PHARE 101
2017 REQUEST FOR PROPOSALS

Bryce Maretzki, Director of Strategic Planning & Policy
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
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
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
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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
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
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
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
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:

- 2017 Request for Proposals:

- 2017 PHARE Plan:

- PHARE Project Summaries:
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