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For Immediate Release

PHFA thanks General Assembly, governor and others for significant investment in housing in new state budget for FY 2021-22

The funding is provided thru multiple programs to support housing stability and affordable housing

HARRISBURG – The Pennsylvania Housing Finance Agency today expressed its appreciation to the state legislature, Governor Tom Wolf, and all the housing advocates who worked tirelessly to ensure that housing programs will receive substantial funding support in the new 2021-22 fiscal year budget, providing resources that are absolutely critical as recovery continues from the COVID pandemic.

“We’re grateful to the General Assembly and the governor for making these significant investments in housing,” said PHFA Executive Director and CEO Robin Wiessmann. “We also want to thank the housing advocates who worked with our state leaders to address the tremendous need for quality, stable housing at a time when so many of the state’s residents are facing financial hardship. Our thanks to everyone for making housing a priority in this year’s state budget.

“Pennsylvania and the nation have seen a growing need for affordable housing over the past decade as housing costs continued to rise. If this situation wasn’t clear before, it is especially obvious now as the pandemic brought uncertainty about employment or reduced hours at work for some.

“The funding made available in this year’s state budget to help impacted homeowners is critical to prevent homelessness and support the construction of more affordable housing to meet this pressing public need, and we at PHFA are grateful for this generous financial support.”

The new state budget includes funding for housing in four main program areas:

- \$50 Million for the Construction Cost Relief Program from the commonwealth’s receipt of federal American Rescue Plan funds. This money will help ensure that the state’s Low-Income Housing Tax Credit construction projects are not further delayed due to rapidly rising construction costs and other unforeseen cost increases. Some projects that received more recent LIHTC funding have been jeopardized due to large cost increases for materials and labor.
- \$350 Million in federal Homeowner Assistance Funds provided to the commonwealth through the American Rescue Plan. This funding will help homeowners who are falling behind on their mortgages due to the economic slowdown caused by the pandemic. It will be used to prevent mortgage delinquency, default and foreclosure; provide utility assistance; help with insurance payments and homeowner/condo associations fees; and provide other types of assistance as allowed by U.S. Treasury in its guidelines for federal ARP funding.
- Authorization of \$10 million annually in state tax credits to assist with the financing of multifamily housing projects awarded credits through the new Pennsylvania Housing Tax Credit Program, established with passage of Act 107 of 2020. This program was created last year but was not allocated tax credits at that time. PHFA will administer the program.
- Increase in the annual state tax credit allocation to the existing Mixed-Use Development Tax Credit Program from \$3 million to \$4.5 million. Proceeds from the sale of tax credits are used by PHFA to fund the construction of mixed-use (commercial/residential) construction projects

through the Community Revitalization Fund Program. PHFA is authorized by the General Assembly to administer both these programs.

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 approximately 191 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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