

Final Plan
**Pennsylvania Housing Affordability and Rehabilitation
Enhancement Fund/Realty Transfer Tax (PHARE/RTT)
(Act 58 of 2015)**

In November 2015, Governor Wolf signed Act 58 of 2015, which, in part, directs certain Realty Transfer Tax (RTT) receipts to the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE, Act 105 of 2010). This new revenue source will expand the PHARE program to all 67 counties of the Commonwealth.

Under Act 58 of 2015 (RTT), PHFA's PHARE program will receive an allocation of funds based on a formula using 2014 year as a base. (The annual amount available for the PHARE program will be equal to the lesser of forty percent (40%) of the difference between the total dollar amount of the Realty Transfer Tax imposed under section 1102-C of the Tax Reform Code of 1971 collected for the prior fiscal year and the total amount of RTT estimated for the fiscal year beginning July 1, 2014.) The PHARE/RTT fund will be capped at \$25 million annually. Funding allocations and reporting will be completed in accordance with PHARE (Act 105) legislative requirements.

Purpose

The PHARE/RTT Program will provide funds to projects/programs providing sustainable and comprehensive solutions to address housing and community development needs across the Commonwealth.

PHARE/RTT Priorities for Funding

These funds will be directed to address clearly articulated needs in communities based on the following priorities;

- 1) Preservation of the current stock of rental housing or the development/creation of new affordable rental housing to address unmet local need. This includes projects/programs for the elderly in danger of losing their homes and rental assistance to help families remain in their residence.
- 2) Funding for projects/programs to address ongoing housing needs for reducing homelessness, including specific and targeted vulnerable populations (veterans, persons with disabilities, supportive housing for the elderly, re-entry population, families and youth).
- 3) Funding for comprehensive housing and redevelopment efforts that address blighted and abandoned properties impacting concerted community revitalization efforts, supported by clearly articulated community plans. This could include a variety of housing/redevelopment strategies such as acquisition, demolition, construction, rehabilitation, site remediation, and other efforts.

- 4) Creating new opportunities for affordable homeownership. This may include closing cost/ down payment assistance, financial education/counseling or other forms of assistance to potential first-time homebuyers as well as the development/construction of new homes and rehabilitation of existing housing
- 5) Other efforts that address unmet housing and community development needs. This could include projects and programs to assist persons living in manufactured communities, homeowners to remain in their homes through renovation/mortgage/utilities or other forms of housing services and assistance, addressing environmental conditions such as lead paint abatement, and emergency temporary housing needs resulting from disasters.

Priorities for Selection

PHARE/RTT (Act 58) awards will be directed to projects and programs based on the following criteria for selection:

- Projects/programs which are able to show significant leveraging of other funds (local, state and federal, public and private) to ensure maximum impact.
- Projects/programs that have all funding committed and can move rapidly to implementation and utilization.
- Projects/programs that embrace, partner with, and/or are incorporated into a larger local, county, or regional housing development plan.
- Projects/programs that satisfy local planning/zoning ordinances.
- Projects/programs that affirmatively further fair housing.
- Funding for rental housing projects (5 or more units) will adhere to PHFA's Development processes.
- Projects/programs that are specifically designed to address a clearly articulated need in a community or specific population.
- Projects/programs that embrace innovative approaches to statewide housing and community development issues address underserved and unmet housing needs across the Commonwealth and otherwise meet overall agency goals for tackling community redevelopment.

Application Process

In accordance with the PHARE program, the Agency will develop and publish a Request for Proposals (RFP) in the Fall, 2016 with applications due in late-Fall. It is expected that PHFA's Board will be presented with recommendations for funding in April, 2017.

Applicants eligible to receive PHARE/RTT funds include units of local government (counties, cities, boroughs, townships, town and home rule municipalities), nonprofit and for-profit entities, and economic, community, and housing developments organizations in all 67 counties of the Commonwealth. All applicants are expected to satisfy the affordability requirements of the PHARE program and commit to a long term sustainable program to maintain affordability (which may be documented with restrictive covenants or other program documents); applicants must abide by prevailing wage where applicable. All funds will have expenditure deadlines and approved programs/projects must be commenced within one year of funding reward.

Additional requirements for application submission will be outlined in the annual RFP.

Public Comment

Comments on the implementation of the Act 58 of 2015 Proposed Plan Amendment should be submitted in writing by Tuesday, October 11, 2016 and submitted to:

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Written comments will be made available for public inspection at www.phfa.org.