



Nov. 4, 2020  
For Immediate Release

## **PHFA applauds creation of Pa. low income housing tax credit program**

*Bipartisan support, and support from the governor, reflect awareness of the tremendous need for more affordable housing and its potential as an economic driver*

HARRISBURG – The Pennsylvania Housing Finance Agency applauds the passage of Senate Bill 30 and its signature into law today, creating the Pennsylvania low-income housing tax credit (LIHTC) program.

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.

“I cannot emphasize enough how much a state tax credit program is needed to deliver affordable housing in Pennsylvania,” said PHFA executive director and CEO Robin Wiessmann. “Whenever we allocate federal tax credits, the demand always far exceeds the supply of tax credits we have available. At a time when a growing number of Pennsylvanians have to spend too much for stable housing, these state tax credits will be greatly appreciated.”

The Pennsylvania Housing Tax Credit Act (Act 107 of 2020) provides the framework for the 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 credit authority, it assures that the program will be ready when credits are made available.

“We want to thank all the housing advocates and affordable housing groups who came together in support for this important legislation,” Wiessmann added. “Federal tax credits have proven their worth for more than three decades by financing the construction of tens of thousands of affordable rental units here in Pennsylvania. Our thanks go out to state legislators and the governor for creating a similar program on the state level that will help us fulfill our ongoing housing mission.”

### **About PHFA**

The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental housing options for older adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, PHFA also promotes economic development across the state. Since its creation by the legislature in 1972, it has generated nearly \$15 billion of funding for more than 180,750 single-family home mortgage loans, helped fund the construction of 138,000 rental units, distributed more than \$121 million to support local housing initiatives, and saved the homes of nearly 50,400 families from foreclosure. PHFA programs and operations are funded primarily by the sale of securities and from fees paid by program users, not by public tax dollars. The agency is governed by a 14-member board.

**Media contact:**

Scott Elliott  
sellott@phfa.org  
717-649-6522 (cell)

# # #