

2017 PHARE REQUEST FOR PROPOSALS (RFP)



TRAINING WEBINAR

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PHARE (State Housing Trust Fund)

Facts



- Pennsylvania Housing Affordability and Rehabilitation Enhancement (PHARE)
- PHARE (Act 105) signed November 23, 2010
- 2017 RFP combines PHARE funding sources into a single application

Facts

- Funding Sources
 - ▣ Marcellus Shale Impact Fee (PHARE/Marcellus Shale)
 - ▣ Realty Transfer Tax Fund (PHARE/RTT)
 - ▣ National Housing Trust Fund (PHARE/HTF)

- At least 30% of the funds for households **BELOW** 50% of median area income

- Approved Annual Plan

- Annual report on program to legislature, Governor's Office

Goals & Priorities

- Increase safe, affordable housing opportunities
 - ▣ Rehabilitation/re-use of abandoned, at-risk housing
 - ▣ Owner-occupied rehab & homebuyer/rental assistance
 - ▣ Homeless prevention/rapid re-housing for vulnerable populations

- Strengthen existing housing stock and addressing long term affordability

Goals & Priorities



- ❑ Strategic approaches to address housing needs and impact within an overall plan
- ❑ Targeting of locations within communities experiencing significant divestment or lack of affordable housing
- ❑ Maximize the leveraging of public and private funding sources

Goals & Priorities



- Fostering partnerships increasing capacity to address long term housing needs
 - ▣ Social services/case management for community residents
- Opportunities for affordable housing to those within a range of incomes

PHARE/Marcellus Shale

- Act 13 of 2012 (Marcellus Shale Impact Fee)
- Funds allocated under Act 13 to mitigate the impact of natural gas drilling on housing in communities with Marcellus Shale drilling
- Available in counties that have drilled unconventional natural gas wells
 - ▣ Eligible Counties listed on Exhibit A of the RFP

PHARE/Marcellus Shale

- Total awarded - \$39.6 Million since 2012
 - ▣ 188 projects
- Funding formula
 - ▣ Base funds: \$5 million
 - ▣ Also receive any excess/spillover funds from local municipalities
- At least 50% for fifth, sixth, seventh and eighth class counties

PHARE/Marcellus Shale

2017 Eligible Counties (32)

- 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

PHARE/Marcellus Shale

- Must be located in an eligible County
- **Eligible Applicants:**
 - ▣ The County must be the applicant
- Counties may delegate the role of “designated applicant” to a nonprofit or for-profit organization
- County applicants are permitted to submit tax credit developments for PHARE/Marcellus Shale Funds

PHARE/Realty Transfer Tax (RTT)

- Act 58 of 2015
 - ▣ Portion of Realty Transfer Tax (RTT) revenue increase to PHARE
- Funds allocated under Act 58 to assist with the creation, rehabilitation and support of affordable housing throughout the Commonwealth
- Expands PHARE to all 67 counties
- Total awarded: \$12.0 million – 2016
 - ▣ 68 projects, 140 applications

PHARE/Realty Transfer Tax (RTT)

□ Eligible Applicants

- 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

PHARE/National Housing Trust Fund

- Became law in 2008 as part of HERA
 - ▣ Housing and Economic Recovery Act

- Fannie and Freddie hit by bankruptcy in 2008
 - ▣ Funding held until December 2014

- Block grant to the states
 - ▣ Dedicated revenue from GSEs (Fannie/Freddie)
 - ▣ No Congressional appropriation process
 - Administered by HUD

PHARE/National Housing Trust Fund

- Each state receives at least \$3 million
- At least 90% to be used for rental housing
- Targeted to increase Low-Income Housing Tax Credit units
 - ▣ Funds set aside for Extremely Low-Income ("ELI") tenants.
 - ▣ Only 4% and 9% Tax Credit applicants are eligible.
- Applicants **must be** participating in the Tax Credit program



PHARE: RFP Requirements

RFP Requirements

- RFP opened - **August 14th**
- Applications due by **2pm on October 20th**
- Each application must provide at least 30% of the awarded PHARE funds to assist households **below** 50% MAI
- Funds may NOT be used to benefit households with incomes above two hundred percent (200%) of the County's MAI
- No more than 5% of project award can be used for administrative costs

RFP Requirements

- Review RFP for proposal specifics and submission requirements

- Proposals must be numbered and collated into the following sections:
 - ▣ Narrative
 - ▣ Comprehensive Plan
 - ▣ Financing
 - ▣ Partnership
 - ▣ Timeline
 - ▣ Fact Sheet - Appendix A **and/or** Appendix B
 - ▣ Use of PHARE Funds

RFP Requirements

- **Marcellus Shale and Realty Transfer Tax proposals**
 - ▣ Submit One (1) hard copy in 3-ring binders and one (1) complete electronic copy (CD).
 - ▣ Binder should be organized and numbered according to RFP Proposal Requirements

- **PHARE/National Housing Trust Fund proposals**
 - ▣ Projects must also be applying for tax credits

RFP Requirements

□ **For Tax Credit Developments:**

- Projects located in a PHARE/Marcellus Shale-eligible County are permitted to apply for an award from all three PHARE funding sources
 - Must apply through, be designated by, County

- Projects may apply directly to PHFA for PHARE/RTT and PHARE/NHTF

- Complete proposals must include:
 - One-page narrative
 - Appendix A - Fact Sheet
 - Applicable HTF Environmental Checklist
 - Instructions listed in the RFP

RFP Requirements



- PHARE funds awarded to tax credit developments will be structured similar to PHFA's PennHOMES program
- Award recommendations presented to PHFA's Board in Spring, 2018 (April)
- Affordability: PHARE funded rental units are required to be reserved for occupancy by qualified households for 10 years

Reporting

- PHARE grantees must submit Semi-annual reports until all awarded PHARE Funds are expended
 - ▣ Reports due July 31st and January 31st
 - ▣ First report will be due January 31, 2019

- Grantees receiving multiple PHARE awards must track and report on the use of funds **separately**
 - ▣ Separate reports must be submitted, for each grant, for each year awarded

- With final expenditure of all PHARE funds, grantees are required to submit a final Close-out report
 - ▣ Due within 30 days of final expenditure of grant funds

PHARE: At A Glance

Marcellus Shale

- Available in 32 Counties located within the Marcellus Shale region
- ONLY County government entity or a “designated organizations” are eligible

Realty Transfer Tax

- Available in all 67 Counties in Pennsylvania
- Eligible applicants – almost everyone!
 - Non-profits, For-profits
 - CDCs, developers, Improvements districts, etc.

National Housing Trust Fund

- Being distributed to increase units to low/extremely-low income renters
- Only 4% and 9% tax credit applicants eligible

- All non-tax credit PHARE grantees are required to submit semi-annual reports to PHFA for compliance
- PHARE funds awarded to Tax Credit projects will be structured similar to PennHOMES

Additional Resources

- PHARE Website:
 - ▣ <http://www.phfa.org/legislation/act105.aspx>

- 2017 Request for Proposals:
 - ▣ http://www.phfa.org/forms/phare_program_phare_fund/2017_phare_rfp_final_fill.pdf

- 2017 PHARE Plan:
 - ▣ http://www.phfa.org/forms/phare_program_phare_fund/2017_phare_plan_final.pdf

- PHARE Project Summaries:
 - ▣ http://www.phfa.org/forms/phare_plan_rtt/rtt_2017_project_summaries_final_web.pdf

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