Lancaster County, PA
Rental Housing Program
Joint Request for Proposals

Proposals Due: January 4, 2027





INTRODUCTION

Since 1984, the City and County have assisted in the creation of affordable housing units throughout the county. To support this effort, the City and County will be accepting proposals from organizations requesting funding for the development of affordable single-family housing projects. The maximum amount of funding is a total of $2,559,084.17 (City: $321,394.12 and County: $2,237,690.05). Funding for this program is provided to the City and County of Lancaster by the U.S. Department of Housing and Urban Development (HUD), the HOME Investment Partnerships Program (HOME).

TYPES OF PROJECTS

Applications will be accepted to assist in the funding of the following qualifying uses:

- New construction of housing units for homeownership for families at 80% AMI or below. Please see attached Income Limits see 2026 HOME Program Income Limits
- Affordable units within a mixed income residential development

The HOME program is designed to serve as gap financing, rather than the primary source of funding for a project. These funds are intended to complement other financing sources, such as owner equity, local financial institutions, the Pennsylvania Housing Finance Agency, the Pennsylvania Department of Community and Economic Development, the Federal Home Loan Bank Board, etc.

By leveraging a combination of financial resources, each project can maximize the impact of HUD funds and ensure a more robust and sustainable financing structure.

The City and County will accept applications for projects that intend to have loan settlement in 2027. Proposals meeting the City and County's standards and priorities for the development of affordable housing units will be issued a Reservation of Funds no later than January 30, 2027, 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; and Future Land Use and Transportation Maps; . These documents are available online at Lancaster County Planning. City projects must be in accordance with the Comprehensive Plan for the City of Lancaster, PA, Our Future Lancaster

In addition, Federal Funds are subject to the Anti-Displacement Policy attached as exhibit.

APPLICANT ELIGIBILITY

Applicants seeking HOME funds can be a for-profit developer or a public or private non-profit entity, incorporated by the State of Pennsylvania and have a tax ruling from the Internal Revenue Service under Section 501(c) of the Internal Revenue Code

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 the City and County design standards and minimum room sizes, local code and accessibility standards, environmental due diligence, regulations of the HOME Investment Partnerships Program underwriting, and 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 City and County of Lancaster approval and program funds cannot be used in the development of commercial space.

The Build America, Buy America Act (BABA) requires that all iron, steel, manufactured products, and construction materials used for federally funded projects are produced in the United States, unless otherwise exempt or subject to an approved waiver by the federal government. This requirement is known as the "Buy America Preference (BAP)" and the specific requirements are codified in 2 CFR § 184. You will be required to submit confirmation of where all materials where purchased before the end of the project.

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 properties must meet (at a minimum) the Uniform Physical Conditions Standards according to HOME Fund Regulations, and the current International Residential Code as adopted by the City and County. In cases where the developer is seeking funds to build 12 or more units using HOME funds, Davis Bacon Wages would be applicable for all hours worked, based on the worker's specific craft and classification.

UNDERWRITING

The project will be subject to review under the normal underwriting criteria of the City and County. Under their sole discretion, the City and County reserve the right to deny/decline any application for funding if it believes it 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 City and County, the project will not participate in the Fiscal Year 2026 funding round.

SELECTION PROCESS

City and County staff will evaluate proposals per the selection criteria contained in the enclosed HOME Program selection criteria and guidelines. The project will be subject to review under the normal underwriting criteria of the City and County and its 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 County of Lancaster feels that a project as proposed is not feasible or does not meet the funding criteria, the applicant will be so notified.

All Applicants will be required to attend a Loan Committee Meeting during the review process. Applicants will participate in a brief 20-minute presentation and question and answer session with the Loan Committee to discuss the proposed project.

Applicants are required to:

1. Determine the amount needed for gap assistance.
2. Determine if the project can support a permanent mortgage and, if it can, include an estimated amount, terms, and identity of possible lender. A letter of commitment or support from the lender is recommended.
3. Provide meeting minutes from neighborhood meetings where the proposed project is being discussed, and letters of support from neighborhood organizations evidencing their review and support of the project, if applicable.
4. Provide a formal appraisal establishing the estimated "as is" market value of the property. An appraiser's preliminary opinion of value may also be acceptable at this time; however, if the project is approved for funding, a complete appraisal will be required before closing. A licensed appraiser must perform the appraisal.
5. Demonstrate professional development experience, proven ability to undertake a development project of the type being proposed, and the ability to obtain sufficient financing (See Application, tab E. Source of Funds).
6. Describe how the proposed housing is consistent with the Municipality's Comprehensive Plan regarding land use, density, and urban form. Describe the amenities and quality of life features that will be provided by the project.

FEES

An application fee of $1,500 is due upon submission of the proposed project and will not be returned should the project not be funded.

SUBMISSION

All Submissions are due by January 4, 2027, 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.

CONTACT

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

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