



**Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund  
(PHARE)  
2017 Request for Proposals**

The Pennsylvania Housing Finance Agency (“PHFA” or “Agency”) announces a Request for Proposals (RFP) inviting applications to participate in the 2017 Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE) Program.

The Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund was established by [Act 105 of 2010](#) to provide a mechanism by which certain funds would be used to assist with the creation, rehabilitation and support of affordable housing throughout the Commonwealth. The PHARE Act did not allocate any funding but did outline specific requirements that include preferences, considerations, match funding options and obligations to utilize a percentage of the funds to assist households below 50% of the median area income.

The [2017 PHARE Plan](#) outlines principles and goals of the program, elements of the Plan, application requirements, and the timeline for funding. The current round of PHARE funding will make awards available through the following expected funding sources:

- Marcellus Shale Impact Fee ([Act 13 of 2012](#))
- Realty Transfer Tax ([Act 58 of 2015](#))
- National Housing Trust Fund ([Housing and Economic Recovery Act “HERA” of 2008](#))

**Goals and Funding Priorities**

**1. Increase safe, affordable housing opportunities in areas of the Commonwealth.**

The focus of PHARE funding shall be to assist with the creation, preservation and maintenance of affordable housing units (and resources across) the Commonwealth.

**Funding Priority:**

- a) Assist with the rehabilitation of blighted, abandoned or otherwise at-risk housing and the reuse of vacant land where housing was once located;
- b) Provide funding for owner-occupied rehabilitation, first time homebuyers, and rental assistance; or
- c) Address ongoing needs for homeless families and individuals with strategies for reducing homelessness, including rapid re-housing and increasing the availability of integrated housing opportunities for vulnerable populations such as veterans, the re-entry population, persons with disabilities, and youth.

- d) Assist with gaps in funding for developments applying for Preservation and 4% tax credits to increase the availability of affordable housing to low and extremely-low income households.

**2. Utilize funds to strengthen existing housing stock and address long term affordability based on local housing market conditions.**

PHARE resources will be directed to programs/projects in communities where the greatest housing needs are identified based on community needs studies and assessments, interviews, real estate price factors, housing stock analyses and market studies.

**3. Links to strategic approaches.**

In order to achieve measurable impact, proposals need to be developed within the context of a community's overall strategic plans, priorities, goals, and local housing needs.

**4. Focus on strategic locations.**

Proposals should target areas within communities which have experienced significant divestment of resources while their surrounding suburban communities have experienced growth, areas which may face loss of affordable housing due to gentrification, or areas offering greater opportunity and economic diversification.

**5. Maximize the leveraging of resources to the greatest extent possible to address significant and persistent housing needs in an effective and efficient manner.**

PHARE funds will be used as leverage for other public and private funding sources. Additionally, local non-financial resources should be identified and leveraged where possible.

**6. Foster sustainable partnerships that will be committed to addressing the housing needs over a significant period of time.**

PHARE funds will be used to maximize sustainable partnerships committed to addressing community housing needs over a significant period of time. In addition to directly supporting housing needs, projects/programs should also help establish and increase capacity to address those needs over the long term.

**Funding Priority:** Projects/programs that incorporate social service entities offering case management to the residents within the community where the project/program is taking place.

**7. Provide opportunities for safe, affordable housing to those within a range of incomes.**

Each application must provide at least thirty percent (30%) of the awarded PHARE funds to assist households below fifty percent (50%) of the median area income (described below) for the county in which the project/program will be operated. At no point may funds benefit households with incomes above two hundred percent (200%) of the median area income for the county in which they reside.

Median area income is determined annually by the U.S. Department of Housing and Urban Development. County median area income figures are available at the below website: (select Pennsylvania and then identify the specified county.) The county median income figure will generally be used in determining household eligibility. Area median income may be used for multicounty programs.

<https://www.huduser.gov/portal/datasets/il.html>

**8. Establish an application, allocation, and reporting process that provides transparency to all stakeholders.**

PHFA will make funding decisions in accordance with legislative requirements while ensuring the equitable and transparent allocation of resources to all stakeholders.

**NOTE:** The Agency may adjust any of these goals to maximize a project's ability to participate in federally subsidized program opportunities or to address emergency housing needs or disasters.

For further details pertaining to preferences and program requirements, please refer to the [2017 PHARE Plan](#) located on the PHFA website.

### **2017 PHARE Funding Sources**

#### **Marcellus Shale Impact Fee ([Act 13 of 2012](#))**

The Marcellus Shale impact fee legislation ("Impact Fee Act"), Act 13 of 2012, makes specific allocations to the PHARE Fund (referred to as "PHARE/Marcellus Shale") to address housing needs in counties with unconventional gas wells that have adopted a local impact fee.

In accordance with Act 13, these funds will be used to address the effects on housing in impacted counties and communities with the additional requirement that fifty percent (50%) of the funds must be allocated to 5<sup>th</sup> through 8<sup>th</sup> class counties.

**Eligible Applicants:** Entities eligible to receive PHARE/Marcellus Shale Funds include counties located in the Marcellus Shale region of Pennsylvania where unconventional gas wells are located that have adopted impact fees, as well as municipalities which have further contributed to PHARE through windfall/spill over funds from the impact fee.

[Exhibit A](#) provides a list of counties eligible to apply for PHARE/Marcellus Shale funds in 2017.

**NOTE:** Counties and municipalities may delegate the role of "designated applicant" to a nonprofit or for-profit organization for the purposes of the application. In the case where a county or municipality has designated another organization, agency or department to apply on their behalf, documentation identifying such must be included in the application.

Applicants for PHARE/Marcellus Shale Funds are eligible to apply for an award from additional PHARE funding sources. Proposals applying for an award from multiple PHARE funding sources should indicate the intention to do so by completing the applicable [Fact Sheet](#). Instructions can be found in the [Proposal Requirements](#) section of the RFP.

### **Realty Transfer Tax Fund ([Act 58 of 2015](#))**

Under Act 58 of 2015 (“PHARE/RTT”), PHFA receives an allocation of funds equal to the lesser of forty percent (40%) of the difference between the total dollar amount of the Realty Transfer Tax imposed under section 1102-C of the Tax Reform Code of 1971 collected for the prior fiscal year and the total amount of RTT estimated for the fiscal year beginning July 1, 2014. The PHARE/RTT fund will be capped at \$25 million annually. The PHARE/Realty Transfer Tax funds are available for applications in all 67 counties of the Commonwealth.

**Eligible Applicants:** Entities eligible to receive PHARE/Realty Transfer Tax funds include:

- Units of local government (counties, cities, boroughs, townships, town and home rule municipalities)
- Nonprofit organizations
- Redevelopment and/or housing authorities
- Economic and community development organizations, housing corporations, etc.
- For-profit community development or housing entities, individuals, partnerships or limited liability corporations
- Business improvement districts, neighborhood improvement districts, downtown improvement districts and similar organizations incorporated as authorities

Applicants for PHARE/Realty Transfer Tax funds are eligible to apply for an award from additional PHARE funding sources if they meet the applicable fund’s eligibility requirements.

### **PHARE/National Housing Trust Fund ([Housing and Economic Recovery Act of 2008](#))**

The National Housing Trust Fund (“HTF”) is a dedicated fund intended to provide revenue to build, preserve, and rehabilitate housing for people with the lowest incomes. The HTF was enacted as part of the Housing and Economic Recovery Act “HERA” of 2008. The funding source designated by statute as an annual assessment of 4.2 basis points (0.042%) of the volume of business of Freddie Mac and Fannie Mae, 65% of which is to go to the National Housing Trust Fund and made available to designated state allocators. PHFA administers the National Housing Trust Fund through PHARE in the Commonwealth.

**Eligible Applicants:** PHARE/Housing Trust Fund (“PHARE/HTF”) awards will provide additional financial support to Low-Income Housing Tax Credit units set aside for Extremely Low-Income (“ELI”) tenants. Applicants will **not** be considered unless they are participating in the Tax Credit program (either 4% of 9% program applicants are eligible).

**NOTE:** All Tax Credit developments must submit their application to apply for Tax Credits **simultaneously** with the proposal for PHARE funding in accordance with PHFA’s [2017/18 Qualified Allocation Plan](#).

A copy of the 2017 Pennsylvania HTF Allocation Plan can be found at:  
<http://www.phfa.org/legislation/act105.aspx>

## **Proposal Requirements**

This section outlines the specific requirements for proposals to be submitted for funding under the following 2017 PHARE Funding Sources. All Tax Credit projects must follow application guidance and instructions for developments applying for PHARE in the [Proposal Submission Requirements](#) section.

- **PHARE/Marcellus Shale Fund**
- **PHARE/Realty Transfer Tax Fund**

Proposals must be numbered and collated (in both a three-ring binder and electronically) with the information submitted in the same order as indicated below. PHFA may reject any application that is incomplete or which fails to provide all information as described below.

- 1. Narrative** - A concise summary description of the overall scope of the proposal highlighting the need for the project/program and the expected impact of the funding.

All key features of the proposal should be addressed, including how PHARE funds will be used to increase the availability of quality affordable housing, and how funds will be targeted to specific classifications of households or neighborhoods. The application should include a description of the existing local housing market (rental and for-sale), an explanation of how the program/project will address present housing needs while providing stability for residents in the future. Proposals should also identify and include measurable goals and milestones that will be used to monitor progress.

- 2. Comprehensive Plan** - Applications should include a comprehensive strategy for implementation and long term sustainability. If applicable, applicants are encouraged to supply sufficient market information regarding need for the program/project.

The following components should be included in the comprehensive plan section for development projects and all other programmatic uses of PHARE funds. Applications which include plans to create/rehabilitate housing units **and** provide social service programming (case management, counseling, etc.) should include both sections of the comprehensive plan as outlined below.

- For proposals involving the development of new housing units or the rehabilitation of existing properties for sale or rent, please provide:
  - 1) Evidence of site control or the ability to acquire the proposed site in a timely manner.
  - 2) Evidence that the project complies with zoning ordinances and local land development plans.
  - 3) A map of the site and the neighborhood identifying proposed municipal improvements and any private development not part of the proposal.
  - 4) A scope of work synopsis which provides a general overview of the proposed construction or rehabilitation of the property. A current appraisal of the property/properties may be required. If one has already been completed, please include a copy.
  - 5) A complete development budget, including sources and uses. (Identify committed and uncommitted sources and relevant timeframes.)
  - 6) Delineation of the income group(s) being targeted for rent or purchase of the homes and the number of units being targeted to each income group.

- For proposals involving all other programmatic uses of PHARE Funds, please provide the following:
  - 1) A detailed description of the existing program or new program being proposed.
  - 2) Name of the department/agency/entity/organization that will administer the program and a description of their experience administering a program of this nature.
  - 3) A geographical description of where the program will operate.
  - 4) Delineation of the income group(s) targeted by the program.
  - 5) A detailed budget outlining the anticipated use of funds, including a budget line for the specific use of PHARE funds. Existing programs should also provide a copy of the prior year's budget (as approved by the governing body of the administering entity).
- 3. Financing** - A detailed financial plan including all of the following, if applicable;
  - A list of sources of matching and/or leveraging funds including percentage of funding support from all other sources;
  - The status of the funding availability (requested/committed) including a timeline for access to matching or leveraging funds;
  - Letters evidencing commitment of financing from all relevant funding sources must be included.
- 4. Partnership** - Proposals must include documentation showing that the program/project will be implemented as part of a larger housing strategy in coordination with local organizations (ex: local government, nonprofit and for-profit organizations.) A list of the partnering organizations and a detailed description of their role should be included.
- 5. Timeline** - Proposals must show an overall timeline including anticipated milestones (dates) for the utilization of the funds. Programs/projects should be prepared to begin implementation within one year of application.
- 6. Fact Sheet** – Applications must include the applicable Fact Sheet (Appendix A and/or B) as outlined below.
  - Proposals involving the development of new housing units or the rehabilitation of existing properties, complete [Appendix A](#) – Fact Sheet.
  - Proposals involving all other programmatic requests, complete [Appendix B](#) – Fact Sheet.
- 7. Use of PHARE Funds** – Proposals are notified that no more than five percent (5%) of the total amount of PHARE funds awarded will be used for administrative purposes. Administrative expenses include any costs not directly linked to the goals of PHARE and attributable to operation of the project/program. Applications must include a written statement acknowledging this condition.

### **Compliance**

**Reporting** - Semi-annual reports will be required in a form and timeframe sufficient to allow PHFA to comply with the provisions of the PHARE Act. Actual reporting requirements will vary based on the project/program and will be included in the contract documents.

**Affordability Period** – PHFA requires that rental units funded through PHARE be reserved for occupancy by qualified households for ten (10) years.

## **Proposal Submission Requirements**

**Proposal Submission Process** - The PHARE Fund consists of monies from three separate funding sources. Please refer to the [2017 PHARE Funding Sources](#) to view the eligible applicants for each. Applicants should indicate the PHARE funding source(s) for which they are applying and the amount they are requesting using the applicable Fact Sheet (Appendix A and/or B).

- **PHARE/Marcellus Shale Applicants**

Submit one (1) complete written “hard” copy (in a three-ring binder) and one (1) complete electronic copy (CD only) of the proposal. Both must be organized into sections according to the instructions provided under the [Proposal Requirements](#).

- **PHARE/Realty Transfer Tax Applicants**

Submit one (1) complete written “hard” copy (in a three-ring binder) and one (1) complete electronic copy (CD only) of the proposal. Both must be organized into sections according to the instructions provided under the [Proposal Requirements](#).

- **2017/18 Tax Credit and/or PennHOMES Projects seeking PHARE funds**

All tax credit developments must submit their application for tax credits simultaneously with the proposal for PHARE funding (from any PHARE funding source), in accordance with PHFA’s [2017/18 Qualified Allocation Plan](#).

Tax credit developments seeking PHARE funding must submit a one-page summary of the project, its key features, and a timeline for completion. This summary document should be submitted along with the [Appendix A](#) – Fact Sheet.

- **PHARE/National Housing Trust Fund Applicants**

Tax credit proposals must include the appropriate HTF Environmental Checklist and required supporting documentation, which is spelled out on the Checklist found at the HUD link below (on the right side of the page). If you are uncertain which checklist your project falls under, please use the most restrictive option (which is the first one listed); ‘24 CFR 93.301(f)(1) New Construction – HTF Funds Only’.

The following is the direct link to the HUD website containing the four (4) HTF Environmental Checklists. <https://www.hudexchange.info/programs/environmental-review/htf/>

**The complete proposal for PHARE/National Housing Trust Fund applicants must include:**

- One (1) complete written “hard” copy of the summary page
- [Appendix A](#) - Fact Sheet
- The appropriate HTF Environmental Checklist with required supporting documentation
- One (1) complete electronic copy (CD only) of the entire proposal (all items listed above)

**NOTE:** For projects participating in PHFA multifamily housing programs seeking additional funding through PHARE, funding will be provided and administered through the PennHOMES program. No funds may be supplanted or replaced with PHARE funds. For additional information about the PennHOMES program, please refer to the information on PHFA's website.

### **Mailing Instructions**

**ALL PHARE funding proposals should be mailed to:**

**Clay Lambert  
Office of Strategic Planning and Policy  
Pennsylvania Housing Finance Agency  
211 N. Front Street  
Harrisburg, PA 17101**

**All PHARE funding proposals and supporting documentation (including letters of support) must be received by PHFA no later than 2:00pm on Friday, October 20, 2017.**

**PHARE Question Submissions** - All questions must be submitted in writing only to Bryce Marezki at [Bmarezki@phfa.org](mailto:Bmarezki@phfa.org) or via the address below. Phone calls will not be accepted.

Bryce Marezki  
Director of Strategic Planning and Policy  
Pennsylvania Housing Finance Agency  
211 North Front Street  
Harrisburg, PA 17101

PHFA will make frequently asked questions and answers available on its website. All applicants are urged to check the website periodically for updates and guidance.

PHFA reserves the right to contact any applicant for clarification, information and to make adjustments to applications necessary to fulfill the PHARE Plan requirements. In addition, PHFA may amend, suspend, terminate or otherwise withdraw this RFP invitation and the process described at any time. PHFA shall incur no liability to any entity for any aspect of its submission. All information submitted shall belong to PHFA and shall be subject to public inspection.

**Preliminary approval and funding of applications is contingent upon receipt of funds under Act 13 of 2012, Act 58 of 2015, and the HERA of 2008.**

**All applications must comply in all ways with the [2017 PHARE Plan](#).**



## APPENDIX A – Fact Sheet (New Construction and/or Project Rehabilitation)

**NOTE: All information provided in this fact sheet will be the final information used during the funding review process.**

1. **Name of Project/Development:** \_\_\_\_\_

2. Please indicate the source and the amount of PHARE funds your organization intends to apply for and the amount being requested from each. Applicants are reminded to refer to the RFP to view the eligible applicants and proposal submission requirements for each source of funds.

- |  |                 |
|--|-----------------|
| <input type="checkbox"/> PHARE/Marcellus Shale Fund        | \$ _____        |
| <input type="checkbox"/> PHARE/Realty Transfer Tax Fund    | \$ _____        |
| <input type="checkbox"/> PHARE/National Housing Trust Fund | \$ _____        |
| <b>TOTAL</b>   | <b>\$ _____</b> |

3. **Total Project/Development Cost:** \$ \_\_\_\_\_

4. Please identify the amount and percentage of PHARE funds that will be used to benefit households below fifty percent (50%) of the median area income. **Note:** No less than 30% of PHARE funds must assist persons/families below 50% MAI.)

\$ \_\_\_\_\_ %

5. Identify the targeted populations to be served by the project's proposed PHARE funding.

**(Example:** 50% of the PHARE Funds will assist persons/households below 50% of the county MAI. The remaining 50% of the PHARE Funds will assist persons/households between 50% and 100% of the county MAI.)

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6. **Project/Development total number of units?** \_\_\_\_\_

7. **Total project/development square footage impacted by PHARE funding?** \_\_\_\_\_ sq. ft.

**8. Number of units to be newly constructed using PHARE funding?**

One Bedroom Units	# _____	Bathrooms	# _____
Two Bedroom Units	# _____	Bathrooms	# _____
Three Bedroom Units	# _____	Bathrooms	# _____
Four Bedroom Units	# _____	Bathrooms	# _____

- Number of newly constructed Accessible units? # \_\_\_\_\_

**9. Number of units to be rehabilitated using PHARE funding?**

One Bedroom Units	# _____	Bathrooms	# _____
Two Bedroom Units	# _____	Bathrooms	# _____
Three Bedroom Units	# _____	Bathrooms	# _____
Four Bedroom Units	# _____	Bathrooms	# _____

- Number of newly rehabilitated Accessible units? # \_\_\_\_\_

**10. Projected Rent/For-Sale Price of PHARE impacted units?**

	Projected Rent	Projected Sales Price
One Bedroom Units	\$ _____	\$ _____
Two Bedroom Units	\$ _____	\$ _____
Three Bedroom Units	\$ _____	\$ _____
Four Bedroom Units	\$ _____	\$ _____

**11. Additional amenities/services impacted by PHARE funding:**

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**12. Property address(es) of the Project/Development**

(\*\*Please include the nine digit zip code(s), if available.)

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**13. Contact information of the individual completing the application.**

(\*\*This person will be contacted by PHFA with any questions regarding the PHARE proposal.)

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**14. Contact information for all entities involved in the Project/Development.**

(\*\*County/municipality, developers, non-profits, etc. that are involved in the project/development)

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**15. Contact information for the individual overseeing the project/development.**

(\*\*All required reporting documentation will be sent to the individual listed below.)

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**16. Contact information for one person able to handle communications regarding contracting and transfer of funds.**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**\*\*Please attach additional pages as necessary\*\***

## APPENDIX B – Fact Sheet (Other Housing Programs/Services)

**NOTE: All information provided in this fact sheet will be the final information used during the funding review process.**

1. **Name of Program:** \_\_\_\_\_

2. Please indicate the source and the amount of PHARE funds your organization intends to apply for and the amount being requested from each. Applicants are reminded to refer to the RFP to view the eligible applicants and proposal submission requirements for each source of funds.

- |   |                 |
|---|-----------------|
| <input type="checkbox"/> PHARE/Marcellus Shale Fund     | \$ _____        |
| <input type="checkbox"/> PHARE/Realty Transfer Tax Fund | \$ _____        |
| <b>TOTAL</b>  | <b>\$ _____</b> |

3. **Total Program Budget?** \$ \_\_\_\_\_

4. **Number of persons (households) expected to be assisted?** \_\_\_\_\_

5. **Average amount expected to be awarded per household?** \$ \_\_\_\_\_

6. Identify the amount and percentage of PHARE funds that will be used to benefit households below fifty percent (50%) of the County median area income (MAI). **Note:** No less than 30% of PHARE funds must assist persons/families below 50% MAI.)

\$ \_\_\_\_\_ %

7. Identify the targeted populations to be served by the Program's proposed PHARE funding.

**Example:** 50% of the PHARE Funds will assist persons/households below 50% of the county MAI. The remaining 50% of the PHARE Funds will assist persons/households between 50% and 100% of the county MAI.

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**8. Property address(es) where the Program will be operated?**

(\*\*Please include the nine digit zip code(s), if available.)

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**9. Brief description of the types of activities proposed.**

(\*\*Using a single paragraph, how would you describe this program?)

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**10. Please indicate the geographical scope of the program, as proposed.**

(\*\*List the specific county, municipality, zip code(s) of households to be impacted by the program.)

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**11. Contact information of the individual completing the application.**

(\*\*This person will be contacted by PHFA with any questions regarding the PHARE proposal.)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**12. Contact information for all entities involved in the program.**

(\*\*County/municipality, developers, non-profits, etc. that are involved in the project/development)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**13. Contact information for the individual overseeing the program.**

(\*\*All required reporting documentation will be sent to the individual listed below.)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**14. Contact information for one person able to handle communications regarding contracting and transfer of funds.**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**\*\*Please attach additional pages as necessary\*\***

**Exhibit A**  
**2017 PHARE/Marcellus Shale Fund Eligible Counties**

<b>Eligible Counties</b>
Allegheny
Armstrong
Beaver
Blair
Bradford
Butler
Cambria
Cameron
Centre
Clarion
Clearfield
Clinton
Elk
Fayette
Forest
Greene
Huntingdon
Indiana
Jefferson
Lawrence
Lycoming
McKean
Mercer
Potter
Somerset
Sullivan
Susquehanna
Tioga
Venango
Washington
Westmoreland
Wyoming