

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 **Wednesday, October 7, 2020 at 10:30 a.m. via conference call. All interested persons should visit the Agency's website at www.phfa.org no later than Tuesday, October 6, 2020 to register for the meeting.** 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, October 6, 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, October 6, 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
WEDNESDAY, OCTOBER 7, 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 SEPTEMBER 10, 2020 BOARD MEETING
3. POLICY COMMITTEE REPORT
 - A. Preliminary Approval of 2021 LIHTC Allocation Plan
 - B. RFP Tax Exempt Volume Cap
 - C. Other Business
4. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT
 - A. Request for Tax Exempt Issuing Authority
 - B. Request to Tax Exempt Financing
 - C. Other Business
5. CARES FUNDING UPDATE
6. OTHER BUSINESS
7. PUBLIC COMMENTS
8. EXECUTIVE SESSION
9. ADJOURNMENT

**Pennsylvania Housing Finance Agency
Meeting of the Board
September 10, 2020**

Members Present:

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

Members Absent:

Richard Vague, Acting Chair
Jennifer Koppel
Ross Nese

Others Present:

Robin 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
Kathryn Newton, Director of Loan Servicing
Melissa Grover, Director of Governmental Affairs
Scott Elliott, Director of Communications
Jay Hausher, Director of Eastern Region
Ali Tomich, Director of Western Region
Tom Brzana, Director of Business Analytics
Carl Dudeck, Director of Housing Management
Terri Redmond, Director of Counseling
Lori Toia, Director of HEMAP
Kimberly Boal, Director of Information Technology
Yashira Aybar, Development Officer
Robert Milne, Development Officer
David Doray, Manager of Multifamily Underwriting
Lisa Case, Manager of Project Operations
Kurtis Liverling, Manager of Financial Operations
Jada Greenhowe, Assistant Counsel
Steve O'Neill, Assistant Counsel
Lauren Starlings, Assistant Counsel

Aaron Son, Special Assistant of Policy and Finance
Clay Lambert, Business Policy Officer
Raymond Carey, Policy Officer
Shelby Rexrode, Policy Officer
Leighton Stiffler, Internal Audit Officer
Kris Clymans, Manager of Infrastructure and Support/CISO
Brandon Johnson, Sparrow's Way
Ralph Jones, U.S. Bank
Karilyn Kober, Kutak Rock LLP
Alan Flannigan, Department of Banking and Securities
Barry Gottfried, Stifel
Nick Fluehr and Matt Engler, Wells Fargo
Joe Monitto and David Notkin, Bank of America
Vikram Shah and Paul Haley, Barclays
Peter Weiss and Gloria Boyd, JP Morgan Securities
Greg Brunner, M & T Securities
Joe Tait, Raymond James
Michael Baumrin and Virginia Favaro, RBC Capital Markets, LLC
Alan Jaffe and Bob Foggio, Jefferies
George Werner, Piper Sandler
Jennifer Shockley, Pennsylvania Developer's Council
Allison Hutchings, Assistant Secretary
Kim Smeal, Assistant Secretary
Jeannie Galloway, 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, September 10, 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 Section of *The Patriot News* in Harrisburg, Dauphin County on September 6, 2020.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Vice Chair Schwartz at 10:35 a.m. The roll was called and a quorum was present.

2. APPROVAL OF THE MINUTES FROM THE AUGUST 13, 2020 BOARD MEETING

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

A motion was made by Mr. Lenker and seconded by Mr. Dombrowski to approve the minutes from the August 13, 2020 Board Meeting. This motion was unanimously approved.

3. POLICY COMMITTEE

Vice Chair Schwartz provided a summary of the Policy Committee meeting. He mentioned there was interesting discussion on PHARE and LIHTC programs. Mr. Marezki was asked to summarize the discussion regarding the PHARE RFP. Mr. Marezki mentioned the 2020 PHARE RFP will be available Monday, September 14, 2020. All applications must be submitted via the online application portal by Friday, November 20, 2020. For the 2020 PHARE funding round, there is \$36 million of Realty Transfer Tax funds available; \$16 million has already been reserved for previous funding rounds and to support administrative funding for the CARES program. The RFP asks each applicant to identify how its program or project will handle social inequalities and disparities. Since National Housing Trust Funds (HTF) are utilized to only fund the 4% and 9% tax credit applications, such funding will be handled through applications under the Low Income Housing Tax Credit Allocation Plan instead of the PHARE program.

Vice Chair Schwartz also indicated the Committee discussed the LIHTC program and future applications. Ms. Glauser provided a summary of the discussion. The Agency will offer the 2021 tax credit allocation plan as a one-year plan. There is approximately \$13 million in tax credits available for the 2021 applications. The Agency has forward committed \$23 million of 2021 tax credits to the 2020 tax credit awardees. The developments continue to be challenged to get through construction closing and meet general program timelines. The Agency intends for the 2021 allocation plan to expand on existing criteria and project readiness in the areas of zoning and commitment of funds. Applicants would need to provide their intent to submit at the beginning of December and the full application would need to be submitted in early 2021. Developments will also be required to address social inequities and disparities in the community. The Agency will offer a public comment period in October and will seek board approval of the plan in November.

Mr. Loughery asked about by-right zoning use and the challenges in suburban communities. Mr. Lenker echoed Mr. Loughery's comments about having by-right requirements for suburban properties.

Vice Chair Schwartz thanked Mr. Marezki and Ms. Glauser for their summaries.

4. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT

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

A. PROPERTY WORKOUT - GOODWILL NEIGHBORHOOD RESIDENCES

Mr. Dudeck reported that the current owner of Goodwill Neighborhood Residences is Lackawanna Housing Associates, whose general partner is Pennrose Equities. Pennrose has been supporting the project through the years but the project continues to experience ongoing operating losses. A buyer with tax credit experience has been found for this project. The sale of the property will allow the project to remain as affordable housing in the tax credit program. It has been proposed the Agency accept 50% of outstanding amount of the Agency's loans, which is \$975,000, as payment in full. Staff has reviewed the proposal and is recommending approval.

Mr. Welks made a motion that the board approve the resolution authorizing the property workout for Goodwill Neighborhood Residences. Mr. Lenker seconded. Motion carried.

B. LOAN COMMITMENT FINANCING - SPARROW'S WAY

Ms. Aybar provided an overview of Sparrow's Way. The development is located in Dover Township, York County and includes a proposal for new construction with 23 townhomes with potential for homeownership conversion. It was awarded tax credits in 2019. The developer is seeking first mortgage financing from the Agency in the amount of \$945,000. Mr. Brandon Johnson is available should the members have any questions. Mr. Johnson offered his thanks to staff and the board for their support and is looking forward to providing an affordable housing project in York County.

Mr. Welks made a motion that the board approve the resolution authorizing the mortgage financing for Sparrow's Way. Motion was seconded. Mr. Lenker abstained. Motion carried with abstention.

C. OTHER BUSINESS

There was no other Committee business to be brought before the board. Vice Chair Schwartz thanked Agency staff for the presentations and summaries.

5. APPROVAL OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 135 AND SERIES 136

Director Wiessmann reported that the Agency had a successful entry into the market for Series 2020-133, an entirely fixed rate transaction, and was well received by investors. Series 2020-133 is scheduled to close at the end of September.

Staff is requesting board approval for the issuance of Series 135 and Series 136 and to delegate the approval of the final terms and conditions to each of the transactions to the Finance Committee.

A motion was made by Mr. Lenker that the board approve the resolutions authorizing the issuance of Single Family Mortgage Revenue Bonds, Series 135 and Series 136. This motion was seconded by Ms. Possinger and unanimously approved.

6. CARES FUNDING UPDATE

Mr. Maretzki provided an update on CARES funding. The Agency has been administering the program for the last two months. He provided a funding disbursement comparison of the applications received in July and August. Through August, the program received over 26,000 applications for rent relief funding and has approved approximately 10% of those applications expending \$3.7 million of the \$150 million available for rental assistance. Approximately 1,800 applications for mortgage assistance has been received. The Agency has approved approximately 18% of those applications and allocated about \$1.6 million of the \$25 million available for mortgage assistance.

Mr. Maretzki indicated the Agency has provided feedback with recommended enhancements to the legislature. Director Wiessmann and Ms. Grover have had numerous conversations with members from both caucuses. Earlier this week, Director Wiessmann testified in front of the House Urban Affairs and Housing Committee about the CARES program. She stressed the need for an extension of the application deadline; an extension of the disbursement deadline; removal of the 30-day delinquency requirement for mortgagors; allowing for a variation in the funding cap based on fair market rents for each county rather than a flat rate and covering administrative expenses up to 5% of the funding, which would be disbursed to the participating counties. Currently, the Agency is utilizing PHARE funds to cover administrative costs for the counties.

7. OTHER BUSINESS

Director Wiessmann informed the Members of the Board that the annual NCSHA conference will be held as a virtual conference from October 27 through October 29. Any board member wishing to participate should contact Jeannie Galloway. Vice Chair Schwartz also added his encouragement for the members to participate in the NCSHA conference.

Director Wiessmann reported the Agency is evaluating the possibility of a program to assist minority developers and women-owned businesses.

An update was provided by Director Wiessmann regarding the Agency's single family loan program. Mortgage loan applications have increased from a year ago. The bond program comprises 76% of the Agency's loan production and continues to be the most robust program

offered. The stability of the market depends upon the length of the pandemic. With homeowners working from home and more children doing remote learning for the school year, the pandemic has caused an increase need for more workable space in their homes. Ms. Newton indicated the Agency has processed 2,500 forbearance agreements; approximately 540 forbearance agreements are still active. The forbearance agreements have proved beneficial for the Agency's homeowners since roughly 75% of those initially approved no longer need the forbearance.

Mr. Pandeladis provided a summary of the recent residential eviction declaration made by the Centers for Disease Control and Prevention and the effect on Pennsylvania's mortgage industry.

8. PUBLIC COMMENTS

Mr. Pandeladis informed the board that due to today's meeting being held remotely and no in-person meeting space because of COVID-19, the Agency advertised a public comment agenda item that required pre-registration to allow for remote access being granted. No public comments were registered in response to the advertising notice.

9. ADJOURNMENT

There being no further business to present to the board, a motion was made by Mr. Lenker and seconded by Mr. Loughery that the board meeting be adjourned. The motion was unanimously approved. The meeting adjourned at 11:51 a.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, October 8, 2020 at 10:30 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Margaret Strawser".

Margaret Strawser
Secretary