

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, April 14, 2016 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, April 12, 2016 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, April 12, 2016 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, APRIL 14, 2016

10:30 A.M.

A G E N D A

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE MINUTES FROM THE MARCH 10, 2016 BOARD MEETING
3. PROPERTY WORKOUT PRESENTATION
 - A. Magnolia Mews, Philadelphia, Philadelphia County
4. REVIEW OF HEMAP GUIDELINES AND ACT 91 NOTICE
5. OTHER BUSINESS
6. ADJOURNMENT

**Pennsylvania Housing Finance Agency
Meeting of the Board
March 10, 2016**

Members Present:

- *Robin Wiessmann, Chair
- *Thomas B. Hagen, Vice Chair
- *Craig H. Alexander
- *Maria F. Coutts
- *Ronald F. Croushore
- *Lisa Watson (serving in the stead of
Ted Dallas, Secretary, Department
of Human Services)
- *Kathy Possinger (serving in the stead of
Dennis Davin, Secretary of Department
of Community and Economic Development)
- *Lisa R. Gaffney
- *Ross Nese
- *John Paone
- *Keith Welks (serving in the stead of
Timothy Reese, State Treasurer)
- *Mark Schwartz

*On Telephone conference call

Members Absent:

Noel Eisenstat

Others Present:

Brian A. Hudson, Executive Director
Rebecca L. Peace, Chief Counsel
William Fogarty, Director of Government Affairs
Carl Dudeck, Director of Housing Management
Holly Glauser, Director of Development
Bryce Maretzki, Director of Strategic Policy & Planning
Kate Newton, Director of Homeownership Programs
Kim Boal, Director of Information Technology
Scott Elliott, Director of Communications
John Zapotocky, Director of Accounting
JoLynn Stoy, Associate Counsel
Clay Lambert, Business Policy Officer
Melissa Raffensperger, Communications Officer
Thomas Brzana, Director of Loan Servicing
Joseph Knopic, Director of Finance
Steve O'Neill, Assistant Counsel
Chris Anderson, Communications Officer
Doug Haughton, Development Officer
Bonnie Russell, REO Conventional Manager
Daryl Martin, Sr. Computer Program Analyst
David Doray, Manager of Multifamily Underwriting

Stan Salwocki, Manager of Architecture and Engineering
*Barbara Stephens, Public Affairs Officer
*Carla Falkenstein, Director of Western Region
Lori Toia, Director of HEMAP
Cindy Daley, Housing Alliance
David Womack, Roosevelt & Cross
*Max Kent, NewCourtland Apartments at St. Bartholomew's Phase 1
Charlotte L. Nelson, Assistant Secretary
Carrie M. Barnes, Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, March 10, 2016 at 10:30 a.m. at the offices of the Pennsylvania Housing Finance Agency, 211 North Front Street, Harrisburg, Pennsylvania.

In compliance with the provisions of the Sunshine Act, notification of this meeting appeared in the Legal Notices Section of *The Patriot News* in Harrisburg, Dauphin County on March 1, 2016.

1. CALL TO ORDER AND ROLL CALL

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

2. APPROVAL OF THE MINUTES FROM THE FEBRUARY 11, 2016 BOARD MEETING

There were no additions or corrections to the minutes.

Mr. Schwartz made a motion that the minutes from the February 11, 2016 Board meeting be approved as submitted. This motion was seconded and was unanimously approved.

3. REQUEST FOR AN ALLOCATION OF TAX EXEMPT ISSUING AUTHORITY

A. NewCourtland Apartments at St. Bartholomew's Phase Philadelphia, Philadelphia County

Mr. Haughton reviewed the project specifics and its financing plan. This is the first phase of a proposed three phase senior campus to house individuals age 62 and older. The campus will also house a LIFE Center which will provide on-site daily care and services for the residents of the project and the community.

Staff recommends approval of this financing request.

Mr. Nese noted that these apartments will help senior citizens live independently longer because of the supportive services located on property. He is very much in favor of this type of development.

A motion was made that the Board approve the resolution authorizing the issuance of Special Limited Obligation Multifamily Housing Development Bonds in a maximum aggregate principal amount not to exceed \$7,000,000 for NewCourtland Apartments at St. Bartholomew's Phase 1. This motion was seconded. Mr. Schwartz abstained. The motion carried. (See Appendix 1 of these Minutes.)

Mr. Kent, representing the ownership of the project, thanked the Board for their consideration and approval of this project.

Mr. Hudson informed the Board that this is Mr. Haughton's final Board meeting and he is retiring from PHFA after 25 years of service. He wished Mr. Haughton well and thanked him for his years of service to the Agency.

4. HOUSING TRUST FUND/MARCELLUS SHALE 2016 FINAL PLAN APPROVAL

Mr. Maretzki reviewed the background of the Housing Trust Fund/Marcellus Shale program noting that it was established in 2010.

Each year, the Agency is required to submit a plan detailing the program priorities and describing the method in which the funds will be distributed. Following the Board's preliminary approval of the Plan in December 2015, a 45 day comment period began. Mr. Maretzki reported that the only change to the Plan is a sentence addressing homeless families and veterans under the "Address greatest need" paragraph. The Plan submitted today for the Board's approval is this final version.

Staff recommends approval of the Plan as submitted.

Mr. Maretzki pointed out that the amount of funds received from the Marcellus Shale impact fee will begin decreasing because of the scaled back production and closing of some of the Pennsylvania wells. Each year, an evaluation of the Plan is required to determine how much funding will be available and how the funds will be distributed. Mr. Maretzki expects a change to the Plan in the coming years as the revenue from the Realty Transfer Tax becomes a funding source for the Housing Trust Fund.

A Request For Proposals will be published in the 37 counties affected by Marcellus Shale drilling. The proposals are to be received by mid-June and staff plans to make recommendations for funding to the Board in October of this year.

Chair Wiessmann asked if there are any other available funding sources for this program. Mr. Maretzki stated that the Agency is working with the Department of Community and Economic Development in attempting to obtain additional Housing and

Urban Development (HUD) funding which will be available from the National Housing Trust Fund.

Chair Wiessmann stated that this is a very remarkable program and she hopes that it can continue to be funded.

A motion was made that the Board approve the Housing Trust Fund/Marcellus Shale 2016 Plan. This motion was seconded and was unanimously approved. (See Appendix 2 of these Minutes.)

5. Other Business

A. Other PHFA Retirees

Mr. Hudson introduced Bonnie Russell and Daryl Martin. Ms. Russell is retiring from the Agency at the end of this month with 31 years of service. She has been a manager in the REO division of the Agency for a number of years. Mr. Martin, a Senior Programmer in the Agency's Information Technology division, has 31 years of service and is also retiring at the end of this month.

Mr. Hudson congratulated Ms. Russell and Mr. Martin and thanked them for their years of service to PHFA. They will both be missed.

Chair Wiessmann asked if the Agency's number of retirees is beginning to pick up. Mr. Hudson reported that in a typical year there may be two or three retirees but this year it will be about four or five.

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 10:50 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, April 14, 2016 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

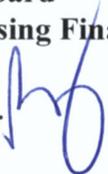
Respectfully submitted,



Carrie M. Barnes
Secretary

PENNSYLVANIA HOUSING FINANCE AGENCY

Date: March 21, 2016
Subject: Property Workout
To: Members of the Board
Pennsylvania Housing Finance Agency
From: Brian A. Hudson
Executive Director



O-150 Magnolia Mews	Outstanding Primary Loan:	\$87,421
	Outstanding Support Loan:	\$731,054

Magnolia Mews is a 63 unit general occupancy property located in Philadelphia. It was originally occupied in May 1991 and received a \$1,116,696 first mortgage from PHFA and an \$882,000 support mortgage through funds provided by the PennHOMES Program. This property did not commit to a 30 year affordability period under the federal Low Income Housing Tax Credit Program and the initial tax credit compliance period ended in 2006.

The owner of the property is Magnolia Mews Limited Partnership, a Pennsylvania limited partnership with Magnolia Mews Development Corp., a Pennsylvania corporation, its general partner, whose President is Gary Reisner..

The owner has submitted to the Agency a refinancing proposal for the property. The proposal includes pay-off of the primary mortgage loan and repayment of 50% of the outstanding support mortgage loan as payment in full. While this property remains current with its bills, the owner desires to refinance in order to make capital improvements to the property. The capital repairs needed to maintain these buildings are extensive and far exceed 50% of the outstanding support mortgage loan. In addition, the owner has indicated that he will establish a \$400,000 reserve to partially cover the necessary repairs. Finally, the property is subject to a 20 year HAP contract that expires in 2032, so this property will remain affordable housing.

Staff is recommending Board approval of this request. A resolution is attached for your consideration.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING PROPERTY WORKOUT FOR MAGNOLIA MEWS,
PHFA O-150**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") is authorized to make mortgage loans to mortgagors for such projects as in the judgment of the Agency have promise of supplying well-planned and well-designed apartment units for low and moderate income persons or families or the elderly or others in the Commonwealth of Pennsylvania; and

WHEREAS, the Agency originally provided a primary mortgage loan in the amount of \$1,116,696 (with a current outstanding balance of \$87,421) and a support mortgage loan in the amount of \$882,000 (with a current outstanding balance of \$731,054) to Magnolia Mews Limited Partnership, with Magnolia Mews Development Corp. as general partner, for the development of 63 multifamily residential rental units in Philadelphia known as Magnolia Mews, PHFA No. O-150; and

WHEREAS, the above development is in need of capital improvements and the owner proposes to refinance Magnolia Mews to pay for the capital improvements; and

WHEREAS, the owner proposes to refinance Magnolia Mews and pay-off the outstanding primary loan and requests that the Agency accept an amount equal to 50% of the outstanding support loan as payment in full; and

WHEREAS, the Agency has reviewed the development and its financial operations and has determined to approve the refinancing of the development and repayment of the loans associated with the development as set forth below.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 14th day of April, 2016, as follows:

Section 1. The Agency staff is authorized to approve the refinancing of Magnolia Mews to accept payment in full of the outstanding primary loan, to accept an amount equal to 50% of the outstanding balance of the support loan as payment in full of the support loan and to take all actions necessary to accomplish the same.

Section 2. This resolution shall take effect immediately.