be secured as set forth in the Agreement.

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 \$8,500,000. The Bonds shall be designated as the Agency's "Special Limited Obligation Multifamily Housing Development Bonds (Breslyn House Apartments) Series 2015-2", 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 both the Construction Loan and the Tax Exempt Loan and acceptable terms and conditions relating to the terms and conditions of Conversion; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Year 2015 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) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (h) evidence of the satisfaction of accessibility requirements; (i) submission, review and approval of the final terms and conditions for the syndication of the low income housing tax credits; (j) final underwriting of the application for tax-exempt bond financing and low income housing tax credits; (k) evidence of appropriate documents reflecting the final approval of all necessary financing documents by Freddie Mac and by CITI; (l) evidence of appropriate documents reflecting the necessary approvals from HUD, as applicable; (m) 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; and (n) Agency approval of all guarantors.

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 \$8,500,000; 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 agreed upon by Freddie Mac and CITI; and the final maturity of the Bonds shall be no later than 35 years, 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 \$100,000 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, 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, Chief Counsel, Director of Finance or Secretary of the Agency. The Bonds shall be delivered to or on behalf of the 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. The Bonds shall be subject to optional redemption, extraordinary optional redemption and mandatory redemption as provided in the Agreement.

Section 210. Execution of Agreement. Any of the Executive Director, 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 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 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, 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 Chief 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.