2021 PHARE REQUEST FOR PROPOSALS

PHFA
PENNSYLVANIA HOUSING FINANCE AGENCY

TRAINING WEBINAR

Clay Lambert, PHARE Program Manager
PHARE Facts

- PHARE (Act 105) signed in 2010

- Two funding Sources
  - Marcellus Shale Impact Fee (PHARE/Marcellus Shale)
  - Realty Transfer Tax Fund (PHARE/RTT)

- Approved Annual Plan
  - Approved in February 2021

- Annual report on program provided 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.

- Develop strategic approaches to address housing needs and impact within an overall community plan.

- Focus on strategic locations.
  - Target communities which have experienced significant divestment.
    - Areas which may face loss of affordable housing due to gentrification, or areas in need of greater economic diversification.
Goals & Priorities

- Maximize the leveraging of resources to address significant and persistent housing needs.

- Foster sustainable partnerships that will be committed to addressing housing needs.

- Provide safe, affordable housing to those within a range of incomes.
  - Funds allowable to benefit individuals up to 200% AMI.

- Establish a transparent application, allocation, and reporting process.
PHARE/Marcellus Shale

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

- Total awarded - $65.98 Million since 2012.
  - 359 awards funded

- At least 50% for Fifth, Sixth, Seventh and Eighth class counties.

- $5.69 million available for funding in 2021/22.
PHARE/Marcellus Shale

2021 Eligible Counties (32)

- Allegheny
- Armstrong
- Beaver
- Blair
- Bradford
- Butler
- Cameron
- Centre
- Clarion
- Clearfield
- Clinton
- Crawford
- Elk
- Fayette
- Forest
- Greene
- Huntingdon
- Indiana
- Jefferson
- Lawrence
- Lycoming
- McKean
- Mercer
- 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 awarded to date: $125.36 million since 2016.
  - 667 awarded to date

- $40 million available for funding in 2021/22.

- 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: 2021/22 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
- **Anticipated $5.6 million**

#### Realty Transfer Tax
- Available in all 67 Counties in Pennsylvania
- Eligible applicants:
  - Non-profits, For-profits
  - CDCs, developers, Improvements districts, etc.
- **Anticipated $40 million**

- All PHARE grantees are required to submit semi-annual reports to PHFA for compliance.

- PHARE funds awarded to 4% tax credit projects will be structured similarly to PennHOMES.
2021/22 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.
1. 4% RTT 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 **TWO** applications per developer AND a maximum request of $1,000,000 of RTT funding per proposal.
- All projects submitted must be a minimum of 50 units and priority will be given to projects with greater than 75 units.
2021/22 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.

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.
2021/22 PHARE Funding Priorities

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.

- 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.
- Programming and homeownership down payment and closing cost assistance for first-time homebuyers and vulnerable/underrepresented communities.
2021/22 PHARE Funding Priorities

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.
PHARE: RFP Requirements
RFP Requirements

- RFP opened **September 14**th.
- Applications due by **2pm on November 19**th.
- 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.
RFP Requirements

The following items must be uploaded to the ‘Documents’ section of the PHARE Submissions Website:

1. **Narrative**
   - Concise (one to two page) summary description of the overall scope of the proposal.
   - Key features and goals of the proposal should be addressed

2. **Comprehensive Plan**
   - Strategy for implementation and long-term sustainability.
   - Targeted income limits, etc.
   - Site control, drawings/site maps for construction projects.
   - Geographic scope of impact for housing related services.

3. **Impact on Inequalities and Disparities**
   - Anticipated impact in addressing persistent disparities and inequities that exist in by race, class, income, culture and/or education.
RFP Requirements

The following items must be uploaded to the ‘Documents’ section of the PHARE Submissions Website:

4. **Financing**
   - List of sources of matching and/or leveraged funds.
   - Status/timeline of potential funding.

5. **Partnerships**
   - List of partnering organizations and a description of their role.

6. **Timeline**
   - Anticipated dates for the utilization of the funds.

7. **Use of PHARE Funds**

8. **Letters of Support**

9. **Certificate of Good Standing**

10. **County Authorization Documentation**
    - Required for PHARE/Marcellus Shale proposals only.
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 early Summer of 2022.

- 4% Tax Credits seeking RTT funding:
  - It is anticipated that approximately $5 million in funding will be available for 4% projects in the upcoming PHARE round.

- 9% Low-Income Housing Tax Credit (LIHTC) developments are **NOT** eligible to apply for PHARE connected to this RFP.
  - Applications for PHARE funding from 9% LIHTC projects will be accepted separately in coordination with the application for National Housing Trust Fund allocations.
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
- Financing – A list of committed sources and uses for all matching and/or leveraged funds
- Impact on Inequalities and Disparities (new requirement for 2020) – How will the proposed project/program address persistent, historical disparities and inequities in housing.
- Proof of Zoning – Documents verifying that all necessary zoning approvals will be secured to construct or rehabilitate the development.
- Information submitted in the Funding Information, Unit Information, Property Address, and Contact Information sections of the PHARE Submissions Website.
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 for new grantees will be due January 31, 2023.

- Grantees with 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.
All awarded PHARE grantees must track and report on the following impacts/outcomes:

- Amount of PHARE funds expended.
- Number of households served/impacted.
- Amount and percentage of funds used to benefit households below 50% of median area income.
- Household size of each individual households assisted.
- Household income of each individual households assisted.
- Amount of funding used to assist each individual household.
- Amount of administrative costs expended - capped at 5%
- Source and amount of all matching/leveraged funds.
- Impact of funds used to address barriers to fair housing for marginalized communities.
PHARE Reporting

- PHARE grant terms are for **18 months** from the date funds are disbursed.

- 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.

- Grantees must adhere to PHARE reporting guidelines and their proposal timeline as much as possible.
  - Additional grant awards will be withheld if grantees are not in compliance with reporting deadlines.

- PHFA will monitor the status of all current grantees before additional funds are awarded.
PHARE Website

https://phare.phfa.org
All PHARE applicants must create an account on the PHARE Submission Website. [https://phare.phfa.org/](https://phare.phfa.org/)

Click Here to Create an Account
Organizations may create multiple proposals within the same account and they may enter and edit funding requests within each proposal until the proposal(s) are ultimately submitted to PHFA for review.
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.
All proposals must complete the Funding Information, Unit Information, Property Address(es), and Contact Information sections of the website.
PHARE 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.
To view descriptions of funding priorities, click the blue link that says “Click here for a description of each Funding Priority”
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.
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
- 2021 Request for Proposals
- 2021 PHARE Plan
- 2020/21 PHARE Project Summaries (last round)
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<tr>
<th>Name</th>
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<th>Email</th>
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* Please email Allison or me if you run into any issues with the PHARE Submission website.
Questions?
Thank you for your time and attention.