PROPOSED DRAFT (dated November 8, 2001)

PENNSYLVANIA
YEAR 2002 ALLOCATION PLAN
FEDERAL LOW INCOME HOUSING TAX CREDITS

The Internal Revenue Code of 1986, as amended (the "Code"), contains a significant incentive for the development and rehabilitation of low income rental housing in the form of a credit against tax liability. The Code created low income housing tax credits that are allocated on a per capita basis to each state. The Pennsylvania Housing Finance Agency (the "Agency") is the Commonwealth agency responsible for the administration of the Federal Low Income Housing Tax Credit Program.

Pursuant to the Omnibus Budget Reconciliation Act of 1989, the Agency has developed an Allocation Plan containing the criteria to be used in distributing Federal Low Income Housing Tax Credits ("Tax Credits") based on the housing needs of the Commonwealth. Formal adoption of the Allocation Plan requires a public hearing and approval by the Governor. In the event there are changes in federal law subsequent to the adoption of this Allocation Plan or additional regulatory guidance or clarifications regarding the Tax Credit Program become available, the Agency reserves the right to modify, to supplement or to make conforming amendments to this Allocation Plan or to the Tax Credit Program Guidelines (and all related documents) without formal amendment or additional public hearings. In addition to notifying affected Tax Credit applicants, information about such subsequent changes will be posted on the Agency's website at www.phfa.org.

To ensure geographic distribution of the Tax Credits across the Commonwealth, the Agency has set aside a percentage of Tax Credits for each of the six regions in Pennsylvania based on the population to be served. Additional set-asides have been established to meet certain statewide housing priorities. To meet the federal mandate to establish housing priorities appropriate to local conditions, the Agency has considered within the Allocation Plan the rental housing priorities already established for each municipality through their respective Consolidated Plan of housing needs or through the Commonwealth's Consolidated Plan. By so doing, the federal selection criteria of property location, development characteristics and housing needs characteristics are addressed.

Tax Credit applications meeting the timeframes, requirements and priorities established in the Allocation Plan will be ranked based on the selection criteria. The selection criteria address the Commonwealth's housing objectives and include the federally mandated priorities for developments serving the lowest income tenants for a period beyond the 15 year compliance period and developments that are located in a "qualified census tract" and the development of which contributes to a concerted community revitalization plan. The selection criteria incorporate the federally mandated criteria of sponsor characteristics, tenant populations with special housing needs or with children, developments serving tenants on public housing waiting lists, developments intended for eventual tenant ownership and developments that include the use of existing housing as part of a community revitalization plan.

All information submitted by the applicant or gathered by the Agency in the review of the Tax Credit application is the sole property of the Agency and may be made public. The Agency's processing procedures, fee schedules and limitations, and current rent and income limits are set forth in the Agency's Tax Credit Application package which also includes the Tax Credit Program Guidelines**. It is the developer's responsibility to be familiar with the Agency's Tax Credit Program Guidelines, Tax Credit Program requirements and regulations, and the Code.**

The Agency expects that all 2002 Tax Credits will be allocated through the submission process described herein. In the event there are Tax Credits remaining or if additional Tax Credits become available at any time in 2002, in its discretion, the Agency may announce an additional allocation cycle or open the application process to allow consideration of Tax Credit applications on a first-come, first-serve basis.

The Agency currently expects that the 2003 Tax Credit Allocation Plan will be available in early fall of 2002 and that applications for 2003 Tax Credits will be accepted beginning in the fall of 2002.

SUBMISSION REQUIREMENTS

The following section details the timeframes and mandatory processing information applicable to the Year 2002 Tax Credit Program.

For a development to be considered for a reservation of Tax Credits, the entire Tax Credit Application package, including all exhibits, must be received by the Agency no later than **2:00 P.M. on March 1, 2002.** The Agency will strive to notify applicants of the applicant's status after its September Board Meeting. The Agency may continue to accept and consider applications after the submission deadline in the event the Agency does not reserve all available 2002 Tax Credits. Applications received after March 1, 2002 will not be considered until after the Agency reserves 2002 Tax Credits in September, 2002.

SUBMISSION CLOSING DATE	TAX CREDITS TO BE ALLOCATED
March 1, 2002	**100%**

Upon the reservation of all 2002 Tax Credits, a wait list for returned Tax Credits will be established. The list will initially consist of those developments that qualified for, but were not granted, a Tax Credit reservation due to the unavailability of the Tax Credits and which have an ability to proceed quickly should additional Tax Credits become available. The wait list will be used solely within the discretion of the Agency for the Agency's ease and convenience in allocating additional Tax Credits that become available. The Agency may make allocations to such qualified developments as it determines in its sole discretion.

The Agency may issue binding commitments to allocate Tax Credits in the year 2002, that might become available after December 31, 2002, to developments that submitted an application and can meet all year 2002 program processing deadlines. Binding commitments for year 2003 Tax Credits will be provided in the sole discretion of the Agency, subject to the availability of the year 2003 Tax Credits. Developers may not apply for or request a forward allocation. The Agency may determine to forward allocate based on geographic distribution, specific development needs or program considerations, in its sole discretion.

Any organization shown as an applicant in the Tax Credit Application must have a general partner interest in the final ownership entity of the development. The applicant must be actively involved in both the development and ongoing control and management of the development as evidenced in the Partnership Agreement. Sale, transfer or assignment of an applicant's interest in the proposed Tax Credit development is absolutely prohibited while the Tax Credit application is under consideration. Such transfers, sales and assignments at any subsequent point in the processing of a development prior to placement in service and issuance of an IRS Form 8609 require prior written approval by Agency staff and may require submission of a new Tax Credit application and/or may result in recapture of Tax Credits by the Agency.

An application package submitted for review must include **all** of the information in the order set forth in the Checklist of Exhibits to the application. Any material deficiency in the application or omission from the list of exhibits, particularly the omission of site control and verification of funding sources, may result in immediate rejection. In addition, the application must meet program eligibility requirements set forth in Section 42 of the Code. Applications and required exhibits may not be submitted via fax or email to the Agency.

An application, once received by the Agency, may not be altered, amended or modified except upon requests made by staff during underwriting and program review. Applications will be processed and ranked based only upon the information contained in the initial application package. Agency staff will first review the development's construction costs, fees, sources of funds, operating income and expenses to determine the development's financial feasibility and long term viability. Developments that are determined to be financially feasible and viable will then be ranked according to the Selection Criteria set forth herein. Financially infeasible development applications or applications that do not demonstrate long term viability may be returned at any time.

Upon review of the Tax Credit Application submission, Agency staff may, but is under no obligation to, advise the applicant of incongruities, discrepancies or incomplete items and may allow the applicant to clarify or supplement the original submission. Such requests will be made in writing to the applicant and response will be required within the timeframe set forth therein but in no event later than five business days from notification by staff. Developers are urged to review their original applications carefully prior to submission to the Agency. Correction allowed during the staff review process will not include replacement, substitution or amendment of material items used by staff in the ranking of an application. In addition, incongruities, discrepancies or incomplete items may adversely affect the Tax Credit Application ranking even if the item is ultimately corrected. See the Tax Credit Program Guidelines for additional guidance and information about processing Tax Credit Applications.

All Tax Credit Application fees are nonrefundable.

THRESHOLD ELIGIBILITY CRITERIA

The Agency will only process Tax Credit Applications which meet all of the following eligibility criteria. Failure to meet any of these threshold eligibility criteria may result in rejection of the application.

1. Agency staff will review the Tax Credit Program compliance history and performance of both the general partner and the management agent of the proposed development. The applicant must certify that it is in compliance with all Tax Credit Program requirements for each Tax Credit development in which it has a material ownership interest. If the general partner or management agent of the proposed development is currently involved in a Tax Credit development that has been reported to the Internal Revenue Service as being out of compliance with any Agency program requirement (including Restrictive Covenant violations) and said noncompliance has not been brought back into compliance prior to the submission of the application, the application may be rejected at any time prior to reservation of credits. In the alternative (or in addition, in the sole discretion of the Agency) the general partner and/or management agent may be required to attend and satisfactorily pass an Agency-approved course in the compliance requirements of the Tax Credit Program. The Agency in its sole discretion will determine whether a compliance issue is of a material or nonmaterial nature and whether it is of a recurring nature. Note that while any material compliance issue may result in rejection of an application, other types of less severe or repetitive noncompliance issues will result in the adjustment of points during the application ranking process.

2. If the general partner or an affiliate of the general partner is involved or has been involved in an Agency funded development that is delinquent in payments to the Agency or has materially defaulted on any of its obligations to the Agency, the Agency may reject the application.

3. Applications may be rejected from organizations or individuals who received a reservation of Tax Credits in a prior year and who failed to place a development in service (unless they voluntarily returned 2001 Tax Credits prior to October 15, 2001), to qualify for a Carryover Allocation of Tax Credits, or to meet any other established program deadline date. It should be noted that the year 2002 Tax Credit recipients who do not meet the year 2002 Carryover Allocation requirements and who fail to return the Tax Credits by October 15, 2002 may not be permitted to participate in the year 2003 Tax Credit Program.

4. Applicants who have unpaid fees due to the Agency may be ineligible to participate in the Tax Credit Program.

5. Developments that have resulted from or will result in the permanent displacement of low income residents will be ineligible for Tax Credit Program participation unless the developer provides evidence satisfactory to the Agency that the development either addresses overcrowding or to the greatest extent feasible offers all residents their choice to return to an appropriately sized affordable unit in the development upon completion of the development or receive relocation benefits. Applicants may be requested to document the efficacy of notice given to residents to the satisfaction of the Agency.

6. Applications for acquisition Tax Credits will not be accepted for any existing Tax Credit development during its initial compliance period.

In addition to the above threshold eligibility criteria, the Agency reserves the right to take any action it deems appropriate if the proposed general partner (or any affiliate thereof), proposed management agent, or other material participant has been found to be in violation of fair housing, housing accessibility or nondiscrimination laws or has been found to discriminate against Section 8 voucher and certificate holders and such violation or discriminatory actions have not been remedied to the satisfaction of the governmental agency or entity with jurisdiction. “Material participation” includes any entity who by written agreement may significantly affect, in the opinion of the Agency, the development or operation of the property. Such written agreement may include ground leases, operating subsidies, partnership agreements, or operating regulatory agreements. Such action may include rejection of the Tax Credit application, termination of processing, recapture of Tax Credits (if an IRS Form 8609 has not been issued) or, if applicable, issuance of an IRS Form 8823 or notification to the appropriate governmental authorities. (As evidence of such finding of violation, the Agency may rely upon its own investigations or may rely upon any order of a court with jurisdiction or upon notice of such a finding from any federal or state agency with investigative or regulatory jurisdiction regarding the subject matter, such as IRS, Justice, Treasury, HUD, or state Human Relations Commission or Attorney General.)

SET-ASIDES

In Year 2002, the Agency will provide Tax Credits through several set-asides. **Attachment A** provides an outline of these set-asides. Should additional Tax Credits become available for whatever reason at any time during the Year 2002 Allocation Year, the Agency will not issue an Amendment to this Allocation Plan and will instead, make allocations of such additional Tax Credits based upon priorities and preferences set forth in this Allocation Plan as it deems appropriate.

1. Regional Set Aside

A percentage of the year 2002 Tax Credits will be set-aside for each region of the Commonwealth. The counties in each region are shown in Attachment B. Set-asides are based on the percentage of households at or below 50 percent of median income for the given region.

2. Preservation Set-Aside

A special set-aside of Tax Credits, not to exceed 10 percent of the state per capita allocation available in the year 2002, will be established for developments that meet the Agency's requirements for preservation of affordable housing. The preservation set-aside will be considered for existing low income units receiving project-based rental subsidies that are within two years of any permitted prepayment or subsidy contract expiration with a likely conversion to market rate housing or equivalent loss of low income use restrictions. (The likelihood of conversion to market rate housing must be supported by a current market study in form and substance acceptable to the Agency.)

The preservation set-aside will also be considered for the rehabilitation of already existing low income units receiving project-based rental subsidies provided the rehabilitation will repair or replace components that are a.) in immediate need of repair or replacement or b.) functionally obsolete or will provide modification or betterment required by new applicable federal, state or local housing or building code requirements. In addition, there must be a lack of sufficient property reserve funds or capital to provide for the necessary capital improvements. Developments must expend for rehabilitation a minimum of $10,000 per unit based upon a professionally commissioned Capital Needs Assessment (not more than twelve months old) which will be required for each proposal.

Applicants for this set-aside should refer to the Tax Credit Program Guidelines for further guidance on submission requirements applicable to this set-aside. Tax Credits Applications for this set-aside must be received by March 1, 2002. All applicants must state at the time of application whether they are requesting credits from this set-aside or from the regional set-aside and the Agency will not allow applicants to apply for simultaneous consideration under each of the set-asides. The Agency, in its discretion, may consider any Tax Credit Applications under the appropriate regional set-aside once the Preservation set-aside is exhausted. Tax Credits not reserved from the Preservation set-aside will be made available to other developments competing for Tax Credits through the regional set asides.

3. Nonprofit Organization Set-Aside

Thirty (30) percent of the amount reserved in each of the above set-asides will be reserved for developments involving qualified nonprofit organizations. A nonprofit organization will qualify for consideration under this set-aside if it is described in paragraph (3) or (4) of section 501(c) of the Code, is exempt from tax under section 501(a) and will materially participate in the tax credit development. In addition, the nonprofit organization must have the fostering of low income housing as one of its exempt purposes. The nonprofit organization must own (directly or through a partnership) at least a 51% interest in the general partner of the partnership entity in accordance with current laws and IRS regulations throughout the development's compliance period. The nonprofit organization may not be an affiliate of or controlled by a for profit organization. An opinion of counsel addressing the status of the nonprofit organization and qualification for the nonprofit organization set-aside may be required.

To ensure the maximum use of the Tax Credits, any regional or nonprofit set-aside not used by a region may be transferred to another region needing the Tax Credits. In order to ensure that sufficient amounts are available to fully fund specific developments, the Agency may adjust the regional set-asides and Preservation set-aside as determined by the Agency. For developments returning an entire reservation of Tax Credits from a previous or current year's allocation, at the Agency's discretion, the Tax Credits may be set-aside for redistribution within the same region.

Applications will be returned if the amount of Tax Credits requested for a development exceeds the amount of Tax Credits available for its region by more than 10 percent of the set-aside amount. In addition, the Agency has imposed a $1,200,000 per development maximum on the Tax Credits reserved in the year 2002.

MAXIMUM PER UNIT BASIS LIMITATIONS

The Agency has established a maximum basis per unit based upon the U. S. Department of Housing and Urban Development's (HUD) Section 221(d)(3) maximum mortgage limits. "Maximum Basis" includes all depreciable costs normally included in the eligible basis determination for rehabilitation or new construction (not including the developer's fee). Maximum Basis for the purposes of this calculation is determined after the deduction for commercial space costs but prior to the reduction for historic tax credits and other nonqualified financing and costs normally not included in eligible basis.

Developments located in a "qualified census tract" or "difficult development area", as established by HUD, may qualify for Tax Credits based on 130 percent of the eligible basis.

If the Maximum Basis per unit, as previously described, exceeds the established limits, Agency staff may waive the Maximum Basis per unit for some developments. An Agency waiver of the established limits will be based upon the demonstration of compelling circumstances and justification for the additional costs incurred in the development. Compelling circumstances are limited to the following: costs are predominately related to the preservation of a designated historic building or necessitated by building in or adjacent to a designated historical district; construction costs attendant to providing supportive services to the resident population; excessive costs due to unsuitable subsoil conditions; costs associated with environmental remediation; and costs resulting from municipal attempts to exclude affordable housing (that may include excessive impact fees, building code requirements, restrictive zoning and planning requirements). For those properties seeking to exceed limits based on excessive costs due to unsuitable subsoil conditions or costs associated with environmental remediation, developers must provide full explanation of all alternative site considerations and provide adequate justification of the need for the development at the identified location. For developments affected by municipal attempts to exclude affordable housing, Agency staff will not approve Tax Credits above 30 percent of the maximum per unit cost basis. For all other circumstances, Agency staff will not approve Tax Credits above 15 percent of the maximum per unit cost basis. A waiver of the HUD Section 221(d)(3) limits is at the sole discretion of the Agency.

See Attachment C for a breakdown of HUD's maximum Section 221(d)(3) mortgage limits by market area and unit size.

HOUSING PRIORITIES

The Agency will only consider applications for developments meeting the housing priorities set forth below. All priorities are given equal preference.

1. Developments addressing local housing priorities or needs as defined by the community where the development is located. Attachment "D" to the Allocation Plan provides summaries of the state and local housing priorities from Consolidated Plans. The Commonwealth and communities that receive federal housing and community development funds are required to submit Consolidated Plans to HUD. Consolidated Plans outline housing and community development needs and priorities. Housing priorities of communities that are not required to submit a Consolidated Plan are addressed by the Commonwealth's Consolidated Plan.

   If the type of proposed housing is not shown as a specific priority or need of the community, the developer must either (1) provide a letter from the chief executive official of the community that states, in a form and substance satisfactory to the Agency, a compelling prior unrecognized need for the type of housing proposed, or (2) submit sufficient documentation to evidence that the proposed housing is being developed to comply with or respond to a court order, consent order, judicial decree, or such other mandates to encourage fair housing, enforce nondiscrimination and provide affordable housing opportunities within an under-served area.

2. Developments involving preservation of low income housing stock (as defined by and meeting all criteria described in the above discussion of "Preservation Set-aside" section.)

3. Developments that have qualified for a Carryover Allocation in a previous year but require additional Tax Credits to ensure viability. The development must either have received a firm commitment for financing, have commenced construction or have addressed one of the housing priorities described above.

SELECTION CRITERIA

General Processing Information

The Agency will review the application and award points based on the Selection Criteria. A development must address a substantial number in each of the following five categories of Selection Criteria in order to qualify for a reservation of Tax Credits. The minimum point threshold requirement to be considered for a reservation of Tax Credits is 50 points. (The Agency may adjust the minimum point threshold at any time during the Year 2002 Tax Credit Program.) The Agency reserves the right, at any time, to require submission of such documentation or additional support as it deems necessary to evidence any of the items set forth herein including, without limitation, additional independent market studies, independent appraisals, and opinions of qualified tax counsel or certified public accountants and will impose additional documentation or clarifying information as further set forth herein and in the year 2002 Tax Credit Program Guidelines.

The Agency reserves the right, in its sole discretion, to reject any application in the event that the costs associated with the proposed development are deemed excessive or unreasonable, the development is deemed to be financially infeasible or the development does not evidence long term viability.

A development receives a reservation of tax credits based upon the information contained in the application. Unless specifically directed by the Agency to comply with federal law, changes or supplements to an application during the processing period for ranking are not permitted except for those made or requested by Agency staff during underwriting or application review. Changes to a development made by the developer after a reservation is received affecting any of the Selection Criteria features will result in reconsideration of the ranking and may lead to a "rescission" of the conditional reservation. As a reminder, the Selection Criteria that have been addressed will be incorporated into the Restrictive Covenant Agreement and monitored during the compliance period. Changes in any of the Selection Criteria subsequent to issuance of an IRS Form No. 8609 may result in noncompliance, may lead to specific enforcement action against the development and may result in the loss of Tax Credits to the development and its investors.

The scoring and ranking of a development does not guarantee funding by the Agency. In the event the Agency departs from the ranking and scoring criteria, it shall document such departure in accordance with the Code. Based upon the demand for Tax Credits and development rankings, the Tax Credits reserved for any one sponsor or development in any specific jurisdiction may be limited at the discretion of the Agency.

A. Financial Criteria

1. Developments receiving a higher net pay-in value for all of the Tax Credits than the current average market syndication raises. The net pay-in value is considered for the entire development after deducting all syndication costs including bridge loan interest and expenses.

2. Developments that receive significant outright grants, donated land or below market rate non-amortized debt funding from state and local programs, unrelated nonprofit organizations, private foundation funds, and/or federal programs, including historic tax credits. (Developments receiving funds that are being lent and amortized at an interest rate which is at least 100 basis points below prime lending rates may receive partial credit under this category.)

B. Resident and Development Considerations

1. Developments to be substantially occupied by tenants whose incomes are at or below 50 percent of area median gross income. In mixed income developments, the percentage will be based on the total number of Tax Credit eligible units. (The Agency encourages developers to target at least 50 percent of the Tax Credit eligible units to tenants whose incomes are at or below 50 percent of area median gross income.)

2. Developments that are maintained and underwritten at rents that are at or below the imputed rent at 50 percent of the area median gross income. Developments that receive subsidies for rent from any source (including, without limitation, project-based, tenant based or internal rental subsidy programs) will be considered in this category, provided that, upon the expiration or termination of the subsidy, rents will be charged and maintained at or below the 50 percent of the area median tax credit rent.

3. Developers who address the housing needs of the local public housing waiting list. Developers may meet this requirement by providing either: (1) a current letter from the local public housing authority stating how their proposed development is specifically meeting the housing needs of tenants on their public housing waiting list; (2) a copy of the comprehensive plan outlining the current local public housing authority waiting list and evidence that the proposed development will meet such resident needs; or (3) a certified mail receipt documenting a letter sent to and received by the local public housing authority which evidences the commitment by the developer to work cooperatively to meet the needs of persons on the local public housing waiting list. The certified mail receipt evidencing receipt by the local public housing authority must be dated prior to the submission of the application.

4a. Proposals demonstrating a significant commitment to, and the ability to meet the needs of, one of the following special needs group: residents who are physically or mentally disabled, including persons with HIV/AIDS; transitional or permanent housing for the homeless; or seasonal farm workers. At least 10 percent of the units in the development must be set-aside for the special needs tenants. Evidence of a significant commitment must include: a supportive services plan that is specific to the type of special needs housing proposed; a financial commitment for the long range supportive services plan including a 15-year rental subsidy reserve; and the supportive services provider providing a written statement of its intent to enter into a contract for services to the development. The statement must include a detailed list of the services and the cost of the services they are to provide to the development. In addition, the supportive services provider must provide written evidence that there is a sufficient number of income-qualified persons waiting to occupy the set-aside units and a local market for these services/units. To ensure the continued provision of supportive services, the Restrictive Covenant Agreement will reflect such commitment. The units that have been set aside for special needs may only be occupied throughout the term of the Restrictive Covenant

Agreement by persons with such special needs as identified by the applicant in the application; (or)

4b. Consideration will be given to developments in which at least 20 percent of the units are made affordable to and rented to tenants whose income does not exceed 40 percent of the area median gross income. Developments that receive subsidies for rent from any source (including, without limitation, project-based, tenant based or internal rental subsidy programs) will be considered in this category, provided that, upon the expiration or termination of the subsidy, rents will be charged and maintained at or below the 40 percent of the area median tax credit rent. (or)

4c. Consideration may be given to developments if the applicant agrees to provide twice as many fully accessible units as they would otherwise be required to provide (under local, state or federal mandate) in the development. This would require a written certification from the architect that he/she has reviewed the plans for the building and that at least twice as many of the units in the development are accessible as would be required under local, state or federal mandate (whichever is the most restrictive). In addition, the owner must certify that these units are accessible, that during initial lease up, the owner will hold the units available for persons needing the accessible units for the first thirty days and thereafter will provide for certain lease provisions designed to allow the units to be occupied by persons who need the accessible features of the units to the greatest extent feasible. Terms addressing the accessible units and the subsequent rental of these units will be addressed in the Restrictive Covenant Agreement. For preservation developments, consideration will be given for points under this category if the development increases the number of accessible units available in the development by at least 5%. (All other requirements applicable to the rental and long term occupancy of these units will be the same.)

5a. Commitment to serve low income tenants for a period of not less than 30 years. Owner will waive in the Restrictive Covenant Agreement any right to petition the Agency to terminate the Extended Use period as described in Section 42 of the Code; (or)

5b. Proposals that present a financially viable program with services in place to foster a conversion of the facility to homeownership after the end of the initial 15-year compliance period. The program must incorporate an exit strategy, homeownership counseling, and a de minimus amount of funds set-aside by the owner for the tenant to assist in the purchase. The Restrictive Covenant Agreement will contain provisions ensuring enforcement of the related covenants by affected qualified residents. Upon the expiration of the initial 15-year compliance period, units must remain Tax Credit units unless (or until) converted into to homeownership and developer must waive any right to petition the Agency to terminate the Extended Use period for such units.

6a. Developers who submit a financially viable written plan together with a qualified service provider organization to provide program support for lower income residents affected by life changes associated with preparing for and retaining employment. The program support offered for residents is intended to assist families stabilize life activities through coordination with community resources. Eligible activities may include after school, summer recreation and/or child care programs, pre-vocational training and/or educational programs, and/or counseling services including assistance with parenting skills, drug and alcohol abuse programs, and family violence prevention. Job training related activities will be considered only when they are linked to existing welfare to work programs for individuals eligible for assistance under the Temporary Assistance for Needy Families program or related existing community based programs. The financially viable plan must include: (1) specific program goals, description of the proposed activities and expected outcomes for residents as a result of their participation; (2) demonstration that a significant number of residents will have need for the proposed program; (3) criteria to determine resident eligibility to participate and methods to encourage resident participation; (4) process for implementing the services including evidence that residents will have access to the services and a designated place for services to be conducted either on the property or within close proximity to residents' apartments; (5) the anticipated budget and source of funds that will pay for services for the life of the development; and (6) evidence that activities will be coordinated with existing community resources. In addition to letters of intent to provide support services, evidence must identify the roles and responsibilities of each participating service provider and demonstrate the commitment of the property management company to work with the service provider and the residents. (or)

6b. Proposals in which the entire development is to be occupied by residents 62 years of age and older and that allow these tenants to maintain their independent lifestyle through the provision of appropriate services. Developers must submit a financially viable plan together with a qualified service provider organization that will coordinate services and determine resident needs. The plan must include: (1) the philosophy, experience and goals of a service provider and their program for elderly residents of the proposed property; (2) methods that will be used to determine the needs of the elderly residents; (3) a description of how, when and where the residents will access services needed by elderly residents including but not limited to: social and recreational activities, health services and health screening, housekeeping and heavy chores services, on-site meals, professional service coordination, and transportation; (4) a description of how the residents’ activities will be coordinated with the community at large; and (5) a plan to pay for services for the life of the development.

7. Developments that are located in “qualified census tracts” and the development of which contributes to a concerted community revitalization plan. To qualify for consideration under this category, developer must submit evidence that a.) the proposed development is located in a “qualified census tract” as established by HUD; b.) the proposed facility is located within an area for which the local jurisdiction has developed either a “neighborhood revitalization strategy” or a “community revitalization strategy” (as each term is defined in CPD Notice 96-01 or CPD Notice 97-01 pertaining to the Community Development Block Grant Program); c.) the jurisdiction has received HUD approval of such designation and has included such plan in their current Consolidated Plan; and d.) the proposed facility meets the goals and priorities set forth within the local strategy.

8. Proposals that include the use of existing housing as part of a community revitalization plan. To qualify for consideration under this category, the developer must submit evidence that a.) the proposed development involves a rehabilitation or preservation of facilities currently utilized as housing ; b.) the proposed facility is located within an area for which the local jurisdiction has developed either a "neighborhood revitalization strategy" or a "community revitalization strategy" (as each term is defined in CPD Notice 96-01 or CPD Notice 97-01 pertaining to the Community Development Block Grant Program); c.) the jurisdiction has received HUD approval of such designation and has included such plan in their current Consolidated Plan; and d.) the proposed facility meets the goals and priorities set forth within the local strategy.

9. Proposals that include a substantial number of three or more bedroom units addressing the needs of large families. (The Agency will require at least 25% of the Tax Credit units in the property be so designed in order to receive full consideration under this criteria.) A certification from the design architect verifying the number of three or more bedroom units will be required.

C. <u>Development Team</u>

1. Experience of the development team. The development team members to be considered are the general partner(s), design architect, supervising architect, contractor, attorney and management agent. Previous experience of the general partner and the management agent in the Tax Credit Program will be specifically evaluated. (Lack of experience of the general partner(s) may be supplemented by the inclusion of an experienced housing consultant on the development team.) Refer to the Agency's Tax Credit Program Guidelines for specific details on determining experience.

2. Material participation in the development team by a firm designated as Woman's Business Enterprise, Minority Business Enterprise, or Disabled Business Enterprise. Points will only be available in this category for the following development team members: general partner (or housing consultant supplementing the lack of experience of a general partner in the Tax Credit Program), supervising architect, design architect, contractor, management agent and attorney. Joint ventures, subcontracts, or joint fee arrangements will not be used to secure material participation, except in the case of legal counsel where the MBE/WBE or DBE firm is receiving more than 50% of the contract fee included in the development budget. (See the Tax Credit Program Guidelines for additional information.)

3. Proposals that demonstrate that a certified Community Housing Development Organization ("CHDO") or Community Based Development Organization ("CBDO") (as determined by the local jurisdiction) has a significant commitment and investment in the development and ongoing operation of the development throughout the compliance period. The CHDO or CBDO must either be the general partner or provide services that enhance the development that are not services that the general partner(s) is experienced in providing or be services that the CHDO or CBDO may provide in a more comprehensive and efficient manner. These services must be confirmed in writing by the CHDO or CBDO along with their assurance that these services will be provided for the term of the Restrictive Covenant Agreement.

4. Developments that involve a development team member who is also involved in a Tax Credit development that is found to be consistently out of compliance with Tax Credit Program requirements or have unresolved issues that have been reported to the IRS involving a Tax Credit development funded in any prior Tax Credit years or who changed one of features of one of the Selection Criteria originally used for ranking the development during processing of the Tax Credit development through the Agency will receive negative points in ranking.

D. <u>Marketability and Need of the Proposed Development</u>

The Agency will be measuring the marketability and need of a development based on information provided by the market analyst. A needs assessment form and market study, not more than one year old at the time of submission, must be completed by the market analyst in the format developed by the Agency. The needs assessment must address the following criteria: (1) age, condition, quality, etc. of housing within the primary market area; (2) the number of cost-burdened households located in the development's primary market area; (3) size of waiting lists in existing complexes; (4) vacancies in existing complexes; (5) affordable housing options in the primary market area; (6) rent pricing advantage of the proposed development rents compared to the market rents; (7) employment and population statistics; (8) the housing needs of employees of large employers in the area; and (9) impact on existing subsidized affordable and low income Tax Credit housing developments. If the needs assessment is not completed by the appropriate party or is not in the Agency's format, there will be no points awarded in this category.

E. Complete Application Package

Applications that are accurately completed and contain all required application exhibits and information as required in the Core Application, the Tax Credit Addendum and the Checklist of Exhibits will receive bonus points. Refer to the Agency's Tax Credit Program Guidelines for specific information.

RANKING OF DEVELOPMENTS

Developments receiving the highest ranking for each region will be evaluated to determine the amount of Tax Credits required to make the development economically feasible and to ensure the development's long term viability. If two or more developments have the same ranking within a region or the statewide pool and only one development can be awarded credits, the Agency will select the development that has a higher percentage of units available to tenants whose incomes are at or below 50 percent of area median gross income as compared to total number of Tax Credit eligible units. If the developments have equal percentages of units available to residents at or below 50 percent of area median gross income, the Agency will select the development that has the higher percentage of units with rents affordable to persons at or below 50 percent of the area median gross income. If the developments have equal percentages of units with rents affordable to persons at or below 50 percent of area median gross income, the Agency will select the development with the longest commitment to serve low income tenants. If the developments have commitment periods of the same length, the Agency, in its sole discretion, may select the application that it determines best fits its affordable housing priorities and achieves geographic distribution.

Ranking of an application does not guarantee funding by the Agency. The Agency's determination as to the amount of Tax Credits reserved for or allocated to a development shall not be construed by the developer, lender, or any other interested party to be a warranty of the development's feasibility and viability, nor shall such determination constitute a representation of compliance with any requirements of the Code.

MARKET STUDY

A comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the development must be submitted at the time of application. The Market Study must be performed by an independent, professional market analyst specifically qualified in affordable rental markets of Pennsylvania. The Tax Credit Program Guidelines contain the specific criteria to be addressed and format to be followed in the Market Study. Market Studies may be no more than one year old at time of submission. The assumptions used in the Market Study (e.g. unit mix, development rents, income targeting) must precisely reflect the information contained in the development's Tax Credit application. Proposals that include a Market Study that is inconsistent with or does not accurately reflect all of the information contained in the Tax Credit application will be returned. Waived from this requirement are developments with a reservation of Tax Credits from a previous year in which a Market Study was submitted at the time of the original reservation. If a Market Study was not required at the time of the original reservation of Tax Credits, a Market Study must be submitted with the request for additional tax credits.

In all instances, the Agency reserves the right to order its own or an additional Market Study on any development. Applications may be rejected if the proposed development is not supported by an independent Market Study acceptable to the Agency or if Agency staff determines that there will be an adverse impact on the marketability of existing affordable housing developments or initiatives in the area. All Market Studies must contain consideration of all other Tax Credit properties in the rental market area. Market Studies shall become the property of the Agency and may be subject to public dissemination.

DEVELOPER'S FEE

The developer's fee, which is meant to compensate the developer for staff time, effort and work involved in the development of the development, includes developer's expenses, overhead, profit and consulting fees or other fees and costs that are above the maximums allowed by the Agency. For developments that have 25 or more units, the developer's fee is limited to 15 percent of the first $5 million of replacement cost of the development less all costs of acquisition and 10 percent on every $1 of replacement cost thereafter. For developments of 24 units or less, the developer's fee is limited to 20 percent of the replacement cost of the development less all costs of acquisition. For purposes of calculating the developer's fee in phased developments, the fees for each phase will be aggregated and the total fee may not exceed the above stated limits.

The developer's fee may not be calculated on a basis that exceeds the HUD Section 221(d)(3) maximum mortgage limits. However, Agency staff may consider a higher developer's fee (up to the maximum percentage limits) if an amount of funds equal to the developer's fee calculated in excess of the HUD Section 221(d)(3) limitation is being committed by the owner to the provision of social supportive services, support for families in transition, or as an internal rental subsidy to subsidize rents **below** 50 percent of area median gross rent. Evidence of these commitments must be provided with the Tax Credit application. The Restrictive Covenant Agreement will specifically reflect such commitment.

For rehabilitation and preservation developments, a developer's fee will be allowed on a portion of the acquisition cost. The fee is limited to 10 percent of the building cost less the cost of the land. The maximum acquisition cost that will be recognized in determining the developer's fee will be the lesser of the actual amount paid for the building or the MAI appraised value.

Developers of properties with 25 units or more may request a developer's fee in excess of the maximum allowable amount (up to but not exceeding 20 percent of the replacement cost of the development less all costs of acquisition) if the developer commits to provide to the development an amount equal to 75 percent of the total fee (net of reasonable consultant and organizational fees) for the provision of social supportive services, support for families in transition or an internal rent subsidy for the tenants. In the event the development receives Agency financing through the PennHOMES program, a developer may demonstrate its commitment to utilize the developer's fee for providing social supportive services, support for families in transition or an internal rent subsidy through the establishment of an escrow fund. In addition, Agency staff may approve the use of the developer's fee to augment the required $2,500 per unit funding of social supportive services when required. For developments not receiving Agency financing, Agency staff will only approve an increased developer's fee if the developer provides adequate assurances and documentation that an amount of funds equal to the increased developer's fee will be committed to the development to establish a qualified supportive services plan, support for families in transition or internal rent subsidy for the compliance period. To further ensure the utilization of the additional developer's fee for a qualified purpose as described herein, the Restrictive Covenant Agreement will be amended to reflect such commitment.

Development consultant's fees and organizational costs are required to be paid from the developer's fee. These fees may not be listed as separate line items on the Tax Credit application.

TAX-EXEMPT FINANCED DEVELOPMENTS

All tax-exempt financed developments utilizing Tax Credits in their financing plan must be evaluated in accordance with the Tax Credit Allocation Plan and Tax Credit Program Guidelines. Developments receiving tax-exempt financing for at least 50 percent of the aggregate basis of the property including land are not required to receive an allocation of Tax Credits through competitive allocation from the Agency. The eligible basis of the development would qualify for the Tax Credits without competing through the regular allocation process. However, developments receiving tax exempt financing on less than 50 percent of the aggregate basis will be eligible for Tax Credits on only that portion of the eligible basis financed by the tax-exempt bonds. For the remaining portion, the owner must apply and compete for an allocation of Tax Credits from the Agency in the established allocation process.

All tax exempt development applications will be scored pursuant to the Selection Criteria set forth herein. To be considered, a development must obtain the minimum threshold requirement of 50 points (or such other minimum threshold standard established by the Agency). Only that amount of Tax Credits that is necessary to ensure feasibility and long term viability will be issued on the IRS Form 8609. See the Tax Credit Program Guidelines for additional information and the appropriate documentation to be submitted and the applicable timeframes.

SUBSIDY LAYERING REVIEWS

Pursuant to Section 911 of the Housing Community Development Act of 1992, HUD published administrative guidelines concerning subsidy layering review of Tax Credit developments receiving assistance from the HUD's Office of Housing. The guidelines provide for the delegation of subsidy layering reviews to Tax Credit allocating agencies. Pennsylvania requested and has been delegated the subsidy layering review responsibility. Section 911 guidelines provide the Tax Credit allocating agencies with standards for evaluating builder's profit, development fee, syndicator expenses, and net syndicator proceeds. The guidelines include both a safe harbor standard and ceiling standard for each category. The Tax Credit allocating agency may simply use the safe harbor standards or through the Allocation Plan may raise the safe harbor standards to the published maximum ceiling standards. The Agency has elected to raise the safe harbor guidelines to the maximum ceiling standards established for the Section 911 layering review since the ceiling standards are within the fee limitations already established for the Tax Credit Program.

PLACED-IN-SERVICE/CARRYOVER ALLOCATION

All developments receiving a reservation of the year 2002 Tax Credits must either be placed in service by December 1, 2002 or, by November 15, 2002, be eligible for a carryover allocation of Tax Credits pursuant to Section 42 (h)(1)(E) of the Code. Any owner who will not be able to place the building in service by December 1, 2002 must notify the Agency by October 1, 2002 of the need to execute a Carryover Allocation Agreement. In the event a development receives a reservation after September 13, 2002, the Agency may establish additional or supplemental deadlines. Developments not adhering to this procedure or not meeting the above criteria will be subject to immediate recapture of the Tax Credits. **All deadlines for Carryover Allocations must be met.**

To qualify for a Carryover Allocation, an owner must, by November 15, 2002, have site control and such evidence of ownership of the land or the depreciable real property that is part of the proposed development as required by the Code. Additionally, by May 15, 2003, the owner must incur more than 10% of the “reasonably expected basis” in the property, including land. The “reasonably expected basis” is that basis which is expected to be incurred as of the close of the second calendar year following the calendar year of the allocation. See Tax Credit Program Guidelines for further details and specific processing deadlines.

Notwithstanding the above stated procedures and deadlines, the Agency may, in its sole discretion and in accordance with any such additional guidance or regulatory direction implementing amendments to Section 42 of the Code, establish alternative, supplemental, or additional processing requirements and deadlines for developments receiving Year 2002 Tax Credits. Any such changes or supplements shall be effective upon written instruction by the Agency to the affected Tax Credit developments.

PROCESSING PROCEDURES

Developments receiving an initial reservation of Tax Credits in the year 2002 are subject to the Agency's Year 2002 Tax Credit Program Guidelines and in the event the initial reservation is modified or amended, the Year 2002 Tax Credit Program Guidelines shall remain in force and effect for the property. However, the Agency may amend the Tax Credit Program Guidelines from time to time to further comply with Tax Credit Program requirements or to enable Agency staff to better fulfill its administrative duties relative to the Program and such changes would be applicable to the development.

Pursuant to the Tax Credit Program Guidelines, a developer may only request additional Tax Credits for a development once after it receives an initial reservation. Therefore, the Agency recommends that a developer submit a request for additional Tax Credits only after the total development costs and a commitment of all funds are finalized.

Developments from prior years may request additional Tax Credits at any time during the 2002 year up to May 1, 2002. A developer requesting additional Tax Credits from a prior year must submit a new, complete application package. The application will be ranked as a new application and will be subject to the Year 2002 Allocation Plan.

Year 2002 developments receiving allocations may apply for additional credits in subsequent years in accordance with the Allocation Plan in effect for such application year. **(See the Tax Credit Program Guidelines for additional information and instructions.)**

DEVELOPMENTS WITH MULTIPLE BUILDINGS

A development may include multiple buildings if it has similarly constructed units, is located on the same or contiguous tracts of land, is owned by the same person for federal income tax purposes and is financed pursuant to a common plan of financing. A development with multiple buildings that is proposing a mixed income structure must have low-income units in each building of the development. Scattered site buildings on noncontiguous tracts of land may also qualify if the development meets all of the other requirements described above and the development is 100 percent rent and income restricted.

COMPLIANCE

Tax Credit property owners are responsible for ongoing compliance with all requirements of the Code and the Agency's Compliance Program Manual, including such rules, regulations, administrative revenue proclamations and revenue rulings as may be issued from time to time.

Consistent with requirements of the Code, the Agency requires that each owner of a Tax Credit development enter into an agreement setting forth allowable occupancy and project use restrictions, owner responsibilities and continuing Section 42 qualified project characteristics. This Agreement, the "Restrictive Covenant Agreement," must be recorded for the maximum period required by the Code and no Tax Credits may be claimed by a property owner in any taxable year unless the Restrictive Covenant Agreement is in effect and is appropriately recorded on the property in the county land records.

To fulfill its responsibility, the Agency will monitor the developments for compliance with program requirements of the Code. Such requirements may change from time to time and the protocol for compliance monitoring may be adjusted as deemed necessary or appropriate by the Agency. In addition to monitoring for all federal requirements, developments will be monitored for compliance with the occupancy standards, Selection Criteria and other covenants set forth in the Restrictive Covenant Agreement.

The Code requires all owners to keep the following records for each qualified low income building in the development for each year of the compliance period: number of residential units in the building, the number of low income units in building, the number of occupants in each low income unit, the number of bedrooms in each unit, the square footage of each unit, the rent charged on each unit including the utility allowance, the low income unit vacancies in the building and the rentals of the next available unit for each building in the development including when and to whom it was rented. The owner must also keep documentation of the eligible and qualified basis of the building as of the end of the first year of the Tax Credit period. Owners must also keep a record of the annual income certification of low income tenants along with documentation to support the certification. Owners renting to holders of Section 8 certificates or vouchers may ask the public housing authority issuing the certificates or vouchers to provide a statement declaring that the tenant's income does not exceed the applicable income limit under Section 42(g) of the Code. Any nonresidential portion of a building included in the eligible basis of the building must demonstrate its availability to all tenants in the building at no additional cost to the tenants.

Records for the first year of the Tax Credit period must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building. In all subsequent years of the Tax Credit period, records must be kept by property owners for a minimum of 6 years after the due date (with extensions) for filing the federal income tax return for the year.

The Agency will also review and monitor developments for compliance with required certification submissions. Owners must provide certification at least annually to the Agency, under penalty of perjury, as to the following: the development meets the requirements of the elected minimum set-aside test; the applicable fraction, as defined in Section 42(c)(1)(B) of the Code, of each building in the development has not changed, or, if there was change, a description of the change; owner has received the annual income certification from each low income tenant along with supporting documentation; the low income unit is rent restricted under Section 42(g)(2) of the Code; all units are available to the general public and used on a non-transient basis and no finding of discrimination under the Fair Housing Act has occurred for the development; each building is suitable for occupancy pursuant to local health, safety and building codes; the building's eligible basis pursuant to Section 42(d) of the Code has remained the same (or if there was a change, the nature of the change); and any tenant facility in the building is available to all tenants in the building on a comparable basis without a separate fee charged to the tenant. Owner must also certify that if a low income unit becomes vacant, attempts are made to rent that unit to a qualified low income tenant, and while that unit is vacant no units of comparable or smaller size may be rented to a non qualifying income tenant. If a low income tenant's income rises above the limit established in Section 42(g)(2)(D)(ii) of the Code, all available units of comparable or smaller size in that building must be rented to a qualified tenant. Owner must also certify that an extended low income housing commitment, as described in Section 42(h)(6) of the Code, was in effect for all qualified low income buildings in the development. Owner must also certify that a unit lease has not been refused to a Section 8 applicant because the applicant holds a Section 8 voucher or certificate. The certification must be submitted at least annually or with such greater frequency as may be required by the Agency.

The Agency will review the certifications submitted to it for compliance with Section 42 of the Code. On-site inspections of all Tax Credit developments will be held from time to time, at the sole discretion of the Agency, for compliance with the certification requirements, habitability standards, rent records, supporting documentation and all record keeping requirements in the low income units. Physical inspections of all buildings and at least 20% of all low income units will be performed at least once every three years. The Agency will determine which developments and which records it will inspect and how often such inspections will be conducted, at random. The Agency retains the right to perform on-site inspections at any time during the compliance period for any Tax Credit development or to conduct more frequent or more detailed site visits if the Agency deems it appropriate.

The submission of audited financial statements to the Agency’s Compliance Monitoring Department is required for all properties with twenty (20) or more units. If audited financial statements are not available, a compilation must be prepared and submitted to the Agency’s Compliance Monitoring Department. (Applications for Tax Credits in any year may be rejected from organizations or individuals who have not submitted to the Agency the audited financial statements for a Tax Credit development for the preceding tax year.)

In the event the owner or the development does not comply with any of the provisions of the Code, the Agency will provide prompt written notice to the owner that specifies a correction period that may not exceed 60 days, unless extended by the Agency in writing. Not later than 45 days after the end of the correction period set forth in the written notice to the owner, the Agency must file IRS Form 8823 "Low Income Housing Credit Agency Report of Noncompliance" ("IRS Form 8823") with the Internal Revenue Service (the "Service") to advise the Service of the existence of an event of noncompliance with an explanation of the nature of the event and whether the owner has corrected the noncompliance. Any change in either the applicable fraction or eligible basis resulting in a decrease in the qualifying basis will be treated as an event of noncompliance. In addition, any failure to provide required information to the Agency on a timely basis in accordance with its written request or the procedures established in Agency directives or set forth in its Compliance Program Manual may be treated as an event of noncompliance and may result in the filing of IRS Form 8823. Failure to continually meet the requirements of the use, occupancy and other conditions relevant to the operation of the development, as set forth in the Restrictive Covenant Agreement, may be treated as an event of noncompliance and may result in the filing of IRS Form 8823.

Please note that pursuant to Revenue Procedure Ruling 94-64 an owner of a 100 percent qualified low income building may request a waiver from the Service of the annual recertification of the tenant's income requirement. Please see the Agency's Tax Credit Program Guidelines for further details.

The Agency will assess owners a compliance fee designed to cover administrative expenses associated with the performance of compliance monitoring.

ATTACHMENT "A"

REGIONAL SET-ASIDES
(Amended to Reflect Increase in Credit Cap)

Regions*	AMOUNT**
1***	$5,033,980
2	2,911,862
3	2,207,791
4	1,726,745
5	4,471,326
6	1,577,155
Preservation Reserve	$2,149,184

* For county listing, see Attachment "B".

** All figures are subject to change. Figures **do not** reflect final year-end adjustments.

*** $2,137,328 of this amount will be initially set-aside to fund qualified developments in counties other than Philadelphia.

ATTACHMENT "B"

GEOGRAPHICAL DISTRIBUTION
REGIONS

Region 1	Region 2	Region 3	Region 4
Bucks	Berks	Adams	Bedford
Chester	Bradford	Cumberland	Blair
Delaware	Carbon	Dauphin	Cambria
Montgomery	Lackawanna	Franklin	Centre
Philadelphia	Lehigh	Lancaster	Clinton
	Luzerne	Lebanon	Columbia
	Monroe	Perry	Fulton
	Northampton	York	Huntingdon
	Pike		Juniata
	Schuylkill		Lycoming
	Susquehanna		Mifflin
	Sullivan		Montour
	Tioga		Northumberland
	Wayne		Snyder
	Wyoming		Somerset
			Union

Region 5	Region 6
Allegheny	Cameron
Armstrong	Clarion
Beaver	Clearfield
Butler	Crawford
Fayette	Elk
Greene	Erie
Indiana	Forest
Washington	Jefferson
Westmoreland	Lawrence
	McKean
	Mercer
	Potter
	Venango
	Warren

EXHIBIT C

2001 HUD SECTION 221(d) (3) MAXIMUM MORTGAGE LIMITS

MARKET AREA	0BR	1BR	2BR	3BR	4BR
PHILADELPHIA AREA					
(Bucks, Chester, Delaware, Montgomery, and Philadelphia)					
Nonelevator Construction	$70,303	$81,061	$97,760	$125,132	$139,403
Elevator Construction	73,986	84,810	103,129	133,413	146,446
READING/POTTSTOWN AREA					
(Berks, Northumberland, and Schuylkill)					
Nonelevator Construction	$63,912	$73,692	$88,873	$113,757	$126,730
Elevator Construction	67,260	77,100	93,754	121,285	133,133
ALLENTOWN/BETHLEHEM AREA					
(Lehigh and Northampton)					
Nonelevator Construction	$65,594	$75,631	$91,211	$116,750	$130,065
Elevator Construction	69,030	79,129	96,221	124,476	136,637
SCRANTON AREA					
(Columbia, Carbon, Lackawanna, Luzerne, Monroe, Pike, Susquehanna, Wayne and Wyoming)					
Nonelevator Construction	$63,576	$73,304	$88,405	$113,158	$126,063
Elevator Construction	66,906	76,694	93,260	120,646	132,432
WELLSBORO AREA					
(Bradford and Tioga)					
Nonelevator Construction	$61,894	$71,364	$86,066	$110,164	$122,728
Elevator Construction	65,136	74,665	90,793	117,455	128,929
HARRISBURG AREA					
(Adams, Cumberland, Dauphin, Franklin, Lebanon, and Perry)					
Nonelevator Construction	$62,567	$72,140	$87,002	$111,362	$124,062
Elevator Construction	65,844	75,477	91,780	118,731	130,330
LANCASTER/YORK AREA					
(Lancaster and York)					
Nonelevator Construction	$61,894	$71,364	$86,066	$110,164	$122,728
Elevator Construction	65,136	74,665	90,793	117,455	128,929
BELLEFONTE/STATE COLLEGE AREA					
(Centre, Clinton, Lycoming, Juniata, Mifflin, Montour, Union, Snyder, and Sullivan)					
Nonelevator Construction	$62,567	$72,140	$87,002	$111,362	$124,062
Elevator Construction	65,844	75,477	91,780	118,731	130,330
PITTSBURGH AREA					
(Remaining 29 Counties)					
Nonelevator Construction	$60,884	$70,200	$84,662	$108,368	$120,727
Elevator Construction	64,074	73,447	89,312	115,539	126,826

ATTACHMENT "D"

2002
CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

Projects located in the communities listed below should be consistent with the local Consolidated Plan rental housing priorities for the community where the development is located. Developments located in communities not listed below should be consistent with the Commonwealth's Consolidated Plan priorities. Summaries of the local and Commonwealth Consolidated Plan rental housing priorities are attached.

Communities that have prepared local Consolidated Plans

Region 1
Bucks County Consortium
(Except Bristol Township)
Bristol Township (Bucks County)
Chester County
Delaware County
(*Except Chester City, Haverford Twp.,
Upper Darby Twp.)
Chester City (Delaware County)
Haverford Township (Delaware County)
Upper Darby Township (Delaware County)
Montgomery County
(*Except Abington Twp, Conshohocken, Limerick Twp,
Lower Merion Twp, Marlbough Twp, Norristown Borough)
Abington Township (Montgomery County)
Lower Merion Township (Montgomery County)
Norristown Borough (Montgomery County)
Philadelphia City/County

Region 2
Berks County (*Except Reading)
Reading City (Berks County)
Scranton City (Lackawanna County)
Allentown City (Lehigh County)
Luzerne County
(*Except Hazleton, Nanticoke, Pittston City,
Wilkes-Barre)
Hazleton (Luzerne County)
Wilkes-Barre (Luzerne County)
Bethlehem City (Northampton County)
Easton City (Northampton County)

Region 3
Carlisle Borough (Cumberland County)
Harrisburg City (Dauphin County)
Lancaster County (*Except Lancaster City)
Lancaster City (Lancaster County)
Lebanon City (Lebanon County)
York County (*Except York City)
York City (York County)

Region 4
Altoona City (Blair County)
Johnstown (Cambria County)
State College Borough (Centre County)
Williamsport City (Lycoming County)

Region 5
Allegheny County
(*Except Bradford Woods, McKeesport,
Penn Hills Twp., Pittsburgh)
McKeesport City (Allegheny County)
Penn Hills Township (Allegheny County)
Pittsburgh City (Allegheny County)
Beaver County (*Except Ellwood City Borough)
Washington County
Westmoreland County Consortium
(*Except Arnold, New Kensington and Scottsdale)

Region 6
Erie City (Erie County)
Sharon City (Mercer County)

* The County's Consolidated Plan does not include priorities for these communities. Projects located in these communities should be consistent with the Commonwealth's Consolidated Plan rental housing priorities, unless the community has prepared its own Consolidated Plan.

ATTACHMENT "D"
CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

COMMONWEALTH OF PENNSYLVANIA

The priority established in the Commonwealth's Consolidated Plan is for developments that serve low income households (up to 50 percent of median family income for the area). If an applicant can demonstrate that the housing needs of low-income households are currently being substantively addressed within the community, the Commonwealth's priority will be considered to have been met for proposed projects that:

- promote diversity within a community, including but not limited to, diversity of race, ethnicity, income level, gender, and disability status; or

- are an integral part of an overall community development strategy which addresses and directs resources toward community needs such as housing, transportation, employment, and infrastructure.

- These strategies should work towards developing a continuum of housing types and income levels and should be developed in collaboration with the full range of citizens, community organizations, business, and government entities.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

BUCKS COUNTY
(Except Bristol Township)

Bucks County has assigned a high priority to very low income renters (incomes are between 0-50% of the area median income) whose housing costs exceed 50% of their income. For elderly and small families, the first priority is new construction or substantial rehabilitation. For large related families (5 or more persons), the first priority is acquisition and moderate rehabilitation.

The County has also established a high priority for transitional shelters for homeless families, individuals and persons with special needs, permanent supportive housing for homeless individuals and permanent housing for homeless families. The first priority is to create these facilities through acquisition, rehabilitation or new construction.

The County has established a medium priority for the elderly and all families whose incomes are between 0-80% of the area median and whose housing costs exceed 30% of their income. Other medium priorities are: permanent supportive housing for homeless families, and residential historic preservation.

BRISTOL TOWNSHIP

Bristol Township's Consolidated Plan states that "there are sufficient housing units to house persons requiring housing in the Township at the present time, although they may not be considered 'affordable'." As affordability is the issue, **rental assistance** is considered the first priority in the Township's rental housing needs assessment. Within this priority, the following client groups are determined to be in need: small families, large families and elderly paying more than 30-50% of their income for housing.

In addition to rental assistance, the Township encourages the development of both subsidized and conventional, assisted and non-assisted senior citizen housing, including housing that offers an array of supportive services.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

CHESTER COUNTY

The rental housing priority for the County of Chester is to increase the availability of affordable rental housing to the very low (0-50% of the Median Family Income) income families as well as those with the high cost burden of paying more than 30% of their income toward rent. In addition, the County looks to expand opportunities for nonprofit and for-profit developers to construct new housing for a mixed-income population.

The County will continue to seek opportunities to provide transitional and permanent housing for the homeless and special needs populations.

The County recognizes the need to provide support services for persons with housing problems and will work to promote public-private partnerships to maximize funding for the provision of such services.

DELAWARE COUNTY
(Except Chester City, Haverford Township, Upper Darby Township)

Delaware County has established a high priority for families with incomes between 31 and 80% of the area median income and the elderly with incomes between 31 and 80% of the area median income.

The County has established several general priorities. These include the rehabilitation of existing housing stock, the provision of rental assistance to households who are cost-burdened or threatened by homelessness, acquisition in conjunction with rehabilitation and/or new construction to preserve and expand affordable housing, new construction to increase the supply of available and affordable housing, housing and services for the people who are homeless, threatened with homelessness, and persons with special needs.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

DELAWARE COUNTY CONTINUED

CHESTER CITY

The City of Chester's priorities for rental housing include: major rehabilitation and/or reconstruction of public housing units; conversion of vacant buildings to rental housing or demolition of vacant buildings and redevelopment of new housing consistent with neighborhood plans. Of particular importance is housing for the elderly or frail elderly.

Accessible housing for persons with disabilities and permanent housing for the homeless are also housing priorities.

The City of Chester's identified priority of housing rehabilitation assistance or development of housing for rental households in the extremely low income category (0 to 30 % of median income) and the low income category (30 to 50% of median income) is medium priority.

HAVERFORD TOWNSHIP

Haverford Township's first rental housing priority is to increase the inventory of safe, affordable rental housing, provide rental assistance to alleviate rental cost burden, and improve rental conditions. The Township identified the following problems or gaps in the provision of affordable rental housing: the need for additional family units, the severe rental cost burden for very low (income is less than 50% of the area median income {AMI}) and low (50-80% of the AMI) income residents, and the need for assistance to elderly renters.

The Township's primary strategy is to increase the availability of decent, affordable rental housing through the use of rental assistance. The Township's secondary strategy is to increase the availability of decent, affordable rental housing through the rehabilitation of existing rental housing stock.

DELAWARE COUNTY CONTINUED

UPPER DARBY TOWNSHIP

Upper Darby Township will identify the proposals which it will recommend for housing production in 2002.

Upper Darby Township will attempt to work and improve the existing housing substandard housing, preserve the existing housing stock and housing services for people who are homeless, threatened with homelessness, and persons with special needs.

MONTGOMERY COUNTY
**(Except Abington Township, Conshohocken Borough,
Limerick Township, Lower Merion Township, Marlborough Twp, and Norristown Borough)**

Montgomery County has established the following priorities:

Construct affordable housing for low-income elderly; small and large families; all other low income households and special populations.

Maintain Tenant Based Rental Assistance programs for the cost burdened mental health persons, victims of domestic abuse, persons with HIV/AIDS, and persons facing emergency situations that could render them homeless.

Reinvent the Rental Rehabilitation program to increase rental opportunities for low-income persons.

Develop a sliding scale rental assistance program for individuals/families whose income is considered "too high" to qualify for very low-income housing assistance.

ABINGTON TOWNSHIP

Abington Township has established a high priority for rental rehabilitation. The Township has identified a high priority need for cost burdened small and large related low income families with incomes between 0-50% of the area median income. Also, elderly owners at 0-30% of area median income.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

MONTGOMERY COUNTY CONTINUED

NORRISTOWN BOROUGH

The Borough of Norristown's most significant current needs are to rehabilitate owner-occupied and rental substandard housing occupied by the very low (31-50% of the Area Median Income {AMI}) income and other low (51-80% of the AMI) income households. The Borough is fully developed with little or no land available for new affordable residential construction. In order to preserve its affordable housing stock, the Borough has and will continue to rehabilitate and avoid demolition of standard and substandard units suitable for rehabilitation.

CONSHOHOCKEN BOROUGH AND LIMERICK TOWNSHIP

Conshohocken Borough and Limerick Township are covered by the Commonwealth's Consolidated Plan and its priorities.

LOWER MERION TOWNSHIP

As outlined in the 2001 Five-Year Consolidated Plan the current specific priorities for the needs in the Township of Lower Merion are as follows:

Preserve and increase the supply of affordable owner-occupied and rental housing for low-income elderly and low-income families. Given the limitations on the use of CDBG funds for rental housing, the Township believes supporting the efforts of nonprofit housing corporations can meet this priority. Program support and capacity building of nonprofits are two ways to effectuate this goal.

Provide services which meet the needs of low-and very low-income residents. The objective is to target services which prevent premature institutionalization of low-income elderly and support low-income families by subsidizing youth and child care services.

Build stronger local coalitions to address the needs of low-and very low-income persons maximize the effectiveness and leveraging power of CDBG funds by coordinating the Township's efforts and the efforts of public agencies, service providers and affordable housing providers in serving the needs of low-and very low-income persons.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

PHILADELPHIA COUNTY

CITY OF PHILADELPHIA

The highest priority for the City of Philadelphia's rental housing program is to serve extremely low (0-30% of the Area Median Income {AMI} and low (31-50% of the AMI) income households of all types, including homeless persons, persons with special housing needs, and public housing residents.

The second priority is to support the development of rental housing for moderate (51-80% of the AMI) income households, particularly programs targeting elderly and large households.

To achieve these objectives, the City supports both housing rehabilitation and new construction.

The City will identify the proposals which it will recommend for housing production in 2002.

BERKS COUNTY
Boroughs and Townships
(Except the City of Reading)

Berks County has established a high priority for families and the elderly with incomes between 0-30% of the Area Median Income. High rental vacancy rates in the County indicate that the use of the existing rental housing stock should be a first priority resource for meeting non-elderly renter needs. The County encourages the building of well-located housing "developments" to meet the needs of elderly renters.

Berks County has also established a priority for housing programs for people who are homeless. The County has established a high priority for transitional housing for homeless families, individuals and persons with special needs.

Berks County has assigned a high priority to non-homeless persons with special needs. Because of the large numbers of frail elderly that were estimated to be in need, the active pursuit of the development of facilities for this special needs population will be a priority.

Berks County has assigned a medium priority to the development of rental housing for families and the elderly with incomes at 31-50% of Area Median Income. In addition, the County has assigned a medium priority to Permanent housing and Permanent Supportive housing for homeless families, individuals and person with special needs.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

BERKS COUNTY CONTINUED

CITY OF READING

The City has concluded that extremely low and low income (those with incomes between 0-50% of the area median) small-related family renters are the highest ranked category of housing need and are the most severely cost burdened. Extremely low and low-income elderly are considered a high priority need.

The City's rental program will address the rental needs of low income renters (0-80% of the area median income) through rehabilitation of existing vacant and deteriorated units, adaptive re-use and new construction. The City's goal is to work closely with neighborhoods in order to determine the most appropriate methodology for addressing rental housing needs in their area. The limited new construction opportunities that are available should be prioritized with special needs populations (elderly, physically challenged) and opportunities for homeownership.

LACKAWANNA COUNTY
(Except the City of Scranton)

Lackawanna County, except for the City of Scranton, is covered by the Commonwealth's Consolidated Plan and its priorities.

CITY OF SCRANTON

The highest priority for rental housing in the City of Scranton is for rental assistance for very-low (less than 50% of the Area Median Income {AMI}) income renters. The client groups would include elderly and small families (paying more than 30% and 50% of their incomes for rental housing costs) within the extremely low (0-30% of the AMI) and low (51-80% of the AMI) income categories. Like the small families and elderly, the very low-income cost burdened large families are also in need of rental assistance.

An additional priority of the City is for rental housing opportunities for homeless such as transitional shelters, permanent supportive housing, and permanent housing.

The City will attempt to achieve their housing priorities by working to improve the existing substandard housing and preserving the existing housing

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

LEHIGH COUNTY
(Except the City of Allentown)

Lehigh County, except for the City of Allentown, is covered by the Commonwealth's Consolidated Plan and its priorities.

ALLENTOWN

The City of Allentown has established the following rental housing priorities:

Rehabilitation of substandard housing units.

Acquisition and rehabilitation of existing housing for occupancy by low (0-50% of the Area Median Income) income households.

Participation in a regional effort to make available a full array of permanent housing opportunities for special needs populations.

LUZERNE COUNTY
(Except the City of Hazleton, Nanticoke, Pittston City, and the City of Wilkes-Barre)

Luzerne County HOME funds will be utilized to create decent, affordable rental units for occupancy by lower income renters (at or below 60% of median), the creation of homeownership opportunities for individuals at or below 80% of the area's median income, and provision of affordable home improvement financing to income eligible owner/occupants (51% to 80% of median). (NOTE: Homeowners with incomes up to 50% of median receive grant assistance through the County's CDBG program.)

The goal of the County's housing programs is to provide decent, affordable housing options to all County residents, while upgrading our communities by improving the existing aging housing stock. In addressing these priorities, the County includes in its focus the needs of the homeless, elderly, and individuals/families with special needs. Programs are also designed to meet lead based paint hazard reduction requirements.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

LUZERNE COUNTY CONTINUED

CITY OF HAZLETON

The housing priorities in Hazleton's Strategic Plan are the following:

Rehabilitate and Preserve the existing housing stock: 135 units over the next 5 years

Develop new affordable rental housing and rehabilitation and maintain existing affordable rental housing: 25 units of rehabilitation, substantial rehabilitation of 20 units, 100 units of new housing.

Stimulate homeownership through closing cost/downpayment assistance program and in-fill housing development: 25 homebuyers and 5 new in-fill homes.

CITY OF WILKES-BARRE

The highest priorities for 2000-2004 are to ease the housing cost burden of very low-income and elderly households (those with incomes of 30% or less of the area median income) and to assist elderly, very low-income households with rehabilitation to eliminate physical defects in their housing.

For the homeless the highest priority is outreach assessment of homeless families and families threatened by homelessness.

NANTICOKE, PITTSTON CITY, AND HANOVER TOWNSHIP

Nanticoke, Pittston City, and Hanover Township are covered by the Commonwealth's Consolidated Plan and its priorities.

<u>CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES</u>

NORTHAMPTON COUNTY
(Except the Cities of Bethlehem and Easton)

Northampton County, except for the Cities of Bethlehem and Easton, is covered by the Commonwealth's Consolidated Plan and its priorities.

CITY OF BETHLEHEM

The City of Bethlehem has established its rental housing priority for the years 2000-2004 as the protection of the housing stock through rehabilitation. Since many of the City's rental units were constructed prior to 1940, rehabilitation and preservation of this housing stock is a priority.

Other priorities are: provide support to the homeless and transitional living facilities including those that serve special need population; maintain and encourage services to foster affordable independent living for households that are cost burdened and at risk (paying more than 30% of their income for housing); and assist in the construction of new housing for very low and low income individuals, families, senior citizens and persons with special needs.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

NORTHAMPTON COUNTY CONTINUED

CITY OF EASTON

The City's first two priorities are to upgrade the existing owner-occupied housing stock, and to provide housing opportunities for first time low (51-80% of the Metropolitan Statistical Area {MSA} Median Income) and moderate (81-95% of the MSA Median Income) income homebuyers and support services to all homeowners.

The third priority is to provide a tenant based rental assistance program to residents who are cost burdened, i.e., those paying more than 30% of their income. The City's rental assistance needs are for elderly, small and large families, minorities, female headed households and the handicapped, especially those with very low income.

The fourth priority of the City is to assist in new construction and substantial rehabilitation of housing for very low and low income persons.

The City's fifth priority is to upgrade the existing renter-occupied housing units.

The City's sixth priority is to maintain and encourage services to foster affordable independent living, particularly for households that are cost burdened and at-risk, including special needs populations.

CUMBERLAND COUNTY
(Except Carlisle Borough)

Cumberland County, except for the Borough of Carlisle, is covered by the Commonwealth's Consolidated Plan and its priorities.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

CUMBERLAND COUNTY CONTINUED

CARLISLE BOROUGH

The Borough of Carlisle has identified four major areas of concentration for its housing efforts over the next five years. First, the Borough plans to focus on improving the existing housing stock throughout the Borough. Second, the Borough will focus effort on promoting homeownership among lower income families. Third, the Borough will consider options that may help improve the provision of housing and supportive services to vulnerable segments of the population, such as frail elderly and homeless. Fourth, encourage self sufficiency of families in subsidized housing to become upwardly mobile.

For renters, the Borough has established a high priority for families and the elderly with incomes between 0-30% of area median income. In addition, high priority has been assigned to transitional shelters for homeless families. The Borough has also assigned a high priority to owner-occupied housing rehabilitation for elderly and families with incomes between 0-50% of the area median income.

Medium priority has also been established for transitional housing for homeless individuals, emergency shelters for families and large family renters with incomes between 0-50%.

DAUPHIN COUNTY
(Except the City of Harrisburg)

Dauphin County, except for the City of Harrisburg, is covered by the Commonwealth's Consolidated Plan and its priorities.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

DAUPHIN COUNTY CONTINUED

CITY OF HARRISBURG

The City's policy for allocating investment in rental housing is to target resources to distressed neighborhoods and areas where reinvestment has started, but requires some additional support to become permanently successful. The areas targeted for rehabilitation and/or new construction rental housing development include the Enterprise Community, the Capital Corridors and housing development project areas.

Small and large households in the low (51-80% of the Area Median Income {AMI}) and very low (0-50% of the AMI) income range who are experiencing cost burden housing issues are the client group in most need. The City encourages developers of multi-family rental properties to create internal subsidies that provide rent write downs on a portion or all of the units to assist this client group when possible.

Development of multi-family properties to meet the needs of homeless families from transitional to permanent housing is also supported by the City.

Assisted developments must provide a supportive component toward self-sufficiency. The City supports rental assistance and the use of LIHTC in the County to promote affordable housing choice throughout the region.

The City of Harrisburg has twice the number of subsidized low income housing than the surrounding Dauphin County, but the City has only 22% of the County's population and 24% of the County's housing units. The concentration of low income households is a significant concern of the City. A concentration of services and facilities further reinforces the low income concentration, thus defeating the community's progress in economic development and anti-poverty strategies.

This concentration is of such concern that the City will require all developers of additional income-restricted rental housing to demonstrate a record of regional activity in development of low income rental housing, supportive housing, transitional housing, and/or emergency shelter. The City expects a minimum of 25% of annual units/services be provided throughout the Tri-County area.

The City is also concerned about Harrisburg's homeownership rate, which is significantly lower than surrounding county, state, and national statistics, as well as other urban areas in Pennsylvania. Therefore, removing barriers to affordable homeownership is a top priority, including neighborhood improvements such as code enforcement, standardized inspections and infrastructure improvements which make property investment attractive to new homebuyers.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

LANCASTER COUNTY
(Except City of Lancaster)

Over the next five years the County of Lancaster has identified the following priorities for the delivery of housing assistance in Lancaster County, outside the City of Lancaster:

Develop affordable rental housing in Lancaster County's Urban Growth and Village Growth areas and in consistent with the Lancaster County Comprehensive Plan through new construction or substantial rehabilitation of existing housing particularly for low and very low income families;

Develop transitional housing and permanent rental housing for currently homeless families;

Continue to support efforts to encourage homeownership opportunities for low and moderate income families; and

Continue to develop appropriate housing for the disabled and non-homeless special needs populations.

CITY OF LANCASTER

The City of Lancaster has stated its primary rental housing need is to rehabilitate existing units to preserve the City's housing stock. Scattered site rental rehabilitation with 15-20 units annually is determined the most appropriate policy to revitalize the existing inventory. Within this rehabilitation priority, the following client groups are determined most in need: small and large families who are cost burdened at 30-50% of income for rental expenses and overcrowded large families.

Other identified priorities are homeless housing needs for permanent and transitional housing arrangements.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

LEBANON COUNTY

Lebanon County, except for the City of Lebanon, is covered by the Commonwealth's Consolidated Plan and its priorities.

CITY OF LEBANON

The City of Lebanon has established a high priority housing need for the improvement of the living conditions for extremely low, very low and low-income renter and owner households. Fifty-three percent (53%) of the City's housing stock is more than 50 years old. There are an estimated 478 substandard housing units in the City of Lebanon. Accomplishments in the last five years has not measurably changed that number. Highest priority is to upgrade the existing owner occupied housing stock.

YORK COUNTY
(Except City of York)

York County Consolidated Plan for Fiscal Years 2000-2004 identifies housing needs throughout the County and prioritizes those needs in an effort to develop a strategy to meet the needs and improve the quality of life in York County. With regard to rental housing, the high priority needs are: quality, affordable housing for small and large families with incomes between 0-50% of the area median family income; housing for elderly households with incomes between 0-30% of the area median family income; housing for other households (single persons, special needs) with incomes between 0-50% of area median family income; permanent supportive housing for persons with HIV/AIDS; transitional and permanent housing for the homeless.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

YORK COUNTY CONTINUED

CITY OF YORK

The City of York has established the following categories for rental housing priorities: (1) very low-income, low (0-80% of the Area Median Income) income, small and large families who are cost burdened, paying from 30% to over 50% of their income for rent; (2) elderly who are cost burdened, paying more than 50% of their income for rent; and (3) homeless housing which provides transitional, permanent and permanent supportive housing for families and individuals.

Housing rehabilitation of the existing housing stock is the strategy to complete these rental housing priorities.

BLAIR COUNTY
(Except the City of Altoona)

Blair County, except for the City of Altoona, is covered by the Commonwealth's Consolidated Plan and its priorities.

CITY OF ALTOONA

The City of Altoona's has established the following priorities rental housing: (1) highest priority is for small and large families and all others (single person and special needs) with extremely low income (0-30% of area median income); (2) medium priority for large families and all others with very low income (31-50% of area median income) and the elderly with extremely low and very low income (0-50% of area median income); and (3) low priority for small and large families, the elderly, and all others with low income (51-80% of area median income).

CAMBRIA COUNTY
(Except the City of Johnstown)

Cambria County, except for the City of Johnstown, is covered by the Commonwealth's Consolidated Plan and its priorities.

CAMBRIA COUNTY CONTINUED

CITY OF JOHNSTOWN

The City's first priority is to maintain and increase rental assistance provided to renter households who are cost-burdened, i.e., those spending more than 30% of their monthly income on housing costs. The City's second priority is to support nonprofits involved in providing rental assistance to persons with special needs.

The City's third rental priority is to provide moderate rehabilitation for lower (0-80% of the Area Median Income) income tenant households, including households with special needs. Among the various households, highest priority was given to households with incomes of 0-50% of the area median.

The fourth rental priority is to provide supportive facilities and services, including transitional, permanent, and permanent supportive housing for the homeless population through nonprofit organizations. The first priority is given to homeless individuals, families and persons with special needs.

The City of Johnstown also identified a priority for new construction and substantial rehabilitation of rental housing for the elderly.

CENTRE COUNTY
(Except the Borough of State College)

Centre County, except for the Borough of State College, is covered by the Commonwealth's Consolidated Plan and its priorities.

STATE COLLEGE BOROUGH

There continues to be a need to increase the availability of affordable rental housing to very low and low income families whose housing cost exceed 30% or 50% of their income.

Future development of affordable rental housing will be extremely difficult due to the very limited amount of land remaining in the Borough in zoning districts suitable for multifamily housing. Despite this market constraint, if a project is proposed under the tax credit program we would consider allocating CDBG or HOME funds to the project.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

LYCOMING COUNTY
(Except the City of Williamsport)

Lycoming County, except for the City of Williamsport, is covered by the Commonwealth's Consolidated Plan and its priorities.

WILLIAMSPORT

The City of Williamsport has established the following rental housing priorities:

Moderate housing rehabilitation for existing rental units for households with incomes up to 80% of the area median income.

Increased opportunities for nonprofit organizations and for-profit developers to construct new housing for "working poor" households with incomes below 80% of the area median income.

Support the provision of transitional housing for homeless persons and families through local nonprofit organizations and social service agencies.

Support local nonprofit organizations and social service agencies to assist homeless persons and families making the transition to permanent housing and independent living.

ALLEGHENY COUNTY
(Except Bradford Woods Borough, McKeesport City, Penn Hills Township, and Pittsburgh)

Allegheny County's rental housing priorities are to maintain and create affordable rental units, increase supportive housing for homeless and special needs populations, and create housing for the elderly.

Allegheny County has established a high priority for very low income elderly (with incomes between 0-50% of the area median income) whose housing costs exceed 30% of their incomes. Small and large families whose incomes are between 0-50% of the area median income and whose housing costs exceed 50% of their incomes are also a high priority. In addition, transitional shelters for homeless families and permanent housing for homeless families, individuals and persons with special needs are high priorities.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

ALLEGHENY COUNTY CONTINUED

BRADFORD WOODS BOROUGH

Bradford Woods Borough is covered by the Commonwealth's Consolidated Plan and its priorities.

MCKEESPORT CITY

The City of McKeesport's Comprehensive Strategy is to recreate mixed income neighborhoods that are economically viable. The City's housing priorities are part of a multi-year commitment to systematically eradicate blight, repair infrastructure, and create financial supports to help underwrite business opportunities leading to self-sufficiency and choices in housing. The City also supports a balanced income neighborhood strategy and places a high priority on public housing transformation as a catalyst for neighborhood renewal.

Affordable rental housing as a public-private partnership, allowing public housing or public housing eligible tenants to access safe/sanitary taxable projects as a step-up toward market rate rentals, is the City's first priority. The City recognizes by its own demographics that there is also, and will continue to be a need among the elderly for said units even as families reaching toward self-sufficiency move through this continuum of care. Providing affordable rental housing that meets with HUD's housing quality standards (HQS) while servicing these needs will continue to be a challenge.

The City's highest priority needs are identified as renters with extremely low incomes (31-80% of the area median income) whose housing costs exceed 30% of their incomes. Medium priority needs reflect the ability to offer alternate safe/sanitary-affordable units to "overhoused" seniors who wish to remain in McKeesport but cannot economically sustain their existing quarters. Lowest priority needs include renters with extremely low incomes (0-30% of the area median) transitional shelters for homeless families, and permanent supportive housing for homeless families.

MUNICIPALITY OF PENN HILLS

Penn Hills' priority distribution of housing funds will focus on those who show the greatest need for assistance. From a rental housing perspective, these priorities include single women with children and low income renters with incomes between 0-80% of the area median income.

Penn Hills recognizes the need for construction of new multifamily rental housing and housing for those with special needs. Penn Hills has identified extremely low-income renter households (those with incomes of 0-30% of the area median income) as the income group with the greatest percentage and greatest number of households experiencing cost burdens. The housing type with the greatest number of families with housing problems is the two to four person household. Not far behind are the elderly and 1-2 member households.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

ALLEGHENY COUNTY CONTINUED

CITY OF PITTSBURGH

The City's rental housing priority is to increase the supply of affordable housing by working with nonprofit and for-profit developers in preserving and improving the existing housing stock. This program would utilize both the substantial rehabilitation and new construction of residential rental properties for low (51-80% of the Median Family Income {MFI}) and moderate (81-95% of the MFI) income households and special populations.

BEAVER COUNTY
(Except Ellwood City Borough)

Beaver County, except for Ellwood City Borough, has established a high priority for small families with incomes between 0-30% of the area median income whose housing costs exceed 50% of their income and/or who live in units with physical defects. Transitional shelters for homeless families and persons with special needs, permanent housing for homeless individuals, and permanent supportive housing for persons with special needs are also high priorities in Beaver County.

One of the County's highest priorities is to preserve occupied housing stock. This priority includes moderate rehabilitation for lower (0-80% of the Area Median Income) income tenant households, including households with special needs. Among the various household income types, the highest priority is for households with incomes between 0-50% of the median.

Beaver County will prioritize the preservation and expansion of affordable housing through acquisition in conjunction with rehabilitation, new construction, or conversion.

The County's priority for new construction includes elderly, special needs, the homeless, those threatened with homelessness, and nonhomeless special needs populations.

ELLWOOD CITY BOROUGH

Ellwood City Borough is covered by the Commonwealth's Consolidated Plan and its priorities.

<u>CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES</u>

WASHINGTON COUNTY

Washington County has established the following housing priorities as part of its Fiscal Year 2000-2004 Consolidated Plan:

Development of affordable housing through new construction, acquisition, and substantial rehabilitation for very low and low income persons. Moderate rehabilitation of renter-occupied housing;

The County has also established a priority for housing programs in the homeless transitional shelter category. This priority is to provide assistance to homeless households in obtaining and maintaining permanent housing; and

Special Needs with supportive services for the elderly/frail elderly, persons with disabilities, persons with alcohol/drug addictions, persons with HIV/AIDS and Public Housing Residents.

WESTMORELAND COUNTY
(Except Arnold City, New Kensington City, and Scottdale Borough)

Westmoreland County has developed its new plan for the years May 1, 2000 through April 30, 2005. The five year consolidated plan's rental housing priorities are as follows: prevention of homelessness among households between 0% to 30% of median income; provide scattered site transitional housing for homeless individuals/families; provide a long term structured residence for persons with serious mental illness; provide permanent supportive housing; and provide for rehabilitation of rental housing units for low income tenant households, including households with special needs.

The County's other priorities include new construction by the Westmoreland County Housing Authority and preservation and expansion of affordable housing through acquisition in conjunction with rehabilitation and/or new construction.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

WESTMORELAND COUNTY CONTINUED

ARNOLD CITY, NEW KENSINGTON CITY, AND SCOTTDALE BOROUGH

Arnold City, New Kensington City, and Scottdale Borough are covered by the Commonwealth's Consolidated Plan and its priorities.

ERIE COUNTY
(Except City of Erie)

Erie County, except for the City of Erie, is covered by the Commonwealth's Consolidated Plan and its priorities.

CITY OF ERIE

The City of Erie's primary form of assistance for renters is rental assistance. Secondary forms of assistance are rehabilitation, acquisition and new construction.

Highest priority was given to all extremely low (0-30% of the AMI) income renters and very low income small families, large families, and all other renters. Second priority was given to very low income elderly renters and lowest priority to other low (over 50% of the AMI) income renters.

The City's acquisition/new construction priority is to preserve and expand the supply of affordable housing through acquisition in conjunction with rehabilitation and/or new construction. Acquisition is a secondary strategy for all types of renter households. Acquisition would be an adjunct to facilitating new construction or preserving the existing supply of affordable housing.

Another City priority is to provide support services and facilities including transitional living facilities for those that serve special needs populations. Support facilities and services are the City's primary vehicle for meeting the needs of homeless persons and non-homeless persons with special needs. First priority is given to homeless individuals, families and to persons with special needs, including the handicapped.

CONSOLIDATED PLAN RENTAL HOUSING PRIORITIES

MERCER COUNTY
(Except the City of Sharon)

Mercer County, except for the City of Sharon, is covered by the Commonwealth's Consolidated Plan and its priorities.

CITY OF SHARON

As almost one-half of the City's housing stock is over 50 years old, upgrading the existing occupied housing stock is the City's first priority in addressing an adequate rental housing supply.

A major effort in assisting residents in affording decent housing is to provide tenant based rental assistance for those residents who are cost burdened, i.e. those paying more than 30% of their income.

The City has also established a priority to assist in the rental housing development of new construction and substantial rehabilitation for very low (0-50% of the Median Family Income {MFI}) and low (51-80% of the MFI) income persons, especially elderly.

The last rental housing priority is to provide permanent housing for homeless/at-risk populations through nonprofit organizations.