Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund

Frequently Asked Questions

The following questions and answers are made available to help guide organizations interested in the PHARE program. We hope this guidance will assist organizations through the application and funding process.

Applicant Eligibility

Q: Are organizations located in Marcellus Shale counties eligible to apply for Realty Transfer Tax funds?

A: Yes, funding from the PHARE/Realty Transfer Tax fund is available to organizations in all 67 counties.

Q: If there are several counties that have one regional program, could these county applicants submit one joint application to support the program, or would they all need to submit separate applications supporting the same program?

A: Yes. If multiple counties, organizations, or a combination of both are looking to partner together to implement one program, those groups should submit one combined, regional application.

Q: Would PHFA, for any reason, award a lower amount than what is being requested by an applicant?

A: Yes, in many cases the Agency will not award an applicant's full funding request. The amount awarded depends on the volume of funding requests the Agency receives in response to the RFP. If awarded, grantees will have the opportunity to adjust their proposal accordingly.

Proposal Eligibility

Q: Are supportive services (casework or providing wrap-around services to clients) allowable expenses or do those costs get absorbed by the applicants as part of their leveraging for in-kind contributions to the program budget?

A: Providing case management and other direct and indirect support for clients can be included as part of the proposal's budget. Administrative and overhead cost would come out of the 5% allowable "administrative fee". When evaluating applications, PHFA will be looking for programs/projects that can document significant leveraging of other funds to address the overall budget.

Q: What Americans with Disabilities Act standards does the RFP require projects to meet?

A: Applicants are required to identify the number of units that are either ADA Accessible or "Visitable", but the PHARE funds do not stipulate ADA standards. All projects are required to meet all building code requirements for ADA standards as required by Local, State, and Federal law.

Q: Are rental rehabilitation programs allowable under PHARE?

A: Yes. PHARE has funded successful rental rehab programs across the state.

Proposal Requirements

Q: What is the grant term for the use of PHARE funds?

A: PHARE funded proposals should commence within one year from the date funds are disbursed. The grant period extends for 18 months. Grant funds not expended within 18 months are subject to recapture by the Agency.

Grantees should maintain contact with the Agency to notify of any changes or interruptions with the project.

Q: Is there a "match requirement" for PHARE funds?

A: While there is no match required, when evaluating applications, PHFA will be looking for projects that can leverage significant addition resources, as the Agency recognizes that the PHARE award is likely to cover only a small portion of an overall project/program.

Q: Is there an expenditure threshold whereby a certain percentage of funds needs to be expended by a particular point within the contract period?

A: There is no explicit expenditure threshold, but the project will need to provide a timeline for implementation as part of the application. The Agency closely monitors grantee reports that are submitted quarterly to assess the performance and success of all projects/programs funded with PHARE grants.

Q: Do applicants need to identify specific properties as part of the application? May applicants simply indicate targeted blocks or neighborhoods and identified qualified participants for the program later?

A: We strongly encourage applicants to be as specific as possible with the properties to be addressed in the project/program, but it is not a requirement for submission.

Applicants that do not have a specific address at the time of submission are advised to provide as much geographic and/or demographic detail as possible and update PHFA regarding the project location once that information is available. As mentioned above, the Agency will be looking for applications that can rapidly move to implementation, have all other necessary funding secured, are part of the overall community housing strategy, and will ensure that at least 30% of the PHARE funds benefit households below 50% of median area income or, with respect to homeownership projects, at least 50% of the PHARE funds benefit households below 80% AMI.

Q: If the application is comprised of Project Based-Voucher Section 8 units, should the applicant submit the expected rent figures based on the Housing Assistance Payment (HAP) contract, or the rent amounts that tenants are expected to pay?

A: Please use the expected rent levels that are anticipated under the HAP contract for the unit, depending on the number of bedrooms.

Q: Are there any requirements around identifying and addressing lead-based paint?

A. PHARE does not impose any additional requirements **related to** lead-based paint beyond what is required under local building codes, Department of Health requirements or HUD stipulations.

Q: Do applicants need to provide back-up for development budget line items (quotes/proposals/contracts, etc.)?

A: Yes, the more back-up details an applicant can provide for each budget line, the better but only to the point that it helps clarify that specific line and the overall request.

Q: Should an operating pro-forma be included in the application?

A: A pro-forma is not required for the PHARE application, but grantees are welcome to provide it as further documentation. Construction/rehabilitation projects are encouraged to provide a pro-forma to support the financial feasibility of the project.

Q: How should grantees calculate income limits for potential PHARE funded projects?

A: Applicants should use HUD's income limits for the County in which the project will reside. Income limits can be found here. Applicants should select and apply the income limits shown in the year the PHARE funds were applied for. All units supported with PHARE funds must remain affordable to households for a minimum of 10 years.

Proposal Submissions

Q: Is there an application fee associated with the PHARE program?

A: No. There is no cost to submit a PHARE funding request.

Q: Is there an online application process available?

A: Yes. All PHARE applications must be submitted using the PHARE website.

Q: Is there an application page limit?

A: No, there is no page limit. The Agency requests, however, that applications be as cohesive and strategic as possible.

Q: What is the application submission deadline?

A: The application submission deadline will be displayed on the annual Request for Proposals (RFP). This year's submission deadline (2026/27) will be November 19, 2026. All PHARE funding proposals and supporting documentation must be uploaded and submitted via the PHARE website.

Q: Should applicants seeking an award of both Marcellus Shale and Realty Transfer Tax funding submit a single application or should they submit two separate applications?

A: Applicants should submit **one application** and indicate the amount requested in the corresponding boxes for both sources of funds. The budget, narrative and supporting documents should indicate the amount being requested from each PHARE funding source. Only eligible Counties are permitted to apply for PHARE/MS funding (see list of eligible counties at the end of the RFP).

General RFP Application Questions

Q: The website contains discrepancies or contradicts information about PHARE provided by the RFP. Which one is correct?

A: Always refer to the RFP if there are any discrepancies in any place on the website. The website is constantly monitored and updated in real time. If there appears to be any glaring contradictions, please contact us.

Q: The RFP mentions the ability to address homelessness. What is the PHARE program's definition of homelessness?

A: The RFP purposely does not include a formal definition of homelessness. The Agency believes that distinction should be determined locally based on the needs of your local housing providers. The RFP identifies priorities and examples of homelessness prevention efforts.

Q: When applying for funds to assist in the rehabilitation of multiple properties, is it possible to substitute other properties later should the new properties be more favorable than the ones submitted with the application?

A: PHFA will be looking for projects that have specific sites identified (if applicable) and all other components in place. That said, if a project needs to substitute addresses, we would certainly be willing to accommodate that change. Please inform us via email if you need to update the properties associated with your proposal.

Q: How much grant funding will be allocated to each successful proposal?

A: The limit on funding requests to support the creation of new housing units or the rehabilitation/preservation of existing housing units is $750,000 per proposal. Funding requests to support housing services benefitting households in limited to $500,000 per proposal.

Applications will be reviewed to determine appropriate funding based on the competitiveness of the proposals, leveraged funds, local support and other factors.

Q: Does PHFA expect to do site visits?

A: No, PHFA does not do site visits as part of the application review process unless there are extenuating circumstances. PHFA can and does conduct site visits after awards have been disbursed to progressively monitor grantees and ongoing projects/programs.

Q: What is the length of the contract period?

A: Grantees are expected to complete their funding proposal within 18 months from the date funds are disbursed. Grant programs must begin implementation within one year of award, if not sooner. There is also a 10-year affordability requirement for units created or rehabbed with the use of PHARE funds.

Q: If awarded funds, will there be a fixed date when grantees may begin spending down on their awarded grant funds?

A: Once awards are announced and all contract documents executed and returned to the Agency, organizations may begin drawing down on funds for eligible project costs. The date of contract execution will serve as the starting point for the 18-month contract period.

Q: What public bidding processes apply to PHARE Grantees?

A: Bidding should comply with Federal Law. There is no State requirement regarding the bidding requirement but, at minimum, grantees should use an RFP process to solicit at least three (3) bid proposals.

Q: Are Grantees required to use PA Prevailing Wage Rates?

A: All construction projects receiving PHFA grant or loan funds are covered by the Pennsylvania Prevailing Wage requirements if the project involves construction and exceeds $25,000. Given this low threshold, all PHARE awards involving construction will likely invoke Prevailing Wage. Construction project receiving PHARE funds need to work with the Department of Labor and Industry to determine the proper wage requirements.

All projects should apply for a wage determination letter prior to the start of construction by registering the project with the PA Department of Labor and Industry to obtain the Prevailing Wage rates that are relevant to the project.

Information about Prevailing Wage can be found here:
https://www.pa.gov/agencies/dli/resources/compliance-laws-and-regulations/labor-management-relations/labor-law/prevailing-wage

For additional information, the Department of Labor and Industry contacts are 800-932-0665 and (717)705-5969.

Q: Does PHFA consider a Developer Fee to be an "administration cost"?

A: Yes, the Developer Fee is considered an administrative cost under the program and limited to 5% of the funding award.

Q: Are consulting fees associated with preparing the PHARE application eligible for reimbursement as part of the project's administrative cost?

A: PHARE funds may be used towards consulting fees, but they would have to be taken from the 5% "administrative fee" portion and not be included in any of the program/project costs. Ideally, we would prefer to have those fees be covered by the applicant.

Q: Will grant funds be awarded to organizations in a single payment? Or are funds released through an invoicing process?

A: PHARE funds are disbursed to grantees as a single payment via ACH, but the Agency reserves the right to pay grantees in installments if necessary.

Q: Are LIHTC developments in need of PHARE funding required to submit both the LIHTC application as well as the PHARE funding application?

A: Yes. LIHTC applicants must complete and submit both the LIHTC and PHARE funding applications. The PHARE RFP outlines the required documents for tax credit projects. All PHARE application documents must be submitted via the PHARE website.

Q: Can I submit a PHARE funding application without having site controls?

A: Yes, you can. You do not need to have site controls to apply for PHARE funds. PHARE allows for funds to be used to support the acquisition of land and property. If you are submitting for a project without first having site controls, it is advisable to submit documentation that supports the PHARE funding request, the overall project cost (appraisals of comparable properties, etc.) and the feasibility of your ability to complete the proposed project.

Q: May organizations apply for multiple years in a row?

A: Yes, organizations may apply for multiple years in a row. If you were awarded or not awarded in past years, you are still welcome to apply. Current grantees must be current with their PHARE reports and in good standing with the Agency to be awarded funds in multiple funding rounds.

Q: What data is required to be reported by PHARE Grantees?

A: Detailed PHARE Reporting Instructions are to be found on the PHARE website.

Q: How do I determine if my proposal is statewide or regional?

A: A statewide proposal must provide housing or housing services to residents in more than 40 counties while a regional proposal must cover 3 to 40 counties. If you are unsure about your proposal's potential impact or have other questions, please contact PHFA staff.

Q: For an applicant that received PHARE funding in previous years, particularly for program related services, how do you advise that we present the continuous need for funding support?

A: Staying in compliance with the grant period and fulfilling the goals of the originally awarded program/project is a major factor for PHFA when considering organizations for funding year over year. Organizations can demonstrate an ongoing need by successfully administering/closing out current PHARE grants, gathering local support, and soliciting additional leveraged funds to make their proposals more competitive.

Q: Do leveraged funds need to already be committed/awarded prior to seeking PHARE funds?

A: No, PHARE does not require any leveraged funding. However, the more committed/awarded funds from other (non PHFA) sources the more competitive the proposal. PHFA weighs leveraged funding on a project-by-project basis. All proposals are required to submit commitment letters if leveraged funds are available.

Construction and rehabilitation projects are encouraged to show all committed and applied for funds due to the scope and complexity of most construction projects.

Q: What is the limit of proposals a single organization may submit per funding round?

A: Organizations applying only for PHARE/RTT are limited to three (3) proposals per year/grant cycle.

Organizations applying only for PHARE/MS have no limit to the number of applications they can submit each year.

Organizations submitting more than one (1) funding proposal per year are encouraged to contact PHFA staff to inform them which of their submitted proposals is the highest priority for the organization. Given the likelihood that PHFA will not fund all an organization's funding requests, this information will assist PHFA in prioritizing requests when making final award determinations. Submitting more than one (1) proposal does not negatively affect an organization's request for funds.

This document will be updated based on questions submitted by potential applicants.

PHFA
PENNSYLVANIA HOUSING FINANCE AGENCY