Historic Preservation Tax Credit Expansion and Renewal

10,000 Friends of Pennsylvania has joined Preservation Pennsylvania’s coalition in support of The Historic Preservation Tax Credit (HPTC). The HPTC provides tax credits to qualified taxpayers to fund the rehabilitation or restoration of significant historic properties (those listed on or eligible for the National Register of Historic Places). It incentivizes investment in preservation and reuse of older buildings that define the character of our towns and cities.

Since the tax credit was established in 2012, it has facilitated the rehabilitation and reuse of properties all across the state, creating jobs and revitalizing communities. Rehabilitation projects are labor intensive and are proven to produce more new jobs than new construction. The projects preserve unique historic buildings that contribute to community identity. The HPTC can create opportunities and incentives to bring developers to an area that otherwise may be overlooked. The IFO reported, "Rehabilitated properties also increase property values of structures in the immediate vicinity, as well as sales of local businesses".

The HPTC was established in 2012 and will sunset in 2020 if it is not reauthorized. Preservation Pennsylvania is leading the advocacy efforts to renew and expand the credit and maintains an update of key milestones of the legislation on its website.

Key changes in the re-authorization are:

- Annual Allocation of $30 million (from a current level of $3 million). For comparison, our neighbors in New York do not have a cap on annual allocation. Ohio has a $60 million annual cap, and West Virginia has a $30 million annual cap.
- Increased per project cap to $2.5 million (from a current level of $500,000). New York, Ohio, and West Virginia all currently cap projects at $5 million.
- Additional 5% credit for workforce housing
- Clarification that the credit can be used in one year (compared to 5 years for federal)
- Standardization of timing for application, review and allocation

Read more about the HPTC in The Philadelphia Inquirer: Pa. weighs up to $30 million a year in tax breaks for historic preservation projects

Senator David Argall is circulating his co-sponsorship memo for the re-introduction of the bill in the new session in the Senate: https://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=S&SPick=20190&cosponId=27631
Representative Freeman and Representative James have circulated a co-sponsorship memo for the PA Historic Preservation Tax Credit in the House: [https://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=H&SPick=20190&cosponId=28086](https://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=H&SPick=20190&cosponId=28086)

Please contact your State House and Senate members today to ask them to become a co-sponsor of these bills. Your support is essential in this effort. Showing broad support will smooth the way toward passage. Successful passage of this legislation will require a sustained advocacy and outreach effort.

You can email legislators and follow up with a phone call if you have a personal relationship. Please feel free to craft your own emails or use Preservation Pennsylvania’s sample as a starting point. It is important for Representatives and Senators to hear from their own constituents.

Thank you for your efforts in helping to secure important funding to preserve, protect, and revitalize historic properties across Pennsylvania.

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### Push for New and Expanded Affordable Housing Resources

10,000 Friends of Pennsylvania has joined The Housing Alliance of Pennsylvania’s advocacy efforts for legislation that will expand affordable housing opportunities across the state. The need for affordable housing is growing as it impacts every community and cannot be separated from any of the other issues affecting our communities: employment and workforce development, education, public safety, and health. Rental housing is in great demand as many of our cities and towns are well below inventory levels of safe, affordable units needed to house lower income seniors, individuals, and families. Every community can thrive with better access to affordable housing.

Affordable housing:
* Allows individuals and families to live near their places of work, increases local wealth, creates jobs, and builds local tax bases;
* Leads to better health and educational outcomes;
* Reduces costs for many public services.

Please contact your legislators and ask them to support these two critical initiatives:

1) **Adopting a State Housing Tax Credit (SB 1185):** 15 states across the country have some form of a state tax credit for affordable housing. State Housing Tax Credit programs allow corporate or private investors to receive state tax credits on their investment in affordable housing. A Pennsylvania state housing tax credit will infuse new funds into affordable housing by providing a dollar for dollar state tax credit to private investors developing affordable rental housing. It would help ensure that vital low-income employees, including teachers, firefighters, and nurses, have access to affordable housing and remain in the community and its workforce. The Housing Alliance of PA offers a [summary of the bill](https), or you can read the [full text](https).

Senator Killion, along with Senators Haywood, Hughes and Vogel, announced earlier this month that they will soon re-introduce SB 1185, instituting a State Housing Tax Credit modeled off of the highly successful federal Low Income Housing Tax Credit program. Please contact your State Senator and ask them to join as a co-sponsor of the State Housing Tax Credit.

2) **Increase funds for PHARE** - PHARE is the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund. Also known as the state housing trust fund, PHARE expands opportunity for people in need and revitalizes communities. It creates, rehabs, and supports affordable housing, and expands supportive services, homeownership counseling,
PHARE is a success story across the state. It supports a variety of housing needs ranging from new construction to help for first time homebuyers to blight remediation and homeless assistance. Because of its flexibility, local communities determine and then use funds to address the most pressing needs. Nearly **400 projects have been funded in 60 of Pennsylvania's 67 counties** since the creation of PHARE's first dedicated funding stream in 2012.

Currently, the amount of funds from the state's Realty Transfer Tax (RTT) dedicated to PHARE is capped at $25 million annually. **We urge the state legislature to lift the cap so that funds from the real estate market can be reinvested in affordable housing opportunities for Pennsylvania residents and families.**

These two pieces of legislation offer solutions to different housing needs. The State Housing Tax credit will provide resources for bricks and mortar to address the shortage for affordable rental housing, while PHARE offers flexibility to address blight and create opportunities for homeownership, rental, homelessness, through counseling, new construction, rehabs, and repairs.

Please contact your State Senator to encourage them to co-sponsor both increased funding for PHARE and establishing a state housing tax credit. Senators Killion (R- Chester/Delaware) and Haywood (D-Montgomery/Philadelphia) will be working to circulate two separate co-sponsorship memos in early 2019, and we hope the legislator you contact will sign on as co-sponsors to these important pieces of legislation.

Thank you for supporting the need for affordable housing. Every member of our community, whether they are directly impacted by the affordable housing crisis or not, does better when we expand access to affordable housing.

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As a recognized authority on responsible land use, 10,000 Friends partners with and provides technical assistance to government officials, non-profit organizations and the private sector on policy and development solutions that protect the natural and built environments, strengthen local economies, provide access to economic opportunity for all, and improve community health and quality of life in our state's diverse cities, towns, older suburbs, and rural communities. Through a diverse coalition focused on a positive agenda, we advocate proactive solutions and options for local, regional and state leaders.

We update our website regularly with articles and links, so please stop by often: http://10000friends.org.