

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, May 14, 2020 at 10:30 a.m. via conference call** (conf. call: 844.874.0853; access code: 9653125108). Due to COVID-19, no physical meeting space will be provided for this meeting. 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 participate in this meeting and require an auxiliary aid, service or other accommodation to participate, please contact the Secretary by Tuesday, May 12, 2020 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, May 12, 2020 in writing by emailing phfaboard@phfa.org and detail the nature of their presentation.

Margaret Strawser
Secretary
Phone: 717.780.3845
phfaboard@phfa.org
TTY (in Pennsylvania): 711

BOARD MEETING AGENDA

THURSDAY, MAY 14, 2020

10:30 A.M.

A G E N D A

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE MINUTES FROM THE APRIL 9, 2020 BOARD MEETING
3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT
 - A. Commitment of Loan Financing
 - i. Kellinger Greene
 - ii. Beach Run Apartments
 - iii. WPRE VI
 - B. Other Business
4. COVID-19 Updates
5. OTHER BUSINESS
6. PUBLIC COMMENTS
7. ADJOURNMENT

**Pennsylvania Housing Finance Agency
Meeting of the Board
April 9, 2020**

Members Present:

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

Members Absent:

*On Telephone conference call

Others Present:

- *Robin L. Wiessmann, Executive Director & CEO
- *Leonidas Pandeladis, Deputy Executive Director and Chief Counsel
- *Holly Glauser, Director of Development
- *Jordan Laird, Director of Finance
- *Bryce Maretzki, Director of Strategic Planning & Policy
- *Adrienne Trumpy, Director of Accounting
- *Scott Elliott, Director of Communications
- *Kathryn Newton, Director of Loan Servicing
- *Melissa Grover, Director of Government Affairs
- *Coleen Baumert, Director of Homeownership Programs
- *Ali Tomich, Director of Western Region
- *Jay Hausher, Director of Eastern Region
- *Carl Dudeck, Director of Housing Management
- *Terri Redmond, Director of Counseling
- *Lori Toia, Director of HEMAP
- *Susan Delgado, Director of Human Resources
- *Kimberly Boal, Director of Information Technology
- *Thomas Brzana, Director of Business Analytics
- *Wendy Gessner, Director of Commonwealth Cornerstone Group
- *Lisa Case, Manager of Project Operations
- *Chris Anderson, Communications Officer
- *Steve O'Neill, Assistant Counsel
- *Aaron Son, Special Assistant of Policy and Finance

- *Shelby Rexrode, Policy Officer
- *Clay Lambert, Business Policy Officer
- *Iman McAllister, Assistant Counsel
- *Lauren Starlings, Assistant Counsel
- *Jada Greenhowe, Assistant Counsel
- *Alan Flannigan, Department of Banking and Securities
- *Blaine Stoddart, Frankford CDC
- *Kimberly Washington, Frankford CDC
- *Jennifer Shockley, Pennsylvania Developer's Council
- *George Werner, Piper Sandler & Co.
- *Nicholas Fluehr, Wells Fargo
- *Matt Engler, Wells Fargo
- *Peter Weiss, Wells Fargo
- *Mitch Gallo, RBC Capital Markets
- *Michael Baumrin, RBC Capital Markets
- *Barry Gottfried, Stifel
- *Alan Jaffe, Jefferies
- *Bob Foggio, Jefferies
- *Albert Luong, Barclays
- *Joseph Monitto, Bank of America Securities
- *David Notkin, Bank of America Securities
- *Joe Tait, Raymond James
- *Allison Hutchings, Assistant Secretary
- *Jeannie Galloway, Assistant Secretary
- *Kimberly Smeal, Assistant Secretary
- *Margaret Strawser, Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency, which offices are located at 211 North Front Street, Harrisburg, Pennsylvania, was held on Thursday, April 9, 2020 at 10:30 a.m. via conference call. Due to COVID-19, no physical meeting space was provided for this meeting.

In compliance with the provisions of the Sunshine Act, notification of this meeting appeared in the Legal Notices Sections of *The Patriot News* in Harrisburg, Dauphin County on April 7, 2020.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Acting Chair Vague at 10:37 a.m. The roll was called and a quorum was present.

Due to an unexpected conflict, Acting Chair Vague asked Vice Chair Schwartz to chair the meeting.

2. APPROVAL OF THE MINUTES FROM THE MARCH 12, 2020 BOARD MEETING

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

Mr. Lenker made the motion to approve the minutes from the March 12, 2020 Board meeting. This motion was seconded by Mr. Loughery and was unanimously approved.

3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT

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

A. Home4Good Funding Recommendations

Mr. Maretzki was asked to provide a summary of the Home4Good funding recommendations to the Board. In light of the unprecedented circumstances and the increased emergency housing and supportive service needs for those experiencing homelessness due to COVID-19, it has been determined that the Home4Good funds can be best utilized as a "block grant" to sixteen (16) Continuums of Care entities within the Commonwealth. The funding will allow the identified Continuums of Care to work with member service organizations to address homelessness as it relates to COVID-19. A resolution identifying the Continuums of Care and the respective funding is provided. On behalf of the Program and Development Review Committee, Mr. Welks commended the Agency and its staff in reimagining the Home4Good Program and quickly providing these much-needed resources. **Mr. Welks made a motion that the Board approve the funding resolution for Home4Good as submitted. This motion was seconded. Mr. Schwartz and Ms. Koppel abstained. Motion carried with abstentions. (See Appendix 1 of these Minutes.)**

B. Approval of ReCLAIM Loan Request – Frankford CDC

Mr. Maretzki provided a background of the ReCLAIM program. He indicated the Frankford CDC has submitted an application for funding for the property located at 4663-65 Paul Street, Philadelphia. The funding would be used to renovate the two buildings that when completed would provide commercial space and affordable rental housing. Frankford CDC has offices adjacent to the building.

Mr. Welks asked Mr. Stoddart or Ms. Washington if they had any comments for the Board. Ms. Washington offered a thank you to the Board for considering their funding request.

Mr. Welks made a motion that the Board approve the resolution of funding for the ReCLAIM loan request regarding Frankford CDC as submitted. This motion was seconded. Mr. Schwartz abstained. Motion carried with abstention. (See Appendix 2 of these Minutes.)

C. Other Business

Mr. Welks reported that the Committee also considered the change in control of the managing general partner for Geneva Greens Apartments and Tioga View Apartments. He noted that the Committee received prior authorization from the Board to handle such requests.

Vice Chair Schwartz added that the Committee also discussed merging ReCLAIM and the mixed used tax credit program to provide a more stream-lined funding option.

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

4. FORBEARANCE UPDATE

Mr. Pandeladis along with other staff members provided an update to the Board regarding the Agency's efforts to provide forbearance options to the Agency's single family homeowners and multifamily properties. The Agency's response to COVID-19 was also discussed.

5. OTHER BUSINESS

Director Wiessmann thanked the Board for its continued interest in the Agency's functionality during this difficult time.

6. PUBLIC COMMENTS

Mr. Pandeladis informed the Board that due to today's meeting being held remotely and no public meeting space was provided because of COVID-19, the Agency advertised a public comment agenda item. No public comments were registered.

Mr. Pandeladis also informed the Board that Mr. Dudeck researched the complaints raised by Ms. Burkholder during the Agency's March Board meeting.

7. ADJOURNMENT

There being no further business to present to the Board, a motion was made and seconded that the Board meeting be adjourned. The motion was unanimously approved. The meeting adjourned at 12:14 p.m.

The next monthly meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held at the Agency's offices at 211 North Front Street, in Harrisburg, Pennsylvania 17101 on Thursday, May 14, 2020 at 10:30 a.m.

Respectfully submitted,



Margaret Strawser
Secretary

REQUEST FOR LOAN COMMITMENT

Pennsylvania Housing Finance Agency
May 14, 2020

SUBJECT: Kellinger Greene
Request for Loan Commitment
Tax Credit Development: TC2019-442/N-133
Lewisberry York County
Development Officer: David Gregorits

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Robin L. Wiessmann
Executive Director & CEO



DEVELOPMENT DESCRIPTION:

This proposal is for the new construction of seven 2 story buildings, consisting of 6 one-bedroom units, 38 two-bedroom units and 12 three-bedroom units. There will be six accessible units. The development is estimated to be a total of 64,397 square feet.

OWNER:

Kellinger Greene L.P.
David Cooper, Jr. Columbus, Ohio

FINANCING PLAN:

Agency Primary Mortgage Loan (4.50%, 30yrs)	\$ 2,055,000
York County HOME loan	800,000
Energy Rebate	56,700
Reinvested Developer Fee	225,150
Equity (CREA @ \$.92)	<u>11,241,508</u>
Total Development Cost	\$14,378,358

Tax Credit Award at Closing \$ 1,221,903

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$8,933,916	\$159,534	\$138
Total Replacement Cost & Reserves	12,170,448	217,329	188
Total Development Costs	14,378,358	256,756	222

SITE DESCRIPTION:

Kellinger Greene is on 13.25 acres in Fairview Township, York County. The site is under a Purchase Agreement through May 31, 2020. The site is currently zoned RMU with townhomes a permitted.

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING MORTGAGE FINANCING FOR
KELLINGER GREENE, PHFA NO. N-133**

WHEREAS, the Agency has received a request for first mortgage financing for the construction of seven two-story buildings consisting of 56 units for general occupancy located in Fairview Township, York County, known as Kellinger Greene (the "Development") to be owned and operated by Kellinger Greene Limited Partnership, a Pennsylvania limited partnership ("Owner"); and

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

WHEREAS, based upon its underwriting, staff recommends that the Agency provide financing to the Development through a primary loan in an amount not to exceed \$2,055,000 with an interest rate of 4.5% amortized over 30 years, to be initially funded out of Agency reserves.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 14th day of May, 2020, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to provide mortgage loan financing to Owner to support the construction and operation of the Development by providing a primary loan in the approximate aggregate amount of \$2,055,000 (including a 15% contingency allowance for final underwriting) with an interest rate of 4.5% amortized over 30 years subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that establishes a 35 year affordability restriction; (b) commitment of all other necessary funding sources set forth in the underwriting and financing plan; and (c) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.

REQUEST FOR LOAN COMMITMENT

Pennsylvania Housing Finance Agency
May 14, 2020

SUBJECT: Beach Run Apartments
Request for Loan Commitment
Tax Credit Development: PHFA No. O-1329
Fredericksburg, Lebanon County
Development Officer: Lynette Davenport

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Robin L. Wiessmann
Executive Director & CEO 

DEVELOPMENT DESCRIPTION:

This proposal is for the new construction of a three-story building, consisting of 15 one-bedroom, 25 two-bedroom, and 11 three-bedroom units for general occupancy. There will be six accessible units. Additionally, six units will have Section 811 assistance. The development is estimated to be a total of 62,050 square feet.

OWNER:

Molly Pitcher Associates, L.P
Dana Hanchin, Lancaster, PA

FINANCING PLAN:

Agency Primary Mortgage Loan (4.875%, 35 years)	\$ 615,000
PennHOMES Loan	1,150,000
Lebanon ACT 137 Funds	500,000
Energy Rebate	79,720
Energy Tax Credits	10,970
Equity from Additional Developer Fee (Supportive Services)	244,800
Reinvested Developer Fee	335,000
Equity (CREA @ \$.9432)	<u>11,594,851</u>
Total Development Cost	\$ 14,530,341
Tax Credit Award at Closing	\$ 1,229,310

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$9,840,377	\$192,949	\$159
Total Replacement Cost & Reserves	12,347,206	242,102	199
Total Development Costs	14,530,341	284,909	234

SITE DESCRIPTION:

The Beach Run Apartments development is on 6.90 acres of land located in Fredericksburg. The site is under a Purchase Agreement through May 31, 2020. The site is currently zoned R-2 High Density Residential Zoning District, with multifamily housing a permitted use.

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING MORTGAGE FINANCING FOR
BEACH RUN APARTMENTS, PHFA NO. O-1329**

WHEREAS, the Agency has received a request for first mortgage financing for the construction of a three-story building consisting of 51 units for general occupancy located in Fredericksburg, Lebanon County, know as Beach Run Apartments (the "Development") to be owned and operated by Molly Pitcher Associates, L.P., a Pennsylvania limited partnership ("Owner"); and

WHEREAS, in July 2019, the Agency awarded federal Low Income Housing Tax Credits in an amount up to \$1,250,000 and PennHOMES funds in the amount of \$1,150,000 for the construction of the Development; and

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

WHEREAS, based upon its underwriting, staff recommends that the Agency provide first financing to the Development through a primary loan in the amount not to exceed \$615,000 (plus a 15% contingency allowance) with an interest rate of 4.875% amortized over 35 years, to be initially funded out of Agency reserves.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 14th day of May, 2020, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to provide mortgage loan financing to Owner to support the construction and operation of the Development by providing a primary loan in the maximum aggregate amount of \$707,250 (including a 15% contingency allowance for final underwriting) with an interest rate not to exceed 4.875% amortized over 35 years and PennHOMES loan in the amount of \$1,150,000 subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that establishes a 35 year affordability restriction; (b) commitment of all other necessary funding sources set forth in the underwriting and financing plan; and (c) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.

REQUEST FOR LOAN COMMITMENT

Pennsylvania Housing Finance Agency
May 14, 2020

SUBJECT: WPRE VI

Request for Loan Commitment
Tax Credit Development: TC2019-434
Philadelphia, Philadelphia County
Development Officer: Kelly R. Wilson

TO: Members of the Board
Pennsylvania Housing Finance Agency

FROM: Robin L. Wiessmann
Executive Director & CEO



DEVELOPMENT DESCRIPTION:

This proposal is for the new construction and substantial rehabilitation of twenty two and three story buildings, consisting of four efficiencies, six one-bedroom units, five two-bedroom units, 11 three-bedroom units, and four four-bedroom units. There will be four accessible units. The development is estimated to be a total of 36,809 square feet.

OWNER:

WPRE 6, LLC
George Bantel, Philadelphia, PA

FINANCING PLAN:

Agency Primary Mortgage Loan (4.00%, 15 years)	\$ 950,000
FHLB Funds (Uncommitted)	50,000
Energy Rebate	52,500
Equity (RedStone Equity Partners @ \$.93)	<u>7,081,014</u>
Total Development Cost	\$ 8,133,515
Tax Credit Award at Closing	\$ 762,775

	<u>Total</u>	<u>Per Unit</u>	<u>Per Sq. Ft.</u>
Construction Cost	\$5,801,001	\$193,367	\$158
Total Replacement Cost & Reserves	6,846,372	228,212	186
Total Development Costs	8,142,312	271,554	221

SITE DESCRIPTION:

WPRE VI is a scattered site development located in the Mantua neighborhood in West Philadelphia. The proposal is for the substantial rehabilitation and new construction of twenty properties into thirty affordable housing units on approximately .56 acres of land. The owner holds title to all properties in the development. All the sites within this plan are currently zoned RSA-5 residential or CMX-2 Commercial Mixed use. Single family dwelling as a land use are permitted by right. All variances for use and dimensions have been granted allowing the issuance of a zoning permit for multi-family use.

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING MORTGAGE FINANCING FOR
WPRE VI, PHFA NO. N-148**

WHEREAS, the Agency has received a request for first mortgage financing for the construction of twenty, two and three-story buildings consisting of 30 units for general occupancy located in Philadelphia County, know as WPRE VI (the “Development”) to be owned and operated by WPRE VI, LP, a Pennsylvania limited partnership (“Owner”); and

WHEREAS, in July 2019, the Agency awarded federal Low Income Housing Tax Credits in an amount up to \$761,399 for the construction of the Development; and

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

WHEREAS, based upon its underwriting, staff recommends that the Agency provide first financing to the Development through a primary loan in the amount not to exceed \$950,000 (plus a 15% contingency allowance) with an interest rate of 4% amortized over 15 years, to be initially funded out of Agency reserves.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 14th day of May, 2020, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to provide mortgage loan financing to Owner to support the construction and operation of the Development by providing a primary loan in the maximum aggregate amount of \$1,092,500 (including a 15% contingency allowance for final underwriting) with an interest rate not to exceed 4% amortized over 15 years subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that establishes a 35 year affordability restriction; (b) commitment of all other necessary funding sources set forth in the underwriting and financing plan; and (c) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.