



Pennsylvania
**Department of Community
& Economic Development**

HUD/CSG Preservation

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Virtual

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Community Affairs & Development



Administers DCED's community development activities, as well as programs that assist municipalities, local elected officials, nonprofits, and community agencies.



Program Areas

- Governor's Center for Local Government Services (GCLGS)
- Center for Community & Housing Development
- Center for Community Services
- Center for Community Enhancement
- Center for Residential Reinvestment
- Community Planning Group

** Regional Staff work with all program areas.*



Vision for Community



**More strategic
role in local
government**



**Strong communities
=
pro-business climate**



**Investing in
communities**

Housing Programs

DCED administers three funding programs that offer grants and loans for home rehabilitation and repairs.

- Whole-Home Repairs Program (WHRP)
- Community Development Block Grants (CDBG)
- HOME Investment Partnership Program (HOME)



Whole-Home Repairs Program (WHRP)

Whole-Home Repairs Program (WHRP)

- In 2022, Governor Josh Shapiro and the PA Legislature allocated **\$125 million in ARPA funds** to establish the Whole-Home Repairs Program (WHRP).
- **Formula-based allocations to counties** account for:
 - **# of income eligible households.**
 - **Age of existing housing stock.**
 - **# of housing units without complete kitchen or plumbing facilities.**
- The minimum award was \$200,000 per county, with Philadelphia receiving the largest award of more than \$21 million.

WHRP Overview

WHRP funds address habitability and/or safety concerns, improve energy or water efficiency, or make units accessible for individuals with disabilities.

Homeowner Grants

- **Grants up to \$50,000** if they occupy the unit.
- **Household income does not exceed 80%** of the area median income.

Small Landlord Loans

- **Forgivable loans up to \$50,000** per unit.
- Must have an ownership stake in **no more than 5 properties and 15 rental units.**

Workforce Development

Counties must invest in programs to connect trainees to jobs through committed employer partnerships related to improving the habitability and performance of homes.



Leveraging Activity & Why it Matters

- **WHRP has awarded more than \$47 million in Homeowner Grants**
 - 2,300+ recipients
 - ~\$20,000 average grant
- **75 WHRP projects have leveraged either (or both) CDBG and HOME funds**
 - Of these, 68 have reported **total project costs of \$2.5 million**, with an **increase in avg. cost per unit rising from \$20,000 to \$37,000.**
 - Total CDBG and HOME dollars leveraged by these projects is **more than \$1.67 million.**



WHR Successes & Challenges

Successes

- **Truly flexible funding** used at a county's discretion to preserve existing affordable housing stock.

Challenges

- **Rules and Regulations imposed by HUD programs**
- **Pennsylvania Prevailing Wage** requirements apply to projects exceeding \$25,000.
- **Davis Bacon** is imposed on any project where it meets the cost threshold and is leveraged with HUD dollars.

What's Next for WHRP

A comprehensive approach to housing preservation including **HOME**, **CDBG**, **Weatherization**, **LIHEAP**, **WRHP**, and **IRA** rebates to allow for a full range of assistance options.

This will help ensure Pennsylvania's low to moderate income households have safe, efficient and sustainable homes for generations to come.



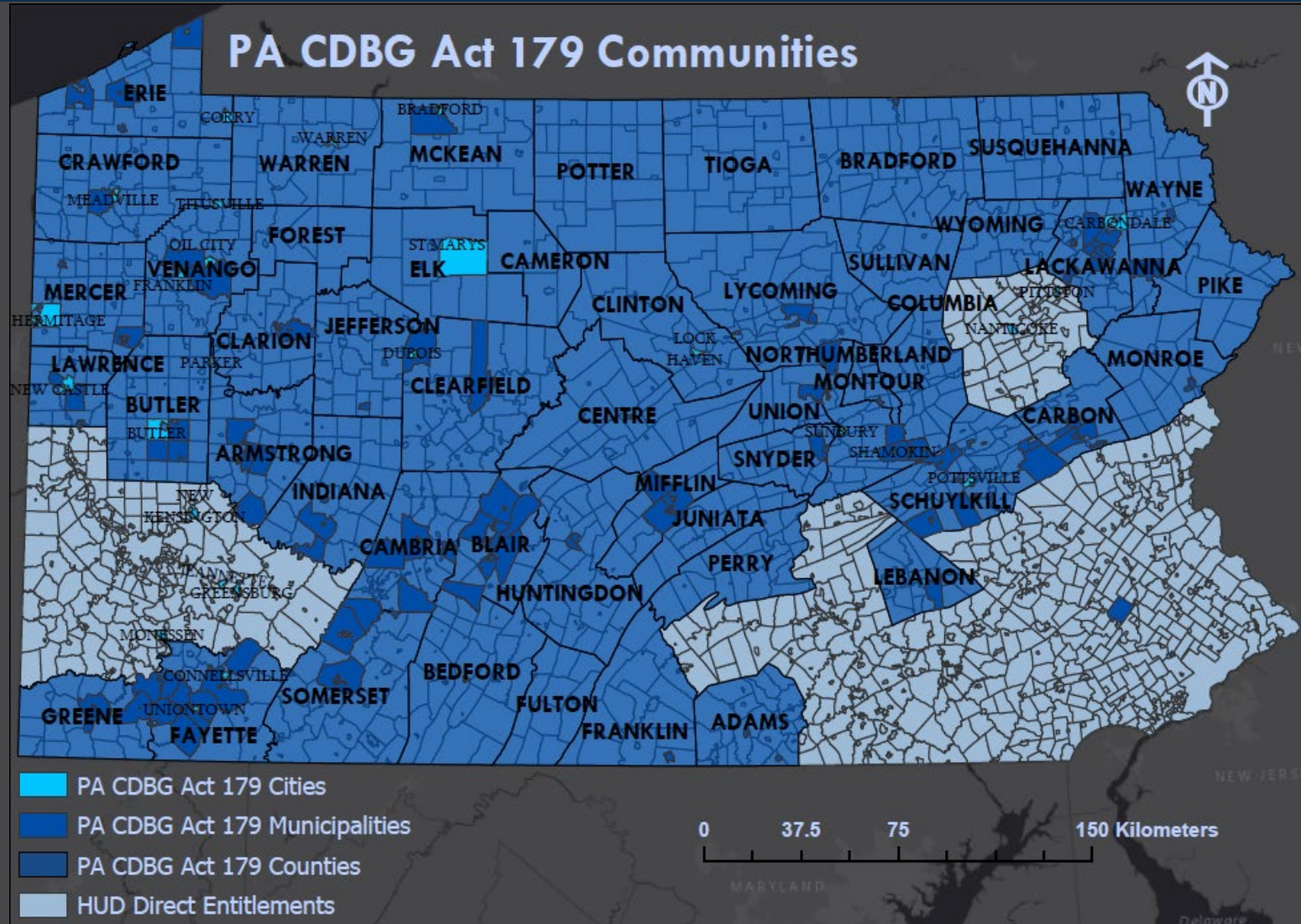
Community Development Block Grant (CDBG)



Community Development Block Grant (CDBG)

- **Annual allocation ~\$40 million**
- **DCED provides CDBG funding for the smaller communities and rural areas of the Commonwealth that do not receive HUD funding directly**
- **~\$5 million (15%) is awarded for Housing Rehabilitation annually**
- DCED is authorized to administer this program under Pennsylvania Law known as Act 179 of 1984

CDBG Communities



CDBG Case Study

Buffington Village, PA



Before



After



After



CDBG Homeowner Rehabilitation

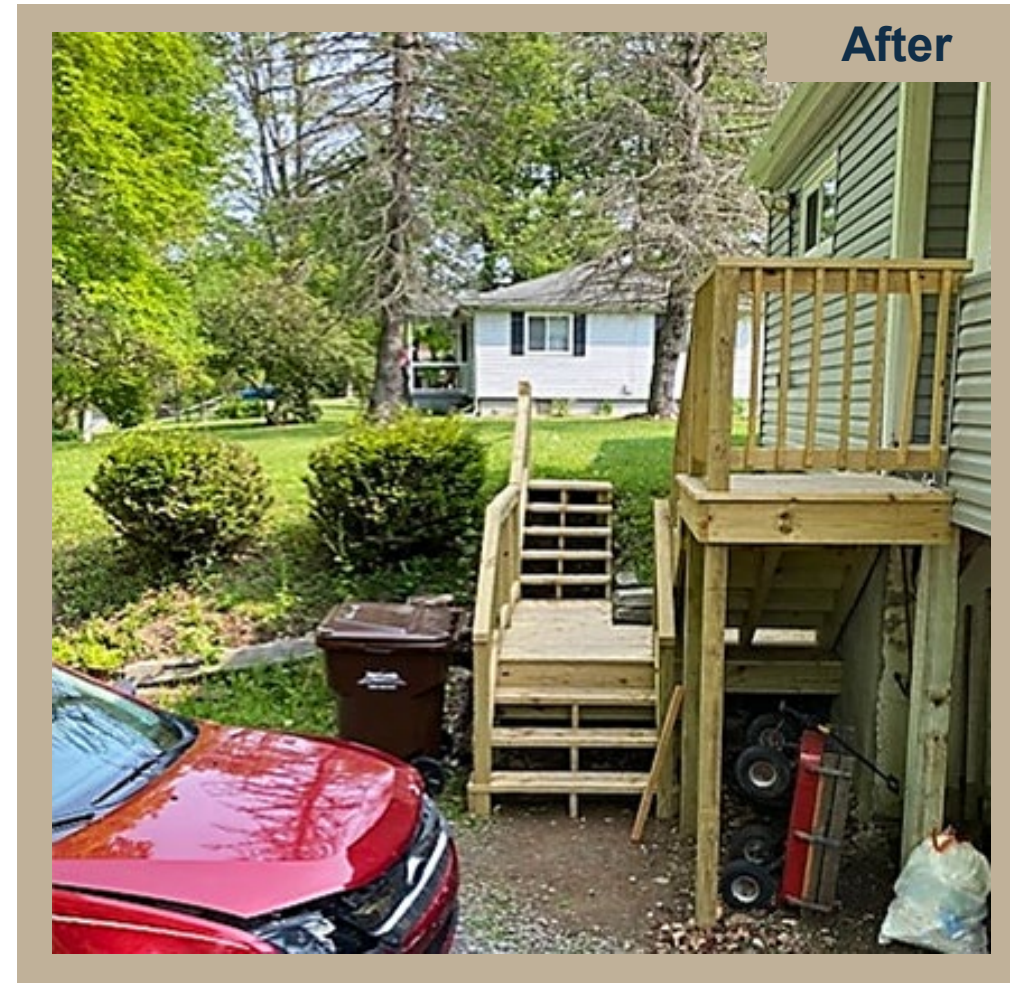
**HOME Investment
Partnerships Program
(HOME)**

HOME Investment Partnership Program (HOME)

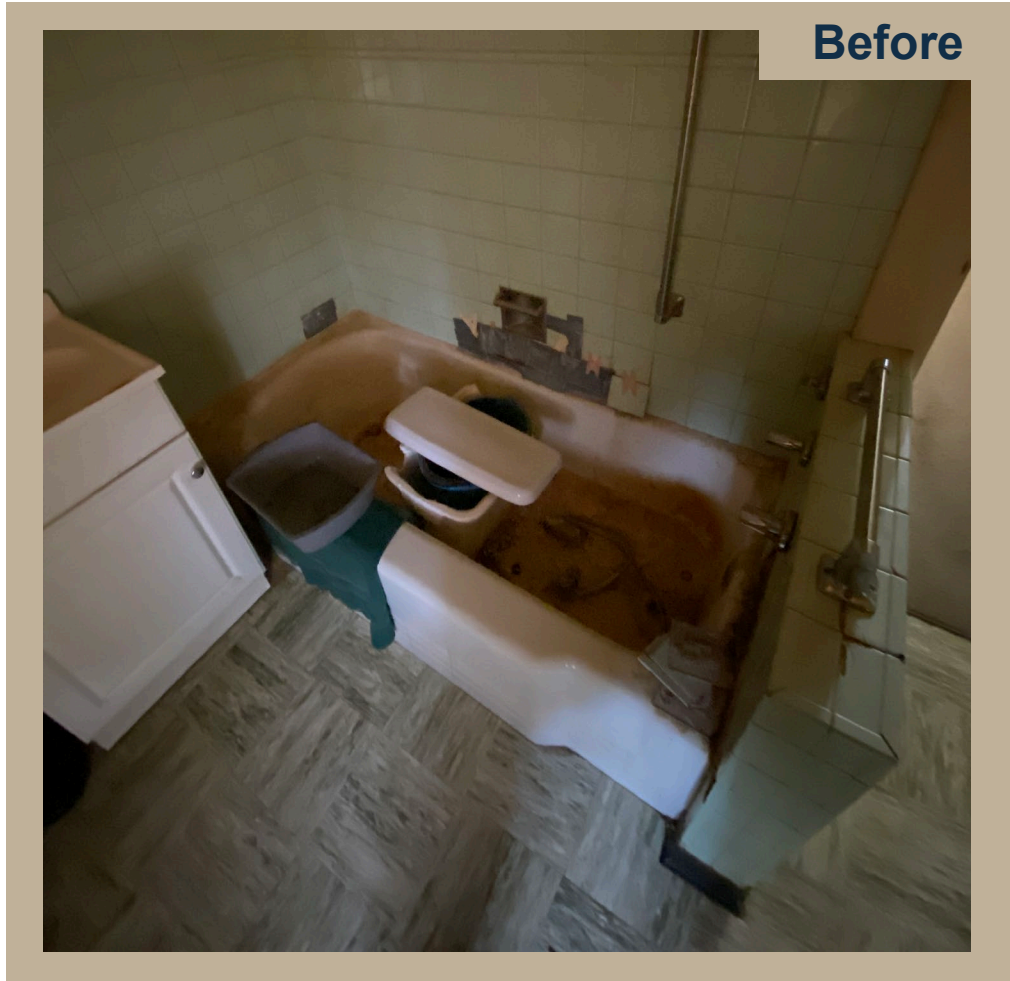
- **Annual allocation ~\$20 million**
- **Prioritizes Non-Participating Jurisdictions** that do not receive funds directly from HUD
- **~\$5.5 million is awarded for Housing Rehabilitation** annually (Owner-Occupied Units)

HOME Case Studies

Grove City, PA



Farrell, PA





CDBG & HOME Lessons Learned

- **Created a Housing Standard Rehabilitation Guidebook for grantees**
 - Set minimum requirements.
 - Building relationships with subgrantees and providing training and technical assistance is key.
- **Flexibilities to maintain affordable housing stock.**
 - Acquisition, rehabilitation, and resale activities.



CDBG & HOME Challenges

Successes

- **Timely responses from HUD** – dissemination of documents, guidance, AAQs

Challenges

- **State Prevailing Wage** applies to most of the housing rehabilitation projects
- **Post-COVID increase in material costs**
- **Few lead certified contractors**
 - Limited contractor pools



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