

**Pennsylvania Housing Finance Agency  
Meeting of the Board  
May 12, 2016**

**Members Present:**

- \*Robin Wiessmann, Chair
- \*Thomas B. Hagen, Vice Chair
- \*Craig H. Alexander
- \*Maria F. Coutts
- \*Lisa Watson (serving in the stead of  
Ted Dallas, Secretary, Department  
of Human Services)
- \*Kathy Possinger (serving in the stead of  
Dennis Davin, Secretary of Department  
of Community and Economic Development)
- \*Noel Eisenstat
- \*Lisa R. Gaffney
- \*Ross Nese
- \*Jennifer Langan (serving in the stead of  
Timothy Reese, State Treasurer)
  
- \*On Telephone conference call

**Members Absent:**

- Ronald F. Croushore
- John Paone
- Mark Schwartz

**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 Maretzki, Director of Strategic Policy & Planning
- Kate Newton, Director of Homeownership Programs
- Kim Boal, Director of Information Technology
- Scott Elliott, Director of Communications
- John Zapotocky, Director of Accounting
- Clay Lambert, Business Policy Officer
- Thomas Brzana, Director of Loan Servicing
- Joseph Knopic, Director of Finance
- Steve O'Neill, Assistant Counsel
- Chris Anderson, Communications Officer
- David Doray, Manager of Multifamily Underwriting
- Stan Salwocki, Manager of Architecture and Engineering
- \*Barbara Stephens, Public Affairs Officer
- Charlotte Folmer, Sr. Asset & Compliance Officer
- Maggie A. 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, May 12, 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 May 3, 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. APPROVAL OF THE MINUTES FROM THE APRIL 14, 2016 BOARD MEETING**

There were no additions or corrections to the minutes.

**A motion that the minutes from the April 14, 2016 Board meeting be approved as submitted. This motion was seconded and was unanimously approved.**

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

**A. Portfolio Preservation Refinancing – Pheasant Hill Estates**

Mr. Dudeck reported that the owner of Pheasant Hill Estates has requested permission to prepay their mortgage.

Mr. Dudeck stated that to permit prepayment requests, staff must be assured that the development will commit to 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 Department of Housing and Urban Development's Housing Assistance Payment contract must be renewed for an additional term. 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 refinancing of Pheasant Hill Estates. This motion was seconded and unanimously approved. (See Appendix 1 of these Minutes.)**

**B. Other Business**

Ms. Gaffney reported that the Committee approved the request for transfer of general partnership interest for the Wellington Ridge Phase II project located in Chester, Delaware County. **(See Appendix 2 of these Minutes.)**

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

**4. APPROVAL OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2016-121**

Mr. Hudson reported that staff is requesting Board approval to proceed with the Agency's next single family bond issue, Series 121, if market conditions remain stable. It is expected that this issue would provide mortgage interest rates ranging between 3.0 percent to 3.5 percent. The maximum principal amount of the issuance would not exceed \$300,000,000.

Mr. Hudson stated that the Agency's Series 119 issue in the amount of approximately \$162,000,000 which recently closed included approximately \$60,000,000 of new money.

Staff is currently working on the pricing of Series 120 which is expected to be approved in July with an expected closing date in August, 2016.

Mr. Hudson informed the Board that he expects this to be a very active bond issuing year for the Agency.

Chair Wiessmann asked about the conditions of the market today and Mr. Hudson responded that it still remains stable and very attractive, which provides some refunding opportunities in the portfolio.

**A motion was made that the Board approve the resolution authorizing the issuance of Single Family Mortgage Revenue Bonds, Series 2016-121 delegating the negotiations and final approval to the Finance Committee. This motion was seconded and was unanimously approved. (See Appendix 3 of these Minutes.)**

**5. Other Business**

**A. PHFA Administration of National Housing Trust Fund – FY 2016**

Mr. Hudson briefly reviewed the National Housing Trust Fund (NHT) legislation, as well as the Pennsylvania Housing and Rehabilitation Enhancement Program (PHARE), which was created to administer the funds in the Commonwealth. The Department of Housing and Urban Development has issued a notice that Pennsylvania will receive \$3,862,285 in NHT monies to provide housing for extremely low income households in the Commonwealth. Mr. Hudson reported that 90 percent of the funds must go to rental housing and the remaining 10 percent may be used for homeownership activities.

Ms. Glauser reported that the Board's approval of the preliminary Action Plan is necessary to move forward with the process. The Final Plan will be presented to the Board in July for final approval following a public hearing.

Mr. Marezki noted that the Action Plan will be published in the *PA Bulletin* to comply with the 45-day comment period required under the State enabling legislation (PHARE). He stated that the Action Plan and the State's Consolidated Plan must coordinate and the Agency has worked closely with the Department of Community and Economic Development in this regard. The Department of Community and Economic Development updates its Consolidated Plan every five years. Ms. Possinger reported that the Department of Community and Economic Development will be holding a public hearing on the Consolidated Plan on June 9, 2016.

Ms. Gaffney asked if this Action Plan meets all of the HOME guidelines and Ms. Glauser stated that this program requires compliance with most of the guidelines for the administration of federal HOME funds.

It was the general consensus of the Board that the HTF Action Plan be preliminarily approved as submitted.

**B. Five Year Housing Plan for the Commonwealth**

Mr. Hudson reported that a five year housing plan unveiling event is planned for Monday, May 23 at 10:00 a.m. in Mechanicsburg to announce this plan. This plan is a joint effort of the Department of Human Services, the Department of Community and Economic Development and the Agency. Mr. Hudson will be attending this event.

**C. PHFA Board Meetings**

Mr. Hudson reported that next two PHFA Board meetings scheduled for June 9 and July 14 will likely be in-person meetings and he encouraged members to attend if possible. The June meeting will concentrate on the Agency's budget for Fiscal Year 2016-2017. The allocation of tax credits will take place at the July meeting.

**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 10:50 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, June 9, 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

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
AUTHORIZING PORTFOLIO PRESERVATION REFINANCING  
FOR PHEASANT HILL ESTATES, PHFA NO. R-305**

WHEREAS, Pheasant Hill Estates Associates Limited Partnership ("Owner") is the current owner of a Section 8 project with outstanding Agency financing, known as Pheasant Hill Estates (the "Project"); and

WHEREAS, Owner has requested that the Agency allow refinancing of the outstanding Agency mortgage loan; and

WHEREAS, the Agency has reviewed the Project, the remaining Section 8 contract terms and rent levels, the proposed new debt structure, and has calculated the economic loss which will be incurred by the Agency if such Project is refinanced: and

WHEREAS, the Agency has determined that it is willing to allow the refinancing if Owner is willing to undertake a long term affordability strategy for the Project, agrees to pay all of the lost revenues to the Agency which are associated with the bond financing and existing regulatory structure and agrees to extend participation under the Section 8 program to the maximum extent possible and the new Project financing does not create economic hardship on the Project; and

WHEREAS, based on its review and through its negotiations with the Owner, the Agency has determined that these conditions will be met.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 12th day of May, 2016, as follows:

Section 1. Staff is authorized to take the following actions regarding the Project and to do all things necessary to effect the referenced mortgage refinancing, subject to the Agency accepting prepayment of the Agency's mortgage loan (outstanding principal \$1,048,754) with an additional payment of \$255,488 for lost economic value.

Section 2. As a condition of refinancing, Owner must agree to enter into an extended use agreement, to retain the Project in the Section 8 portfolio to the maximum extent possible and to extend the affordability period for the Project for 30 years.

Section 3. Staff is further directed to ensure Owner's receipt of all necessary HUD approvals of the transaction.

Section 4. This resolution shall take effect immediately.

**RESOLUTION OF THE MEMBERS OF THE BOARD  
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
APPROVING TRANSFER OF GENERAL PARTNER INTEREST  
WELLINGTON RIDGE II, PHFA NO. O-716**

WHEREAS, Wellington Ridge Phase II, located in Chester, Delaware County, Pennsylvania (the "Development"), was originally financed in July 2001 in the aggregate amount of \$861,764 through funds provided by the Agency's PennHOMES Program; and

WHEREAS, the current ownership entity of the Development, Wellington Housing Partnership LP II, 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 Wellington Housing Partnership LP II; and

WHEREAS, staff recommends approval of the proposed transfer of the general partner's interest of Wellington Housing Partnership LP II from McCaffery Developers, LLC to CHA GP 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 12th day of May, 2016, as follows:

Section 1. The Agency approves the transfer from McCaffery Developers, LLC to CHA GP LLC as general partner of Wellington Housing Partnership LP II.

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 2016-121

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 2016-121 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 12th day of May, 2016 as follows:

Section 1. Adoption of the Series 2016-121 Resolution. The Series Resolution authorizing the issuance of the Agency's Single Family Mortgage Revenue Bonds, Series 2016-121 (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 2016-121 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 2016-121 Bonds shall be as negotiated by the Finance Committee, provided, however, as follows: (i) the principal amount of the Series 2016-121 Bonds shall not exceed \$300,000,000, (ii) the final maturity of the Series 2016-121 Bonds shall be no later than 2048, and (iii) the initial interest rate or rates on the Series 2016-121 Bonds shall be a rate or rates resulting in a net interest cost no higher than 8% per annum.

Section 3. The Executive Director, Deputy Executive Director and Chief Counsel 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.