

**Pennsylvania Housing Finance Agency
Meeting of the Board
September 14, 2017**

Members Present:

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

*On Telephone conference call

Members Absent:

Others Present:

Brian A. Hudson, Executive Director
Rebecca L. Peace, Deputy Executive Director/Chief Counsel
Holly Glauser, Director of Development
Kim Boal, Director of Information Technology
Carla Falkenstein, Director of Western Region
Bryce Marezki, Director of Strategic Policy & Planning
Melissa Grover, Government Affairs Associate
William Fogarty, Director of Government Affairs
Chris Anderson, Communications Officer
Scott Elliott, Director of Communications
John Zapotocky, Director of Accounting
Jordan Laird, Manager of Investments
Joseph Knopic, Director of Finance
Ann Mermelstein, Senior Development Officer
William Bailey, Development Officer
Holly Glauser, Director of Development
Carl Dudeck, Director of Housing Management
David Doray, Manager of Multifamily Underwriting
Kathryn Newton, Director of Loan Servicing
Gail Shull, Senior Development Officer
Ed Neuhart, Manager of Financial Operations
Steve O'Neill, Assistant Counsel

Tammy Miller, Pre-Closing Manager
Karen Zapotosky, Post Closing Manager
John Bink, Financial Analyst II
Stan Salwocki, Manager of Architecture & Engineers
Lisa Case, Manager of Project Operations
Coleen Baumert, Director of Homeownership
Lori Toia, Director of HEMAP
*Ali Tomich, Manager of Pittsburgh Office
*Nancy Twyman, Director of Eastern Region
*Janet Stearns, Vice President, Real Estate Development &
Asset Management, Project HOME
*Joan McConnon, Associate Executive Director & CFO, Project HOME
*Matt McCarter, Director, Real Estate Development & Asset Management, Project HOME
*Mike DeMarco, Vice President of Finance, NewCourtland Elder Services
*Maria Buckley, Stone Sherick Consulting Group
*Darrell Davis, Housing Authority of the City of Pittsburgh
*Keith B. Key, President, KBK Enterprises
*Mike McCroskey, Vice President, KBK Enterprises
Maggie Strawser, Assistant Secretary
Carrie M. Barnes, Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, September 14, 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 August 29, 2017.

1. CALL TO ORDER AND ROLL CALL

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

2. APPROVAL OF THE MINUTES FROM THE JULY 13, 2017 BOARD MEETING

There were no additions or corrections to the minutes.

Mr. Hagen made the motion that the minutes from the July 13, 2017 Board meeting be approved as submitted. This motion was seconded and unanimously approved.

3. PROGRAM AND DEVELOPMENT REVIEW COMMITTEE REPORT

Mr. Welks as Chair of the Program and Development Review Committee reported that the Committee met prior to the Board meeting and reviewed the following agenda items.

A. **Loan Commitment – Huntingdon Village Apartments, East Huntingdon Township, Westmoreland County**

Mr. Doray reviewed the project and its financing plan. He noted that the purpose of this mortgage refinancing request is to preserve the housing by lowering the annual debt service, providing capital for project improvements and providing a means for the owner to access some of the equity in the project. Staff recommends approval of this request.

Mr. Welks reported that the PDR Committee concurs with staff's recommendation.

Mr. Eisenstat made a motion that the Board approve the mortgage refinancing for Huntingdon Village Apartments. This motion was seconded and unanimously approved. (See Appendix 1 of these Minutes.)

B. **Tax-Exempt Financing Requests**

1. **1315 North Eighth Street, Philadelphia, Philadelphia County**

Ms. Mermelstein reviewed the project and its financing plan. She reported that the Agency will be the conduit issuer of the tax-exempt bonds which will be privately placed with TD Bank, N.A. Staff recommends approval of this request for tax-exempt financing.

Mr. Welks reported that the PDR Committee concurs with staff's recommendation.

Mr. Nese made the motion that the Board approve the resolution authorizing the issuance of up to \$7,150,000 in Special Limited Obligation Multifamily Housing Development Bonds for 1315 North Eighth Street. This motion was seconded by Ms. Possinger. Mr. Schwartz abstained. The motion carried. (See Appendix 2 of these Minutes.)

Ms. Stearns of Project HOME thanked the Board for their consideration and approval of this project. She stated that it has taken a long time to get this project to this point and she appreciates the Agency's involvement thus far.

2. **NewCourtland Apartments at Henry Avenue Phase 1A, Philadelphia, Philadelphia County**

Mr. Bailey reviewed the project and its financing plan. He reported that the Agency will be the conduit issuer of the tax-exempt bonds which will be

privately placed with Citizens Bank, N.A. Staff recommends approval of this request for tax-exempt financing.

Mr. Welks reported that the PDR Committee concurs with staff's recommendation.

A motion was made that the Board approve the resolution authorizing the issuance of up to \$10,450,000 in Special Limited Obligation Multifamily Housing Development Bonds for NewCourtland Apartments at Henry Avenue Phase 1A. This motion was seconded by Ms. Possinger. Mr. Schwartz and Mr. Eisenstat abstained. The motion carried. (See Appendix 3 of these Minutes.)

Mr. DeMarco of NewCourtland Elder Services thanked the Board for their support of this project and noted that they are anxious to get started on this development.

C. Portfolio Preservation Refinancing – Village Green Apartments, Harrison Township, Allegheny County

Mr. Dudeck reported that the owner of this project is requesting approval to prepay the Agency's loan. He noted that the owner has agreed to an extended use agreement to ensure that the project will remain an affordable housing facility for at least 30 years. Staff has also determined that the Agency will not incur any economic loss due to the refinancing and that this refinancing will not create an economic hardship on the development. Based on this criteria, staff recommends approval of this request.

Mr. Welks reported that the PDR Committee concurs with staff's recommendation.

A motion was made that the Board authorize the portfolio preservation refinancing for Village Green Apartments. This motion was seconded and unanimously approved. (See Appendix 4 of these Minutes.)

D. Allocation of Tax-Exempt Issuing Authority – Addison Terrace Phase 4, Pittsburgh, Allegheny County

Ms. Shull reviewed the project and its financing plan. She reported that the Housing Authority of the City of Pittsburgh will issue tax-exempt bonds through a private placement with PNC Bank. The Agency is being requested to provide a tax-

exempt bond issuing allocation of up to \$10,670,000 for this project. Staff recommends approval of this request.

Mr. Welks reported that the PDR Committee concurs with staff's recommendation.

Ms. Possinger made a motion that the Board authorize a housing related bond allocation in an amount not to exceed \$10,670,000 to Addison Terrace Phase 4. This motion was seconded by Mr. Nese and unanimously approved. (See Appendix 5 of these Minutes.)

Mr. Key, representing the owner, thanked the Board for consideration of their request for funding. He stated that the entire development team appreciates the Agency's assistance in this regard.

E. Other Business

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

4. REO – Property Demolition Request

Mr. Hudson reported that in 2007 the Agency provided a loan for a development on Market Street in Harrisburg. The developers abandoned the property after the Agency had provided \$170,000 of loan proceeds toward the acquisition of the site and the Agency acquired the property.

Since that time, the Agency has been attempting to interest other developers in the site. To date, nothing concrete has been arranged but the building has deteriorated into a hazardous condition. It has been determined that the building is not economically salvageable.

Staff is requesting the Board's approval to demolish the building at a cost not to exceed \$800,000.

A motion was made that the Board approve the property demolition of the building located at 1000 Market Street in Harrisburg, Dauphin County. This motion was seconded and unanimously approved. (See Appendix 6 of these Minutes.)

5. OTHER BUSINESS

A. PHFA Retirees

Mr. Hudson informed the Board that four Agency employees will be retiring this month. John Bink, Financial Analyst in the Housing Management Division has been with the Agency for 17 years; Carla Falkenstein, Director of the Agency's Western Region has been with the Agency for 19 years; Tammy Miller, Pre-Closing Manger

has been with the Agency for 30 years; and Karen Zapotosky, Post Closing Manager has been with the Agency for 35 years. He thanked each of them for their years of service to PHFA and wished them the very best in retirement.

Mr. Schwartz stated that Ms. Falkenstein has been a tremendous representative of PHFA from the Pittsburgh Office. She has been very active in meeting with residents of Agency projects and the property staff of projects throughout the Western part of the Commonwealth. Her presence will be sorely missed. He also wished her well.

Chair Wiessmann noted that she is impressed with the tenure of Agency staff.

B. State Budget Process

Mr. Hudson asked Mr. Fogarty to update the board on the State budget.

Mr. Fogarty discussed some of the budget proposals and ideas that have been circulating through the State Capitol throughout the past month and the Legislature and Administration's attempt to resolve the impasse. Various funds and programs have been discussed and various different ideas have been proposed to bring the budget stalemate to a close. So far, there has been no final resolution, but we continue to closely monitor all proposals.

The Board will be kept informed about this issue as things progress.

C. NCSHA's Annual Conference

Mr. Hudson reported that the NCSHA Annual Conference is being held in Denver from October 14 to 17, 2017. Any Board member who would like to attend should contact the Secretary as soon as possible.

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 11:10 a.m.

The next regularly scheduled meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held on Thursday, October 12, 2017 at 10:30 a.m. at the offices of the Agency, 211 North Front Street, Harrisburg, Pennsylvania.

Respectfully submitted,

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

Carrie M. Barnes
Secretary

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
APPROVING A MORTGAGE REFINANCING FOR
HUNTINGDON VILLAGE APARTMENTS, PHFA NO. R-916**

WHEREAS, on July 23, 1981, the Agency provided financing in the amount of \$3,960,000 with an interest rate of 8.437% for the development of 95 residential rental units in East Huntingdon Township, Westmoreland County, Pennsylvania, known as Huntingdon Village Apartments, PHFA No. R-916 (the "Development") owned by Huntingdon Village Associates ("Owner"); and

WHEREAS, staff has reviewed the Development's financial condition and has determined that refinancing the Agency's loan (with a current outstanding loan balance of \$1,390,448) will lower the annual debt service, will provide capital for Development improvements and will reimburse Owner for out of pocket Development expenditures thereby preserving the existing affordable housing provided by the Development; and

WHEREAS, staff recommends that the Agency refinance the existing mortgage loan by providing a loan in the amount of \$3,700,000 with an interest rate of 5.00% amortized over 30 years.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 14th day of September, 2017, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to refinance the existing mortgage loan to reduce debt service, to assist with improvements to the Development and to reimburse Owner for expenditures provided by Owner to the Development by providing a loan in a principal mortgage amount not in excess of \$4,255,000 (which includes the loan and a 15% contingency allowance) with an interest rate of 5.00% amortized over 30 years subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that extends the existing affordability restrictions for 30 years; (b) prepayment of the Agency's outstanding loan balance and payment of the Agency's economic loss as of the date of closing; and (c) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$7,150,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(1315 North 8th Street)**

Adopted: September 14, 2017

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$7,150,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(1315 North 8th Street)**

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, 1315 North 8th Limited Partnership, a Pennsylvania limited partnership (the "**Borrower**") sponsored by Project HOME, has requested financing from the Agency in an amount not to exceed \$7,150,000 (the "**Bonds**") to fund the new construction of one four-story building for general occupancy to be known as "1315 North 8th Street", comprised of 30 income restricted units and one manager's unit 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, TD Bank, N.A. 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 \$7,150,000. 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 Project; (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 in an amount sufficient to ensure the financial feasibility of the Project; 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, tax-exempt or taxable), 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 \$7,150,000; 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 two 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 \$10,450,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(NewCourtland Apartments at Henry Avenue Phase 1A)**

Adopted: September 14, 2017

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$10,450,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(NewCourtland Apartments at Henry Avenue Phase 1A)**

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, NewCourtland Apartments at Henry Avenue LP, a Pennsylvania limited partnership (the "**Borrower**") sponsored by NewCourtland Elder Services, has requested financing from the Agency in an amount not to exceed \$10,450,000 (the "**Bonds**") to fund the acquisition and substantial rehabilitation of one four-story building for general occupancy to be known as " NewCourtland Apartments at Henry Avenue LP", comprised of 49 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, Citizens 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 \$10,450,000. 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 Project; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) satisfactory evidence of the final approval from HUD and the Philadelphia Housing Authority of the ACC Contract for a 40 year term with an initial minimum per month subsidy of \$500 per unit; 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, tax-exempt or taxable), 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 \$10,450,000; 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 two 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.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING PORTFOLIO PRESERVATION REFINANCING
FOR VILLAGE GREEN APARTMENTS, PHFA NO. R-527**

WHEREAS, Village Green Associates ("Owner") is the current owner of a Section 8 project with outstanding Agency financing, known as Village Green Apartments (the "Project"); and

WHEREAS, Owner has requested that the Agency agree to the refinancing and prepayment of the outstanding Agency mortgage loan; and

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

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

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

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 14th day of September, 2017, as follows:

Section 1. Staff is authorized to take the following actions regarding the Project and to do all things necessary to effect the refinancing, subject to the Agency accepting a prepayment of the Agency's mortgage loan (outstanding principal of \$2,196,179) with an additional payment of \$392,981 for lost economic value.

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

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

Section 4. This resolution shall take effect immediately.

**RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING 2017 HOUSING RELATED BOND ALLOCATION
Addison Terrace Phase 4**

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, Addison Terrace Phase 4 L.P, has requested an allocation of Volume Cap for the new construction of 58 units of general occupancy housing in the City of Pittsburgh, Allegheny County; and

WHEREAS, the Agency has determined to provide a preliminary allocation of Volume Cap in an amount not to exceed \$10,670,000 for the issuance of private activity bonds by the Housing Authority of the City of Pittsburgh, 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 September, 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 \$10,670,000 (which includes a contingency amount) for the tax exempt bond financing of Larimer / East Liberty Phase II 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 construction and permanent financing and equity in amounts sufficient to ensure the 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 a 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 PROPERTY DEMOLITION
AT 1000 MARKET STREET HARRISBURG**

WHEREAS, Market Street Lofts in Harrisburg (the "Development"), received PHFA construction financing in 2007 to develop eight residential condominium units for general occupancy; and

WHEREAS, the Development was acquired by PHFA through foreclosure in 2011 after the developer abandoned the site and failed to repay the loan (\$170,000 disbursed at closing, accrued to arrearages of \$230,679); and

WHEREAS, the Agency has determined that the building has deteriorated to an unstable condition and has had preliminary estimates for the complete demolition of the building and related site stabilization; and

WHEREAS, staff has estimated costs will not exceed \$800,00 and is prepared to issue an RFP seeking competitive bids to do the necessary demolition site work.

NOW, THEREFORE, be it resolved by the Members of the Pennsylvania Housing Finance Agency on this 14th day of September, 2017 as follows:

Section 1. Staff is authorized and directed to take all actions necessary to procure services of a qualified contracting entity to demolish the structure and perform related site stabilization pursuant to a competitive bid process.

Section 2. The aggregate amount of the contract for demolition may not exceed \$800,000.

Section 3. This resolution shall take effect immediately.