

Pennsylvania's Homeownership Choice Programs

Designed and administered by the Pennsylvania Housing Finance Agency (PHFA), the Home Ownership Choice (HCP) initiatives provide funding for the development and/or rehabilitation of single family homes, for purchase, in urban communities and for the rehabilitation of the upper floors of store fronts on the commercial corridors of core communities. The goal is to provide either rental or ownership housing opportunities in urban neighborhoods and core communities. HCP consists of three initiatives: Homeownership Construction Initiative (HCI), Neighborhood Revitalization Initiative (NRI) and Mixed Use Facility Financing Initiative (MUFFI). **In its first four years, HCP has invested \$29.5 million dollars and leveraged \$210.6 in 22 communities. MUFFI has \$1.9 million.**

Homeownership Construction Initiative

Homeownership Construction Initiative was the first of the HCP program, beginning in 2000; it has helped many Pa municipalities transform blighted neighborhoods into attractive places to live and viable alternatives to suburban home ownership.

HCI is designed to encourage and promote the construction of new single family homes, for purchase in core communities. It targets disinvested urban neighborhoods and requires that developments are large enough to have an impact.

This initiative requires a sponsoring partnership of a municipal entity, a for-profit builder/developer and a non-profit builder/developer. Funding must be matched by the sponsoring entity on at least a 1:1 basis, with 50% being provided by the municipality.

Neighborhood Revitalization Initiative

Recognizing that in many neighborhoods and core communities it can be difficult to amass the property required to build the number of new homes required for impact in the Homeownership Construction Initiative, PHFA has added the Neighborhood Revitalization Initiative (NRI).

Added in 2004, this initiative is designed to encourage and support community revitalization efforts by promoting the development and renovation of existing structures as well as construction of new in-fill single family homes, for purchase.

The intent of NRI is to help a municipality revitalize its urban neighborhoods by renovation of vacant residential structures. NRI also allows for in-fill construction on the vacant lots of urban residential neighborhoods. Unlike the HCI, the NRI does not impose a minimum number of homes to be built or renovated based upon a municipality's population. NRI is not intended to be a remodeling program for current homes owner, or used to create rental housing.

Mixed Use Facility Financing Initiative

The Mixed Use Facility Financing Initiative (MUFFI) is designed to encourage the revitalization of commercial corridors throughout Pennsylvania by creating the funding mechanism to help bridge gaps that may exist between housing lending and commercial lending and that may negatively impact the availability of financing for mixed-use facilities.

Many properties located within commercial corridors throughout Pa consist of street level storefronts with residential apartment space in upper floors. Rehabilitation of these mixed use buildings offers a key means of stabilizing and revitalizing commercial corridors and surrounding residential neighborhoods by attracting and retaining businesses, providing increased housing opportunities, strengthening the income mix within a neighborhood, increasing local access to goods and services, and creating anchors in visible corridors of Pennsylvania communities that stimulate additional investment.