


TO: Honorable Tom Corbett, Governor
Honorable Eugene DePasquale, Auditor General
Honorable David Argall, Chairman, Senate Urban Affairs & Housing Committee
Honorable Jim Brewster, Minority Chairman, Senate Urban Affairs & Housing Committee
Honorable Chris Ross, Chairman, House Commerce Committee
Honorable Curtis Thomas, Democratic Chairman, House Commerce Committee

FROM: Brian Hudson, CEO 
Pennsylvania Housing Finance Agency

DATE: June 27, 2014

SUBJECT: Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE)
2013 Annual Report

Enclosed for your review is the Annual Report for the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE) as required by Act 105 of 2010.

BACKGROUND

In November 2010, the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program ("PHARE") was enacted (Act 105 of 2010), establishing a housing trust fund. The fund can be used for a variety of purposes, including: providing dwellings for rent or purchase to low and moderate-income individuals or families; increasing the availability or quality of housing for elderly persons and accessible housing for persons with disabilities; preventing and reducing homelessness; development and rehabilitation of distressed neighborhoods; mortgage or rental assistance including housing counseling, foreclosure prevention and refinancing products; or providing loans or grants to low and moderate income owner occupants for repairs or improvements of their homes.

Funding allocated to projects may be used for predevelopment activities, acquisition of property, site preparation and construction, reconstruction and repair of existing structures, improvements and infrastructure. Funds may be used as a set aside for matching funds for counties that have established optional county affordable housing funds under 53 Pa. C.S. Ch. 60 (known as "local trust funds"). PHARE funds may not supplant existing resources dedicated to affordable housing activities, but they may be used to support, expand and enhance other programs administered by PHFA.

Under PHARE, PHFA may give preference to projects that meet specific goals, consider geographical distribution of program funds to ensure that all areas of the Commonwealth may participate, and make 30% of funds available for housing programs benefitting households with income less than 50% of the median area income.

In February of 2012, the Governor signed Act 13 of 2012 into law, providing for impact fees relating to activity in the Marcellus Shale region of the Commonwealth. The "Impact Fee" Act includes funding for PHARE. Funding in the amount of \$2,500,000 for 2011 and \$5 million annually thereafter is specified for deposit in the PHARE fund at Treasury. The Impact Fee Act has restrictions on which counties may receive funding. Under the Impact Fee legislation, not less than 50% of the funds must be used in 5th, 6th, 7th and 8th class counties. Additionally, Act 13 of 2012 limits amounts allocated to

qualifying municipalities and provides that any money remaining, after all allocations have been made to qualified municipalities, would also be deposited into the PHARE Fund.

Act 105 of 2010 did not “take effect” until such time as funding was made available for the PHARE Program. The funding for PHARE was not available until Act 13 of 2012 was enacted therefore making PHARE fully in effect and including the provision that an Annual Report be delivered.

PHARE required PHFA to adopt a plan establishing priorities each year and describing the method in which program funds will be distributed. The 2013 plan was posted for public comment in December of 2012 and the Final 2013 Plan was adopted by the PHFA Board of Directors in March, 2013.

Following adoption of the Final 2013 Plan, a Request For Proposals for the Marcellus Shale/PHARE Fund was posted on March 18, 2013 and proposals were due to the Agency on June 7, 2013. The PHFA Board reviewed the applications and adopted a resolution authorizing funding for the 2013 Marcellus Shale-PHARE Program and Projects on September 12, 2013.

Attached, for your review is:

1. A listing of projects and amounts awarded in 2013 under the PHARE Program. PHFA is currently completing grant documents with counties with successful PHARE applications so that funds may be disbursed.
2. A financial update on the progress of the 2012 PHARE grantee, including information on two programs that have fully utilized their PHARE funding.

2013 PHARE Fund Awards

County	Project/Program Name	Amount Awarded/Reserved
	Total Available Funds: \$8,496,941	
Beaver	New Brighton Gateway Revitalization-Phase II	\$100,000
Bradford	Community Cup Apartments	\$262,034
Bradford	Towanda Terrace (400 Main) (LIHTC) *	\$500,000
Bradford	Homeless Assistance Program	\$279,000
Butler	Terrace Apartments Rental Assistance and Demonstration Program	\$300,000
Centre	Centre County MH/ID/EI-D&A PHARE Rental Assistance Program	\$56,250
Clarion	Clarion County PHARE Rental Assistance Program	\$190,000
Clearfield	Clearfield County Blight Prevention & Housing Rehab	\$125,000
Clinton	Clinton County Homeowner Occupied Housing Rehabilitation Initiative	\$250,000
Columbia	Columbia County Rental Assistance Program	\$25,000
Elk	Ridgmont Senior Cottages (LIHTC) *	\$100,000
Fayette	Fayette County Neighborhood Stabilization Initiative	\$432,810
Greene	Greene County Housing Rehabilitation and Development Program	\$600,000
Greene	Greene County Quadraplex	\$514,164
Huntingdon	The Fifth Street Project	\$125,000
Lawrence	Lawrence County Homebuyer & Affordable Rental Program	\$150,000
Lycoming	Memorial Homes (LIHTC)	\$400,000
Lycoming	Grove Street Commons (LIHTC) *	\$550,000
Lycoming	Brodart Neighborhood Improvement Program	\$350,000
McKean	Bradford 2nd Ward Neighborhood Revitalization Project	\$20,000
McKean	57 Hawthorne Rd.	\$20,000
Potter	Potter County Homeless Prevention Program	\$129,895
Susquehanna	Susquehanna County Rental Assistance Program	\$100,000
Susquehanna	New Milford Creekside Apartments	\$700,000
Susquehanna	Susquehanna County Neighborhood Stabilization Program	\$300,000
Susquehanna	Susquehanna County Rental Assistance	\$50,000
Tioga	Tioga County Department of Human Services	\$341,288
Tioga	Tioga County Homeless Initiative Rental Assistance Program	\$107,500
Tioga	Tioga County Leased Housing Rental Start-up Program	\$50,000
Warren	Warren County Housing Project	\$210,000

Washington	Century Plaza Apartments	\$606,500
Washington	Habitat for Humanity 51st & 52nd Homes	\$57,500
Westmoreland	Monessen Transitional Stabilization Program	\$400,000
Wyoming	Bridge View Commons	\$95,000
	Total	\$8,496,941

* Received reservation of funds contingent upon approval of Low Income Housing Tax Credits

Note: PHFA Administrative Costs, 5% of total available funds.

2012 PHARE Awards - Progress to Date (as of 1/31/2014)*

County	Project Name	Amount Awarded (\$'s)	Amount Spent/Committed to Households below 50% MAI	Amount Spent To Date (\$'s)
Beaver	New Brighton Gateway Revitalization	\$ 300,000		
Bradford	Bradford County Rental Rehabilitation Program	\$ 275,000	\$ 112,300	\$ 41,900
Bradford	Towanda Terrace (LIHTC)	\$ 500,000		
Bradford	Community Cup Apartments	\$ 500,000		
Butler	Housing Improvement Impact Program	\$ 200,000	\$ 15,150	\$ 61,412
Butler	Landmarks Building Improvement Program	\$ 150,000		
Cambria	Cambria County PHARE Rental Rehabilitation Project	\$ 150,000	TBD	\$ 40,387
Centre	Centre County PHARE Rental Assistance Program	\$ 150,000	\$ 4,927	\$ 5,158
Clinton	Clinton County Homeowner-Occupied Housing Rehabilitation Program	\$ 300,000	\$ 12,755	\$ 42,995
Columbia	Columbia County Case Management and Rental Assistance	\$ 50,000		
Fayette	Glen at Three Oaks	\$ 300,000	\$ 128,571	\$ 175,000
Greene	Housing Rehabilitation and Development	\$ 250,000		
Greene	Owner Occupied Rehabilitation	\$ 200,000		
Greene	Rental Assistance	\$ 150,000		
Indiana	Clinton Street Gardens Homeless Veterans Housing Complex	\$ 155,000		

Jefferson**	Jefferson County Housing Emergency Repair Assistance Program	\$ 225,000	\$ 119,543	\$ 225,000
Lycoming	Memorial Homes (LIHTC)	\$ 900,000		
Lycoming	Brodart Neighborhood Improvement District	\$ 200,000	\$ 37,255	\$ 77,829
McKean	Bradford 2nd Ward Revitalization Project	\$ 25,000		
McKean	57 Hawthorne Rd.	\$ 25,000		
Sullivan**	Sullivan County Rental Assistance Program	\$ 80,000	\$ 66,644	\$ 80,012
Susquehanna	Susquehanna County Rental Rehabilitation Program	\$ 411,000	\$ 63,601	\$ 63,601
Tioga	Tioga County Rental Rehabilitation Program	\$ 275,000	\$ 187,462	\$ 64,203
Washington	Century Plaza Apartments	\$ 625,000		
Westmoreland	Owner Occupied Housing Rehabilitation Pilot Program	\$ 125,000	\$ 15,000	\$ 5,485
Wyoming	Landlord Rental Rehabilitation Program	\$ 750,000	TBD	\$ 24,513
Wyoming	Bridge View Commons	\$ 300,000		\$ 211,208
Total		\$ 7,571,000	\$ 763,208	\$ 1,118,702
*This report is based on required project progress reports due to PHFA by 1/31/14 for projects receiving funds in 2012.				
**Projects Completed				
Jefferson	Jefferson County Housing Emergency Repair Assistance Program	29 Households Assisted		
Sullivan	Sullivan County Rental Assistance Program	52 Households Assisted		