

**Pennsylvania Housing Finance Agency  
Meeting of the Board  
July 9, 2015**

**Members Present:**

Robin Wiessmann, Chair  
\*Thomas B. Hagen, Vice Chair  
\*Craig H. Alexander  
\*K. Scott Baker  
\*Maria F. Coutts  
\*Ronald F. Croushore  
\*Joanne Glover (serving in the stead of  
    Ted Dallas, Secretary, Departments of Human Services)  
\*Joseph Meade (serving in the stead of Dennis Davin, DCED)  
\*Lisa R. Gaffney  
\*Noel E. Eisenstat  
\*Keith Welks (serving in the stead of Timothy Reese, State Treasurer)  
\*Ross Nese  
\*John Paone

\*On telephone conference call

**Members Absent:**

Mark Schwartz

**Others Present:**

Brian A. Hudson, Executive Director  
Rebecca L. Peace, Chief Counsel  
Carl Dudeck, Director of Housing Management  
Holly Glauser, Director of Development  
Bryce Marezcki, Director of Strategic Policy & Planning  
Bill Fogarty, Director of Government Affairs  
John Zapotocky, Director of Accounting  
Melissa Raffensperger, Government Affairs Associate  
Michael O'Neill, Assistant Counsel  
JoLynn Story, Associate Counsel  
Jada Greenhowe, Assistant Counsel  
William Bailey, Senior Development Officer  
Charlotte Folmer, Senior Asset and Compliance Officer  
Douglas Haughton, Development Officer  
Thomas Brzana, Director of Loan Servicing  
Steven Chopek, Manager of Housing Services  
Chris Anderson, Communications Officer  
David Doray, Senior Development Officer  
Stanley Salwocki, Manager of Architecture and Engineer  
Linda Stewart, Manager of Tax Credit Program  
Brad Miller, Sen. Scott Wagner's Office  
Robert Rubic, Sen. Scott Wagner's Officer  
John Raymond, Sec. Wiessmann's Office  
Cindy Daley, Housing Alliance

\*Cody Wilson, Brinton Manor Apartments and Brinton Towers  
\*Brent Meringoff, Breslyn House Apartments  
Charlotte L. Nelson, Assistant Secretary  
Maggie Strawser, Assistant Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, July 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 June 25, 2015.

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

The meeting was called to order by Chair Wiessmann at 10:36 a.m. The roll was called and a quorum was present.

**2. APPROVAL OF THE MINUTES FROM THE JUNE 11, 2015 BOARD MEETING**

There were no additions or corrections to the minutes.

Mr. Eisenstat made a motion that the minutes from the June 11, 2015 Board meeting be approved as submitted. This motion was seconded and was unanimously approved.

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

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

**A. Request for Tax-Exempt Bond Issuance - Breslyn House Apartments**

Mr. Haughton reviewed the tax-exempt issuance proposal for acquisition and substantial rehabilitation of Breslyn House Apartments. This development consists of 60 historic units. Thirty-one of those units will be available to tenants earning up to 50% of the area median income and the remaining twenty-nine units will be available to tenants earning up to 60% of the area median income. A project-based Section 8 HAP Contract covers all of the units. The existing HAP Contract is in place until 2025. The developer is pursuing an additional 10 year extension to the Contract. The Agency will issue these limited obligation bonds.

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 approving the tax-exempt bond issuance for Breslyn House Apartments pursuant**

to the conditions outlined in Section 203 of the resolution. This motion was seconded. Mr. Paone abstained and the motion carried. (See Appendix 1 of these Minutes.)

**B. Request for Tax-Exempt Bond Issuance - Brinton Manor Apartments and Brinton Towers**

Mr. Bailey reviewed the acquisition and minor rehabilitation of Brinton Manor Apartments, a general occupancy housing development, and Brinton Towers, a senior occupancy housing development. The development is seeking issuance of 501(c)(3) tax-exempt bond financing in an amount not to exceed \$20 million. The bonds will be underwritten by Stifel, Nicolas & Company, Incorporated, and will be sold in a public offering with a 35-year maturity. Project-based Section 8 HAP Contracts are in place for Brinton Manor Apartments and Brinton Towers. In August, 2014, the HAP Contract was extended 20 years for Brinton Manor Apartments and in May, 2015, the HAP Contract was extended 20 years for Brinton Towers.

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 for the tax exempt bond issuance for Brinton Manor Apartments and Brinton Towers subject to conditions listed in the resolution. The motion was seconded by Mr. Croushore and unanimously approved. (See Appendix 2 of these Minutes.)**

**4. POLICY COMMITTEE REPORT**

Mr. Paone, on behalf of the Policy Committee, reported that the Policy Committee met prior to the Board meeting regarding the preliminary 2016 Qualified Allocation Plan. The plan was reviewed and questions were asked regarding the plan.

**Mr. Paone made the motion that the Board approve the preliminary 2016 Low Income Housing Tax Credit Allocation Plan as presented by staff and that this draft be released to the public for review and comment. This motion was seconded and unanimously approved.**

5. **OTHER BUSINESS**

Mr. Hudson mentioned the NCSHB conference (for Board members) will be held in Annapolis, Maryland on August 16-18, 2015. The conference brings together board members of the various housing finance agencies.

Mr. Hudson reminded the members that there will not be an August Board meeting. December 9 and 10, 2015 will be the Board's annual policy meeting. Please contact Mr. Hudson or Mr. Maretzki if there are specific items to be discussed.

6. **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 10:49 a.m.

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

Respectfully submitted,

Margaret A. Strawser  
Assistant Secretary

**PENNSYLVANIA HOUSING FINANCE AGENCY**

**RESOLUTION**

**Authorizing the Issuance of \$8,500,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(Breslyn House Apartments)  
Series 2015-2**

**Adopted: July 9, 2015**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$8,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(Breslyn House Apartments) SERIES 2015-2**

**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 by and between it and a trustee and that the resolution providing for the issuance of such bonds or such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders 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 and of the trustee, and may contain such other provisions as the Agency may deem reasonable and proper for the security of the bondholders; and

**WHEREAS**, the Agency has determined to issue and secure the bonds in one or more series or subseries, in accordance with, pursuant to and under this Resolution, a Bond Purchase and Loan Agreement, a Freddie Mac Tax-Exempt Loan Forward Commitment and/or similar loan or financing agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

**WHEREAS**, Midtown Plaza Apartments Limited Partnership, a Pennsylvania limited partnership supported by the WinnDevelopment Company Limited Partnership, a Massachusetts limited partnership (the "**Borrower**"), has requested financing from the Agency in an amount not to exceed \$8,500,000 (the "**Bonds**") to fund a portion of the costs of acquiring and renovating a multifamily residential rental housing project known as "Breslyn House Apartments", located at 4624-4642 Walnut Street, Philadelphia in Philadelphia County, Pennsylvania (the "**Project**"); and

**WHEREAS**, the Agency will issue the bonds and use the proceeds thereof to fund a loan 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**, Bank of America, N.A. (the "**Construction Lender**"), or such successor entity as may be approved by the Agency, has agreed to provide a construction loan ("**Construction Loan**"), and upon the completion of construction and satisfaction of all relevant conditions set forth in the Agreement (the "**Conversion**"), two series of Tax Exempt Bonds issued by the Agency will provide permanent funding to repay the Construction Loan and will provide funding for the Project; and certain documents to evidence the transaction, including financing documentation relating to the Project will be prepared establishing all terms and conditions of the tax exempt financing (the "**Tax Exempt Loan**"); and

**WHEREAS**, the Tax Exempt Loan is expected to be issued in two series, a first lien position to be initially privately placed with Citibank, N.A. ("**CITI**"), then purchased and held by Freddie Mac, and a subordinate series loan to be purchased and held by CITI; and both series to be secured as set forth in the Agreement.

**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 \$8,500,000. The Bonds shall be designated as the Agency's "Special Limited Obligation Multifamily Housing Development Bonds (Breslyn House Apartments) Series 2015-2", and shall carry the designation set forth in the Bonds and 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 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, construction, renovation, equipping and/or improvement of the Project; and which 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 both the Construction Loan and the Tax Exempt Loan and acceptable terms and conditions relating to the terms and conditions of Conversion; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Year 2015 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 and to the Agency's bond financing have been met; (d) compliance with all timeframes and deadlines established by the Agency; (e) evidence of the commitment of construction and permanent financing in amounts sufficient to ensure financial feasibility of the Project and to provide appropriate security for the Bonds; (f) evidence of the commitment to serve low income tenants for a period of not less than thirty (30) years, which will be included in the Restrictive Covenant Agreement; (g) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (h) evidence of the satisfaction of accessibility requirements; (i) submission, review and approval of the final terms and conditions for the syndication of the low income housing tax credits; (j) final underwriting of the application for tax-exempt bond financing and low income housing tax credits; (k) evidence of appropriate documents reflecting the final approval of all necessary financing documents by Freddie Mac and by CITI; (l) evidence of appropriate documents reflecting the necessary approvals from HUD, as applicable; (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 construction; and (n) Agency approval of all guarantors.



**Section 204. Date, Principal Amount, Maturity and Interest Rate.** The Bonds shall be dated the date of their issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity dates, 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 \$8,500,000; the 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 agreed upon by Freddie Mac and CITI; and the final maturity of the Bonds shall be no later than 35 years, 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 \$100,000 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, 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, Chief Counsel, Director of Finance or Secretary of the Agency. The Bonds shall be delivered to or on behalf of the Purchaser.

**Section 208. Place of Payment.** The principal payments, including payments upon redemption, of the Bonds shall be payable 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 Agreement.** Any of the Executive Director, 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, 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, upon receipt of the proceeds of sale of the Bonds from the purchase thereof 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.

**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 Purchaser. 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.** All 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.** The Chairperson, Vice Chairperson, Executive Director, Director of Finance, 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 Chief Counsel and Bond Counsel, be advisable.

**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 will be excluded 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**

**RESOLUTION**

**Authorizing the Issuance of \$20,000,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation 501(c)(3) Nonprofit Bonds  
(Brinton Manor Apartments and Brinton Towers Apartments)  
Series 2015-3**

**Adopted: July 9, 2015**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF**  
**\$20,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT**  
**SPECIAL LIMITED OBLIGATION**  
**501(c)(3) NONPROFIT BONDS**  
**(Brinton Manor Apartments and Brinton Towers Apartments) SERIES 2015-3**

**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 by and between it and a trustee and that the resolution providing for the issuance of such bonds or such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders 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 and of the trustee, and may contain such other provisions as the Agency may deem reasonable and proper for the security of the bondholders; and

**WHEREAS**, the Agency has determined to issue and secure the bonds in one or more series or subseries, in accordance with, pursuant to and under this Resolution and a Bond Purchase and Loan Agreement or similar financing agreement (the "**Agreement**"); and

**WHEREAS**, Brinton Apartments Penn LLC (the "**Borrower**"), a Pennsylvania limited liability company with JPC Charities, an Ohio non-profit corporation, has requested financing from the Agency in an amount not to exceed \$20,000,000 (the "**Bonds**") to fund certain costs associated with a residential rental housing project known as "Brinton Manor Apartments and Brinton Towers Apartments", located at 2000 Brinton Manor Drive and 3000 Locust Street in the Borough of Braddock Hills, Allegheny County, Pennsylvania (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**, (the "**Purchaser**"), or such successor entity as may be approved by the Agency, will purchase the Bonds from the Agency to provide funding for the Project and certain documents to evidence the transaction, including financing documentation relating to the Project will be prepared.

**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 \$20,000,000. The Bonds shall be designated as the Agency's "Special Limited Obligation 501(c)(3) Nonprofit Bonds

(Brinton Manor Apartments and Brinton Towers Apartments) Series 2015-3", and any subseries may carry the designation set forth in the Bonds and 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 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, construction, equipping and/or improvement of the Project; and which Project is in every respect purported to be qualified as a "residential rental facility" owned and operated by a qualified 501(c)(3) entity under the Internal Revenue Code of 1986, as amended (the "**Code**"), and, additionally, proceeds of taxable bonds may be applied to payment of certain costs of issuance in the transaction.

**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 of the developments; (b) evidence, satisfactory to the Agency and its bond counsel, that all conditions and qualifications relating to the Internal Revenue Code of 1986, as amended, have been satisfied; (c) evidence of all required HUD approvals including the transfer of the two HAP contracts to the new owner; (d) submission of a detailed scope of work for the budgeted repairs/renovations and replacements together with a detailed cost estimate; (e) evidence of the satisfactory IRS 990 filings of the nonprofit owner/sponsor entity and good standing documentation relating to the borrower entity; (f) evidence of the commitment to serve low income tenants for a period of not less than 30 years, which will be included in the Land Use Restriction Agreement; (g) at least 40% of the dwelling units must be occupied by tenants whose incomes do not exceed 60% of area median income. Additionally, at least 75% of the units must be occupied by tenants whose incomes do not exceed 80% of area median income; (h) evidence of the satisfaction of all accessibility standards and requirements; (i) contribution of equity in an amount sufficient to ensure the financial feasibility of the development (j) final underwriting of the project and financing by the Agency; and (k) submission of appraisals of the subject properties which is satisfactory to the Agency in all respects.

**Section 204. Date, Principal Amount, Maturity and Interest Rate.** The Bonds shall be dated the date of their issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity dates, 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 principal amount of the Bonds shall not exceed \$20,000,000; the 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 35 years 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 \$5,000 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, 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, Chief Counsel, Director of Finance or Secretary of the Agency. The Bonds shall be delivered to the Purchaser.

**Section 208. Place of Payment.** The principal payments, including payments upon redemption, of the Bonds shall be payable to the Purchaser, as bondholder, 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 Agreement.** Any of the Executive Director, 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, 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, upon receipt of the proceeds of sale of the Bonds from the purchase thereof 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, which may be made, in whole or in part, with proceeds derived through the sale of taxable 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 for such purposes. The Bonds shall be secured by the collateral described in the Agreement as security for the Purchaser. 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.** All 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.** The Chairperson, Vice Chairperson, Executive Director, Director of Finance, 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 Chief Counsel and Bond Counsel, be advisable.

**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 will be excluded 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.