Members Present:  
*Robin Wiessmann, Chair  
*Craig H. Alexander  
*K. Scott Baker  
*Maria F. Coutts  
*Ronald F. Croushore  
*Dennis Davin  
*Noel E. Eisenstat  
*Lisa R. Gaffney  
*Keith Welks (serving in the stead of  
  Christopher Craig, Executive Deputy  
  State Treasurer)  
Joanne Glover (serving in the stead of  
  Ted Dallas, Acting Secretary,  
  Department of Human Services)  
*Ross Nese  
John Paone  
Mark Schwartz  

*On Telephone conference call  

Members Absent:  
Thomas B. Hagen, Vice Chair  

Others Present:  
Brian A. Hudson, Executive Director  
Rebecca L. Peace, Chief Counsel  
Carl Dudeck, Director of Housing Management  
Scott Elliott, Director of Communications  
Holly Glauser, Director of Development  
Bryce Maretzki, Director of Strategic Policy & Planning  
Kate Newton, Director of Homeownership Programs  
Bill Fogarty, Director of Government Affairs  
Kim Boal, Director of Information Technology  
John Zapotocky, Director of Accounting  
Thomas Brzana, Director of Loan Servicing  
Melissa Raffensperger, Policy Associate  
Michael O’Neill, Assistant Counsel  
JoLynn Story, Associate Counsel  
Jada Greenhowe, Assistant Counsel  
Lauren Starlings, Assistant Counsel  
Clay Lambert, Business Policy Officer  
Chris Anderson, Communications Officer  
Renae Hodges, Communications Officer  
William Bailey, Senior Development Officer  
Brian Shull, Manager of Preservation Programs
A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, April 9, 2015 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 March 31, 2015.

1. **CALL TO ORDER AND ROLL CALL**

   The meeting was called to order by Chair Robin Wiessmann at 10:30 a.m. The roll was called and a quorum was present.

2. **APPROVAL OF THE MINUTES FROM THE MARCH 12, 2015 BOARD MEETING**

   There were no additions or corrections to the minutes.

   A motion was made by Mr. Paone that the minutes from the March 12, 2015 Board meeting be approved as submitted. This motion was seconded by Mr. Schwartz and was unanimously approved.

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

   Ms. Gaffney, as Chair of the Program and Development Review Committee, reported that the Committee met prior to the Board meeting regarding the following items.

   A. **Volume Cap Allocation Request – Addison Terrace Phase 2**

      Mr. Bailey reviewed the project and its financing plan. He reported that the developer is requesting a tax exempt volume cap allocation in an amount not to
exceed $15,500,000 be made to the Housing Authority of the City of Pittsburgh on behalf of Addison Terrace Phase 2. The Housing Authority will issue private activity bonds with this allocation and the funds would be used for the acquisition and new construction of the project. Mr. Bailey reported that Addison Terrace Phase 1 is nearly complete.

Mr. Bailey stated that staff is requesting Board approval of an allocation of tax exempt bonds in an amount not to exceed $15,500,000 to this project.

Ms. Gaffney reported that the Program and Development Review Committee concurs with staff.

Ms. Gaffney made the motion that the Board approve the resolution authorizing a housing related bond allocation in an amount not to exceed $15,500,000 to Addison Terrace Phase 2. This motion was seconded by Mr. Welks and was unanimously approved. (See Appendix 1 of these Minutes.)

B. Portfolio Preservation Refinancings

1. Bartlett Gardens

   Mr. Shull reported that the owner of this project has requested permission to refinance the existing mortgage. The purpose of this request is to preserve the housing by lowering its annual debt service and providing capital for needed repairs and energy efficiency improvements.

   Mr. Shull stated that to permit refinancing requests, staff must be assured that the development will remain in Pennsylvania’s affordable housing stock for at least an additional 30 years; the Agency must not incur any economic losses due to the refinancing; and the HUD’s Housing Assistance Payments contract must be renewed for an additional 20 years.

   After reviewing the proposal, Mr. Shull stated that all of the conditions have been addressed and staff recommends approval.

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

   Ms. Gaffney made the motion that the Board approve the resolution authorizing a mortgage refinancing for Bartlett Gardens. This motion was seconded and unanimously approved. (See Appendix 2 of these Minutes.)
2. **B’nai B’rith House**

   Mr. Shull reported that the owner of this project has requested permission to refinance the existing mortgage. Staff has evaluated the financial condition of the project and has determined that it has insufficient cash flow to support the current debt structure. He noted that the project is currently in need of repairs and the refinancing would provide capital for energy efficiency improvements and would fund the project’s Reserve for Replacements account.

   Mr. Shull stated that to permit refinancing requests, staff must be assured that the development will remain in Pennsylvania’s affordable housing stock for at least an additional 30 years; the Agency must not incur any economic losses due to the refinancing; and the HUD’s Housing Assistance Payments contract must be renewed for an additional 20 years. Mr. Shull stated that all of the conditions have been addressed and staff recommends approval. The Agency’s economic loss will be included in the new financing and repaid over time.

   Ms. Gaffney reported that the Program and Development Review Committee concurs with staff’s recommendation.

   **Ms. Gaffney made the motion that the Board approve the resolution authorizing a mortgage refinancing for B’nai B’rith House. This motion was seconded. Mr. Schwartz abstained and the motion carried. (See Appendix 3 of these Minutes.)**

3. **Char House**

   Mr. Shull reported that the owner of this project has requested permission to refinance the existing mortgage. The purpose of this request is to preserve the housing by lowering its annual debt service and providing capital for needed repairs and energy efficiency improvements.

   Mr. Shull stated that to permit refinancing requests, staff must be assured that the development will remain in Pennsylvania’s affordable housing stock for at least an additional 30 years; the Agency must not incur any economic losses due to the refinancing; and the HUD’s Housing Assistance Payments contract must be renewed for an additional 20 years.

   After reviewing the proposal, Mr. Shull stated that all of the conditions have been addressed and staff recommends approval.
Ms. Gaffney reported that the Program and Development Review Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing a mortgage refinancing for Char House. This motion was seconded and unanimously approved. (See Appendix 4 of these Minutes.)

4. **Other Business**

   There was no other business to be reported by the Program and Development Review Committee.

4. **OTHER BUSINESS**

   A. **NCSHA Housing Credit Connection Conference**
      
      Mr. Hudson reported that NCSHA’s Housing Credit conference will be held in Los Angeles from June 1, 2015 to June 4, 2015. Any Board member who would like to attend should contact the Secretary as soon as possible.

   B. **May 14, 2015 PHFA Board Meeting**
      
      Mr. Hudson reported that the next meeting of the Board will take place on Thursday, May 14 at 10:30 a.m. This will be an in-person meeting and he encouraged members to try to attend. Tax credits will be allocated at this meeting.

5. **ADJOURNMENT**

   There being no further business to be discussed, a motion was made and seconded that the meeting be adjourned. The motion was unanimously approved. Chair Wiessmann adjourned the meeting of the Board at 10:55 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, May 14, 2015 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,

Carrie M. Barnes
Secretary
RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING HOUSING RELATED BOND ALLOCATION
Addison Terrace Phase 2

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") exists and operates by virtue of and pursuant to the Housing Finance Agency Law, (1959, Dec. 3, P.L. 1688, as amended, 35 P.S. 1680.101, et seq.) (hereinafter, "the Act"); and

WHEREAS, private activity bond volume cap ("Volume Cap") is available to the Agency for the purpose of issuing housing bonds in accordance with the Internal Revenue Code of 1986, as amended (the "Code"), and with applicable laws and regulations in the Commonwealth; and

WHEREAS, the Agency issued its Year 2015 Multifamily Housing Application that includes a Request for Proposals for Volume Cap for Tax Exempt Bond Financing ("RFP") inviting developers of residential rental facilities to seek an allocation of Volume Cap in 2015; and

WHEREAS, Applicant, Addison Terrace Phase 2 L.P., has requested an allocation of Volume Cap for the acquisition and new construction of 90 units in eight two-story residential buildings and one four-story building with an elevator for general occupancy in the City of Pittsburgh, Allegheny County; and

WHEREAS, the Agency has determined to provide a preliminary allocation of Volume Cap in an amount not to exceed $15,500,000 for the issuance of private activity bonds by the Housing Authority of the City of Pittsburgh, subject to satisfaction of certain conditions set forth below.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 9th day of April, 2015, as follows:

Section 1. Staff is hereby authorized to take all necessary actions to provide a conditional preliminary allocation of Year 2015 Volume Cap in an amount not to exceed $15,500,000 (which includes a contingency amount) for the tax exempt bond financing of Addison Terrace Phase 2 subject to the following conditions: a.) submission, review and approval of all documentation necessary to secure construction and permanent loan financing of the project; b.) evidence, satisfactory to the Agency, that all conditions and qualifications relating to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and all applicable requirements of the Agency's Tax Credit Program have been met; c.) evidence, satisfactory to the Agency, that all conditions and qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; d.) compliance with the timeframes and deadlines established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Volume Cap Request for Proposals; e.) evidence of the commitment of construction and permanent financing in amounts sufficient to ensure financial feasibility of the project; f.) evidence of the commitment of construction bridge financing to cover the projected funding gap; g.) evidence of the commitment to serve low income tenants for a period of not less than 30 years, which will be included in the Restrictive Covenant Agreement; h.) evidence of the satisfaction of accessibility requirements; i.) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; j.) submission, review and approval of the final terms and conditions for the syndication of the low income housing tax credits; k) evidence of all HUD approvals required to undertake the development; l) 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; and m.) opinion of tax counsel confirming certain infrastructure costs may be included in the eligible tax credit basis of the development.

Section 2. The action taken by the Agency is hereby declared to be an affirmative official act of the Agency toward the issuance of private activity bonds to finance the above named project; provided that in no event shall this official act be construed as an acceptance of any liability on behalf of the Agency nor as an indication of final selection for financing or a commitment of Volume Cap.

Section 3. This resolution shall be effective immediately.
RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING A MORTGAGE REFINANCING FOR
BARTLETT GARDENS, PHFA NO. R-605

WHEREAS, on November 5, 1979, the Agency provided financing in the amount of $1,060,000 with an interest rate of 8.85% for the development of 43 residential rental units in Cambridge Springs, Crawford County, Pennsylvania, known as Bartlett Gardens, PHFA No. R-605 (the "Development"), owned by Bartlett Gardens Apartments, L.P., a Pennsylvania limited partnership ("Owner"); and

WHEREAS, staff has reviewed the Development's financial condition and has determined that the Development has insufficient cash flow to support the current debt structure (with a current outstanding Agency loan balance of $609,731) and is in need of capital improvements; and

WHEREAS, staff recommends that the Agency refinance the existing mortgage loan by providing a loan in the amount of $650,000 with an interest rate of 5.0% amortized over 10 years.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 9th day of April, 2015, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to refinance the existing mortgage loan to reduce debt service and assist with necessary capital improvements by providing a loan in a principal mortgage amount not in excess of $747,500 (which includes the loan and a 15% contingency allowance) with an interest rate of 5.0% amortized over 10 years subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that extends the existing affordability restrictions for 30 years; (b) prepayment of the Agency's outstanding loan balance and the Agency's economic loss and prepayment fee as of the date of closing; (c) HUD approval of Owner's request to renew the Housing Assistance Payments Contract at rents in amount equal to or greater than $786 and $852 per month for the one and two bedroom units, respectively; and (d) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.
RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING A MORTGAGE REFINANCING FOR
B'NAI B'RITH HOUSE, PHFA NO. R-72

WHEREAS, on September 26, 1976, the Agency provided financing in the amount of $4,910,000 with an interest rate of 8.375% to B'nai B'rith House of Reading, Inc., a Pennsylvania nonprofit corporation ("Owner"), for the development of 171 residential rental units in Reading, Berks County, Pennsylvania, known as B'nai B'rith House, PHFA No. R-72 (the "Development"); and

WHEREAS, staff has reviewed the Development's financial condition and has determined that the Development has insufficient cash flow to support the current debt structure (with a current outstanding Agency loan balance of $1,498,576) and is in need of repairs; and

WHEREAS, staff recommends that the Agency refinance the existing mortgage loan by providing the following loans:

(a) A primary loan in the amount of $1,773,298 with an interest rate of 4.625% amortized over 10 years; and

(b) A support loan in the amount of $288,644 with no interest for 20 years repayable as the Development generates excess revenues over expenses in any given calendar year.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 9th day of April, 2015, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to refinance the existing mortgage loan to reduce debt service and assist with necessary repairs to the Development by providing a primary loan in the amount of $2,039,293 (which includes the loan and a 15% contingency allowance) with an interest rate of 4.625% amortized over 10 years and a support loan in the amount of $288,644 with no interest for 20 years repayable as the Development generates excess revenues over expenses in any given calendar year subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that extends the existing affordability restrictions for 30 years; (b) prepayment of the Agency's outstanding loan balance and the Agency's economic loss and prepayment fee as of the date of closing; (c) HUD approval of Owner's request to renew the Housing Assistance Payments Contract at rents in amount equal to or greater than $600 and $700 per month for the zero and one bedroom units, respectively; and (d) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.
RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING A MORTGAGE REFINANCING FOR
CHAR HOUSE, PHFA NO. R-170

WHEREAS, on September 22, 1976, the Agency provided financing in the amount of $3,165,000 with an interest rate of 7.38% for the development of 104 residential rental units in Charleroi, Washington County, Pennsylvania, known as Char House, PHFA No. R-170 (the "Development") owned by Char House Highrise Associates ("Owner"); and

WHEREAS, staff has reviewed the Development's financial condition and has determined that the Development has insufficient cash flow to support the current debt structure (with a current outstanding Agency loan balance of $885,504) and is in need of energy efficient improvements as well as capital improvements; and

WHEREAS, staff recommends that the Agency refinance the existing mortgage loan by providing a loan in the amount of $1,809,500 with an interest rate of 5.0% amortized over 10 years.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 9th day of April, 2015, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to refinance the existing mortgage loan to reduce debt service and assist with necessary energy efficient improvements as well as capital improvements by providing a loan in a principal mortgage amount not in excess of $2,080,925 (which includes the loan and a 15% contingency allowance) with an interest rate of 5.0% amortized over 10 years subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that extends the existing affordability restrictions for 30 years; (b) prepayment of the Agency's outstanding loan balance and the Agency's economic loss and prepayment fee as of the date of closing; (c) HUD approval of Owner's request to renew the Housing Assistance Payments Contract at rents in amount equal to or greater than $702 per month for the one bedroom units; and (d) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.