

TO: Honorable Tom Wolf, Governor
Honorable Eugene DePasquale, Auditor General
Honorable Scott Wagner, Senate Urban Affairs & Housing Committee
Honorable Wayne Fontana, Minority Chairman, Senate Urban Affairs & Housing Committee
Honorable Adam Harris, Chairman, House Commerce Committee
Honorable Curtis Thomas, Democratic Chairman, House Commerce Committee

FROM: Brian Hudson, CEO
Pennsylvania Housing Finance Agency 

DATE: July 1, 2015

SUBJECT: Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE)
2014 Annual Report

Enclosed for your review is the Annual Report for the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE) as required by Act 105 of 2010.

BACKGROUND

In November 2010, the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program ("PHARE") was enacted (Act 105 of 2010), establishing a housing trust fund. The fund can be used for a variety of purposes, including: providing dwellings for rent or purchase to low and moderate-income individuals or families; increasing the availability or quality of housing for elderly persons and accessible housing for persons with disabilities; preventing and reducing homelessness; development and rehabilitation of distressed neighborhoods; mortgage or rental assistance including housing counseling, foreclosure prevention and refinancing products; or providing loans or grants to low and moderate income owner occupants for repairs or improvements of their homes.

Funding allocated to projects may be used for predevelopment activities, acquisition of property, site preparation and construction, reconstruction and repair of existing structures, improvements and infrastructure. Funds may be used as a set aside for matching funds for counties that have established optional county affordable housing funds under 53 Pa. C.S. Ch. 60 (known as "local trust funds"). PHARE funds may not supplant existing resources dedicated to affordable housing activities, but they may be used to support, expand and enhance other programs administered by PHFA.

Under PHARE, PHFA may give preference to projects that meet specific goals, consider geographical distribution of program funds to ensure that all areas of the Commonwealth may participate, and make 30% of funds available for housing programs benefitting households with income less than 50% of the median area income.

In February of 2012, the Governor signed Act 13 of 2012 into law, providing for impact fees relating to activity in the Marcellus Shale region of the Commonwealth. The "Impact Fee" Act includes funding for PHARE. Funding in the amount of \$2,500,000 for 2011 and \$5 million annually thereafter is specified for deposit in the PHARE fund at Treasury. The Impact Fee Act has restrictions on which counties may receive funding. Under the Impact Fee legislation, not less than 50% of the funds must be

used in 5th, 6th, 7th and 8th class counties. Additionally, Act 13 of 2012 limits amounts allocated to qualifying municipalities and provides that any money remaining, after all allocations have been made to qualified municipalities, would also be deposited into the PHARE Fund.

Act 105 of 2010 did not “take effect” until such time as funding was made available for the PHARE Program. The funding for PHARE was not available until Act 13 of 2012 was enacted therefore making PHARE fully in effect and including the provision that an Annual Report be delivered.

PHARE required PHFA to adopt a plan establishing priorities each year and describing the method in which program funds will be distributed. The 2014 plan was posted for public comment in December of 2013 and the Final 2014 Plan was adopted by the PHFA Board of Directors in March, 2014.

Following adoption of the Final 2014 Plan, a Request For Proposals for the Marcellus Shale/PHARE Fund was posted on June 16, 2014 and proposals were due to the Agency on August 15, 2014. The PHFA Board reviewed the applications and adopted a resolution authorizing funding for the 2014 Marcellus Shale-PHARE Program and Projects on October 9, 2014.

Attached, for your review is:

1. A listing of projects and amounts awarded in 2014 under the PHARE Program. PHFA is currently completing grant documents with counties with successful PHARE applications so that funds may be disbursed.
2. A financial update on the progress of the 2012 and 2013 PHARE grantees, including information on programs that have fully utilized their PHARE funding.

2012 PHARE Awards - Progress to Date (as of 1/31/2015)*

County	Project Name	Amount Awarded (\$'s)	Amount Spent/Committed to Households below 50% MAI	Amount Spent To Date (\$'s)
Beaver	New Brighton Gateway Revitalization	\$ 300,000.00	TBD	\$ 208,344.00
Bradford	Bradford County Rental Rehabilitation Program	\$ 275,000.00	\$ 245,850.00	\$ 260,850.00
Bradford	Towanda Terrace (LIHTC)	\$ 500,000.00	TBD	\$ 462,347.58
Bradford	Community Cup Apartments	\$ 500,000.00	TBD	\$ 168,531.73
Butler	Housing Improvement Impact Program	\$ 200,000.00	\$ 97,007.00	\$ 194,125.00
Butler	Landmarks Building Improvement Program	\$ 150,000.00	\$ -	\$ -
Cambria	Cambria County PHARE Rental Rehabilitation Project	\$ 150,000.00	TBD	\$ 99,503.00
Centre	Centre County PHARE Rental Assistance Program	\$ 150,000.00	\$ 80,640.85	\$ 74,166.25
Clinton	Clinton County Homeowner-Occupied Housing Rehabilitation Program	\$ 300,000.00	\$ 101,570.75	\$ 203,615.47
Columbia	Columbia County Case Management and Rental Assistance	\$ 50,000.00	\$ 27,608.71	\$ 27,608.71
Fayette	Glen at Three Oaks	\$ 300,000.00	\$ 207,272.00	\$ 300,000.00
Greene	Housing Rehabilitation and Development	\$ 250,000.00	TBD	\$ 122,034.00
Greene	Owner Occupied Rehabilitation	\$ 200,000.00	\$ 11,547.72	\$ 20,271.00
Greene	Rental Assistance	\$ 150,000.00	\$ 15,290.10	\$ 17,517.32
Indiana	Clinton Street Gardens Homeless Veterans Housing Complex	\$ 205,000.00	TBD	\$ 29,250.00
Jefferson**	Jefferson County Housing Emergency Repair Assistance Program	\$ 225,000.00	\$ 119,543.07	\$ 225,000.00
Lycoming**	Memorial Homes (LIHTC)	\$ 900,000.00	\$ 270,000.00	\$ 900,000.00
Lycoming**	Brodart Neighborhood Improvement District	\$ 200,000.00	\$ 60,934.86	\$ 200,000.00
McKean**	Bradford 2nd Ward Revitalization Project	\$ 25,000.00	\$ 3,750.00	\$ 25,000.00
McKean**	57 Hawthorne Rd.	\$ 25,000.00	TBD	\$ 25,000.00
Sullivan**	Sullivan County Rental Assistance Program	\$ 80,000.00	\$ 66,644.00	\$ 80,000.00
Susquehanna	Susquehanna County Rental Rehabilitation Program	\$ 411,000.00	\$ 183,215.00	\$ 164,323.12
Tioga**	Tioga County Rental Rehabilitation Program	\$ 275,000.00	\$ 260,000.00	\$ 275,000.00
Washington**	Century Plaza Apartments	\$ 625,000.00	\$ 593,750.00	\$ 625,000.00

Westmoreland	Owner Occupied Housing Rehabilitation Pilot Program	\$ 125,000.00	\$ 49,746.09	\$ 56,352.61
Wyoming	Landlord Rental Rehabilitation Program	\$ 750,000.00	\$ 276,726.50	\$ 308,855.73
Wyoming	Bridge View Commons	\$ 300,000.00	TBD	\$ 214,270.06
Total		\$ 7,621,000.00	\$ 2,671,096.65	\$ 5,286,965.58
*This report is based on required project progress reports due to PHFA by 1/31/15 for projects receiving funds in 2012.				
**Projects Completed				
Jefferson	Jefferson County Housing Emergency Repair Assistance Program	29 Households Assisted		
Lycoming	Memorial Homes	40 New Units / 12 to Households At 50% MAI or Below		
Lycoming	Brodart Neighborhood Improvement District	11 Households Assisted		
McKean	Bradford 2nd Ward Revitalization Project	2 Households Assisted		
McKean	57 Hawthorne Rd.	1 Unit Rehabbed		
Sullivan	Sullivan County Rental Assistance Program	52 Households Assisted		
Tioga	Tioga County Rental Rehabilitation Program	20 Households Assisted		
Washington	Century Plaza Apartments	14 New Units		

2013 PHARE Awards - Progress to Date (as of 1/31/2015)*

County	Project Name	Amount Awarded (\$'s)	Amount Spent/Committed to Households below 50% MAI	Amount Spent To Date (\$'s)
Beaver	New Brighton Gateway Revitalization-Phase II	\$ 100,000.00	\$ -	\$ -
Bradford	Community Cup Apartments	\$ 262,034.00	\$ -	\$ -
Bradford	Towanda Terrace (formerly 400 Main)	\$ 500,000.00	\$ -	\$ -
Bradford	Homeless Assistance Program	\$ 279,000.00	\$ 18,083.02	\$ 24,740.73
Butler	Terrace Apartments Rental Assistance & Demonstration Program	\$ 300,000.00	\$ -	\$ -
Centre	Centre County MH/ID/EI-D&A PHARE Rental Assistance Program	\$ 56,250.00	\$ 16,515.56	\$ 16,515.56
Clarion	Clarion County PHARE Rental Assistance Project	\$ 190,000.00	\$ 72,740.57	\$ 131,240.96
Clearfield	Clearfield County Blight Prevention & Housing Rehab	\$ 125,000.00	\$ -	\$ 15,000.00
Clinton	Clinton County Homeowner Occupied Housing Rehabilitation Initiative	\$ 250,000.00	\$ -	\$ -
Columbia	Columbia County Rental Assistance Program	\$ 25,000.00	\$ -	\$ -
Elk	Ridgmont Senior Cottages	\$ 100,000.00	\$ -	\$ -
Fayette	Fayette County Neighborhood Stabilization Initiative	\$ 432,810.00	\$ 48,000.00	\$ 61,465.00
Greene	Greene County Housing Rehabilitation and Development Program	\$ 600,000.00	TBD	\$ 61,226.00
Greene	Greene County Quadrplex	\$ 514,164.00	TBD	\$ 29,777.00
Huntingdon	The Fifth Street Project	\$ 125,000.00	TBD	\$ 4,408.59
Lawrence	Lawrence County Homebuyer & Affordable Rental Program	\$ 150,000.00	TBD	\$ 2,776.74
Lycoming**	Memorial Homes	\$ 400,000.00	\$ 120,000.00	\$ 400,000.00
Lycoming	Grove Street Commons	\$ 550,000.00		
Lycoming	Bordart Neighborhood Improvement Program	\$ 350,000.00	\$ 69,630.94	\$ 124,900.20
McKean**	City of Bradford Second Ward Neighborhood Revitalization Project	\$ 20,000.00	\$ 3,000.00	\$ 20,000.00
McKean**	57 Hawthorne Rd.	\$ 20,000.00	TBD	\$ 20,000.00
Potter	Potter County Homeless Prevention Program	\$ 129,895.00	\$ 36,969.67	\$ 72,789.73
Susquehanna**	Susquehanna County Rental Assistance Program	\$ 100,000.00	\$ 94,999.98	\$ 100,000.00

Susquehanna	Forest City Senior Housing (Formerly New Milford Creekside Apartments)	\$ 700,000.00	TBD	\$ 7,259.17
Susquehanna	Susquehanna County Neighborhood Stabilization Program	\$ 300,000.00	\$ -	\$ -
Susquehanna	Susquehanna County Rental Assistance	\$ 50,000.00	\$ 1,556.00	\$ 1,556.00
Tioga	Tioga County Department of Human Services	\$ 341,288.00	\$ 67,294.58	\$ 73,593.98
Tioga	Tioga County Homeless Initiative Rental Assistance Program	\$ 107,500.00	\$ 18,985.27	\$ 69,935.59
Tioga	Tioga County Leased Housing Rental Start-up Program	\$ 50,000.00	\$ 16,864.00	\$ 16,864.00
Warren	Warren County Housing Project	\$ 210,000.00	TBD	\$ 99,349.31
Washington**	Century Plaza Apartments	\$ 606,500.00	\$ 576,175.62	\$ 606,500.00
Washington	Washington County Habitat for Humanity 51st and 52nd Homes	\$ 57,500.00	\$ -	\$ -
Westmoreland	Monessen Transitional Stabilization Program	\$ 400,000.00	\$ 10,000.00	\$ 13,743.00
Wyoming	Bridge View Commons	\$ 95,000.00	\$ -	\$ -
Totals		\$ 8,496,941.00	\$ 1,170,815.21	\$ 1,973,641.56
*This report is based on required project progress reports due to PHFA by 1/31/15 for projects receiving funds in 2013.				
**Projects Completed				
Lycoming	Memorial Homes	Partnered with 2012 Grant		
McKean	City of Bradford Second Ward Neighborhood Revitalization Project	Partnered with 2012 Grant		
McKean	57 Hawthorne Rd.	Partnered with 2012 Grant		
Susquehanna	Susquehanna County Rental Assistance Program	89 Households Assisted		
Washington	Century Plaza Apartments	Partnered with 2012 Grant		

PHARE Funding Recipients
PHFA- October 2014

Applicant	Municipality/Footprint	Program/Project Name	Approved Funding Level
Armstrong	Countywide	Armstrong County PHARE Emergency Housing Program	\$122,500
Beaver	Countywide	Rental and Utility Assistance	\$23,750
Blair	Countywide	Blair County Rental Assistance Program	\$126,500
Bradford	Towanda	Colonial Towers	\$210,000
Bradford	Towanda	419 Main Street	\$450,000
Bradford	Wyalusing	Wyalusing Meadows	\$600,000
Butler	Clearfield, Donegal and Summit Townships	Owner Occupied Residential Rehabilitation Program in Central Eastern Butler County	\$300,000
Butler	Countywide	Butler County First Time Homebuyer Down Payment/Closing Cost Assistance Program	\$100,000
Cameron/Elk	Cameron and Elk Counties	NW9 Master Leasing and Bridge Subsidy Program	\$58,000
Centre	Marcellus Shale host and contiguous municipalities	Heating Assistance and Support Program	\$33,250
Clarion	Countywide	Clarion County's Safe & Healthy Homes Project	\$14,250
Clearfield	Countywide	Clearfield County Rental & Homeless Assistance Program and Substandard Housing Repair Program	\$104,500
Clinton	Countywide	Clinton County Rental Assistance and Education Project	\$57,000

PHARE Funding Recipients
PHFA- October 2014

Columbia	Countywide	Columbia County Homeless Assistance Program	\$25,000
Elk	Countywide	Elk County Fair Housing Program	\$38,000
Fayette	Redstone Township	Fayette County Neighborhood Stabilization Initiative	\$200,000
Greene	Countywide	Greene County Housing Rehabilitation and Development Program/Accessible Dreams/Mortgage Assistance Program	\$346,000
Greene	Waynesburg	Gateway Senior Housing	\$600,000
Indiana	Blairsville Borough and Village of Josephine in Burrell Township	Affordable Rental Housing Rehabilitation	\$210,000
Jefferson	Countywide	Jefferson County Housing Emergency Repair Assistance Program	\$150,000
Lawrence	City of New Castle	Lower East End Stabilization Project – Phase 2	\$23,750
Lycoming	Williamsport	Grove Street Commons	\$250,000
Lycoming	Williamsport	Brodart Neighborhood Improvement Program	\$300,000
Lycoming	Countywide	Lycoming County Supportive Housing Program	\$500,000
Lycoming	Floodplain Communities Countywide	Lycoming County Flood Mitigation Program	\$850,000
Lycoming	Countywide	Homes-in-Need Regional Program	\$200,000
McKean	Borough of Kane	McKean County Redevelopment Authority	\$21,375

PHARE Funding Recipients
PHFA- October 2014

McKean	City of Bradford	City of Bradford SWN Homeownership Assistance/Renovate & Repair Housing Rehabilitation	\$21,375
Mercer	Countywide	Shelter Plus Care	\$19,000
Potter	Countywide	Potter County Homeless Prevention Program	\$127,000
Sullivan	Countywide	Sullivan County Rental Assistance Program	\$100,000
Susquehanna	Countywide	Susquehanna County Rental and Utility Assistance	\$100,000
Susquehanna	Forest City Borough	Forest City Senior Housing	\$630,000
Susquehanna	Countywide	Susquehanna County Neighborhood Stabilization	\$315,000
Tioga	Countywide	Tioga County Homeless Initiative	\$209,000
Tioga	Wellsboro	Pinnacle Towers	\$200,000
Tioga	Osceola Township and Tioga Borough	Kenner Court/Garnet House	\$91,000
Tioga	Countywide-Rental St. James Complex- Mansfield	Tioga County Department of Human Services	\$223,000
Venango	City of Franklin	808 Elk Street	\$3,800
Warren	City of Warren	Warren County Housing Project	\$5,000
Washington	Countywide	City Mission PHARE Homeless Voucher Program	\$50,000
Washington	Borough of Claysville	Claysville Patio Home Project	\$750,000
Westmoreland	Latrobe, Greensburg, Jeannette, West Newton, Youngwood, Sewickley, Scottdale, Mt. Pleasant Borough, Mt. Pleasant Township and South Greensburg	Westmoreland County Homeownership Program and St. Clair Ave. Rental Project	\$250,000

PHARE Funding Recipients
PHFA- October 2014

Wyoming	Tunkhannock Borough	Wyoming County Transitional Housing Building Purchase	\$170,000
Wyoming	Borough of Nicholson	Bridge View Commons	\$128,000