

2019 Health Equity Summit



Tom Wolf, Governor

Brian Hudson, Executive Director

Background



- Created by legislation in 1972 to enhance the quality and supply of affordable housing for older adults, low and moderate-income families, and people with disabilities.
- The Commonwealth's leading provider of capital for affordable home and apartments.

Impact



- Generated \$12.75 billion of funding for:
 - Over 164,500 single-family home mortgage loans.
 - Provided assistance to over 26,500 individuals and families to help them with the initial costs of purchasing a home.
- Provided funding for over 130,000 affordable rental units and built 1,800 developments statewide.
- Helped save the homes of over 48,700 families in danger of foreclosure.

2019 PENNSYLVANIA HOUSING PROFILE



Across Pennsylvania, there is a shortage of rental homes affordable and available to extremely low income households (ELI), whose incomes are at or below the poverty guideline or 30% of their area median income (AMI). Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and they experience unstable housing situations like evictions.

SENATOR Patrick J. Toomey and Robert P. Casey, Jr.

KEY FACTS

479,358

OR

30%

Renter Households that are extremely low income

\$24,600

Maximum income of 4-person extremely low income households (state level)

-279,009

Shortage of rental homes affordable and available for extremely low income renters

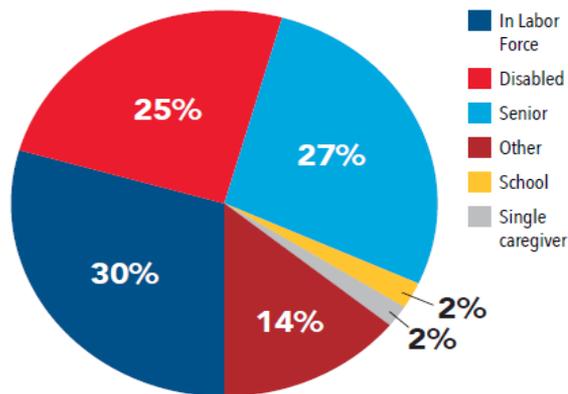
\$40,616

Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.

71%

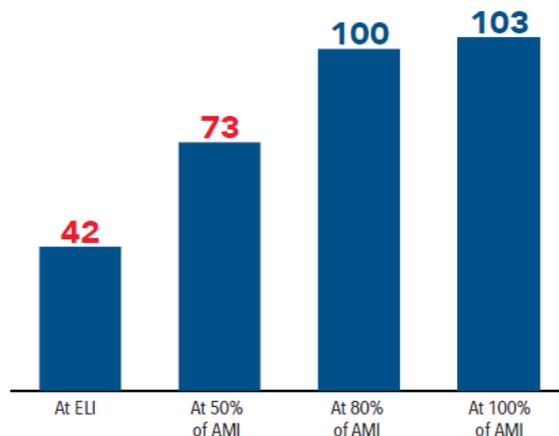
Percent of extremely low income renter households with severe cost burden

EXTREMELY LOW INCOME RENTER HOUSEHOLDS



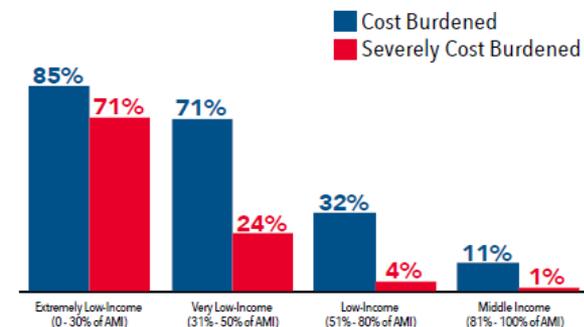
Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or of a household member with a disability, and other. Nationally, 15% of extremely low-income renter households are single adult caregivers, more than half of whom usually work more than 20 hours per week and 2% of whom are in school. Source: 2017 ACS PUMS.

AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: NLIHC tabulations of 2017 ACS PUMS

HOUSING COST BURDEN BY INCOME GROUP



Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened. Source: NLIHC tabulations of 2017 ACS PUMS.

Updated: 02/28/2019

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Multifamily Development



Program



- Federally subsidized housing initiative that allows developers to receive tax credits as a dollar-for-dollar reduction of their federal tax liability.
- Finances construction of low- and moderate-income housing units for families, seniors, and people with disabilities.

Program



- LIHTC developments must maintain long-term affordability for low-income residents.
- Annually receives approximately \$31.9 million in LIHTCs to allocate, equating to over \$314 million of affordable housing investments in PA.
- Additionally, many projects receive funding as a soft-second loan to help address project gaps through the PennHOMES program.

Pennsylvania Housing Affordability and Rehabilitation Enhancement Program (PHARE)



Program



- Act 105 of 2010 (State Housing Trust Fund) provided a framework for PHARE, without a funding source.
- Incredibly flexible funding source which can be used creatively to address a variety of housing needs across the Commonwealth
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- Requirements include:
 - Annual Plan following a public comment period.
 - At least 30% of the funds must assist households below 50% of the median area income.

Marcellus Shale Impact Fee (Act 13 of 2012)



- Act 13 of 2012 “Impact Fee” on natural gas wells.
- Levied on price of gas (on market exchange) and age of well – 15 years.
 - 60 % for counties – many uses including affordable housing.
 - 40% Marcellus Shale Legacy Fund.

Impact to Date



○ Rental/Utility Assistance:	2,841
○ Homes Rehabilitated:	1,403
○ Number of New Rental Units:	872
○ Number of New Single Family Homes:	64
○ Number of Future Homes:	301
○ Homes Receiving Purchase Assistance:	140
○ Expected Leveraging:	\$255 M

Realty Transfer Tax (Act 58 of 2015)



- Provides a portion of Realty Transfer Tax (RTT) revenue to PHARE.
- Funds allocated under Act 58 to assist with the creation, rehabilitation and support of affordable housing throughout the Commonwealth.
- PHARE/RTT expands PHARE to all 67 counties of the PA.
- In September, the Agency's board voted to immediately deploy \$3 million to address emergency housing needs related to the opioid crisis.
 - Funds to be leveraged/supplemented by additional PHARE-funded programs and projects through local organizations.

PHARE/Realty Transfer Tax Calculation

\$447.5M Baseline (FY 2014)

40% of increase to PHARE

\$25.0M Cap to PHARE

- PHARE/RTT funds equal to the lesser of 40% of the difference between the total dollar amount of RTT collected for the prior fiscal year and the total amount of RTT estimated for the fiscal year beginning July 1, 2014.
- **PHARE/RTT total for 2019 is \$40 million.**

Anticipated Impact (as of 1/31/19)



○ Rental/Utility Assistance:	5,796
○ Homes Rehabilitated:	1,772
○ Number of New Rental Units:	1,240
○ Number of New Single Family Homes:	112
○ Number of Future Homes:	353
○ Homes Receiving Purchase Assistance:	160
○ Potential Homebuyer Assistance:	1,050
○ Expected Leveraging:	\$455.7M

Homeownership Programs



Programs



- Offers home purchase loans with competitive, 30-year, fixed interest rates and lower fees.
- Eligible buyers may qualify for a downpayment and/or closing cost assistance loan to help with the initial costs of buying a home.
- Assistance also available for people with disabilities who may need to retrofit their home for accessibility.

Programs



- Loan products made available through a network of over 80 participating lenders throughout the state.
- Free homebuyer counseling is available to potential PHFA homebuyers.
- PHFA partners with employers to provide downpayment and closing cost assistance through the Employer Assisted Housing (EAH) Initiative.

Additional Homeownership Programs



- **Renovate and Repair (R&R)**
 - Financing with flexible underwriting criteria for home repairs, improvements, and energy efficiency.
- **Home Energy Efficiency Loan Program (HEELP)**
 - Loans of up to \$10,000 with a 1% interest rate, specific weatherization repairs and improvements.
- **On-Lot Sewage Repair Program**
 - Low cost financing to homeowners without access to public sewage who need to repair/replace their individual on-lot sewage system.

Impact (as of 10/31/2018)



- 173,546 loans to Pennsylvania homebuyers worth over \$13.92 billion.
 - Average Price: \$87,165
 - Average Loan: \$80,239
- Downpayment/closing cost assistance to over 27,324 homeowners totaling more than \$70.98 million.
 - Average Loan: \$2,598
- Helped over 900 homeowners refinance their home to be more affordable.

Homeowners' Emergency Mortgage Assistance Program (HEMAP)



Program



- Created by Act 91 of 1983, HEMAP is a national model for foreclosure prevention to protect homeowners who are unable to make their mortgage payments through no fault of their own.
- Assistance loans are limited to a maximum of 24/36 months from the date of the mortgage delinquency, to a maximum of \$60,000.

Impact (as of 8/31/19)



Homes Saved From Foreclosure:	50,031
Applications Received:	233,546
Approval Rate:	21.5%
Average HEMAP Loan Amount:	\$11,362
Total Loan Disbursements:	\$568.5million
Total Loan Repayments:	\$327.3 million

Additional PHFA Funding Sources and Opportunities



Community Revitalization Fund Program (CRFP)



- Program created from the sale of \$3M allocated to PHFA under Mixed-Use Development Tax Credit.
- Provide funding for mixed-use development projects across Commonwealth.
 - Residential/Commercial/Retail
 - Housing and commercial corridor development
 - Capstone projects - part of overall revitalization strategy
- Approximately \$2.6M available in 2019 for projects.
- **CRFP will prioritize applications from smaller communities - 3rd Class cities and below.**

Home4Good



- FHLBank Pittsburgh and PHFA’s collaborative initiative to address small “unmet” needs in Continuums of Care (CoC) services
- \$4.5 million to be awarded in 2019
 - Round 2 of an anticipated 3-year program
- Participating CoCs will coordinate and prioritize innovative programs/projects that address gaps in coordinated care.

Home4Good



- **Prevention and Diversion**
 - Maintaining affordable housing options while finding alternative housing solutions for individuals/families in danger of becoming homeless.
- **Innovative Solutions**
 - Provide resources to programs offering creative, new approaches to ending homelessness.
- **Critical Need**
 - Fund activities that will provide the greatest impact and are determined to be most needed in the region/county.

Home4Good



- Home4Good resources may be used to fund activities such as:
 - Homeless outreach
 - Services for transition-age youth
 - Security deposits
 - Rent/Utility assistance
 - Employment/Transportation assistance
 - Rapid re-housing
 - Renovations to affordable units
 - Non time-limited supportive housing
 - Transitional housing assistance
 - Landlord engagement/outreach
 - Coordinated entry support
 - Skill development/Job training
 - Data system enhancements

Upcoming PHFA Studies



- PHFA is currently in the process of conducting a number of studies to assess the overall the state of housing in the Commonwealth.
- Upcoming studies include:
 - Comprehensive Housing Study (last completed in 2011)
 - Minority Homeownership
 - Gaps in Latino Homelessness Outreach in Philadelphia
 - County-based housing trust funds

Contact Information



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