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For Immediate Release

## **National Housing Trust Fund award to Pa. increases 148% from 2020**

*PHFA will use HTF dollars to assist LIHTC projects impeded by rising costs*

**HARRISBURG** – Pennsylvania will receive \$24.1 million in national Housing Trust Fund dollars this year, representing a 148% increase compared with its 2020 funding amount of \$9.7 million. This is according to an [announcement](#) by the U.S. Department of Housing and Urban Development, which distributes HTF funding. Only six states received more HTF financial support for 2021. Pennsylvania has the fourth greatest percentage increase in HTF funding among the 50 states.

The total amount included in the 2021 national HTF disbursement is nearly \$700 million, which is the largest annual allocation ever provided since the fund was created in 2008. The 2020 HTF total funding amount, for comparison, was \$322.5 million.

This year's generous funding is extremely welcome as the pandemic has demonstrated the urgent demand for more affordable rental housing. Also, changes in the economy, including spikes in residential construction costs, have prevented many Low Income Housing Tax Credit projects from closing on the financing needed for them to proceed.

As a result of this, the Pennsylvania Housing Finance Agency has decided to allocate funding from 2021 HTF monies to financially assist some LIHTC projects that have previously received tax credits so they can move forward. PHFA is the administrator of HTF funding and federal Low Income Housing Tax Credits in Pennsylvania.

"Some of this year's significant increase in national Housing Trust Fund support will be used to assist Low Income Housing Tax Credit projects hampered because of changes in market conditions," said PHFA Executive Director and CEO Robin Wiessmann. "We're all aware of how construction costs have jumped during the past year. Recognizing this, we will provide additional financial support to our tax credit projects which, in year 2020 alone, will provide nearly 1,800 additional units of needed rental housing."

The national Housing Trust Fund was launched in 2008 as an affordable housing production program to complement existing federal, state, and local efforts to increase and preserve the supply of affordable housing for low- and extremely low-income households, including families experiencing homelessness. The housing government sponsored entities (GSEs) Fannie Mae and Freddie Mac are required by the Housing and Economic Recovery Act (HERA) of 2008 to contribute annually to the HTF.

Regulations require all HTF funding be directed to help extremely low-income households when the overall annual amount available is \$1 billion or less, as is the case for 2021. All HTF-assisted units are required to have a minimum affordability period of 30 years.

A list of the affordable housing projects awarded Low Income Housing Tax Credits last summer is available on the [PHFA website](#) under the "2020" header and dated August 13.

*(more)*

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 more than \$15.2 billion of funding for more than 182,570 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.

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