

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

The monthly meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on **Thursday, September 10, 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 Tuesday, September 8, 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 Tuesday, September 8, 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, SEPTEMBER 10, 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 JULY 9, 2015 BOARD MEETING
3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT
 - A. Volume Cap Allocation Request – New Courtland Apartments at Allegheny Phase 2
 - B. Disposition of Properties – Ogontz Hall and Ogontz III
 - C. Other Business
4. POLICY COMMITTEE REPORT
 - A. Approval of the Revised 2016 Low Income Housing Tax Credit Allocation Plan
5. APPROVAL OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2015-118
6. OTHER BUSINESS
7. ADJOURNMENT

**Pennsylvania Housing Finance Agency
Meeting of the Board
July 9, 2015**

Members Present:

Robin Wiessmann, Chair
*Thomas B. Hagen, Vice Chair
*Craig H. Alexander
*K. Scott Baker
*Maria F. Coutts
*Ronald F. Croushore
*Joanne Glover (serving in the stead of
 Ted Dallas, Secretary, Departments of Human Services)
*Joseph Meade (serving in the stead of Dennis Davin, DCED)
*Lisa R. Gaffney
*Noel E. Eisenstat
*Keith Welks (serving in the stead of Timothy Reese, State Treasurer)
*Ross Nese
*John Paone

*On telephone conference call

Members Absent:

Mark Schwartz

Others Present:

Brian A. Hudson, Executive Director
Rebecca L. Peace, Chief Counsel
Carl Dudeck, Director of Housing Management
Holly Glauser, Director of Development
Bryce Maretzki, Director of Strategic Policy & Planning
Bill Fogarty, Director of Government Affairs
John Zapotocky, Director of Accounting
Melissa Raffensperger, Government Affairs Associate
Michael O'Neill, Assistant Counsel
JoLynn Story, Associate Counsel
Jada Greenhowe, Assistant Counsel
William Bailey, Senior Development Officer
Charlotte Folmer, Senior Asset and Compliance Officer
Douglas Haughton, Development Officer
Thomas Brzana, Director of Loan Servicing
Steven Chopek, Manager of Housing Services
Chris Anderson, Communications Officer
David Doray, Senior Development Officer
Stanley Salwocki, Manager of Architecture and Engineer
Linda Stewart, Manager of Tax Credit Program
Brad Miller, Sen. Scott Wagner's Office
Robert Rubic, Sen. Scott Wagner's Officer
John Raymond, Sec. Wiessmann's Office
Cindy Daley, Housing Alliance

*Cody Wilson, Brinton Manor Apartments and Brinton Towers
*Brent Meringoff, Breslyn House Apartments
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, July 9, 2015, 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 June 25, 2015.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Wiessmann at 10:36 a.m. The roll was called and a quorum was present.

2. APPROVAL OF THE MINUTES FROM THE JUNE 11, 2015 BOARD MEETING

There were no additions or corrections to the minutes.

Mr. Eisenstat made a motion that the minutes from the June 11, 2015 Board meeting be approved as submitted. This motion was seconded 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. Request for Tax-Exempt Bond Issuance - Breslyn House Apartments

Mr. Haughton reviewed the tax-exempt issuance proposal for acquisition and substantial rehabilitation of Breslyn House Apartments. This development consists of 60 historic units. Thirty-one of those units will be available to tenants earning up to 50% of the area median income and the remaining twenty-nine units will be available to tenants earning up to 60% of the area median income. A project-based Section 8 HAP Contract covers all of the units. The existing HAP Contract is in place until 2025. The developer is pursuing an additional 10 year extension to the Contract. The Agency will issue these limited obligation bonds.

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 bond issuance for Breslyn House Apartments pursuant

to the conditions outlined in Section 203 of the resolution. This motion was seconded. Mr. Paone abstained and the motion carried. (See Appendix 1 of these Minutes.)

B. Request for Tax-Exempt Bond Issuance - Brinton Manor Apartments and Brinton Towers

Mr. Bailey reviewed the acquisition and minor rehabilitation of Brinton Manor Apartments, a general occupancy housing development, and Brinton Towers, a senior occupancy housing development. The development is seeking issuance of 501(c)(3) tax-exempt bond financing in an amount not to exceed \$20 million. The bonds will be underwritten by Stifel, Nicolas & Company, Incorporated, and will be sold in a public offering with a 35-year maturity. Project-based Section 8 HAP Contracts are in place for Brinton Manor Apartments and Brinton Towers. In August, 2014, the HAP Contract was extended 20 years for Brinton Manor Apartments and in May, 2015, the HAP Contract was extended 20 years for Brinton Towers.

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 for the tax exempt bond issuance for Brinton Manor Apartments and Brinton Towers subject to conditions listed in the resolution. The motion was seconded by Mr. Croushore and unanimously approved. (See Appendix 2 of these Minutes.)

4. POLICY COMMITTEE REPORT

Mr. Paone, on behalf of the Policy Committee, reported that the Policy Committee met prior to the Board meeting regarding the preliminary 2016 Qualified Allocation Plan. The plan was reviewed and questions were asked regarding the plan.

Mr. Paone made the motion that the Board approve the preliminary 2016 Low Income Housing Tax Credit Allocation Plan as presented by staff and that this draft be released to the public for review and comment. This motion was seconded and unanimously approved.

5. **OTHER BUSINESS**

Mr. Hudson mentioned the NCSHB conference (for Board members) will be held in Annapolis, Maryland on August 16-18, 2015. The conference brings together board members of the various housing finance agencies.

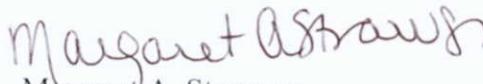
Mr. Hudson reminded the members that there will not be an August Board meeting. December 9 and 10, 2015 will be the Board's annual policy meeting. Please contact Mr. Hudson or Mr. Maretzki if there are specific items to be discussed.

6. **ADJOURNMENT**

There being no further business to be discussed, a motion was made and seconded that the meeting be adjourned. The motion was unanimously approved. Chair Wiessmann adjourned the meeting of the Board at 10:49 a.m.

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

Respectfully submitted,



Margaret A. Strawser
Assistant Secretary

TAX-EXEMPT BOND ISSUING AUTHORITY

Pennsylvania Housing Finance Agency
September 10, 2015

SUBJECT: NewCourtland Apartments at Allegheny Phase 2

Request for an Allocation of Tax-Exempt Bond Issuing Authority
Tax Exempt Bond/Tax Credit Development: TC2015-108, 45 units
City of Philadelphia, Philadelphia County, Region 1
Development Officer: Carol Ann Carroll

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson
Executive Director



Proposal Description

NewCourtland Apartments at Allegheny Phase 2 is located at 1900 West Allegheny Avenue in the Allegheny West/Tioga neighborhood of the City of Philadelphia. This proposal is the second phase of a senior campus. Phase 1 has been financed separately developing 60 units of senior housing, as well as a new LIFE center that will be adjacent to the building. The Phase 2 building will be connected to the Phase 1 building and will add an additional 45 one-bedroom units. The structural system is steel with metal panel siding and a brick masonry exterior. The development contains a total of 34,795 square feet and will extend off the back of the 68,000 square foot “flattened” L-shaped building to be constructed in Phase 1. The entire campus is situated on an approximate five-acre former brownfield site.

1. Construction Financing Plan

Construction financing will be provided in the approximate amounts of:

Tax-exempt bond – Wells Fargo Bank Private Placement	\$5,500,000
NCES Sponsor Loan	950,000
City of Philadelphia	1,500,000
FHLB Pittsburgh	475,000
Equity from the sale of tax credits	<u>2,395,556</u>
Total Development Cost	\$10,820,556

2. Permanent Financing Plan

Permanent financing will be provided in the approximate amounts of:

Community Lenders First Mortgage	\$1,600,000
NCES Sponsor Loan	2,979,850
City of Philadelphia	1,500,000
Equity from the sale of tax credits	4,265,706
FHLB Pittsburgh	<u>475,000</u>
Total Development Cost	\$10,820,556

3. Development Costs

Construction financing will be provided by tax-exempt bonds issued by the Philadelphia Authority for Industrial Development (PAID) and privately placed with Wells Fargo, together with the additional sources listed above in item 2. The Wells Fargo, N.A. tax-exempt bonds will be secured during construction by the tax credit equity proceeds and additional developer loan.

4. Leveraging of Other Resources

The owner anticipates that PNC Tax Credit Capital will provide an equity contribution of \$4,265,706 from the proceeds of the syndication of federal Low Income Housing Tax Credits, with a net pay-in of \$1.028. The development anticipates qualifying for an allocation of tax credits in the approximate amount of \$410,125. Developments financed with tax-exempt private activity bonds are generally eligible to claim a four percent credit allocation on the development's eligible basis.

5. Rental Estimates

Unit Type	No. of Units	Avg. Net Rentable Sq. Ft.	Projected Tenant Rent	Estimated Cost of Utilities	Rental Subsidy	Total Housing Expense
1BR	39	585	\$275	0	\$684	\$959
1BR HC	6	650	\$275	0	\$684	\$959
	45					

The entire development has been selected to receive project based vouchers under Philadelphia Housing Authority's unit-based voucher (UBV) program. The initial term is for 20 years with an option to extend for up to an additional 20 years. The subsidy will be provided through the Rental Assistance Demonstration Program (RAD).

6. Commercial Space

There is no commercial space included in this development.

7. Relocation

This project is new construction, therefore, this does not apply.

8. Supportive Services

Philadelphia Senior Center will be the service provider for this 62+ community. There is also a LIFE Center located on the property. There are several program goals, among those being to improve a senior resident's ability to meet his/her lease obligations throughout the aging process, improve access to healthcare and other services and to enhance the quality of life through community buildings, socialization and other programs.

Development Team

1. Identification of Owner

The owner of this development is NewCourtland Apartments at Allegheny 2, LP, a Pennsylvania limited partnership.

2. Development Team Members

Sponsor:	NewCourtland Elder Services R. Max Kent Philadelphia, PA
Owner:	NewCourtland Apartments at Allegheny 2, LP R. Max Kent Philadelphia, PA
Attorney:	Commonwealth Housing Legal Services Dina Schlossberg Glensdale, PA
Architect:	Cecil Baker Partners Chris Blakelock Philadelphia, PA
Contractor:	TN Ward Steve Quintiliani Ardmore, PA
Management Agent:	NewCourtland Elder Services Sebrina Robinson Philadelphia, PA

3. Minority and/or Female Participation on the Development Team

None identified.

Site Description

Site control is in the form of an Agreement of Sale between NewCourtland Elder Services and NewCourtland Apartments at Allegheny 2, LP. NewCourtland Elder Services owns the entire parcel and has created three condominium units; one condo unit being the first phase of the development, NewCourtland Apartments, the second condo unit being the LIFE Center, and the third condo unit being the subject development.

Conditions

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

1. Submission, review and approval of all documentation necessary to secure construction and permanent loan financing of the project.
2. Evidence, satisfactory to the Agency, that all conditions and qualifications relating to Section 42 of the Internal Revenue Code of 1986, as amended, and all applicable requirement 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 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.
7. Submission of a construction contract with a qualified contractor for an amount not to exceed \$8,420,678.
8. Evidence of the satisfaction of accessibility requirements.
9. Submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the construction/bond closing to allow sufficient time for Agency review and approval. Civil engineering, architectural, structural, HVAC, plumbing, and electrical drawings and specifications shall be submitted, as applicable. Agency comments and recommendations made during its review must be addressed and approved prior to the construction/bond closing.

**RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING HOUSING RELATED BOND ALLOCATION
NewCourtland Apartments at Allegheny Phase 2**

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

WHEREAS, private activity bond volume cap ("Volume Cap") is available to the Agency for the purpose of issuing housing bonds in accordance with the Internal Revenue Code of 1986, as amended (the "Code"), and with applicable laws and regulations in the Commonwealth; and

WHEREAS, the Agency issued its Year 2015 Multifamily Housing Application that includes a Request for Proposals for Volume Cap for Tax Exempt Bond Financing ("RFP") inviting developers of residential rental facilities to seek an allocation of Volume Cap in 2015; and

WHEREAS, Applicant, NewCourtland Apartments at Allegheny 2, LP, has requested an allocation of Volume Cap for the development of a building to provide housing for elderly 62 and older as the second phase of a development plan at 1900 West Allegheny Avenue in the Allegheny West/ Tioga neighborhood of Philadelphia, PA; and

WHEREAS, the Agency has determined to provide a preliminary allocation of Volume Cap in an amount not to exceed \$6,000,000 for the issuance of private activity bonds by the Philadelphia Authority for Industrial Development for this development, subject to satisfaction of certain conditions set forth below.

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

Section 1. Staff is hereby authorized to take all necessary actions to provide a conditional preliminary allocation of Year 2015 Volume Cap in an amount not to exceed \$6,000,000 (which includes a contingency amount) for the tax exempt bond financing of NewCourtland Apartments at Allegheny Phase 2 subject to the following conditions: a.) submission, review and approval of all documentation necessary to secure construction and permanent loan financing of the project; b.) evidence, satisfactory to the Agency, that all conditions and qualifications relating to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and all applicable requirements of the Agency's Tax Credit Program have been met; c.) evidence, satisfactory to the Agency, that all conditions and qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; d.) compliance with the timeframes and deadlines established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Volume Cap Request for Proposals; e.) evidence of the commitment of construction and permanent financing in amounts sufficient to ensure financial feasibility of the project (which may include restructuring of existing debt); 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 Restrictive Covenant Agreement; g.) evidence of the satisfaction of accessibility requirements; h.) evidence of the contribution of equity in an amount sufficient to ensure the financial feasibility of the development; i.) final underwriting of the application for tax-exempt bond financing and low income housing tax credits; j.) submission of a construction contract with a qualified contractor for an amount not to exceed \$8,420,678; and l.) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the construction/bond closing to allow sufficient time for Agency review and approval.

Section 2. The action taken by the Agency is hereby declared to be an affirmative official act of the Agency toward the issuance of private activity bonds to finance the above named project; provided that in no event shall this official act be construed as an acceptance of any liability on behalf of the Agency nor as an indication of final selection for financing or a commitment of Volume Cap.

Section 3. This resolution shall be effective immediately.

Pennsylvania Housing Finance Agency
Memorandum

Date: September 3, 2015

To: Members of
Pennsylvania Housing Finance Agency

From: Brian A. Hudson,
Executive Director & CEO



Re: Pennsylvania Housing Finance Agency
Single Family Mortgage Revenue Bonds,
Series 2015-118

The Agency successfully sold its Single Family Mortgage Revenue Bonds, Series 2015-117 and will close this transaction later in September. Through this issuance, the Agency was able to refund certain of its outstanding variable rate bonds (and fix the rates to maturity) and also achieve cost savings to support \$55M in new thirty year mortgages with interest rates ranging from 3% to 3.5%.

The Agency continues to explore opportunities to refund outstanding bonds in its Single Family Mortgage Revenue Bond Program, especially variable rate deals, and to achieve cost savings which can subsidize new mortgage production. The market appears to support a similar transaction and we will begin immediately to structure and sell bonds while the current market conditions continue.

The attached resolution authorizes staff to begin structuring immediately and we expect to price and sell Series 118 no later than year end.

RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING
FINANCE AGENCY AUTHORIZING THE ISSUANCE OF
SINGLE FAMILY MORTGAGE REVENUE BONDS,
SERIES 2015-118

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

WHEREAS, the Agency has determined to issue its Single Family Mortgage Revenue Bonds, Series 2015-118 in accordance with a Series Resolution to be attached hereto and made a part hereof; and

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

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

Section 1. Adoption of the Series 2015-118 Resolution. The Series Resolution authorizing the issuance of the Agency's Single Family Mortgage Revenue Bonds, Series 2015-118 (the "Bonds") is hereby incorporated herein by reference and is adopted by the Agency.

Section 2. Delegation of Authorization to Negotiate Final Terms. (a) Subject to the provisions of this Section 2, the Finance Committee is hereby authorized and directed to negotiate, prepare or accept, execute, deliver and distribute, for and on behalf of the Agency and in the name thereof, a contract of purchase and/or agreement and memorandum of understanding, which outlines terms of final pricing, interest rates, tender and redemption provisions, bond maturities, payment of associated costs of issuance appropriate for the financing (including reasonable compensation for applicable structuring and fees related thereto), and such documents as may be necessary for the transaction, including offering and disclosure documents, an indenture and all other documents relating to the issuance of and investment mechanisms relating to the Bonds and related securities, which may include taxable, variable rate or fixed rate notes. At the time such final terms have been negotiated on behalf of the Agency, such final terms shall be incorporated into the Series 2015-118 Resolution, which, with such final terms so incorporated, shall constitute the Series Resolution of the Agency authorizing the issuance of the Bonds.

(b) The final terms of the Series 2015-118 Bonds shall be as negotiated by the Finance Committee, provided, however, as follows: (i) the principal amount of the Series 2015-118 Bonds shall not exceed \$275,000,000, (ii) the final maturity of the Series 2015-118 Bonds shall be no later than 2047, and (iii) the initial interest rate or rates on the Series 2015-1185 Bonds shall be a rate or rates resulting in a net interest cost no higher than 8% per annum.

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

Section 4. This Resolution shall take effect immediately.