

PHFA ACCEPTING BIDS FOR PURCHASE OF MIXED-USE DEVELOPMENT TAX CREDITS

Tax Credit Bid Deadline is June 14

The Pennsylvania Housing Finance Agency has announced that it is accepting bids for the purchase of \$2 million in mixed-use development tax credits. The funds collected from successful bidders will be used for the construction or rehabilitation of mixed-use developments in Pennsylvania communities. The deadline for bids is 2 p.m. on Friday, June 14.

These tax credits will be used by the winning bidders – which can be companies, organizations or individuals – to reduce their state tax liability. The intent of the bidding process is to raise as much funding as possible from the \$2 million in tax credits being made available to provide for a significant investment in community revitalization projects in various communities. The projects to receive this funding will be selected during a competitive Request for Proposals process later this year.

This new tax credit program was created as part of the Commonwealth's fiscal year 2016/2017 budget (implemented July 1, 2017), and PHFA was directed to administer the credit. PHFA was authorized to sell these tax credits through directed or negotiated sale to any qualified taxpayer. It is expected that the tax credit awards will be made within 90 days after bidding closes. The credit awards will be made in 2019, but they are not effective for utilization until 2020 against a 2019 tax liability.

“The money raised through the sale of these tax credits will be used to fund mixed-used developments that have the potential to spark continued economic development across the state,” said PHFA Executive Director and CEO Brian A. Hudson Sr. “The strength of this program is that it taps into market forces to finance the construction of important community revitalization projects that might otherwise not happen.”

More information about the mixed-use development tax credit and the current bidding process is available on the PHFA website at: www.phfa.org/mhp/developers/loans.aspx (scroll down). Program guidelines and bid criteria are posted there. Interested organizations can learn more by contacting Bryce Maretzki at PHFA at (717) 780-1867 or by email at bmaretzki@phfa.org.