

# Affordable Housing: The Search Continues

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# Funding Affordable Apartments

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Project Based: Subsidize the developments  
Federal, state and local housing funds make the mortgage smaller (reduce the debt).

and/or

Tenant Based Rental Subsidy: Subsidize eligible residents so that they can afford to pay rent



# Pennsylvania's History

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Project Based rental assistance: Funds from Federal Government, PHFA, PA Dept. of Community and Economic Development, Local Government, other sources

TBRA assistance: (a.k.a. Section 8) Federally funded through Public Housing Authorities

Short Term Rental Assistance: DPW – Homeless Assistance Program (HAP)



# Project Based Rental Subsidy: Benefits

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- ✓ Funds are tied to the real estate
- ✓ Increases the “affordable housing stock”
- ✓ Apartments remain affordable for the life of the mortgage
- ✓ Creates integrated communities



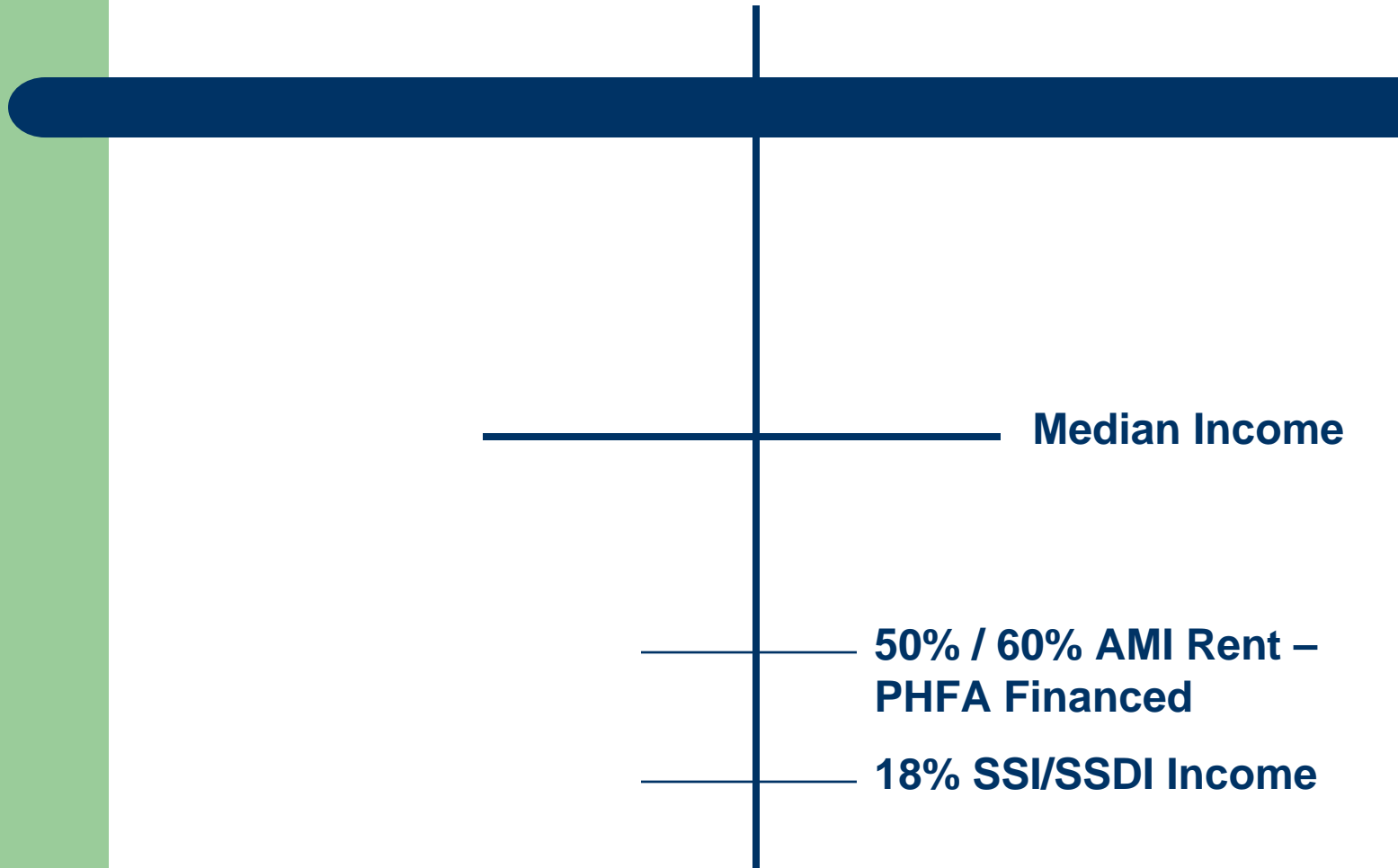
# Project Based Rental Subsidy

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Since 1975, PHFA financed over 53,000 apartments and allocated Federal Low Income Housing Tax Credits (LIHTC) creating an additional 29,000 affordable apartments.

Apartments are more affordable for people with lower incomes than apartments that charge market rate rents.

# Project Based Rental Subsidy Lowers Rents for People Earning Less than Area Median Income





# Clarion County

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Area Median Income = \$45,300

50% of AMI = \$17,700 for 1 person

Affordable Rent 1 Bedroom = \$474

20% of AMI = \$7,080 for 1 person

Affordable Rent 1 Bedroom = \$189

# Need for PA Tenant Based Rental Assistance Program

People with very low incomes – SSI/SSDI can not afford to pay the rents in properties with project based rental subsidies

Need rent subsidies to pay the difference between cost of rents in subsidized apartments and amount consumers can afford.



## Tenant Based Rental Assistance: Benefits

- ✓ Gives residents choice in location
- ✓ Offers a quick response for rental housing choice
- ✓ Resident can generally move to another location and take the voucher with them

# Stretching TBRA Funds

No New Funding For Housing Production or for  
Tenant Based Rental Assistance

Target existing and new developments with  
Project Based subsidy

PHFA Apartment Locator: [www.phfa.org/pal/](http://www.phfa.org/pal/)



# PA TBRA Program

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Coordinating State and Federal Resources and Programs

PHFA, DCED, and DPW (Offices of Long Term Care and Mental Health/Substance Abuse Services) developing first state administered TBRA program

Initial program limited in scale and scope



# PA TBRA Funding

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Creates a TEMPORARY (2 year) source of funds for Tenant Based Rental Assistance:

- ❖ Facilitates moving people from institutions to homes in the community
- ❖ Temporary financial assistance (or a bridge) to pay rent UNTIL
- ❖ Permanent TBRA available from Public Housing Authorities or
- ❖ Affordable project based apartment

# PA TBRA Funding

Funding from:

- State Admin. – Federal HOME Program
- DPW Nursing Home Transition (NHT)

Targeting the initial program to counties with:

- Large number of younger people living in nursing homes
- Less densely populated communities



# Potential Counties for PHFA TBRA Demonstration Program

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Allegheny

Delaware

Erie\*

Fayette\*

Greene\*

Lancaster

Montgomery\*

Philadelphia

Washington



# PA TBRA Administered by PHFA

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PHFA - Agreements with Landlords & PHA  
Residents - Lease Agreements with Landlords  
Public Housing Authorities (PHA) – Work with  
PHFA & Residents for Permanent Housing  
Choice Vouchers  
Service Providers – Prepare Residents for  
Maintaining Lease Agreements

# TBRA with Reinvestment Funds

Program Under Construction

Targeted to Priority Consumers

Time Limited

# More Information from PHFA

Housing Services Conference:  
20th Anniversary

June 16, 17 and 18, 2008  
Gettysburg, PA

Conference Brochure and Registration  
Information: [www.phfa.org](http://www.phfa.org)