

TO: Honorable Josh Shapiro, Governor
Honorable Timothy DeFoor, Auditor General
Honorable Joe Picozzi, Chairman, Senate Urban Affairs & Housing Committee
Honorable Nikil Saval, Minority Chairman, Senate Urban Affairs & Housing Committee
Honorable Scott Conklin, Chairman, House Commerce Committee
Honorable John Lawrence, Minority Chairman, House Commerce Committee

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



DATE: July 1, 2025

SUBJECT: Mixed-Use Development Fund Tax Credit Program - 2024 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 Fund 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 Program Fund (the “Fund”). The tax credit allocation increased to \$3.0 million in 2019 and \$4.5 million in 2021. Distributions from the Fund are awarded to eligible projects in target areas of the Commonwealth with significant need for increased affordable housing and commercial corridor development. The Agency prioritizes applications from third class cities and smaller communities that often lack access to needed development resources.

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
- Article VIII: Title Insurance Company Shares Tax
- Article IX: Insurance Premiums Tax
- Article XI: Gross Receipts Tax
- Article XV: Mutual Thrift Institutions Tax

Attached, for your review is:

1. A listing of qualified taxpayer applicants and bids under the 2024 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

2024 Taxpayer Applicant(s) and Bid(s):

| Qualified Tax Applicants | Bid | Allocation | Tax Credit Certificate Issued? |
|-------------------------------------|-------------|-------------|--------------------------------|
| Ameriprise Financial, Inc. | \$2,766,300 | \$3,000,000 | Yes |
| Armstrong Utilities, Inc. | \$4,106,250 | \$4,500,000 | No |
| Erie Indemnity Company | \$4,140,500 | \$4,500,000 | No |
| First National Bank of Pennsylvania | \$1,820,000 | \$2,000,000 | No |
| RiverSource Life Insurance Company | \$1,383,150 | \$1,500,000 | Yes |

Projects awarded Mixed-Use Development Program grant funds on April 10, 2025:

| Project Name | Grantee | Award Amount |
|--|--|--------------|
| 21-23 N. Hanover/25 Alexander Ave | Shumberger Real Estate Group | \$500,000 |
| Blight Remediation-Fourth Street | Redevelopment Authority of the City of Bethlehem | \$800,000 |
| Dinah's Hill Apartments | Chestnut Housing Corporation | \$600,000 |
| Oil City Downtown Development of Down's Building | Oil Region Alliance | \$800,000 |
| Stott Building | 233 Front St LLC | \$800,000 |
| The Gateway | Wildheart Ministries | \$500,000 |
| Wilkesburg Bank Building | 901 Wood LLC | \$700,000 |

Projects awarded Mixed-Use Development Program grant funds since the program's inception:

| Project | Grantee | Award Amount |
|---|---|---------------------|
| 1009 Wood Street | 1009 Wood Street LLC | \$700,000 |
| 131 West Market Street | 131 West Market, Inc. | \$600,000 |
| 257-263 S. 52nd Street | The Enterprise Center Community Development Corporation | \$400,000 |
| 2613-2615 West Girard Avenue | MM Partners, LLC | \$400,000 |
| 3200 Kensington Avenue | Shift Property Management | \$400,000 |
| 404-06 West 8 th Street Rehabilitation | Our West Bayfront | \$500,000 |
| 4324-44 Lancaster Ave | Lancaster Ave Real Estate Development LLC | \$700,000 |
| 461-463 West 8 th Street | Pineapple Real Estate LLC | \$800,000 |
| 5 Points in Observatory Hill | Observatory Hill Development Corp. | \$400,000 |
| 5700 Germantown Ave | 5700 Germantown LLC | \$600,000 |
| Braddock Community Development | 641 Braddock Realty LLC | \$400,000 |
| Centre and Berwick Street Revitalization | 504 Center Street, LLC | \$600,000 |
| Color Lab Rehab | Valley Housing Development Corporation | \$500,000 |
| Downtown Heights | Downtown Heights LLC | \$600,000 |
| Dox Thrash House | Beech Community Services | \$400,000 |
| Herron & Wylie | Communion Place LLC | \$600,000 |
| Homestead Bakery Lofts | Action-Housing Inc. | \$400,000 |
| Homestead Municipal Building | Homestead Municipal Lofts LLC | \$500,000 |
| Matzo Development | Matzo Development LLC | \$600,000 |
| Mt. Airy Art Garage | Mt. Airy USA | \$400,000 |
| New Freedom District | Islamic Cultural Preservation and Information Council | \$700,000 |
| Penn Lincoln Apartments | ACTION-Housing, Inc. | \$600,000 |
| Rafael Porrata-Doria Place | HACE | \$400,000 |
| Rebman's Redevelopment | OZFund, Inc. | \$800,000 |
| Rhythm Square: Phase I | Rhythm Live Work LLC | \$700,000 |
| Savoy 48 | Vice Capital LLC | \$800,000 |
| Sixth Ward Flats | ACTION-Housing, Inc. | \$400,000 |
| The Pajama Factory | Pajama Factory LLC | \$700,000 |
| Titusville Iron Works | Titusville Iron Works LLC | \$500,000 |
| TomTom24 Development | TomTom24 Development LLC | \$500,000 |
| West Aliquippa St. Joseph Development | Logstown Lofts Schoolhouse, L.P. | \$700,000 |
| Winter Street Project | Philadelphia Chinatown Development Corporation | \$600,000 |