2026 PHARE
REQUEST FOR PROPOSALS

PHARE
Pennsylvania Housing Affordability & Rehabilitation Enhancement Fund

Clay Lambert, PHARE Program Administrator

PHARE Program Goals

- **P**ennsylvania **H**ousing **A**ffordability & **R**ehabilitation **E**nhancement
  - aka PHARE or the "PA Housing Trust Fund"

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

- Maximize leveraged resources to address significant and persistent affordable housing needs.

- Foster sustainable partnerships committed to addressing housing needs.

- Establish a transparent application, allocation, and reporting process.

Program Goals

- Provide safe, affordable housing to those within a range of incomes.
  - Funds allowable to benefit households up to 200% AMI.
- Strengthen existing housing stock and addressing long term affordability.
- Focus on strategic locations.
  - Target communities which have experienced significant divestment.
    - Areas that may face loss of affordable housing due to gentrification, or areas in need of greater economic diversification.

PHARE Facts

- PHARE (Act 105) signed in 2010
  - https://www.phfa.org/legislation/act105.aspx
- Two funding Sources connected to this RFP
  - Marcellus Shale Impact Fee (PHARE/Marcellus Shale)
  - Realty Transfer Tax Fund (PHARE/RTT)
- Approved Annual Plan
  - Approved in February 2026
- Annual program report is provided to Legislature/ Governor's Office and posted to PHFA's website.

Realty Transfer Tax Fund (RTT)

- Created by Act 58 of 2015
  - Portion of Realty Transfer Tax (RTT) revenue increase from 2014/15 budget goes into PHARE.
- $437.3 million awarded to 2,154 grants awarded since 2016.
- $90 million available for funding in 2026/27.
- Who is eligible to apply for RTT funding?
  - Local government agencies, nonprofits.
  - Redevelopment/housing authorities, land banks, economic/community development agencies.
  - Business/neighborhood/downtown improvement districts.
  - For-profit community development agencies.

Marcellus Shale Fund

- Created by Act 13 of 2012 (Marcellus Shale Impact Fee).
  - Eligible Counties listed on **Exhibit A** of the RFP
- $95.1 million awarded to 534 grants since 2012.
- Funds may only be awarded to the County as the grantee
  - Applicants must have county authorization to apply.
- At least 50% of funds must be awarded to 5th – 8th class counties.
- $5 million available for funding in 2026/27.

Marcellus Shale Fund

2026 Eligible Counties (33)

- Allegheny
- Armstrong
- Beaver
- Blair
- Bradford
- Butler
- Cameron
- Centre
- Clarion
- Clearfield
- Clinton
- Crawford
- Elk
- Fayette
- Forest
- Greene
- Huntingdon
- Indiana
- Jefferson
- Lawrence
- Luzerne
- Lycoming
- McKean
- Mercer
- Potter
- Somerset
- Sullivan
- Susquehanna
- Tioga
- Venango
- Washington
- Westmoreland
- Wyoming

Funding Sources At A Glance

Realty Transfer Tax

- Available to organizations all 67 Pennsylvania counties.
- Eligible applicants include Nonprofits, For-profits, CDCs, Developers, Improvements districts, Land banks.
- Organizations are limited to < 3 proposal submissions.
- **Anticipated $90 million.**

Marcellus Shale

- Available only in 33 Counties located with natural gas drilling in PA's Marcellus Shale region.
- County will be the grantee.
  - Only County government entities or designated organizations are eligible.
- **Anticipated $5 million.**

➢ **Funds will be awarded in the Summer of 2027.**

Funding Priorities

PHARE Funding Priorities

- 9 housing activities targeting greatest housing needs in PA.
  - Applicants must identify which funding priority best describes the proposal's goals and objectives.

- Proposals that address multiple priorities must select one activity that impacted by the majority of the requested PHARE funds.
  - Funding priority is connected to the proposal's end-use benefit.
  - Ex: Units being rehabilitated for rapid re-housing should choose Homelessness Prevention as the appropriate category.

- All proposals must commit to using at least 30% of the awarded grant funds to assist households with incomes below 50% of area median income.

FY 2026 Income Limits Summary

FY 2026 Income Limit Area	Median Family Income	FY 2026 Income Limit Category	Persons in Family					
			1	2	3	4	5	6
Harrisburg-Carlisle, PA MSA	$109,300	Very Low (50%) Income Limits ($)	38,300	43,750	49,200	**54,650**	59,050	63,400
		Extremely Low Income Limits ($)*	23,000	26,250	29,550	**33,000**	38,680	44,360
		Low (80%) Income Limits ($)	61,250	70,000	78,750	**87,450**	94,450	101,450

PHARE Funding Priorities

1. **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.

2. **Rental Housing Creation**
   - Development of new, affordable rental units.
     - This includes adaptive reuse of buildings to house residents.
     - May include acquisition, pre-development costs, construction and/or significant rehabilitation, and demolition where the development of affordable housing is the end goal.

PHARE Funding Priorities

3. Homelessness Prevention

- Programs addressing ongoing needs for individuals and families at risk for homelessness.
  - Rapid re-housing, case management
  - Legal assistance
  - Rent/utility/transportation assistance, landlord outreach/mitigation
  - Shelter rehabs and improvements
  - Short-term emergency shelter care
- Increase the availability of integrated housing opportunities, supportive services, and resources for vulnerable populations
  - Veterans
  - Re-entry population
  - People dealing with addiction disorders, disabled persons, and at-risk youth

PHARE Funding Priorities

4. Innovative Housing Solutions

- Piloting unique and creative approaches to addressing unmet housing needs and historic disparities in housing.
- Solutions could be connected to eviction diversion, legal housing assistance, landlord/tenant mediation, at-risk housing.
  - Universally designed housing, ECHO homes, shared housing initiatives.

5. Homeownership

- Development of affordable for-sale housing units
  - Pre-development, construction, and/or significant rehabilitation.
- Programming and homeownership down payment and closing cost assistance for first-time homebuyers and vulnerable/underrepresented communities.
- 50% of awarded funds must be used to benefit households below 80% or area median income*
  - This applies to housing activities connected to homeownership only.

PHARE Funding Priorities

6. **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.

7. **Health for Housing Investments**
   - Housing activities that include a financial or programmatic partnership with a health care organization.
     - Organizations/partners may include insurance companies, hospital partners, and health care payers such as Medicaid care orgs.
   - Proposal must include a commitment/support letter from health care provider.

PHARE Funding Priorities

8. 4% Tax Credit Projects

- Tax credits for large-scale preservation projects to increase the availability of affordable housing.
- Limit of two applications per developer.
- Maximum request of $1,000,000.

9. 9% Tax Credit Projects

- Developments applying for a reservation of competitive 9% tax credits.
- Limit of three applications per developer.
- Maximum request of $1,000,000.

- ***Health for Housing Investment (with LIHTC developments)***
  - Projects must include a capital investment of at least $250,000 from health care partner.
  - This committed investment increases the proposal's maximum funding request.
    - 4% LIHTC maximum request increases to $2,500,000.
    - 9% LIHTC maximum request increases to $3,000,000.

Proposal Requirements

Proposal Requirements

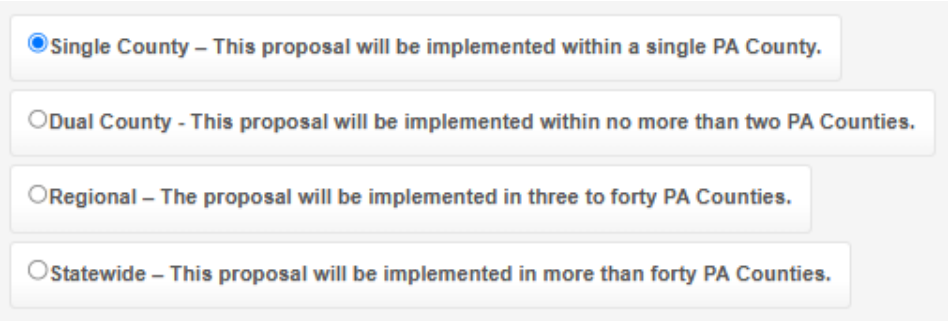
- Organizations may submit up to three (3) proposals requesting RTT funds.
  - Highly competitive program. Submit wisely.
  - Organizations should list which proposal is their priority.

- RFP Application Types
  - **New Construction and/or Project Rehabilitation**
    - Includes the physical creation of housing units or improvements made to existing housing stock.
    - Proposal requests are limited to $750,000.
      - No more than 50% of the awarded PHARE funding on predevelopment/ acquisition expenses.
  - **Housing Related Programs and Services**
    - Includes any activities that support individuals and families maintaining affordable housing.
    - Proposal requests are limited to $500,000.

Proposal Requirements

Geographic Scope

- Applicants must select the County(ies) where the organization is creating/rehabbing units or has a physical location to serve clients.
  - This is not meant to specify locations where eligible clients may reside.



- Proposals providing housing assistance or services in at least three (3) Pennsylvania counties may request up to **$1 million.**
  - Proposal must include at least three (3) partnering organizations.
  - Must select the 'Multiple Counties' or 'Statewide' option in the Geographic Scope section of the application website.

Proposal 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**
   - Required documents based on proposal type.
     - Site control, drawings, site maps for construction projects.
     - Delineation of targeted households or income groups.
     - Geographic scope of program impact for housing related services.
   - Specific documents, based on application type, are listed in the RFP.

Proposal Requirements

3. Impact on Inequalities and Disparities

- Applicants must select a community to be impacted by grant funds.
  - BIPOC, LGBTQ+ community, people with physical challenges, mental illness, etc.
- Provide a narrative with strategy for addressing local housing disparities and unmet needs.

4. Budget

- List of sources of matching and/or leveraged funds.
- Include all PHARE-funded construction/rehab or program delivery expenses.
- Budget Template document linked in portal.

5. Timeline

- Anticipated milestones for grant implementation and completion.

6. County Authorization Documentation

- Required for PHARE/Marcellus Shale proposals only.

Proposal Requirements

Additional, unrequired, supporting items may be uploaded to the 'Documents' section including:

- **Letters of Support**
  - Supporting documents from local community leaders, partners, stakeholders.
- **Health Care Partner Letter of Intent**
  - Required for all proposals connected to the HHI funding priority.
- **Use of PHARE Funds Acknowledgement**
  - Website acknowledgement verifying that not more than 5% of awarded PHARE funds will be used for administrative purposes.
    - Administrative funds are overhead expenses not directly linked to assisting households.

Proposal Requirements

- Grant 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 awarded funds can be used for administrative costs.
  - Administrative costs are overhead expenses not directly linked to the PHARE goals or the direct benefit of households.

- All proposals must include the Congressional, State Senate, and State Representative districts directly impacted by their proposal.

Tax Credit Developments

- LIHTC applicants must complete the **Funding Information, Unit Information, Property Address,** and **Contact Information** sections of the PHARE Submissions Website.

- LIHTC applicants only need to submit the following documents via the website:
  - **Proposal Narrative** – summary of the overall scope of the proposal
  - **Budget Template**
  - **Impact on Inequalities and Disparities** – Impact addressing historical disparities and inequities in housing.
  - **Health Care Partner Letter of Intent** – Required for LIHTC proposals requesting HHI matching funds only.

Funding and Reporting

PHARE Funding Timeline

- PHARE awards will be announced in June/July 2027.
- Funds will be paid out to awardees next Summer/Fall after all contract documents are executed and returned.
- Grantees will be required to submit an updated Certificate of Subsistence/Good Standing.
  - Verifies organization's existence with the Commonwealth.
- Grantees must monitor the use of all funds and connect its impact on every household beneficiary of PHARE funding.
  - Inability to track or report on every household will deem the grantee out of compliance with PHARE guidelines.

Grantee Requirements

- All PA laws and public funds use requirements apply to PHARE. This includes:
  - Fair housing and accessibility guidelines
  - Wage rates and labor standards
  - Bidding requirements

- Prevailing Wage is determined by the Department of Labor and Industry.
  - DLS's link to prevailing wage resources in the FAQs

- PHFA cannot provide guidance on wage or bidding requirements for projects.

PHARE Reporting

- Grantees will submit quarterly reports until all awarded PHARE Funds are expended.
  - Reports due every January 31, April 30, July 31, and October 31 until all funds are expended.
  - First report for new 2026/27 grantees will be due January 31, 2028.

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

- All grantees must provide household information for EVERY household benefitting from the use of the PHARE funds.
  - No exceptions, regardless of the size of the program.

PHARE Reporting

- All 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 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 or disparities.

- Grant terms are 18 months from the date contract documents are executed.

PHARE Reporting

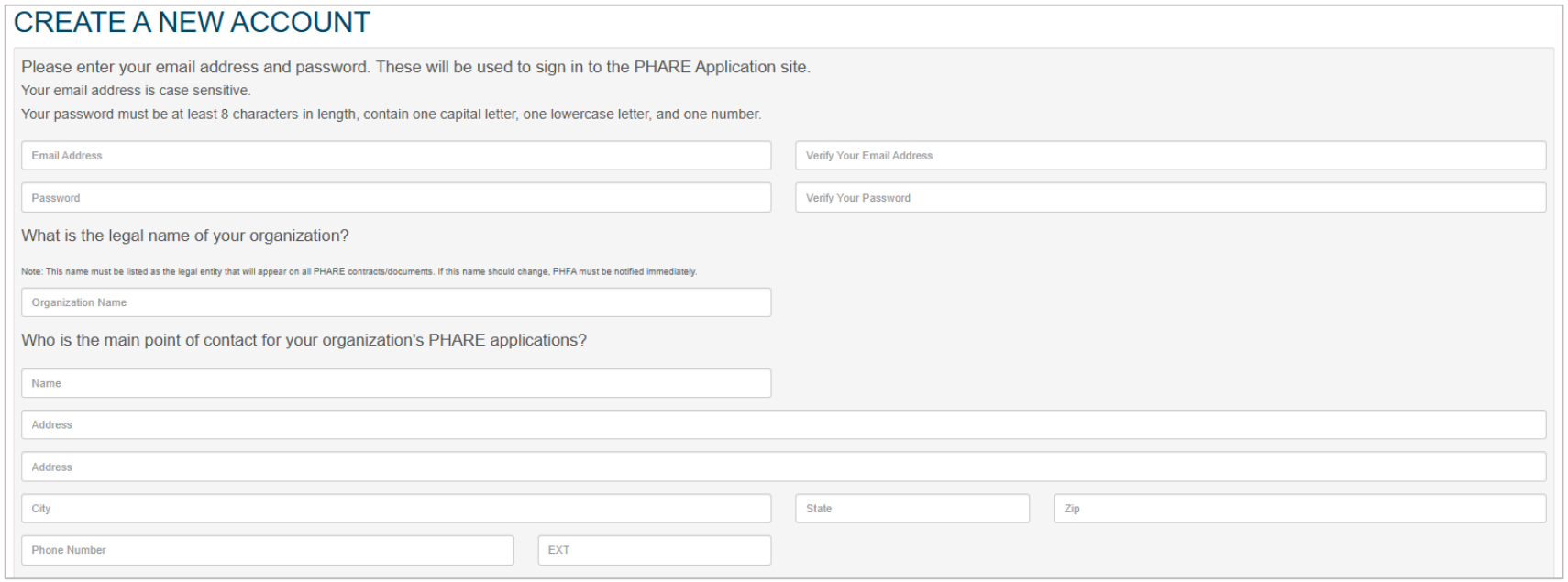
- Grantees are required to submit a final close-out report upon final expenditure of all PHARE funds.
  - Due within 30 days of final expenditure of grant funds.
  - All funds must be expended and all households assisted or units housed before close-out report can be submitted.
- Grantees must adhere to PHARE reporting guidelines and their proposal timeline as much as possible.
  - Additional grant awards will not be considered from grantees out of compliance with reporting deadlines.
- PHFA will monitor the compliance status of all current grantees before additional funds are awarded.

PHARE Website

https://phare.phfa.org

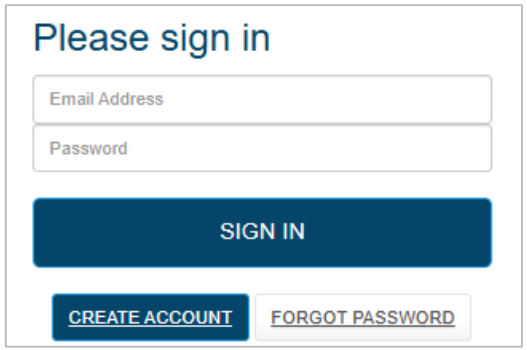
PHARE Website

- All PHARE applicants must create account on the PHARE Submission Website.
- Please do not create a new account if one already exists.
  - Simply use your existing account to apply.



PHARE Website

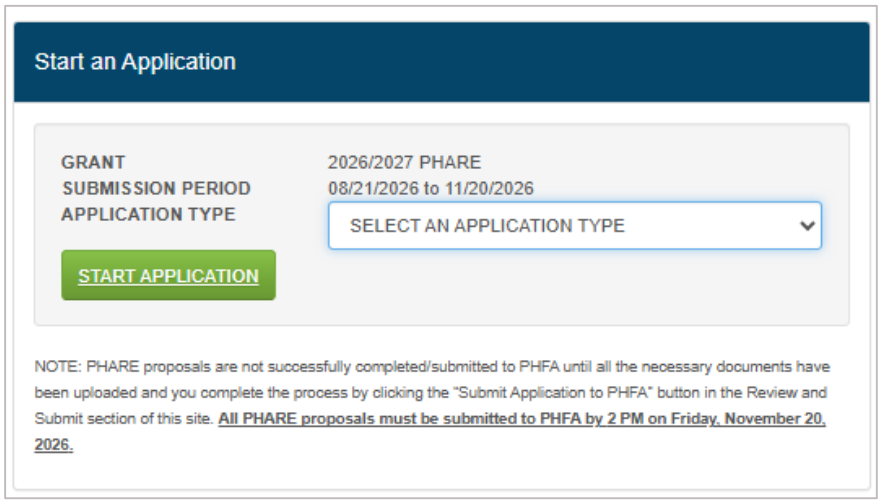
- Organizations may submit multiple proposals within the same account.
  - RTT requests are limited to 3 proposals per organization.
- There is only one email address connected to each account.
  - Organizations must share account credentials if more than one person needs access.



- Applications may be saved and modified as needed until it's ultimately submitted to PHFA.

PHARE Website

- Applicants must select one of two Application Types.
  - **New Construction and/or Project Rehabilitation**
    - Physical creation of new, or the preservation of existing housing units.
  - **Housing-Related Programs and Services**
    - Activities that support individuals and families accessing and/or maintaining affordable housing.



PHARE Website

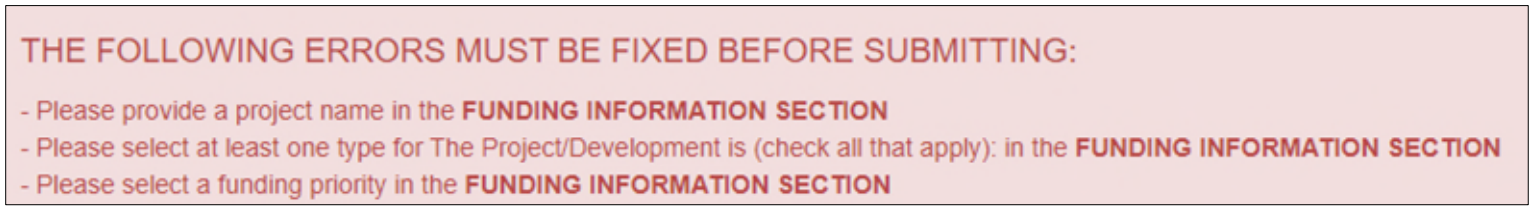
- Applicants must complete all sections of the PHARE website.
  - **Funding Information**
    - Proposal Name and Description
      - Choose a name wisely along with how you want your project to be publicly known.
    - Choose one of the 9 Funding Priorities.
    - Choose funding source (MS or RTT) and enter amount requested.
    - Leveraged funds and Total Program/Project Cost
      - PHARE funding request + Leveraged funds = Total
    - Number of households or units to be impacted.
    - Area median income targeting
    - Impact on Housing Inequalities and Disparities.
  - **Addresses and Scope/Legislation district information**
    - Only select counties/districts where your organization is building units or has a physical location to serve clients.

PHARE Website

- **Contact Information**
  - At least two, different contacts are required.
    - Applicant Contact is automatically connected to the account.
    - Primary Contact & Signatory Authority Contact must be entered.
    - MS proposals must also include a County contact.

- **Documents**
  - Only PDF documents are accepted.
  - Required documents are outlined in the RFP.

- **Review and Submit**
  - Website will provide errors for missing, required information.

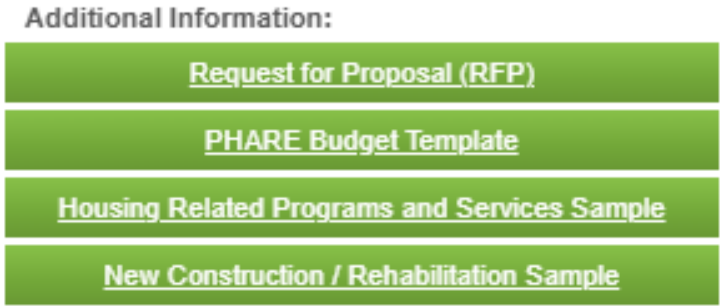


PHARE Website

- PHARE proposals may be edited until they are submitted to PHFA.
- Proposals must be submitted (by deadline) and cannot be reviewed unless submitted using the "**Submit Application to PHFA**" button.

- Remember – the application deadline is **2pm on November 19**.
- Please don't wait until the last day/hour/minute to submit.
  - Log in and begin your proposal now.
  - Hundreds of submissions will be successfully completed before deadline.

RFP Resources - Contact Info



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Questions?

Feel free to email us anytime.

contactphare@phfa.org

PHARE

Pennsyvlania Housing Affordability & Rehabilitation Enhancement Fund

Thank you for your time and attention.

PHFA

PENNSYLVANIA HOUSING FINANCE AGENCY