2020/21 PHARE REQUEST FOR PROPOSALS (RFP)

WEBINAR

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PHARE Facts

- PHARE (Act 105) signed November 23, 2010
- Funding Sources
  - Marcellus Shale Impact Fee (PHARE/Marcellus Shale)
  - Realty Transfer Tax Fund (PHARE/RTT)
- Approved Annual Plan
  - Approved - February 2020
- Annual report on program to legislature, Governor’s Office.
PHARE Objectives

- 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.

- Strategic approaches to address housing needs and impact within an overall community plan.
PHARE/Marcellus Shale

- Act 13 of 2012 (Marcellus Shale Impact Fee).
  - Eligible Counties listed on Exhibit A of the RFP

- Total awarded - $66.87 Million since 2012.
  - 372 projects funded

- At least 50% for Fifth, Sixth, Seventh and Eighth class counties.
2020/21 Eligible Counties (31)

- Allegheny
- Armstrong
- Beaver
- Blair
- Bradford
- Butler
- Cameron
- Centre
- Clarion
- Clearfield
- Clinton
- Elk
- Fayette
- Forest
- Greene
- Huntingdon
- Indiana
- Jefferson
- Lawrence
- Lycoming
- McKean
- Mercer
- Potter
- Potter
- Somerset
- Sullivan
- Susquehanna
- Tioga
- Venango
- Washington
- Westmoreland
- Wyoming
PHARE/Realty Transfer Tax (RTT)

- Act 58 of 2015
  - Portion of Realty Transfer Tax (RTT) revenue increase to PHARE

- Total RTT $’s awarded to date: $121.02 million (2016-2020).
  - 627 RTT awards funded to date

- Who is eligible to apply for RTT funding?
  - Local government agencies, nonprofits, redevelopment/housing authorities, economic/community development agencies, business/neighborhood/downtown improvement districts, for-profit community development agencies.
PHARE: 2020/21 - At A Glance

**Marcellus Shale**
- Available in 31 Counties located within the Marcellus Shale region
- ONLY County government entity or a “designated organizations” are eligible
- Anticipated $5.9 million

**Realty Transfer Tax**
- Available in all 67 Counties in Pennsylvania
- Eligible applicants – almost everyone!
  - Non-profits, For-profts
  - CDCs, developers, Improvements districts, etc.
- Anticipated $36.1 million

- All 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. (4% & 9%)
Guidance on Prevailing Wage

- For purposes of determining prevailing wage requirements, PHARE awards are considered state grants. All recipients should seek final determination from the Department of Labor and Industry concerning specific requirements.

  **NOTE:** This may not apply to 4% & 9% tax credit applications.
RFP Requirements

- RFP opens – **September 14**<sup>th</sup>.  
- Applications due by **2pm on November 20**<sup>th</sup>.  
- 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.  
- All PHARE funds must be commenced within two years of funding award.
For PHARE/MS and PHARE/RTT proposal submissions:
The following items must be uploaded to the ‘Documents’ section of the PHARE Submissions Website:

- Narrative
- Comprehensive Plan
- Financing
- Partnership
- Impact on Inequalities and Disparities (New to 2020)
- Timeline
- Use of PHARE Funds
- Letters of Support
- County Authorization Documentation
  - Required for PHARE/Marcellus Shale proposals
Impact on Inequalities and Disparities (New to 2020)

In 250 words or less, please describe how your proposed project/program will be used to address persistent, historical, and significant disparities and inequities that exist by race, class, income, culture and education.
RFP Requirements

- PHARE/RTT applicants are permitted to submit no more than three (3) proposals.
- Award recommendations to be presented to PHFA’s Board in Spring/Summer 2021.

- 4% Tax Credits seeking RTT funding:
  - It is anticipated that no more than $5 million in funding will be available for 4% projects in the upcoming PHARE round.
2020/21 PHARE Funding Priorities

- The agency will prioritize funding for proposals targeting the following housing initiatives.
  - Applicants will be asked to identify which priority best describes the proposal’s end goals and objectives.

- Proposals that address multiple priorities should select the activity that will be impacted by the majority of the requested PHARE funds.
  - Ex: If 20 housing units are being rehabilitated to be used for rapid re-housing, the applicant should choose Homeless Prevention as the appropriate category.
2020/21 PHARE Funding Priorities

1. 4% Tax Credit Projects

- Developments applying for 4% tax credits for large-scale preservation to increase the availability of affordable housing to low and extremely low-income households.

- Limit of \textbf{Two} applications per developer AND a maximum request of $1,000,000 of RTT funding.

- All projects submitted must be a \textbf{minimum} of 50 units and priority will be given to projects with \textbf{greater than} 75 units.
2020/21 PHARE Funding Priorities

2. Preservation/Rehabilitation/Renewal

- Rehabilitation of existing housing stock including owner-occupied rehab.
- Demolition of blighted, abandoned or otherwise at-risk housing.
- Reclaiming or renewal of brownfields or vacant land where housing was once located for community green space.
2020/21 PHARE Funding Priorities

3. Rental Housing Creation
   - Development of new and affordable rental units.
     - May include acquisition, pre-development costs, construction and/or significant rehabilitation, and demolition where the development of affordable housing is the end goal.

4. Homelessness Prevention
   - Address ongoing needs for individuals and families at risk for homelessness.
     - Rapid re-housing, rent/utility/transportation assistance, landlord outreach, case management, and short-term emergency shelter care.
2020/21 PHARE Funding Priorities

- Increase the availability of integrated housing opportunities, supportive services, and resources for vulnerable populations such as veterans, the re-entry population, person dealing with addiction disorder(s), disabled persons, and at-risk youth.

5. Innovative Housing Solutions
   - Piloting unique and creative approaches to addressing unmet housing needs and historic disparities in housing.

6. Homeownership
   - Development of additional affordable for-sale housing units, including costs for pre-development, construction, and/or significant rehabilitation.
2020/21 PHARE Funding Priorities

- Programming and homeownership down payment and closing cost assistance for first-time homebuyers and vulnerable/underrepresented communities.

7. Housing Counseling and Financial Education

- Activities providing various types of housing counseling, including pre and post purchase, financial education, foreclosure prevention, and other forms of direct client counseling to assist homeowners or renters.
RFP Requirements

Tax Credit Developments:

- Successful 4% tax credit applications will be notified of conditional reservation of PHARE funds no later than February 1\textsuperscript{st}, 2021.

- 9% Low-Income Housing Tax Credit (LIHTC) projects may only apply for PHARE/MS funding. All other tax credit applications will be accepted separately and include requesting National Housing Trust Fund awards.
All tax credit developments must upload and submit the following items via the ‘Documents’ section of the PHARE submission website:

- Narrative – a concise (1-2 page) summary of the overall scope of the proposal highlighting the need for the project/program and the expected impact of the funding.
- Financing – A list of committed sources and uses for all matching and/or leveraged funds including percentage of funding support from all other sources.
- Impact on Inequalities and Disparities (new requirement for 2020) – In 250 words or less, please describe how your proposed project/program will be used to address persistent, historical, and significant disparities and inequities that exist by race, class, income, culture and education.
- Information submitted in the Funding Information, Unit Information, Property Address, and Contact Information sections of the PHARE Submissions Website.
Tax Credit Developments

- **Proof of Zoning** – Documents verifying that all necessary zoning approvals have been secured to construct or rehabilitate the development.
  - Preservation projects are not required to show zoning approval.
  - Projects with a historic tax credit component must show evidence of receipt of Part I approval from the National Park Service.
  - Projects requiring approval from HUD for rent adjustments must provide evidence that a rent comparability study has been completed and is in the process of being submitted to HUD for review.
  - Projects needing a new HAP contract, or extension of an existing contract must provide a timeline demonstrating HUD approval by December 17, 2021.
PHARE Reporting

- PHARE grantees must submit Semi-annual reports until all awarded PHARE Funds are expended.
  - Reports due every January 31st and July 31st until all funds are expended.
  - First report will be due January 31, 2022.

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

- Grantees are required to submit a final Close-out report upon final expenditure of all PHARE funds.
  - Due within 30 days of final expenditure of grant funds
PHARE Reporting

- All grantees will be required to submit semi-annual reports via the PHARE Reporting website. This new website will now be used for all grantees that were awarded PHARE funds after July 2019.

- Grantees awarded funding prior to July 2019 will still need to submit paper documents electronically to PHFA prior to the reporting deadline.
All PHARE applicants must create an account on the PHARE Submission Website. https://phare.phfa.org/
Organizations may create multiple accounts and they may enter and edit unlimited funding requests within the proposal submission website until the proposal(s) are ultimately submitted to PHFA for review.
RFP Requirements

- Organizations must select the type of proposal they are seeking to fund.
  - New Construction and/or Project Rehabilitation.
  - Housing-Related Programs and Services.
  - New Construction/Rehabilitation **AND** Housing-Related Programs and Services.
RFP Requirements

All proposals must complete the Funding Information, Unit Information, Property Address(es), and Contact Information sections of the website.
Important: Organizations applying for PHARE funds as a third party on behalf of another organization must indicate so in the Funding Information section of the website.
All proposals must fall under the following housing initiatives. Proposals that address multiple priorities should select the activity that will be impacted by the majority of the requested PHARE funds.
RFP Requirements

- To view descriptions of funding priorities, click the blue link that says “Click here for a description of each Funding Priority”
RFP Requirements

- Applicants must indicate the location and/or geographic scope of the project or program.
  - Enter zip code(s) if the housing program is not being offered countywide.
Proposals should include contact information for any partners that may need to be contacted regarding the application.

- County, Nonprofit, Developer, Legal, Local contacts may all be included.
RFP Requirements

- PHARE proposals may be edited until they are submitted to PHFA.
- Proposals must be submitted to PHFA (by deadline) and will not be reviewed until they are sent by clicking the “Submit Application to PHFA” button.
Additional PHARE Resources

- PHARE Proposal Submission Website
- 2020 Request for Proposals
- 2020 PHARE Plan
- PHARE Project Summaries
Contact Information

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* Please email Clay Lambert or Raymond Carey if you run into any issues with the PHARE Submission website.
Questions?
Thank you for your time and attention.