

**Pennsylvania Housing Finance Agency
Meeting of the Board
March 9, 2017**

Members Present:

- *Robin Wiessmann, Chair
- *Thomas B. Hagen, Vice Chair
- *Craig H. Alexander
- *Ronald F. Croushore
- *Ben Laudermilch (serving in the stead of
Ted Dallas, Secretary, Human Services)
- *Kathy Possinger (serving in the stead of
Dennis Davin, Secretary of Department
of Community and Economic Development)
- *Noel Eisenstat
- *Robert Loughery
- *Ross Nese
- *John Paone
- *Keith Welks (serving in the stead of
Joseph Torsella, State Treasurer)
- *Mark Schwartz

*On Telephone conference call

Members Absent:

Maria F. Coutts

Others Present:

Brian A. Hudson, Executive Director
Rebecca L. Peace, Deputy Executive Director/Chief Counsel
Holly Glauser, Director of Development
Bryce Maretzki, Director of Strategic Policy & Planning
Kim Boal, Director of Information Technology
William Fogarty, Director of Government Affairs
Scott Elliott, Director of Communications
Thomas Brzana, Director of Business Analytics
Steve O'Neill, Assistant Counsel
Chris Anderson, Communications Officer
Melissa Grover, Government Affairs Associates
*Barbara Stephens, Senior Public Affairs Officer
Carl Dudeck, Director of Housing Management
David Doray, Manager of Multifamily Underwriting
Clay Lambert, Business Policy Officer
Jordan Laird, Manager of Investments
Coleen Baumert, Director of Homeownership
Joseph Knopic, Director of Finance
John Zapotocky, Director of Accounting
JoLynn Stoy, Associate Counsel
William Bailey, Senior Development Officer
Stan Salwocki, Manager of Architecture & Engineers

Ann Mermelstein, Senior Development Officer
*Nancy Twyman, Director of Eastern Region
*Carla Falkenstein, Director of Western Region
Yashira Cruz, Development Officer
Robert Milne, Development Officer
Cindy Daley, Housing Alliance
*Kelvin Jeremiah, Philadelphia Housing Authority
*Michael Johns, Philadelphia Housing Authority
*Nicholas Dema, Philadelphia Housing Authority
*Chuck Treach, Preservation Partners
*Allison Levy, Preservation Partners
*Shoshana Bannett, Federation Housing
Maggie Strawser, Assistant Secretary
Charlotte L. Nelson, Assistant Secretary
Carrie M. Barnes, Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, March 9, 2017 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 February 28, 2017.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Wiessmann at 10:35 a.m. The roll was called and a quorum was present.

2. APPROVAL OF THE MINUTES FROM THE FEBRUARY 9, 2017 BOARD MEETING

There were no additions or corrections to the minutes.

Mr. Schwartz made the motion that the minutes from the February 9, 2017 Board meeting be approved as submitted. This motion was seconded and unanimously approved.

3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT

A. Tax-Exempt Volume Cap Requests

1. North Central CNI Phase II, Philadelphia, Philadelphia County

Ms. Mermelstein reviewed the project specifics and its financing plan. She reported that the owner is seeking tax exempt bond financing through PHFA in an amount not to exceed \$20,150,000. The Agency will be the conduit issuer

and the bonds will be purchased by Wells Fargo to be used for construction and permanent financing. Staff recommends approval of this funding request.

Ms. Possinger stated that the Program and Development Review Committee concurs with staff's recommendation.

Ms. Possinger made a motion that the Board approve the resolution authorizing the issuance of \$20,150,000 of special limited obligation multifamily housing development bonds for North Central CNI Phase II. This motion was seconded and unanimously approved. (See Appendix 1 of these Minutes.)

2. Pleasant Valley Apartments, Conshohocken, Montgomery County

Mr. Bailey reviewed the project specifics and its financing plan. He reported that the owner is seeking tax exempt bond financing through PHFA in an amount not to exceed \$8,800,000. The Agency will be the conduit issuer and the bonds will be purchased by Citibank, N.A. to be used for construction and permanent financing. He reported that HUD's Rental Assistance Contract has been renewed and will be transferred to the new owner. Staff recommends approval of this funding request.

Ms. Possinger stated that the Program and Development Review Committee concurs with staff's recommendation.

Ms. Possinger made a motion that the Board approve the resolution authorizing the issuance of \$8,800,000 of special limited obligation multifamily housing development notes for Pleasant Valley Apartments. This motion was seconded and unanimously approved. (See Appendix 2 of these Minutes.)

3. Miriam and Robert Rieder Apartments, Philadelphia, Philadelphia County

Mr. Bailey reviewed the project specifics and its financing plan. He reported that this project received a 2016 allocation of tax exempt issuing authority; however, the equity investor was unable to close the deal prior the end of 2016. The owner is seeking a 2017 allocation of tax exempt issuing authority in an amount not to exceed \$8,500,000. Mr. Bailey mentioned that a new partnership is being formed and HUD's Rental Assistance Contract will be signed at closing and transferred to the new ownership entity. Staff recommends approval of this funding request.

Ms. Possinger stated that the Program and Development Review Committee concurs with staff's recommendation.

Ms. Possinger made a motion that the Board approve the resolution authorizing a 2017 housing related bond allocation to the Miriam and Robert Rieder Apartments project in an amount not to exceed \$8,500,000. This motion was seconded and unanimously approved. (See Appendix 3 of these Minutes.)

B. Transfer of Ownership

1. Emma Lazarus Place, Reading, Berks County

Mr. Dudeck reported that the current owner has requested the Agency's approval to transfer the project ownership interests to the Reading Housing Authority. The Housing Authority will take over the management of the project, assume the existing mortgage and take over all operations of the project. Staff recommends approval of this request.

Ms. Possinger stated that the Program and Development Review Committee concurs with staff's recommendation.

Ms. Possinger made a motion that the Board approve the resolution authorizing the transfer of ownership of Emma Lazarus Place. This motion was seconded. Mr. Schwartz abstained. The motion carried. (See Appendix 4 of these Minutes.)

C. Property Workout

1. Shryock Senior Apartments, Meadville, Crawford County

Mr. Dudeck reviewed the project specifics. He reported that the owner has been providing operating advances to the project even though it continues to lose money on an annual basis. Mr. Dudeck noted that occupancy has never been an issue for the project.

The current owner has located a buyer for the project who has agreed to operate the project as a tax credit property through the extended use period of 2022. The Agency has been asked to accept the sales proceeds of approximately \$530,000 toward payment of the Agency's loans as payment in full. In return the Agency will release the property from the mortgage lien and all related security interests associated with the mortgage loan. Staff recommends approval of this request.

Ms. Possinger stated that the Program and Development Review Committee concurs with staff's recommendation.

Ms. Possinger made a motion that the Board approve the resolution authorizing the property workout for Shryock Senior Apartments. This motion was seconded and unanimously approved. (See Appendix 5 of these Minutes.)

D. Other Business

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

4. TRISTATE CAPITAL BANK REFINANCING 2013 LOAN

Mr. Hudson reported that in 2013 and 2015, TriState Bank provided flexible funding for the Agency's various financing programs through the private placement of notes. The Agency and TriState have negotiated a refinancing of the 2013 loan to extend the term, reduce the interest rate and replenish the funding level of this loan. Staff recommends the approval of this refinancing.

Mr. Schwartz made a motion that the Board approve the resolution authorizing the refinancing of a certain loan from TriState Capital Bank and related terms thereto. This motion was seconded and unanimously approved. (See Appendix 6 of these Minutes.)

5. OTHER BUSINESS

A. NCSHA Legislative Conference

Mr. Hudson reported that he, Mr. Fogarty and Ms. Grover attended the NCSHA Legislative Conference held in Washington DC earlier this week. He thanked both Mr. Fogarty and Ms. Grover for their assistance in setting up appointments with approximately 20 of Pennsylvania's legislators.

Mr. Hudson noted that they encouraged support for the Low Income Housing Tax Credits, the HOME program, Section 8 Program and the Housing Trust Fund.

He stated that newly confirmed HUD Secretary, Ben Carson, briefly addressed the attendees of the conference.

Mr. Hudson reported that it has been approved that HUD will face budget cuts, which could quite possibly involve the Section 8 program.

Not much is known as to what might happen regarding the other affordable housing programs, but the Agency will continue to lobby the Pennsylvania delegation for support of all affordable housing issues and programs.

Ms. Possinger thanked Mr. Hudson for his support of the HOME and CDBG programs.

Mr. Eisenstat asked about the legislative support for the Low Income Housing Tax Credit Program. Mr. Hudson indicated that there appears to be broad-based support but there are portions of the program which remain a concern.

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 11:05 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, April 13, 2017 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,



Carrie M. Barnes
Secretary

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$20,150,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(North Central CNI – Phase II)**

Adopted: March 9, 2017

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$20,150,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(North Central CNI – Phase II)**

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 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, North Central CNI Phase II LP, a Pennsylvania limited partnership (the "**Borrower**") sponsored by the Philadelphia Housing Authority, has requested financing from the Agency in an amount not to exceed \$20,150,000 (the "**Bonds**") to fund the new construction of 29 two- and three-story buildings for general occupancy to be known as "North Central CNI – Phase II", comprised of 89 units in the City 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, Wells Fargo Bank, National Association or its affiliate (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 \$20,150,000.

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; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; (d) compliance with all timeframes and deadlines established by the Agency; (e) evidence of the commitment of construction and permanent financing in amounts sufficient to ensure financial feasibility of the Project; (f) evidence of the commitment to serve low income tenants for a period of not less than thirty (30) years, which will be included in the Restrictive Covenant Agreement; (g) evidence of the satisfaction of accessibility requirements; (h) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) satisfactory evidence of the award of a 20 year rental subsidy from the Philadelphia Housing Authority's Rental Assistance Demonstration (RAD) Program; 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 \$20,150,000; the initial 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 20 years after issuance, 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 \$8,800,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Note
(Pleasant Valley Apartments)**

Adopted: March 9, 2017

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$8,800,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT NOTE
(Pleasant Valley 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, Citibank, N.A. (the "**Funding Lender**"), or such successor entity as may be approved by the Agency, will make a loan to the Agency to provide funding for the Project (the "**Funding Loan**"), and certain documents to evidence the transaction, including the note or notes to be issued by the Agency evidencing the Funding Loan (the "**Funding Loan Note**") and other financing documentation relating to the Project, will be prepared; and

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

WHEREAS, Pleasant Valley Preservation Limited Partnership, a Pennsylvania limited partnership (the "**Borrower**") sponsored by Preservation Partners Development III LLC, a California limited liability company, has requested financing from the Agency in an amount not to exceed \$8,800,000 (the "**Project Loan**") to fund a portion of the costs of acquiring and renovating four two- and three-story buildings for general occupancy, known as "Pleasant Valley Apartments", comprised of 41 affordable units in the Borough of Conshohocken, Montgomery County, Pennsylvania (the "**Project**"); and

WHEREAS, the Agency will issue the Funding Loan Note and use the proceeds thereof to fund the Project Loan to the Borrower pursuant to a loan agreement between the Agency and the Borrower (the "**Project Loan Agreement**"), as evidenced by one or more notes evidencing the Project Loan delivered by the Borrower to the Agency (the "Project Loan Note"); and

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

WHEREAS, this Resolution is intended, inter alia, to constitute a statement of "Official Intent" pursuant to Treasury Regulations §1.150-2, T.D. 8476 (the "**Treasury Regulations**").

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AS FOLLOWS:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

Section 101. Authority for Resolution. This Resolution (hereinafter referred to as the "**Resolution**") is adopted pursuant to the authority granted to the Agency in the Act.

Section 102. Definitions. All terms which are used but not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement.

ARTICLE II AUTHORIZATION OF NOTE

Section 201. Principal Amount and Designation. The Funding Loan Note is hereby authorized to be issued, in an aggregate principal amount not to exceed \$8,800,000. The Funding Loan Note shall carry the designation set forth in the Funding Loan Agreement. The Funding Loan Note shall be issued pursuant in all respects to the terms of this Resolution.

Section 202. Purposes. The Funding Loan Note is being issued as a special and limited obligation of the Agency, payable solely out of the moneys derived pursuant to the Funding Loan Agreement, the Project Loan Agreement and the Project Note evidencing the Project Loan. Proceeds of the Funding Loan Note shall be used for the payment of qualified costs associated with the acquisition, construction, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance; and which Project is in every respect intended to qualify as a "residential rental facility" under the exempt facility provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "**Code**").

Section 203. Conditions. This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review, and approval of all documentation necessary to secure construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; (d) compliance with all timeframes and deadlines established by the Agency; (e) evidence of the commitment of construction and permanent financing in amounts sufficient to ensure financial feasibility of the Project; (f) evidence of the commitment to serve low income tenants for a period of not less than thirty (30) years, which will be included in the Restrictive Covenant Agreement; (g) evidence of the satisfaction of accessibility requirements; (h) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (i) final Agency underwriting of the application for tax-exempt financing and low income housing tax credits; (j) evidence of all requisite HUD approvals, including final approval of project rents; the ownership transfer and the extension of the HAP contract for a term of at least 20 years; and (k) submission of two sets of complete full-size architectural plans and specifications at least 60 days prior to the construction/bond closing to allow sufficient time for Agency review and approval. Civil engineering, architectural, structural, HVAC, plumbing, and electrical drawings and specifications shall be submitted, as applicable. Agency comments and recommendations made during its review must be addressed and approved prior to the construction/bond closing.

Section 204. Date, Principal Amount, Maturity and Interest Rate. The Funding Loan Note shall be dated the date of issuance, except as may be otherwise provided in the Funding Loan Agreement or the Funding Loan Note. The maturity date, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Funding Loan Note shall be as provided in the Funding Loan Agreement as finally executed; provided, however, that the maximum aggregate principal amount of the Funding Loan Note shall not exceed \$8,800,000; the initial interest rate on the Funding Loan Note shall not exceed the lesser of eight percent (8%) per annum or such rate supported by the final underwriting; and the final maturity of the Funding Loan Note shall be no later than 35 years or such date supported by the final Agency underwriting of the application for tax-exempt financing and low income housing tax credits (whichever is shorter).

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

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

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

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

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

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

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

ARTICLE III NOTE PROCEEDS AND PAYMENTS OF COSTS

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

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

ARTICLE IV SECURITY FOR THE NOTE

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

Section 402. Credit of Commonwealth Not Pledged. The Funding Loan Note shall contain therein a statement to the effect that the Funding Loan Note shall be a special and limited obligation of the Agency payable only from the sources provided in the Funding Loan Agreement, that neither the Commonwealth nor any political subdivision thereof shall be liable on the Funding Loan Note and that

neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Funding Loan Note. Neither the members of the Board nor the officers of the Agency nor any person executing the Funding Loan Note shall be liable personally on the Funding Loan Note or be subject to any personal liability or accountability by reason of the issuance thereof.

ARTICLE V MISCELLANEOUS

Section 501. Authorization of Officers. The Chairperson, Vice Chairperson, Executive Director, Director of Finance, Deputy Executive Director and Chief Counsel, Secretary and any Assistant Secretary of the Agency, and any other authorized officer of the Agency, are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the Funding Loan Note and the Funding Loan Agreement as shall, with the advice of the Agency Counsel and Bond Counsel, be advisable.

Section 502. Covenant to Comply with Federal Tax Requirements. The Agency hereby covenants to comply, and to take appropriate steps to ensure that the Borrower complies, with all applicable requirements of the Code so that interest on the Funding Loan Note will be excluded from gross income of the holders thereof for federal income tax purposes, including all applicable requirements of the Code regarding the provision of funds for qualified residential rental properties, investment of proceeds, treatment of fund investment earnings, repayments or unused proceeds, restriction of earnings on reserve funds, and rebate and yield restrictions set forth in Section 148 of the Code. The Agency also covenants to make any required payment imposed by the United States to maintain compliance with said requirements from time to time as required by Section 148 of the Code (or by applicable subsequent Treasury Regulation.) The Agency shall require that Borrower contract for and fund the retention of qualified computation advisers to perform all applicable disclosure and federal tax compliance requirements.

Section 503. Official Intent. In accordance with Treasury Reg. §1.150-2, the Agency hereby confirms its intentions that a portion of the proceeds of the Funding Loan Note may be used to reimburse itself or the Borrower for qualifying expenditures paid prior to the date of issuance of the Funding Loan Note. All original expenditures to be reimbursed will be capital expenditures (as defined in Treas. Reg. Sec. 1.150-1(b)) and other amounts permitted to be reimbursed pursuant to Treas. Reg. Sec. 1.150-2(d)(3) and (f).

Section 504. Effective Date and Validity. This Resolution shall take effect immediately and shall remain in effect until specifically repealed.

**RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING 2017 HOUSING RELATED BOND ALLOCATION
Miriam and Robert Rieder Apartments**

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 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; and

WHEREAS, Applicant, Miriam and Robert Rieder Apartments, LP, has requested an allocation of Volume Cap for the acquisition and moderate rehabilitation of seventy-eight units of housing for occupancy by seniors, ages 62 and older, in the City of Philadelphia, Philadelphia County; and

WHEREAS, the Agency has determined to provide a preliminary allocation of Volume Cap in an amount not to exceed \$8,500,000 for the issuance of private activity bonds by the Philadelphia Authority for Industrial Development, subject to satisfaction of certain conditions set forth below.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 9th day of March, 2017, as follows:

Section 1. Staff is hereby authorized to take all necessary actions to provide a conditional preliminary allocation of Volume Cap in an amount not to exceed \$8,500,000 (which includes a contingency amount) for the tax exempt bond financing of Miriam and Robert Rieder Apartments 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 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 permanent financing and equity in amounts sufficient to ensure financial feasibility of the 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; g.) evidence of all requisite HUD approvals, including of the project rents and of the transfer and extension of the HAP contract for a period of at least 20 years; and h.) 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 MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING TRANSFER OF OWNERSHIP
EMMA LAZARUS PLACE, PHFA NO. O-572**

WHEREAS, Emma Lazarus Place, located in Berks County, Pennsylvania (the "Development"), was originally financed in March 1998 in the amount of \$200,000 through funds provided by Agency PennHOMES Program; and

WHEREAS, the current ownership entity of the Development, Emma Lazarus Housing Associates, L.P., a Pennsylvania limited partnership, has requested Agency approval of the transfer of ownership; 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 owner 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; and

WHEREAS, staff recommends approval of the transfer of ownership of the Development to the Reading Housing Authority, 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 9th day of March, 2017, as follows:

Section 1. The Agency approves the transfer of ownership of Emma Lazarus Place to Reading Housing Authority.

Section 2. Agency staff is authorized and directed to take all actions necessary to effectuate the transfer of ownership interest; subject to review and approval of the appropriate documents for the transaction.

Section 3. This resolution shall take effect immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING PROPERTY WORKOUT FOR
SHRYOCK SENIOR APARTMENTS, PHFA O-205**

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, the Agency originally provided a mortgage loan in the amount of \$1,000,000 (with a current outstanding balance of \$970,000) to Shryock Limited Partnership, with Economic Alliance Foundation, Inc. (formerly known as Crawford County Development Corporation) as general partner (Owner), for the development of 41 multifamily residential rental units in Meadville, Crawford County, Pennsylvania known as Shryock Senior Apartments, PHFA No. O-205 (Development); and

WHEREAS, the Development has encountered ongoing operating losses that have been funded by the Owner; and

WHEREAS, the Owner proposes to sell the Development and pay approximately \$530,000 towards the outstanding Agency loan as payment in full; and

WHEREAS, the Agency has reviewed the Development and its financial operations and has determined to approve the sale of the Development and repayment of the loan associated with the Development as set forth below.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 9th day of March, 2017, as follows:

Section 1. The Agency staff is authorized to approve the sale of Shryock Senior Apartments, to accept approximately \$530,000 as payment in full of the Agency loan and to take all actions necessary to accomplish the same.

Section 2. This resolution shall take effect immediately.

**PENNSYLVANIA HOUSING FINANCE AGENCY
RESOLUTION AUTHORIZING THE REFINANCING OF A CERTAIN LOAN
FROM TRISTATE CAPITAL BANK AND RELATED TERMS THERETO**

WHEREAS, pursuant to the Housing Finance Agency Law, Act of December 3, 1959, P.L. 1688, as amended (35 P.S. Section 1680.101 et seq.), the Agency has the power and authority to issue bonds and notes for its housing programs and general corporate purposes, and to borrow money for the operation and work of the Agency, all in accordance with the provisions of the Act;

WHEREAS, in 2013 the Agency borrowed \$20,000,000 from TriState Capital Bank (“TriState”) pursuant to a loan agreement and secured by the issuance of its general obligation funding note (the “2013 Loan”);

WHEREAS, the outstanding balance of the 2013 Loan is \$13,000,000, with a scheduled maturity of May 1, 2023 bearing interest at 4.5%;

WHEREAS, the Agency and TriState have renegotiated the terms of the 2013 Loan and desire to extend the maturity, reduce the interest rate and replenish the amount provided in the financing;

WHEREAS, the new loan will be in a principal amount not to exceed \$20,000,000, maturing on May 1, 2027, at an interest rate of 4% per annum, payable semiannually.

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AS FOLLOWS:

Section 1. The Agency hereby approves and authorizes the refinancing of the 2013 Loan to provide funding for general corporate purposes of the Agency at a principal amount not to exceed \$20,000,000, at an interest rate of 4%, payable in equal semiannual installments maturing May 1, 2027.

Section 2. Staff is hereby authorized and directed to take all necessary actions to effectuate the above financing, and to prepare, negotiate and deliver all necessary documentation related thereto.

Section 3. This resolution shall take effect immediately.