

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, March 9, 2017 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, March 7, 2017 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, March 7, 2017 either in writing or by telephone and detail the nature of their presentation.

Carrie M. Barnes
Secretary
Phone: 717.780.3911
TTY (in Pennsylvania): 711

PENNSYLVANIA HOUSING FINANCE AGENCY

THURSDAY, MARCH 9, 2017

10:30 A.M.

A G E N D A

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE MINUTES FROM THE FEBRUARY 9, 2017 BOARD MEETING
3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT
 - A. Tax Exempt Volume Cap Requests
 1. North Central CNI Phase II, Philadelphia, Philadelphia County
 2. Pleasant Valley Apartments, Conshohocken, Montgomery County
 3. Miriam and Robert Rieder Apartments, Philadelphia, Philadelphia County
 - B. Transfer of Ownership – Emma Lazarus Place, Reading, Berks County
 - C. Property Workout – Shyrock Senior Apartments, Meadville, Crawford County
 - D. Other Business
4. TRISTATE CAPITAL BANK REFINANCING 2013 LOAN
5. OTHER BUSINESS
6. ADJOURNMENT

**Pennsylvania Housing Finance Agency
Meeting of the Board
February 9, 2017**

Members Present:

- *Robin Wiessmann, Chair
 - *Thomas B. Hagen, Vice Chair
 - *Craig H. Alexander
 - *Maria F. Coutts
 - *Ronald F. Croushore
 - *Kathy Possinger (serving in the stead of
Dennis Davin, DCED)
 - *Ben Laudermilch (serving in the stead of
Ted Dallas, Secretary, Department of Human Services)
 - *Noel E. Eisenstat
 - *Robert Loughery
 - *Ross Nese
 - *John Paone
 - *Mark Schwartz
 - *Keith Welks (serving in the stead of
Joseph Torsella, State Treasurer)
- *On telephone conference call

Others Present:

- *Brian A. Hudson, Executive Director
- *Rebecca L. Peace, Deputy Executive Director/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
- *Barbara Stephens, Public Affairs Officer
- *Carla Falkenstein, Director of Western Region
- *Coleen Baumert, Director of Homeownership Programs
- *Kim Boal, Director of Information Technology
- *Scott Elliott, Director of Communications
- *Kelly Wilson, Development Office II
- *Barbara Stephens, Public Affairs Officer
- *Joseph Knopic, Director of Finance
- *Chris Anderson, Communications Officer
- *M. Steven O'Neill, Assistant Counsel
- *Yuliya An Litvak, Millennia Housing Development
- *Deana Prinson, Legislative Assistant to Senator Thomas McGarrigle
- *Beth Horne-Beachy, Executive Director, House Commerce
Committee, Rep. W. Curtis Thomas
- *Melissa Grover, Government Affairs Associate
- *Linda Stewart, Manager of Tax Credit Program

*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, February 9, 2017 at 10:30 a.m. via conference call because of extreme weather conditions.

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 January 24, 2017.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Wiessmann at 10:34 a.m. The roll was called and a quorum was present.

2. ELECTION OF THE VICE CHAIR OF THE BOARD

Mr. Schwartz made a motion that Thomas B. Hagen be nominated and reappointed Vice Chairman of the Board for the coming year. This motion was seconded. There were no additional nominations and the motion was unanimously approved.

Mr. Hagen stated that he is happy to accept this role on the Board.

3. APPROVAL OF THE MINUTES FROM THE DECEMBER 8, 2016 BOARD MEETING

There were no additions or corrections to the minutes.

Chair Wiessmann made a motion that the minutes from the December 8, 2016 Board meeting be approved as submitted. Mr. Loughery abstained from the motion due to his recent appointment to the Agency's Board. The motion was seconded and was unanimously approved.

4. PROGRAM DEVELOPMENT AND REVIEW COMMITTEE REPORT

Chair Wiessmann recognized the long-term service of outgoing Board Member, Lisa Gaffney. Mr. Schwartz provided his concurrence as well.

Ms. Possinger chaired the Program and Development Review Committee and reported that the Committee met prior to the Board meeting regarding the following items:

A. Tax Exempt Volume Cap Request – Hershey Plaza

Ms. Wilson reviewed the project and its financing plan. She reported that the owner is seeking tax exempt bond financing through PHFA in an amount not to exceed \$29,500,000. The proposal includes the acquisition and moderate rehabilitation of a 10-story residential building with 216 units. Red Stone will be purchaser of the bonds. Staff recommends approval of this funding request.

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

Ms. Possinger made the motion that the Board approve the resolution approving the tax exempt volume cap request for Hershey Plaza. This motion was seconded by Mr. Schwartz and unanimously approved. (See Appendix 1 of these Minutes.)

B. Transfer of General Partnership Interest – Valley View Gardens

Mr. Dudeck reviewed the request for transfer of general partnership interest for Valley View Gardens. He indicated all relevant documentation has been reviewed.

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

Ms. Possinger made the motion that the Board approve the resolution approving the transfer of general partnership interest for Valley View Gardens. This motion was seconded by Mr. Schwartz and unanimously approved. (See Appendix 2 of these Minutes.)

5. POLICY COMMITTEE REPORT

Mr. Schwartz, Chair of the Policy Committee, reported that the Committee met prior to the Board meeting regarding the following items:

A. Preliminary Approval of the 2017/2018 Tax Credit Allocation Plan

Ms. Glauser outlined the 2017/2018 Tax Credit Allocation Plan, which is required in order to administer the tax credit program. Ms. Glauser addressed questions and other changes from this year's allocation plan. Among other items, changes proposed include providing incentive for Section 811 participation, requiring prior allocatees to close their financings by August 18, 2017 before the Agency will entertain a 2017/2018 application and possibly adjusting energy building standards. A focus group meeting will be held on February 15, 2017. A public hearing is scheduled for

March 7, 2017. The Plan will also be posted on the Agency's website for public comment.

Mr. Schwartz made a motion for preliminary approval of the 2017/2018 Tax Credit Allocation Plan and that this draft be released to the public for review and comment. The motion was seconded by Mr. Laudermilch and unanimously approved.

B. ReCLAIM Program - Erie

Mr. Hudson indicated the former Mixed Use Facility Financing program has been retooled as ReCLAIM (Revised Community Leveraging Assistance Initiative Mortgage). Previously, the Agency had set aside funds (in the aggregate amount of \$3.0M) to leverage funding from foundations in the Pittsburgh and Philadelphia areas.

The Agency would like to partner with Erie Community Foundation to assist them to revitalize and rehabilitate the Erie downtown area. The Foundation has begun a funding initiative with a goal of \$2,000,000. The organization's efforts coincide with our ReCLAIM program objectives. Mr. Hudson is asking for Board approval of \$1 million to assist the Foundation in its quest to redevelop the area. Mr. Hagen indicated this would be a great opportunity for the Erie area and will abstain from the vote due to being a trustee to the Foundation. He also asked that the record reflect that the correct name of the Foundation is Erie Community Foundation.

Mr. Schwartz made the motion that the Board approve the resolution regarding the ReCLAIM funding in Erie. This motion was seconded by Mr. Nese and unanimously approved with one abstention. (See Appendix 3 of these Minutes.)

C. Preliminary Approval of the 2017 PHARE Plan

Mr. Maretzki summarized the 2017 PHARE Plan. Changes for the 2017 Plan combine different funding streams provided through the state housing trust fund, the Marcellus Shale Impact Fee, the Realty Transfer Tax (RTT) and the National Housing Trust Fund. The 2017 Plan will be a coordinated and synchronized plan for these funding streams with enhanced coordination with the tax credit allocation plan. Mr. Schwartz asked for a brief overview of the applications received for RTT and Mr. Maretzki reported that 139 applications are currently being reviewed and staff

recommendations will be presented to the Board in April. Mr. Laudermilch asked about the expected levels of PHARE funds in the upcoming year and Mr. Maretzki reported that RTT receipts are just a bit lower as compared to this time last year.

With preliminary approval of the Board, the plan would be available for public comment for 45 days and any feedback would be provided to the Board at the April meeting at which time final approval will be requested.

Mr. Schwartz made a motion that the Board approve the preliminary draft of the 2017 PHARE Plan. The motion was seconded by Mr. Eisenstat and unanimously approved.

6. APPROVAL OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2017-123

Mr. Hudson indicated the Agency is ready to start its next series of Single Family Mortgage Revenue Bonds, Series 2017-123. Series 122 was sold in January and closed earlier this month in the offering amount of \$239,645,000, which included approximately \$74 million in new money with interest rates ranging from 3.75% to 4.25%. Series 122 refunded the remaining bonds from the New Issue Bond Program. While interest rates have risen about 15 basis points since the beginning of the month, the Agency still has some attractive candidates to refund and intends to provide new money through the issuance of Series 123.

A motion was made by Mr. Schwartz that the Board approve the resolution authorizing the issuance of Single Family Mortgage Revenue Bonds, Series 2017-123 and delegating the negotiations and final approval to the Finance Committee. This motion was seconded by Mr. Laudermilch and unanimously approved. (See Appendices 4 of these Minutes.)

7. OTHER BUSINESS

Mr. Hudson provided an update to the Board regarding the upcoming NCSHA Legislative Conference. Mr. Hudson, Bill Fogarty and Melissa (nee Raffensberger) Grover will be visiting legislators March 6 – 8, 2017. It is anticipated that a summary of the conference will be provided to the Board at the March Board meeting. Chair Wiessmann asked if there are specific issues for discussion. Mr. Hudson indicated that they will be targeting members of the Pennsylvania delegation, especially Ways and Means Committee

members, to reinforce the importance of the low income housing tax credit program and the HOME program and other funding and tax exempt bond programs.

Ms. Possinger expressed her thanks to Brian and the Agency for the continued support of and advocacy for the federal HOME Program.

8. 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 11:06 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, March 9, 2017 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,

Maggie Strawser
Assistant Secretary

TAX-EXEMPT FINANCING

Pennsylvania Housing Finance Agency
February 28, 2017

SUBJECT: North Central CNI – Phase II

Request for Tax-Exempt Financing
Tax-Exempt/Tax Credit Development: PHFA No. TC2017-110, 89 units
City of Philadelphia, County of Philadelphia, Region 1
Development Officer: Ann A. Mermelstein

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson
Executive Director

Proposal Description

North Central CNI – Phase II is an 89-unit scattered site development located on multiple parcels located on North Seventh, Eighth, Ninth, Franklin, West Berks, and Norris Streets, in a residential area of North Philadelphia. This proposal is for the new construction of 29 two- and three-story buildings for general occupancy. There will be 24 one-bedroom units, 20 two-bedroom units, 31 three-bedroom units, 12 four-bedroom units and 2 five-bedroom units. The structural system will be wood frame on concrete masonry foundations with a brick and vinyl exterior finish. The development will contains a total of 123,172 square feet on approximately 1.9 acres of ground.

1. Construction Financing Plan

Construction financing will be provided in the approximate amounts of:

Tax-Exempt Bonds – Wells Fargo	\$18,300,000
Philadelphia Housing Authority – Public Housing Capital Funds – Loan	7,298,829
OHCD – Choice Neighborhoods Funds – Loan	8,000,000
OHCD – HOME Investment Partnerships Program – Loan	1,000,000
Equity from the Sale of Tax Credits	\$ 1,069,937
Total Development Cost	\$35,668,766

2. Permanent Financing Plan

Permanent financing will be provided in the approximate amounts of:

Tax Exempt Bonds - Wells Fargo	\$ 5,000,000
Philadelphia Housing Authority – Public Housing Capital Funds – Loan	9,251,269
OHCD – Choice Neighborhoods Funds – Loan	8,000,000
OHCD – HOME Investment Partnerships Program – Loan	1,000,000
Equity from the Sale of Tax Credits	<u>12,417,497</u>
Total Development Cost	\$35,668,766

3. Development Costs

The Agency will be the conduit issuer of the tax-exempt bonds, which are to be purchased by Wells Fargo in a private placement. The bond proceeds will be used to establish an escrow from which funds will be disbursed during construction, a portion of which will be repaid shortly after construction completion from the investor's equity. The remaining amount will convert to the permanent tax-exempt financing.

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$ 29,952,408	\$336,544	\$243
Replacement Cost	\$ 31,769,785	\$356,964	\$258
Total Replacement Costs & Reserves	\$ 32,625,705	\$366,581	\$265
Total Development Costs	\$ 35,668,766	\$400,773	\$290
Tax-Exempt Bonds	\$ 18,300,000	\$205,618	\$149

4. Leveraging of Other Resources

The owner anticipates that Wells Fargo Community Lending and Investment will provide an equity contribution of \$12,417,497 from the proceeds of the syndication of federal Low Income Housing Tax Credits, with a net pay-in of \$0.99. The development anticipates qualifying for an allocation of Low Income Housing Tax Credits in the approximate amount of \$1,171,462. 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	2	749	\$ 119	\$182	\$ 741	\$1,042
1BR	10	749	\$ 571	\$182	\$ 289	\$1,042
1BR	12	749	\$ 722	\$182	\$ 138	\$1,042
2BR	2	964	\$ 130	\$231	\$ 927	\$1,288
2BR	1	1,099	\$ 672	\$231	\$ 385	\$1,288
2BR	2	1,099	\$ 635	\$268	\$ 422	\$1,325
2BR	3	1 291	\$ 672	\$231	\$ 385	\$1,288
2BR	12	1,291	\$ 853	\$231	-----	\$1,084
3BR	3	1,574	\$ 136	\$281	\$1,181	\$1,598
3BR	15	1,574	\$ 763	\$281	\$ 554	\$1,598
3BR	3	1,396	\$ 972	\$281	-----	\$1,253
3BR	6	1,574	\$ 951	\$302	\$ 366	\$1,619
3BR	4	1,574	\$ 927	\$326	\$ 390	\$1,643
4BR	1	1,855	\$ 111	\$355	\$1,302	\$1,768
4BR	5	1,855	\$ 783	\$382	\$ 630	\$1,795
4BR	6	1,855	\$1,016	\$382	\$ 397	\$1,795
5BR	1	2,279	\$ 44	\$470	\$1,582	\$2,096
<u>5BR</u>	<u>1</u>	<u>2,279</u>	<u>\$ 815</u>	<u>\$470</u>	<u>\$ 811</u>	<u>\$2,096</u>
Total	89					

Seventy-four of the units are expected to receive rental assistance under the HUD Rental Assistance Demonstration Program (RAD) with a Project Based Section 8 Rental Assistance Contract (with a minimum term of 20 years) to be signed at closing.

Nine units will be available to tenants earning up to 20% of the area median income, 37 units will be available to tenants earning up to 50% of area median income and the remaining 43 units will be available to tenants earning up to 60% of the area median income.

6. Supportive Services

Supportive services will be coordinated by the management agent, Philadelphia Asset and Property Management Corporation, a subsidiary of the Philadelphia Housing Authority. The goal of the management agent is to promote individual and family self-sufficiency for the residents. Services will include employment and life skills training, information and referral, educational and other training opportunities. The management agent plans to build and leverage partnerships with community agencies.

Development Team

1. Identification of Owner

The owner of this development is North Central CNI Phase II LP, a Pennsylvania limited partnership, with North Central CNI Phase II HDC, a Pennsylvania non-profit corporation, as its managing general partner.

2. Development Team Members

Sponsor:	Philadelphia Housing Authority Kelvin A. Jeremiah Philadelphia, PA
Owner:	North Central CNI Phase II LP Michael Johns Philadelphia, PA
Attorney:	Ballard Spahr LLP Amy M. McClain, Esquire Baltimore, MD
Architect:	CICADA Architecture/Planning Inc. Kurt Raymond, AIA Philadelphia, PA
Contractor:	Shoemaker/Synterra, A Joint Venture (SSAJV) Maura Hesdon Conshohocken, PA
Management Agent:	Philadelphia Asset and Property Management Corporation Thomas Magras Philadelphia, PA

Site Description

North Central CNI – Phase II is a scattered site development situated on 1.9 acres of ground located in a residential area in North Philadelphia. The sites are level and are properly zoned for multifamily housing.

A number of neighborhood amenities are located within a few blocks of the development. Public transit bus service is located within one quarter mile of the site, providing access to additional services throughout the City.

Conditions

Final bond issuance will be conditioned on 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 requirements of the Agency's 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 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 amounts 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. Evidence of the satisfaction of accessibility requirements.
8. Contribution of equity in an amount sufficient to ensure the financial feasibility of the development.
9. Final underwriting of the application for tax-exempt bond financing and low income housing tax credits.
10. Evidence, satisfactory to the Agency, of the award of a 20 year rental subsidy from the Philadelphia Housing Authority's Rental Assistance Demonstration (RAD) Program.
11. 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.

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$20,150,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(North Central CNI – Phase II)**

Adopted: March 9, 2017

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$20,150,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(North Central CNI – Phase II)**

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 notes or such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders 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 or noteholders and of the trustee, and may contain such other provisions as the Agency may deem reasonable and proper for the security of the bondholders or noteholders; and

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

WHEREAS, North Central CNI Phase II LP, a Pennsylvania limited partnership (the "**Borrower**") sponsored by the Philadelphia Housing Authority, has requested financing from the Agency in an amount not to exceed \$20,150,000 (the "**Bonds**") to fund the new construction of 29 two- and three-story buildings for general occupancy to be known as "North Central CNI – Phase II", comprised of 89 units in the City of Philadelphia, Philadelphia 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, Wells Fargo Bank, National Association or its affiliate (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 there have been prepared certain documents to evidence the transaction, including financing documentation relating to the Project.

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 \$20,150,000.

The Bonds shall carry the designation set forth in 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 may be applied to certain costs of issuance; and which Project is in every respect intended to qualify as a "residential rental facility" under the exempt facility provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "**Code**").

Section 203. Conditions. This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review, and approval of all documentation necessary to secure construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code 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; (f) evidence of the commitment to serve low income tenants for a period of not less than thirty (30) years, which will be included in the Restrictive Covenant Agreement; (g) evidence of the satisfaction of accessibility requirements; (h) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) satisfactory evidence of the award of a 20 year rental subsidy from the Philadelphia Housing Authority's Rental Assistance Demonstration (RAD) Program; and (k) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the commencement of construction to allow sufficient time for Agency review and approval. Civil engineering, architectural, structural, HVAC, plumbing, and electrical drawings and specifications shall be submitted, as applicable. Agency comments and recommendations made during its review must be addressed and approved prior to the commencement of the loan closing.

Section 204. Date, Principal Amount, Maturity and Interest Rate. The Bonds shall be dated the date of issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity date, 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 \$20,150,000; the initial 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 20 years after issuance, or such date supported by the final underwriting (whichever is shorter).

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

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

Section 207. Execution of Bonds. The Bonds shall be executed by the manual or facsimile signature of the Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance and the seal of the Agency or a facsimile thereof shall be imprinted, impressed or otherwise reproduced on the Bonds and attested by the manual or facsimile signature of the Executive Director, Deputy Executive Director and Chief Counsel, Director of Finance or Secretary of the Agency. The Bonds shall be delivered to or on behalf of the 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 Requisite Agreements. Any of the Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance of the Agency is hereby authorized to execute, for and on behalf of and in the name of the Agency, the Bonds and the Agreement, including a trust agreement if deemed appropriate, 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 the sale of the Bonds, 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. The Bonds shall contain therein a statement to the effect that the Bonds shall be special and limited obligations of the Agency payable only from the sources provided in the Agreement, that neither the Commonwealth nor any political subdivision thereof shall be liable on the Bonds and that neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds. Neither the members of the Board nor the officers of the Agency nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**ARTICLE V
MISCELLANEOUS**

Section 501. Authorization of Officers. The Chairperson, Vice Chairperson, Executive Director, Director of Finance, Deputy Executive Director and Chief Counsel, Secretary and any Assistant Secretary of the Agency, and any other authorized officer of the Agency, are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the Bonds and the Agreement as shall, with the advice of the Agency Counsel and Bond Counsel, be advisable.

Section 502. Covenant to Comply with Federal Tax Requirements. The Agency hereby covenants to comply, and to take appropriate steps to ensure that the Borrower complies, with all applicable requirements of the Code so that interest on the Bonds will be excluded from gross income of the holders thereof for federal income tax purposes, including all applicable requirements of the Code regarding the provision of funds for qualified residential rental properties, investment of proceeds, treatment of fund investment earnings, repayments or unused proceeds, restriction of earnings on reserve funds, and rebate and yield restrictions set forth in Section 148 of the Code. The Agency also covenants to make any required payment imposed by the United States to maintain compliance with said requirements from time to time as required by Section 148 of the Code (or by applicable subsequent Treasury Regulation.) The Agency shall require that Borrower contract for and fund the retention of qualified computation advisers to perform all applicable disclosure and federal tax compliance requirements.

Section 503. Official Intent. In accordance with Treasury Reg. §1.150-2, the Agency hereby confirms its intentions that a portion of the proceeds of the Bonds may be used to reimburse itself or the Borrower for qualifying expenditures paid prior to the date of issuance of the Bonds. All original expenditures to be reimbursed will be capital expenditures (as defined in Treas. Reg. Sec. 1.150-1(b)) and other amounts permitted to be reimbursed pursuant to Treas. Reg. Sec. 1.150-2(d)(3) and (f).

Section 504. Effective Date and Validity. This Resolution shall take effect immediately and shall remain in effect until specifically repealed.

TAX-EXEMPT FINANCING

Pennsylvania Housing Finance Agency
February 28, 2017

SUBJECT: Pleasant Valley Apartments

Request for Tax-Exempt Financing
Tax-Exempt/Tax Credit Development: PHFA No. TC2017-101, 41 units
Borough of Conshohocken, Montgomery County, Region 1
Development Officer: William G. Bailey, Jr.

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson
Executive Director

Proposal Description

Pleasant Valley Apartments is located in a mixed residential and commercial area in the Borough of Conshohocken. This proposal is for the acquisition and moderate rehabilitation of four two- and three-story buildings for general occupancy. There are nine one-bedroom units, 24 two-bedroom units and eight three-bedroom units. The structural system is wood frame with a brick and stucco exterior finish. The development contains a total of 41,442 square feet and is on approximately 1.12 acres of ground.

1. Construction Financing Plan

Construction financing will be provided in the approximate amounts of:

Tax-exempt note - Citibank, N.A. private placement – Tranche A	\$ 5,947,000
Tax-exempt note - Citibank, N.A. private placement – Tranche B	2,053,000
Deferred developer fee and reserves	786,250
Interim income	252,939
Equity from the sale of tax credits	<u>1,502,285</u>
Total Development Cost	\$10,541,474

2. Permanent Financing Plan

Permanent financing will be provided in the approximate amounts of:

Tax-exempt note - Citibank, N.A. private placement	\$ 5,947,000
Interim income	252,939
Deferred developer fee	1,003,123
Equity from the sale of tax credits	<u>3,338,412</u>
Total Development Cost	\$10,541,474

3. Development Costs

The Agency will be the conduit issuer of tax exempt notes structured using Citibank's "Back-to-Back" loan structure. Citibank, N.A. will be the initial funding lender and loan servicer. The note proceeds will be used to establish an escrow from which funds will be disbursed during construction.

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$1,886,384	\$ 46,009	\$ 46
Replacement Cost	\$9,223,927	\$224,974	\$223
Total Replacement Costs & Reserves	\$9,344,742	\$227,921	\$225
Total Development Costs	\$10,541,474	\$257,109	\$254
Tax-Exempt Bond	\$8,000,000	\$195,122	\$193
Acquisition Costs	\$6,400,000	\$156,098	\$154

4. Leveraging of Other Resources

The owner anticipates that City Real Estate Advisors will provide an equity contribution of \$3,338,412 from the proceeds of the syndication of federal Low Income Housing Tax Credits, with a net pay-in of \$1.056. The development anticipates qualifying for an allocation of Low Income Housing Tax Credits in the approximate amount of \$300,791. Developments financed with tax-exempt private activity bonds or notes 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	8	735	\$300	\$60	\$1070	\$1430
1BR	1	735	\$844	\$60	\$0	\$904
2BR	24	840	\$300	\$69	\$1165	\$1534
<u>3BR</u>	<u>8</u>	1,260	\$300	\$87	\$1,550	\$1937
Total	41					

Forty units receive rental assistance under an existing HUD Section 8 Project Rental Assistance Contract. HUD has approved a twenty year renewal of the HAP Contract, post rehab rents as stated above and the transfer of the HAP Contract to the new owner. The HAP Contract will be signed and become effective at closing.

Seventeen units will be available to tenants earning up 50% of area median income and twenty-four units will be available to tenants earning up to 60% of area median income.

6. Relocation

All tenants will be temporarily moved off-site to hotel rooms for seven to fourteen days while rehabilitation of their units is completed. They will be returned to their units upon completion. The owner will cover all costs of the temporary relocation. A preliminary review of the rent roll indicates there are no tenants having incomes exceeding the tax credit program limits. The budget provides for the cost of temporary relocation as needed to complete the renovations.

7. Supportive Services

Preservation Partners Management Group will establish linkages with local community service providers to provide supportive services for residents of Pleasant Valley. They will coordinate referrals to the providers to make available various services including case management, adult and youth education, health and wellness programs and life skills development.

Development Team

1. Identification of Owner

The owner of this development is Pleasant Valley Preservation Limited Partnership, a Pennsylvania limited partnership, with Pleasant Valley Preservation Partners LLC as its general partner.

2. Development Team Members

Sponsor:	Preservation Partners Development III, LLC William Szymczak Torrance, CA
Owner:	Pleasant Valley Preservation Limited Partnership William Szymczak Torrance, CA
Attorney:	Applegate & Thorne Thomsen Warren Wenzloff Chicago, IL
Architect:	FitzGerald Associates Architects Richard Whitney Chicago, IL
Contractor:	Walsh Construction Company II, LLC Chris Burns Pittsburgh, PA
Management Agent:	Preservation Partners Management Group Rocio Garcia Torrance, CA

Site Description

The site is located in a mixed residential and commercial area in the Borough of Conshohocken. The site slopes from the front of the property on East Hector Street to the parking lot at the rear of the property on East Elm Street.

A number of amenities are located within a few blocks of the site as are the public transit bus and the SEPTA Rail Station providing access to additional services throughout the area.

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 requirements of the Agency's 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 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 amounts 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. Evidence of the satisfaction of accessibility requirements.
8. Contribution of equity in an amount sufficient to ensure the financial feasibility of the development.
9. Final underwriting of the application for tax-exempt bond financing and low income housing tax credits.
10. Evidence of the final approval from HUD of the rents stated in the application and the extension of the current HUD Section 8 HAP Contract for a period of not less than 20 years and the transfer to the new owner
11. 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.

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$8,800,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Note
(Pleasant Valley Apartments)**

Adopted: March 9, 2017

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$8,800,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT NOTE
(Pleasant Valley Apartments)**

WHEREAS, the Housing Finance Agency Law, Act of December 3, 1959, P.L. 1688, as amended (35 P.S. Section 1680.101 *et seq.*) (the "**Act**"), determines and declares that the welfare of the Commonwealth of Pennsylvania (the "**Commonwealth**") is threatened by an inadequate supply of housing for persons and families of low and moderate income and the elderly; that the housing need for persons and families of low and moderate income and the elderly has not had economic expression in a market demand sufficient to encourage greater production of such housing by private industry due to high construction costs, a scarcity of financing and increased interest rates; that necessary governmental activities in urban renewal programs and under regulatory laws protecting health and safety face serious curtailment or interruption unless it becomes economically feasible for persons and families to acquire housing in place of the dwellings being eliminated by such activities; that the Commonwealth has a strong moral responsibility to assist in providing opportunity for the rental of relocation housing by persons and families displaced by necessary governmental activities and a general responsibility to eliminate conditions which prevent private industry from supplying housing to relieve the general shortage of housing; that private industry alone is unable to provide financing necessary for housing for persons and families of low and moderate income at a cost which such persons and families can afford; that the financing provided for in the Act will encourage greater expenditure of private capital for housing; and that there is a clear relationship between the provision of adequate, safe and sanitary housing and the advancement of public health and morals and the prevention of fire, accident and crime; and

WHEREAS, the Act empowers the Pennsylvania Housing Finance Agency (the "**Agency**") to make loans to eligible borrowers to provide for the construction, rehabilitation or permanent financing of such residential housing developments as in the judgment of the Agency have promise of supplying well planned, well designed apartment units which will provide housing for low and moderate income persons or families or the elderly and others in locations where there is a need for such housing and to purchase, service and sell such loans and to accept grants and subsidies from and to enter into agreements or other transactions with any federal agency or agency of the Commonwealth or other entity and to do all things necessary or convenient to carry out the powers granted by the Act; and

WHEREAS, the Agency is further authorized to issue and sell, subject to written approval by the Governor, bonds or notes in such principal amounts as, in the opinion of the Agency, are necessary to provide sufficient funds for achieving its corporate purposes; and

WHEREAS, the Agency has the power to invest any funds held in reserve or sinking funds and any funds not required for immediate disbursement in such investments as may be lawful for fiduciaries under any law of the Commonwealth, and the Agency may pledge reserve funds to the holders of bonds or notes which are issued pursuant to the Act and proceeds of loans created therefor by the Agency, all or any part of the assets acquired by the Agency pursuant to the Act, and any other lawfully available money to secure the payment of such bonds or notes; and

WHEREAS, the Act provides that bonds or notes issued by the Agency may be secured by a trust agreement by and between it and a trustee and that the resolution providing for the issuance of such bonds or notes or such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders 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 or noteholders and of the trustee, and may contain such other provisions as the Agency may deem reasonable and proper for the security of the bondholders or noteholders; and

WHEREAS, Citibank, N.A. (the "**Funding Lender**"), or such successor entity as may be approved by the Agency, will make a loan to the Agency to provide funding for the Project (the "**Funding Loan**"), and certain documents to evidence the transaction, including the note or notes to be issued by the Agency evidencing the Funding Loan (the "**Funding Loan Note**") and other financing documentation relating to the Project, will be prepared; and

WHEREAS, the Agency has determined to issue and secure the Funding Loan Note in accordance with, pursuant to and under this Resolution, a loan agreement and/or similar loan or financing agreements (such operative documents shall be referred to hereinafter collectively as the "**Funding Loan Agreement**"); and

WHEREAS, Pleasant Valley Preservation Limited Partnership, a Pennsylvania limited partnership (the "**Borrower**") sponsored by Preservation Partners Development III LLC, a California limited liability company, has requested financing from the Agency in an amount not to exceed \$8,800,000 (the "**Project Loan**") to fund a portion of the costs of acquiring and renovating four two- and three-story buildings for general occupancy, known as "Pleasant Valley Apartments", comprised of 41 affordable units in the Borough of Conshohocken, Montgomery County, Pennsylvania (the "**Project**"); and

WHEREAS, the Agency will issue the Funding Loan Note and use the proceeds thereof to fund the Project Loan to the Borrower pursuant to a loan agreement between the Agency and the Borrower (the "**Project Loan Agreement**"), as evidenced by one or more notes evidencing the Project Loan delivered by the Borrower to the Agency (the "Project Loan Note"); and

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

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 Funding Loan Agreement.

ARTICLE II AUTHORIZATION OF NOTE

Section 201. Principal Amount and Designation. The Funding Loan Note is hereby authorized to be issued, in an aggregate principal amount not to exceed \$8,800,000. The Funding Loan Note shall carry the designation set forth in the Funding Loan Agreement. The Funding Loan Note shall be issued pursuant in all respects to the terms of this Resolution.

Section 202. Purposes. The Funding Loan Note is being issued as a special and limited obligation of the Agency, payable solely out of the moneys derived pursuant to the Funding Loan Agreement, the Project Loan Agreement and the Project Note evidencing the Project Loan. Proceeds of the Funding Loan Note shall be used for the payment of qualified costs associated with the acquisition, construction, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance; and which Project is in every respect intended to qualify as a "residential rental facility" under the exempt facility provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "**Code**").

Section 203. Conditions. This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review, and approval of all documentation necessary to secure construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code 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; (f) evidence of the commitment to serve low income tenants for a period of not less than thirty (30) years, which will be included in the Restrictive Covenant Agreement; (g) evidence of the satisfaction of accessibility requirements; (h) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (i) final Agency underwriting of the application for tax-exempt financing and low income housing tax credits; (j) evidence of all requisite HUD approvals, including final approval of project rents; the ownership transfer and the extension of the HAP contract for a term of at least 20 years; and (k) 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.

Section 204. Date, Principal Amount, Maturity and Interest Rate. The Funding Loan Note shall be dated the date of issuance, except as may be otherwise provided in the Funding Loan Agreement or the Funding Loan Note. The maturity date, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Funding Loan Note shall be as provided in the Funding Loan Agreement as finally executed; provided, however, that the maximum aggregate principal amount of the Funding Loan Note shall not exceed \$8,800,000; the initial interest rate on the Funding Loan Note 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 Funding Loan Note shall be no later than 35 years or such date supported by the final Agency underwriting of the application for tax-exempt financing and low income housing tax credits (whichever is shorter).

Section 205. Payments. The Funding Loan Note shall bear interest from its dated date and shall be payable as set forth in the Funding Loan Note and the Funding Loan Agreement, until the date of maturity of the Funding Loan Note or prepayment prior to maturity, as provided in the Funding Loan

Agreement. All principal shall be due at maturity or prepayment prior to maturity, as provided in the Funding Loan Agreement.

Section 206. Form. The Funding Loan Note shall be in substantially the form and tenor prescribed in the Funding Loan Agreement.

Section 207. Execution of Funding Loan Note. The Funding Loan Note shall be executed by the manual or facsimile signature of the Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance and the seal of the Agency or a facsimile thereof shall be imprinted, impressed or otherwise reproduced on the Funding Loan Note and attested by the manual or facsimile signature of the Executive Director, Deputy Executive Director and Chief Counsel, Director of Finance or Secretary of the Agency. The Funding Loan Note shall be delivered to or on behalf of the Funding Lender.

Section 208. Place of Payment. The principal payments, including payments upon prepayment, of the Funding Loan Note shall be payable as provided in the Funding Loan Agreement.

Section 209. Prepayment. The Funding Loan Note shall be subject to prepayment as provided in the Funding Loan Agreement.

Section 210. Execution of Agreement. Any of the Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance of the Agency is hereby authorized to execute, for and on behalf of and in the name of the Agency, the Funding Loan Note, the Funding Loan Agreement and the Project Loan Agreement, with such final terms and provisions as their counsel may deem advisable, provided that the Funding Loan Note shall contain such substantive terms and provisions materially consistent with this Resolution.

ARTICLE III NOTE PROCEEDS AND PAYMENTS OF COSTS

Section 301. Note Proceeds. Pursuant to the Funding Loan Agreement, upon receipt of the proceeds of the Funding Loan and the issuance of the Funding Loan Note in connection therewith, such proceeds shall be advanced to the Borrower pursuant to the Project Loan Agreement.

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

ARTICLE IV SECURITY FOR THE NOTE

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

Section 402. Credit of Commonwealth Not Pledged. The Funding Loan Note shall contain therein a statement to the effect that the Funding Loan Note shall be a special and limited obligation of the Agency payable only from the sources provided in the Funding Loan Agreement, that neither the Commonwealth nor any political subdivision thereof shall be liable on the Funding Loan Note 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 Funding Loan Note. Neither the members of the Board nor the officers of the Agency nor any person executing the Funding Loan Note shall be liable personally on the Funding Loan Note or be subject to any personal liability or accountability by reason of the issuance thereof.

ARTICLE V MISCELLANEOUS

Section 501. Authorization of Officers. The Chairperson, Vice Chairperson, Executive Director, Director of Finance, Deputy Executive Director and Chief Counsel, Secretary and any Assistant Secretary of the Agency, and any other authorized officer of the Agency, are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the Funding Loan Note and the Funding Loan Agreement as shall, with the advice of the Agency Counsel and Bond Counsel, be advisable.

Section 502. Covenant to Comply with Federal Tax Requirements. The Agency hereby covenants to comply, and to take appropriate steps to ensure that the Borrower complies, with all applicable requirements of the Code so that interest on the Funding Loan Note 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 Funding Loan Note may be used to reimburse itself or the Borrower for qualifying expenditures paid prior to the date of issuance of the Funding Loan Note. 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.

ALLOCATION OF TAX-EXEMPT ISSUING AUTHORITY

Pennsylvania Housing Finance Agency
February 28, 2017

SUBJECT: Miriam and Robert Rieder Apartments

Request for an Allocation of Tax-Exempt Issuing Authority
Tax-Exempt / Tax Credit Development: PHFA No. TC2017-109, 78 units
City of Philadelphia, County of Philadelphia, Region 1
Development Officer: William G. Bailey, Jr.

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson
Executive Director

Proposal Description

Miriam and Robert Rieder Apartments is an existing 78 unit development located at 10102 Jamison Avenue in Northeast Philadelphia and is part of a larger affordable housing complex. This proposal is for the acquisition and moderate rehabilitation of one six-story building for elderly occupancy, ages 62 and above. There are 41 efficiency units, 36 one-bedroom units, one two-bedroom staff unit and two elevators serving the building. The structural system is concrete block and concrete plank flooring, with brick and split face block exterior finish. The development contains 59,280 square feet, and is situated on approximately 1.4 acres of ground.

1. Financing Plan

Construction financing will be provided in the approximate amounts of:

Tax-Exempt Note - PAID – CITIBANK, N.A. – Series A	\$7,000,000
Tax-Exempt Note - PAID – Seller take back – Series B	740,000
Federation Housing, Inc. loan	2,115,681
Income during construction	394,945
Seller reserves	736,388
Deferred developer fee	473,500
Equity from proceeds of sale of tax credits	<u>2,440,522</u>
Total Development Cost	\$13,901,036

Permanent financing will be provided in the approximate amounts of:

Tax-Exempt Note - PAID – CITIBANK, N.A. – Series A	\$5,475,000
Tax-Exempt Note - PAID – Seller take back – Series B	740,000
Federation Housing, Inc. loan	2,115,681
Seller reserves	736,388
Income during construction	394,945
Energy rebate	1,300
Equity from proceeds of sale of tax credits	<u>4,437,722</u>
Total Development Cost	\$13,901,036

2. Development Costs

The construction/permanent loan will be provided through tax-exempt notes issued by the Philadelphia Authority for Industrial Development (“PAID”), and purchased by CITIBANK, N.A. (“CITI”) and Miriam and Robert M. Rieder House. The CITI permanent loan will be callable 15 years after the construction loan converts to a permanent loan, and repayment will be based upon a 35-year amortization schedule.

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$6,759,640	\$86,662	\$114
Replacement Cost	\$12,034,121	\$154,283	\$203
Total Replacement Costs & Reserves	\$12,402,389	\$159,005	\$209
Total Development Costs	\$13,901,036	\$178,218	\$235
Tax-Exempt Note – Citi – Series A	\$7,000,000	\$89,744	\$118
Tax-Exempt Note – Seller –Series B	\$740,000	\$9,487	\$12
Acquisition Costs	\$4,170,000	\$53,462	\$70

3. Leveraging of Other Resources

The owner anticipates the Richmond Group Affordable Housing Corp. providing an equity contribution of \$4,437,722 from the proceeds of the syndication of federal Low Income Housing Tax Credits, with a net pay-in of \$1.08. The development anticipates qualifying for an allocation of tax credits in the approximate amount of \$399,798. Developments financed with tax-exempt private activity bonds are generally eligible to claim a four percent credit allocation on the development’s eligible basis.

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
EFF	41	393	\$292	included	\$748	\$1,040
1 BR	36	540	\$292	included	\$841	\$1,133
2 BR	1	767	\$0	included	\$0	\$0
Total	78					

Currently, 77 units receive rental assistance through a project-based HAP contract. HUD approval has been requested for the transfer of the HAP Contract to the new owner, a rent increase as stated above and a 20-Year renewal of the HAP contract, effective upon the closing date of the transaction.

5. Relocation

Renovations will be carried out without displacing tenants. A hospitality suite will be created for tenants to use during the day. Renovations of an individual unit will take approximately three to four days, during daytime hours. Tenants will leave their apartment each morning and return at the end of the day. No tenants will move offsite at any time during the renovations. Based on a review of the rent roll there are no over income tenants.

6. Supportive Services

A full array of services will be available to the tenants at this development to enable them to maintain their independence, including meals partly funded through the Jewish Federation of Greater Philadelphia, free weekly van transportation to shopping and appointments, and various socialization and wellness programs in partnership with the Jewish Community Center and the Philadelphia Corporation for Aging.

Development Team

1. Identification of Owner

The sponsor and owner of this development is Miriam and Robert Rieder Apartments, LP. Rieder House GP, Inc., a nonprofit subsidiary of Federation Housing, Inc., will be the general partner of the limited partnership.

2. Development Team Members

Sponsor/Owner: Miriam and Robert Rieder Apartments, LP
Eric Naftulin
Philadelphia, PA

Attorney: Duane Morris, LLP
Arthur Momjian
Philadelphia, PA

Architect: Kramer + Marks Architects
Erika Scharr
Ambler, PA

Contractor: T.N. Ward Company
Gary Pergolini
Ardmore, PA

Management Agent: Federation Housing, Inc.
Eric Naftulin
Philadelphia, PA

Site Description

The Miriam and Robert Rieder Apartments are located in a stable residential neighborhood of Northeast Philadelphia. All neighborhood amenities, including retail stores, pharmacies, medical facilities, the public library, senior center and public bus transportation are in close proximity to the building.

Conditions

Final allocation of volume cap will be conditioned on the following:

1. 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 Tax Credit Program have been met.
2. 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.
3. Compliance with the timeframes and deadlines established by the Agency.
4. Evidence of the commitment of permanent financing and equity in an amount sufficient to ensure financial feasibility of the project.
5. 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.
6. Evidence of the satisfaction of accessibility requirements.
7. Evidence of all requisite HUD approvals, including approval of the project rents and of the transfer and extension of the HAP Contract for a period of at least 20 years.
8. 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 2017 HOUSING RELATED BOND ALLOCATION
Miriam and Robert Rieder Apartments**

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 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; and

WHEREAS, Applicant, Miriam and Robert Rieder Apartments, LP, has requested an allocation of Volume Cap for the acquisition and moderate rehabilitation of seventy-eight units of housing for occupancy by seniors, ages 62 and older, in the City of Philadelphia, Philadelphia County; and

WHEREAS, the Agency has determined to provide a preliminary allocation of Volume Cap in an amount not to exceed \$8,500,000 for the issuance of private activity bonds by the Philadelphia Authority for Industrial 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 9th day of March, 2017, as follows:

Section 1. Staff is hereby authorized to take all necessary actions to provide a conditional preliminary allocation of Volume Cap in an amount not to exceed \$8,500,000 (which includes a contingency amount) for the tax exempt bond financing of Miriam and Robert Rieder Apartments subject to the following conditions: a.) 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; b.) 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; c.) compliance with the timeframes and deadlines established by the Agency; d.) evidence of the commitment of permanent financing and equity in amounts sufficient to ensure financial feasibility of the project; e.) 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; f.) evidence of the satisfaction of accessibility requirements; g.) evidence of all requisite HUD approvals, including of the project rents and of the transfer and extension of the HAP contract for a period of at least 20 years; and h.) 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; and Agency comments and recommendations made during its review must be addressed and approved prior to the construction/bond closing

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.

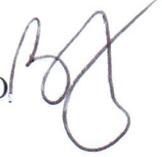
Section 3. This resolution shall be effective immediately.

Pennsylvania Housing Finance Agency
February 23, 2017

SUBJECT: Transfer of Ownership
Emma Lazarus Place, PHFA No. O-572

TO: Program and Development Review Committee
Pennsylvania Housing Finance Agency

FROM: Brian A. Hudson
Executive Director & CEO



Emma Lazarus Place, a ten unit general occupancy property located in Reading, Berks County (the "Development"), originally received \$200,000 in Agency PennHOMES mortgage financing in March 1998. The current owner is structured as a limited partnership with Emma Lazarus Development Corporation, a Pennsylvania nonprofit corporation, general partner of Emma Lazarus Housing Associates, L.P., a Pennsylvania limited partnership. Mary Kay Bernosky is the Executive Director of the general partner, Emma Lazarus Development Corporation.

Emma Lazarus Housing Associates, L.P. has requested to transfer its ownership interest to Reading Housing Authority. Reading Housing Authority will assume the existing mortgage and will continue to operate the Development and shall be responsible for the fiscal and physical condition of the Development. Additionally, as a result of the change in ownership, the Reading Housing Authority will replace Berks Women in Crisis as the management agent for the property. Staff has reviewed the project and the documents evidencing the transfer and is recommending approval of the proposed transfer of ownership of Emma Lazarus Place to the Reading Housing Authority.

A resolution is attached for your consideration.

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING TRANSFER OF OWNERSHIP
EMMA LAZARUS PLACE, PHFA NO. O-572**

WHEREAS, Emma Lazarus Place, located in Berks County, Pennsylvania (the "Development"), was originally financed in March 1998 in the amount of \$200,000 through funds provided by Agency PennHOMES Program; and

WHEREAS, the current ownership entity of the Development, Emma Lazarus Housing Associates, L.P., a Pennsylvania limited partnership, has requested Agency approval of the transfer of ownership; and

WHEREAS, the Development is subject to Agency approval of any change in the nature or character of the ownership entity throughout the term of the Agency mortgage loan; and

WHEREAS, the new owner will assume the existing mortgage and will continue to operate the Development and shall be responsible for the fiscal and physical condition of the Development; and

WHEREAS, staff recommends approval of the transfer of ownership of the Development to the Reading Housing Authority, subject to the conditions set forth below.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 9th day of March, 2017, as follows:

Section 1. The Agency approves the transfer of ownership of Emma Lazarus Place to Reading Housing Authority.

Section 2. Agency staff is authorized and directed to take all actions necessary to effectuate the transfer of ownership interest; subject to review and approval of the appropriate documents for the transaction.

Section 3. This resolution shall take effect immediately.

PENNSYLVANIA HOUSING FINANCE AGENCY

Date: February 23, 2017
Subject: Property Workout
To: Members of the Board
Pennsylvania Housing Finance Agency
From: Brian A. Hudson
Executive Director & CEO



O-0205 Shryock Senior Apartments **Support Loan: \$970,000**

Shryock Senior Apartments is a 41 unit development for elderly occupancy located in Meadville, Crawford County. It originally received a \$1,000,000 loan from the Agency funded through the Agency's HOMES Program. The Low Income Housing Tax Credit Program fifteen year compliance period ended in 2007.

The owner of the property is Shryock Limited Partnership, a Pennsylvania limited partnership. The Economic Alliance Foundation, Inc. (formerly known as Crawford County Development Corporation) is the general partner whose contact is Mark E. Turner.

While occupancy has never been an issue at this property, the property continues to lose money on an annual basis. The owner has provided operating advances of \$77,085 through the end of 2016.

The current owner is not involved in any other housing development and desires to terminate its involvement in the housing industry. The purchaser of the property, Bryer Properties, LLC, will continue to operate this property as a tax credit property for the remainder of the extended use period through 2022 as provided in the restrictive covenant agreement. The prospective owner currently owns and manages multifamily properties in Meadville.

Sales proceeds will be insufficient to fully repay the Agency's outstanding debt. To accomplish this property transfer, the owner has asked the Agency to accept the sales proceeds of approximately \$530,000 towards payment of the Agency's loan as payment in full and to release the property from the mortgage lien and all related security interests associated with the mortgage loan.

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
SHRYOCK SENIOR APARTMENTS, PHFA O-205**

WHEREAS, the Pennsylvania Housing Finance Agency (the Agency) is authorized to make mortgage loans to mortgagors for such developments 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 mortgage loan in the amount of \$1,000,000 (with a current outstanding balance of \$970,000) to Shryock Limited Partnership, with Economic Alliance Foundation, Inc. (formerly known as Crawford County Development Corporation) as general partner (Owner), for the development of 41 multifamily residential rental units in Meadville, Crawford County, Pennsylvania known as Shryock Senior Apartments, PHFA No. O-205 (Development); and

WHEREAS, the Development has encountered ongoing operating losses that have been funded by the Owner; and

WHEREAS, the Owner proposes to sell the Development and pay approximately \$530,000 towards the outstanding Agency loan as payment in full; and

WHEREAS, the Agency has reviewed the Development and its financial operations and has determined to approve the sale of the Development and repayment of the loan associated with the Development as set forth below.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 9th day of March, 2017, as follows:

Section 1. The Agency staff is authorized to approve the sale of Shryock Senior Apartments, to accept approximately \$530,000 as payment in full of the Agency loan and to take all actions necessary to accomplish the same.

Section 2. This resolution shall take effect immediately.

Pennsylvania Housing Finance Agency

Date: March 3, 2017

Subject: TriState Capital Bank
Refinancing 2013 Loan

To: Members of the Board
Pennsylvania Housing Finance Agency

From: Brian A. Hudson
Executive Director & CEO



In 2013 and 2015, TriState Bank provided flexible funding for the Agency's various financing programs through the private placement of notes secured by the general credit of the Agency. Each of these borrowings was structured as level amortizing debt with a ten year term.

The Agency and TriState Bank have now negotiated a refinancing of the 2013 Loan to extend the term, reduce the interest rate and replenish the funding level to the original balance of \$20,000,000. The original Note is outstanding in the amount of \$13,000,000 and bears interest at 4.6%. The refinancing will reduce the interest rate to 4.0% and the new maturity will be May 1, 2027.

The 2015 Loan will remain outstanding bears an interest rate of 3.6% and is currently outstanding in an amount of \$7,500,000, maturing May 1, 2025.

Funds made available through these two Loans are generally used to provide ongoing liquidity within our overall general fund, allowing us to continue to originate unconventional program loans (such as R&R program loans). Using a private placement mechanism is extremely efficient as it provides an attractive borrowing rate and minimizes transaction costs, counsel fees, rating agency expenses.

Staff is recommending Board approval of the refinancing of the 2013 Loan, extending the term to 2027, replenishing the balance to \$20,000,000 and reducing the interest rate to 4%.

A resolution is attached for your consideration.

**PENNSYLVANIA HOUSING FINANCE AGENCY
RESOLUTION AUTHORIZING THE REFINANCING OF A CERTAIN LOAN
FROM TRISTATE CAPITAL BANK AND RELATED TERMS THERETO**

WHEREAS, pursuant to the Housing Finance Agency Law, Act of December 3, 1959, P.L. 1688, as amended (35 P.S. Section 1680.101 et seq.), the Agency has the power and authority to issue bonds and notes for its housing programs and general corporate purposes, and to borrow money for the operation and work of the Agency, all in accordance with the provisions of the Act;

WHEREAS, in 2013 the Agency borrowed \$20,000,000 from TriState Capital Bank (“TriState”) pursuant to a loan agreement and secured by the issuance of its general obligation funding note (the “2013 Loan”);

WHEREAS, the outstanding balance of the 2013 Loan is \$13,000,000, with a scheduled maturity of May 1, 2023 bearing interest at 4.5%;

WHEREAS, the Agency and TriState have renegotiated the terms of the 2013 Loan and desire to extend the maturity, reduce the interest rate and replenish the amount provided in the financing;

WHEREAS, the new loan will be in a principal amount not to exceed \$20,000,000, maturing on May 1, 2027, at an interest rate of 4% per annum, payable semiannually.

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AS FOLLOWS:

Section 1. The Agency hereby approves and authorizes the refinancing of the 2013 Loan to provide funding for general corporate purposes of the Agency at a principal amount not to exceed \$20,000,000, at an interest rate of 4%, payable in equal semiannual installments maturing May 1, 2027.

Section 2. Staff is hereby authorized and directed to take all necessary actions to effectuate the above financing, and to prepare, negotiate and deliver all necessary documentation related thereto.

Section 3. This resolution shall take effect immediately.