

Lancaster County, PA Rental Housing Program Request for Proposals

Proposals Due: December 2, 2024



INTRODUCTION

The preservation and creation of affordable rental housing opportunities for lower income households continues to be one of the top priorities of the Redevelopment Authority of the County of Lancaster, and the Department of Community Planning and Economic Development for the City of Lancaster (the City and County). Since 1984, the Authorities have assisted in the creation of affordable rental-housing units throughout the county. To support this effort, the City and the County will be accepting proposals from organizations requesting funding for the development of affordable rental housing in 2024-2025. Funding for this program is provided to the City and County of Lancaster by the U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant Program (CDBG) and the HOME Investment Partnerships Program (HOME), HOME Investment Partnership Program American Rescue Plan Act (HOME-ARP), and U.S. Department of the Treasury through the Emergency Rental Assistance program (ERAP2) established by section 3201 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021).

CDBG, HOME, HOME-ARP and ERAP2 programs are not intended to be the primary source of financing for a project. They are a secondary source of funds to be used in conjunction with any number of other sources, such as, **owner equity, Tax Exempt Multifamily Bonds, local lending institutions, the Pennsylvania Housing Finance Agency, the Pennsylvania Department of Community and Economic Development, the Federal Home Loan Bank Board, and the Federal Low Income Housing Tax Credit Program**. The combination of these sources will ensure that each project provides the greatest possible leverage of HUD funds.

The City and County will accept applications for projects that intend to have loan settlement in 2025. Proposals meeting the City and County standards and priorities for the development of affordable rental housing will be issued a Reservation of Funds no later than February 1, 2025, enabling them to use this reservation as leverage in obtaining funding from other sources. All projects must be in accordance with the Lancaster County Comprehensive Plan, ***places2040: Thinking Beyond Boundaries***, the Lancaster County Comprehensive Plan, 2018 including the **Big Ideas (goals), Policies, and Tools & Strategies; Future Land Use and Transportation Map; and Character Zones**. These documents are available online at www.co.lancaster.pa.us/planning.

LOCATION

Projects are encouraged to be located within Designated Growth Areas (places2040 Growth Areas - [Interactive Map](#)).

Urban Growth Areas are areas designated as appropriate for future development and include a borough at its center, developed portions of townships and enough development capacity to meet future land use needs over a 25-year period without constraining the developing market.

Designated Growth Areas are a region described in a municipal or multi-municipal plan that has the following characteristics:

- It is appropriate for future development and includes a borough or village as a core.
- Residential, mixed use, commercial, industrial, and institutional development is permitted or planned for.
- Public infrastructure services are provided or planned for with sufficient capacity to carry the intended density and intensity of development.

TYPES OF PROJECTS

Projects must be permanent housing available to the general public in accordance with all federal, state and local laws (i.e., fair housing and accessibility). Also, projects must substantially improve the quality of existing units to provide a permanent, decent, safe and sanitary structure for year-round residential use.

OCCUPANCY AND AFFORDABILITY

Projects are required to be affordable to and be occupied by lower income households. The period of affordability is subject to certain program regulations. The period of affordability may be less than the term of the loan.

- At least 60% of the units shall be affordable to and occupied by persons with incomes at or below 50% of the area median income, adjusted by family size (these are referred to as the Low HOME Rents); and
- No more than 40% of the units shall be affordable to and occupied by person with incomes at or below 60% of the area median income, adjusted by family size (these are referred to as the High HOME Rents).

MIXED INCOME PROJECTS

Mixed income projects are encouraged and only the Federally assisted affordable units (not the market rate units) are subject to the rent and income restrictions.

The affordability requirements shall be applied equally to each of the different types of units in a project. Developers shall use the HUD Utility Schedule Model (HUSM) to determine the allowance for tenant paid utilities. In no instance may any rent exceed the Fair Market Rent (FMR).

FINANCING

Rental Housing Program funds are limited and are not intended to be the primary funding source for a project. The purpose of the program is to provide a subsidy to the project so that the project rents will be affordable to lower income households.

The term of the loan shall not exceed the term of any priority loans. In no event shall the term of the loan exceed forty (40) years.

- The minimum interest rate is one percent (1%).
- The loan will mature not later than thirty (40) years from the date of construction completion (the Maturity Date) and will accrue interest annually in arrears, at a per annum interest rate equal to one percent (1%) beginning on the first day of the first year after construction completion. Interest shall be paid annually by December 31st of each year during the term of the Loan. On the Maturity Date, borrower shall pay in full any unpaid interest and the unpaid principal balance of the loan.
- The terms of all financing for all sources of funds are subject to review and approval of the administration of the City and County.

MBE/WBE PARTICIPATION

Developers are encouraged to utilize firms certified as a Minority Business Enterprise or Woman's Business Enterprise as part of the development team. The development team members include the developer, architect, attorney, general contractor and management agent. A copy of the MBE/WBE certification must be included with the application.

DESIGN STANDARDS

- Projects must comply with all applicable federal, state and local building and health codes.

- Projects must comply with Federal Government’s design standards and minimum room sizes, local code and accessibility standards, environmental due diligence, Rental Housing Program guidelines, regulations of the HOME Investment Partnerships Program underwriting, layering and marketing guidelines. Additionally, all projects must comply with the Fair Housing Amendments Act of 1988, Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as applicable.
- Projects must limit commercial space in the project to no more than 49% of the gross area of the project. The types of Commercial uses are subject to Redevelopment Authority approval and program funds cannot be used in the development of commercial space.

Exhibit D lists specific Design Standards applicable to projects being funded through the Lancaster County Multi-Family Rental Housing Program.

CONSTRUCTION COSTS

Construction costs will be reviewed for cost reasonableness on a per-unit as well as a per square foot basis for the type of housing being proposed. All other costs will be reviewed for cost reasonableness on a per-unit as well as a per square foot basis for the type of housing being proposed.

UNDERWRITING

The project will be subject to review under the normal underwriting criteria of the City and County and under their sole discretion, reserves the right to deny/decline any application for funding it feels is not feasible or does not meet the criteria of this Request for Proposals. Where the City and/or County feel that a project as proposed is not feasible or does not meet the funding criteria, the applicant will be so notified and requested to provide additional information/clarification as appropriate. If the applicant is unable to meet the objections of the Redevelopment Authority, the project will not participate in the Fiscal Year 2024-2025 funding round.

REVIEW PROCESS

All Applicants will be required to attend a Loan Committee Meeting during the review process. Applicants will participate in a brief 15-25-minute presentation with a question and answer session by the Loan Committee to discuss the proposed project.

SUBMISSION

All Submissions are due by Monday, December 2, 2024, at 5pm EST.

We use a software platform called Neighborly to handle the application process. To access the platform, go to https://portal.neighborlysoftware.com/lchra_pa/participant New users will need to register their account and should click on the Register tab. Once logged in select the Start Application button next to the Affordable Housing Application. (Note: you won't see this listed until the application period is active.) Follow the prompts to complete the application.

FEES

All Applicants:

- An application fee of \$1,500 is due with submission of the proposed project by December 2, 2024.

If the project is awarded a loan:

- If the project is awarded a loan, a monitoring fee of \$250 per assisted unit may be assessed every three (3) years during the period of affordability.

Contact

For more information and questions about the Request for Proposals please contact:

Marisol Maldonado
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717-394-0793 ext. 226

EXHIBIT A

2024 INCOME LIMITS

Median Income = \$106,700 (family size – 4)

Family Size	50% Median	60% Median
1	37,650	44,100
2	42,000	50,400
3	47,250	56,700
4	52,500	63,000
5	56,700	68,040
6	60,900	73,080
7	65,100	78,120
8	69,300	83,160

EXHIBIT B

MAXIMUM RENTS (including utilities)

# of Bedrooms	Low HOME Rents	High HOME Rents	2024 FMR
0	918	938	938
1	984	1061	1061
2	1181	1333	1333
3	1365	1725	1725
4	1522	1775	1775

EXHIBIT C

UTILITY ALLOWANCE SCHEDULES CAN BE FOUND HERE:

<https://tools.huduser.gov/husm/uam.html>

EXHIBIT D

DESIGN STANDARDS

UNIT AND ROOM SIZES

Space	Units	Least Dimension
Living Room	150 SF*	11' 0"
Bedroom 1	120 *	10' 0"
Bedroom 2 +	90 *	10' 0"

* NOTE: Only the usable area (furnish-able area) of a room will be included in calculating the square footage of a room or space – that is, areas of the room meeting the Least Dimension requirement.

LIGHT AND VENTILATION

Every habitable room shall be provided with natural light by means of a window or glazed facing directly to the outdoors. A glazed area of at least 8% of the floor area of the space shall be provided. Windows in habitable rooms below grade must be above the adjacent outside grade level and must comply with appropriate egress requirements.

Natural ventilation shall be provided to all habitable rooms by means of an operable window or facing directly to the outdoors. An operable area of at least 4% of the floor area being ventilated shall be provided.

Light and ventilation requirements will be calculated using the entire square footage of the room or space – for combination spaces such as living/dining areas, the light and ventilation requirement will be 8% and 4% (respectively) of the square footage of the living/dining area.

STORAGE

Projects shall provide for the storage needs of tenants as follows:

- a closet of at least ten (10) square feet in each bedroom;
- a closet of at least ten (10) square feet for general storage; and
- a linen closet of at least three (3) square feet located in close proximity to the bathroom.

RECREATION

Projects shall provide outdoor recreational and play space when public playgrounds or facilities are not close to the development.

FIRE, PANIC AND SAFETY

Projects shall comply with the regulations of the Pennsylvania Department of Labor and Industry.

OTHER BUILDING CODES

Projects shall comply with the State-mandated International Building Code (IBC).

SUSTAINABLE ENERGY REQUIREMENTS

11 Equipment - Residential

- All equipment and appliances shall be Energy Star rated.

15A Plumbing

- Bathroom Sink Faucets: 1.5 gpm or less.
- Shower Heads: 1.6 gpm or 2.0 gpm vs. standard 2.5 gpm.
- Toilets: 1.28 GPF or dual flush units.
- High efficiency hot water heaters.

15B Mechanical

- Ground Source Heat Pumps

16 Electrical

- All lighting fixtures shall be fluorescent type or provided with compact fluorescent lamps (CFL's).
- LED Lighting is encouraged.

OTHER REQUIREMENTS

All applicable federal, including but not limited to the Fair Housing Act Design and Construction Accessibility requirements and **Section 504 of the Rehabilitation Act of 1974**; state; and local codes or ordinances must be met.