



Pennsylvania Affordable Housing Tax Credit
Pennsylvania Housing Finance Agency Response to Public Comment

The Affordable Housing Tax Credit (“AHTC” or the “Tax Credit”) was established in 2025 by Act 45 of 2025 (the “Act”) to encourage the development, rehabilitation and preservation of qualified low-income rental housing. Pursuant to the Act, the Pennsylvania Housing Finance Agency, as the administrator of the AHTC, was required to publish draft guidelines pertaining to the administration of the Tax Credit. On March 7, 2026, draft guidelines (“AHTC Guidelines” or “Guidelines”) were published in the Pennsylvania Bulletin and the 45-day public comment period commenced. The Agency accepted comments until April 24, 2026.

During the public comment period, four letters of public comment were received. The Commentators are listed below. In preparing this document (the “Comment and Response Document”), the Agency has responded to comments pertaining directly to the administration of the AHTC. While the comments have been summarized, the full letters have been included for reference at Appendix A. Several comments related more generally to other Agency documents or programs such as PHFA’s Qualified Allocation Plan for the federal Low-Income Housing Tax Credit (“LIHTC”) program. Others included recommendations for how to structure the funds to provide maximum benefits to eligible projects, the inclusion of specific scoring criteria and underwriting considerations, as well as potential methods to enhance the combination of financial resources. Such comments have been included in this document for notice purposes at Appendix A, however, a response has not been provided as the comments are outside of the scope of this Comment and Response Document.

Commentator Identification Number	Name	Address
1	Pennsylvania Developers’ Council	500 North 12th Street Suite 110 Lemoyne, Pennsylvania 17043
2	Pennsylvania Supportive Housing Coalition	123 South Broad Street Philadelphia, Pennsylvania 19109
3	Regional Housing Legal Services	123 South Broad Street Suite 1330 Philadelphia, Pennsylvania 19101
4	PA Developmental Disabilities Council	Health and Human Services Building 625 Forster Street, 2 nd Floor Harrisburg, Pennsylvania 17120

Commentator 1:

Comment A: “The draft guidelines allow for the funds to be treated as a grant or a loan. Although the draft guidelines indicate that the funds may be granted, they should be clarified to allow for PHFA to grant funds to a member/partner of the owner entity who can then lend the funds to the project.”

Response: Any funding provided pursuant to the AHTC Program will contain affordability restrictions that will be evidenced by a restrictive covenant agreement recorded against the eligible project and property. The Agency has determined that the most effective way to enforce its covenants and requirements is to retain privity of contract with the ownership entity rather than relying on a third-party, related entity to do so.

Comment B: “The development community supported this change to the AHTC program to try to create more resources for affordable housing. Our hope was that a new program, albeit a subordinate loan program, would look as much like equity as possible, meaning: no interest rate and no cash flow or principal payments until maturity. PHFA has the discretion to under the new legislation to pay itself a fee out of the sale proceeds of the credits, we encourage the Agency to compensate itself as allowable of the credit sale and not require any further cash flow repayments from the projects. There is nothing in the text of the approved legislation or in Section 42 of the Federal Code that requires a cash flow repayment in the way the draft rules propose. We urge you to lighten the burden on developments, and proceed with a program that requires no repayment until loan maturity.”

Response: Cash flow repayments are only required if an eligible project generates excess revenue. The intent of cash flow repayments is not to create hardship for eligible projects, but rather, these repayments generate funding that can then be used to further support the development of affordable housing. Alternatively, eligible projects have the option to apply for AHTC funding in the form of a grant, which requires no repayment.

Commentator 2:

Comment A: “Given these challenges related to income the PA Supportive Housing Coalition recommends that PHFA changes the current AHTC income targeting to align with the QAP and identify the deep income targeting set aside at or below 20% AMI. PHFA should surpass the statutory minimum requirement of 10% at 30% and use this opportunity for deep income targeting. If Pennsylvania is to address the growing need for supportive housing PHFA should increase the set-asides for this income level (20%AMI) from 10% to 30% of the AHTC.

PHFA should adapt:

- **Current Language:** PHFA will prioritize projects that include at least 10% of the housing units as affordable to households with incomes at or below 30% of the area medium income (AMI).
- **Proposed Change:** PHFA will prioritize projects that include at least 30% of the housing units as affordable to households with incomes at or below 20% of the area median income (AMI).”

Response: The Agency has drafted the Guidelines to align with the language in Act 45. Given that the area median income (“AMI”) targets households *at or below* 30%, the Agency is not precluded from prioritizing projects with more stringent income restrictions without modifying the AHTC Guidelines.

Comment B: “Because AHTC awards are currently capped at \$1million per project, even large or high-need supportive housing developments receive state credits that cover a smaller share of total project costs than comparable family or senior LIHTC projects. This structural mismatch discourages developers from pursuing supportive housing unless other scarce subsidies are secured.”

In order to address these costs and market disincentives, PHFA should:

- Authorize **higher AHTC caps** for projects meeting supportive housing or special needs design criteria up to \$1.5 million.
- Offer **operating cost adjustments** in underwriting assumptions for service-rich projects.”

Response: Currently, the Agency only receives \$10 million in AHTC to sell per year. The Agency anticipates that the demand for the program funds will exceed the supply. In order to maximize and diversify the use of funds, the Agency has determined to maintain the \$1 million cap on AHTC awards. Should additional credits become available for sale in the future, therefore potentially increasing the amount of AHTC funding available, the Agency may reconsider increasing the per project cap on AHTC awards.

Comment C: “As mentioned above, supportive housing projects require layered financing (capital + operating + services). PA already uses PHARE, National Housing Trust Fund, and Section 811 to deepen affordability. PHFA efforts to align the AHTC with the LIHTC program already encourages braiding of funding opportunities. Initiatives like the Health for Housing Investment Program demonstrate a commitment and acknowledgment of the complicated partnerships and timing challenges that this can sometimes create.

To address this and further encourage the braiding of resources PHFA should

- Revise AHTC guidance to **reward applicants that secure operating subsidies or long-term service commitments**, including:
 - Section 811 PRA
 - PHARE supportive-housing set-asides
 - Health system or Medicaid MCO partnerships
- Include an “**enhanced readiness**” category prioritizing projects with identified braided funding such as those engaged in the Health for Housing Investment program.
- Provide Technical Assistance to emerging developers (developers who have not independently closed more than 3 LIHTC tax credit deals) who require assistance with braiding and provide clear access to developers requiring this assistance.”

Response: Comment C relates to how the Agency reviews LIHTC projects in general and includes proposed categories that may be more appropriate for consideration in the context of the Agency’s Qualified



Allocation Plan. The commentator may submit these comments in response to the draft 2027/2028 Qualified Allocation Plan (“QAP”) which will be published for public comment in the Summer of 2026. The AHTC is a funding source that will be disbursed through the same application round as the federal LIHTCs that are reviewed in accordance with the QAP.

Comment D: “Decouple AHTC from annual LIHTC competition where possible. Section 1605-W-1 permits PHFA to establish independent procedures for application and selection of the AHTC Program Funds. The Coalition agrees that awarding a majority of AHTC Program Funds in coordination with the LIHTC QAP Process is an efficient and effective method of maximizing AHTCs impact. However, we believe PHFA should take advantage of its statutory grant of authority and award a limited amount [of] state tax credits outside of the annual QAP scoring cycle to Eligible Projects *where timing or feasibility is at risk*. The QAP is a ranking tool, and the state tax credit is a resource that could be deployed more nimbly without undermining the LIHTC integrity.”

Response: Due to the high-cost environment, most federal LIHTC applications need additional capital sources and, often, the applicants request additional sources from PHFA. Therefore, it is anticipated that the demand for AHTC funding as a source in federal LIHTC developments will exceed the availability of AHTC funding. Given this limitation, there may not be sufficient AHTC funding available for non-LIHTC developments at this time. Should additional credits become available for sale in the future, potentially increasing the amount of AHTC funding available, the Agency may reconsider allocating AHTC funds to eligible projects outside of the QAP scoring cycle.

Commentator 3:

Comment A: “The AHTC’s wholesale credit structure gives PHFA a powerful and flexible policy tool unavailable under prior state tax credit programs. Since 1605-W-1 of the statute authorizes PHFA to establish independent application and selection procedures for AHTC Program Funds, providing the Agency with clear discretion to direct credit-generated equity where it can have the greatest impact.

We strongly encourage PHFA to exercise this authority to prioritize preservation, including by establishing a set-aside of AHTC Program Fund awarded independently of new federal LIHTC allocations. Such a set-aside could be used to support existing affordable housing developments facing expiring affordability restrictions where:

- The development does not require, or cannot support, a full LIHTC resyndication;
- The capital need is limited but essential to continued operation and compliance;
- The loss of affordability would materially harm tenants and the surrounding community.

Targeted AHTC support could fill precisely the gap these properties face—providing flexible, low-cost capital that stabilizes operations, extends affordability and preserve units at a fraction of the cost of new construction. For nonprofit developers and social service agencies, this approach would reduce transaction complexity while allowing scarce organizational capacity to remain focused on resident services and long-term stewardship.”

Response: Preservation is a preference in PHFA’s Qualified Allocation Plan, which means that preservation developments compete in their own set-aside for federal credits. Applicants can apply for AHTC funding concurrently with applying for federal credits; therefore, preservation developments are already competing



in a preference or set-aside. For preservation developments not competing for federal LIHTC credits, please see the response for Commentator 2, Comment D.



March 19, 2026

Ms. Jessica Perry
Director of Development
Pennsylvania Housing Finance Agency
211 North Front Street
Harrisburg, PA 17101

Re: State Affordable Housing Tax Credit Program Guidelines

Dear Jessica:

Thank you for the opportunity to comment on the proposed guidelines for the new Affordable Housing Tax Credit (“AHTC”) program.

The Pennsylvania Developers’ Council (“PDC”) helped to support the change from the retail to wholesale method of monetizing the State Tax Credit. We are hopeful that the change in methodology will command a higher price per credit and more gap funding for LIHTC developments.

The draft guidelines allow for the funds to be treated as a grant or a loan. Although the draft guidelines indicate that the funds may be granted, they should be clarified to allow for PHFA to grant funds to a member/partner of the owner entity who can then lend the funds to the project. That said, our larger concern is that the draft guidelines essentially treat the new AHTC resources like they are PHARE funds. Page 6 of the guidelines note that if the proceeds are loaned to the project, there will be a cash flow repayment, though it does not state the amount of that repayment.

The Agency’s allocation letters sent out last year to recipients of LIHTC and AHTC appear to clarify this point, by stating:

Agency Funding (including PHARE, HOME, and AHTC sourced loans) will be provided in the form of a 40 year non-interest bearing loan from the Agency....Repayment of Agency funding shall be made...prior to repayment of subordinate project financing, any and all partnership fees or payment, operating expense loans, deferred developer’s fees...50% of Excess Revenue Shall be remitted to the Agency...and the other 50% will be available to the owner for distribution.”

Based on this allocation letter, the Agency intends to treat AHTC funds the same as PHARE, requiring a 50/50 split of cash flow, before repayment of deferred developer fee.

PDC (and others in the development community) have long held the position that the Agency's treatment of PHARE funds and its requirement that the cash flow split take place before deferred developer fee is a hardship for projects that operate on a very thin margin, reducing a potential backstop against operating cost increases. It may also have phantom income tax consequences to project owners that cannot repay their deferred developer fee out of cash flow during the initial compliance period. Furthermore, the Agency's 50/50 cash flow split before deferred developer fee is also inconsistent with how other State Housing Finance Agency's treat subordinate debt repaying. For example, New Jersey Housing and Mortgage Financing Agency ("NJHMFA")'s subordinate financing programs require cash flow payments to start the earlier of 10 years or repayment of deferred development fee.

The development community supported this change to the AHTC program to try to create more resources for affordable housing. Our hope was that a new program, albeit a subordinate loan program, would look as much like equity as possible, meaning: no interest rate and no cash flow or principal payments until maturity. PHFA has the discretion under the new legislation to pay itself a fee out of the sale proceeds of the credits, we encourage the Agency to compensate itself as allowable out of the credit sale and not require any further cash flow repayments from the projects. There is nothing in the text of the approved legislation or in Section 42 of the Federal Code that requires a cash flow repayment in the way the draft rules propose. We urge you to lighten the burden on developments, and proceed with a program that requires no repayment until loan maturity.

Thank you for your consideration. I am available to further discuss at 267-971-2968 or jaocb.fisher@ulyssesdevelopment.com.

Sincerely,



Jacob Fisher
Chair, Pennsylvania Developers' Council

CC: Robin Wiessmann, Executive Director and CEO

Ms. Jessica Perry
March 19, 2026
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Brian McShane
Associate Director PA/NJ, Metro Region CSH
123 South Broad Street, Philadelphia PA 19109

April 24th, 2026

Robin Weissmann
Executive Director
Pennsylvania Housing Finance Agency
211 N Front Street
Harrisburg, Pennsylvania 17101

Submitted via email to: rwieissmann@phfa.org jperry@phfa.org bmaretzki@phfa.org and srroads@phfa.org

Dear Director Weissman and PHFA staff and board,

On behalf of the Pennsylvania Supportive Housing Coalition, I am submitting the following written comments for the Affordable Housing Tax Credit (AHTC). This coalition was founded in 2023 and is comprised of more than 350 individuals representing more than 150 multi-sector organizations who convene regularly to advocate for policy changes that can enhance efforts across the commonwealth to create more supportive housing opportunities.

The Coalition celebrates the creation of the AHTC. The efficiencies and flexibility gained compared to the previous Pennsylvania Housing Tax Credit are profound and present exciting opportunities to create more supportive housing. We appreciate PHFA's commitment and continued willingness to innovate and partner with communities to expand affordable housing options across Pennsylvania. The ability for developers to secure the equity created by the AHTC directly from PHFA eliminates the costly and inefficient process of securing state tax credit investors at the project level. This challenge has become more acute in recent years for supportive housing developers due to rising costs, the extremely low incomes of those who need supportive housing, and abrupt and unpredictable federal changes that impact operating and services dollars. The AHTC offers a unique opportunity to make supportive housing projects more viable, something that is desperately needed if Pennsylvania is to address the need to create at least 38,000 new supportive housing units.

However, without proactive policy choices, the opportunity presented by the AHTC reform will not by itself accelerate Pennsylvania's capacity to create more supportive housing. In order to take full advantage of the opportunity that AHTC offers PA communities, the Supportive Housing Coalition has developed recommendations that can facilitate the utilization of these new resources to address the critical and urgent need of those individuals in Pennsylvania with the lowest incomes and supportive service needs related to their disabilities.

We believe that the recommendations included in this submission can enhance the efficacy of the good work done by PHFA and our supportive housing partners from across the commonwealth.

The AHTC 'wholesale' model creates an opportunity to address the unique challenges facing supportive housing development.

The Pennsylvania Housing Tax Credit (PHTC) created by Act 107 of 2020 was an impactful investment in Pennsylvania's housing development capacity. However, some structural challenges stood in the way of achieving maximum benefit. The relatively small amount of credits awarded at the deal level presented difficulties for developers attracting investor interest. The complexities presented by the PHTC, and uncertainty surrounding the ability to syndicate the credits created significant hesitancy in the investor community. Due to these challenges, pricing for the PHTC at the project level was significantly depressed and could be volatile on a deal-to-deal basis. This not only placed strain on project budgets but reduced the 'bang for the buck' of the tax credit. Under the PHTC structure, each developer awarded PHTC was responsible for soliciting PHTC investment, negotiating PHTC investment agreements, and coordinating the equitable use of PHTC investment. This created additional project level soft cost, complexity, and timing burden.

We are confident that the AHTC's more efficient wholesale structure and the guidelines for equity solicitation that PHFA has established will result in superior equity pricing for this valuable tool. PHFA's experience with similar products like the Mixed Use Development Tax Credit, relationship with wholesale-scale investors, and strong reputation will help generate significantly more equity on a per credit basis than is possible on a scattered, per project process. In addition to these economic and administrative efficiencies, the AHTC model places greater control over the distribution of generated equity into the hands of PHFA. We believe this presents a unique opportunity for PHFA to exercise its public minded commitment to maximize benefit for those with the greatest barriers to housing across Pennsylvania.

The challenges presented by the PHTC structure were not unique to supportive housing developments and were faced by all PHTC users. However, the complexity involved in supportive housing development made the PHTC particularly difficult to use for supportive housing projects

Supportive housing developments are uniquely complex deals, involving deep and complex partnerships between housing developers and supportive service providers. As detailed in the Coalitions [Pathways to 38,000](#), supportive housing developments can face unique challenges attracting traditional LIHTC equity. These challenges were only multiplied by the PHTC structure and the efficiencies presented by the AHTC present a unique opportunity to provide direct and flexible financing to support these critical developments.

The AHTC presents a great opportunity for PHFA to set a national example for how to leverage the unique flexibility of AHTC to maximize benefit of this credit for supportive housing. The Coalition recognizes and appreciates PHFA's longstanding commitment to encouraging and creating supportive housing opportunities. Members of the coalition have been convening in the weeks since PHFA announced that these program guidelines were open for public comment to compile recommendations based on the expertise of cross sector partners with firsthand knowledge of creating and operating supportive housing across Pennsylvania. CSH is proud to present the recommendations of this collective group and would be happy to facilitate additional dialogue on any of the following recommendations. We are excited by the opportunities presented by the AHTC changes and present the following recommendations which we think will enhance PHFA's efforts to create strong supportive housing development pipelines across Pennsylvania.

Supportive Housing Recommendations

Strengthen Deeply Affordable and Supportive Housing Set-Asides

Most supportive housing residents have incomes that fall below the Extremely Low Income (ELI) threshold of 30% Area Median Income (AMI). Given that supportive housing targets individuals with disabilities, the most common source of income for supportive housing residents is Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI). Some tenants enter into supportive housing programs with no income at all. While many supportive housing tenants improve their income, employment, and educational goals after they are stably housed, this takes time and impacts operating costs for a project.

While Area Median Income (AMI) can vary widely in different PA regions, the median Pennsylvania Median AMI is \$60,125¹. The following chart represents median AMI at different levels in PA.

AMI	Monthly	Annual
30%	\$1,504	\$18,050
50%	\$2,504	\$30,050
60%	\$3,005	\$36,060
80%	\$4,008	\$48,100

These measures often do not accommodate the need for deep income targeting as it relates to income levels in Pennsylvania for those who need supportive housing and others with lower incomes. The following chart displays the ways in which typical income sources² even for those who are working a full-time minimum wage job fall below well below 30% AMI³.

Income	Monthly	Annual	% AMI
SSI	\$947	\$11,364	19%
SSDI	\$1633.76	\$19,605	33%
Min Wage (Full-Time)	\$1,256.66	\$15,080	25%

¹ <https://www.hudexchange.info/programs/home/home-income-limits/>

² https://www.ssa.gov/policy/docs/statcomps/ssi_sc/

³ [https://www.pa.gov/agencies/dli/resources/compliance-laws-and-regulations/labor-management-relations/pennsylvania-s-minimum-wage-act/wage-faqs#:~:text=The%20minimum%20wage%20in%20Pennsylvania%20is%20\\$7.25%20per%20hour.](https://www.pa.gov/agencies/dli/resources/compliance-laws-and-regulations/labor-management-relations/pennsylvania-s-minimum-wage-act/wage-faqs#:~:text=The%20minimum%20wage%20in%20Pennsylvania%20is%20$7.25%20per%20hour.)

Supportive housing tenants pay 30% of their income toward rent. At these typical income levels, this presents a significant challenge to operating budgets without deep subsidies. There are often not enough of these to meet demand. This inherently creates a challenge with financial viability for supportive housing projects in Pennsylvania.

Given these challenges related to the income the PA Supportive Housing Coalition recommends that PHFA changes the current AHTC income targeting to align with the QAP and identify the deep income targeting set aside **at or below 20% AMI**. PHFA should surpass the statutory minimum requirement of 10% at 30% and use this opportunity for deep income targeting. If Pennsylvania is to address the growing need for supportive housing PHFA should increase the set-asides for this income level (20% AMI) from 10% to 30% of the AHTC.

PHFA should adapt:

- **Current Language:** PHFA will prioritize projects that include at least **10% of the housing units** as affordable to households with incomes at or below **30% of the area median income (AMI)**.
- **Proposed Change:** PHFA will prioritize projects that include at least **30% of the housing units** as affordable to households with incomes at or below **20% of the area median income (AMI)**.

Award Extra Points for Projects Providing On-Site Services and Formal Service Partnerships

Supportive housing requires not just that tenants are provided affordable and stable housing but robust and flexible supportive services. To incorporate these services, projects will either have to build that capacity and staffing into the project or engage in a formal partnership with a service provider. Either approach requires that the developer and/or manager engage with funders and organizations that sometimes come with complex eligibility, timelines, and reporting requirements.

PHFA should include explicit scoring incentives in AHTC guidance for:

- **Formal MOUs** with behavioral health, Medicaid MCOs, hospitals, homeless service providers, intellectual/developmental disabilities (I/DD), Home and Community Based Services (HCBS) providers, or other community based supportive services providers. For a sample MOU adapted to this end, please reference the resource made available by the New Jersey Housing and Mortgage Finance Agency (NJHMFA) - <https://www.nj.gov/dca/hmfa/developers/docs/lihtc/tax/SAMPLE%20MOU%20TEMPLATE.docx>
- **On-site or mobile/scattered services** (e.g., tenancy supports, case management, behavioral health).
- Projects serving **high-utilizer or high-needs populations**, consistent with PHFA Health for Housing Investment (HHI) principles and guidelines.

Provide Credit Boosts or Higher Allocation Caps for Supportive Housing Projects

Supportive housing developments routinely face higher total development costs than standard LIHTC projects because they are intentionally designed to serve tenants with complex needs. These costs often include:

- Additional common and service space
- Enhanced building security and durability
- Trauma-informed and accessibility-focused design
- Higher soft costs due to complex, braided financing

Federal research into HUD Section 202 and 811 supportive housing found that existing cost limits often fail to cover actual development costs, leading to funding gaps and development delays when sponsors must secure additional subsidies midstream⁴.

Because AHTC awards are currently capped at **\$1 million per project**, even large or high-need supportive housing developments receive state credits that cover a smaller share of total project costs than comparable family or senior LIHTC projects. This structural mismatch discourages developers from pursuing supportive housing unless other scarce subsidies are secured.

In order to address these costs and market disincentives, PHFA should:

- Authorize **higher AHTC caps** for projects meeting supportive housing or special needs design criteria up to \$1.5 million.
- Offer **operating cost adjustments** in underwriting assumptions for service-rich projects.

Encourage Braided Funding by Aligning AHTC Guidance With PHARE, HHI, Section 811, and Other Resources

As mentioned above, supportive housing projects require layered financing (capital + operating + services). PHFA already uses PHARE, National Housing Trust Fund, and Section 811 to deepen affordability. PHFA efforts to align the AHTC with the LIHTC program already encourages braiding of funding opportunities. Initiatives like the Health for Housing Investment Program demonstrate a commitment and acknowledgment of the complicated partnerships and timing challenges that this can sometimes create.

To address this and further encourage the braiding of resources PHFA should

- Revise AHTC guidance to **reward applicants that secure operating subsidies or long-term service commitments**, including:
 - Section 811 PRA
 - PHARE supportive-housing set-asides
 - Health system or Medicaid MCO partnerships

⁴ <https://www.huduser.gov/portal//Publications/pdf/costindices.pdf>

- Include an “**enhanced readiness**” category prioritizing projects with identified braided funding such as those engaged in the Health for Housing Investment program.
- Provide Technical Assistance to emerging developers (developers who have not independently closed more than 3 LIHTC tax credit deals) who require assistance with braiding and provide clear access to developers requiring this assistance.

Streamline Application & Compliance Requirements for Supportive Housing

One of the inherent challenges that the PA Supportive Housing Coalition has been made aware of are the multiple application processes that projects must endure to pull projects together. There is already alignment between PHFA and other state agencies that helps to alleviate this. The Department of Human Services fund supportive services and administers Section 811 PRA, which PHFA already manages jointly. Further alignment of resources could streamline processes by:

- Creating **joint Notices of Funding Availability (NOFAs)** with DHS or county mental health programs. PHFA can look to examples like Washington D.C. Consolidated RFP for Affordable Housing Development as an example
- **Decouple** AHTC from annual LIHTC competition *where possible*. Section 1605-W-1 permits PHFA to establish independent procedures for application and selection of the AHTC Program Funds. The Coalition agrees that awarding a majority of AHTC Program Funds in coordination with the LIHTC QAP process is an efficient and effective method of maximizing AHTC’s impact. However, we believe PHFA should take advantage of its statutory grant of authority and award a limited amount state tax credits outside of the annual QAP scoring cycle to Eligible Projects *where timing or feasibility is at risk*. The QAP is a ranking tool, and the state tax credit is a resource that could be deployed more nimbly without undermining the LIHTC integrity.
- **Coordinating AHTC application cycles** with PHARE and Section 811 to ensure applicants can assemble capital + services + operating packages.
- **Create a simplified or non-competitive track for 4% bond deals**. Establishing a streamlined pathway for bond-financed projects that are otherwise viable but face small capital gaps due to interest rate or cost increases. This would improve speed to closing and prioritize preservation and supportive housing where delays most often threaten feasibility
- **Publishing guidance** explaining how to combine AHTC with Section 811 PRA, PHARE, National Housing Trust Fund dollars, and local vouchers.
- Adjust compliance monitoring to focus on **service coordination and tenancy stability**, not just income qualification.
- **Introduce special underwriting guidance** recognizing higher operating costs for service coordination, security, or staffing.

Incentivize Universal and Inclusive Design

Pennsylvania has higher than average rates of older adults⁵ and individuals with disabilities⁶ than many other states. While over 20% of the state's population is over 65 years old and about 14% of the state's population have a disability, there are often not enough options for housing that are accessible to these groups. Estimates indicate that only about 4% of the national housing stock is accessible for those with moderate mobility difficulties. Older adults represent one of the largest growing cohorts among those experiencing homelessness.

Affordable and supportive housing projects that are designed and built without considerations to address the current or future accessibility needs of tenants risk wasting resources and accruing increased future expenses. Despite perceptions, incorporating universal design (UD) at construction typically only raises costs by a minimal amount⁷ especially when compared to the cost of retrofitting in the future. Given the benefit of opening opportunities to older adults and those with disabilities, this should be a priority for programs like AHTC.

Universal design and inclusive design share a lot of common ground. Universal design has its roots in making physical environments as accessible as possible for most, while inclusive design puts more emphasis on diverse solutions and adaptations for outlier circumstances, without contradicting universal design principles. Both approaches seek to improve accessibility and user experience for all people, but they have subtle philosophical differences. Simply put, universal design asks, "How can we make this design work for as many users as possible?" while inclusive design asks, "What alternatives can we offer to make sure everyone's unique needs are met?"

To encourage and incentivize universal design and inclusive design integration, we recommend PHFA should:

- Award points for projects that commit to a defined set of UD features beyond minimum accessibility codes.
- Create a Universal design checklist to replace narrative descriptions
- Create a bonus category for inclusive design
- Provide a limited state-designated basis boost (e.g., +5–10%) for developments committing to a high UD standard across a defined share of units or common areas.
- Issue UD and inclusive design guidance, sample drawings, cost ranges and other materials that can help developers build capacity

⁵ <https://www.census.gov/quickfacts/fact/table/PA/LFE041221>

⁶ https://stophiv.org/wp-content/uploads/2024/08/Pennsylvania_Disability.pdf

⁷ <https://www3.nr.no/sites/default/files/files/NR1032-Cost-benefit%20analysis%20of%20universal%20design-final.pdf>

Require and Incentivize Lived-Expertise Input in Project Design

There are times where adding what may seem like complexity on the front end of the process can result in long-term sustainability and improved outcomes. This is especially true when considering the meaningful incorporation of persons with lived experience in the planning process. This can be done by the incorporation of interviews, focus groups, and/or written feedback such as surveys from prospective supportive housing tenants from populations currently listed as eligible for supportive housing projects.

PHFA should incentivize projects that show evidence that the **voices of lived experience were incorporating into the project design and the impact that this input had on the program/project design.** "Design" refers both to the physical design of the project as well as the programmatic design (i.e. staffing, eligibility criteria, tenant selection plan, etc.). Lived experience should be defined as either lived experiences of homelessness, institutionalization, or other lived experience related to the population that will be targeted for supportive housing units.

I wish to close once again by thanking PHFA, Director Wiessmann, and all of the teams at the agency for the arduous work that they put in across programs for Pennsylvanians. CSH greatly appreciates this opportunity to provide feedback and the ways in which we continue to see evidence of PHFA adapting programs, rules, and policies, to address the housing of those most in need in our communities.

Given our commitment and experience as a leading state champion for supportive housing, CSH and the Pennsylvania Supportive Housing Coalition urges you to adopt the above recommendations. Thank you for this opportunity to offer this feedback and for considering these points as part of the update to the AHTC. Members of the PA Supportive Housing Coalition look forward to discussing these recommendations further. We would appreciate the opportunity to do so at the earliest convenience of PHFA staff.

Sincerely,

Brian McShane

Brian McShane He/Him
Associate Director PA/NJ
Metro Region CSH



Regional Housing Legal Services

Opening Doors for an
Equitable Future

Regional Housing Legal Services – Philadelphia Office

123 S. Broad Street, Suite 1330,

Philadelphia, PA 19109

Robin Wiessmann
Executive Director
Pennsylvania Housing Finance Agency
211 N Front Street
Harrisburg, Pennsylvania 17101

Submitted via email to: rwieissmann@phfa.org; jperry@phfa.org; bmaretzki@phfa.org; and srhoads@phfa.org

Dear Director Wiessmann,

Regional Housing Legal Services (RHLS), together with ACTION-Housing, Inc., Affordable Housing Advocates, City of Bethlehem, Community Development of the Poconos, Community Ventures, the Housing Alliance of Pennsylvania, Local Initiatives Support Corporation—Philadelphia, the Maple Corporation, and Neighborhood Allies, appreciates the opportunity to comment jointly on the Pennsylvania Housing Finance Agency’s draft 2026 Affordable Housing Tax Credit (AHTC) Program Guidelines. Our organizations collectively represent nonprofit affordable housing developers, social service providers, housing advocates, and a local municipality, all of whom are deeply engaged in preserving and expanding Pennsylvania’s supply of affordable housing.

We write to urge the Agency to prioritize preservation as a distinct and explicit focus within the AHTC Program Guidelines and to recognize the unique role that AHTC Program Funds can play in preventing the loss of existing affordable housing—particularly housing owned by nonprofit sponsors and owners of smaller properties serving vulnerable populations.

The Urgent Need for a Preservation Strategy in Pennsylvania

Pennsylvania is facing a significant and growing affordable housing preservation challenge. Over the next five to ten years, nearly 12,000 affordable rental units statewide are expected to reach the end of their affordability restrictions, with many requiring recapitalization or reinvestment to remain viable. By 2029, approximately 380 properties across 56 counties are anticipated to exit LIHTC compliance

215-572-7300

www.rhls.org

periods or similar affordability covenants, placing thousands of units at risk of conversion to market-rate housing.

This risk is particularly acute given the broader housing context in the Commonwealth. In almost every county, rent burden rates for extremely low-income households are at or above 50 percent, underscoring that the loss of even a small number of existing affordable units can have outsized impacts on housing stability, homelessness, and community displacement. While PHFA and its partners have made meaningful investments—such as the use of HOP Multifamily preservation funds, which supported preservation activity in 17 counties and over 3,000 units in 2023 alone—these tools are not sufficient to address the scale of the challenge ahead.

Preservation Challenges Facing Nonprofit Developers and Small Properties

Preservation is especially difficult for nonprofit developers, social service agencies, and owners of smaller properties, many of whom lack the scale and financial flexibility required to undertake full LIHTC resyndications. Statewide data indicate that:

- Approximately 50 percent of expiring affordable housing properties contain 25 units or fewer, and
- More than 1,000 units in small properties are expected to reach the end of affordability by 2030.

In many counties—particularly rural counties—these small properties represent the primary, and in some cases the only, source of affordable rental housing. As a result, the loss of even a single small development can have a disproportionate impact on residents and housing stability at the county or regional level.

These developments often serve deeply income-restricted households, individuals with disabilities, seniors, and families connected to local service providers. Yet they face structural disadvantages in preservation transactions, including higher per-unit rehabilitation costs, limited access to conventional financing, and insufficient cash flow to support the depth of repairs needed to extend building life and affordability. For many of these properties, the capital need is real but modest—and the complexity, cost, and competition associated with a full LIHTC resyndication can render preservation infeasible.

Without a targeted preservation strategy, these developments are among the most likely to lose affordability, either through physical deterioration or market conversion.

The Opportunity Presented by the AHTC Program

The AHTC's wholesale credit structure gives PHFA a powerful and flexible policy tool unavailable under prior state tax credit programs. Section 1605-W-1 of the statute authorizes PHFA to establish independent application and selection procedures for AHTC Program Funds, providing the Agency with clear discretion to direct credit-generated equity where it can have the greatest impact.

We strongly urge PHFA to exercise this authority to prioritize preservation, including by establishing a set-aside of AHTC Program Funds awarded independently of new federal LIHTC allocations. Such a set-aside could be used to support existing affordable housing developments facing expiring affordability restrictions where:

- The development does not require, or cannot support, a full LIHTC resyndication;
- The capital need is limited but essential to continued operation and compliance;
- The loss of affordability would materially harm tenants and the surrounding community.

Targeted AHTC support could fill precisely the gap these properties face—providing flexible, low-cost capital that stabilizes operations, extends affordability, and preserves units at a fraction of the cost of new construction. For nonprofit developers and social service agencies, this approach would reduce transaction complexity while allowing scarce organizational capacity to remain focused on resident services and long-term stewardship.

Conclusion

Preservation is one of the most cost-effective and equitable strategies available to address Pennsylvania's affordable housing shortage, particularly in lower-cost markets, rural areas, and communities where nonprofit developers and municipalities are the primary housing providers. By explicitly prioritizing preservation within the AHTC Program Guidelines and establishing a mechanism to deploy AHTC Program Funds outside the competitive LIHTC allocation process, PHFA can prevent the permanent loss of thousands of affordable homes and reinforce its longstanding commitment to housing stability across the Commonwealth.

We appreciate PHFA's leadership in launching the AHTC Program and welcome the opportunity to continue working collaboratively with the Agency to refine these guidelines in a way that maximizes their impact for residents, communities, and mission-driven housing providers.

Respectfully submitted,

Regional Housing Legal Services

ACTION-Housing, Inc.

Affordable Housing Advocates

City of Bethlehem

Community Development of the Poconos

Community Ventures

The Housing Alliance of Pennsylvania

Local Initiatives Support Corporation, Philadelphia

The Maple Corporation

Neighborhood Allies



April 23, 2026

Robin Weissmann
Executive Director
Pennsylvania Housing Finance Agency
211 N Front Street
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Submitted via email to: rweissmann@phfa.org jperry@phfa.org bmaretzki@phfa.org and srhoads@phfa.org

Dear Director Weissman and PHFA staff and board,

On behalf of the Pennsylvania Developmental Disabilities Council (PADDCC) and its Housing Advocacy Partners, I am submitting the following written comments for the PA Affordable Housing Tax Credit (AHTC). The PADDCC is authorized through federal legislation (PL 106-402) called the Developmental Disabilities Assistance and Bill of Rights Act, often referred to as the "DD Act". "The purpose of the Act is to assure that individuals with developmental disabilities and their families participate in the design of, and have access to, needed community services, individualized supports and other forms of assistance that promote self-determination, independence, productivity, and integration and inclusion in all facets of community life through culturally competent programs." Developmental Disabilities Councils are mandated to conduct three main activities in support of individuals with developmental disabilities: systems change, capacity-building, and advocacy. These three primary activities anchor the work of the PADDCC.



Since September 2023, the PADDCC has organized meetings of the Housing Advocacy Partners. Housing Advocacy Partners is a group of organizations with the shared goal of advocating for policy and system changes to improve housing for people with disabilities.

To take full advantage of the opportunity that AHTC offers PA communities, the PADDCC and Housing Advocacy Partners have developed recommendations to enhance the AHTC and its resources to address the need of individuals in Pennsylvania with the lowest incomes and supportive service needs related to their disabilities. The PADDCC believes these recommendations will enhance the efficacy of the good work done by PHFA and housing developers across the commonwealth.

Award Extra Points for Projects with Formal Service Partnerships

Successful housing requires not just that tenants have affordable and stable housing, but robust and flexible supportive services. Projects must build capacity and staffing to engage in formal partnerships with service providers. This approach requires that the developer and/or building manager engage with funders and organizations that sometimes come with complex eligibility, timelines, and reporting requirements.

PHFA should include explicit scoring incentives in AHTC guidance for:

- **Formal Memorandums of Understanding (MOUs)** with behavioral health service providers, Medicaid Managed Care Organizations (MCOs), hospitals, homeless service providers, and/or intellectual/developmental disabilities (I/DD) Home and Community Based Service (HCBS) providers.



- **Onsite or mobile services** (e.g., housing tenancy and sustaining support services, case management, behavioral health, etc.)
- Projects serving **high-utilizer or high-needs populations**, consistent with Health for Housing Investment (HHI) principles.

Incentivize Universal and Inclusive Design

Pennsylvania has higher than average rates of older adults¹ and individuals with disabilities² than many other states. While over 20% of the state's population is over 65 years old and about 14% of the state's population have a disability, there are often not enough housing options that are accessible to these groups. Estimates indicate that only about 4% of the national housing stock is accessible for those with moderate mobility difficulties. Older adults represent one of the largest growing cohorts among those experiencing homelessness. Affordable and supportive housing projects that are designed and built without considering the current or future accessibility needs of tenants, risk wasting resources and accruing increased future expenses.

Despite perceptions, incorporating universal (UD) and inclusive design at construction typically raises costs by only a minimal amount³ especially when compared to the cost of retrofitting and remodeling in the future. Given the benefit of opening opportunities to older adults and those with disabilities, this should be a priority for programs like AHTC.

¹ <https://www.census.gov/quickfacts/fact/table/PA/LFE041221>

² https://stophiv.org/wp-content/uploads/2024/08/Pennsylvania_Disability.pdf

³ <https://www3.nr.no/sites/default/files/files/NR1032-Cost-benefit%20analysis%20of%20universal%20design-final.pdf>



Universal design and inclusive design share a lot of common ground. Universal design has its roots in making physical environments as accessible as possible for most, while inclusive design puts more emphasis on diverse solutions and adaptations for outlier circumstances, without contradicting universal design principles. Both approaches seek to improve accessibility and user experience for all people, but they have subtle philosophical differences. Simply put, universal design asks, “How can we make this design work for as many users as possible?” while inclusive design asks, “What alternatives can we offer to make sure everyone’s unique needs are met?”

To encourage and incentivize universal design and inclusive design integration, we recommend PHFA:

- Award points in the Development Characteristics or Resident Population & Services sections for projects that **commit to a defined set of UD features** beyond minimum accessibility codes.
- Create a **UD checklist** to make it easy for developers and project managers to mark/identify which UD features they did and did not include in their planning and design.
- Create a **bonus category for inclusive design**.
- Provide a **limited state-designated basis boost** (e.g., +5–10%) for developments committing to a high UD standard across a defined share of units or common areas.



- Issue **UD and inclusive design AHTC standards, such as:** guidance, sample drawings, cost ranges, best-practices, a UD checklist, and other resource materials that can help developers build capacity to include UD and inclusive design in their planning and design.

Require and Incentivize Lived-Expertise Input in Planning and Design

There are times where adding what may seem like complexity on the front end of the process can result in long-term sustainability and improved outcomes. This is especially true when considering the meaningful incorporation of individuals with lived experience in the planning and design processes. This can be done by incorporating input obtained through interviews, focus groups, and/or written feedback such as surveys from prospective housing tenants into the planning and design of the project. Lived experience is the expertise of those who have personal understanding and first-hand knowledge with homelessness, institutionalization, or other lived experiences such as disability – lived experience as related to the population that will be engaged as prospective tenants. “Design” refers both to the physical design of the project as well as the programmatic design (i.e. staffing, eligibility criteria, tenant selection plan, etc.)

PHFA should demonstrate their desire to **prioritize projects showing evidence that the voices of lived experience were incorporated into the project**, by offering incentives for its integration in project planning and design. Showing evidence of this incorporation should include an explanation of how the lived experience was obtained, what information and guidance was shared, and what the impact of that input had on the project/program planning and design.



We would like to close by thanking the PHFA, Director Wiessmann, and all the teams at PHFA for the dedication they demonstrate across programs for Pennsylvanians. PADDCC and Housing Advocacy Partners greatly appreciate this opportunity to provide feedback. Given our commitment and experience as advocates for people with developmental disabilities, PADDCC and Housing Advocacy Partners urge you to adopt the above recommendations. Thank you again for this opportunity and for considering these points as part of the update to the AHTC. We would welcome discussing these recommendations further and could do so at the earliest convenience of PHFA staff.

Sincerely,

Dana Thompson, Project Officer, PA Developmental Disabilities Council, Harrisburg, PA

Lisa Tesler, Executive Director, PA Developmental Disabilities Council, Harrisburg, PA

Sara Crimm, Director, Families Creating Communities for Adults with Disabilities (CCAN), Inc., Wynnewood, PA

Marian Frattarola-Saulino, Chief Executive Officer, Values Into Action/PA Coalition for Home and Community Based Services (HCBS), Media, PA

Will Hall, Chief Executive Officer, Pennsylvania Assistive Technology Foundation/Appalachian Assistive Technology Loan Fund, King of Prussia, PA

Dyann Roth, President and Chief Executive Officer, Inglis, Philadelphia, PA

Pamela Zotynia, Service Director - Participant Directed Services, Values Into Action/PA Coalition for HCBS, Media, PA