

**Pennsylvania Housing Finance Agency  
Meeting of the Board  
March 12, 2020**

**Members Present:**

\*Richard Vague, Acting Chair  
Mark Schwartz, Vice Chair  
\*Maria F. Coutts  
\*Ronald F. Croushore  
\*Kathy Possinger (serving in the stead of Dennis Davin, Secretary, Department of Community and Economic Development)  
\*Mark Dombrowski  
\*Jennifer Koppel  
Gary E. Lenker  
\*Robert Loughery  
\*Ross Nese  
\*John P. O'Neill  
\*John Paone  
\*Keith Welks (serving in the stead of Joseph Torsella, State Treasurer)

**Members Absent:**

Beth Ellis (serving in the stead of Teresa Miller, Secretary, Department of Human Services)

\*On Telephone conference call

**Others Present:**

Robin L. Wiessmann, Executive Director & CEO  
Leonidas Pandeladis, Deputy Executive Director and Chief Counsel  
Holly Glauser, Director of Development  
Jordan Laird, Director of Finance  
Bryce Maretzki, Director of Strategic Planning & Policy  
Scott Elliott, Director of Communications  
Kathryn Newton, Director of Loan Servicing  
Melissa Grover, Director of Government Affairs  
Coleen Baumert, Director of Homeownership Programs  
\*Ali Tomich, Director of Western Region  
Jay Hausher, Director of Eastern Region  
Carl Dudeck, Director of Housing Management  
Terri Redmond, Director of Counseling  
Lori Toia, Director of HEMAP  
Susan Delgado, Director of Human Resources  
Kimberly Boal, Director of Information Technology  
David Doray, Manager of Multifamily Underwriting  
Lisa Case, Manager of Project Operations  
Chris Anderson, Communications Officer  
Steve O'Neill, Assistant Counsel  
Aaron Son, Special Assistant of Policy and Finance  
Shelby Rexrode, Policy Officer  
Clay Lambert, Business Policy Officer

Raymond Carey, Policy Officer  
Leighton Stiffler, Internal Audit Officer  
Ann Mermelstein, Senior Development Officer  
Kelly Wilson, Senior Development Officer  
Kurtis Livering, Manager Financial Operations  
Ken Bobb, Senior Construction Document Examiner  
Yashira Aybar, Development Officer  
Beth Silvick, Senior Development Officer  
David Gregorits, Development Officer  
Iman McAllister, Assistant Counsel  
\*Brandyn Hamilton, Representative John T. Galloway's Office  
\*Bob Joyce, Titusville Iron Works  
\*Anna Frantz, 404-06 West 8th St Rehabilitation  
\*Leonard Lightner, Seton Hall Redevelopment  
\*Thomas Williams, Seton Hall Redevelopment  
\*Frank Ford, Seton Hall Redevelopment  
\*Joe Chacke, The Lofts at Oak & Main  
\*Casey O'Donnell, 3200 Kensington Ave  
\*Nancy Gephart, 3200 Kensington Ave  
\*Janet Stevens, Rowan Judson  
\*Matt McCarter, Rowan Judson  
\*Nathan Yoder, Keystone Communities  
\*Bob Yoder, Keystone Communities  
\*Mike Kearney, Mullin & Lonergan  
\*Amie Cofini, Greystone  
\*Ryan Bailey, Kinder Park  
\*Michael Baumrin, RBC Capital Markets  
\*Mitch Gallo, RBC Capital Markets  
\*Joe Tait, Raymond James  
\*Vikram Shah, Barclays  
\*Samuel Caldwell, Piper Sandler & Co  
\*Alexis Zappala, Piper Sandler & Co  
\*Nicholas Fluehr, Wells Fargo  
\*Matt Engler, Wells Fargo  
\*Barry Gottfried, Stifel  
\*Alan Jaffe, Jefferies  
\*Bob Foggio, Jefferies  
\*David Notkin, Bank of America  
\*Jennifer Shockley, Pennsylvania Developer's Council  
Joanne Burkholder  
Kimberly Smeal, Assistant Secretary  
Margaret Strawser, Secretary

A meeting of the Members of the Board of the Pennsylvania Housing Finance Agency was held on Thursday, March 12, 2020 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 Sections of *The Patriot News* in Harrisburg, Dauphin County on March 8, 2020.

**1. CALL TO ORDER AND ROLL CALL**

The meeting was called to order by Acting Chair Vague at 10:44 a.m. The roll was called and a quorum was present.

Since Acting Chair Vague was participating via conference call, he asked Vice Chair Schwartz to chair the meeting.

**2. APPROVAL OF THE MINUTES FROM THE FEBRUARY 13, 2020 BOARD MEETING**

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

**Mr. Lenker made the motion to approve the minutes from the February 13, 2020 Board meeting. This motion was seconded 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 to discuss and review the following items.

**A. Community Revitalization Fund (CRF) Program Presentation**

Mr. Maretzki was asked to provide a summary to the Board of the CRF Program applications. A RFP for CRF Program applications was issued in August 2019 with submission deadline of October 2019. This application round encouraged smaller communities to apply. Funds are made available through the sale of state tax credits (\$3 million allocation of credits). Of the fifteen applications received, staff recommends funding for six applications (\$2.8 million). Representatives from each recommended application are participating via conference call. A resolution encompassing the six recommended applications is provided. **Mr. Welks made a motion that the Board approve the resolution of funding of CRF Projects as submitted. This motion was seconded. Mr. Schwartz abstained. Motion carried with abstention. (See Appendix 1 of these Minutes.)**

**B. Portfolio Preservation Refinancing – Munroe Tower**

Mr. Dudeck reported that the managing general partner of Munroe Tower has requested permission to prepay the mortgage. In order to accommodate the request, the Agency must be assured the development will extend the use agreement (in the form of a regulatory agreement) to ensure that the units remain as affordable housing stock in Pennsylvania for at least 30 years. The Agency must not incur any economic losses due to the refinancing and no economic hardship will

be incurred by the development. The original interest rate of the mortgage was 7.41%. The development has already received a 20-year HAP contract and the regulatory agreement will be amended. **Mr. Welks indicated the Committee has considered this request and made a motion that the Board approve the resolution authorizing portfolio preservation refinancing for Munroe Tower. This motion was seconded by Mr. Lenker and was unanimously approved. (See Appendix 2 of these Minutes.)**

**C. Request for Tax-Exempt Financing**

**i. Rowan Judson Diamond**

Mr. Gregorits presented the tax-exempt financing request submitted by Rowan Judson Diamond. He provided a general overview which included the unit composition, rental estimates, development costs and funding sources. Ms. Janet Stern from Rowan Judson Diamond is participating via conference call.

Mr. Welks asked Ms. Stern if she had any comments. Ms. Stern offered her thanks to the Board for their consideration of the financing.

**Mr. Welks made a motion that the Board approve the resolution authorizing the issuance of \$8,500,000 maximum aggregate principal amount of funding of Special Limited Obligation Multifamily Housing Development Bonds for Rowan Judson Diamond. This motion was seconded. Mr. Schwartz abstained. Motion carried with abstention. (See Appendix 3 of these Minutes.)**

**ii. Keystone Communities**

Ms. Wilson presented the tax-exempt financing request submitted by Keystone Communities. The proposal submitted is for the acquisition and rehabilitation of nine apartment complexes, 248 cumulative units, located in five counties in northern and central Pennsylvania. She also reviewed the unit composition, rental estimates and development costs. All sites are near local amenities. Mr. Nathan Yoder from Keystone Communities is participating via conference call.

Mr. Welks asked Mr. Yoder if he had any comments for the Board. Mr. Yoder offered his appreciation for the funding opportunity of this particular development as well as previous funding opportunities.

**Mr. Welks made a motion that the Board approve the resolution authorizing the issuance of \$21,000,000 maximum aggregate principal amount of funding of Special Limited Obligation Multifamily Housing Development Bonds for Keystone Communities. This**

**motion was seconded. Mr. Lenker abstained. Motion carried with abstention. (See Appendix 4 of these Minutes.)**

**iii. Monarch Portfolio**

Ms. Wilson also presented the tax-exempt financing request submitted by Monarch Preservation. The proposal is for the acquisition and rehabilitation of sixteen apartment complexes which have been condensed into thirteen newly-formed projects, containing a total of 487 units, located in eight counties in northern and central Pennsylvania. Ms. Wilson reviewed the construction and permanent financing plans, including PHARE funding from Realty Transfer Tax funds and PHFA Capital Magnet funds. All sites are near local amenities and supportive services will continue during and after the rehabilitation. Mr. Mike Kearney from Monarch Portfolio is participating via conference call.

Mr. Welks asked Mr. Kearney if he had any comments for the Board. Mr. Kearney offered his appreciation for the funding opportunity and to Agency staff specifically to Holly Glauser and Kelly Wilson.

**Mr. Welks made a motion that the Board approve the resolution authorizing the issuance of \$27,250,000 maximum aggregate principal amount of funding of Special Limited Obligation Multifamily Housing Development Bonds for Monarch Portfolio. This motion was seconded. Mr. Lenker abstained. Motion carried with abstention. (See Appendix 5 of these Minutes.)**

**iv. Kinder Park Redevelopment Phase IV**

Ms. Mermelstein presented the tax exempt financing proposal for Kinder Park Redevelopment Phase IV. The Agency will be the conduit issuer of the tax-exempt loan and will offer a first mortgage loan with an interest rate of 4.25% (not the interest rate identified in the information provided). Ms. Mermelstein also reviewed the unit disposition, supportive services coordination and neighborhood amenities. Mr. Ryan Bailey from Kinder Park Redevelopment Phase IV is participating via conference call.

Mr. Welks asked Mr. Bailey if he had any comments for the Board. Mr. Bailey offered his appreciation for the funding opportunity.

**Mr. Welks made a motion that the Board approve the resolution authorizing the issuance of \$10,000,000 maximum aggregate principal amount of funding of Special Limited Obligation Multifamily Housing Development Bonds for Kinder Park Redevelopment Phase**

**IV. Mr. Schwartz seconded and was unanimously approved. Motion carried. (See Appendix 6 of these Minutes.)**

**D. Commitment of First Mortgage Financing – Kinder Park Redevelopment Phase IV**

In conjunction with the tax-exempt financing request, Kinder Park Redevelopment Phase IV is seeking first mortgage loan financing from the Agency. Ms. Aybar was asked to present the first mortgage financing request. She indicated the development is part of a building that will contain a commercial component, a 4% tax credit portion (for which the Agency is providing tax-exempt financing) and a 9% tax credit portion for which the Agency will offer permanent funding with an interest rate of 4.25% (not the interest rate identified in the information provided). Mr. Ryan Bailey is available via conference call.

**Mr. Welks made a motion that the Board approve the resolution authorizing the mortgage financing for Kinder Park Redevelopment Phase IV. Ms. Possinger seconded and motion was unanimously approved. Motion carried. (See Appendix 7 of these Minutes.)**

**E. Restructuring and New Financing – Mahanoy Elderly**

Mr. Laird presented the restructuring and new financing for Mahanoy Elderly, which has been in the Agency's portfolio for more than 35 years. The Michaels Organization has owned, operated and maintained the development since it was originally constructed in 1978. The Agency held a first mortgage loan which was paid off in 2019 and a deferred payment support note which is now due and payable. The debt restructuring would allow for a new first lien mortgage with a 30-year amortization in an amount not to exceed \$3.1 million at an interest rate not to exceed 4.5%.

**Mr. Welks made a motion that the Board approve the resolution for mortgage restructuring and additional financing for Mahanoy Elderly. Mr. Schwartz seconded and the motion was unanimously approved. Motion carried. (See Appendix 8 of these Minutes.)**

**F. Other Business**

Mr. Welks reported that the Committee also considered the reallocation of tax credits for 6th Ward Flats. He noted that the Committee received prior authorization from the Board to approve the reallocation of tax credits.

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

#### **4. OTHER BUSINESS**

Vice Chair Schwartz asked Mr. Pandeladis to address the nature of a guest's request to speak to the Board. Mr. Pandeladis reported that even though the agenda did not have a public comment agenda item docketed, Ms. Joanne Burkholder may have five minutes to address the Board. Ms. Burkholder is a tenant at the Cottages at Shippensburg. She submitted a request to the Board Secretary for materials to be provided to the members. Due to logistics and a change in Agency leadership, the materials were not able to be provided to the Board Members in time for their assessment at today's meeting. Both Vice Chair Schwartz and Director Wiessmann asked Ms. Burkholder for procedural details of her discontentment with Cottages at Shippensburg. Ms. Burkholder indicated the details were outlined in her 20 page document. Vice Chair Schwartz suggested that she seek the assistance of her local legal services office or the local bar association. Ms. Burkholder indicated that neither was an option for her due to income limit restrictions.

Director Wiessmann advised the members that staff is commencing with the next Single Family Mortgage Revenue Bond transaction, Series 132. At this point in time, the municipal markets are good. Vice Chair Schwartz asked if the change in the stock market impacted our variable rate financing. It was indicated the investment bankers are pleased that rates are so low and there are numerous refundings in the market. Mr. Laird added that the Agency is fortunately in a better position now than it was during the 2008 down turn.

Director Wiessmann congratulated Ms. Grover on her outstanding coordination of meeting with the majority of Pennsylvania's delegation members at NCSHA's annual Legislative Conference which was held in Washington, D.C. from March 9 through March 11, 2020. She asked Ms. Grover to provide an overview of the meetings. Ms. Grover reported that she and Director Wiessmann were able to meet for approximately 45 minutes with 19 of the 20 of Pennsylvania's delegation members. Discussions focused on more support for 4% tax credit deals, COVID-19, and tracking of HR3077 (Affordable Housing Credit Improvement Act of 2019). While HR3077 is a new proposal, it is one the Agency has discussed for years. NCSHA is in support of this bill. Also discussed was HR1680 (New Markets Tax Credit Extension Act of 2019). Vice Chair Schwartz asked if Ms. Grover and Director Wiessmann were able to meet with Senator Toomey. Ms. Grover indicated they were able to meet with Senator Toomey's chief counsel.

Director Wiessmann spoke about the Coronavirus (COVID-19). The Agency is monitoring the situation very carefully and, fortunately, Pennsylvania is not the epicenter of the virus. She went on to indicate the Agency will follow protocol provided by the Governor's Office.

At this point, it is unknown if the April Board meeting will in person or via conference call.

**5. EXECUTIVE SESSION**

At this point in the meeting, Vice Chair Schwartz and Mr. Pandeladis called for a temporary adjournment of the Board meeting so that an Executive Session could be convened to discuss Agency matters.

The meeting was temporarily adjourned at 11:45 a.m.

The Executive Session was called to order at 11:48 a.m.

Following Executive Session, the Board meeting reconvened at 12:04 p.m.

**6. ADJOURNMENT**

There being no further business to present to the Board, a motion was made and seconded that the Board meeting be adjourned. The motion was unanimously approved. The meeting adjourned at 12:05 p.m.

The next monthly meeting of the Members of the Board of the Pennsylvania Housing Finance Agency will be held at the Agency's offices at 211 North Front Street, in Harrisburg, Pennsylvania 17101 on Thursday, April 9, 2020 at 10:30 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Margaret Strawser".

Margaret Strawser  
Secretary

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
AUTHORIZING FUNDING OF COMMUNITY REVITALIZATION (CRF) PROGRAMS  
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, on July 13, 2016, the Mixed-Use Development Tax Credit was enacted (Act 84 of 2016, as amended by Act 13 of 2019), establishing the Mixed-use Development Program and the Mixed-use Development Program Fund (hereinafter, "Community Revitalization Fund Program" or "CRFP"), which allows the Agency to sell, on an annual basis, \$3 million in state tax credits to qualified taxpayers in order to achieve objectives including, but not limited to increasing affordable housing and commercial corridor development opportunities in areas throughout the Commonwealth demonstrating significant need and impact and maximizing the leveraging of public and private resources; and

WHEREAS, CRFP allows the Agency to distribute program funds to eligible projects that meet specific goals including, but not limited to the construction or rehabilitation of a building or buildings (and any related real or personal property) located in a commercial corridor where a comprehensive neighborhood revitalization plan has been implemented or is being developed; and

WHEREAS, in accordance with CRFP, the Agency adopted, after public comment, guidelines establishing priorities and describing the method in which CRFP tax credits will be sold and CRFP funds distributed; and

WHEREAS, the Agency has sold credits, has issued a request for proposals for the submission of applications to CRFP, and has reviewed applications received; and

WHEREAS, the Agency has reviewed staff recommendations for funding of the applications best meeting the program criteria for CRFP and has chosen to reserve funding for the applications set forth below.

NOW, THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 12<sup>TH</sup> day of March 2020, as follows:

Section 1. The Agency hereby approves funding in the amounts set forth below from the CRFP fund to the following applicants for each of the following programs/projects and located in the following counties:

ACTION-Housing, Inc.: Sixth Ward Flats	\$400,000	Allegheny County
Titusville Iron Works: Titusville Iron Works	\$500,000	Crawford County
Our West Bayfront: 404-06 West 8 <sup>th</sup> Street Rehabilitation	\$500,000	Erie County
St. Luke’s Sacred Heart Hospital & Redevelopment Authority of the City of Allentown: Seton Hall Redevelopment	\$500,000	Lehigh County
Redevelopment Authority of the City of Pittston: The Lofts @ Oak & Main	\$500,000	Luzerne County
Shift Capital LLC & Kensington Corridor Trust: 3200 Kensington Avenue	\$400,000	Philadelphia County

Section 2. Staff is hereby authorized and directed to take all actions necessary to effectuate the above authorized reservation of funds and to provide appropriate contracts outlining monitoring, reporting, record keeping, and any set aside requirements.

Section 3. This resolution shall take effect immediately.

**RESOLUTION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
AUTHORIZING PORTFOLIO PRESERVATION REFINANCING  
MUNROE TOWER, PHFA NO. R-739**

WHEREAS, Oakmont Associates a Pennsylvania limited partnership ("Owner") is the owner of a Section 8 project with outstanding Agency financing, known as Munroe Tower (the "Project"); and

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

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

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

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

NOW THEREFORE, be it resolved by the members of the Pennsylvania Housing Finance Agency on this 12<sup>th</sup> day of March, 2020, as follows:

Section 1. Staff is authorized to take the following actions regarding the Project and to do all things necessary to effect the refinancing, subject to the Agency accepting a prepayment of the Agency's mortgage loan (outstanding principal \$256,314) with an additional payment of \$46,559 for lost economic value.

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

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

Section 4. This resolution shall take effect immediately.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

**RESOLUTION**

**Authorizing the Issuance of \$8,500,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(Rowan Judson Diamond)**

**Adopted: March 12, 2020**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$8,500,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(Rowan Judson Diamond)**

**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 or similar instrument (the "**Indenture**") 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 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**, RJD 15 Limited Partnership, a Pennsylvania limited partnership, or another affiliate of the sponsor, Project HOME (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 \$8,500,000 (the "**Bonds**") to fund the acquisition, construction, improvement, rehabilitation and equipping of a project known as "Rowan Judson Diamond" located on portions of the 1900 block of Judson Street and the 2700 block of Diamond Street in the City of Philadelphia, Philadelphia County, Pennsylvania, with 39 total units of affordable housing (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**, TD Bank, National Association, or its affiliate or such successor entity as may be approved by the Agency (the "**Purchaser**"), will privately purchase the Bonds from the Agency to provide funding for the Project; and

**WHEREAS**, the Agency also has determined to support the Project by committing subordinate financing subject to the conditions established herein.

**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 \$8,500,000. 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 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; and which Project is in every respect intended to qualify as a "residential rental facility" under the exempt facility provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "**Code**").

**Section 203. Conditions.** This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review, and approval of all documentation necessary to secure construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; (d) compliance with all 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, as well as all lender and investor approvals; (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, but not limited to, approval of the transfer and extension of rental subsidies with a term and in an amount sufficient to ensure the financial feasibility of the Project, as well as renewal and assignment of the HUD Service Coordinator Grant; (k) compliance with all Agency requirements in connection with the commitment of Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund ("**PHARE**") Housing Trust Fund ("**HTF**") program financing or the Capital Magnet Fund ("**CMF**") program financing, as applicable; and (l) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the construction/bond closing 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 bond closing.

**Section 204. Date, Principal Amount, Maturity and Interest Rate.** The Bonds shall be dated the date of issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity date, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Bonds shall be as provided in the Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$8,500,000; 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-eight (48) 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 and may be in \$1.00 minimum denominations or 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, 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 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. Subordinate Financing.** Staff is hereby authorized and directed to take all actions necessary to effectuate subordinate financing to the Project in an amount not to exceed \$1,000,000 from funds available from the PHARE HTF program as previously allocated to the Project or from the CMF program as may be necessary or convenient, and to provide appropriate contracts outlining monitoring, reporting, record keeping, and low income set aside in accordance with the PHARE HTF or CMF requirements.

**Section 505. 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 \$21,000,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(Keystone Communities)**

**Adopted: March 12, 2020**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$21,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(Keystone Communities)**

**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 or similar instrument (the "**Indenture**") 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 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**, Pennsylvania Keystone Terrace Associates, a Pennsylvania limited partnership, or another affiliate of the sponsor, Pennsylvania Development Group, Inc, acceptable to the Agency (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 principal amount not to exceed \$21,000,000 (the "**Bonds**") to fund the acquisition, construction, improvement, rehabilitation and equipping of a project collectively known as "Keystone Communities" financing up to nine separate multifamily residential rental housing projects located in Bradford, Centre, Northumberland, Schuylkill and Sullivan Counties, Pennsylvania, with up to 248 total units of affordable housing (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 Regulation §1.150-2; and

**WHEREAS**, Fulton Bank, National Association, or its affiliate or such successor entity as may be approved by the Agency (the "**Purchaser**"), will privately purchase the Bonds from the Agency to provide funding for the Project.

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

**ARTICLE I  
AUTHORITY AND DEFINITIONS**

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

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

**ARTICLE II  
AUTHORIZATION OF BONDS**

**Section 201. Principal Amount and Designation.** The Bonds are hereby authorized to be issued in one or more series or subseries, in an aggregate principal amount not to exceed \$21,000,000. The Bonds shall carry the designation as 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; and which Project is in every respect intended to qualify as a "residential rental facility" under the exempt facility provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code").

**Section 203. Conditions.** This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review, and approval of all documentation necessary to secure construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; (d) Compliance with all 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) satisfactory evidence of full compliance with all Commonwealth contracting, integrity and responsibility provisions; (g) evidence of the commitment of construction and permanent financing and contribution of equity in amounts sufficient to ensure financial feasibility of the Project; (h) 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; (i) evidence of the satisfaction of accessibility requirements; (j) final underwriting of the application for tax-exempt financing and low income housing tax credits; (k) satisfactory evidence of all requisite USDA approvals, including, but not limited to, approval of the transfer and extension of the USDA project-based subsidies with terms and in an amount sufficient to ensure the financial feasibility of the Project; and (l) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the construction/bond closing 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 bond closing.

**Section 204. Date, Principal Amount, Maturity and Interest Rate.** The Bonds shall be dated the date of issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity date, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Bonds shall be as provided in the Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$21,000,000; 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 forty-eight (48) 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 and may be in \$1.00 minimum denominations or 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, 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 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 \$27,250,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(Monarch Preservation)**

**Adopted: March 12, 2020**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$27,250,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(Monarch Preservation)**

**WHEREAS**, the Housing Finance Agency Law, Act of December 3, 1959, P.L. 1688, as amended (35 P.S. Section 1680.101 *et seq.*) (the "**Act**"), determines and declares that the welfare of the Commonwealth of Pennsylvania (the "**Commonwealth**") is threatened by an inadequate supply of housing for persons and families of low and moderate income and the elderly; that the housing need for persons and families of low and moderate income and the elderly has not had economic expression in a market demand sufficient to encourage greater production of such housing by private industry due to high construction costs, a scarcity of financing and increased interest rates; that necessary governmental activities in urban renewal programs and under regulatory laws protecting health and safety face serious curtailment or interruption unless it becomes economically feasible for persons and families to acquire housing in place of the dwellings being eliminated by such activities; that the Commonwealth has a strong moral responsibility to assist in providing 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 or similar instrument (the "**Indenture**") 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 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**, Monarch Preservation, Inc., through one or more affiliated entities, (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 principal amount not to exceed \$27,250,000 (the "**Bonds**") to fund the acquisition, construction, improvement, rehabilitation and equipping of a project collectively known as "Monarch Preservation" financing up to thirteen separate multifamily residential rental housing projects located in Centre, Luzerne, Lycoming, Mifflin, Northumberland, Schuylkill, Snyder and Wayne Counties, Pennsylvania, with up to 487 total units of affordable housing (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 confirm the statement of "Official Intent" pursuant to Treasury Regulation §1.150-2 made in its resolution of December 12, 2019; and

**WHEREAS**, Greystone & Co., Inc., or its affiliate or such successor entity as may be approved by the Agency (the "**Purchaser**"), will privately purchase the Bonds from the Agency to provide funding for the Project; and

**WHEREAS**, the Agency also has determined to support the Project by committing subordinate financing subject to the conditions established herein.

**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 \$27,250,000.

The Bonds shall carry the designation as 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; and which Project is in every respect intended to qualify as a "residential rental facility" under the exempt facility provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "**Code**").

**Section 203. Conditions.** This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review, and approval of all documentation necessary to secure construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; (d) Compliance with all 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 forty (40) 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 USDA approvals, including, but not limited to, approval of the transfer and extension of the USDA project-based subsidies with terms and in an amount sufficient to ensure the financial feasibility of the Project; (k) compliance with all Agency requirements in connection with the commitment of Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund ("**PHARE**") Housing Trust Fund ("**HTF**") program financing, the PHARE Realty Transfer Tax ("**RTT**") or the Capital Magnet Fund ("**CMF**") program financing, as applicable; and (l) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the construction/bond closing 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 bond closing.

**Section 204. Date, Principal Amount, Maturity and Interest Rate.** The Bonds shall be dated the date of issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity date, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Bonds shall be as provided in the Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$27,250,000; 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-eight (48) 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 and may be in \$1.00 minimum denominations or 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, 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 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 that by its resolution of December 12, 2019, it has declared its intention 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. Subordinate Financing.** Staff is hereby authorized and directed to take all actions necessary to effectuate subordinate financing to the Project in an amount not to exceed \$1,000,000 from uncommitted funds available from the PHARE HTF program, the PHARE RTT program or from the CMF program, as may be necessary or convenient, and to provide appropriate contracts outlining monitoring, reporting, record keeping, and low income set aside in accordance with the PHARE HTF, PHARE RTT or CMF requirements.

**Section 505. 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 \$10,000,000  
Maximum Aggregate Principal Amount of  
Special Limited Obligation Multifamily Housing Development Bonds  
(Kinder Park Redevelopment Phase IV)**

**Adopted: March 12, 2020**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$10,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
SPECIAL LIMITED OBLIGATION  
MULTIFAMILY HOUSING DEVELOPMENT BONDS  
(Kinder Park Redevelopment Phase IV)**

**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 or similar instrument (the "**Indenture**") 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 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**, Kinder Park Housing Partnership IV-B LLC or another affiliate of the sponsor, Pennrose Holdings, LLC, (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 principal amount not to exceed \$10,000,000 (the "**Bonds**") to fund a portion of the acquisition, new construction and equipping of a project known as "Kinder Park Redevelopment Phase IV" financing up to thirteen separate multifamily residential rental housing projects located Woodlyn, Delaware County, Pennsylvania, with 57 total units of affordable housing (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*, as a statement of "Official Intent" pursuant to Treasury Regulation §1.150-2, 2019; and

**WHEREAS**, Citizens Bank, National Association, or its affiliate or such successor entity as may be approved by the Agency (the "**Purchaser**"), will privately purchase the Bonds from the Agency to provide funding for the Project; and

**WHEREAS**, the Agency also has determined to support the Project by committing primary and subordinate financing subject to the conditions established herein.

**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 \$10,000,000.

The Bonds shall carry the designation as 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; and which Project is in every respect intended to qualify as a "residential rental facility" under the exempt facility provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "**Code**").

**Section 203. Conditions.** This financing is subject to the fulfillment of all of the following conditions to the satisfaction of the Agency: (a) submission, review, and approval of all documentation necessary to secure construction and permanent loan financing; (b) satisfactory evidence that all conditions and qualifications relating to Section 42 of the Code and all applicable requirements of the Tax Credit Program have been met; (c) satisfactory evidence and Agency Counsel approval that all qualifications relating to Sections 103 and 142 (and related sections) of the Code have been met; (d) Compliance with all 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 forty (40) 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 or housing authority approvals, including, but not limited to, approval of project-based subsidies with a term and in an amount sufficient to ensure the financial feasibility of the Project; (k) compliance with all Agency requirements in connection with the commitment of Agency primary financing and Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund ("**PHARE**") Housing Trust Fund ("**HTF**") program financing, the PHARE Realty Transfer Tax ("**RTT**") or the Capital Magnet Fund ("**CMF**") program financing, as applicable; and (l) submission of two sets of complete full size architectural plans and specifications at least 60 days prior to the construction/bond closing 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 bond closing.

**Section 204. Date, Principal Amount, Maturity and Interest Rate.** The Bonds shall be dated the date of issuance, except as may be otherwise provided in the Agreement or the Bonds. The maturity date, interest rate or rates (which may be fixed or variable), interest payment dates, place of payment and other terms of the Bonds shall be as provided in the Indenture as finally executed; provided, however, that the maximum aggregate principal amount of the Bonds shall not exceed \$10,000,000; 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 forty-eight (48) 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 and may be in \$1.00 minimum denominations or 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, 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 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 intention 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. Primary Financing.** Staff is hereby authorized and directed to take all actions necessary to effectuate primary financing to the Project in an amount not to exceed \$3,532,026 with an interest rate not to exceed 4.5% amortized over 35 years, and to provide appropriate contracts and agreements establishing affordability restrictions on the Project and outlining monitoring, reporting, record keeping, and low income set aside in forms subject to the final review and approval of Staff.

**Section 505. Subordinate Financing.** Staff is hereby authorized and directed to take all actions necessary to effectuate subordinate financing to the Project in an amount not to exceed a total of \$1,431,252 from funds previously allocated under the PHARE HTF and PHARE RTT programs, or from the CMF program, as may be necessary or convenient, and to provide appropriate contracts outlining monitoring, reporting, record keeping, and low income set aside in accordance with the PHARE HTF, PHARE RTT or CMF requirements.

**Section 506. 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  
APPROVING MORTGAGE FINANCING FOR  
KINDER PARK REDEVELOPMENT PHASE IV (9%), PHFA NO. N-134**

WHEREAS, the Agency has received a request for financing in the amount of \$588,420 with an interest rate of 4.5% for the construction of a portion of a six-story building containing 39 units for persons 62 and older located in Woodlyn, Delaware County, known as "Kinder Park Redevelopment Phase IV" (the "Development") to be owned and operated by Kinder Park Housing Partnership IV – A LLC, a Pennsylvania limited liability company ("Owner"); and

WHEREAS, staff has reviewed the Development's fiscal and physical condition, the proposed construction budget and capital needs, the sources and uses of funds available to the Development, the ownership entity, the market rents at the Development; and

WHEREAS, based upon its underwriting, staff recommends that the Agency provide financing to the Development through a primary loan in the amount not to exceed \$588,420 with an interest rate of 4.5% amortized over 35 years to be initially funded out of Agency reserves.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 12<sup>th</sup> day of March, 2020, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to provide mortgage loan financing to Owner to support the construction and operation of the Development by providing a primary loan in the approximate aggregate amount of \$676,683 (including a 15% contingency allowance for final underwriting) with an interest rate not to exceed 4.5% amortized over 35 years subject to the following conditions: (a) Owner agrees to the terms and conditions of a regulatory agreement that establishes a 35 year affordability restriction; (b) commitment of all other necessary funding sources set forth in the underwriting and financing plan; and (c) the Agency's final review and approval of the necessary financing documents.

Section 2. This resolution shall take effect immediately.

**RESOLUTION OF THE MEMBERS OF THE BOARD  
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY  
APPROVING MORTGAGE RESTRUCTURING  
AND ADDITIONAL FINANCING FOR  
MAHANOEY ELDERLY, PHFA NO. R-439**

WHEREAS, the Agency originally provided financing in the amount of \$3,940,000 for the development of 125 residential rental units in Mahanoy City, Pennsylvania, known as Mahanoy Elderly (the "Development") currently owned by Mahanoy Limited Partnership ("Owner"); and

WHEREAS, the Agency provided a second mortgage loan in the amount of \$1,533,817 that was due and payable upon payment in full of the Agency's first mortgage loan; and

WHEREAS, in 2019, the Agency's first mortgage loan was paid in full and the second mortgage loan in the aggregate amount of \$5,203,568.48, which includes principal of \$1,533,817 and accrued interest of \$3,669,751.48, became due and payable; and

WHEREAS, the Agency has agreed to restructure the second mortgage loan and accept \$2,250,000 as payment in full of the second mortgage loan and provide additional financing in an amount not to exceed \$3,100,000 with an interest rate not to exceed 4.5% amortized over 30 years; and

WHEREAS, staff has reviewed the Development's financial and physical condition and has determined that the Development can financially support additional debt and the Development would benefit from restructuring the second mortgage loan; and

WHEREAS, staff recommends to restructure the second mortgage loan and accept \$2,250,000 as payment in full of the second mortgage loan and provide additional financing in an amount not to exceed \$3,100,000 with an interest rate not to exceed 4.5% amortized over 30 years.

NOW, THEREFORE, be it resolved by the Members of the Board of the Pennsylvania Housing Finance Agency on this 12th day of March, 2020, as follows:

Section 1. Staff is authorized and directed to take all actions necessary to restructure the second mortgage loan and accept \$2,250,000 as payment in full of the second mortgage loan and to provide a first mortgage loan in an amount not to exceed \$3,100,000 with an interest rate not to exceed 4.5% amortized over 30 years and to take all actions necessary to accomplish the same.

Section 2. This resolution shall take effect immediately.