

**Pennsylvania Housing Finance Agency  
Meeting of the Board  
September 13, 2018**

**Members Present:**

- \*Robin Wiessmann, Chair
- \*Thomas B. Hagen, Vice-Chair
- \*Maria F. Coutts
- \*Ronald F. Croushore
- \*Kathy Possinger (serving in the stead of  
Dennis Davin, Secretary of Department  
of Community and Economic Development)
- \*Jennifer Koppel
- Gary E. Lenker
- \*Robert Loughery
- Ben Laudermilch (serving in the stead of  
Teresa Miller, Secretary, Human Services)
- \*Ross Nese
- \*John P. O'Neill
- \*John Paone
- \*Mark Schwartz
- \*Keith Welks (serving in the stead of  
Joseph Torsella, State Treasurer)

\*On Telephone conference call

**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
- Scott Elliott, Director of Communications
- Carl Dudeck, Director of Housing Management
- Kathryn Newton, Director of Loan Servicing
- Coleen Baumert, Director of Homeownership
- Charlotte Folmer, Executive Director, Commonwealth Cornerstone Group
- \*Ali Tomich, Director of Western Region
- \*Nancy Twyman, Director of Eastern Region
- Jordan Laird, Director of Finance
- John Zapotocky, Director of Accounting
- Melissa Grover, Government Affairs Associate
- Steven O'Neill, Assistant Counsel
- David Doray, Manager of Multifamily Underwriting
- Bill Fogarty, Director, Government Affairs
- Clay Lambert, Business Policy Officer
- Jada Greenhowe, Assistant Counsel
- Lauren Starlings, Assistant Counsel
- Kelly Wilson, Development Officer

**Members Absent:**

Gail Shull, Senior Development Officer  
Pamela Fisher, Manager of HEMAP Appeals  
Julie Fissel, Loan Modification Specialist  
Robert Theil, NewCourtland Senior Services  
Jennifer Shockley, Association Manager, Pennsylvania Developers' Council  
\*Angela Steel, New Courtland Elder Services for NC @ Henry Ave Phase 1B  
\*Jennifer DiNardo, Lemington  
\*Eric Walker, Sharpsburg Towers  
Jack Gombach, Pennsylvania Association of Realtors  
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 13, 2018 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 September 5, 2018.

**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 12, 2018 BOARD MEETING**

There were no additions or corrections to the minutes.

**Mr. Schwartz made a motion that the minutes from the July 12, 2018 Board meeting be approved as submitted. This motion was seconded by Ms. Possinger and was 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. Approval of Tax-Exempt Financing**

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

Ms. Wilson reviewed the project specifics and its financing plan. She reported that this request is for the allocation of tax-exempt bonds in an amount not to exceed \$12,000,000. The Agency would be the conduit issuer of the bonds which will be privately placed with Wells Fargo, NA. She noted that the ground

floor will be occupied by commercial space which will be funded with New Markets Tax Credits.

Ms. Wilson stated that staff recommends approval.

Mr. Welks reported that the Committee concurs with staff's recommendation and requested if anyone from the development team had any comments for the Board. Ms. Steel representing the project was available to answer any questions, however, none were raised by the Board.

**Mr. Lenker made the motion that the Board approve the resolution authorizing the Issuance of \$12,000,000 Maximum Aggregate Principal Amount of Special Limited Obligation Multifamily Housing Development Bonds to the NewCourtland Apartments at Henry Avenue Phase 1B project. This motion was seconded by Ms. Possinger. Mr. Schwartz abstained. The motion carried. (See Appendix 1 of these Minutes.**

Mr. Nese stated that he is in full support of this project particularly since it has supportive services available within the building for the tenants. He believes this is a plus for the residents.

**2. Sharpsburg Towers, Sharpsburg, Allegheny County**

Ms. Shull reviewed the proposed project and its financing plan. She reported that this request is for the allocation of tax-exempt bonds in an amount not to exceed \$10,500,000. The Agency will issue two series of bonds to fund the construction and the permanent financing of the project. Both issues will be publicly sold by Red Capital Markets, LLC. FannieMae will issue an MBS pass-through certificate for the tax-exempt permanent financing.

She reported that the proposal is for the preservation and rehabilitation of an 11-story building, noting that no off-site relocation will be required. Supportive services will be provided and will be funded through the project operations.

Ms. Shull stated that staff recommends approval.

Mr. Welks reported that the Committee concurs with staff's recommendation and requested if anyone from the development team had any comments for the Board. Mr. Walker representing the project was available to answer any questions, however, none were raised by the Board.

**A motion was made that the Board approve the resolution authorizing the Issuance of \$10,500,000 Maximum Aggregate Principal Amount of**

**Special Limited Obligation Multifamily Housing Development Bonds to the Sharpsburg Towers project. This motion was seconded and unanimously approved. (See Appendix 2 of these Minutes.)**

Mr. Nese stated that he is pleased to see that the development is utilizing the four percent tax credits in their financing plan.

**B. Allocation of Tax-Exempt Issuing Authority**

**1. Lemington, Pittsburgh, Allegheny County**

Ms. Wilson reviewed the project specifics and its financing plan. She reported that this request is to provide a conditional preliminary allocation of Volume Cap for the acquisition and rehabilitation of a building for elderly occupancy. The construction and permanent financing will be provided by the Urban Redevelopment Authority of Pittsburgh through the issuance of tax-exempt bonds. She noted that commercial space in the building will be occupied by entities which will provide supportive services to the residents.

Ms. Wilson stated that staff recommends approval.

Mr. Welks reported that the Committee concurs with staff's recommendation and requested if anyone from the development team had any comments for the Board. Ms. DiNardo representing the project was available to answer any questions, however, none were raised by the Board.

**A motion was made that the Board approve the resolution authorizing a 2018 Housing Related Bond Allocation to the Lemington project in an amount not to exceed \$7,000,000. This motion was seconded and unanimously approved. (See Appendix 3 of these Minutes.)**

**C. Property Workout**

**1. Oxford Hotel, Oxford, Chester County**

Mr. Dudeck reported that this project has both a primary and a secondary mortgage loan. The current owner, Oxford Housing Venture, has entered into an agreement to sell the project to KWW LLC. The new owner intends to make the necessary capital improvements to the property and will continue to operate it as affordable housing.

Since the sales proceeds will not be sufficient to fully repay the Agency's aggregate outstanding debt, the Agency is being requested to accept full payment of the outstanding primary loan and 60 percent of the outstanding support loan as

payment in full. To date, the current owner has provided operating advances to the project. The mortgage payments are current.

Mr. Dudeck stated that staff recommends approval of this request.

**Mr Lenker made the motion that the Board approve the resolution authorizing the property workout for the Oxford Hotel project as outlined by staff. This motion was seconded by Mr. Nese and was unanimously approved. (See Appendix 4 of these Minutes.)**

**D. Other Business**

**1. Transfer of Ownership**

Mr. Welks reported that the Program and Development Review Committee approved the transfer of ownership for the Exeter Senior Citizens Apartments located in Exeter, Luzerne County. The Committee has received prior authorization from the Board to approve transfers of ownership requests. (See Appendix 5 of these Minutes).

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

**4. OTHER BUSINESS**

**A. PHFA Retirees**

Mr. Hudson reported that the Agency has four members of staff retiring shortly.

He reported that Mr. Fogarty, the Agency's Director of Government Affairs is retiring on September 21, 2018 after 39 years. Mr. Hudson thanked Mr. Fogarty for his years of service and pointed out that Mr. Fogarty has been instrumental in the Agency's good rapport with both State and Federal Legislators.

Mr. Fogarty thanked the members of the Board for all of their support over the years on legislative issues which have had an impact on the Agency. He specifically thanked Mr. Hudson for his guidance at the Agency over the years, and also his friendship.

Mr. Hudson reported that Ms. Grover will be assuming the role of Director of Government Affairs at Mr. Fogarty's retirement.

Chair Wiessmann stated that she has appreciated Mr. Fogarty's guidance and professionalism over the years on PHFA related matters.

Mr. Schwartz thanked Mr. Fogarty for his assistance over the years with various programs.

Mr. Lenker thanked Mr. Fogarty on behalf of the National Association of Home Builders and the Homebuilders Association of Metropolitan Harrisburg for his assistance in housing issues over the years.

Mr. Hudson reported that Julie Fissel, one of PHFA's Loan Modification Specialists will also be retiring on September 21, 2018. Julie has been at the Agency for 21 years. Mr. Hudson thanked her for her years of service.

Mr. Hudson then reported that Pam Fisher, the Manager of Appeals in the HEMAP Division is retiring on October 31, 2018 after 23 years of service. He thanked Ms. Fisher for her years of service.

Mr. Hudson also reported that Martha McGraw, one of the Agency's Senior Housing Services Representatives in the Housing Management Division will be retiring on September 21, 2018 after 15 years of service. He thanked Ms. McGraw for her years of service.

He wished all of the retirees well in their future endeavors.

**B. December Policy Meeting**

Mr. Hudson informed the Board that the annual policy meeting will be held on Wednesday, December 12, 2018. He encouraged any Board member who would like to place an item on this agenda to contact either him or Mr. Maretzki as soon as possible. This is an all-day meeting at which time staff presents a synopsis of each division's activities during the past year and outlines the Agency's future plans.

**5. 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. The meeting of the Board was adjourned at 11:00 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 11, 2018 at 10:30 a.m.

Respectfully submitted,



Carrie M. Barnes  
Secretary

**PENNSYLVANIA HOUSING FINANCE AGENCY**

**RESOLUTION**

**Authorizing the Issuance of \$12,000,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(NewCourtland Apartments at Henry Avenue Phase 1B)**

**Adopted: September 13, 2018**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$12,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(NEWCOURTLAND APARTMENTS AT HENRY AVENUE PHASE 1B)**

**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, indenture of trust, bond purchase and loan agreement or similar instrument by and between it and a trustee (such operative documents, together with this Resolution, shall be referred to hereinafter collectively as the "**Agreement**") 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 any 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 or notes in one or more series or subseries in accordance with, pursuant to and under the Agreement; and

**WHEREAS**, NewCourtland at Henry Avenue Phase 1B, LP, a Pennsylvania limited partnership, or another affiliate of the sponsor, NewCourtland Elder Services, a Pennsylvania non-profit corporation (the "**Borrower**"), has requested financing from the Agency in the form of tax-exempt and/or taxable bonds or notes, in one or more series or subseries, issued at the same or different times, in an aggregate amount not to exceed \$12,000,000 (the "**Bonds**") to fund the acquisition and substantial rehabilitation of a multifamily residential rental housing for senior occupancy known as "NewCourtland Apartments at Henry Avenue Phase 1B," located in the East Falls neighborhood of the City of Philadelphia, Philadelphia County, Pennsylvania, with 36 total units of affordable housing (collectively, 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, N.A. (the "**Purchaser**"), or such successor entity or entities as may be approved by the Agency, is anticipated to be the initial holder of the Bonds pursuant to the Agreement.

**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 \$12,000,000. The Bonds shall carry the designation set forth in the Agreement. The Bonds shall be issued pursuant in all respects to the terms of this Resolution.

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

**Section 203. Conditions.** This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review and approval of all documentation necessary to secure construction and permanent loan financing of the project; (b) evidence, satisfactory to the Agency, that all conditions and qualifications relating to Section 42 of the Code, as amended, and all applicable requirements of the Agency's Tax Credit Program have been met; (c) 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; (d) compliance with the timeframes and deadlines established by the Agency; (e) evidence of the commitment of construction and permanent financing and equity in amounts sufficient to ensure the financial feasibility of the project; (f) evidence of the commitment to serve low income tenants for a period of not less than 35 years, which will be included in the Restrictive Covenant Agreement; (g) evidence of the satisfaction of accessibility requirements; (h) contribution of equity in an amount sufficient to ensure the financial feasibility of the development; (i) final underwriting of the application for tax-exempt bond financing and low income housing tax credits; (j) evidence of all requisite HUD approvals and the final approval from HUD and PHA of the Annual Contributions Contract ("ACC") for a 40 year term with an initial minimum per unit per month subsidy of \$500; 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; and 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 Bonds shall be dated as of the first day of the month in which they are issued, 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 \$12,000,000; 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 thirty-six months 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 \$1.00 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 pursuant to the terms of the Agreement.

**Section 208. Place of Payment.** The principal payments, including payments upon redemption, of the Bonds shall be payable to the bondholders, 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 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 bondholders. 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 and Further Actions.** 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 counsel to the Agency and co-bond counsel, be advisable, including the taking of any necessary or appropriate actions to modify the terms hereof in order to achieve the financing transaction.

**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 is entitled to exclusion 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 \$10,500,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(Sharpsburg Towers)**

**Adopted: September 13, 2018**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$10,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(SHARPSBURG TOWERS)**

**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, indenture of trust or similar instrument (the "**Indenture**") by and between it and a trustee and that the resolution providing for the issuance of such bonds or notes or such Indenture 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 any 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 or notes in one or more series or subseries in accordance with, pursuant to and under this Resolution, a loan agreement and/or similar loan, trust, financing or purchase agreements (such operative documents shall be referred to hereinafter collectively as the "**Agreement**"); and

**WHEREAS**, Sharpsburg Towers Senior Housing Limited Partnership, a Pennsylvania limited partnership, or another affiliate of the sponsor, National Church Residences (the "**Borrower**"), has requested financing from the Agency in the form of tax-exempt and/or taxable bonds or notes, in one or more series or subseries, issued at the same or different times, in an aggregate amount not to exceed \$10,500,000 (the "**Bonds**") to fund the acquisition, construction, improvement, rehabilitation and equipping of a multifamily residential rental housing project known as "Sharpsburg Towers," located at 601 Main Street, Sharpsburg, Allegheny County, Pennsylvania, with 103 total units of senior (62 and older) occupancy affordable housing (collectively, the "**Project**"); and

**WHEREAS**, the Agency will originate a mortgage loan (the "**Mortgage Loan**") with the proceeds of the Bonds to the Borrower pursuant to the Agreement and certain mortgage loan documents (the "**Mortgage Loan Documents**") and will assign the Mortgage Loan to Red Mortgage Capital, LLC (the "**Lender**"), or such successor entity as may be approved by the Agency; and

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

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

**WHEREAS**, Red Capital Markets, LLC or its affiliate (the "**Purchaser**"), or such successor entity as may be approved by the Agency, will underwrite the Bonds and facilitate the public sale and offering of the Bonds to the ultimate purchasers.

**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 \$10,500,000. 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 revenues generated by the pass-through certificate issued by Fannie Mae with respect to the Mortgage Loan. Proceeds of the Bonds shall be used for the payment of qualified costs associated with the acquisition, construction, rehabilitation, renovation, equipping and/or improvement of the Project, and may be applied to certain costs of issuance. The 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 requirements established by the Agency in the Tax-Exempt Qualified Residential Rental Facilities Seeking Private Activity Bond Allocations Request for Proposals; (e) compliance with all timeframes and deadlines established by the Agency; (f) evidence of the commitment of construction and permanent financing and contribution of equity in amounts sufficient to ensure financial feasibility of the Project; (g) evidence of the commitment to serve low income tenants for a period of not less than thirty-five (35) years, which will be included in the Restrictive Covenant Agreement; (h) evidence of the satisfaction of accessibility requirements; (i) final underwriting of the application for tax-exempt financing and low income housing tax credits; (j) satisfactory evidence of all requisite HUD approvals, including, but not limited to, approval of the transfer and extension of the HUD project-based subsidies; (k) satisfactory evidence of all requisite Fannie Mae and Lender approvals for the purchase of the Mortgage Loan and the issuance of the pass-through certificate with respect to the Mortgage Loan; and (l) 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 as of the first day of the month in which they are issued, except as may be otherwise provided in the Indenture 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 Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$10,500,000; 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 twenty 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 Indenture, until the date of maturity of the Bonds or redemption prior to maturity, as provided in the Indenture. All principal shall be due at maturity or redemption prior to maturity, as provided in the Indenture.

**Section 206. Denominations, Numbers, Letters and Forms.** The Bonds shall be issued as registered Bonds in \$1.00 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 Indenture.

**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 pursuant to the terms of the Indenture.

**Section 208. Place of Payment.** The principal payments, including payments upon redemption, of the Bonds shall be payable to the bondholders, as provided in the Indenture.

**Section 209. Redemption.** The Bonds shall be subject to optional redemption, extraordinary optional redemption and mandatory redemption as provided in the Indenture.

**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, the Indenture, the Agreement and the Mortgage Loan Documents, 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 applied to originate the Mortgage Loan, which Mortgage Loan will be assigned to the Lender and the proceeds of which will 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 or revenues from the Pass-through certificate issued by Fannie Mae with respect to the Mortgage Loan. The Bonds shall be secured by the collateral described in the Indenture as security for the bondholders. 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 Indenture.

**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 Indenture, 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 and Further Actions.** 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, the Agreement, the Indenture and the Mortgage Loan Documents, as shall, with the advice of the Agency Counsel and Bond Counsel, be advisable, including the taking of any necessary or appropriate actions to modify the terms hereof in order to achieve the financing transaction.

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

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

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

**RESOLUTION OF THE MEMBERS OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
AUTHORIZING 2018 HOUSING RELATED BOND ALLOCATION  
Lemington**

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, Redo 1625 LP, has requested an allocation of Volume Cap for the acquisition and rehabilitation of 54 units of senior occupancy (62 and older) housing located in the former Lemington Home for the Aged at 1625 Lincoln Avenue, Pittsburgh, Allegheny County (the "Development"); and

WHEREAS, the Agency has determined to provide a preliminary allocation of Volume Cap in an amount not to exceed \$7,000,000 for the issuance of private activity bonds by the Urban Redevelopment Authority of Pittsburgh ("Issuer"), 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 13th day of September, 2018, 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 \$7,000,000 (which includes a contingency amount) for the tax exempt bond financing of the Development 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"), including, but not limited to, the Issuer's determinations made pursuant to Section 42(m)(2)(D) of 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 35 years, which will be included in the Restrictive Covenant Agreement; and f.) evidence of the satisfaction of accessibility requirements.

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

Section 3. This resolution shall be effective immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
AUTHORIZING PROPERTY WORKOUT FOR THE OXFORD  
(A/K/A OXFORD HOTEL), PHFA NO. O-298**

WHEREAS, The Oxford, located in Chester County, Pennsylvania (the "Development") was originally financed in November 1993 through a \$135,780 mortgage loan through funds provided by Agency bond financing ("Primary Loan") and a \$440,000 mortgage loan through funds provided by Agency HOMES Program ("Support Loan"); and

WHEREAS, the Development has encountered ongoing operating losses which have been funded by Pennrose Properties, Inc., general partner of Oxford Housing Venture, a Pennsylvania limited partnership (the "Owner"); and

WHEREAS, the Owner proposes to sell the Development and to fully repay the Primary Loan and requests that the Agency accept an amount equal to 60% of the outstanding Support Loan for the Development as payment in full; and

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

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 13th day of September, 2018, as follows:

Section 1. The Agency staff is authorized to approve the sale of the Development to allow for the full repayment of the Primary Loan and to accept an amount equal to 60% of the outstanding balance of the Support Loan as payment in full of the said loan and to take all actions necessary to accomplish the same.

Section 2. This resolution shall take effect immediately.

**RESOLUTION OF THE MEMBERS OF THE BOARD  
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
APPROVING SALE AND TRANSFER OF OWNERSHIP  
EXETER SENIOR CITIZENS APARTMENTS, PHFA NO. O-67**

WHEREAS, Exeter Senior Citizens Apartments, located in Exeter, Luzerne County, Pennsylvania (the "Development"), was originally financed in November 1990 through funds provided by taxable bond financing in the amount of \$221,551 and an Agency HOMES loan in the amount of \$830,000; and

WHEREAS, the current ownership entity of the Development, Schooley Avenue Limited Partnership, a Pennsylvania limited partnership, leases the real property from its general partner, Creative Developers, Inc., and they have requested Agency approval of the sale of the Development and 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 sale of the Development and transfer of ownership to Bond 5 LP, a Pennsylvania limited partnership, 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 13th day of September, 2018, as follows:

Section 1. The Agency approves the sale of Exeter Senior Citizens Apartments and transfer of ownership to Bond 5 LP, a Pennsylvania limited partnership.

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

Section 3. This resolution shall take effect immediately.