

**Pennsylvania Housing Finance Agency
Meeting of the Board
February 11, 2016**

Members Present:

- *Robin Wiessmann, Chair
- *Thomas B. Hagen, Vice Chair
- *Craig H. Alexander
- *Maria F. Coutts
- *Ronald F. Croushore
- *(Joanne Glover (serving in the stead of
Ted Dallas, Secretary, Department
of Human Services)
- *Joseph Meade (serving in the stead of
Dennis Davin, Secretary of Department
of Community and Economic Development)
- *Lisa R. Gaffney
- *Ross Nese
- *John Paone
- *Keith Welks (serving in the stead of
Timothy Reese, State Treasurer)
- *Mark Schwartz

*On Telephone conference call

Members Absent:

Noel Eisenstat

Others Present:

- Brian A. Hudson, Executive Director
- Rebecca L. Peace, Chief Counsel
- William Fogarty, Director of Government Affairs
- Carl Dudeck, Director of Housing Management
- Holly Glauser, Director of Development
- Bryce Mareztki, Director of Strategic Policy & Planning
- Kate Newton, Director of Homeownership Programs
- Scott Elliott, Director of Communications
- John Zapotocky, Director of Accounting
- JoLynn Stoy, Associate Counsel
- Jada Greenhowe, Assistant Counsel
- Lauren Starlings, Assistant Counsel
- Clay Lambert, Business Policy Officer
- Thomas Brzana, Director of Loan Servicing
- Joseph Knopic, Director of Finance
- Steve O'Neill, Assistant Counsel
- David Doray, Manager of Multifamily Underwriting
- Stan Salwocki, Manager of Architecture and Engineering
- *Lisa Watson, Department of Human Services
- *Barbara Stephens, Public Affairs Officer
- *Carla Falkenstein, Director of Western Region

Charlotte Folmer, Sr. Asset and Compliance Officer
Lori Toia, Director of HEMAP
Cindy Daley, Housing Alliance
*Joseph Ouellette, Carson Towers
William Bailey, Senior Development Officer
Maggie Strawser, Assistant Secretary
Charlotte L. Nelson, Assistant Secretary
Carrie M. Barnes, Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, February 11, 2016 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 January 31, 2016.

1. CALL TO ORDER AND ROLL CALL

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

2. ELECTION OF VICE CHAIRMAN OF THE BOARD

Mr. Schwartz nominated Thomas Hagen as Vice Chairman of the Board. This nomination was seconded. There were no other nominations and the nominations were closed.

By unanimous vote, Thomas Hagen was elected Vice Chairman of the Pennsylvania Housing Finance Agency Board for calendar year 2016.

Chair Wiessmann stated that Mr. Hagen has performed admirably on the Board and she congratulated him on his election. Mr. Hagen thanked his fellow Board members.

3. APPROVAL OF THE MINUTES FROM THE DECEMBER 10, 2015 BOARD MEETING

There were no additions or corrections to the minutes.

Mr. Schwartz made a motion that the minutes from the December 10, 2015 Board meeting be approved as submitted. This motion was seconded and was unanimously approved.

4. 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. Request for an Allocation of Tax-Exempt Issuing Authority

1. Carson Towers Apartments, Pittsburgh, Allegheny County

Mr. Bailey reported that the owner is requesting tax-exempt bond financing in an amount not to exceed \$18,500,000 for the acquisition and moderate rehabilitation of this mixed residential/commercial development. He briefly reviewed the project specifics noting that this development is currently in the Agency's portfolio. It has a high occupancy rate over the past 15 years and has a waiting list for the units. Mr. Bailey noted that all units are covered by a Housing Assistance Payments contract with HUD which will be extended. Staff recommends approval of this request.

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 the issuance of \$18,500,000 maximum aggregate principal amount of Special Limited Obligation Multifamily Housing Development Notes for Carson Towers Apartments. This motion was seconded and was unanimously approved. (See Appendix 1 of these Minutes.)

Mr. Ouellette representing the sponsor thanked the Board for their approval of this request.

B. Other Business

Ms. Gaffney reported that the Committee approved the request for transfer of general partnership interest for the Freedom Village project located in Philadelphia, Philadelphia County. (See Appendix 2 of these Minutes.)

5. APPROVAL OF SINGLE FAMILY MORTGAGE REVENUE BOND ISSUES – SERIES 2016-119 AND SERIES 2016-120

Mr. Hudson reported that staff is requesting the Board's approval for the sale of two single family bond issues, Series 2016-119 and Series 2016-120, each in an amount not to exceed \$300,000,000. These issues are being proposed because of current favorable market conditions. Each issue will assist the agency in restructuring outstanding debt and will provide new mortgage funding at an attractive rate for the Agency's homeownership program.

Mr. Hudson stated that there are two resolutions for the Board's consideration and both of the resolutions delegate the final approval to the Finance Committee.

Staff requests the Board's approval of these bond sales.

A motion was made that the Board approve the resolution authorizing the issuance of Single Family Mortgage Revenue Bonds, Series 2016-119 delegating final approval to the Finance Committee. This motion was seconded and was unanimously approved. (See Appendix 3 of these Minutes.)

A motion was made that the Board approve the resolution authorizing the issuance of Single Family Mortgage Revenue Bonds, Series 2016-120 delegating final approval to the Finance Committee. This motion was seconded and was unanimously approved. (See Appendix 4 of these Minutes.)

Mr. Schwartz asked how much variable rate debt remains in the Agency's portfolio. Mr. Hudson replied that approximately \$500,000,000 remains and that it depends on the individual bond issue structure as to how much variable rate debt can be included in the issuance. He noted that this variable rate debt is down from \$1,500,000,000. Mr. Schwartz congratulated staff on their efforts to reduce this variable rate debt.

Mr. Hudson expressed appreciation to Mr. Knopic and Ms. Peace for their efforts in reducing this debt.

6. Other Business

A. Update on PHFA's Building Expansion

Mr. Hudson reported that Reynolds Construction has been chosen as the construction manager for the Agency's building expansion project. He noted that Reynolds Construction erected the Agency's current building. A Request for Proposals is being prepared to select a general contractor and Mr. Hudson expects one to be added to the team shortly.

It is anticipated that the construction will begin this coming summer and take about a year to complete. Mr. Hudson explained that the Agency is seeking to get the expansion project certified as a Platinum LEED building which is the highest energy efficiency rated building certification. The Agency is also exploring Passive House certification for this project. Passive House certification is encouraged in the Agency's tax credit program.

7. 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 10:50 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, March 10, 2016 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,

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

Carrie M. Barnes
Secretary

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$18,500,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Note
(Carson Towers Apartments)**

Adopted: February 11, 2016

A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$18,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT NOTE
(Carson Towers Apartments)

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 notes or such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Agency in relation to the custody, safeguarding and application of all moneys, may set forth the rights and remedies of the bondholders or noteholders and of the trustee, and may contain such other provisions as the Agency may deem reasonable and proper for the security of the bondholders or noteholders; and

WHEREAS, Citi Community Capital, a division of Citibank, N.A. (the "**Funding Lender**"), or such successor entity as may be approved by the Agency, will make a loan to the Agency to provide funding for the Project (the "**Funding Loan**"), and certain documents to evidence the transaction, including the note to be issued by the Agency evidencing the Funding Loan (the "**Funding Loan Note**") and other financing documentation relating to the Project, will be prepared; and

WHEREAS, the Agency has determined to issue and secure the Funding Loan Note in accordance with, pursuant to and under this Resolution, a loan agreement and/or similar loan or financing agreements (such operative documents shall be referred to hereinafter collectively as the "**Funding Loan Agreement**"); and

WHEREAS, Standard Carson Venture LP, , a Pennsylvania limited partnership (the "**Borrower**") sponsored by Standard Property Company Inc., a California corporation, has requested financing from the Agency in an amount not to exceed \$18,500,000 (the "**Project Loan**") to fund a portion of the costs of acquiring and renovating one seven story building for senior and non-elderly disabled occupancy, known as "Carson Tower Apartments", comprised of 133 units in Pittsburgh, Allegheny County, Pennsylvania (the "**Project**"); and

WHEREAS, the Agency will issue the Funding Loan Note and use the proceeds thereof to fund the Project Loan to the Borrower pursuant to a loan agreement between the Agency and the Borrower (the "Project Loan Agreement"); and

WHEREAS, the Agency may use a portion of the proceeds of the Funding Loan Note to reimburse itself or the Borrower for original expenditures paid prior to the date of issuance of the Funding Loan Note; 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**").

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 Funding Loan Agreement.

**ARTICLE II
AUTHORIZATION OF NOTE**

Section 201. Principal Amount and Designation. The Funding Loan Note is hereby authorized to be issued, in an aggregate principal amount not to exceed \$18,500,000. The Funding Loan Note shall carry the designation set forth in the Funding Loan Agreement. The Funding Loan Note shall be issued pursuant in all respects to the terms of this Resolution.

Section 202. Purposes. The Funding Loan Note is being issued as a special and limited obligation of the Agency, payable solely out of the moneys derived pursuant to the Funding Loan Agreement, the Project Loan Agreement and the Project Note evidencing the Project Loan. Proceeds of the Funding Loan Note shall be used for the payment of qualified costs associated with the acquisition, construction, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance; 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 construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; (d) compliance with all 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; (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) evidence of the satisfaction of accessibility requirements; (h) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) evidence of final HUD approval off the pre- and post-rehab rents as stated in the application and the extension and assignment of the current HUD Section 8 HAP Contract for a period of not less than 20 years; and (k) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the commencement of construction to allow sufficient time for Agency review and approval. Civil engineering, architectural, structural, HVAC, plumbing, and electrical drawings and specifications shall be submitted, as applicable. Agency comments and recommendations made during its review must be addressed and approved prior to the commencement of the loan closing.

Section 204. Date, Principal Amount, Maturity and Interest Rate. The Funding Loan Note shall be dated the date of issuance, except as may be otherwise provided in the Funding Loan Agreement or the Funding Loan Note. The maturity date, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Funding Loan Note shall be as provided in the Funding Loan Agreement as finally executed; provided, however, that the maximum aggregate principal amount of the Funding Loan Note shall not exceed \$18,500,000; the interest rate on the Funding Loan Note 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 Funding Loan Note shall be no later than 18 years, or such date supported by the final underwriting (whichever is shorter).

Section 205. Payments. The Funding Loan Note shall bear interest from its dated date and shall be payable as set forth in the Funding Loan Note and the Funding Loan Agreement, until the date of maturity of the Funding Loan Note or prepayment prior to maturity, as provided in the Funding Loan

Agreement. All principal shall be due at maturity or prepayment prior to maturity, as provided in the Funding Loan Agreement.

Section 206. Form. The Funding Loan Note shall be in substantially the form and tenor prescribed in the Funding Loan Agreement.

Section 207. Execution of Funding Loan Note. The Funding Loan Note shall be executed by the manual or facsimile signature of the Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance and the seal of the Agency or a facsimile thereof shall be imprinted, impressed or otherwise reproduced on the Funding Loan Note and attested by the manual or facsimile signature of the Executive Director, Deputy Executive Director and Chief Counsel, Director of Finance or Secretary of the Agency. The Funding Loan Note shall be delivered to or on behalf of the Funding Lender.

Section 208. Place of Payment. The principal payments, including payments upon prepayment, of the Funding Loan Note shall be payable as provided in the Funding Loan Agreement.

Section 209. Prepayment. The Funding Loan Note shall be subject to prepayment as provided in the Funding Loan Agreement.

Section 210. Execution of Agreement. Any of the Executive Director, Deputy Executive Director and Chief Counsel or Director of Finance of the Agency is hereby authorized to execute, for and on behalf of and in the name of the Agency, the Funding Loan Note, the Funding Loan Agreement and the Project Loan Agreement, with such final terms and provisions as their counsel may deem advisable, provided that the Funding Loan Note shall contain such substantive terms and provisions materially consistent with this Resolution.

ARTICLE III NOTE PROCEEDS AND PAYMENTS OF COSTS

Section 301. Note Proceeds. Pursuant to the Funding Loan Agreement, upon receipt of the proceeds of the Funding Loan and the issuance of the Funding Loan Note in connection therewith, such proceeds shall be advanced to the Borrower pursuant to the Project Loan Agreement.

Section 302. Payments of Costs. At closing, the Borrower shall pay the costs, expenses and professional fees associated with the issuance of the Funding Loan Note.

ARTICLE IV SECURITY FOR THE NOTE

Section 401. Limited Obligation. The Funding Loan Note shall be a special and limited obligation of the Agency, and shall be payable only from funds paid by or on behalf of Borrower for such purposes. The Funding Loan Note shall be secured by the collateral described in the Funding Loan Agreement as security for the Funding Lender. The Funding Loan Note shall contain a statement therein to the effect that the obligations of the Agency on the Funding Loan Note are expressly limited to and are payable solely from the sources described in the Funding Loan Agreement.

Section 402. Credit of Commonwealth Not Pledged. The Funding Loan Note shall contain therein a statement to the effect that the Funding Loan Note shall be a special and limited obligation of the Agency payable only from the sources provided in the Funding Loan Agreement, that neither the Commonwealth nor any political subdivision thereof shall be liable on the Funding Loan Note 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 Funding Loan Note. Neither the members of the Board nor the officers of the Agency nor any person executing the Funding Loan Note shall be liable personally on the Funding Loan Note 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, Deputy Executive Director and Chief Counsel, Secretary and any Assistant Secretary of the Agency, and any other authorized officer of the Agency, are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the Funding Loan Note and the Funding Loan Agreement as shall, with the advice of the Agency 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 Funding Loan Note 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 Funding Loan Note may be used to reimburse itself or the Borrower for qualifying expenditures paid prior to the date of issuance of the Funding Loan Note. 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.

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING TRANSFER OF GENERAL PARTNER INTEREST
FREEDOM VILLAGE, PHFA NO. O-867**

WHEREAS, Freedom Village, located in Philadelphia, Philadelphia County, Pennsylvania (the "Development"), was originally financed in April, 2007 in the aggregate amount of \$679,669 through funds provided by Agency taxable bond financing and the Agency's PennHOMES Program; and

WHEREAS, the current ownership entity of the Development, Freedom Village, L.P., a Pennsylvania limited partnership, has requested Agency approval of the transfer of the general partner's interest; and

WHEREAS, the Development is subject to Agency approval of any change in the nature or character of the ownership entity throughout the term of the Agency mortgage loan; and

WHEREAS, the new general partner will assume the existing mortgage and will continue to operate the Development and shall be responsible for the fiscal and physical condition of the Development as the general partner of Freedom Village, L.P.; and

WHEREAS, staff recommends approval of the proposed transfer of the general partner's interest of Freedom Village, L.P. from Freedom Village, Inc. to 2042 Housing, LLC, a Pennsylvania limited liability company, subject to the conditions set forth below.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 11th day of February, 2016, as follows:

Section 1. The Agency approves the transfer from Freedom Village, Inc. to 2042 Housing, LLC as general partner of Freedom Village, L.P.

Section 2. The Executive Director, Deputy Executive Director and other Agency staff are authorized and directed to take all actions necessary to effectuate the transfer; subject to staff review and approval of the appropriate documents for the transaction.

Section 3. This resolution shall take effect immediately.

RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING
FINANCE AGENCY AUTHORIZING THE ISSUANCE OF
SINGLE FAMILY MORTGAGE REVENUE BONDS,
SERIES 2016-119

WHEREAS, pursuant to the Housing Finance Agency Law, 35 P.S. Section 1680.101 et seq., "the Agency has the power...as authorized from time to time by resolution of the members and subject to the written approval of the Governor to issue its negotiable bonds...and notes in such principal amount as... shall be necessary to provide sufficient funds for achieving its corporate purposes...at such price or prices as the Agency shall determine..."; and

WHEREAS, the Agency has determined to issue its Single Family Mortgage Revenue Bonds, Series 2016-119 in accordance with a Series Resolution to be attached hereto and made a part hereof; and

WHEREAS, pursuant to a resolution of the Agency adopted June 13, 1991 and entitled "RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY DELEGATING TO THE FINANCE COMMITTEE CERTAIN SPECIFIC AUTHORITY RELATING TO AGENCY BOND ISSUES," the Agency has determined to delegate to the Finance Committee of the Board of the Agency, within the perimeters established herein, the authorization to negotiate the final terms of such series of bonds.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 11th day of February, 2016 as follows:

Section 1. Adoption of the Series 2016-119 Resolution. The Series Resolution authorizing the issuance of the Agency's Single Family Mortgage Revenue Bonds, Series 2016-119 (the "Bonds") is hereby incorporated herein by reference and is adopted by the Agency.

Section 2. Delegation of Authorization to Negotiate Final Terms. (a) Subject to the provisions of this Section 2, the Finance Committee is hereby authorized and directed to negotiate, prepare or accept, execute, deliver and distribute, for and on behalf of the Agency and in the name thereof, a contract of purchase and/or agreement and memorandum of understanding, which outlines terms of final pricing, interest rates, tender and redemption provisions, bond maturities, payment of associated costs of issuance appropriate for the financing (including reasonable compensation for applicable structuring and fees related thereto), and such documents as may be necessary for the transaction, including offering and disclosure documents, an indenture and all other documents relating to the issuance of and investment mechanisms relating to the Bonds and related securities, which may include taxable, variable rate or fixed rate notes. At the time such final terms have been negotiated on behalf of the Agency, such final terms shall be incorporated into the Series 2016-119 Resolution, which, with such final terms so incorporated, shall constitute the Series Resolution of the Agency authorizing the issuance of the Bonds.

(b) The final terms of the Series 2016-119 Bonds shall be as negotiated by the Finance Committee, provided, however, as follows: (i) the principal amount of the Series 2016-119 Bonds shall not exceed \$300,000,000, (ii) the final maturity of the Series 2016-119 Bonds shall be no later than 2048, and (iii) the initial interest rate or rates on the Series 2016-119 Bonds shall be a rate or rates resulting in a net interest cost no higher than 8% per annum.

Section 3. The Executive Director or Director of Finance is authorized to enter into one or more guaranteed investment contracts, escrow deposit agreements or other investment instruments relating to the Bonds, to take all necessary actions and to make any necessary and appropriate amendments or adjustments to all or a relevant portion of any bonds issued under the Indenture and to secure substitute facilities and remarketing agreements for any of the Agency's outstanding variable rate demand obligations.

Section 4. This Resolution shall take effect immediately.

RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING
FINANCE AGENCY AUTHORIZING THE ISSUANCE OF
SINGLE FAMILY MORTGAGE REVENUE BONDS,
SERIES 2016-120

WHEREAS, pursuant to the Housing Finance Agency Law, 35 P.S. Section 1680.101 et seq., "the Agency has the power...as authorized from time to time by resolution of the members and subject to the written approval of the Governor to issue its negotiable bonds...and notes in such principal amount as... shall be necessary to provide sufficient funds for achieving its corporate purposes...at such price or prices as the Agency shall determine..."; and

WHEREAS, the Agency has determined to issue its Single Family Mortgage Revenue Bonds, Series 2016-120 in accordance with a Series Resolution to be attached hereto and made a part hereof; and

WHEREAS, pursuant to a resolution of the Agency adopted June 13, 1991 and entitled "RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY DELEGATING TO THE FINANCE COMMITTEE CERTAIN SPECIFIC AUTHORITY RELATING TO AGENCY BOND ISSUES," the Agency has determined to delegate to the Finance Committee of the Board of the Agency, within the perimeters established herein, the authorization to negotiate the final terms of such series of bonds.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 11th day of February, 2016 as follows:

Section 1. Adoption of the Series 2016-120 Resolution. The Series Resolution authorizing the issuance of the Agency's Single Family Mortgage Revenue Bonds, Series 2016-120 (the "Bonds") is hereby incorporated herein by reference and is adopted by the Agency.

Section 2. Delegation of Authorization to Negotiate Final Terms. (a) Subject to the provisions of this Section 2, the Finance Committee is hereby authorized and directed to negotiate, prepare or accept, execute, deliver and distribute, for and on behalf of the Agency and in the name thereof, a contract of purchase and/or agreement and memorandum of understanding, which outlines terms of final pricing, interest rates, tender and redemption provisions, bond maturities, payment of associated costs of issuance appropriate for the financing (including reasonable compensation for applicable structuring and fees related thereto), and such documents as may be necessary for the transaction, including offering and disclosure documents, an indenture and all other documents relating to the issuance of and investment mechanisms relating to the Bonds and related securities, which may include taxable, variable rate or fixed rate notes. At the time such final terms have been negotiated on behalf of the Agency, such final terms shall be incorporated into the Series 2016-120 Resolution, which, with such final terms so incorporated, shall constitute the Series Resolution of the Agency authorizing the issuance of the Bonds.

(b) The final terms of the Series 2016-120 Bonds shall be as negotiated by the Finance Committee, provided, however, as follows: (i) the principal amount of the Series 2016-120 Bonds shall not exceed \$300,000,000, (ii) the final maturity of the Series 2016-120 Bonds shall be no later than 2048, and (iii) the initial interest rate or rates on the Series 2016-120 Bonds shall be a rate or rates resulting in a net interest cost no higher than 8% per annum.

Section 3. The Executive Director or Director of Finance is authorized to enter into one or more guaranteed investment contracts, escrow deposit agreements or other investment instruments relating to the Bonds, to take all necessary actions and to make any necessary and appropriate amendments or adjustments to all or a relevant portion of any bonds issued under the Indenture and to secure substitute facilities and remarketing agreements for any of the Agency's outstanding variable rate demand obligations.

Section 4. This Resolution shall take effect immediately.