

**Amendment to the Pennsylvania Housing Finance Agency
Allocation Plan for Program Year 2022
Low Income Housing Tax Credit Program**

The Pennsylvania Housing Finance Agency (the "Agency") administers the Federal Low Income Housing Tax Credit Program ("Tax Credit Program") in the Commonwealth of Pennsylvania ("Commonwealth"). On March 10, 2022, the Agency adopted a plan (the "Allocation Plan") outlining the allocation priorities and procedures to be followed in distributing Federal Low Income Housing Tax Credits ("Tax Credits") based on the housing needs of the Commonwealth.

In accordance with the Allocation Plan, the Agency may issue supplemental policy and guideline announcements affecting this Allocation Plan and the administration of Tax Credit Program and pursuant thereto is amending and supplementing the Allocation Plan as more fully described herein.

1. In general, the Allocation Plan shall be amended as follows:

The full title of the Allocation Plan shall be amended to state: "Pennsylvania Housing Finance Agency Allocation Plan for Program Years 2022-2023 Low Income Housing Tax Credit Program".

Headers appearing on pages of the Allocation Plan shall be amended to state: "Pennsylvania Housing Finance Agency: 2022-2023 Qualified Allocation Plan for LIHTC".

References throughout the Allocation Plan to the "2022 Guidelines" shall be deleted and replaced with the phrase "Agency Guidelines".

2. Section 2.1 of the Allocation Plan shall be amended as follows:

The first four paragraphs shall be deleted in their entirety and replaced with the following:

This Allocation Plan shall govern Applications for Tax Credits (each an "Application") for annual awards of Tax Credits in 2022 and 2023. The Agency awards Competitive 9% Tax Credits to developments through an annual funding round; additionally, the Agency awards 4% Tax Credits for developments which are financed with tax-exempt bonds outside of the annual funding round ("4% Tax Credits with Tax-Exempt Bonds").

For a development to be considered for a reservation of Competitive 9% Tax Credits in 2022, the entire Application package, including all exhibits, must be received by the Agency **no later than 3:00 p.m. on June 30, 2022** (or such other deadline as may be established by the Agency on its website). Deadlines for consideration for a reservation of Competitive 9% Tax Credits in 2023 may be announced by the Agency on its website at www.phfa.org if uncommitted resources are available or become available. Applications (which include receipt of an electronic submission and hard copy) not received by the closing date of the submission cycle will not be considered.

For a development to be considered for a reservation of 4% Tax Credits with Tax-Exempt Bonds in 2022 or in 2023, the deadline for applications will be available on the Agency's website at www.phfa.org.

In advance of submitting an Application package for Competitive 9% Tax Credits, Applicants must submit an "Intent to Submit a Tax Credit Application - Fact Sheet and Development Synopsis" (see the 2022 Multifamily Housing Program Guidelines or 2023 Multifamily Housing Program Guidelines, as applicable (the "Agency Guidelines") for form and submission guidance) no later than 60 days prior to application deadline. This submission is a mandatory requirement for the Tax Credit Program.

3. Section 2.3 of the Allocation Plan shall be amended as follows:

The first paragraph shall be deleted in its entirety and replaced with the following:

All information submitted by the Applicant or requested by the Agency in the review of the Application is the sole property of the Agency and may be made public. The Agency's processing procedures, fee schedules and limitations, and current rent and income limits are set forth in the Agency's 2022 or 2023 Multifamily Housing Application Package, as applicable (the "Multifamily Application") and the Agency Guidelines, which may be found on the Agency's website at www.phfa.org/mhp/developers/housingapplication.aspx.

The fourth paragraph shall be deleted in its entirety and replaced with the following:

The Application package submitted for review must include all of the information in the order set forth in the Multifamily Application. **Any material deficiency in the Application or omission from the mandatory submissions set forth in the Multifamily Application may result in immediate rejection or alternatively, negative ranking points.** All Applications must meet program eligibility requirements set forth in the Code. **Any Application, once received by the Agency, may not be altered, amended or modified except as approved by staff during underwriting and program review or except for developments participating in an Agency financing program, which may undergo subsequent substitute processing and ranking by the Agency.** Applications will be ranked based only upon the information contained in the Application package.

4. Section 2.7 of the Allocation Plan shall be amended as follows:

The first paragraph shall be deleted in its entirety and replaced with the following:

All developments utilizing 4% Tax Credits with Tax-Exempt Bonds in their financing plan must submit a Tax Credit Application pursuant to the 2022 or 2023 Request for Proposals for Tax Exempt Volume Cap and must be evaluated in accordance with the Allocation Plan and the Agency Guidelines. Developments which qualify for 4% Tax Credits with Tax-Exempt Bonds are not required to receive an allocation of Competitive (9%) Tax Credits through competitive allocation from the Agency. The Agency reserves its rights, however, to establish a selective or competitive process for allocating its Tax Exempt Volume Cap through a Request for Proposals for Tax Exempt Volume Cap or the Agency Guidelines.

5. Section 2.8 of the Allocation Plan shall be amended as follows:

The first paragraph shall be deleted in its entirety and replaced with the following:

All developments receiving a conditional reservation of Competitive 9% Tax Credits in program year 2022 or 2023 must either be placed in service by the deadline established by the Code or be eligible for a carryover allocation of Tax Credits pursuant to the Code. All processing deadlines for Carryover Allocations must be met. The Agency reserves the right to update or amend the Carryover Allocation deadlines and processing timeframes and will publish any and all modifications on its website.

6. Section 2.9 of the Allocation Plan shall be amended as follows:

The first paragraph shall be deleted in its entirety and replaced with the following:

The Agency reserves the right, in its sole discretion, to provide an allocation of Competitive 9% Tax Credits from a future year to a development, without requiring re-ranking under the Year 2022-2023 Allocation Plan. The development must have received a reservation of Competitive 9% Tax Credits and, due to extraordinary or compelling circumstances beyond its control, be unable to meet Tax Credit program placed in service deadlines. Reallocation requests will only be considered on the entire

development award (which may include multiple year Competitive 9% Tax Credit allocations). The Agency will not consider requests for partial reallocation of Tax Credits.

7. Section 3.2.6 of the Allocation Plan shall be amended as follows:

The paragraph shall be deleted in its entirety and replaced with the following:

Applications for Tax Credits will not be accepted for any existing occupied Tax Credit development during its initial 15-year compliance period unless the initial 15-year compliance period will have expired prior to the end of 2022 or 2023, as applicable, and the property meets all other Tax Credit rules.

8. Section 3.2.16 of the Allocation Plan shall be amended as follows:

The paragraph shall be deleted in its entirety and replaced with the following:

All developments must confirm that a minimum level of supportive services appropriate to the proposed resident population is available at the property. Applications must provide evidence, satisfactory to the Agency, that funds are dedicated to cover service delivery. Developments that provide delivery of specific services may qualify for ranking consideration under the Selection Criteria. See Exhibit SC2022-2023 for specific criteria.

9. Section 4.1 of the Allocation Plan shall be amended as follows:

The final paragraph shall be deleted in its entirety and replaced with the following: "The Selection Criteria are set forth in Exhibit SC2022-2023, below."

10. Section 4.3 of the Allocation Plan shall be amended as follows:

The second paragraph shall be deleted in its entirety and replaced with the following:

In reserving Competitive 9% Tax Credits, the Agency has established a minimum point threshold of one hundred and twenty (120) points for all developments except for those qualifying for the Preservation Preference, which shall be one hundred ten (110) points.

11. Section 4.4 of the Allocation Plan shall be amended as follows:

The first paragraph shall be deleted in its entirety and replaced with the following:

The amounts available in each Set-Aside, Pool or Preference may be adjusted by the Agency at any time to ensure adequate and appropriate funding of the Applications meeting the Agency's goals and Program criteria. Should additional Competitive 9% Tax Credits or other resources become available for whatever reason, especially federal or State funding program opportunities for a specific population such as veterans, emergency response, persons with special needs or persons with disabilities or unique land bank financing opportunities, the Agency will not issue an amendment to this Allocation Plan but will instead make allocations of such additional Competitive 9% Tax Credits or resources in accordance with this Allocation Plan as it deems appropriate.

12. Exhibit SC2022 – Selection Criteria shall be amended as follows:

The title of the exhibit shall be amended to state: "Exhibit SC2022-2023 – Selection Criteria" and Scoring Summary Table heading E. is amended to state: "E. Development Cost Savings – NOTE: Suspended for 2022 and 2023".

The Note preceding section E. shall be amended to state: "NOTE: Development Cost Savings Selection Criteria is suspended for 2022 and 2023 due to current market conditions".