



PHARE Request for Proposals Frequently Asked Questions

September 2019

PHFA has received the following questions regarding the RFP for the 2019 PHARE Fund. We hope this guidance will assist you and your organization through the application process.

For examples of the types of programs/projects previously awarded PHARE funds, please view the previous Project Summaries and awardees located on the [PHARE section](#) of PHFA's website.

PHFA's PHARE Contacts

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- [Clay Lambert](#)
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Applicant Eligibility

- [Land banks are not specifically mentioned as an eligible applicant in the RFP. Are land banks eligible to apply for PHARE funds?](#)
- [Would PHFA, for any reason, award a lower amount than what is being requested by an applicant?](#)
- [Is it possible for a redevelopment authority to apply on behalf of 2 other nonprofit organizations? If awarded funds, the authority would have funding agreements with the nonprofits and pass the funds to each. This is a very common approach for redevelopment authorities.](#)
- [If several counties partner together to form one regional program, could these county applicants submit one joint proposal? Or would they all need to submit separate applications supporting the same program?](#)
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Proposal Eligibility

- Many projects include supportive services. Are supportive services (ex: casework or direct service support time) allowable budget expenses or do those costs get absorbed by the applicants as part of their leveraging for the project?
- Are there any limits to the physical intervention made to a house as part of the renovation? (Ex: if they currently have a dirt floor basement, can a concrete floor be poured and costs covered?)
- Can gifts in kind (e.g. supplies) be counted as financial leverage if documented with a letter from the donor?
- What Americans with Disabilities Act standards does the RFP require projects to meet?
- Is a rental rehab grant program possible under PHARE?

Proposal Requirements

- Would PHARE money be considered “spent within a year” if it were placed in a dedicated account to cover lost rent over 60 days of vacancy if a LLA needs the time to place an eligible candidate into a Section 811 funded unit?
- Is there a “match requirement” for PHARE funds?
- Is there an expenditure threshold whereby a certain percentage of funds need to be expended by a particular point within the contract period?
- If we are to demonstrate financial leverage from a funder – do you want a letter or a copy of the contract from that funder?
- What is the process to verify/document that individual property owners meet the income guidelines outlined in the PHARE program?
- Do individuals’ incomes need to be verified prior to submitting the PHARE application for facade improvements?
- Do applicants need to identify specific properties for facade improvements now or after funding is potentially awarded? Should a program outline target blocks and after being awarded funding, survey residents and identified qualified participants for the program?
- For a currently occupied rental development (less than 20 units) that is looking to fill a funding gap for rehabilitation, will PHFA require a Capital Needs Assessment?
- Is there any flexibility in the 10-year affordability compliance? For example, should a landlord want to opt out after 5 years, could they pay back 50% of the money received?
- The timeline section of the RFP says that projects/programs need to commence within one year of application. Does this mean that applicants must have a letter stating that we will be prepared to commence, or would you prefer to see an actual timeline of when we plan to start the work?
- If zoning variance is needed, do proposals need to obtain approval first or is intent to apply enough?
- If a project involves both new construction/property rehab and other housing/supportive services, what is the best way for an applicant to apply?
- Should the population breakdown, specifically those making below 50% of AMI be based on the expected income levels of tenants for the overall project, regardless of how much the PHARE funds make up the total project sources?
- If the application is made up of Project Based Section 8 units should the applicant submit the rent they expect to collect based on the HAP contract, or the rent we expect the tenants to pay?
- Are there any requirements around identifying and addressing Lead Based Paint?

- [Under what circumstances does an application need to include an appraisal? Would an “as-built” appraisal suffice?](#)
- [There is the Financial Plan portion of the grant and then in the Comprehensive Plan there is Program budget as approved by administering organization and allocation of program funding. What are you looking for in these two areas?](#)
- [Do I need a current appraisal for the application? We currently own the property and would like to apply for acquisition tax credits. Our most recent appraisal is from 2014.](#)
- [Do we need to provide back-up for Development Budget line items? \(i.e. quotes/proposals/contracts, etc.\)](#)
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Proposal Submissions

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- [If a project wants to apply for both Marcellus Shale and RTT funding, should they write one proposal and use the ‘Funding Information’ section of the PHARE Submission Website to show how much out of each funding stream you want? Or should they submit two applications?](#)
- [We have submitted our PHARE application, but now I see a mistake and need to edit our proposal. Is that possible?](#)

Low Income Housing Tax Credits (LIHTC) Applicants

- **[NOTICE: Guidance to Prospective National Housing Trust Fund Applicants \(PHARE/HTF\)](#)**
- [For PHARE applicants intending to use funds in an LIHTC project which has already received credits from PHFA, will the PHARE funds reduce the credit allocation, or the gap financing \(as from City, County, other\)?](#)
- [If there has been modification to the initially approved LIHTC development proposal, how should this be addressed in the PHARE application?](#)
- [We are submitting an application for a project with an existing 9% LIHTC award. Should we include full copies of the market study and community plans if they are the same as our original submission?](#)
- [Tab 42 of the 2019 LIHTC application refers to the PHARE Application. Do applicants need to include the entire PHARE Application within Tab 42 of the LIHTC Application, or does PHFA just want something that indicates that we will be submitting a PHARE Application?](#)
- [In regards to the HUD Environmental Checklists, could the Agency simply request that the applicant indicate its belief, to the best of its knowledge, and only be required to engage these consultants if made a preliminary award of NHTF funds?](#)
- [We understand that PHARE will be treating LIHTC deals similarly to PennHOMES. Do you know what, if any, interest rate would be attached to the PHARE loan?](#)

- Will the environmental checklist prepared by the applicant be sufficient, or will PHFA expect to see an environmental consultant complete this as part of or a supplement to the Phase I ESA in the LIHTC application?
- If we are applying for PHARE/National HTF in conjunction with 9% LIHTCs, does that trigger a SHPO submission because HTF are federal?

General RFP Application Questions

- 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?
- How should an organization demonstrate site control for renovations being made to an occupied residence?
- How much PHARE funds will be allocated to each project/program?
- What is the length of the contract period?
- If a project is participating in (and is already funded by) a PHFA multifamily housing program, must it still go through the PennHomes process to be considered for PHARE funding?
- If awarded funds, will there be a fixed date when costs can be incurred and the funds used for those costs?
- Do PHARE funds carry either Federal or State prevailing wage requirement?
- Do occupied houses considered for renovation need to demonstrate clear title (no “tangled titles”)? If not, can funds be allocated to support legal assistance to “untangle”?
- After completion of a project that only includes PHARE and outside funding sources, would it be necessary to complete and provide a cost certification to PHFA?
- Does PHFA consider a Developer Fee to be an “administration cost”?
- Does PHFA cap the total amount of Developer Fee to 5% of PHARE, even if other funds would pay the different? Or does PHFA only cap the amount of PHARE that could go towards the Developer Fee at 5%?
- Are consulting fees associated with preparing the PHARE application eligible for reimbursement as part of the admin project cost?
- For planning purposes, what is the fiscal year for PHARE funds and will the money be sent all at once, or released through a monthly invoicing process?
- Will PHARE awards be sent all at once, or released through a monthly invoicing process?



Applicant Eligibility

Land banks are not specifically mentioned as an eligible applicant in the RFP. Are land banks eligible to apply for PHARE funds?

Yes. As a governmental entity, land banks are eligible to apply for PHARE funds. Applicants should refer to the eligible applicants for each PHARE funding source found in the RFP. A land bank could apply directly to PHFA for a PHARE/Realty Transfer Tax award. If applying for PHARE/Marcellus Shale funds, land banks will need to apply through the County.

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

Yes, we will very likely need to make adjustments/reductions to awards (instead of total amount requested), but until we see all the applications, have a chance to review, we don't have any sense of how it will play out.

Is it possible for a redevelopment authority to apply on behalf of 2 other nonprofit organizations? If awarded funds, the authority would have funding agreements with the nonprofits and pass the funds to each. This is a very common approach for redevelopment authorities.

Yes, it is possible for an RDA to apply on behalf of a nonprofit organization and we recognize that this is fairly standard practice for RDAs. As part of the application, we would need to see document (resolution) from both the RDA and nonprofit and details of how the operational details would be managed for the project/program. Ultimately, the organization requesting funds should be the legal name of the organization seeking funding. Additionally, the 5% "administrative fee" would need to be worked out between the RDA and organization in terms of it would be split – each group would not be allowed to take 5%.

If several counties partner together to create one regional program, could these county applicants submit one joint proposal? Or would they all need to submit separate applications supporting the same program?

Yes. If multiple counties, organizations, or a combination of both are looking to partner together to implement one project/program those groups should submit one joint application.

If an applicant was awarded PHARE funds in the last round of funding, are they permitted to apply again with an open grant?

Yes. Yes, current grantees may apply for an additional PHARE award.

Where can I find the list of counties eligible to apply for PHARE/Marcellus Shale funds?

The list of PHARE-eligible counties in the Marcellus Shale region is listed on Exhibit A of the RFP. You can also find a list of impacted counties here:

[List of PHARE/Marcellus Shale Eligible Counties](#)

Proposal Eligibility

Many projects include supportive services. Are supportive services (ex: casework or direct service support time) allowable budget expenses or do those costs get absorbed by the applicants as part of their leveraging for the project?

Casework, case management and other direct support to clients could be included as part of the program/project budget. The administrative and overhead cost would come out of the 5% allowable “administrative fee”. PHFA will be looking for programs/projects that can document significant leveraging of other funds to address the overall budget.

Are there any limits to the physical intervention made to a house as part of the renovation? (Ex: if they currently have a dirt floor basement, can a concrete floor be poured and costs covered?)

There are no limitations to the physical interventions that could be made and would expect that they are appropriate to the particular property based on the projects analysis of need. Replacing a dirt floor basement could be done, if that is the highest priority repair needed to the home to make it habitable or ensure maximum livability.

Can gifts in kind (e.g. supplies) be counted as financial leverage if documented with a letter from the donor?

Yes. Gifts in kind, if documented with a donor letter, would certainly be considered part of the project/program’s overall leveraging.

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

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 local/county building code requirements for ADA standards as required by Federal law.

Is a rental rehab grant program possible under PHARE?

A rental rehab program proposal would not have to have all the properties identified in the application, but the proposed program should clearly outline the neighborhood/community/blocks to be targeted for the initiative as well as the process for determining property eligibility.

Proposal Requirements

Would PHARE money be considered “spent within a year” if it were placed in a dedicated account to cover lost rent over 60 days of vacancy if a LLA needs the time to place an eligible candidate into a Section 811 funded unit?

Having the funds merely placed in a dedicated account would not be considered “spent” if the purpose of the funds was to provide direct assistance to tenants. Depending on how the program is designed/implemented and how the “lost rent” provision was handled in the program, PHFA could work with you to determine an appropriate use. The Agency would also recommend that you look at other uses of the PHARE funds to address housing goals.

Under our 811 program, 811 funds can be used to cover rent for 60 days.

Is there a “match requirement” for PHARE funds?

There is no “match” required, although PHFA will certainly be looking for projects that can leverage significant additional resources. The PHARE award is likely to cover only a portion of an overall project/program.

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

There is no explicit expenditure threshold but the project will need to provide a timeline for implementation as part of the application. Programs/projects that can rapidly move to implementation and expend funds will be prioritized. If a program/project receives funds in 2019/20 and then is interested in applying for funding in subsequent years, the Agency will look at the overall performance of the organization to successfully deploy PHARE as part of its review. Additionally, there will be required semi-annual reporting as part of the Grant Agreement and contract that will ask about the progress of utilizing funds to the intended recipients.

If we are to demonstrate financial leverage from a funder – do you want a letter or a copy of the contract from that funder?

Yes, a letter or copy of the contract from each particular funder would be very helpful. We are looking to make sure the commitment is in place and any special conditions that may be imposed by that funder on their award.

What is the process to verify that individual property owners meet the income guidelines outlined in the PHARE program?

The Agency will ask that you provide us with documentation of property owner income, if they are to be eligible for the project/program, as part of the grant agreement and contract. If the URA has income verification documents you could use those or another form that you have that provides a property owner certification of income. We would need to have that documentation in our files as part of our program monitoring/oversight protocol.

Do individuals' incomes need to be verified prior to submitting the PHARE application for facade improvements?

The individuals' incomes do not need to be verified prior to submitting the application but would be required prior to PHARE funds being spent on any improvements. The more information of participant income that is provided in the application the more competitive the application will be in terms of helping the Agency determine possible allocation awards and ensuring that at least 30% of the funds benefit households below 50% of median area income.

Do applicants need to identify specific properties for facade improvements now or after funding is potentially awarded? Should a program outline target blocks and after being awarded funding, survey residents and identified qualified participants for the program?

In this type of application we would strongly encourage the applicant to be as specific as possible with the properties to be addressed in the project/program but it is not a requirement for submission.

Identifying the targeted blocks would be necessary and the greater specificity that can be provided about individual properties the more competitive the application. As mentioned above, the Agency will be looking for application that can, rapidly move to implementation, completion, have all other funding secured, are part of the overall community housing strategy and will ensure that at least 30% of the funds benefit households below 50% of median area income.

If surveying can be done prior to application and interested/eligible households identified that would be our recommended approach but not a requirement for submission.

For a currently occupied rental development that is looking to fill a funding gap for rehabilitation, will PHFA require a Capital Needs Assessment?

No, a capital needs assessment is not required for the PHARE program but the application will need to provide sufficient level of detail to allow staff to review and assess the competitiveness of the request. Whatever information you determine will ensure a complete and thorough review should be submitted in the application.

Is there any flexibility in the 10-year affordability compliance? For example, should a landlord want to opt out after 5 years, could they pay back 50% of the money received?

Yes, there is flexibility, but given the large number of expected applications and the need for long-term affordability to address significant need, we would recommend retaining the 10-year requirement. That said, programs which operate under a different structure (5yrs w/payback provisions) are still welcome to apply and are eligible to receive funding.

The timeline section of the RFP says that projects/programs need to commence within one year of application. Does this mean that applicants must have a letter stating that we will be prepared to commence, or would you prefer to see an actual timeline of when we plan to start the work?

Proposals could include a complete project timeline with all major milestones outlined along with expected completion dates. If the project is awarded funds the Grant Agreement and contract documents requiring signature will enforce the one-year commencement provision.

If a zoning variance is needed, do proposals need to obtain approval first or is intent to apply enough?

We would encourage projects to already have zoning approval or conformance prior to submission, or at least be working toward approval prior to submission. If a project is unable to have that occur they would still be eligible to apply. Priority will be given to projects that can move rapidly to implementation, and the zoning approval process could result in protracted project delays, therefore we would encourage projects that already have approval to apply for 2019.

If a project involves both new construction/property rehab and other housing/supportive services, what is the best way for an applicant to apply?

Proposals involving both the creation/rehab of housing units along with supportive services/case management etc. should select the option for Housing Construction/Rehab **AND** Housing Related Services within the [PHARE Submission Website](#). The application should address the entire project/program and it should be clear specifically where the PHARE funds will be allocated.

Should the population breakdown, specifically those making below 50% of AMI be based on the expected income levels of tenants for the overall project, regardless of how much the PHARE funds make up the total project sources?

Applicants should provide details about the various incomes/populations to be served with particular emphasis on units set aside for households below 50% of AMI. This should be done for the entire project and then we will need to know that the PHARE funds will benefit those households.

If the application is made up of Project Based Section 8 units should the applicant submit the rent they expect to collect based on the HAP contract, or the rent we expect the tenants to pay?

Yes, please use the expected rent levels that you anticipate under the HAP contract AND the expected rent that the tenant will have for the unit depending on # of bedrooms.

Are there any requirements around identifying and addressing Lead Based Paint?

PHARE does not impose any additional requirements on Lead Based Paint beyond what would be required under local building codes, Department of Health requirements or HUD stipulations.

What are the procurement/bidding requirements for professional services and construction?

PHARE requires that grantees adhere to bidding/procurement requirements that are imposed by the organization/local government. We would expect that existing procurement standards be met by the grantee that they use to secure other forms of professional services/construction – this may include, multiple bids, sealed bids, negotiated contracts for fair price services and procurement best practices.

Project/program documents should outline the process to be used to properly secure bids for services and construction.

Under what circumstances does an application need to include an appraisal? Would an “as-built” appraisal suffice?

Applicants are encouraged to provide an appraisal if a project/program is going to be purchasing a piece of property (vacant or occupied) or a structure (vacant or occupied) that is a major component of the proposed housing initiative. Specifically, an appraisal should be submitted if the applicant is going to use PHARE funds for the purchase, involves purchase from a private individual/firm, is being used as part of project/program match/leveraging and is the primary element of the project.

If you feel that as-built appraisal will help address the overall proposed project and provide added information for application review then please include.

Our interest in the appraisal is determining that a piece of property or structure is not being purchased above market cost, especially if PHARE funds are to be used for the purchase.

There is the Financial Plan portion of the grant and then in the Comprehensive Plan there is Program budget as approved by administering organization and allocation of program funding. What are you looking for in these two areas?

In the Financial Plan section we are looking for an outline and details of the financial component of your project/program – this may differ if you are doing a real estate development project versus operating a housing program, but would include the entire budget (not just the PHARE portion), if there are other funds needed to be successfully implement include commitment letters or other documentation of status.

In the Comprehensive Plan section we would be looking for different information depending on whether a development project or supportive service program. The development budget would include hard, soft cost or development and construction, site acquisition costs (if applicable), etc. For supportive

service program – the overall budget for the program including administration, overhead as well as direct service costs based on the most recently approved budget by the administrating organization.

Do we need a current appraisal for the application? We currently own the property and would like to apply for acquisition tax credits. Our most recent appraisal is from 2014.

We would not require an additional appraisal beyond what you are currently using for the project. As long as it is used as the backup for your application then we are fine with that document. If you do procure a more recent appraisal we would ask that you submit that document – even if it is after the application deadline.

Do we need to provide back-up for Development Budget line items? (i.e. quotes/proposals/contracts, etc.)

Yes, the more back-up detail you can provide for each budget line the better but only to the point that is helps clarify that specific line and the overall request.

Should an Operating Pro Forma be included in the submission?

A pro-forma is not required for the PHARE application, but if you have one completed you are welcome to provide as further documentation.

Proposal Submissions

Is there an application fee associated with the PHARE program?

No. There is no cost to apply for PHARE funds.

How many PHARE proposals are we allowed to submit?

Organizations applying exclusively for PHARE/Realty Transfer Tax and/or PHARE/Housing Trust Fund funds will be limited to submitting no more than three (3) funding requests.

Is there an online application process available?

Yes, all applications should be submitted electronically through the [PHARE Submission Website](#).

Is there a page limit to what an applicant can submit?

No, there is no page limit. We ask that projects/programs submit applications that are cohesive and strategic in terms of making the case for their request and not submit superfluous or unnecessary information/material.

What is the deadline for PHARE submissions?

All PHARE proposals must be submitted to PHFA through the [PHARE Submissions Website](#) **by 2pm on Friday, November 15.**

The 2019 PHARE Plan states one application due date but the RFP shows another? Which date is correct?

Since the plan was adopted, PHFA has revised the RFP deadline to line up with the application deadline for tax credits. Applicants should follow the instructions on the 2019 PHARE RFP. All PHARE proposals must be submitted to PHFA through the [PHARE Submissions Website](#) **by 2pm on Friday, November 15.**

If a project wants to apply for both Marcellus Shale and RTT funding, should they write one proposal and use the ‘Funding Information’ section of the PHARE Submission Website to show how much out of each funding stream you want? Or should they submit two applications?

Applicants should submit **one application** and then select the applicable funding sources in the ‘Funding Information’ section of the PHARE Website. The proposal’s budget, narrative and funding information should indicate the amount you are requesting from each of the funds.

We have submitted our PHARE application, but now I see a mistake and need to edit our proposal. Is that possible?

Possibly. Prior to the November 15th deadline we MAY be able to unlock previously submitted proposals to be edited and re-submitted for review.

Low Income Housing Tax Credits (LIHTC) Applicants

NOTICE: Guidance to Prospective National Housing Trust Fund Applicants (PHARE/HTF)

In an effort to provide additional guidance to prospective PHARE applicants seeking National Housing Trust Fund (HTF) dollars that are also submitting a LIHTC application the Agency recommends that on the PHARE RFP you specify check the HTF “box” and/or Marcellus Shale with the amount you’re requesting from each funding source. By checking HTF and other PHARE fund “boxes” you are willing to accept the Agency’s determination as to the most appropriate “pot” of funds for your project. (Please note that if you check the Marcellus Shale box then you must be in an eligible county and provide the needed county designation as an applicant.)

For PHARE applicants intending to use funds in an LIHTC project which has already received credits from PHFA, will the PHARE funds reduce the credit allocation, or the gap financing (as from City, County, other)?

PHARE funds should not be used to replace other committed funding sources, as those sources were used as leveraging points when LIHTC applications were being reviewed and awarded. PHARE funds should only be applied for if there is still an existing funding gap.

If there has been modification to the initially approved LIHTC development proposal, how should this be addressed in the application?

The latest Agency approved financial spreadsheet should be submitted along with a revised budget demonstrating the need for PHARE funds.

We are submitting an application for a project with an existing 9% LIHTC award. Should we include full copies of the market study and community plans if they are the same as our original submission?

If you have already submitted a full market study and community plans with the tax credit application there is no reason to re-submit for PHARE. The full set of plans is not needed, but submitted a site development map and schematic of the design as well as scope of work proposed would be terrific.

Tab 42 of the 2019 LIHTC application refers to the PHARE Application. Do applicants need to include the entire PHARE Application within Tab 42 of the LIHTC Application, or does PHFA just want something that indicates that we will be submitting a PHARE Application?

PHARE Applicants requesting PHARE funds must submit a complete electronic PHARE application to PHFA's Strategic Planning and Policy department. Tax Credit and/or Agency Loan applicants requesting PHARE funding must submit ONLY the Project Narrative and a copy of what was submitted within the 'Funding Information', 'Unit Information' and 'Property Addresses' sections of the PHARE Submissions Website.

In regards to the HUD Environmental Checklists, could the Agency simply request that the applicant indicate its belief, to the best of its knowledge, and only be required to engage these consultants if made a preliminary award of NHTF funds?

Yes. The applicant may indicate its belief, to the best of its knowledge for purposes of the application. If the project is selected for HTF funds then the necessary consultants would be needed to provide the certifications.

We understand that PHARE will be treating LIHTC deals similarly to PennHOMES. Do you know what, if any, interest rate would be attached to the PHARE loan?

The PHARE award/loan, like a PennHOMES loan, would be 0% interest, deferred based on net cash flow, and reviewed on an annual basis.

Will the environmental checklist prepared by the applicant be sufficient, or will PHFA expect to see an environmental consultant complete this as part of or a supplement to the Phase I ESA in the LIHTC application?

Developers may need to seek technical assistance from the architect, civil engineer, or environmental consultant to answer some of the questions on the checklist. However, developers are in no way required to contract services with any outside entity to fill out the HTF Environmental Checklist.

If we are applying for PHARE/National HTF in conjunction with 9% LIHTCs, does that trigger a SHPO submission because HTF are federal?

Requesting HTF does not trigger a SHPO review as a HOME request does. It does, however, require that no historic buildings or historic districts will be negatively affected and it does require that evaluation be made by a 'qualified professional'. Please refer to the appropriate respective checklist on the attached link. <https://www.hudexchange.info/programs/environmental-review/htf/>

General RFP Application Questions

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?

PHFA will be looking for projects that have specific sites identified (if applicable) and all other components in place. That said, if for some unforeseen reason, a project needs to substitute a particular site we would certainly be willing to accommodate that change. It would require a new review of the site and other relevant documents (grant agreement, etc.) but we do have some flexibility on how this is handled.

How should an organization demonstrate site control for renovations being made to an occupied residence?

An organization would not need to document site control of the property for renovations to an occupied residence. The applicant should fully explain how the program would operate and how the renovations would be completed to the structure.

Site control is only required in a project where the property is being acquired as part of an effort to renovate, demolish or build new.

How much PHARE funds will be allocated to each project/program?

Applications will be reviewed to determine appropriate funding based on the competitiveness of the proposals. The priority will be projects that can quickly move to implementation, have all the funding in place, leverage significant other resources and are part of an overall community plan for housing/community development.

What is the length of the contract period?

PHARE funds are a grant so the Agency expects projects/programs to be implemented within one year of award (if not sooner) and the funds can continue to be used until exhausted. There is a 10-year affordability requirement for units assisted for households below 50% of median area income.

If a project is participating in (and is already funded by) a PHFA multifamily housing program, must it still go through the PennHomes process to be considered for PHARE funding?

No, there is a separate application for PHARE funds. If awarded, the Agency will use similar submission requirements and loan documents as those that participate in the PennHOMES program.

If awarded funds, will there be a fixed date when costs can be incurred and the funds used for those costs?

There is no fixed date for when costs could be incurred in terms of the PHARE funds. Once awards are made and all contract/grant agreement documents executed, funds transferred, you may begin drawing down on those funds for eligible project costs, as outlined in the project/program budget. If the project/program has "other" funds" they may be used at any time and do not have to wait until the PHARE funds are awarded and/or received. The date of contract execution will serve as the starting point for the project/program.

Do PHARE funds carry either Federal or State prevailing wage requirement?

PHARE awards MAY trigger prevailing wage requirements depending on the type of project/program proposed. Projects/programs that are awarded funds will need to seek a determination from the Pa Dept. of Labor and Industry in terms of the specific requirements but PHARE will make each applicant aware that the awards are considered State grant funds.

Do occupied houses considered for renovation need to demonstrate clear title (no "tangled titles")? If not, can funds be allocated to support legal assistance to "untangle"?

Yes, we would prefer that homes proposed to be part of the project/program be under clear title and not need to incur the administrative cost and burden of untangling. If that is required, we would recommend that those costs come out of the 5% "administration" rather than the direct project/program operation costs. The goal of the program is that funds that funds, to the greatest extent possible, go to properties/renters/families etc. and not be used in proving legal work to untangle titles.

After completion of a project that only includes PHARE and outside funding sources, would it be necessary to complete and provide a cost certification to PHFA?

No, we will not require a cost certification but will need to have a project "close-out" report as required in the Grant Agreement and contact documents. We do want to make projects aware that the PHARE

funds may, at the determination of the Dept. of Labor and Industry, trigger State Prevailing Wage requirements.

Does PHFA consider a Developer Fee to be an “administration cost”?

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

Does PHFA cap the total amount of Developer Fee to 5% of PHARE, even if other funds would pay the different? Or does PHFA only cap the amount of PHARE that could go towards the Developer Fee at 5%?

While the 5% "administrative fee" limit applies only to the PHARE award, as part of the overall application review process that includes the entire project budget the Agency will be looking at how projects are allocating funds (PHARE and non-PHARE) across all areas. We would expect projects to be reasonable in their Developer Fee and those that can remain at/near 5% are likely to be more competitive.

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

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 outside of any PHARE funds but that is up to the applicant in terms of how they would prefer to have them covered.

For planning purposes, what is the fiscal year for PHARE funds?

There is no “fiscal year” for the PHARE funds to be used although we will require semi-annual project/program monitoring reports. You can use the funds based on your organization’s operating budget year (fiscal or calendar).

Will PHARE awards be sent all at once, or released through a monthly invoicing process?

The funds may be provided to grantees as either a lump-sum grant or they may be paid out in two (2) draws. This will be determined by PHFA staff as they process the applications. Once all grant agreement and contract documents are executed and we have ACH deposit information for an electronic transfer of funds.

PHFA PHARE Contacts

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This document will be updated based on questions submitted by potential applicants.
Please contact [Clay Lambert](#) or [Raymond Carey](#) if you have any questions or feedback.

