

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 14, 2019 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 12, 2019 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 12, 2019 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

BOARD MEETING AGENDA
THURSDAY, MARCH 14, 2019
10:30 A.M.
A G E N D A

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE MINUTES FROM THE FEBUARY 14, 2019 BOARD MEETING
3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT
 - A. Conditional Commitment
 1. Stonebridge, Phase II, County
 - B. Other Business
4. OTHER BUSINESS
5. ADJOURNMENT

**Pennsylvania Housing Finance Agency
Meeting of the Board
February 21, 2019**

Members Present:

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

*On Telephone conference call

Members Absent:

Maria F. Coutts

Others Present:

- *Brian A. Hudson, Executive Director
- Rebecca L. Peace, Deputy Executive Director/Chief Counsel
- Holly Glauser, Director of Development
- Bryce Marezki, Director of Strategic Policy & Planning
- Carl Dudeck, Director of Housing Management
- Coleen Baumert, Director of Homeownership
- Charlotte Folmer, Executive Director, Commonwealth Cornerstone Group
- *Ali Tomich, Director of Western Region
- *Nancy Twyman, Director of Eastern Region
- Jordan Laird, Director of Finance
- John Zapotocky, Director of Accounting
- Melissa Grover, Director of Government Affairs
- Steven O'Neill, Assistant Counsel
- Jada Greenhowe, Assistant Counsel
- David Doray, Manager of Multifamily Underwriting
- Clay Lambert, Business Policy Officer
- Chris Anderson, Communications Officer
- Stanley Salwocki, Manager of Architecture & Engineering
- Gail Shull, Senior Development Officer
- Lisa Case, Manager of Project Operations
- *Terri Redmond, Director of Counseling

*Hanna Steiner, Riverview Towers
*Jenifer Shockley, Pennsylvania Developers' Council
*Brandon Hamilton, House Commerce Committee
*Krista Hair, Senator Killion's Office, Senate Urban Affairs & Housing Committee
Maggie Strawser, Assistant Secretary
Carrie M. Barnes, Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, February 21, 2019 at 10:30 a.m. at the offices of the Pennsylvania Housing Finance Agency, 211 North Front Street, Harrisburg, Pennsylvania.

In compliance with the provisions of the Sunshine Act, notification of this meeting appeared in the Legal Notices Section of *The Patriot News* in Harrisburg, Dauphin County on February 5, 2019.

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. ELECTION OF VICE CHAIR OF THE BOARD

Mr. Nese nominated Mr. Schwartz as Vice Chair of the Board. This motion was seconded. Chair Weissmann asked if there were any additional nominations. Hearing none, she declared the nominations closed. Chair Wiessmann called for a vote on the motion that Mr. Schwartz be re-elected as Vice Chair of PHFA's Board. The motion passed unanimously. Chair Wiessmann congratulated Mr. Schwartz on this election. Mr. Schwartz thanked Chair Wiessmann and his fellow Board members.

3. APPROVAL OF THE MINUTES FROM THE DECEMBER 13, 2018 BOARD MEETING

There were no additions or corrections to the minutes as presented.

Ms. Possinger made a motion that the minutes from the December 13, 2018 Board meeting be approved. This motion was seconded by Mr. Schwartz and was unanimously approved.

4. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT

Mr. Welks, as Chair of the Program and Development Review Committee reported that the Committee met prior to the Board meeting to discuss and review the following item.

A. Riverview Towers, Pittsburgh, Allegheny County

Ms. Glauser reviewed the development and its financing plan. She reported that staff recommends approval of this request for mortgage financing for the rehabilitation of the development in an approximate aggregate amount of up to \$3,166,533.

Mr. Welks reported that the Program and Development Review Committee concurred with staff's recommendation.

Mr. Welks made the motion that the Board approve the resolution approving mortgage financing for Riverview Towers. The motion was seconded.

Chair Wiessmann asked if Ms. Steiner representing the development had any comments for the Board.

Ms. Steiner thanked the board and staff for their assistance in approving the mortgage financing for this project. She noted that there are many supportive services and programs available to the residents. She again expressed her thanks to members of staff for their assistance in getting this project through to this funding stage.

Chair Wiessmann called for a vote on the motion that the Board approve the resolution approving mortgage financing for Riverview Towers. Mr. Schwartz abstained because of a possible conflict of interest. The motion carried. (See Appendix 1 of these Minutes.)

B. Other Business

Mr. Welks reported that there was no other Committee business to be brought before the Board.

4. POLICY COMMITTEE REPORT

B. 2019 PHARE Final Plan

Mr. Marezki reported that, as a requirement of the initial enactment of the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE), the Agency is required each year to adopt a plan describing how the program funds will be distributed.

A 45 day public comment period was held and there were no comments received.

He did report on one change to the 2019 Plan that evolved following discussions with the Department of Community and Economic Development staff and various

other stakeholders of the program. This change incorporates language into the Plan to notify applicants that various other sources of funding should be utilized whenever possible and that they should not rely solely on PHARE program funding. He added that the PHARE program was not created as a substitute for other funding sources. However, staff will work with applicants who need the flexibility of PHARE in achieving their program goals.

Mr. Marezki noted that there are three sources of funding for the PHARE program. One source is from the Impact Fee charged in the Marcellus Shale regions of the Commonwealth. This provides \$5,000,000 annually into the PHARE program.

The second source is from the Realty Transfer Tax and this allocation is capped at \$25,000,000 annually.

Finally, the third source of funding comes from the Housing Trust Fund which was established in 2016. The funds received from this source are based on FannieMae and FreddieMac earnings each year.

Mr. Marezki reported that this program is primarily used for assisting in the funding of smaller unit developments.

A motion was made that the Board approved the 2019 PHARE Plan as submitted by staff. This motion was seconded by Mr. Schwartz and was unanimously approved. (See Appendix 2 of these Minutes.)

B. Other Business

Mr. Schwartz reported that there was no other Committee business to be brought before the Board.

6. APPROVAL OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2019-129 AND SERIES 2019-130

Mr. Hudson reported that the Agency's Series 2019-128 bond issue will be closing later this month and all proceeds of this issuance have been reserved.

Staff is requesting the Board's authorization to proceed with future bond issues to ensure that funds will consistently be available for home mortgages under the Agency's Single Family Program. He stated that the Agency typically issues bonds every two and a half to three months to ensure availability of funds. Mr. Hudson reminded the Board that their approval gives the Finance Committee the final authority to approve the final terms and conditions of each issuance.

A motion was made and seconded by Mr. Schwartz that the Board authorize the issuance of the Agency's Single Family Mortgage Revenue Bonds, Series 2019-129 and Series 2019-130 and that the approval of the final terms and conditions be delegated to the Finance Committee. This motion was passed unanimously. (See Appendices 3 and 4 respectively of these Minutes.)

7. OTHER BUSINESS

A. March 14, 2019 Board Meeting

Mr. Hudson reported that the March 14, 2019 Board meeting will likely be a conference call meeting. The Secretary will contact the members regarding this meeting.

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. The meeting adjourned at 10:55 a.m.

The next monthly meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held at the Agency on Thursday, March 14, 2019 at 10:30 a.m.

Respectfully submitted,



Carrie M. Barnes
Secretary

REQUEST FOR LOAN COMMITMENT

Pennsylvania Housing Finance Agency
March 7, 2019

**SUBJECT: Stonebridge Senior Apartments II
Request for Loan Commitment**

**TO: Members of the Board
Pennsylvania Housing Finance Agency**

**FROM: Brian A. Hudson
Executive Director**



DEVELOPMENT DESCRIPTION:

This proposal is for the new construction of a four-story building, with an elevator, consisting of 50 units, with 16 one-bedrooms and 34 two-bedroom units for occupancy by persons age 62 and above. There will be six accessible units. The development is estimated to be a total of 60,599 square feet.

OWNER:

Stonebridge Senior Housing II, LP
Andrew Haines, State College, PA

FINANCING PLAN:

Agency Primary Mortgage Loan	\$	1,090,862
Reinvested Developer Fee		353,536
Equity (RBC Capital Markets @ \$.92)		<u>10,424,538</u>
Total Development Cost	\$	11,868,936
Tax Credits Reserved	\$	1,133,102

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$8,405,462	\$168,109	\$139
Total Replacement Cost & Reserves	10,594,745	211,895	175
Total Development Costs	11,868,936	237,378	196

SITE DESCRIPTION:

The Stonebridge Senior Apartments II development is on 2.94 acres of land located in State College. The site is under a Purchase Agreement through December 31, 2019. The site is currently zoned PRD-MF, with multifamily housing a permitted use.

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING MORTGAGE FINANCING FOR
STONEBRIDGE SENIOR APARTMENTS II, PHFA NO. N-115**

WHEREAS, the Agency has received a request for financing in the amount of \$1,090,862 with an interest rate of 5.5% for the construction of a four-story building (50 units) for persons 62 and older located in State College, Centre County, known as "Stonebridge Senior Apartments II" (the "Development") to be owned and operated by Stonebridge Senior Housing II, LP, a Pennsylvania limited partnership ("Owner"); and

WHEREAS, staff has reviewed the Development's fiscal and physical condition, the proposed construction budget and capital needs, the sources and uses of funds available to the Development, the ownership entity, the market the rents at the Development; and

WHEREAS, based upon its underwriting, staff recommends that the Agency provide financing to the Development through a primary loan in the amount not to exceed \$1,090,862 with an interest rate of 5.5% amortized over 30 years to be initially funded out of Agency reserves.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 14th day of March, 2019, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to provide mortgage loan financing to Owner to support the construction and operation of the Development by providing a primary loan in the approximate aggregate amount of \$1,090,862 (which may be increased by 15% as a contingency allowance based on final underwriting) with an interest rate of 5.5% amortized over 30 years subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that establishes a 30 year affordability restriction; (b) commitment of all other necessary funding sources set forth in the underwriting and financing plan; and (c) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.