


TO: Honorable Tom Wolf, Governor
Honorable Timothy DeFoor, Auditor General
Honorable Joe Pittman, Chairman, Senate Urban Affairs & Housing Committee
Honorable Nikil Saval, Minority Chairman, Senate Urban Affairs & Housing Committee
Honorable Brad Roae, Chairman, House Commerce Committee
Honorable John Galloway, Minority Chairman, House Commerce Committee

FROM: Robin L. Wiessmann, Executive Director & CEO 
Pennsylvania Housing Finance Agency

DATE: July 1, 2021

SUBJECT: Mixed-Use Development Fund Tax Credit Program - 2020 Annual Report

Enclosed for your review is the Annual Report for the Mixed-Use Development Tax Credit as required by Act 84 of 2016.

BACKGROUND:

Enacted pursuant to the Tax Reform Code of 1971, by Act 84 of 2016 under Article XIX-E, the Mixed-Use Development Tax Credit program, administered by the Pennsylvania Housing Finance Agency (“PHFA” or “Agency”), authorized the Agency to sell \$2 million of state tax credits to qualified taxpayers for the purpose of establishing the Mixed-Use Development Fund (the “fund”). In 2019, Act 13 of 2019 was passed increasing the aggregate amount of tax credits from \$2 million to \$3 million. Distributions from the fund will be awarded to eligible projects in target areas of the Commonwealth with an identifiable need for increased affordable housing opportunities and commercial corridor development. Through the maximization of public and private resources, communities may address shortages in the availability of affordable housing while supporting business growth and sustainable partnerships by providing developers access to funds for construction or rehabilitation projects that support both affordable housing and business within the same structure.

PHFA is authorized to sell Mixed-Use Development tax credits through directed or negotiated sale to any qualified taxpayer. A qualified taxpayer is any natural person, business firm, corporation, business trust, limited liability company, partnership, limited liability partnership, association or any other form of legal business entity that is subject to a tax imposed by Article III, IV, VI, VII, VIII, IX, XI, or XV of the Tax Reform Code of 1971, excluding tax withheld by an employer under Article III.

The credit issued to a qualified taxpayer may be applied against any qualified tax liability. A qualified tax liability is:

- Article III: Personal Income Tax (excluding tax withheld by an employer)
- Article IV: Corporate Net Income Tax
- Article VI: Capital Stock and Franchise Tax
- Article VII: Bank and Trust Company Shares Tax

Attached, for your review is:

1. A listing of qualified taxpayer applicants and bids under the 2020 Mixed-Use Development Fund Tax Credit Program.
2. A list of the projects funded through proceeds from the Mixed-Use Development Fund Tax Credit Program.

2020 Taxpayer Applicant(s) and Bid(s)

Qualified Tax Applicants	Bid	Allocation	Tax Credit Certificate Issued?
Armstrong Utilities, Inc.	\$1,740,100	\$2,000,000	Yes
Tax Credit Services, LLC	\$850,100	\$1,000,000	Yes

Projects awarded Mixed-Use Development grant funds on April 8, 2021:

Project	Grantee	Award Amount
Braddock Community Development	641 Braddock Realty LLC	\$400,000
Dox Thrash House	Beech Community Services	\$400,000
River District: Project I	Argus Two Inc.	\$500,000
The Flats Center	JCL Development LLC	\$400,000
TomTom24 Development	TomTom24 Development LLC	\$500,000

Mixed-Use Development grant projects since program's inception:

Project	Grantee	Award Amount
5 Points in Observatory Hill	Observatory Hill Development Corp.	\$400,000
Homestead Bakery Lofts	Action-Housing Inc.	\$400,000
257-263 S. 52nd Street	The Enterprise Center Community Development Corporation	\$400,000
2613-2615 West Girard Avenue	MM Partners, LLC	\$400,000
Rafael Porrata-Doria Place	HACE	\$400,000
Mt. Airy Art Garage	Mt. Airy USA	\$400,000
3200 Kensington Avenue	Shift Property Management	\$400,000
404-06 West 8 th Street Rehabilitation	Our West Bayfront	\$500,000
Sixth Ward Flats	ACTION-Housing, Inc.	\$400,000
The Lofts @ Oak & Main	Redevelopment Authority of the City of Pittston	\$500,000
Titusville Iron Works	Titusville Iron Works LLC	\$500,000