

**Pennsylvania Housing Finance Agency
Meeting of the Board
October 10, 2019**

Members Present:

- *Robin Wiessmann, Chair
- *Mark Schwartz, Vice Chair
- *Maria F. Coutts
- *Ronald F. Croushore
- *Mark Dombrowski
- *Kathy Possinger (serving in the stead of
Dennis Davin, Secretary of Department
of Community a Ross Nese and Economic Development)
- *Jennifer Koppel
- *Gary E. Lenker
- *Robert Loughery
- *Beth Ellis (serving in the stead of
Teresa Miller, Secretary, Human Services)
- *Ross Nese
- *John P. O'Neill
- *John Paone
- *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
- Carl Dudeck, Director of Housing Management
- Coleen Baumert, Director of Homeownership
- Bryce Mareztki, Director of Strategic Planning & Policy
- Scott Elliott, Director of Communications
- Adrienne Trumpy, Director of Accounting
- Kathryn Newton, Director of Loan Servicing
- Melissa Grover, Director of Governmental Affairs
- Kim Boal, Director of Information Technology
- Terri Redmond, Director of Counseling
- Heather Shull, Manager of Investments
- Stanley Salwocki, Manager of Architecture & Engineering
- David Doray, Manager of Multifamily Underwriting
- Bill Bailey, Senior Development Officer
- Kelly Wilson, Senior Development Officer
- Clay Lambert, Business Policy Officer
- Ray Carey, Policy Associate
- Steven O'Neill, Assistant Counsel
- *Jennifer Shockley, Pennsylvania Developers' Council

*Brandon Hamilton, House Commerce Committee
*Steve Shelton, Trade Institute of Pittsburgh
*Nathaniel Boe, City's Edge
*Andy Davenport, Wister Townhouses
*Dionne Williford, Wister Townhouses
*Cassandra Law, Presbyterian SeniorCare Portfolio
*Paul Winkler, Presbyterian SeniorCare Portfolio
*John Fraser Presbyterian SeniorCare Portfolio
Ron Boston, Duane Morris
Kimberly Smeal, Assistant Secretary
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, October 10, 2019 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 29, 2019.

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 SEPTEMBER 12, 2019 BOARD MEETING

There were no additions or corrections to the minutes as presented.

Mr. Schwartz made a motion that the minutes from the September 12, 2019 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 Committee reported that the Committee met prior to the Board meeting to discuss and review the following items.

A. Request of Tax-Exempt Financing

1. City's Edge, Pittsburgh, Allegheny County

Ms. Wilson reviewed the project and its financing plan. She reported that the sponsor is requesting that the Agency issue bonds in an amount not to exceed \$16,500,000 toward the 4% portion of the financing for this development. The bonds will be privately placed with Red Stone Tax Exempt Funding II, LLC.

This project also has received a reservation of PHARE HTF Funds in the amount of \$1,000,000 and a reservation of PHARE RTT funds in the amount of \$500,000.

Ms. Wilson reported that staff recommends approval of this financing.

Mr. Welks reported that the Program and Development Review Committee concurs with staff's recommendation.

Mr. Welks asked Mr. Boe who represented the project if he had any comments. Mr. Boe thanked the Agency and the team who have been working on this project over the past few years. He truly appreciates the Board, the Agency and staff for this financing approval.

Vice Chair Schwartz noted the net pay-in from the syndication of Low Income Tax Credits seemed low and he questioned why it was so low. Ms. Glauser stated that there is a significant bridge loan which decreases the value of the tax credits. Staff has reviewed all of the numbers and has determined that the final gross price should be around \$0.94. She assured Vice Chair Schwartz that staff is comfortable with this financing package.

Mr. Welks made the motion that the Board approve the resolution authorizing the issuance of \$16,500,000 maximum aggregate principal amount of Special Limited Obligation Multifamily Housing Development Bonds for City's Edge. This motion was seconded and unanimously approved. (See Appendix 1 of these Minutes.)

2. Presbyterian SeniorCare Portfolio, Butler, Green and Washington Counties

Mr. Bailey reviewed the project and its financing plan. He reported that the sponsor is requesting that the Agency issue bonds in an amount not to exceed \$35,000,000. These bonds will be purchased by Jones Lange LaSalle Multifamily, LLC using the Freddie Mac Tax-Exempt Loan Program.

Mr. Bailey reported that the five apartment complexes included in this portfolio were placed in service between 1983 and 1991. All have been adequately maintained however they all need extensive rehabilitation. There will be no relocation of tenants during the rehabilitation. Any relocation costs which may occur have been built into the project budget.

Mr. Bailey reported that staff recommends approval of this financing.

Mr. Welks reported that the Program and Development Review Committee concurs with staff's recommendation.

Mr. Welks asked Ms. Law and Mr. Winkler who represented the project if they had any comments. They both thanked the Board for their consideration of the financing of this portfolio package. They also thanked Agency staff for their assistance working with this complicated proposal. They are grateful for the opportunity to help residents age in place.

Mr. Welks made the motion that the Board approve the resolution authorizing the issuance of \$35,000,000 maximum aggregate principal amount of Special Limited Obligation Multifamily Housing Development Bonds for Presbyterian SeniorCare Portfolio. This motion was seconded and unanimously approved. (See Appendix 2 of these Minutes.)

3. Wister Townhouses, Philadelphia, Philadelphia County

Mr. Bailey reviewed the project and its financing plan. He reported that the sponsor is requesting that the Agency issue bonds in an amount not to exceed \$28,500,000. The bonds will be purchased by Berkadia Commercial Mortgage, LLC using the Freddie Mac Tax-Exempt Loan Program.

Mr. Bailey reported that tenants will be relocated within the development until their units have been renovated.

He reported that staff recommends approval of this financing.

Mr. Welks reported that the Program and Development Review Committee concurs with staff's recommendation.

Mr. Welks asked Mr. Davenport who represented the project if he had any comments. Mr. Davenport thanked the Board, Mr. Hudson and Mr. Bailey for their support in moving this project forward. He appreciates the Agency continuing to assist in this neighborhood within the City of Philadelphia.

Mr. Welks made the motion that the Board approve the resolution authorizing the issuance of \$28,500,000 maximum aggregate principal amount of Special Limited Obligation Multifamily Housing Development Bonds for Wister Townhouses. This motion was seconded. Mr. Paone abstained. The motion carried. (See Appendix 3 of these Minutes.)

B. Re-Entry Initiatives

1. Trade Institute of Pittsburgh Workplace Housing, Homewood, Pittsburgh, Allegheny County

Mr Maretzki reported that in December of 2018, the Board approved a set-aside of \$500,000 for a pilot program for re-entry projects that combine housing and supportive services for formerly incarcerated individuals returning to their communities. Pennsylvania has been on the leading edge of this work through the combined efforts of the Department of Corrections, the Attorney General's Office, the Department of Human Services, Department of Banking and Securities and PHFA.

The Agency has received its first application for the funds from the Trade Institute of Pittsburgh (TIP) Workplace Housing. TIP has been involved in this type of work for nearly 10 years. They train individuals to become skilled tradespeople in bricklaying, general carpentry, masonry and welding.

Mr. Maretzki reviewed the proposal briefly noting that this housing model will provide stable housing for six to eight individuals. As individuals work through the program, get jobs and then are able to maintain self-sufficiency, others are admitted to the program.

Staff is recommending a \$250,000 grant for this TIP project.

Mr. Welks reported that the Program and Development Review Committee concurs with staff's recommendation.

Mr. Welks asked Mr. Shelton who represented the Trade Institute of Pittsburgh if he had any comments. Mr. Shelton thanked the Board, the Agency and staff for the opportunity to move forward with this initiative. TIP believes that providing housing for re-entrants is the very first step to a successful training program.

Chair Wiessmann asked if there were any such projects in the Philadelphia area. Mr. Hudson reported that there will probably be upcoming press conferences about expanding this program to the Philadelphia and Harrisburg areas as well as across the Commonwealth. Future projects will be modeled after the TIP program.

Mr. Welks made the motion that the Board approve the resolution authorizing the funding of the PHFA Re-Entry Initiative Fund and projects. This motion was seconded by Mr. Nese. Mr. Schwartz abstained. The motion carried. (See Appendix 4 of these Minutes.)

C. Tax Credit Program Administration

Ms. Glauser reported that there are several projects that have received tax credits in previous years and for various reasons have become unable to place the projects in service in the timeframe of the Tax Credit Program requirements. Some have become involved in unforeseen expenses during the development process which jeopardize their completion.

The projects needing additional resources include Dauphin House in Philadelphia (\$400,000); Cherry Street Commons in Frackville (\$100,000); York Family Residences in York (\$747,666); and Madison Court in Shamokin (\$500,000).

As part of this request, staff is also asking that the Board delegate the authority to the Program and Development Review Committee to review and approve future requests for reallocations of tax credits based on the criteria set forth in the 2019-2020 Allocation Plan.

Staff recommends approval of these requests.

Mr. Welks stated that the Program and Development Review Committee concurs with staff's recommendation.

Mr. Welks made the motion that the Board authorize staff to take certain actions to provide additional resources to secure closing for certain rental housing developments and delegate to the Program Development and Review Committee the authority to make reallocations of tax credits for qualified Low Income Housing Tax Credit projects. This motion was seconded. Mr. Schwartz abstained. The motion carried. See Appendix 5 of these Minutes.)

D. Disposition of Properties

Mr. Dudeck reported that staff is requesting the Board to consider debt forgiveness on several properties funded 30 years ago under the Agency's Homeless Demonstration Program. The owners of these projects are mostly non-profit owners and are primarily service providers. None of the properties received tax credits and mortgages are due and payable at maturity. There is insufficient money in their

operating budgets to repay the debt and they have fulfilled the goals of the program over the 30 year period.

The projects include Cross Apartments (support loan: \$200,637); 338 Wyandotte Street Apartments (Support loan: \$352,346); and Housing Options and Opportunities (Support loan: \$96,000).

Staff recommends Board approval of the debt forgiveness of these projects.

Mr. Welks stated that the Program and Development Review Committee concurs with staff's recommendation.

Mr. Welks made the motion that the Board authorize staff to take certain dispositions for certain rental housing developments. This motion was seconded and passed unanimously. (See Appendix 6 of these Minutes.)

B. Other Business

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

4. OTHER BUSINESS

A. Corporate Resolution Update

Mr. Hudson reported that this is a matter of housekeeping. This resolution includes confirming Jordan Laird as Director of Finance and Adrienne Trumpy as Director of Accounting. There was no discussion.

A motion was made and seconded to confirm certain appointments of the Agency. This motion was seconded and unanimously approved. (See Appendix 7 of these Minutes.)

B. November Board Meeting

Mr. Hudson reminded the Board that the November meeting will be held on Wednesday, November 6 in City Council's Chambers at City Hall in Philadelphia. A dinner has been scheduled for Tuesday, November 5. The Secretary will be contacting the members regarding these events. Any questions should be directed to the Secretary.

5. ADJOURNMENT

There being no further business to be discussed, a motion was made and seconded that the Board meeting be adjourned. The motion was unanimously approved. The meeting adjourned at 11:20 a.m.

The next monthly meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held at City Council Chambers, City Hall in Philadelphia on Wednesday, November 6, 2019 at 10:30 a.m.

Respectfully submitted,

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

Carrie M. Barnes
Secretary

PENNSYLVANIA HOUSING FINANCE AGENCY

RESOLUTION

**Authorizing the Issuance of \$16,500,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(City's Edge)**

Adopted: October 10, 2019

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$16,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(CITY'S EDGE)**

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 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 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, City's Edge LLC, a Pennsylvania limited liability company, or another affiliate of the sponsor, MidPoint Group of Companies, Inc. (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 \$16,500,000 (the "**Bonds**") to fund the acquisition, new construction, improvement and equipping of a portion of a multifamily residential rental housing project commonly known as "City's Edge," located at 1450 Colwell Street, Pittsburgh, Allegheny County, Pennsylvania, with 78 total units of affordable housing funded by the Bonds (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, as well as the resolution adopted by the Agency on April 11, 2019, are intended, *inter alia*, to constitute a statement of "Official Intent" pursuant to Treasury Regulations §1.150-2, T.D. 8476 (the "**Treasury Regulations**"); and

WHEREAS, Red Stone Tax Exempt Funding II, LLC or its affiliate, or such successor entity as may be approved by the Agency (the "**Purchaser**"), is anticipated to be the initial holder of the Bonds pursuant to the Agreement; and

WHEREAS, the Agency has also agreed to provide up to \$1,500,000 in support funding through its PHARE HTF and PHARE RTT Programs.

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 \$16,500,000. The Bonds shall carry the designation set forth in the Agreement. The Bonds shall be issued in accordance with this Resolution in all respects.

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 portion of the Project financed with the proceeds of the Bonds 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 contributions 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 and/or housing authority approvals, including approval of a rental subsidy with a term and in an amount sufficient to ensure the financial feasibility of the Project; (k) satisfactory evidence of the firm commitment of construction and permanent financing for the commercial condominium unit in an amount sufficient to ensure the feasibility of the project; (l) satisfaction of all Agency requirements for support funding through the PHARE HTF and PHARE RTT Programs; and (m) 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 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 \$16,500,000; 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 forty-five (45) 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 their respective date of maturity or redemption prior to maturity, as provided in the Agreement. All principal shall be due on the applicable maturity date 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 or greater and any multiple of \$1.00 or greater in excess thereof, provided that for purposes of redeeming Bonds, the authorized denomination shall mean \$1.00 or as specified in the Agreement. 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.

Section 303. Certain Costs of Issuance. 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.

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 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. Execution and delivery of said documents and instruments shall be conclusive evidence of the necessity and appropriateness thereof by said signing authorized officer.

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 reaffirms its intention first announced by its resolution adopted April 11, 2019 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 \$35,000,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(Presbyterian SeniorCare Portfolio)**

Adopted: October 10, 2019

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$35,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(Presbyterian SeniorCare Portfolio)**

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 opportunities 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, project loan agreement or similar instrument and that the resolution

and/or other agreements providing for the issuance of such bonds or notes 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 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 project 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, Presbyterian SeniorCare Portfolio, LP, a Pennsylvania limited partnership, or another affiliate of the sponsor, Presbyterian SeniorCare (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 \$35,000,000 (the "**Bonds**") to fund the acquisition, construction, improvement, rehabilitation and equipping of a project collectively known as " Presbyterian SeniorCare Portfolio," financing five separate multifamily residential rental housing projects located in Butler, Greene and Washington Counties, Pennsylvania, with 278 total units of affordable housing for senior occupancy (ages 62 and older) (collectively, the "**Project**"); 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, Jones Lang LaSalle Multifamily, LLC, or its affiliate or such successor entity as may be approved by the Agency (the "**Purchaser**"), will purchase the Bonds and facilitate the public and or private 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 \$35,000,000. 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 revenues generated by the mortgage loan originated with the proceeds of the Bonds (the "**Mortgage Loan**"). 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; (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 and/or housing authority approvals, including approval of a rental subsidy with a term and in an amount sufficient to ensure the financial feasibility of the Project; (k) satisfactory evidence of all requisite Freddie Mac and lender approvals related to the Mortgage Loan; and (l) submission of two sets of complete full size architectural plans and specifications at least sixty (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 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 Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$35,000,000; 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 twenty (20) years after issuance, or such date supported by the final underwriting (whichever is shorter).

Section 205. Payments. The Bonds shall bear interest from their dated date and shall be payable as set forth in the Bonds and the Agreement, until the date of maturity of the Bonds or redemption prior to maturity, as provided in the Agreement. All principal shall be due at maturity or redemption prior to maturity, as provided in the Agreement.

Section 206. Denominations, Numbers, Letters and Forms. The Bonds shall be issued as registered Bonds in \$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, the Agreement, a purchase contract with the Purchaser and a land use restriction agreement with respect to the Federal income tax requirements applicable to the Bonds and the Project, 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, the proceeds of the sale of the Bonds shall be applied to fund the Mortgage Loan, 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 with respect to the Mortgage Loan. 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 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 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 \$28,500,000
Maximum Aggregate Principal Amount of
Special Limited Obligation Multifamily Housing Development Bonds
(Wister Townhouses)**

Adopted: October 10, 2019

A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$28,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(Wister Townhouses)

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, project loan agreement or similar instrument and that the resolution

and/or other agreements providing for the issuance of such bonds or notes 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 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 project 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, Wister Preservation LLC, a Pennsylvania limited liability company, or another affiliate of the sponsor, Michaels Development Company I, LP (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 \$28,500,000 (the "**Bonds**") to fund the acquisition, rehabilitation, improvement and equipping of a portion of a multifamily residential rental housing project known as "Wister Townhouses," located in Philadelphia, Philadelphia County, Pennsylvania, with 200 total units of affordable housing funded by the Bonds (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, Berkadia Commercial Mortgage LLC or its affiliate (the "**Purchaser**"), or such successor entity as may be approved by the Agency, is anticipated to be the initial holder of the Bonds pursuant to the Agreement; and

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 \$28,500,000.

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 mortgage loan originated with the proceeds of the Bonds (the "**Mortgage Loan**"). 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; (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 contributions 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 and/or housing authority approvals, including approval of a rental subsidy with a term and in an amount sufficient to ensure the financial feasibility of the Project; (k) satisfactory evidence of all requisite Freddie Mac and lender approvals related to the Mortgage Loan; and (l) submission of two sets of complete full size architectural plans and specifications at least sixty (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 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 Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$28,500,000; 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 (20) years after issuance, or such date supported by the final underwriting (whichever is shorter).

Section 205. Payments. The Bonds shall bear interest from their dated date and shall be payable as set forth in the Bonds and the Agreement, until the date of maturity of the Bonds or redemption prior to maturity, as provided in the Agreement. All principal shall be due at maturity or redemption prior to maturity, as provided in the Agreement.

Section 206. Denominations, Numbers, Letters and Forms. The Bonds shall be issued as registered Bonds in \$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, the Agreement, a purchase contract with the Purchaser and a land use restriction agreement with respect to the Federal income tax requirements applicable to the Bonds and the Project, 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, the proceeds of the sale of the Bonds shall be applied to fund the Mortgage Loan 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 with respect to the Mortgage Loan. 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 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 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.

**RESOLUTION OF THE MEMBERS OF THE BOARD
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY
AUTHORIZING FUNDING OF THE PENNSYLVANIA HOUSING FINANCE AGENCY RE-
ENTRY INITIATIVE FUND AND PROJECTS**

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

WHEREAS, in December, 2108, the Agency set aside \$500,000 of its funds to support pilot projects dedicated to providing safe, stable and affordable housing and supportive services to formerly incarcerated persons returning to their communities who are homeless or at risk of homelessness (the Re-Entry Initiative Program"); and

WHEREAS, the Agency has received an application from the Trade Institute of Pittsburgh for a grant in the amount of \$250,000 to fund the construction and rehabilitation of a two-unit, eight bedroom house located in Allegheny County (the "Project"), which will provide short-term workforce housing for six to eight individuals participating in a Trade Institute of Pittsburgh program.

WHEREAS, the Agency has determined that this application may meet the Program goals and criteria and has determined to authorize staff to provide a conditional reservation of grant funding for the Project, subject to satisfaction of all Program requirements.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 10th day of October, 2019, as follows:

Section 1. The Agency hereby approves a grant from the Program in an amount not to exceed \$250,000 to the Trade Institute of Pittsburgh (and associated entities) for the Project proposal, subject to satisfaction of Program requirements.

Section 2. Staff is hereby authorized and directed to take all actions as deemed necessary and appropriate to effectuate this resolution.

Section 3. This resolution shall take effect immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AUTHORIZING
STAFF TO TAKE CERTAIN ACTIONS TO PROVIDE ADDITIONAL RESOURCES TO SECURE
CLOSING FOR CERTAIN RENTAL HOUSING DEVELOPMENTS AND DELEGATING TO THE
PROGRAM REVIEW COMMITTEE AUTHORITY TO MAKE REALLOCATIONS OF TAX
CREDITS FOR QUALIFIED LIHTC PROJECTS**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") has adopted its Qualified Allocation Plan ("QAP") for the administration of its Low Income Housing Tax Credit Program ("Tax Credits"); and

WHEREAS, several projects in the Tax Credit pipeline have experienced issues and delays which may threaten their Tax Credit allocation because they will not be able to place their project in service as required under their original allocation of Tax Credits and which may require additional resources or additional time to accomplish their financial closings;

WHEREAS, based on staff's review of some of the pipeline projects, staff has recommended actions to provide some additional support to the projects and the Board is in agreement as set forth below.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 10th day of October 2019 as follows:

Section 1. Staff is authorized to take the following actions regarding the following properties in the Agency's portfolio and pipeline and to do all things necessary to effect these actions:

- a. Cherry Street - Provide funding in the amount of \$100,000 to address unforeseen soil remedial issues and achieve closing
- b. Madison Court- Provide funding in the amount of \$500,000 to settle certain construction disputes and support achievement of the placed in service deadlines.
- c. Dauphin Housing- Provide funding up to \$400,000 in resources to address unforeseen funding issues and achieve financial closing.
- d. York Family- Provide funding up to \$750,000 to address certain unforeseen funding issues and achieve financial closing.

Section 2. Staff is authorized to take all necessary actions to provide the resources as discussed above and to further provide such resources to 2018 projects as may be necessary to achieve their closing deadlines.

Section 3. The Program Development Review Committee is delegated authority, on behalf of the Board, to consider and provide specific reallocations of Tax Credits to projects which meet the criteria of the QAP.

Section 4. This resolution shall be effective immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AUTHORIZING
STAFF TO TAKE CERTAIN DISPOSITIONS FOR CERTAIN RENTAL HOUSING
DEVELOPMENTS**

WHEREAS, the Pennsylvania Housing Finance Agency (the "Agency") has approximately 500 affordable housing rental properties in operation in its loan portfolio; and

WHEREAS, staff routinely reviews the fiscal and physical conditions of all properties and monitors the status of pipeline projects; and

WHEREAS, numerous projects funded through the Agency's Homeless Demonstration program have now completed their thirty year affordability period and have limited resources available to continue supporting the operation of the project within the Agency's portfolio.

WHEREAS, based on staff's review of existing projects and the pipeline projects, staff has recommended actions to support the projects and the Board is in agreement as set forth below.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 10th day of October 2019 as follows:

Section 1. Staff is authorized to take the following actions regarding the following properties in the Agency's portfolio and to do all things necessary to effect these actions:

- a. Cross Apartments (H-12): Authorize termination of the project and release the regulatory agreement and mortgage.
- b. 338 Wyandotte Street Apartments (H-008): Authorize termination of the project and release the regulatory agreement and mortgage.
- c. Housing Options and Opportunities (H-52): Authorize termination of the project and release the regulatory agreement and mortgage.

Section 2. Staff is authorized and directed to take all necessary actions to effectuate mortgage dispositions for the projects in the Homeless Demonstration program as appropriate as their compliance terms end.

Section 3. This resolution shall be effective immediately.

RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AFFIRMING POWERS OF THE OFFICES OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER, DEPUTY EXECUTIVE DIRECTOR AND CHIEF COUNSEL, DIRECTOR OF FINANCE, DIRECTOR OF ACCOUNTING, DIRECTOR OF HOMEOWNERSHIP PROGRAMS, DIRECTOR OF DEVELOPMENT, DIRECTOR OF HOUSING MANAGEMENT, DIRECTOR OF LOAN SERVICING, DIRECTOR OF BUSINESS ANALYTICS, AND OTHER DIRECTOR OFFICES AND CONFIRMING CERTAIN APPOINTMENTS OF SECRETARY AND ASSISTANT SECRETARIES

WHEREAS, the Agency exists, pursuant to the housing finance agency law, Act of Dec. 3, 1959, P.L. 1688, as amended (35 P.S. Section 1680.101 *et seq.*) (the "Act"), as a body corporate and politic, constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania with continued succession until terminated by law;

WHEREAS, the Act provides that the Agency is governed by a Board, consisting of designated members of the Agency, by office or appointment, empowered, *inter alia*, to make and alter bylaws for the management and regulation of its affairs; to enter into contracts and execute all instruments necessary or convenient for carrying out its operations; to acquire, hold and dispose of personal property, real or any interest therein; to hold, sell, lease, assign, encumber, mortgage or otherwise dispose of or compromise its interest in any real or personal property; to borrow money; to invest funds; to do any and all other things necessary or convenient to carry out the powers and purposes of the Agency, the Act or other acts; and

WHEREAS, the Act empowers the members to employ and engage the services of an executive director and such other officers, agents, employees, and professional and business advisors as may be necessary in carrying out its business and affairs; and accordingly, in authorized resolutions and bylaws, the Agency has established offices, has delegated certain powers to such offices and hereby confirms such authorizations; and

WHEREAS, there have been changes in Agency personnel and positions and there is a need for the Agency to update and reiterate powers and offices held by staff.

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 10th day of October, 2019 as follows:

Section 1. The Executive Director shall be the chief executive officer, fully authorized to carry out all general administrative functions and business affairs necessary or convenient to the Agency, its operations, its programs, its facilities, its employees and contractors, agents and vendors, with full signatory authority for all matters conducted in accordance with the directives and resolutions of the Board and is further specifically authorized to execute and authorize checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 2. The Deputy Executive Director and Chief Counsel shall perform all of the functions and duties of the Executive Director as directed by the Board and the Executive Director, may execute contracts, and agreements of all kinds on behalf of the Agency and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time. In the event of unavailability or incapacity of the Executive Director, the Deputy Executive Director and Chief Counsel shall perform the duties and functions of the Executive Director, including the execution and authorization of checks and other appropriate documents with respect to the Agency accounts and financial transactions, during such period of unavailability or incapacity. Legal staff may be designated by the Deputy Executive Director and Chief Counsel to perform loan and program transactions and closings on behalf of the Agency.

Section 3. The Director of Finance shall perform all functions and duties assigned by the Executive Director and by the Board and may execute contracts, documents and agreements of every kind on behalf of the Agency, including checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 4. The Director of Accounting shall perform all functions and duties assigned by the Executive Director and by the Board and may execute contracts, documents and agreements of every kind on behalf of the Agency, including checks and other appropriate documents with respect to Agency accounts and financial transactions.

Section 5. The Director of Homeownership Programs shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 6. The Director of Development shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 7. The Director of Housing Management shall perform the functions and duties as assigned by the Executive Director and shall have the power to execute contracts, documents and agreements of every kind on behalf of the Agency (with the exception of executing checks on the Agency accounts) and shall have such additional powers as may be specifically authorized in resolution or directed by the Board from time to time.

Section 8. The Director of Loan Servicing shall perform such functions and duties as assigned by the Executive Director and may execute documents, contracts, and agreements of every type on behalf of the Agency, (with the exception of executing checks on the Agency's accounts) and shall have such additional powers as may be specifically authorized in resolution or as directed by the Board from time to time.

Section 9. The Director of Business Analytics shall perform all functions and duties as assigned by the Executive Director and may execute documents, contracts and agreement of every type on behalf of the Agency, (with the exception of executing checks on the Agency's accounts) and shall have such additional powers as may be specifically authorized in resolution or as directed by the Board from time to time.

Section 10. The Secretary shall perform all duties as Board administrator and shall keep all of the official records and books of the Agency, shall keep minutes of all meetings of the Agency, may issue calls for meetings, shall have charge of the seal of the Agency and may affix the seal, attested by his or her signature to such instruments as may require the same. Assistant secretaries shall be appointed from time to time, in accordance with a resolution of the Board to assist the Secretary in any and all official duties.

Section 11. The following persons are ratified and confirmed in the following positions for the dates shown herein:

Brian A. Hudson, Executive Director and Chief Executive Officer (Effective July 2003)
Rebecca L. Peace, Deputy Executive Director and Chief Counsel (Effective October 2015)
Jordan Laird, Director of Finance (Effective March, 2018)
Adrienne Trumpy, Director of Accounting (Effective September, 2019)
Coleen Baumert, Director of Homeownership Programs (Effective August 2016)
Kathryn Newton, Director of Loan Servicing (Effective August 2016)
Holly Glauser, Director of Development (Effective September 2006)
Carl Dudeck, Director of Housing Management (Effective September 2011)
Thomas Brzana, Director of Business Analytics (Effective August 2016)
Carrie Barnes, Secretary (Effective April 1980)
Margaret Strawser, Assistant Secretary (Effective May 1996)
Tracy Horetsky, Assistant Secretary (Effective March 2010)
Kimberly A. Smeal, Assistant Secretary (Effective November 2015)
Brittany Bassett, Assistant Secretary (Effective November 2015)

Section 12. The Executive Director shall appoint such other directors as shall be appropriate to perform such functions and duties as may be assigned by the Executive Director and the Executive Director may authorize certain signatories for certain Agency accounts, checks, financial transactions as may be appropriate from time to time including individuals serving as manager of investments, investment officers, manager of accounting, internal auditors and staff accountants.

Section 13. This resolution shall take effect immediately and, in the event of any inconsistency, this resolution is intended to supplement all prior grants of authority and power set forth in specific authorizing resolutions pertaining to each of the offices set forth above or pertaining to any particular Agency transaction.