

**Pennsylvania Housing Finance Agency
Meeting of the Board
July 14, 2016**

Members Present:

Robin Wiessmann, Chair
Thomas B. Hagen, Vice Chair
*Craig H. Alexander
*Maria F. Coutts
Ronald F. Croushore
Ben Laudermilch (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
John Paone
Keith Welks (serving in the stead of
Timothy Reese, State Treasurer)

*On Telephone conference call

Members Absent:

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 Marezki, 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
Stan Salwocki, Manager of Architecture and Engineering
Carla Falkenstein, Director of Western Region
Melissa Raffensperger, Government Affairs Associates
Nancy Twyman, Director of Eastern Region
Barbara Stephens, Senior Public Affairs Officer
JoLynn Stoy, Associate Counsel

Jada Greenhowe, Assistant Counsel
Lori Toia, Director of HEMAP
Jordan Laird, Manager of Investments]
Scott Davis, GIS Technician
Ann Mermelstein, Senior Development Officer
Linda Stewart, Manager of Tax Credit Program
Frank Bobak, Senior Systems Analyst
Sherry Daniels, Development Officer
Kelly Wilson, Development Officer
Gail Shull, Senior Development officer
Nicole Eutzy, Development Officer
Lynette Davenport, Development Officer
Christine Gerbig, Senior Development Officer
Beth Silvick, Senior Development Officer
Kenneth Bobb, Construction Doc Examiner
Lauren Starlings, Assistant Counsel
Charlotte Folmer, Executive Director of CCG
Shana Erdley, Insurance Officer
David Doray, Manager of Multifamily Underwriting
La'Keisha Thomas, Development Officer
David Gregorits, Development Officer
Renaë Hodges, Communications Officer
Emily Paul, Legal Intern
Susan Jun, Bank of America/Merrill Lynch
Joel Johnson, Montgomery County Housing Authority
Jerry Nugent, Montgomery County Housing Authority
Jeff Davis, Presbyterian Senior Living
Milton Pratt, Mihaels Development Co.
Andrew Davenport, Michaels Development Co.
Malynda Hivner, Presbyterian Senior Living
Tarik Casteel, TLC Construction
Marie Boyer, PNC Bank
Jasa Dickson, PNC Bank
Alan Flannigan, Department of Banking
Michael McGee, PA Development Counsel
Jim Pianka,
Greg Brunner, M & T Bank
Peter Weiss, JP Morgan
Matt Engler, Barclays
Michael Polite, Ralph A. Falbo, Inc.
Vidhi Anderson, Presby's Inspired Life
Judee Bavaria, Presby's Inspired Life
Bill Canteen, Presby's Inspired Life
Charmaine Kent, Presby's Inspired Life
George Jaeger, Bank of America/Merrill Lynch
Mitch Gallo, RBC
Michael Baumrin, RBC
Cindy Daley, Housing Alliance

Phyllis Chamberlin, Housing Alliance
Robert Foggio, Jefferies
Alan Jaffe, Jefferies
Ben Laudermilch, Department of Human Services
Ralph Jones, US Bank
Terry McPoyle, US Bank
Greg Brunner, M & T Securities
Joe Task, Raymond James
*Paul Marfione, Tioga View Apartments
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, July 14, 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 July 10, 2016.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Wiessmann at 10:45 a.m. The roll was called and a quorum was present.

2. APPROVAL OF THE MINUTES FROM THE JUNE 9, 2016 BOARD MEETING

There were no additions or corrections to the minutes.

Mr. Hagen made a motion that the minutes from the June 9, 2016 Board meeting be approved as submitted. This motion was seconded by Mr. Nese and was unanimously approved.

Mr. Hudson introduced Mr. Johnson from the Montgomery County Housing Authority. Mr. Johnson thanked the Board and the Agency for the allocation of tax credits which permitted the county to complete the Crest View Manor project. Mr. Nugent, also from the Montgomery Housing Authority, thanked the Board and the Agency for the Crest View Manor tax credit allocation on behalf of the residents of this development and also all other Commonwealth citizens residing in affordable housing developments made possible through the use of tax credits.

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

A. Review and Approval of the Low Income Housing Tax Credit Process and Allocation of Resources - 2016

Ms. Glauser reported that proposals for Low Income Housing Tax Credits were due to the Agency by March 4, 2016. The Agency received 111 applications (two applications were withdrawn by the applicants) requesting over \$124,000,000 in tax credits and \$22,600,000 in PennHOMES funds. The amount of federal tax credit authority available for 2016 is \$30,085,882, less \$23,378,851 in forward commitments, gives the Agency approximately \$6,700,000 available for the current year.

Ms. Glauser stated that all applications were reviewed and ranked by senior management and staff according to the approved selection criteria.

Following the ranking process, it has been determined that 39 developments will be recommended to the Board for funding approval. The total amount of tax credits for the 39 projects is \$40,307,325 plus \$5,900,000 in PennHOMES funds. All of these projects will be able to be funded by forward committing 2017 and 2018 tax credits.

Ms. Glauser noted that one proposal, Morningside Crossing, will receive tax credits because it was selected as the innovation in design project. This development receives this designation because of its excellence in design, energy efficiency technology and level of community and capital resources. It is for the reuse of an elementary school in Pittsburgh, Allegheny County.

Ms. Glauser thanked all of the multifamily staff involved in the evaluation process of these proposals. It was a very time consuming process.

Ms. Gaffney, on behalf of the Program and Development Review Committee, thanked Ms. Glauser and the entire staff for a very thorough presentation during the previous PDR Committee meeting. They appreciated the time and effort put forth by staff in preparing the documentation to be presented to the Committee.

Ms. Gaffney stated that the Program and Development Review Committee concurs with staff's review of the allocation process, the allocation of resources as well as the forward commitment of 2017 and 2018 tax credits.

Mr. Nese made a motion to approve the resolution approving the year 2016 Federal Low Income Rental Housing Tax Credit allocation process and

authorizing certain Agency actions regarding program funding. This motion was seconded by Mr. Hagen. Mr. Paone abstained. The motion carried. (See Appendix 1 of these Minutes.)

Mr. Hudson added his thanks to the staff for the good work in evaluating and ranking all of the proposals and the presentation to the Board.

B. Requests for an Allocation of Tax-Exempt Bond Issuing Authority

1. Courtyard Preservation, Philadelphia, Philadelphia County

Mr. Bailey reviewed the project specifics and its financing plan. He reported that the developer is requesting an allocation of tax-exempt bond issuing authority in an amount not to exceed \$54,000,000 for the acquisition and moderate rehabilitation of the building. After review, staff recommends approval of this request.

Ms. Gaffney as Chair of the Program and Development Review Committee stated that the Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing the issuance special limited obligation multifamily housing development bonds for Courtyard Preservation in an amount not to exceed \$54,000,000. This motion was seconded by Mr. Welks and was unanimously approved. (See Appendix 2 of these Minutes.)

2. Parkview Knoll Apartments, Cumberland Township, Greene County

Mr. Doray reviewed the project specifics and its financing plan. He reported that the developer is requesting an allocation of tax-exempt bond issuing authority in an amount not to exceed \$4,400,000 for the acquisition and substantial rehabilitation of six buildings. After review, staff recommends approval of this request.

Ms. Gaffney as Chair of the Program and Development Review Committee stated that the Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing the issuance special limited obligation multifamily housing development bonds for Parkview Knoll Apartments in an amount not to exceed \$4,400,000. This motion was seconded by Mr. Croushore and was unanimously approved. (See Appendix 3 of these Minutes.)

3. **Westminster Place at Ware Presbyterian Village, Borough of Oxford, Chester County**

Mr. Bailey reviewed the project specifics and its financing plan. He reported that the developer is requesting an allocation of tax-exempt volume cap authority in an amount not to exceed \$6,500,000. Staff recommends approval of this request.

Ms. Gaffney as Chair of the Program and Development Review Committee stated that the Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing a 2016 housing related bond allocation to Westminster Place at Ware Presbyterian Village in an amount not to exceed \$6,500,000. This motion was seconded by Mr. Welks and was unanimously approved. (See Appendix 4 of these Minutes.)

C. **Other Business**

1. **Tioga View Apartments, Mansfield, Tioga County**

Ms. Silvick reviewed the project specifics and its financing plan. She reported that the developer is requesting an allocation of tax-exempt volume cap authority in an amount not to exceed \$6,500,000. Staff recommends approval of this request.

Ms. Gaffney as Chair of the Program and Development Review Committee stated that the Committee concurs with staff's recommendation.

Ms. Gaffney made the motion that the Board approve the resolution authorizing the issuance of a letter of conditional commitment of mortgage funds to Tioga View Apartments. This motion was seconded by Mr. Hagen and was unanimously approved. (See Appendix 5 of these Minutes.)

4. **HOMEOWNERSHIP CHOICE PROGRAM**

Ms. Peace reported that the Agency funded and administered this program from 2000 through 2008. The Board authorized the recapture of the remaining Homeownership Choice Funds in 2014. She noted, however, that several projects have continued toward completion since that time. Two projects are currently requesting that the recaptured funds be released to cover their property expenses. Staff has reviewed the expenditures and made the determination that the funds have been expended. Staff recommends that the recaptured

funds be released to the developers of the Hunter School Homeownership Development (\$220,746) and Old Allentown Homeownership (\$275,000) projects. Following this action, the program will be closed completely and no other funds will be disbursed.

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

Mr. Paone made the motion that the Board authorize certain matters related the Homeownership Choice Program as discussed. This motion was seconded by Mr. Nese and was unanimously. (See Appendix 6 of these Minutes.)

5. POLICY COMMITTEE REPORT

A. 2016 Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE) – Amendment to Plan

In the absence of Chair Schwartz, Mr. Paone reported that the Policy Committee met prior to the Board meeting.

1. Realty Transfer Tax (RTT)

Mr. Maretzki reviewed the PHARE program, its funding sources and its purpose.

PHARE will now be receiving funding from the newly enacted Realty Transfer Tax (RTT). Until now, only those counties with active wells could apply for PHARE funds. Now that this new tax has been enacted, all 67 counties in the Commonwealth are eligible for funds which will be capped at \$25,000,000 a year.

Mr. Maretzki discussed the new priorities which will take effect throughout the Commonwealth for these funds; including but not limited to furthering fair housing in targeted communities and neighborhoods,, addressing community development issues, and addressing blighted and abandoned properties. The Board received copies of the amended PHARE Plan which includes the language regarding Realty Transfer Tax funding.

Mr. Maretzki stated that an RFP will be issued statewide with proposals due this Fall. Funding recommendations will be made to the Board at the March 2017 meeting.

No action is required by the Board at this time on this issue.

2. National Housing Trust Action Plan (HTF)

Ms. Glauser reported that the National Housing Trust Fund (HTF) was established in 2008 as part of the Housing and Economic Recovery Act. The

Agency, through the Pennsylvania Housing and Rehabilitation Enhancement Program, will be the administrator of these funds amounting to approximately \$3,800,000 for this year. The funds are specifically designated for developing, rehabbing and preserving housing for very low and extremely low income households. In compliance with the PHARE Program, the Agency must publish an action plan outlining how the funds will be awarded.

The Agency has been working with the Department of Community and Economic Development on this action plan because it must be included in DCED's Annual Consolidated Plan. A public meeting was held on June 9, 2016.

The Agency plans to utilize these HTF funds, along with the awards of Low Income Housing Tax Credits or other federal funding sources to increase the number of units to be funded by the proposals

Staff requests the Board's approval of the National Housing Trust Fund Action Plan.

Ms. Possinger made the motion that the Board approve the National Housing Trust Fund 2016 Action Plan as submitted. This motion was seconded by Mr. Nese and was unanimously approved. (See Appendix 7 of these Minutes.)

B. Other Business

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

6. APPROVAL OF ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2016-121 AND SERIES 2016-122

Mr. Hudson reported that the Agency's Series 2016-120 bonds have been sold and provided \$60,000,000 for 30-year mortgages with an interest rate of 3.25 percent.

The Agency is currently working on several other bond issues to take advantage of the favorable conditions of the bond market. Staff is proposing its next two bond issues, Series 2016-121 and Series 2016-122 each in an amount not to exceed \$375,000,000. It is anticipated that mortgage interest rates could be below 3 percent for each of these deals.

Mr. Hudson requested the Board's approval to continue working on these two issues and proceeding if the market conditions continue to be favorable. The negotiations and final approval would be delegated to the Finance Committee.

A motion was made that the Board approve the resolutions authorizing the issuance of Single Family Mortgage Revenue Bonds, Series 2016-121 and Series 2016-

122 delegating the negotiations and final approval to the Finance Committee. This motion was seconded and was unanimously approved. (See Appendices 8 and 9 respectively of these Minutes.)

7. INVESTMENT BANKER REPORT

Mr. Jaffe of Jefferies distributed an Economic and Market Update booklet to the Board.

He reported that the vote by the United Kingdom to leave the European Union has affected both the domestic and global economies making everything very unclear.

There was a mixed employment report in June with the unemployment rate rising slightly which has caused some concern about liquidity and financial stability of the economy by the Federal Reserve. It is now projected that the Federal Reserve will not be increasing interest rates any time soon. Mr. Jaffe reported that the Federal Reserve would like to raise rates to some sort of normalization but there is too much uncertainty at this time although the United States economy is doing fairly well.

Mr. Jaffe reported that homeownership continues to improve as home prices have moderated and stabilized. Delinquencies and foreclosures continue to decline and mortgage applications for home purchases remain strong. He did note that finding affordable housing is becoming more challenging.

A brief discussion took place regarding the effect BREXIT will have on the United States economy and interest rates. Mr. Jaffe stated that it will have some impact on the US economy and there may be some effect felt in the financial market. But, one can only speculate on to what extent this will occur.

There was no further discussion.

8. DEVELOPMENT STATUS REPORT

There were no comments or questions from the Board on this report.

9. PHFA INVESTMENT REPORT

There were no comments or questions from the Board on this report.

10. OTHER BUSINESS

A. No August, 2016 Board Meeting

Mr. Hudson reported that there will not be an August 2016 Board meeting. In the event something requires the Board's action, members will be contacted by the Secretary.

B. NCSHA Annual Conference

Mr. Hudson reported that the National Council of State Housing Agencies annual conference will be held in Miami, Florida on September 24 – 27, 2016. Any Board member who would like to attend should contact the Secretary as soon as possible to make arrangements.

C. PHFA's New Website


Mr. Hudson reported that there have been no issues with PHFA's new website and it has been working well. Mr. Elliott thanked Ms. Bailey for her work in updating the website. He noted that all work was done in-house.

11. 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 11:30 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 8, 2016 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,



Carrie M. Barnes
Secretary

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING THE YEAR 2016 FEDERAL LOW INCOME RENTAL HOUSING TAX CREDIT
ALLOCATION PROCESS AND AUTHORIZING CERTAIN AGENCY ACTIONS REGARDING
PROGRAM FUNDING**

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

WHEREAS, pursuant to Executive Order 87-9, the Agency is designated as the tax credit allocating agency of the Commonwealth of Pennsylvania; and

WHEREAS, pursuant to Section 42(m) of the Internal Revenue Code of 1986, as amended, (the "Code"), the Agency adopted a qualified allocation plan (the "Year 2016 Plan") authorizing the low income rental housing tax credit program (the "Year 2016 Program"), sought and received approval by the Governor of the Year 2016 Plan and made Year 2016 Plan and applications available to interested applicants; and

WHEREAS, in approving the Year 2016 Plan, the Board of the Agency directed staff to present the results of the ranking and scoring process undertaken in the Year 2016 Program to the Board for review prior to announcing preliminary reservations of federal low income tax credits ("tax credits") to projects; and

WHEREAS, staff has outlined and reviewed with the Board the process undertaken in evaluating Year 2016 Program applicants; and

WHEREAS, upon review, the Board has determined to adjust certain preferences originally established in the Year 2016 Plan, to modify (or in the case of additional tax credits, to eliminate) a set-aside, to expand the use of forward commitments and to waive the minimum ranking scoring in order to meet geographic diversity and to best achieve the Commonwealth's housing goals; and

WHEREAS, the Agency expects to have approximately \$15,000,000 in funding for rental housing through applications in eligible communities submitted through the PHARE program, allocations through the federal housing trust fund, funds through the federal HOME program, funds which may be available through the Department of Community and Economic Development and funds recaptured or repaid from prior year funding (collectively "Agency Funds").

NOW THEREFORE, be it resolved by the Board of the Pennsylvania Housing Finance Agency on the 14th day of July, 2016, as follows:

Section 1. The Board has determined that the staff has properly applied the ranking and scoring process adopted by the Board for allocation of tax credits in the Year 2016 Program.

Section 2. Staff is authorized to take all steps to implement the Year 2016 Program reservations derived therefrom and to make conditional forward commitments of Year 2017 and 2018 tax credits.

Section 3. Staff shall administer the allocation of Agency Funds and shall provide ongoing reports to the Board of the pipeline of developments supported by tax credits and Agency Funds.

Section 4. This Resolution shall take effect immediately.

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$54,000,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(Courtyard Preservation)**

Adopted: July 14, 2016

A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$54,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(Courtyard Preservation)

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, 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 loan agreement and/or similar loan or financing agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

WHEREAS, Courtyard Preservation, LP, a Pennsylvania limited partnership (the "**Borrower**") sponsored by the Michaels Development Company, Inc., a New Jersey corporation, has requested financing from the Agency in an amount not to exceed \$54,000,000 (the "**Bonds**") to fund a portion of the costs of acquiring and renovating one twenty-five story building for senior and non-elderly disabled occupancy and 38 townhouse buildings for general occupancy, known as the "Courtyard Preservation" project, comprised of 470 units in the Queen Village neighborhood of Philadelphia, Philadelphia 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, Red Capital, LLC or its affiliates (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 there have been prepared certain documents to evidence the transaction, including financing documentation relating to the Project.

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 an aggregate principal amount not to exceed \$54,000,000. The Bonds shall carry the designation set forth in 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 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 of the Project; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Agency's 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 bond financing and low income housing tax credits; (j) evidence of all requisite HUD approvals, including, but not limited to, final approval of the RAD Program Section 8 HAP Contract for a period of not less than 15 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 Bonds shall be dated the date of issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity date, 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 \$54,000,000; 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 36 months, 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, 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 Bonds 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 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 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 Requisite Agreements. 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 Bonds and the Agreement, including a trust agreement if deemed appropriate, 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 the sale of the Bonds, 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. The 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, 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 Bonds and the 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 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 \$4,400,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(Parkview Knoll Apartments)**

Adopted: July 14, 2016

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$4,400,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(Parkview Knoll 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, 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 loan agreement and/or similar loan or financing agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

WHEREAS, Parkview Knoll LP, a Pennsylvania limited partnership (the "**Borrower**") sponsored by Ralph A. Falbo Inc., a Pennsylvania corporation, has requested financing from the Agency in an amount not to exceed \$4,400,000 (the "**Bonds**") to fund a portion of the costs of acquiring and renovating six two-story buildings for general occupancy, known as "Parkview Knoll Apartments", comprised of 75 units in Cumberland Township, Greene 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, Red Stone Tax-Exempt Funding LLC or its affiliates (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 there have been prepared certain documents to evidence the transaction, including financing documentation relating to the Project.

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 \$4,400,000. The

Bonds shall carry the designation set forth in 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 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 of the Project; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Agency's 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) submission, review and approval of the final terms and conditions for the syndication of the low income housing tax credits; and (j) 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 Bonds shall be dated the date of issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity date, 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 \$4,400,000; 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 37 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, 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 Bonds 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 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 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 Requisite Agreements. 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 Bonds and the Agreement, including a trust agreement if deemed appropriate, 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 the sale of the Bonds, 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. The 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, 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 Bonds and the 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 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.

**RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING 2016 HOUSING RELATED BOND ALLOCATION
Westminster Place at Ware Presbyterian Village**

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

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

WHEREAS, the Agency issued its Year 2016 Multifamily Housing Application that includes a Request for Proposals for Volume Cap for Tax Exempt Bond Financing ("RFP") inviting developers of residential rental facilities to seek an allocation of Volume Cap in 2016; and

WHEREAS, Applicant, Presbyterian Senior Living Housing Management Corporation, has requested an allocation of Volume Cap for the new construction of thirty-one units of housing for occupancy by seniors, ages 55 and older, in the Borough of Oxford, Chester County; and

WHEREAS, the Agency has determined to provide a preliminary allocation of Year 2016 Volume Cap in an amount not to exceed \$6,500,000 for the issuance of private activity bonds by the Redevelopment Authority of the County of Lancaster, subject to satisfaction of certain conditions set forth below.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 14th day of July, 2016, as follows:

Section 1. Staff is hereby authorized to take all necessary actions to provide a conditional preliminary allocation of Year 2016 Volume Cap in an amount not to exceed \$6,500,000 (which includes a contingency amount) for the tax exempt bond financing of Westminster Place at Ware Presbyterian Village subject to the following conditions: a.) evidence, satisfactory to the Agency, that all conditions and qualifications relating to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable requirements of the Agency's Year 2016 Tax Credit Program have been met; b.) evidence, satisfactory to the Agency, that all conditions and qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; c.) compliance with the timeframes and deadlines established by the Agency; d.) evidence of the commitment of construction and permanent financing in amounts sufficient to ensure financial feasibility of the tax credit project and the market rate project; e.) evidence of the commitment to serve low income tenants for a period of not less than 30 years, which will be included in the Restrictive Covenant Agreement; f.) evidence of the satisfaction of accessibility requirements; and g.) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the construction/bond closing to allow sufficient time for Agency review and approval; civil engineering, architectural, structural, HVAC, plumbing, and electrical drawings and specifications shall be submitted, as applicable; and Agency comments and recommendations made during its review must be addressed and approved prior to the construction/bond closing

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

Section 3. This resolution shall be effective immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING THE ISSUANCE OF A LETTER OF CONDITIONAL
COMMITMENT OF MORTGAGE FUNDS -
TIOGA VIEW APARTMENTS, PHFA NO. O-1299**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") is authorized to make mortgage loans to mortgagors for such Developments as in the judgment of the Agency have promise of supplying well-planned and well-designed apartment units for low and moderate income persons or families or the elderly or others in the Commonwealth of Pennsylvania; and

WHEREAS, Tioga View Apartments, L.P., a Pennsylvania limited partnership, (the "Owner"), has applied to the Agency for construction and permanent financing of the rehabilitation of four two-story buildings consisting of 51 residential rental units for general occupancy located in Mansfield, Tioga County, Pennsylvania, known as Tioga View Apartments, (the "Development");

WHEREAS, the construction and permanent financing structure of the Development is proposed as follows:

a. A Support Mortgage Loan in the amount of \$2,000,000 to be provided through funds available in the Pennsylvania Housing Finance Agency PennHOMES Program for 30 years, with payment deferred during the term of the mortgage loan, repayable as the Development generates excess revenues over expenses in any given calendar year. All principal and accrued interest shall be due and payable upon satisfaction of the primary mortgage loan, upon an event of default under the mortgage loan documents, upon sale of the property or termination of the Development, whichever occurs earlier.

b. A Primary Mortgage Loan in the amount of \$1,500,000 to be provided through an interim financing program with a construction and permanent interest rate of 5.00% amortized over 20 years.

WHEREAS, the Agency staff has reviewed the feasibility of the above described financing and the Agency is desirous of issuing a commitment to provide a \$2,000,000 Support Mortgage Loan and a \$1,500,000 Primary Mortgage Loan, subject to the following conditions: (a) submission, review and final Agency staff approval of all financing documents; (b) receipt of a financial instrument to secure the financial feasibility of the Development in a form and manner approved by the Agency; and (c) receipt of all construction contract documents satisfactory to the Agency.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 14th day of July, 2016, as follows:

Section 1. The Agency finds and determines that the above mentioned owner is eligible to receive mortgage loan financing pursuant to the provisions of the Housing Finance Agency Law.

Section 2. Staff is hereby authorized to issue a conditional letter of commitment to provide Development construction and permanent financing to the Owner as set forth above in an aggregate principal mortgage amount not in excess of \$3,725,000 (which includes both Support Mortgage Loan and Primary Mortgage Loan with a 15% contingency allowance) subject to the following conditions: (a) submission, review and final Agency staff approval of all financing documents; (b) receipt of a financial instrument to secure the financial feasibility of the Development in a form and manner approved by the Agency; and (c) receipt of all construction contract documents satisfactory to the Agency.

Section 3. This resolution shall take effect immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING CERTAIN MATTERS RELATED TO
HOMEOWNERSHIP CHOICE PROGRAM**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") exists and operates pursuant to the Housing Finance Agency Law (35 P.S. Section 1680.101 *et seq.*) (the "Act") for the purposes ". . . of alleviating hardship which results from insufficient production of private homes and of rental housing for persons and families of low and moderate income, including the elderly . . . the deleterious effect of inadequate housing upon the general welfare of the Commonwealth . . . by broadening the market for private homes and for housing for persons and families of low and moderate income, through the provision of specialized financing secured by mortgages to corporations, individuals, joint ventures, partnerships, limited partnerships, trusts, cooperatives and condominiums... " and has the power under the Act "...to do all things necessary or convenient to carry out the purposes of the Act."

WHEREAS, the Agency administered its family of Homeownership Choice Programs ("HCP") from 2000-2008, using Agency reserves to finance homeownership activities in core communities and filling funding gaps for urban (and small urban) in-fill projects of large scale, mixed use facilities, and neighborhood revitalization through the issuance of competitive requests for proposals.

WHEREAS, the Agency discontinued the program and recaptured uncommitted funds in 2014.

WHEREAS, subsequent to the recapture, several requests for funding for property expenses incurred or to be incurred on behalf of previously approved HCP programs have been received.

WHEREAS, the requested amounts are comprised of the following:

Hunter School/Norris Square- final installment of \$220,746, which has been incurred and documented by invoices (original commitment and total final project cost \$2,150,000);

Old Allentown Homeownership- additional funding in an amount of \$275,000 to construct five additional for-sale homes (to add to the 12 homes previously constructed and sold in the neighborhood)(original commitment \$1,900,000; total final project cost \$995,000).

WHEREAS, staff has reviewed and determined that these expenditures are consistent with the original program goals, applications and funding commitments and will represent an end to the outstanding HCP program.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 14th day of July, 2016, as follows:

Section 1. Staff is hereby authorized and directed to provide final disbursements and funding as outlined above for the two remaining HCP projects previously recaptured.

Section 2. This resolution shall take effect immediately.

**NATIONAL HOUSING TRUST FUND ("HTF")
24 CFR PART 93
PHFA 2016 HTF ACTION PLAN**

The National Housing Trust Fund ("HTF") was enacted as part of the Housing and Economic Recovery Act of 2008 ("HERA") to provide resources to develop, preserve and rehabilitate housing for very low income and extremely low income households. Funding for the HTF is derived from Fannie Mae and Freddie Mac earnings. On January 30, 2015, the United States Department of Housing and Urban Development ("HUD") published interim guidance implementing the HTF including the administration of funds for eligible purposes as set forth in 24 CFR Part 93. On May 5, 2016, HUD issued a Notice of Fiscal Year 2016 Funding Awards. **For FY 2016, Pennsylvania will receive \$3,862,285.**

The Pennsylvania Housing Finance Agency ("PHFA") is the entity designated by law for the administration of the HTF in the Commonwealth of Pennsylvania (the "Commonwealth") pursuant to Act 105 of 2010, (the "Pennsylvania Housing and Rehabilitation Enhancement Program" or "PHARE"). Act 105 of 2010 establishes that all allocations distributed to and received by the Commonwealth pursuant to the HTF shall be administered consistent with PHARE and applicable federal law.

Additionally, the Department of Community and Economic Development ("DCED") prepares a Consolidated Plan every five years, and an annual Action Plan which sets forth the priorities and process for allocation of certain federal community development programs, including but not limited to, the Community Development Block Grant, Home Investment Partnerships Program, Emergency Solutions Grant, and Housing for Persons with AIDS.

In accordance with 24 CFR Section 91.220, PHFA must publish and adopt an Action Plan to govern the administration of the HTF. This Action Plan will be disseminated in accordance with the parameters of the state PHARE process and will be incorporated into the DCED Consolidated Plan and Action Plan (the "DCED Plans") for administration of federal funds.

Description of the Distribution of HTF Funds:

Rental Housing - PHFA will distribute at least 80% of the available HTF funds for use in qualified rental housing. Funds will be available for qualified projects being constructed or rehabilitated. Up to one third of the total amount of the HTF may be used to support operating costs.

For 2016, PHFA expects to provide funding to rental housing properties which are also supported through the federal Low Income Housing Tax Credit Program ("Tax Credit") and/or other federal funding sources. PHFA will follow many of the priorities and preferences set forth in the Tax Credit Allocation Plan for allocation of HTF resources for those properties that meet the eligibility criteria of 24 CFR Part 93.

Homebuyer Projects – In future funding years, PHFA may reserve up to 10% of the HTF funds to support homebuyer activities, including manufactured housing, in accordance with all requirements of 24 CFR Parts 91 and 93. In addition to property standards and household eligibility requirements, if PHFA proceeds with this program after public comments are received,

PHFA will develop and submit to HUD for approval a resale and recapture plan for any assistance provided to extremely low income (“ELI”) homebuyers. Depending on the amount of assistance provided per unit, the resale and recapture provisions will be in place between 10-30 years and will be monitored by the Agency. Assistance under this program will be based on household need and may be targeted geographically to leverage local community resources.

It is expected that up to 10% percent of the annual HTF grant (and program income received, if any) will be applied to fund administrative costs of the program incurred by PHFA.

Application Requirements:

PHFA will announce the availability of HTF funds by publishing a notice on its website and by distribution of an email to PHFA's development community list. Priority may be given to applications for developments which have received Tax Credits, have not been placed in service and increase the number of units set aside for ELI tenants in the proposal. Furthermore, applicants are encouraged and preference may be given to developments which include the maximum amount of ELI units as may be financially feasible.

Criteria for Selection – Eligible Recipients Must Meet the Commonwealth Housing Needs and HTF Priorities:

PHFA has identified its priority housing needs and has developed the Tax Credit Allocation Plan to specifically address those needs. Preferences will be given to projects which best meet the Tax Credit Allocation Plan. Additionally, developments must meet the site and neighborhood standards set forth 24 CFR 93.150.

Applicants must meet the Tax Credit Allocation Plan, PHARE and all requirements set forth in 24 CFR 93.2 to be eligible for funding under the Action Plan. Developments must also meet the property standards set forth in the Tax Credit Allocation Plan and in 24 CFR 93.301.

Furthermore, PHFA will prioritize funding based on geographic distribution, applicant capacity, inclusion of project-based rental assistance in the financing plan, leveraging of non-federal resources, serving lower income and special needs populations, proximity to transit, readiness to proceed, energy efficiency, affirmatively furthering fair housing and sustainability of the development.

Developments must Target Extremely Low-Income Tenants:

Qualified developments must be affordable to tenants whose incomes do not exceed 30% of the federal poverty line or 30% of the income of a family whose annual income equals 30% of the median area income for the area, as determined by HUD with adjustment for bedroom size.

Selected developments must follow tenant protection and selection procedures set forth in 24 CFR 93.303.

Maximum Development Subsidy Limit for Rental Housing Assisted with HTF Funds:

The Tax Credit Allocation Plan sets forth certain limitations on cost of developments receiving PHFA resources. Furthermore, PHFA has evaluated current costs of affordable housing units and local market conditions throughout the Commonwealth and the maximum per unit development award is aligned with Pennsylvania’s HOME program limits and are based on unit type:

0 BR	1BR	2BR	3BR	4BR
\$140,107	\$160,615	\$195,305	\$252,662	\$277,344

In 2016, PHFA anticipates providing HTF funds to approximately four developments or assisting 25 rental housing units among several properties throughout the Commonwealth based upon applications received and availability of resources.

Distribution of HTF funds through Applications from Eligible Recipients:

PHFA will select applicants submitted by eligible recipients as set forth in the Tax Credit Allocation Plan and 24 CFR 93.2. PHFA will not fund subgrantees.

Priority for Developments which include Project Based Rental Assistance for Extremely Low Income Families:

All developments will be evaluated based on the commitment of project based rental housing assistance as part of the overall funding. Projects will be evaluated for committed resources in the form of internal rent subsidy funding to support developments housing extremely low income tenants and other programs designed to provide direct assistance to targeted income eligible households.

Ability to Obligate HTF funds and Undertake Eligible Activities in a Timely Manner:

All projects will be reviewed to determine their ability to proceed. This review includes environmental clearances, local zoning process review, identification and commitment of all necessary financing to support the development budget, corporate authorization and formal action by governmental authorities. PHFA will determine ability to proceed and will prioritize funding for applicants who demonstrate commitments and financial feasibility and a timeframe consistent with timely completion of the development and meet HTF commitment and expenditure deadlines.

Affordability Period:

Projects supported with HTF funds will be required to enter into restrictive covenant agreements pledging to maintain the units assisted in the program for a 30 year period. This restrictive covenant agreement will be recorded in the real estate records of the county where the property is located. PHFA will monitor the projects for compliance through the affordability period.

Eligible Activities, Project Costs and Other Federal Requirements:

Eligible activities and project costs for new construction, substantial rehabilitation and preservation of qualified rental housing projects are set forth in 24 CFR Parts 93.200, 93.201 and 93.301 and shall be consistent with the activities, costs and standards set forth in the 2016 PHFA Multifamily Program Guidelines (which may be waived for developments consisting of less than 5 units). PHFA's construction standards for new construction and rehabilitation developments are available at www.phfa.org/mhp/technicalservices. Applications must specify the eligible activities to which HTF funds will be allocated which may include costs related to wiring the property for broadband infrastructure (re: HUD proposed rule dated May 18, 2016). Additionally, for rehabilitation developments of all projects with 26 or more total units, the useful life of systems must be determined through a capital needs assessment that determines the work to be performed and identifies the long-term physical needs of the project. If the remaining useful life of one or more major system is less than the applicable period of affordability, the systems(s) must be either included in the scope of work or a replacement reserve must be established and monthly deposits made to the reserve account to adequately repair or replace the systems as needed.

Further, selected developments must certify that housing units assisted with HTF will comply with HTF requirements, which include but are not limited to, nondiscrimination, fair housing, affirmative marketing, lead-based paint, environmental clearances, displacement and relocation.

All properties assisted with these funds will be required to enter into a covenant agreement which outlines all federal program requirements applicable to the NHT funds and allows Agency enforcement of all program provisions.

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 14th day of July, 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 \$375,000,000, (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.

RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING
FINANCE AGENCY AUTHORIZING THE ISSUANCE OF
SINGLE FAMILY MORTGAGE REVENUE BONDS,
SERIES 2016-122

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 2016-122 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 14th day of July, 2016 as follows:

Section 1. Adoption of the Series 2016-122 Resolution. The Series Resolution authorizing the issuance of the Agency's Single Family Mortgage Revenue Bonds, Series 2016-122 (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 2016-122 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 2016-122 Bonds shall be as negotiated by the Finance Committee, provided, however, as follows: (i) the principal amount of the Series 2016-122 Bonds shall not exceed \$375,000,000, (ii) the final maturity of the Series 2016-122 Bonds shall be no later than 2048, and (iii) the initial interest rate or rates on the Series 2016-122 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.