

FOR IMMEDIATE RELEASE—April 10, 2003

PENNSYLVANIA HOUSING FINANCE AGENCY

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**PENNSYLVANIA HOUSING FINANCE AGENCY WILL FUND
NEW URBAN HOME BUILDING PLAN**

Agency will add \$7,500,000 to Homeownership Choice Program

(HARRISBURG) A new funding initiative from the Pennsylvania Housing Finance Agency will add \$7,500,000 of new funding to its highly popular Homeownership Choice Program, which will encourage construction of new single-family homes in urban areas of the Commonwealth. The measure will enhance homeownership opportunities in older communities by helping builders turn neglected urban neighborhoods into attractive places to live.

This is the fifth financing cycle for the Program. PHFA has already committed \$23,900,000 to the effort, which began in 2000. There are 14 developments across the Commonwealth that have previously been awarded funding, with submissions currently being received by the Agency for a funding round it announced in February. Accepted proposals have generated \$154,000,000 of additional investments from other public and private sources.

Overall, the homeownership rate in the United States is about 75 percent. Both the state and federal governments are attempting to increase the homeownership rate among families living in Pennsylvania's inner cities, which hovers around 50 percent. The PHFA Homeownership Choice Program works by offering residents more housing options.

Several factors incorporated in the Homeownership Choice Program help ensure its success, including selecting sponsors committed to:

- Using cost-effective homebuilding skills typical of suburban development.
- Developing at a scale that is likely to have a lasting favorable impact on the surrounding neighborhood.
- Focusing on new construction in strategic locations identified as needing good housing to retain or attract urban residents.

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- Leveraging PHFA funds dollar-for-dollar with at least 50 percent contributed by local governments.
- Seeking financial partners who will contribute to the effort.

A request for proposals from builders and developers, housing organizations and local officials will be issued by PHFA within the next few months. In the past, proposals have been a joint effort among for-profit builders, local non-profits and local governments.

The deadline for submitting proposals to the Homeownership Choice Program announced in February is 2:00 p.m., Monday, June 2, 2003. Award selections for that funding round will be announced in the fall.

A complete description of the February 2003 Homeownership Choice Program in the form of the Request for Proposals can be obtained on the PHFA Web site, www.phfa.org, or by contacting Robert F. Bobincheck, PHFA, 2101 North Front Street, Harrisburg, PA 17105-8029, phone (717) 780-1801, e-mail at bbobincheck@phfa.org.

As quickly as the RFP for the new funding round is approved, it will also be posted on the Web site.

The Pennsylvania Housing Finance Agency is the Commonwealth's leading provider of capital for affordable homes and apartments.

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