

January 15, 2021

Vol. 12, Issue 1

## TOP STORIES

### PHFA provides final tallies for CARES assistance programs for renters and homeowners

After five months of administering CARES financial assistance for renters and homeowners, the Pennsylvania Housing Finance Agency has provided final summary data about the performance of the Rent Relief Program and the Pandemic Mortgage Assistance Program, which started accepting applications on July 6, 2020. Both programs concluded on Nov. 4.

For the CARES Rent Relief Program (RRP), all 67 participating county organizations have now submitted their final performance data, and that data has been confirmed. A table providing key performance metrics is available on the [PHFA website](#).

The Pandemic Mortgage Assistance Program was fully administered by PHFA. A table providing county-by-county data for PMAP is available on the [PHFA website](#).

Renters with ongoing questions about their application for rent relief should reach out to the organization in their county that processed their application. A county contact list with phone numbers, emails and street addresses is available on the PHFA website at: <https://www.phfa.org/pacares/rent.aspx>.

Questions from homeowners about their PMAP application should be directed to PHFA. The agency's call center is available weekdays from 8 a.m. to 5 p.m. to assist the public and help with questions about PMAP. The toll-free number is 1-855-U-Are-Home (827-3466).

### Legislation passed to create Pa. low-income housing tax credit program

The Pennsylvania Housing Finance Agency applauds the passage of Senate Bill 30 and its signing into law by Governor Wolf last November, creating the Pennsylvania Low-Income Housing Tax Credit (LIHTC) program. Bipartisan support, and support from the governor, reflect awareness of the tremendous need for more affordable housing and housing's potential as an economic driver.

The legislation was written by Senator Tom Killion and received strong bipartisan support in the General Assembly. It will mirror the federal LIHTC program established in 1986. That program allocates tax credits to the states that developers then use to raise capital for the construction of affordable rental housing. In exchange for receiving the tax credits, developers agree to keep rents affordable for a number of years in the apartments that are built. The federal program has been the main vehicle for financially supporting the construction of affordable housing for the last 34 years. The state program will operate in a similar fashion.

The Pennsylvania Housing Tax Credit Act (Act 107 of 2020) provides the framework for the new

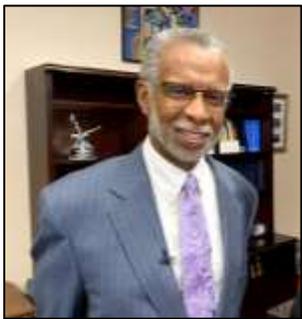
(Continued)



Pennsylvania housing tax credit. It directs PHFA to establish guidelines and procedures for administration of the state tax credit to qualified affordable housing projects in conjunction with the agency's current federal LIHTC program. While it does not provide an initial allocation of tax credits authority, it assures that the program will be ready when credits are made available.

### **PHFA recognizes the exceptional performance of the state's many housing counselors**

The Pennsylvania Housing Finance Agency recognized the work of the state's private sector housing counselors in early December during a virtual awards ceremony. These counselors help PHFA achieve its housing mission by assisting Pennsylvanians with questions about rental housing, homebuying, homeownership, home foreclosure, personal finance and budgeting so they can make better informed housing decisions.



**State Senator Art Haywood III was honored with the Award of Excellence.**

Housing counselors from across the state participated in the virtual event. The audience of counselors was thanked in brief remarks by PHFA Executive Director and CEO Robin Wiessmann and by Richard Vague, acting secretary of the state Department of Banking and Securities.

The event began with the presentation of the Award of Excellence to state Senator Art Haywood III. His time working at Community Legal Services early in his career demonstrated his passion for affordable and fair housing and for the prevention of homelessness, which continues today.



**Behind the scenes filming for the virtual housing counseling event.**

In addition to the award for Senator Haywood, recognition was given to individuals and counseling agencies exhibiting exemplary service to Pennsylvania residents. A full list of award winners can be found on [PHFA's website](#).

### **Governor Wolf announces New Markets Tax Credit funding for mixed-use development**

In late October, Governor Tom Wolf announced that Commonwealth Cornerstone Group had completed a New Markets Tax Credit transaction of \$16.5 million to help fund the construction of a new shopping complex and mixed-income rental housing in North Philadelphia.

The commercial shopping complex will include a Grocery Outlet Market, an Everest Urgent Care/Adult Daycare center, a Santander Bank branch, and a Wingstop restaurant. Some square footage remains for lease by other retailers. The mixed-use center will also include three newly constructed apartment buildings offering 98 mixed-income housing units.

The mix of commercial and residential tenants, paired with an improved streetscape, is part of a revitalization effort led by the Philadelphia Housing Authority to reinvigorate the Sharswood neighborhood in North Philadelphia that has seen years of disinvestment.

### **State agencies offer tips to homeowners regarding federal mortgage relief**

The Pennsylvania Department of Banking and Securities (DoBS) and Pennsylvania Housing Finance Agency (PHFA) are urging homeowners struggling to pay their mortgages to continue to monitor options available to them to lower or pause payments during the pandemic. Deadlines for these programs have been shifting, so homeowners need to watch the news and stay in close contact with their lender. That's important so they don't miss a deadline for their participation.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allows borrowers with a federally backed mortgage to request forbearance to defer or lower their payments for up to 180 days if they have been directly or indirectly affected by COVID-19. The CARES Act also prohibits negative credit score reporting for homeowners using this forbearance option.

*(Continued)*

The [Consumer Financial Protection Bureau \(CFPB\)](#) has more information about federally backed mortgage relief and protections. Homeowners can also find more information by contacting the state Department of Banking and Securities at 1-800-PA-BANKS or 1-800-600-0007 if they have any questions, concerns or complaints about their mortgage or other financial matters. They can visit the commonwealth's [Responding to COVID-19 guide](#) for the latest guidance and resources for Pennsylvanians, or the Pennsylvania Department of Health's dedicated coronavirus webpage for the most up-to-date [information regarding COVID-19](#). They can also visit [PHFA's website](#) for tips to determine if their mortgage is eligible for assistance.

## PHFA AROUND THE STATE

The coronavirus isn't stopping lots of terrific progress on affordable housing construction that's going on around the state. Here's a sampling of some multifamily developments that were recently in the news with their grand openings. Both received funding from PHFA.

In late September, PIHRL and the City of Easton hosted a groundbreaking ceremony to begin construction of the rehabilitated Mill at Easton. Once complete, the development will consist of two three-story buildings including 55 affordable housing units. The Mill at Easton will reinvigorate the blighted Black Diamond site that has sat vacant for several years. There will also be a supportive service program on-site for residents.



In late October, renovations began on Wister Townhouses, a 200-unit family development in the Wister neighborhood of Philadelphia. The renovations will include improvements to handicap accessibility, energy efficiency enhancements and dedicated funding to support the long-term provision of social services at the property. This development offers housing for low-income residents that is close to shopping, dining, public transportation, schools, colleges and many other places at which residents can find employment.



## HOMEOWNERSHIP

### COVID-19 and its effects on the homebuying process

The COVID-19 pandemic has affected all of our lives in many ways. Consequently, the homebuying process has seen its share of changes recently, as well.

As the coronavirus pandemic hit in the beginning of 2020, the real estate industry had to make many changes in a very short time period. Instead of in-person home showings, virtual tours were implemented. Loan closings were conducted online, in vehicles, and at institutions' drive-thru windows. Some investors implemented flexibility on home reviews because housing professionals were prohibited from entering homes to perform inspections. Flexible processes were put into effect for appraisals allowing drive-by appraisals.



As the year progressed and individual state mandates became less restrictive, so did some of the original limitations to the home-buying process. Although there was no clear pattern as to how the housing market would react, there has been a lack of inventory. This supply versus demand scenario made home sale prices rise. However, with lower interest rates throughout the year, larger and/or more expensive homes became more affordable.



Buyers just needed to review their financial health to be sure that their income and other financial factors were in line with making a home purchase during these challenging days.

Also available to homebuyers throughout the commonwealth is PHFA's network of housing counselors. With the unstable financial times the pandemic has created, it may be a good time for buyers to sit down with one of the agency's counselors to help them create a strong, financial plan. Most of the counseling agencies are offering remote counseling with no cost associated with their financial planning sessions.

For a full list of housing counselors in Pennsylvania, please visit [PHFA's website](#).

Even though the homebuying process underwent changes in 2020, the real estate industry adapted quickly and continues to remain strong and steady for those who are ready to purchase or sell a home.

## CONSUMER FINANCIAL EDUCATION

### Use experiences during the pandemic to help better prepare for what lies ahead

COVID-19 has definitely given rise to redefining what normal is, but what about money? Whether you are one of the many Pennsylvanians who have filed for unemployment, are concerned about having adequate health, disability and life insurance, watched as retirement savings took a tumble, or struggled with childcare because of remote learning, COVID-19 has affected many people's money on some level. Just as we learned from the Great Recession ten years ago, this financial crisis is an opportunity to evaluate where we are and create a solid plan to make it through the next major event.

So, what do we know now because of COVID-19, and what can we do for the future? Here are some ideas to help consumers better plan ahead:

- (1) Invest in yourself with education to expand your skill sets. There is a new definition of essential employees and jobs in the new normal. It may mean making a jump to a

*(Continued)*



new field or leaving your comfort zone. Remember, it's about positioning yourself to weather the next storm.

A job is more than a paycheck; maximize your earnings with employee benefits that meet your needs. Take advantage of the tax-free benefits of flexible spending arrangements (FSAs) or health savings accounts (HSAs). Take advantage of any available 401(k) savings match. Where else can you get free money? Enroll in employer-sponsored training. Knowledge is power.

(3) Create a sensible plan to control expense. Prioritize needs vs. wants; sacrificing a want today may fill a need tomorrow. It's that simple. Also, track your cash flow and plan for potential irregular income and periodic expenses to avoid a financial curve ball.

(4) Check your taxes, especially if you received any unemployment benefits this year. Unemployment benefits are subject to federal income taxes. Review your federal tax withholding using the IRS's withholding calculator ([IRS.gov](https://www.irs.gov)) to avoid any surprises next April.

(5) Plan for emergencies because they will happen. Three-to-six months of expenses is recommended for an emergency fund. Don't be overwhelmed by that amount; even savings to cover one month can help during a crisis. Slow and steady wins the race, especially in the long run.

(6) Protect your assets, including your health and property. Do an insurance check-up to make sure that you have coverage, plus savings for out-of-pocket medical expenses. Put an advanced medical directive and will in place, especially in the midst of the unknown with COVID-19.

(7) Finally, follow a long-term debt-reduction strategy. Having little debt can ease stress in a crisis. Minimize new debt accumulation and restrict it to only the things that you need or that are essential to your financial future.



Planning for the next crisis isn't something fun to think about. But taking a few steps now can make a big difference in your financial future.

---

**Tom Wolf, Governor • Robin Wiessmann, Executive Director & CEO**

To receive an email notice when a new issue of PHFA Developments is posted, or for comments and questions, please write Renae Hyson at [ryson@phfa.org](mailto:ryson@phfa.org).

Pennsylvania Housing Finance Agency  
PO Box 8029 • Harrisburg, PA 17105-8029  
1-855-U-ARE-HOME (827-3466) • TTY: 711

