

**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, October 10, 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, October 8, 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, October 8, 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, OCTOBER 10, 2019**

**10:30 A.M.**

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE MINUTES FROM THE SEPTEMBER 12, 2019 BOARD MEETING
3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT
  - A. Request for Tax-Exempt Financing
    1. City's Edge, Pittsburgh, Allegheny County
    2. Presbyterian SeniorCare Portfolio  
Butler, Green and Washington Counties
    3. Wister Townhouses, Philadelphia, Philadelphia County
  - B. Re-Entry Initiatives
    1. Trade Institute of Pittsburgh Workplace Housing  
Homewood, Pittsburgh, Allegheny County
  - C. Tax Credit Program Administration
  - D. Disposition of Properties
  - E. Other Business
4. OTHER BUSINESS
5. ADJOURNMENT

**Pennsylvania Housing Finance Agency  
Meeting of the Board  
September 12, 2019**

**Members Present:**

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

\*On Telephone conference call

**Members Absent:**

Ross Nese

**Others Present:**

Brian A. Hudson, Executive Director  
\*Rebecca L. Peace, Deputy Executive Director/Chief Counsel  
\*Holly Glauser, Director of Development  
Carl Dudeck, Director of Housing Management  
Coleen Baumert, Director of Homeownership  
Bryce Maretzki, Director of Strategic Planning & Policy  
Scott Elliott, Director of Communications  
\*Ali Tomich, Director of Western Region  
\*Jay Hausher, Director of Eastern Region  
Jordan Laird, Director of Finance  
Adrienne Trumpy, Director of Accounting  
Lori Toia, Director, Homeowners Emergency Mortgage Assistance Program  
Terri Redmond, Director of Counseling  
Bill Bailey, Senior Development Officer  
Anne Mermelstein, Senior Development Officer  
Linda Stewart, Manager of Tax Credit Program  
Stanley Salwocki, Manager of Architecture & Engineering  
David Doray, Manager of Multifamily Underwriting  
Dave Gregorits, Development Officer  
Nina Lehr, Development Officer  
Clay Lambert, Business Policy Officer  
Ray Carey, Policy Associate  
Steven O'Neill, Assistant Counsel

Chris Anderson, Communications Officer  
\*Liz Hersh, Director of Homeless Services, City of Philadelphia  
\*Penn Lindsay, Episcopal House  
\*Dale White, Norris Homes Phase V  
\*Jay Reinhard, Sandy Hill Terrace  
\*Martin Bershtein, Esquire, Sandy Hill Terrace  
George Werner, Piper Jaffray  
Alexis Zappala, Piper Jaffray  
Melanie Lean, Piper Jaffray  
Jennifer Shockley, Pennsylvania Developers' Council  
Kimberly Smeal, Assistant Secretary  
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, September 12, 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 September 3, 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. APPROVAL OF THE MINUTES FROM THE JULY 11, 2019 BOARD MEETING**

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

**Mr. Schwartz made a motion that the minutes from the July 11, 2019 Board meeting be approved as submitted. This motion was seconded and unanimously approved.**

**3. POLICY COMMITTEE REPORT**

Mr. Schwartz as Chair of the Policy Committee reported that the Committee met prior to the Board meeting to discuss and review the following items.

**A. 2019 PHARE Plan Amendment**

Mr. Maretzki reported that an amendment to the PHARE Allocation Plan is being proposed to allow the Agency to address unmet, unanticipated and critical housing needs which may occur throughout the Commonwealth outside of the funding cycle.

He noted that the annual Request For Proposals for the current funding cycle are due to the Agency by November 15, 2019.

He briefly reviewed the proposed changes to the Plan.

Staff recommends approval of the changes to the PHARE Plan. Mr. Schwartz reported that the Policy Committee concurs with staff's recommendation.

**A motion was made that the Board approve the amendments to the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund Plan. This motion was seconded by Mr. Welks. Ms. Koppel abstained. The motion carried. (See Appendix 1 of these Minutes.)**

**B. Approval of Second Amendment to the 2019 Tax Credit Allocation Plan**

Ms. Glauser reported that the Agency held a public hearing on August 28, 2019 regarding the proposed changes to the Low Income Housing Tax Credit Allocation Plan. A number of individuals attended with limited comments.

Ms. Glauser briefly reviewed the proposed changes which included extending the compliance period from 35 to 40 years; instituting a development sustainability and energy conservation recommendation; and the discontinuation of awarding points for project soft loans above the applicable federal rate.

Staff recommends approval of the Second Amendment to the Allocation Plan. Mr. Schwartz reported that the Policy Committee concurs with staff's recommendation.

**A motion was made that the Board approve the Second Amendment of the Agency's Low Income Housing Tax Credit Program Allocation Plan for Year 2019-2020. This motion was seconded and unanimously approved. (See Appendix 2 of these Minutes.)**

**C. Other Business**

There was no other business to be brought to the Board.

**4. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT**

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

**A. 2019/2020 PHARE Supplemental Allocation**

Mr. Maretzki reported that the allocation to the Realty Transfer Tax portion of the PHARE fund has been increased to \$40,000,000 from \$25,000,000.

Staff is requesting Board approval of an allocation of \$3,000,000 from the PHARE funds to address the immediate need for stable housing among those recovering from opioid-driven homelessness. The proposed allocation breakdown is

\$1,000,000 for Allegheny County; \$1,000,000 for Philadelphia County; and \$1,000,000 for the remaining 65 counties.

Mr. Marezki reported that the funds would flow through designated Continuum of Care organizations which have expertise in managing these types of resources and programs.

Staff recommends approval of this supplemental allocation.

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

**Mr. Lenker made the motion that the Board approve the resolution authorizing the processing of PHARE programs and projects. This motion was seconded by Mr. Croushore.**

Chair Wiessmann recognized Liz Hersh who wished to address the Board.

Ms. Hersh thanked the Board for setting aside this allocation of funds. She emphasized the importance for individuals caught in the opioid crisis of having access to stable, affordable housing which will aid them in their recovery. She appreciates the concern and support of the Agency and the Board in this regard.

**Chair Wiessmann called for a vote on the motion that the Board approve the resolution authorizing the processing of PHARE programs and projects. Ms. Koppel abstained. The motion carried. (See Appendix 3 of these Minutes.)**

**B. Request for Tax-Exempt Financing**

**1. Norris Homes Phase V, Philadelphia, Philadelphia County**

Mr. Doray reviewed the project and its financing plan. He reported that the sponsor is requesting that the Agency issue bonds in an amount not to exceed \$28,500,000 toward the financing of this development.

Staff has reviewed this proposal and recommends approval of this request. Mr. Welks stated that the Program and Development Review Committee concurs with staff and recommends approval of this request.

**Ms. Possinger made the motion that the Board approve the issuance of Special Limited Obligation Multifamily Housing Development Bonds in the maximum aggregate principal amount of \$28,500,000 for Norris Homes Phase V. This motion was seconded and unanimously approved. (See Appendix 4 of these Minutes.)**

Mr. White, representing the development team stated that they are excited about his project and being able to provide affordable housing. He thanked all of the staff members who worked with them to get this project approved.

**2. Sandy Hill Terrace, Norristown, Montgomery County**

Ms. Mermelstein reviewed the project and its financing plan. She reported that the sponsor is requesting that the Agency issue bonds in an amount not to exceed \$24,000,000 toward the financing of this development. Tenants will temporarily be relocated during rehabilitation. Supportive services will be provided.

Staff has reviewed this proposal and recommends approval of this request. Mr. Welks stated that the Program and Development Review Committee concurs with staff and recommends approval of this request.

**A motion was made that the Board approve the issuance of Special Limited Obligation Multifamily Housing Development Bonds in the maximum aggregate principal amount of \$24,000,000 for Sandy Hill Terrace. (See Appendix 5 of these Minutes.)**

Mr. Reinhard representing the development team thanked the Agency, specifically Ms. Mermelstein for her work with them on this project. They were grateful for her assistance.

Mr. Bershtein echoed Mr. Reinhard's thanks to the Agency and the Board for approval.

**3. Episcopal House, Allentown, Lehigh County**

Mr. Bailey reviewed the project and its financing plan. He reported that the sponsor is requesting that the Agency issue bonds in an amount not to exceed \$13,500,000 toward the financing of this development. The Agency will also provide a Capital Magnet Fund Loan in the amount of \$500,000 and a PHARE/RTT loan in the amount of 500,000. Tenants will temporarily be relocated to vacant units during rehabilitation.

Staff has reviewed this proposal and recommends approval of this request. Mr. Welks stated that the Program and Development Review Committee concurs with staff and recommends approval of this request.

**A motion was made that the Board approve the issuance of Special Limited Obligation Multifamily Housing Development Bonds in the maximum aggregate principal amount of \$13,500,000 for Episcopal House. (See Appendix 6 of these Minutes.)**

Mr. Lindsay representing the development team thanked the Agency, the Board and specifically Mr. Bailey for all the work on this project.

**C. Request for Agency Financing – Stone Ridge Commons, York, York County**

Mr. Laird reviewed the project and its financing plan. This project received an allocation of tax credits in 2018 and the Agency is now being requested to provide the first mortgage financing. The financing would be in the amount of \$500,000 for a 30-year term at 5.0 percent.

Staff recommends approval of this financing request.

Mr. Welks stated that the Program and Development Committee concurs with staff's recommendation of approval.

**A motion was made that the Board approve the mortgage financing, additional resources and adjustments for Stone Ridge Commons. This motion was seconded and unanimously approved. (See Appendix 7 of these Minutes.)**

**5. APPROVAL OF LOAN FROM TRISTATE CAPITAL BANK**

Mr. Hudson reported that the Agency has previously borrowed funds from TriState Capital Bank for various program funding purposes. All funds have been repaid in full.

TriState Capital Bank has offered a 15-year loan with a 30 year amortization period payable semiannually at 2.75 percent to the Agency.

These funds would be used for general program funding purposes including funding of mortgages recently originated for multifamily projects as well as replenishing the Agency's general fund.

Staff requests the Board's approval of this transaction.

**A motion was made that the Board approve the resolution authorizing a \$25,000,000 maximum aggregate principal amount loan from TriState Capital Bank. This motion was seconded and unanimously approved. (See Appendix 8 of these Minutes.)**

6. **APPROVAL OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 131 AND SERIES 132**

Mr. Hudson reported that later this month the Agency will be closing its Series 2019-130 bonds. He noted that all of the funds from this issuance have been reserved at mortgage interest rates between 3 and 3-1/2 percent.

Staff is requesting the Board's approval for staff to begin working on the next two bond issues and to delegate the approval of the final terms and conditions of each of the transactions to the Finance Committee. Mr. Hudson anticipates that at least one of these transactions will occur before year's end.

**Mr. Lenker made a motion that the Board approve the resolutions authorizing the issuance of Single Family mortgage Revenue Bonds, Series 131 and Series 132. This motion was seconded by Mr. Welks and was unanimously approved. (See Appendices 9 and 10 respectively of these Minutes.)**

7. **OTHER BUSINESS**

A. **NCSHA Annual Conference**

Mr. Hudson reported that the NCSHA Annual Conference will be held in Boston from October 19-23, 2019. Any Board member who would like to attend should contact the Secretary as soon as possible.

B. **October Board Meetings**

Mr. Hudson reminded the Board that the October 10 meeting will likely be conference call. Board members will be contacted by the Secretary regarding this meeting.

C. **November Board Meeting**

Mr. Hudson also reminded the Board that the meeting date for the November meeting has been changed to Wednesday, November 6 and will be held in Philadelphia in the City Council's Chamber at City Hall. There will be a dinner on Tuesday, November 5 at a place to be determined. The Secretary will contact the members regarding this meeting. Any questions should be directed to the Secretary.

D. **Affordable Housing Reform**

Mr. Hudson reported that NCSHA and NAHB have been working together on affordable housing reform. A great deal of lobbying is taking place to support affordable housing and tax credits. He will keep the Board informed about this issue.

8. **ADJOURNMENT**

There being no further business to be discussed, a motion was made and seconded that the Board meeting be adjourned. The motion was unanimously approved. The meeting adjourned at 11:20 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, October 10, 2019 at 10:30 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carrie M. Barnes".

Carrie M. Barnes  
Secretary

## TAX-EXEMPT FINANCING

Pennsylvania Housing Finance Agency  
October 3, 2019

**SUBJECT: City's Edge Apartments**

Request for Tax-Exempt Financing  
Tax-Exempt/Tax Credit Development: PHFA No. TC2019-112, 78 units  
City of Pittsburgh, County of Allegheny  
Development Officer: Kelly R. Wilson

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

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

### Proposal Description

City's Edge Apartments is a combined commercial and residential property on an undeveloped lot in downtown Pittsburgh. The site was formerly the home of the city's Civic Arena. The residential portions of the site are being structured at the same time as the commercial portion. The property will include separately owned condominium units, with the commercial unit supported by new market tax credits, taxable financing and city funding. The residential condominium units will be structured as a 9% LIHTC development and a separate 4% LIHTC tax-exempt development. This proposal is for the tax-exempt financing of the 4% LIHTC condominium unit in a newly constructed ten-story building with 78 units of general occupancy housing. The unit mix will include 39 one-bedrooms, 32 two-bedrooms, and 7 three-bedroom units. The structural system will have a steel frame with a fiber and cement exterior finish. The development contains a total of 70,820 square feet of residential space on approximately 0.89 acres of land.

#### 1. Construction Financing Plan

Construction financing will be provided in the approximate amounts of:

|   |                  |
|---|------------------|
| Tax-Exempt Bonds – Red Stone Tax Exempt Funding II, LLC | \$14,724,765     |
| PHFA PHARE HTF Loan                                     | 1,000,000        |
| PHFA PHARE RTT Loan                                     | 500,000          |
| Allies and Ross Management & Development Co. Loan       | 5,000,000        |
| Pittsburgh Parking Diversion Loan                       | 3,495,000        |
| FHLB Pittsburgh Funds (Uncommitted)                     | 500,000          |
| Seller's Note   | 355,580          |
| Deferred Developer Fee                                  | 488,371          |
| Equity from the Sale of Tax Credits                     | <u>1,677,293</u> |
| Total Development Cost                                  | \$27,741,009     |

2. Permanent Financing Plan

Permanent financing will be provided in the approximate amounts of:

|  |                  |
|--|------------------|
| Tax Exempt Bond – Red Stone Tax Exempt Funding II, LLC | \$10,586,201     |
| PHFA PHARE HTF Loan                                    | 1,000,000        |
| PHFA PHARE RTT Loan                                    | 500,000          |
| Allies and Ross Management & Development Co. Loan      | 5,000,000        |
| Pittsburgh Parking Diversion Loan                      | 3,495,000        |
| FHLB Pittsburgh Funds (Uncommitted)                    | 500,000          |
| Seller's Note  | 355,580          |
| Penguins' Loan   | 500,000          |
| URA of Pittsburgh Housing Opportunity Fund Loan        | 1,000,000        |
| Energy Rebates   | 14,000           |
| Deferred Developer Fee                                 | 393,183          |
| Equity from the Sale of Tax Credits                    | <u>4,397,045</u> |
| Total Development Cost                                 | \$27,741,009     |

3. Development Costs

The Agency will be the conduit issuer of tax-exempt bonds to be privately placed with Red Stone Tax Exempt Funding II, LLC. The bond proceeds will be used to establish an escrow from which funds will be disbursed during construction. A portion of the bonds will be repaid after construction completion from the proceeds of the Penguins' Loan, the URA Housing Opportunity Funds, deferred developer fee and proceeds from the sale of the 4% Low Income Housing Tax Credits.

|                                    | <u>Total</u> | <u>Per Unit</u> | <u>Per Sq. Ft.</u> |
|------------------------------------|--------------|-----------------|--------------------|
| Construction Cost                  | \$20,451,889 | \$262,204       | \$288              |
| Replacement Cost                   | \$24,067,314 | \$308,555       | \$339              |
| Total Replacement Costs & Reserves | \$24,801,346 | \$317,966       | \$350              |
| Total Development Costs            | \$27,741,009 | \$381,169       | \$391              |
| Tax-Exempt Bond                    | \$14,724,765 | \$188,779       | \$208              |
| Acquisition Costs                  | \$ 451,602   | \$5,790         | \$6                |

4. Leveraging of Other Resources

The owner anticipates that Alliant Capital will provide an equity contribution of \$4,397,045 from the proceeds of the syndication of federal Low Income Housing Tax Credits, with a net pay-in of \$0.74. The development anticipates qualifying for an allocation of Low Income Housing Tax Credits in the approximate amount of \$467,726. Developments financed with tax-exempt private activity bonds are generally eligible to claim a four percent (4%) tax 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 Expenses |
|--------------|--------------|---------------------------|-----------------------|-----------------------------|----------------|------------------------|
| 1BR          | 2            | 753                       | \$86                  | \$86                        | \$626          | \$798                  |
| 1BR          | 3            | 753                       | \$100                 | \$86                        | \$757          | \$943                  |
| 1BR          | 3            | 753                       | \$100                 | \$86                        | \$757          | \$943                  |
| 1BR          | 20           | 753                       | \$150                 | \$86                        | \$562          | \$798                  |
| 1BR          | 3            | 753                       | \$200                 | \$86                        | \$512          | \$798                  |
| 1BR          | 8            | 753                       | \$1,375               |                             |                | \$1,375                |
| 2BR          | 2            | 1,010                     | \$125                 | \$110                       | \$751          | \$986                  |
| 2BR          | 1            | 1,010                     | \$125                 | \$110                       | \$930          | \$1,165                |
| 2BR          | 1            | 1,010                     | \$125                 | \$110                       | \$930          | \$1,165                |
| 2BR          | 9            | 1,010                     | \$150                 | \$110                       | \$726          | \$986                  |
| 2BR          | 1            | 1,010                     | \$200                 | \$110                       | \$676          | \$986                  |
| 2BR          | 18           | 1,010                     | \$1,950               |                             |                | \$1,950                |
| 3BR          | 6            | 2,185                     | \$2185                |                             |                | \$2,185                |
| 3BR          | 1            | 2,185                     | \$2,185               |                             |                | \$2,185                |
| <b>TOTAL</b> | <b>78</b>    |                           |                       |                             |                |                        |

Forty-five units will receive operating subsidy through the Section 8 Project-based Rental Assistance contract issued by the Housing Authority of the City of Pittsburgh for a term of 20 years.

Eight units will be available to tenants earning up to 20% of area median income, thirty-three units will be available to tenants earning up to 50% of area median income and four units will be available to tenants earning up to 60% of area median income and the remaining thirty-three units are market rate.

6. Supportive Services

Macedonia FACE will provide a wide array of services to enrich the lives residents. These services will include programs for financial education, employment and education opportunities, youth development and community involvement.

**Development Team**

1. Identification of Owner

The owner of this development will be City’s Edge, LLC a Pennsylvania limited liability Company, with MidPoint-City’s Edge, LLC, a Pennsylvania limited liability company, as its managing member.

2. Development Team Members

- Sponsor: MidPoint Group of Companies, Inc.  
P. Nathaniel Boe, Esq.  
Pittsburgh, PA
  
- Owner: City’s Edge, LLC  
P. Nathaniel Boe, Esq.  
Pittsburgh, PA
  
- Attorney: Clark Hill PLC  
Hal Coffey  
Pittsburgh, PA
  
- Architect: Strada Architecture, LLC  
Tom Price  
Pittsburgh, PA
  
- Contractor: Mosities Construction Company  
Mark Edgar  
Pittsburgh, PA
  
- Management Agent: MNHA Management LLC  
Brian McGready  
West Chester, PA

**Site Description**

The site is located in an area of mixed residential, commercial and institutional development in downtown Pittsburgh. Caldwell Street is level and has good pedestrian access. A number of amenities are located within a few blocks of the site. There is also public transportation in close proximity providing access to additional services throughout the city of Pittsburgh.

## Conditions

Final bond or note 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 all requirements established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Request for Proposals.
5. Compliance with the timeframes and deadlines established by the Agency.
6. Evidence of the commitment of construction and permanent financing and contributions of equity in amounts sufficient to ensure the financial feasibility of the project.
7. Evidence of the commitment to serve low income tenants for a period of not less than 35 years, which will be included in the Restrictive Covenant Agreement.
8. Evidence of the satisfaction of accessibility requirements.
9. Final underwriting of the application for tax-exempt bond financing and low income housing tax credits.
10. Evidence of all requisite HUD and/or housing authority approvals, including, but not limited to, approval of a rental subsidy with a term and in an amount sufficient to ensure the financial feasibility of the project.
11. Evidence of the firm commitment of construction and permanent financing for the commercial condominium unit in an amount sufficient to ensure the feasibility of the project.
12. Satisfaction of all Agency requirements for support funding through the PHARE HTF and PHARE RTT Programs.
13. 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 \$16,500,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(City's Edge)**

**Adopted: October 10, 2019**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$16,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(CITY'S EDGE)**

**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, indenture of trust or similar instrument 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 any 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 or notes in one or more series or subseries in accordance with, pursuant to and under this Resolution, a loan agreement and/or similar loan, trust, financing or purchase agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

**WHEREAS**, City's Edge LLC, a Pennsylvania limited liability company, or another affiliate of the sponsor, MidPoint Group of Companies, Inc. (the "**Borrower**"), has requested financing from the Agency in the form of tax-exempt and/or taxable bonds or notes, in one or more series or subseries, issued at the same or different times, in an aggregate amount not to exceed \$16,500,000 (the "**Bonds**") to fund the acquisition, new construction, improvement and equipping of a portion of a multifamily residential rental housing project commonly known as "City's Edge," located at 1450 Colwell Street, Pittsburgh, Allegheny County, Pennsylvania, with 78 total units of affordable housing funded by the Bonds (collectively, 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, as well as the resolution adopted by the Agency on April 11, 2019, are 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**, Red Stone Tax Exempt Funding II, LLC or its affiliate, or such successor entity as may be approved by the Agency (the "**Purchaser**"), is anticipated to be the initial holder of the Bonds pursuant to the Agreement; and

**WHEREAS**, the Agency has also agreed to provide up to \$1,500,000 in support funding through its PHARE HTF and PHARE RTT Programs.

**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 \$16,500,000. The Bonds shall carry the designation set forth in the Agreement. The Bonds shall be issued in accordance with this Resolution in all respects.

**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, new construction, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance. The portion of the Project financed with the proceeds of the Bonds 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 requirements established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Request for Proposals; (e) compliance with all timeframes and deadlines established by the Agency; (f) evidence of the commitment of construction and permanent financing and contributions of equity in amounts sufficient to ensure financial feasibility of the Project; (g) evidence of the commitment to serve low income tenants for a period of not less than thirty-five (35) years, which will be included in the Restrictive Covenant Agreement; (h) evidence of the satisfaction of accessibility requirements; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) satisfactory evidence of all requisite HUD and/or housing authority approvals, including approval of a rental subsidy with a term and in an amount sufficient to ensure the financial feasibility of the Project; (k) satisfactory evidence of the firm commitment of construction and permanent financing for the commercial condominium unit in an amount sufficient to ensure the feasibility of the project; (l) satisfaction of all Agency requirements for support funding through the PHARE HTF and PHARE RTT Programs; and (m) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the commencement of construction to allow sufficient time for Agency review and approval. Civil engineering, architectural, structural, HVAC, plumbing, and electrical drawings and specifications shall be submitted, as applicable. Agency comments and recommendations made during its review must be addressed and approved prior to the commencement of the loan closing.

**Section 204. Date, Principal Amount, Maturity and Interest Rate.** The Bonds shall be dated as of the first day of the month in which they are issued, 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 \$16,500,000; 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 forty-five (45) 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 their respective date of maturity or redemption prior to maturity, as provided in the Agreement. All principal shall be due on the applicable maturity date 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 \$1.00 minimum denominations or greater and any multiple of \$1.00 or greater in excess thereof, provided that for purposes of redeeming Bonds, the authorized denomination shall mean \$1.00 or as specified in the Agreement. 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 pursuant to the terms of the Agreement.

**Section 208. Place of Payment.** The principal payments, including payments upon redemption, of the Bonds shall be payable to the bondholders, 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 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.

**Section 303. Certain Costs of Issuance.** Proceeds of the Bonds shall be used for the payment of qualified costs associated with the acquisition, new construction, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance.

### **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 bondholders. 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 and Further Actions.** 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, including the taking of any necessary or appropriate actions to modify the terms hereof in order to achieve the financing transaction. Execution and delivery of said documents and instruments shall be conclusive evidence of the necessity and appropriateness thereof by said signing authorized officer.

**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 is entitled to exclusion 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 reaffirms its intention first announced by its resolution adopted April 11, 2019 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  
October 3, 2019

**SUBJECT:** **Presbyterian SeniorCare Portfolio**  
Request for Tax-Exempt Financing  
Tax-Exempt/Tax Credit Development: PHFA No. TC2019-123-128, 278 units  
Development Officer: William G. Bailey, Jr.

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

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

**Project Identification:**

Bellmead Apartments, 815 South Main Street, North Franklin Township, Washington County, 121 Units  
Park Manor, 400 Park Manor, Butler Township, Butler County, 50 Units  
Heritage House of Houston, 140 West Pike Street, Houston Township, Washington County, 40 Units  
Bridge Street Commons, 600 Bridge Street, Franklin Township, Greene County, 30 Units  
Sunbury Fields, 104 Sunbury Lane, Center Township, Butler County, 37 Units

**Proposal Description**

This proposal is for the acquisition and moderate rehabilitation of five apartment complexes developed by the Sponsor between 1983 and 1991 for senior (62 and older) occupancy. While adequately maintained, these developments would benefit from extensive rehabilitation. Bellmead is a five-story masonry and steel frame elevator building with a brick exterior finish. Park Manor includes three two-story wood frame buildings with vinyl siding exterior finish. Heritage House is a four-story masonry and steel frame elevator building with an exterior insulation and finish. Bridge Street Commons is a four-story masonry and wood frame elevator building with a painted concrete masonry exterior finish. Sunbury Fields includes seven one-story wood frame buildings with a brick and vinyl siding exterior finish. There are 13 efficiency units, 251 one-bedroom units and 14 two-bedroom units. The development contains a total of 255,155 square feet on approximately 19.21 acres of land.

1. Construction Financing Plan

Construction financing will be provided in the approximate amounts of:

|  |                  |
|--|------------------|
| Agency Tax-Exempt Bond ‘A’ – Freddie Mac Tax-Exempt Loan           | \$21,122,000     |
| Agency Tax-Exempt Bond ‘B’ – Jones Lange LaSalle Construction Loan | 3,000,000        |
| PNC Bridge Loan  | 9,000,000        |
| Seller Notes   | 8,494,405        |
| Transferred Reserves   | \$1,672,062      |
| Interim Income   | 1,784,384        |
| Deferred Fee and Reserves  | 1,894,597        |
| Equity from the Sale of Tax Credits                                | <u>2,097,989</u> |
| Total Development Cost   | \$49,065,437     |

2. Permanent Financing Plan

Permanent financing will be provided in the approximate amounts of:

|  |                   |
|--|-------------------|
| Agency Tax-Exempt Bond ‘A’ – Freddie Mac Tax-Exempt Loan | \$ 21,122,000     |
| Seller Notes   | 8,494,405         |
| Transferred Reserves                                     | 1,672,062         |
| Interim Income   | 1,784,384         |
| Energy Rebates   | 217,995           |
| Deferred Developer Fee                                   | 1,788,000         |
| Equity from the Sale of Tax Credits                      | <u>13,986,591</u> |
| Total Development Cost                                   | \$49,065,437      |

3. Development Costs

The Agency will issue tax-exempt bonds to be purchased by Jones Lange LaSalle Multifamily, LLC using the Freddie Mac Tax-Exempt Loan Program. The loan proceeds will be used to establish an escrow from which funds will be disbursed during construction. At completion of construction the “B” Bond will be repaid and the “A” Bond will convert to a permanent loan with a term of 17 years and a 35 year amortization period.

|                                    | <u>Total</u> | <u>Per Unit</u> | <u>Per Sq. Ft.</u> |
|------------------------------------|--------------|-----------------|--------------------|
| Construction Cost                  | \$15,343,239 | \$55,192        | \$68               |
| Replacement Cost                   | \$43,926,311 | \$158,008       | \$172              |
| Total Replacement Costs & Reserves | \$45,245,359 | \$162,753       | \$201              |
| Total Development Costs            | \$49,065,437 | \$176,494       | \$218              |
| Tax-Exempt Bond                    | \$21,122,000 | \$75,974        | \$89               |
| Acquisition Costs                  | \$24,255,000 | \$87,248        | \$95               |

4. Leveraging of Other Resources

The owner anticipates that PNC, NA will provide an equity contribution of \$13,986,591 from the proceeds of the syndication of federal Low Income Housing Tax Credits, with a net pay-in of \$1.00. The development anticipates qualifying for an allocation of Low Income Housing Tax Credits in the approximate amount of \$1,386,671. 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 |
|------------------------------|-------------|---------------------------|-----------------------|-----------------------------|----------------|-----------------------|
| <u>Bellmead Apartments</u>   |             |                           |                       |                             |                |                       |
| 1BR                          | 55          | 535                       | \$323                 | \$34                        | \$686          | \$1,043               |
| 1BR                          | 53          | 535                       | \$323                 | \$34                        | \$686          | \$1,043               |
| 2BR                          | 6           | 745                       | \$378                 | \$50                        | \$803          | \$1,231               |
| 2BR                          | 6           | 745                       | \$378                 | \$50                        | \$803          | \$1,231               |
| 2BR                          | 1           | 745                       | \$0                   | \$0                         | \$0            | \$0 – Staff Unit      |
| <u>Park Manor</u>            |             |                           |                       |                             |                |                       |
| EFF                          | 7           | 560                       | \$264                 | \$25                        | \$680          | \$969                 |
| EFF                          | 6           | 560                       | \$264                 | \$25                        | \$680          | \$969                 |
| 1BR                          | 19          | 630                       | \$317                 | \$29                        | \$816          | \$1,162               |
| 1BR                          | 18          | 630                       | \$317                 | \$29                        | \$816          | \$1,162               |
| <u>Heritage House</u>        |             |                           |                       |                             |                |                       |
| 1BR                          | 21          | 630                       | \$329                 | \$32                        | \$638          | \$999                 |
| 1BR                          | 19          | 630                       | \$329                 | \$32                        | \$638          | \$999                 |
| <u>Bridge Street Commons</u> |             |                           |                       |                             |                |                       |
| 1BR                          | 16          | 672                       | \$362                 | \$32                        | \$885          | \$1,279               |
| 1BR                          | 14          | 672                       | \$362                 | \$32                        | \$885          | \$1,279               |
| <u>Sunbury Fields</u>        |             |                           |                       |                             |                |                       |
| 1BR                          | 19          | 525                       | \$293                 | \$33                        | \$794          | \$1,120               |
| 1BR                          | 17          | 525                       | \$293                 | \$33                        | \$794          | \$1,120               |
| 2BR                          | 1           | 745                       | \$0                   | \$0                         | \$0            | \$0 – Staff Unit      |
| <b>Total</b>                 | <b>278</b>  |                           |                       |                             |                |                       |

Two hundred and seventy-six units will receive rental assistance under an existing HUD Section 8 Rental Assistance Contract. One hundred thirty-nine units will be available to tenants earning up to 50% of area median income, 137 units will be available to tenants earning up to 60% of area median income and two units will be staff units.

6. Relocation

One permanent relocation is anticipated. Most tenants will not require even temporary relocation. Community space will be available to tenants during hours of the day their unit is being rehabilitated, with food, refreshments and activities available. Should tenant or rehab circumstances necessitate a period of temporary relocation, the owner will arrange and pay for a hotel stay together with a meal per diem and transportation. The development budget contains an appropriate amount for potential relocation costs.

7. Supportive Services

SeniorCare Network, an affiliate of the Owner, will provide and coordinate supportive services for the residents of each the portfolio properties. A Services Coordinator will be on-site one hour per week for every five units. Services to be provided include tenant need assessments, health and wellness programs, socialization activities, communication with family members and connecting tenants with community based services and benefits programs.

## **Development Team**

1. Identification of Owner

The owner of this development is Presbyterian SeniorCare Portfolio, LP, a Pennsylvania limited partnership, with PSCN – Senior Housing, LLC as its general partner.

2. Development Team Members

|                   |  |
|-------------------|--|
| Sponsor:          | Presbyterian SeniorCare<br>James Pieffer, Sr.<br>Oakmont, PA               |
| Owner:            | Presbyterian SeniorCare Portfolio, LP<br>James Pieffer, Sr.<br>Oakmont, PA |
| Attorney:         | Nixon Peabody LLP<br>Edward Campbell<br>Los Angeles, CA                    |
| Architect:        | Ebersoldt & Associates Architecture<br>Melissa Cox<br>St. Louis, MO        |
| Contractor:       | Katerra Affordable<br>Kyle Weaver<br>Scottsville, AZ                       |
| Management Agent: | SeniorCare Network, Inc<br>James Pieffer, Sr.<br>Oakmont, PA               |

## Site Description

Bellmead is located in a suburban-to-rural area near the City of Washington, developed as roughly 35% single family housing, 25% multifamily housing, 10% commercial properties and 30% vacant land.

Park Manor is located in a suburban area near the City of Butler and consists of primarily single family housing, a limited number of multifamily properties and roughly 25% vacant ground.

Heritage House is located the Borough of Houston in Washington County. The surrounding area is a mix of single family housing, multifamily housing, commercial properties and vacant land.

Bridge Street Commons is located in a suburban area near the City of Waynesburg. There is a mix of predominately single family housing with limited commercial properties and about 25% vacant land.

Sunbury Fields is located in a suburban area near the City of Butler, consisting primarily of single family housing, a small number of multifamily properties and roughly 30% vacant land.

Access to amenities varies from site to site and generally requires an auto. Some limited services are within walking distance. Neighborhood appearances ranges from average to above average.

## Conditions

Final bond or note 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 projects.
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 all requirements established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Request for Proposals.
5. Compliance with the timeframes and deadlines established by the Agency.
6. Evidence of the commitment of construction and permanent financing and contributions of equity in amounts sufficient to ensure the financial feasibility of the projects.
7. Evidence of the commitment to serve low income tenants for a period of not less than 35 years, which will be included in the Restrictive Covenant Agreement.
8. Evidence of the satisfaction of accessibility requirements.
9. Final underwriting of the application for tax-exempt bond financing and low income housing tax credits.
10. Evidence of all requisite HUD approvals, including, but not limited to, approval of rental subsidies with a term and in amounts sufficient to ensure the financial feasibility of the projects.
11. Evidence, satisfactory to the Agency, of all requisite Freddie Mac and lender approvals.
12. 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 \$35,000,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(Presbyterian SeniorCare Portfolio)**

**Adopted: October 10, 2019**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$35,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(Presbyterian SeniorCare Portfolio)**

**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 opportunities 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, indenture of trust, project loan agreement or similar instrument and that the resolution

and/or other agreements providing for the issuance of such bonds or notes 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 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 or notes in one or more series or subseries in accordance with, pursuant to and under this Resolution, a project loan agreement and/or similar loan, trust, financing or purchase agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

**WHEREAS**, Presbyterian SeniorCare Portfolio, LP, a Pennsylvania limited partnership, or another affiliate of the sponsor, Presbyterian SeniorCare (the "**Borrower**") has requested financing from the Agency in the form of tax-exempt and/or taxable bonds or notes, in one or more series or subseries, issued at the same or different times, in an aggregate amount not to exceed \$35,000,000 (the "**Bonds**") to fund the acquisition, construction, improvement, rehabilitation and equipping of a project collectively known as " Presbyterian SeniorCare Portfolio," financing five separate multifamily residential rental housing projects located in Butler, Greene and Washington Counties, Pennsylvania, with 278 total units of affordable housing for senior occupancy (ages 62 and older) (collectively, the "**Project**"); 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**, Jones Lang LaSalle Multifamily, LLC, or its affiliate or such successor entity as may be approved by the Agency (the "**Purchaser**"), will purchase the Bonds and facilitate the public and or private sale and offering of the Bonds to the ultimate purchasers.

**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 \$35,000,000. 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 revenues generated by the mortgage loan originated with the proceeds of the Bonds (the "**Mortgage Loan**"). Proceeds of the Bonds shall be used for the payment of qualified costs associated with the acquisition, new construction, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance. The 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 requirements established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Request for Proposals; (e) compliance with all timeframes and deadlines established by the Agency; (f) evidence of the commitment of construction and permanent financing and contribution of equity in amounts sufficient to ensure financial feasibility of the Project; (g) evidence of the commitment to serve low income tenants for a period of not less than thirty-five (35) years, which will be included in the Restrictive Covenant Agreement; (h) evidence of the satisfaction of accessibility requirements; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) satisfactory evidence of all requisite HUD and/or housing authority approvals, including approval of a rental subsidy with a term and in an amount sufficient to ensure the financial feasibility of the Project; (k) satisfactory evidence of all requisite Freddie Mac and lender approvals related to the Mortgage Loan; and (l) submission of two sets of complete full size architectural plans and specifications at least sixty (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 as of the first day of the month in which they are issued, 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 Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$35,000,000; 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 twenty (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 \$1.00 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 pursuant to the terms of the Agreement.

**Section 208. Place of Payment.** The principal payments, including payments upon redemption, of the Bonds shall be payable to the bondholders, 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, the Agreement, a purchase contract with the Purchaser and a land use restriction agreement with respect to the Federal income tax requirements applicable to the Bonds and the Project, 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, the proceeds of the sale of the Bonds shall be applied to fund the Mortgage Loan, which will 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 with respect to the Mortgage Loan. The Bonds shall be secured by the collateral described in the Agreement as security for the bondholders. 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 and Further Actions.** 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, including the taking of any necessary or appropriate actions to modify the terms hereof in order to achieve the financing transaction.

**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 is entitled to exclusion 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**

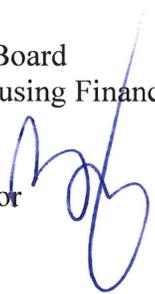
Pennsylvania Housing Finance Agency  
October 3, 2019

**SUBJECT: Wister Townhouses**

Request for Tax-Exempt Financing  
Tax-Exempt/Tax Credit Development: PHFA No. TC2019-115, 200 units  
City of Philadelphia, Philadelphia 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**

Wister Townhouses is a scattered site development located in a mixed residential and commercial area of the East Germantown neighborhood of Philadelphia. This proposal is for the acquisition and moderate rehabilitation of 25 three-story residential buildings for general occupancy and a one-story community building. The development consists of 14 one-bedroom units, 100 two-bedroom units and 86 three-bedroom units. The units are a mix of flats and townhouses. The structural system is concrete and wood framing with a brick and aluminum exterior finish. The development contains a total of 209,502 square feet and is on approximately 8.98 acres of ground.

1. Construction Financing Plan

Construction financing will be provided in the approximate amounts of:

|  |                  |
|--|------------------|
| Agency Tax-Exempt Bond – Freddie Mac Tax-Exempt Loan | \$ 25,272,300    |
| Seller Note  | 2,675,523        |
| Interim Income                                       | 1,140,867        |
| Deferred Fee and Reserves                            | 3,179,559        |
| Equity from the Sale of Tax Credits                  | <u>8,547,397</u> |
| Total Development Cost                               | \$40,815,646     |

2. Permanent Financing Plan

Permanent financing will be provided in the approximate amounts of:

|  |                   |
|--|-------------------|
| Agency Tax-Exempt Bond – Freddie Mac Tax-Exempt Loan | \$ 25,272,300     |
| Seller Note  | 2,675,523         |
| Interim Income                                       | 1,140,867         |
| Energy Rebates                                       | 65,250            |
| Reinvested Developer Fee                             | 276,662           |
| Deferred Developer Fee                               | 739,650           |
| Equity from the Sale of Tax Credits                  | <u>10,645,394</u> |
| Total Development Cost                               | \$40,815,646      |

3. Development Costs

The Agency will issue tax-exempt bonds to be purchased by Berkadia Commercial Mortgage LLC through the Freddie Mac Tax-Exempt Loan Program. The loan proceeds will be used to establish an escrow from which funds will be disbursed during construction and which will convert to a permanent loan with a term of 16 years with a 40 year amortization period.

|                                    | <u>Total</u> | <u>Per Unit</u> | <u>Per Sq. Ft.</u> |
|------------------------------------|--------------|-----------------|--------------------|
| Construction Cost                  | \$10,805,292 | \$54,026        | \$51               |
| Replacement Cost                   | \$36,729,121 | \$183,646       | \$175              |
| Total Replacement Costs & Reserves | \$38,294,121 | \$191,471       | \$182              |
| Total Development Costs            | \$40,815,646 | \$204,078       | \$194              |
| Tax-Exempt Bond                    | \$25,272,300 | \$126,362       | \$121              |
| Acquisition Costs                  | \$20,700,000 | \$103,500       | \$99               |

4. Leveraging of Other Resources

The owner anticipates that Riverside Capital will provide an equity contribution of \$10,645,394 from the proceeds of the syndication of federal Low Income Housing Tax Credits, with a net pay-in of approximately \$0.92. The development anticipates qualifying for an allocation of Low Income Housing Tax Credits in the approximate amount of \$1,157,108. 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          | 3           | 745                       | \$113                 | \$115                       | \$1,023        | \$1,251               |
| 1BR          | 7           | 745                       | \$113                 | \$115                       | \$1,023        | \$1,251               |
| 1BR          | 3           | 745                       | \$113                 | \$115                       | \$1,023        | \$1,251               |
| 1BR          | 1           | 745                       | \$0                   | \$0                         | \$0            | \$0 – Staff Unit      |
| 2BR          | 7           | 910                       | \$211                 | \$144                       | \$1,041        | \$1,396               |
| 2BR          | 41          | 910                       | \$211                 | \$144                       | \$1,041        | \$1,396               |
| 2BR          | 35          | 910                       | \$211                 | \$144                       | \$1,041        | \$1,396               |
| 2BR          | 3           | 910                       | \$211                 | \$144                       | \$1,041        | \$1,396               |
| 2BR          | 2           | 978                       | \$213                 | \$144                       | \$1,105        | \$1,426               |
| 2BR          | 9           | 978                       | \$213                 | \$144                       | \$1,105        | \$1,426               |
| 2BR          | 3           | 978                       | \$213                 | \$144                       | \$1,105        | \$1,426               |
| 3BR          | 2           | 1,184                     | \$242                 | \$152                       | \$1,618        | \$2,012               |
| 3BR          | 4           | 1,184                     | \$242                 | \$152                       | \$1,618        | \$2,012               |
| 3BR          | 17          | 1,184                     | \$242                 | \$152                       | \$1,618        | \$2,012               |
| 3BR          | 1           | 1,184                     | \$242                 | \$152                       | \$1,618        | \$2,012               |
| 3BR          | 6           | 1,129                     | \$192                 | \$161                       | \$1,688        | \$2,041               |
| 3BR          | 39          | 1,129                     | \$192                 | \$161                       | \$1,688        | \$2,041               |
| 3BR          | 16          | 1,129                     | \$192                 | \$161                       | \$1,688        | \$2,041               |
| 3BR          | 1           | 1,129                     | \$0                   | \$0                         | \$0            | \$0 – Staff Unit      |
| <b>Total</b> | <b>200</b>  |                           |                       |                             |                |                       |

One hundred ninety-eight units will receive rental assistance under an existing HUD Section 8 Rental Assistance Contract. Using income averaging, 20 units will be available to tenants earning up to 20% of area median income, 100 units will be available to tenants earning up to 50% of area median income, 74 units will be available to tenants earning up to 60% of area median income and four units will be available to tenants earning up to 80% of area median income.

6. Relocation

All tenants will be temporarily relocated to vacant units within the property and returned to their renovated previous units or another appropriately-sized unit based on household size. No permanent relocation is expected. All costs related to the temporary moves will be paid by the owner. The development budget includes the cost of all relocation activities and services.

7. Supportive Services

Better Tomorrows will provide and coordinate supportive services for the residents of the Wister Townhouses Development. A Services Coordinator will be on-site 40 hours per week. Services to be provided include after-school and summer enrichment programs, job readiness and financial literacy training, health and wellness classes and social events for the residents. Additionally, Better Tomorrows will connect residents with other community based service organizations.

## **Development Team**

1. Identification of Owner

The owner of this development is Wister Preservation LLC, a Pennsylvania limited liability company, with Wister Preservation- Michaels, LLC and Better Tomorrows-Wister, LLC as its Managing Members.

2. Development Team Members

|                   |   |
|-------------------|---|
| Sponsor:          | Michaels Development Company I, LP<br>Andrew Davenport<br>Marlton, NJ       |
| Owner:            | Wister Preservation, LLC<br>Andrew Davenport<br>Marlton, NJ                 |
| Attorney:         | Levine, Staller, Sklar, Chan & Brown P.A.<br>Art Brown<br>Atlantic City, NJ |
| Architect:        | Kitchen & Associates<br>Milton Smith<br>Collingswood, NJ                    |
| Contractor:       | Prestige Builders<br>George Dudo<br>Marlton, NJ                             |
| Management Agent: | Interstate Realty Management<br>Marc Getson<br>Marlton, NJ                  |

## Site Description

The site is located in a mixed residential and commercial area in the East Germantown neighborhood of Philadelphia. A number of neighborhood amenities are located within a few blocks of the development and both SEPTA Regional Rail and SEPTA Bus Service are available within two blocks of the site providing access to additional services throughout Philadelphia and the surrounding area.

## Conditions

Final bond or note 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 all requirements established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Request for Proposals.
5. Compliance with the timeframes and deadlines established by the Agency.
6. Evidence of the commitment of construction and permanent financing and contributions of equity in amounts sufficient to ensure the financial feasibility of the project.
7. Evidence of the commitment to serve low income tenants for a period of not less than 35 years, which will be included in the Restrictive Covenant Agreement.
8. Evidence of the satisfaction of accessibility requirements.
9. Final underwriting of the application for tax-exempt bond financing and low income housing tax credits.
10. Evidence of all requisite HUD approvals, including, but not limited to, approval of a rental subsidy with a term and in an amount sufficient to ensure the financial feasibility of the project.
11. Evidence, satisfactory to the Agency of all requisite Freddie Mac and lender approvals for the origination of the Mortgage Loan.
12. 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.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

**RESOLUTION**

**Authorizing the Issuance of \$28,500,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(Wister Townhouses)**

**Adopted: October 10, 2019**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF**  
**\$28,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT**  
**SPECIAL LIMITED OBLIGATION**  
**MULTIFAMILY HOUSING DEVELOPMENT BONDS**  
**(Wister Townhouses)**

**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, indenture of trust, project loan agreement or similar instrument and that the resolution

and/or other agreements providing for the issuance of such bonds or notes 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 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 or notes in one or more series or subseries in accordance with, pursuant to and under this Resolution, a project loan agreement and/or similar loan, trust, financing or purchase agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

**WHEREAS**, Wister Preservation LLC, a Pennsylvania limited liability company, or another affiliate of the sponsor, Michaels Development Company I, LP (the "**Borrower**"), has requested financing from the Agency in the form of tax-exempt and/or taxable bonds or notes, in one or more series or subseries, issued at the same or different times, in an aggregate amount not to exceed \$28,500,000 (the "**Bonds**") to fund the acquisition, rehabilitation, improvement and equipping of a portion of a multifamily residential rental housing project known as "Wister Townhouses," located in Philadelphia, Philadelphia County, Pennsylvania, with 200 total units of affordable housing funded by the Bonds (collectively, 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**, Berkadia Commercial Mortgage LLC or its affiliate (the "**Purchaser**"), or such successor entity as may be approved by the Agency, is anticipated to be the initial holder of the Bonds pursuant to the Agreement; and

**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 \$28,500,000.

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 revenues generated by the mortgage loan originated with the proceeds of the Bonds (the "**Mortgage Loan**"). Proceeds of the Bonds shall be used for the payment of qualified costs associated with the acquisition, new construction, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance. The 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 requirements established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Request for Proposals; (e) compliance with all timeframes and deadlines established by the Agency; (f) evidence of the commitment of construction and permanent financing and contributions of equity in amounts sufficient to ensure financial feasibility of the Project; (g) evidence of the commitment to serve low income tenants for a period of not less than thirty-five (35) years, which will be included in the Restrictive Covenant Agreement; (h) evidence of the satisfaction of accessibility requirements; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) satisfactory evidence of all requisite HUD and/or housing authority approvals, including approval of a rental subsidy with a term and in an amount sufficient to ensure the financial feasibility of the Project; (k) satisfactory evidence of all requisite Freddie Mac and lender approvals related to the Mortgage Loan; and (l) submission of two sets of complete full size architectural plans and specifications at least sixty (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 as of the first day of the month in which they are issued, 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 Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$28,500,000; 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 twenty (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 \$1.00 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 pursuant to the terms of the Agreement.

**Section 208. Place of Payment.** The principal payments, including payments upon redemption, of the Bonds shall be payable to the bondholders, 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, the Agreement, a purchase contract with the Purchaser and a land use restriction agreement with respect to the Federal income tax requirements applicable to the Bonds and the Project, 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, the proceeds of the sale of the Bonds shall be applied to fund the Mortgage Loan which will 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 with respect to the Mortgage Loan. The Bonds shall be secured by the collateral described in the Agreement as security for the bondholders. 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 and Further Actions.** 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, including the taking of any necessary or appropriate actions to modify the terms hereof in order to achieve the financing transaction.

**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 is entitled to exclusion 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.

**PENNSYLVANIA HOUSING FINANCE AGENCY  
MEMORANDUM**

**To:** Members of the Board

**From:** Brian A. Hudson  
Executive Director & CEO

**Date:** October 10, 2019

**Re:** Re-Entry Initiatives: Trade Institute of Pittsburgh Workplace Housing, Homewood, Pittsburgh, Allegheny County

Over the past few years, there has been a growing effort to more effectively assist persons returning to the community from incarceration (re-entry) with significant emphasis on securing appropriate housing and needed supports (including job training, education, financial education, drug treatment). Pennsylvania has been on the leading edge of this work through the Department of Corrections, Attorney General's Office, Department of Human Services and PHFA.

In December, the Board set aside \$500,000 of funds for pilot re-entry projects that combine housing and supportive services for formerly incarcerated individuals returning to their communities, to effectively re-enter and decrease the likelihood of recidivism and returned incarceration.

The Agency has received a project application from the Trade Institute of Pittsburgh (TIP). TIP is a non-profit organization and vocational training provider dedicated to providing opportunities for individuals with barriers to employment. TIP provides training to returning citizens to become skilled tradespeople in the bricklaying, masonry, and welding fields as the older generation of workers retires. TIP is a unique vocational training program in Pittsburgh; the program is free to the student, and criminal history or lack of GED/high school diploma are not impediments to program participation. Over the past ten years, TIP has worked to help nearly 400 men and women earn living wage jobs in 70 days from the time they begin re-entry or make the decision to rebuild their lives. Programs offered by TIP include a ten-week Masonry Training Program as well as a four-month Apprenticeship in Training Program. For a subset of TIP students, the key barrier to successful completion and meaningful employment is a lack of stable housing. Currently, 30% of TIP students are "homeless" according to the Allegheny County Continuum of Care (CoC) definition.

TIP is requesting \$250,000 from the PHFA Re-Entry Funding Initiative as follows:

**SOURCES:**

Neighborhood Allies (grant) .....\$75,000  
 CITF (Allegheny County/grant) .....\$100,000  
 PHFA (Re-Entry Funding/grant) .....\$250,000  
 Gap Funding ..... \$5,536  
**TOTAL SOURCES: .....\$430,536**

**USES:**

Acquisition .....\$50,000  
 Rehabilitation/Construction .....\$344,866  
 Developer Fee (15%) ..... \$35,670  
**TOTAL USES: .....\$430,536**

This short-term workforce housing model proposal will support to support the renovation of an eight-bedroom property as short-term workforce housing for reentering Allegheny County residents experiencing homelessness or who are at risk of homelessness creating eight apartments TIP anticipates it will provide stable housing for six to eight men during the first year and 12 to 24 men in subsequent years. As the participants complete the job training, obtain employment and achieve stability, permanent, affordable housing will be identified through partnering organizations—freeing up room for a new resident. Construction will begin in October, and be completed within one year, with labor supplied from the TIP workforce development program.

Staff is recommending that a grant of \$250,000 from the PHFA Re-Entry Initiative Fund be provided to the TIP for this project. A resolution is attached.

**RESOLUTION OF THE MEMBERS OF THE BOARD  
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
AUTHORIZING FUNDING OF THE PENNSYLVANIA HOUSING FINANCE AGENCY RE-  
ENTRY INITIATIVE FUND AND PROJECTS**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") exists and operates pursuant to the Housing Finance Agency Law (35 P.S. Section 1680.101 *et seq.*) for the purposes ". . . of alleviating hardship which results from insufficient production of private homes and of rental housing for persons and families of low and moderate income, including the elderly . . the deleterious effect of inadequate housing upon the general welfare of the Commonwealth . . . by broadening the market for private homes and for housing for persons and families of low and moderate-income, through the provision of specialized financing secured by mortgages to corporations, individuals, joint ventures, partnerships, limited partnerships, trusts, cooperatives and condominiums... "; and

WHEREAS, in December, 2108, the Agency set aside \$500,000 of its funds to support pilot projects dedicated to providing safe, stable and affordable housing and supportive services to formerly incarcerated persons returning to their communities who are homeless or at risk of homelessness (the Re-Entry Initiative Program"); and

WHEREAS, the Agency has received an application from the Trade Institute of Pittsburgh for a grant in the amount of \$250,000 to fund the construction and rehabilitation of a two-unit, eight bedroom house located in Allegheny County (the "Project"), which will provide short-term workforce housing for six to eight individuals participating in a Trade Institute of Pittsburgh program.

WHEREAS, the Agency has determined that this application may meet the Program goals and criteria and has determined to authorize staff to provide a conditional reservation of grant funding for the Project, subject to satisfaction of all Program requirements.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 10<sup>th</sup> day of October, 2019, as follows:

Section 1. The Agency hereby approves a grant from the Program in an amount not to exceed \$250,000 to the Trade Institute of Pittsburgh (and associated entities) for the Project proposal, subject to satisfaction of Program requirements.

Section 2. Staff is hereby authorized and directed to take all actions as deemed necessary and appropriate to effectuate this resolution.

Section 3. This resolution shall take effect immediately.

Memorandum  
Pennsylvania Housing Finance Agency

Date: October 3, 2019

To: Members of the Board  
Pennsylvania Housing Finance Agency

From: Brian A. Hudson  
Executive Director & CEO

Re: Tax Credit Project Administration and Reallocations

As we have discussed previously, several low income housing tax credit (Tax Credit) projects awarded credits in prior years have had issues finalizing their projects. These issues have impeded the projects ability to place in service in accordance with Tax Credit Programs requirements or involve unforeseen expenses during the development process which jeopardize their completion.

The following projects have been identified to need some additional resources from PHFA, and staff has identified resources to provide the requested assistance from various sources, which may include Housing Trust Fund and repaid multifamily funds.

Dauphin House – 52 units for seniors in Philadelphia - \$400,000

Cherry Street Commons – 17 units of general occupancy in Frackville - \$100,000

York Family Residences – 56 units of general occupancy in York – \$747,666

Madison Court- 32 units of general occupancy in Shamokin - \$500,000

In addition, the Agency may need to consider reallocations of Tax Credits for several projects which were awarded tax credits in a previous year because they will be unable to meet the placed in service deadlines associated with that award. We are working with all of the projects to facilitate their closing or completion requirements. Because these reallocations must be made prior to the December meeting, staff is recommending that the PDR Committee be delegated authority on behalf of the Board to review and approve these projects based on the criteria set forth in the 2019-20 Allocation Plan.

A resolution is attached for your consideration.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AUTHORIZING STAFF TO TAKE CERTAIN ACTIONS TO PROVIDE ADDITIONAL RESOURCES TO SECURE CLOSING FOR CERTAIN RENTAL HOUSING DEVELOPMENTS AND DELEGATING TO THE PROGRAM REVIEW COMMITTEE AUTHORITY TO MAKE REALLOCATIONS OF TAX CREDITS FOR QUALIFIED LIHTC PROJECTS**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") has adopted its Qualified Allocation Plan ("QAP") for the administration of its Low Income Housing Tax Credit Program ("Tax Credits"); and

WHEREAS, several projects in the Tax Credit pipeline have experienced issues and delays which may threaten their Tax Credit allocation because they will not be able to place their project in service as required under their original allocation of Tax Credits and which may require additional resources or additional time to accomplish their financial closings;

WHEREAS, based on staff's review of some of the pipeline projects, staff has recommended actions to provide some additional support to the projects and the Board is in agreement as set forth below.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 10th day of October 2019 as follows:

Section 1. Staff is authorized to take the following actions regarding the following properties in the Agency's portfolio and pipeline and to do all things necessary to effect these actions:

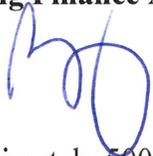
- a. Cherry Street - Provide funding in the amount of \$100,000 to address unforeseen soil remedial issues and achieve closing
- b. Madison Court- Provide funding in the amount of \$500,000 to settle certain construction disputes and support achievement of the placed in service deadlines.
- c. Dauphin Housing- Provide funding up to \$400,000 in resources to address unforeseen funding issues and achieve financial closing.
- d. York Family- Provide funding up to \$750,000 to address certain unforeseen funding issues and achieve financial closing.

Section 2. Staff is authorized to take all necessary actions to provide the resources as discussed above and to further provide such resources to 2018 projects as may be necessary to achieve their closing deadlines.

Section 3. The Program Development Review Committee is delegated authority, on behalf of the Board, to consider and provide specific reallocations of Tax Credits to projects which meet the criteria of the QAP.

Section 4. This resolution shall be effective immediately.

PENNSYLVANIA HOUSING FINANCE AGENCY

**Date:** October 2, 2019  
**Subject:** Disposition of Properties  
**To:** Members of the Board  
Pennsylvania Housing Finance Agency  
**From:** Brian A. Hudson  
Executive Director 

The Agency has financed approximately 500 properties since the inception of the support loan programs in 1988. One of the programs we funded thirty years ago was a Homeless Demonstration Program. Overall, the 18 properties in this program delivered their services for the full compliance period of their thirty year mortgages. Owners of these properties are mostly non-profit owners that are primarily service providers. None of the properties received tax credits and any Agency compliance period requirement has now ended. The mortgages are due and payable at maturity.

Staff is recommending debt forgiveness on several property mortgages that have matured. There is insufficient money in their operating budgets to repay any debt and they have fulfilled the goals of the program over their thirty year period. The specifics of the developments are as follows:

**H-12 Cross Apartments** **Support Loan: \$200,637**  
Cross Apartments, a 6 unit general occupancy property located in Scranton, Lackawanna County, was originally occupied in 1989, with funding through the Homeless Housing Demonstration Program. The owner of the property is Catherine McAuley Center, a PA non-profit corporation, Sister Therese Marquese, RSM Executive Director. .

**H-8 338 Wyandotte Street Apartments** **Support Loan: \$352,346**  
338 Wyandotte Street Apartments, a 7 unit general occupancy property located in Bethlehem, Northampton County, was originally occupied in 1989, with funding through the Homeless Housing Demonstration Program. The owner of the property is Episcopal Ministries of the Diocese of Bethlehem, a PA non-profit corporation, J. Mark Rittle, Executive Director.

**H-52 Housing Options and Opportunities** **Support Loan: \$96,000**  
Housing Options and Opportunities, a 5 unit general occupancy property located in Philadelphia, funded through PHFA in 1989 (through Department of Community Affairs' Program for Permanent Housing for Handicapped Homeless Persons.) The owner is Resources for Human Development, Inc, a PA non-profit corporation, Dennis Roberts, Chief Program Officer.

**Disposition of Properties**

**October 2, 2019**

Page 2

Staff recommends forgiving the debt on the Cross Apartments, 338 Wyandotte Street Apartments, and Housing Options and Opportunities. In exchange for this action, owners will, of course, be required to relocate and address all needs of the tenants appropriately.

A resolution is attached for your consideration.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AUTHORIZING  
STAFF TO TAKE CERTAIN DISPOSITIONS FOR CERTAIN RENTAL HOUSING  
DEVELOPMENTS**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") has approximately 500 affordable housing rental properties in operation in its loan portfolio; and

WHEREAS, staff routinely reviews the fiscal and physical conditions of all properties and monitors the status of pipeline projects; and

WHEREAS, numerous projects funded through the Agency's Homeless Demonstration program have now completed their thirty year affordability period and have limited resources available to continue supporting the operation of the project within the Agency's portfolio.

WHEREAS, based on staff's review of existing projects and the pipeline projects, staff has recommended actions to support the projects and the Board is in agreement as set forth below.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 10th day of October 2019 as follows:

Section 1. Staff is authorized to take the following actions regarding the following properties in the Agency's portfolio and to do all things necessary to effect these actions:

- a. Cross Apartments (H-12): Authorize termination of the project and release the regulatory agreement and mortgage.
- b. 338 Wyandotte Street Apartments (H-008): Authorize termination of the project and release the regulatory agreement and mortgage.
- c. Housing Options and Opportunities (H-52): Authorize termination of the project and release the regulatory agreement and mortgage.

Section 2. Staff is authorized and directed to take all necessary actions to effectuate mortgage dispositions for the projects in the Homeless Demonstration program as appropriate as their compliance terms end.

Section 3. This resolution shall be effective immediately.

RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AFFIRMING POWERS OF THE OFFICES OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER, DEPUTY EXECUTIVE DIRECTOR AND CHIEF COUNSEL, DIRECTOR OF FINANCE, DIRECTOR OF ACCOUNTING, DIRECTOR OF HOMEOWNERSHIP PROGRAMS, DIRECTOR OF DEVELOPMENT, DIRECTOR OF HOUSING MANAGEMENT, DIRECTOR OF LOAN SERVICING, DIRECTOR OF BUSINESS ANALYTICS, AND OTHER DIRECTOR OFFICES AND CONFIRMING CERTAIN APPOINTMENTS OF SECRETARY AND ASSISTANT SECRETARIES

WHEREAS, the Agency exists, pursuant to the housing finance agency law, Act of Dec. 3, 1959, P.L. 1688, as amended (35 P.S. Section 1680.101 *et seq.*) (the "Act"), as a body corporate and politic, constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania with continued succession until terminated by law;

WHEREAS, the Act provides that the Agency is governed by a Board, consisting of designated members of the Agency, by office or appointment, empowered, *inter alia*, to make and alter bylaws for the management and regulation of its affairs; to enter into contracts and execute all instruments necessary or convenient for carrying out its operations; to acquire, hold and dispose of personal property, real or any interest therein; to hold, sell, lease, assign, encumber, mortgage or otherwise dispose of or compromise its interest in any real or personal property; to borrow money; to invest funds; to do any and all other things necessary or convenient to carry out the powers and purposes of the Agency, the Act or other acts; and

WHEREAS, the Act empowers the members to employ and engage the services of an executive director and such other officers, agents, employees, and professional and business advisors as may be necessary in carrying out its business and affairs; and accordingly, in authorized resolutions and bylaws, the Agency has established offices, has delegated certain powers to such offices and hereby confirms such authorizations; and

WHEREAS, there have been changes in Agency personnel and positions and there is a need for the Agency to update and reiterate powers and offices held by staff.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 10th day of October, 2019 as follows:

Section 1. The Executive Director shall be the chief executive officer, fully authorized to carry out all general administrative functions and business affairs necessary or convenient to the Agency, its operations, its programs, its facilities, its employees and contractors, agents and vendors, with full signatory authority for all matters conducted in accordance with the directives and resolutions of the Board and is further specifically authorized to execute and authorize checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 2. The Deputy Executive Director and Chief Counsel shall perform all of the functions and duties of the Executive Director as directed by the Board and the Executive Director, may execute contracts, and agreements of all kinds on behalf of the Agency and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time. In the event of unavailability or incapacity of the Executive Director, the Deputy Executive Director and Chief Counsel shall perform the duties and functions of the Executive Director, including the execution and authorization of checks and other appropriate documents with respect to the Agency accounts and financial transactions, during such period of unavailability or incapacity. Legal staff may be designated by the Deputy Executive Director and Chief Counsel to perform loan and program transactions and closings on behalf of the Agency.

Section 3. The Director of Finance shall perform all functions and duties assigned by the Executive Director and by the Board and may execute contracts, documents and agreements of every kind on behalf of the Agency, including checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 4. The Director of Accounting shall perform all functions and duties assigned by the Executive Director and by the Board and may execute contracts, documents and agreements of every kind on behalf of the Agency, including checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 5. The Director of Homeownership Programs shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 6. The Director of Development shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 7. The Director of Housing Management shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 8. The Director of Loan Servicing shall perform such functions and duties as assigned by the Executive Director and may execute documents, contracts, and agreements of every type on behalf of the Agency, (with the exception of executing checks on the Agency's accounts) and shall have such additional powers as may be specifically authorized in resolution or as directed by the Board from time to time.

Section 9. The Director of Business Analytics shall perform all functions and duties as assigned by the Executive Director and may execute documents, contracts and agreement of every type on behalf of the Agency, (with the exception of executing checks on the Agency's accounts) and shall have such additional powers as may be specifically authorized in resolution or as directed by the Board from time to time.

Section 10. The Secretary shall perform all duties as Board administrator and shall keep all of the official records and books of the Agency, shall keep minutes of all meetings of the Agency, may issue calls for meetings, shall have charge of the seal of the Agency and may affix the seal, attested by his or her signature to such instruments as may require the same. Assistant secretaries shall be appointed from time to time, in accordance with a resolution of the Board to assist the Secretary in any and all official duties.

Section 11. The following persons are ratified and confirmed in the following positions for the dates shown herein:

Brian A. Hudson, Executive Director and Chief Executive Officer (Effective July 2003)  
Rebecca L. Peace, Deputy Executive Director and Chief Counsel (Effective October 2015)  
Jordan Laird, Director of Finance (Effective March, 2018)  
Adrienne Trumpy, Director of Accounting (Effective September, 2019)  
Coleen Baumert, Director of Homeownership Programs (Effective August 2016)  
Kathryn Newton, Director of Loan Servicing (Effective August 2016)  
Holly Glauser, Director of Development (Effective September 2006)  
Carl Dudeck, Director of Housing Management (Effective September 2011)  
Thomas Brzana, Director of Business Analytics (Effective August 2016)  
Carrie Barnes, Secretary (Effective April 1980)  
Margaret Strawser, Assistant Secretary (Effective May 1996)  
Tracy Horetsky, Assistant Secretary (Effective March 2010)  
Kimberly A. Smeal, Assistant Secretary (Effective November 2015)  
Brittany Bassett, Assistant Secretary (Effective November 2015)

Section 12. The Executive Director shall appoint such other directors as shall be appropriate to perform such functions and duties as may be assigned by the Executive Director and the Executive Director may authorize certain signatories for certain Agency accounts, checks, financial transactions as may be appropriate from time to time including individuals serving as manager of investments, investment officers, manager of accounting, internal auditors and staff accountants.

Section 13. This resolution shall take effect immediately and, in the event of any inconsistency, this resolution is intended to supplement all prior grants of authority and power set forth in specific authorizing resolutions pertaining to each of the offices set forth above or pertaining to any particular Agency transaction.