

Pennsylvania Housing Finance Agency: Gap-Filling Resources

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PHFA

PENNSYLVANIA HOUSING FINANCE AGENCY



PHFA Loan Programs for Low-Income Housing Tax Credit Developments

- First Mortgage Hard Amortizing Debt
- Housing Trust Fund (HTF) – 9% only
- HOME Funds
- PHARE Realty Transfer Tax (RTT) – 4% only
- Construction Cost Relief Program (CCRP)



Flats on Forward, Pittsburgh, 2019 LIHTCs, RTT, CCRP, HOME

First Mortgage Hard Amortizing Debt

- Competitive loan product
- **30- or 35-year term** with some other structures available upon request
- Hard first mortgage repayments
- **10%** of each payment request for construction items shall be retained by the PHFA. The percentage retained may be reduced to five percent (5%) after construction has been fifty percent (50%) completed (this rule is for all PHFA multifamily loan programs).
- Must follow the Agency Fee Schedule
- The Agency acts as disbursing agent
- Hard first mortgage repayments



Janney Apartments, Philadelphia, 2021 9% awardee

Housing Trust Fund (HTF)

- HTF funds are only available to those developments dedicating units which are affordable to tenant whose income do not exceed the federal poverty line or whose annual income do not exceed 30% of the median area income for the area, as determined by HUD with adjustment for bedroom size.
- The minimum PHARE/HTF request is \$500,000 and the maximum PHARE/HTF request is \$1,200,000.
- Interest Rate: **0%**
- Term of Loan: **up to 40 years**
- Repayment Terms: Developments shall distribute 50% of excess revenue to repay the PennHOMES loan principal each year.
- The project must have projected break even cashflow in the **first 15 years**.
- The Agency acts as Disbursing Agent.



1528 West, Allentown, HTF & 2021 9%

Maximum PennHOMES and HTF Loan Limits

	0BR	1BR	2BR	3BR	4BR
The Maximum amount for ALL Counties	\$159,754	\$183,132	\$222,694	\$288,094	\$316,236



HOME (PennHOMES)

- The PennHOMES program offers **0% interest**, deferred payment loans that can be used to support the development of affordable rental housing (underneath 60% AMI).
- PennHOMES funds are limited. PHFA only uses these funds in areas that are NOT participating jurisdictions (only allowable exceptions are for CHDO developments).
- PHFA has set a portion of HOME funds for developments done by **Community Housing Development Organizations (CHDOs)**.
- Applicant's must comply with the Agency's Maximum Income/Rent Chart. A minimum of 50% of the units assisted by PennHOMES must be rented to households whose incomes do not exceed 50% AMI. The remaining PennHOMES units must be rented to households not exceeding 60% AMI.



Saxony Ridge Apartments, Litiz Borough, 2020 9% LIHTC, HOME, HTF

HOME (PennHOMES)

- HOME funding is limited on a per-unit basis to the Maximum PennHOMES Limits found in the Multifamily Application Instructions.
- HOME projects are required to follow **24 CFR 58.22** which states that a project must not have an adverse environmental impact.
- Interest Rate: **0%**
- Term of Loan: **up to 40 years**
- Repayment Terms: Developments shall distribute 50% of excess revenue to repay the PennHOMES loan principal each year.
- The project must have projected break even cashflow in the first 15 years.
- The Agency acts as Disbursing Agent.



Blairsville Family Housing, Blairsville, HOME & 2021 9% LIHTC

PHARE (RTT)

- Act 105 of 2010 (State Housing Trust Fund) provided a framework for PHARE, without a funding source.
- Requirements include:
 - Annual Plan following a public comment period.
 - At least 30% of the funds must assist households below 50% of the median area income.
- PHARE maximizes the leveraging of resources to address significant housing needs.
- Provides a portion of Realty Transfer Tax (RTT) revenue to PHARE.
- Funds allocated under Act 58 to assist with the creation, rehabilitation and support of affordable housing throughout the Commonwealth.
- PHARE/RTT expands PHARE to all 67 counties of the PA.
- **4% LIHTC developments are eligible for PHARE RTT; however, they must apply in the PHARE round, not in the LIHTC round.**



Negley Ribbon Cutting, Pittsburgh, 2019 9% LIHTC

Construction Cost Relief Program (CCRP)

- A development which meets **all** the following criteria may be eligible for an award of funding from CCRP:
 1. Has received a conditional allocation from the Agency of Low-Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986 during the 2019, 2020, or 2021 application cycles.
 2. Has not, as of July 1, 2021 (the effective date of House Bill No. 1348), received a certificate of occupancy for each unit within the development.
 3. Has experienced a cost increase related to construction material pricing or has experienced a loss in equity investment as a direct result of conditions arising due to effects of the COVID-19 Pandemic, which jeopardize completion of the project.
- To be considered for CCRP funds, at least a 25% deferred fee must be included in the budget submission.
- Awards may be made on a first come, first served basis. Awards, are at all times, subject to the availability of funding. All funding decisions are at the sole discretion of PHFA.



Rafael Porrata-Doria Place, Philadelphia, 4% LIHTCs, RTT, & CCRP

Loans by County since 2016



Counties	CCRP Loans	HOME Loans	HTF Loans
Adams	1	1	1
Allegheny	10	1	10
Armstrong	1		
Beaver			1
Berks			
Blair	1	1	
Bucks	1		
Butler		2	1
Centre		2	2
Chester	2		3
Clarion		1	
Clinton		1	
Columbia		1	
Crawford		2	
Cumberland	2	1	1
Dauphin	2	1	1
Fayette		1	
Franklin		3	1
Huntington			1
Lackawanna		2	
Lancaster	1	2	1
Lehigh	1		2
Lebanon		1	
Luzerne			1
McKean		1	
Montgomery		1	6
Northampton	1		1
Northumberland	1	1	
Philadelphia	7		17
Schuylkill	2	2	
Washington			1
Westmoreland	1	1	
York	2	1	2
TOTALS	36	30	53

ANY QUESTIONS?



PHFA
Welcome Home.