# Community Revitalization Fund Program (CRFP)
# Overview and Request for Proposals
# August 25, 2025

The Pennsylvania Housing Finance Agency ("PHFA" or "Agency") announces a Request for Proposals ("RFP") to participate in the Community Revitalization Fund Program ("CRFP" or the "Program"), which provides financing for the construction and/or rehabilitation of critical development projects providing affordable housing in commercial corridors across the Commonwealth of Pennsylvania (the "Commonwealth").

Funding from this Program will be awarded to financially viable, mixed-use development projects that are consistent with a well-defined community development or revitalization plan (Main Street Corridor Plan, Downtown Development Strategy, etc.). Financing may be utilized for the entire project and is not limited to use for the housing or commercial development component.

## Program Goals

To administer this Program most effectively, PHFA has identified the Program goals below. These goals will be used as the framework and basis for review and selection of projects. Applications will be evaluated based on their ability to address each goal, as well as the financial capacity of the applicant to successfully implement and manage the project as a core component of a broader community revitalization strategy. Program goals include the following:

1. Increase funding for affordable housing and commercial corridor development in areas of the Commonwealth where significant need and impact can be identified and documented;

2. Maximize the leveraging of resources to the greatest extent possible;

3. Ensure that resources are used in an effective and efficient manner to meet the needs of the communities impacted;

4. Foster sustainable partnerships that will be committed to addressing needs over a significant period;

5. Provide strategic financing for "capstone" projects that will advance an overall strategy for revitalization of a community; and

6. The Agency will prioritize applications from smaller communities (3rd Class cities) across the Commonwealth.

PHFA reserves the right to modify or adjust the Program goals, as determined in its discretion.

## Eligible Applicants

Eligible applicants include Pennsylvania units of local government such as counties, cities, towns, boroughs, townships and municipalities, redevelopment authorities, for-profit entities, non-profit entities (with operational capacity), economic development organizations, and neighborhood/downtown/business improvement districts. **Partnerships between public and private entities are strongly encouraged**.

A Pennsylvania single purpose, legal entity must be created by the applicant(s) specifically for the project and will be the entity with fiscal and fiduciary responsibility for implementation, management, monitoring, and project reporting. All documents pertaining to Program requirements will be the responsibility of the entity.

## Eligible Uses

CRFP funds may be used to finance any component of an eligible mixed-use development project. The proposal should target those areas within municipalities, urban centers and commercial corridors of core communities which have experienced or are at imminent risk of significant depopulation, disinvestment, or distress. The proposed improvement(s) must have a documented beneficial impact on the community. The Agency will determine qualifications for funding based upon the overall strength of the enclosed market study, demographic data, strategic studies, and other empirical information provided by the applicant.

Eligible uses for Program funds include:

- Development, rehabilitation, and/or site improvements to existing or former mixed-use properties;
- Rehabilitation or restoration of older or underutilized buildings for immediate reuse;
- Acquisition, provided that documentation is included to support market values (such as an appraisal), as well as comprehensive funding to implement reuse and effective operation of the building after purchase;
- Commercial build-out and business lease space; and
- Design, structural and legal costs associated with converting existing building(s) into retail and affordable housing.

## Financial Assistance

1. **Grant Amount** - The minimum grant request must be no less than $500,000 and the maximum request may not exceed $1,000,000. The Agency will limit overall funding to $1,000,000 for any one (1) applicant each Program year.

2. **Additional Financial Assistance** – The Agency has additional funding available to support the development of mixed-use projects through the Revised Community Leveraging Assistance Initiative

Mortgage (ReCLAIM) program. ReCLAIM loan funds are available for smaller-scale, mixed-use development projects with a financing gap that can support additional debt.

Repayment of these loans will commence one year following construction completion. Payment of principal only shall be made from a surplus of revenues over expenses generated by the entire development (i.e., residential and commercial portions) during any calendar year. There will be no interest due and payable on the mortgage loan (except for default interest). The loan will be repaid over a period not to exceed 25 years.

CRFP projects are evaluated, in part, based upon their financial readiness and ability to leverage additional resources. Any applicant that has a project with a financing gap and believes this funding could increase the competitiveness of their application is encouraged to reach out to Agency staff to determine if their project qualifies.

## Project Requirements

This section outlines specific project requirements for proposals submitted under the Program.

1. The structure(s)/property must be located on a commercial corridor supported by a comprehensive neighborhood revitalization strategy. The neighborhood revitalization strategy or municipal strategic plan should specify plans for economic development and include other physical or public safety improvements, proposed or in place, such as sidewalks, streetlights, and the proximity to or availability of other community services and amenities such as transportation, schools, shopping areas, parks, etc.

2. All projects submitted for review must include a mix of uses in some combination of non-residential (retail/commercial/cultural/institutional/office/light industrial) space **and** residential units. The size of non-residential space allocated should be appropriate to the overall commercial corridor and similar in scope and scale to existing structures/businesses.

3. Evidence of the project's financial viability must be submitted, including supporting information for the residential portion, the commercial portion, and the entire mixed-use facility.

4. The end use for the commercial space, identifying proposed or existing tenants, as well as build-out requirements, existing rents, and lease agreements, should be provided if available.

5. The development must include residential units that are affordable to households at or below 80% Area Median Income (AMI), as determined by the U.S. Department of Housing and Urban Development (HUD), for a period of at least ten (10) years. The Agency may require that such affordability restriction be evidenced by a restrictive covenant agreement recorded against and running with the land on which the project will sit.

6. Projects must maintain a mixture of residential and non-residential uses for a period of at least ten (10) years. Preference may be given to projects committed to longer periods of mixed-use in scope and residential affordability.

7. PHFA may charge appropriate fees to cover administration, review, and monitoring.

8. PHFA expects that projects will be subject to all applicable Pennsylvania laws related to funding from public sources of funds (i.e., fair housing, accessibility, wage rates and labor standards).

## Selection Criteria

The following criteria has been established to guide the Agency in its review of projects and determination for distribution of the Program funds:

1. PHFA's goal is to fund projects across all geographic areas of the Commonwealth. This round, the Agency will prioritize applications from 3rd class cities and smaller communities.

2. The Agency reserves the right to determine the reasonableness of the overall cost per residential unit and cost per square foot of retail/commercial space, amongst other items, in determining the threshold appropriate for Program funding. Projects with costs deemed unreasonable may be rejected by the Agency.

3. An award of Program funding is, at all times, subject to the availability of funding and fulfillment of the criteria established herein.

## Required Proposal Details

All proposals seeking CRFP funding must be submitted electronically via the CRFP Proposal Submission website. PHFA may reject any incomplete application or any application that fails to provide all information as described in this RFP.

On the CRFP Proposal Submission website, applicants must select the option that best describes their proposal: new construction or rehabilitation. *New construction* should be selected if applicant is submitting a proposal that solely involves the new construction of a mixed-use development. The *Rehabilitation* option should be selected if applicant is submitting a proposal that involves the rehabilitation or restoration of existing or underutilized buildings for immediate reuse as a mixed-use development.

Applicants must complete all required fields under the '**Funding Information, Unit Information, Property Address(es), Contact Information, and Summary of Funds**' sections of the application.

Additionally, the items listed below must be uploaded and submitted within the **'Additional Documentation'** section of the CRFP Proposal Submission website. Applications missing these documents may not be considered for funding.

1. **Narrative**: A description of the proposal, project scope, and the need for and expected impact of the funding. All key features of the proposal, including targeting, impact, and how the funds will make quality housing affordable and commercial development more readily available should be addressed in this section.

   Include a description of the existing real estate market and detail how the proposed project will address present needs while also providing stability for residents into the future. **Applicants are strongly encouraged to provide sufficient market information (i.e., market study) regarding the need for the project.**

2. **Financing**: Projects will be evaluated based on their ability to leverage resources to the greatest extent possible and their demonstrable ability to secure other financing sources in a timely fashion.

   A detailed plan including all of the following should be included, if applicable:
   - A list of matching and/or leveraged funds; and
   - Status of funding for each source (i.e., committed or requested). For uncommitted sources, applicant should note the status and timeline for securing and accessing those funds. Commitment letters from all committed funding sources must be included.

3. **Ownership**: A single purpose, Pennsylvania–domiciled, legal entity must be created by the applicant(s) specifically for the project and this entity will have fiscal and fiduciary responsibility for implementation, management, monitoring, and project reporting. All Program requirements will be the responsibility of the ownership entity. Organizational documents should be provided for the single purpose entity.

4. **Comprehensive Plan**: Evidence that the site is part of an existing or proposed comprehensive neighborhood revitalization strategy (such as a Main Street Corridor Plan, Downtown Development Strategy, etc.) with a detailed description of the strategy. The articulated strategy must specify plans for economic development and include other physical or public safety improvements proposed or in place, such as sidewalks, streetlights, proximity to, or availability of, other community services/amenities such as transportation, schools, parks, grocery stores, employment, healthcare services, etc.

5. **Impact on Inequalities and Disparities**: Evidence that the proposed project will address persistent, historical, and significant disparities and inequities that exist by race, class, income, culture, or

education. This section should identify a persistent or historical housing disparity that exists within the community of the proposed project and how this development will address this area of inequality.

6. **Site Control**: Evidence of site control or, alternatively, evidence of the ability to acquire the proposed site in a timely manner.

7. **Zoning**: Evidence satisfactory to the Agency that the proposed development complies with zoning ordinances and local land development plans.

8. **Budget**: This section should include the following budgets:

   - **Development budget** (encompassing both residential and commercial). The development budget should include the total development cost for the entire project with a separate column identifying how the PHFA funding will be spent if awarded.
   - **10-year pro forma operating budget.**

9. **Location Map**: A map of the project site and neighborhood should be provided identifying any proposed municipal improvements or private development that is not part of the funding proposal.

   - The map in this section should identify all existing uses within a six-block radius of the project site. Additionally, it should identify any privately or publicly owned subsidized rental housing developments or developments that have been funded by PHFA or other state agencies (if known).

10. **Existing Condition Photos**: Photographs of the proposed site, contiguous sites, surrounding area and neighborhood, as well as photographs of the interior of the property.

11. **Architectural Drawings**: Schematic drawings and a 3D rendering (if available) of the proposed project.

    **NOTE***:* The Agency requires that the commercial space and housing units be accessible and constructed and operated in accordance with applicable fair housing and Americans with Disability Act requirements.

12. **Timeline**: Proposals must show an overall timeline, complete with monthly/quarterly milestones, for the utilization of funds. Projects should be prepared to complete construction within eighteen (18) months of the award of funds.

13. **Appraisal**: An appraisal of each property in the proposed development, if available. An appraisal is required if the applicant is requesting grant funds for the acquisition of the subject property.

14. **Previous Experience**: A description of previous development experience for all partners involved in the project, including specific details related to experience within the proposed community.

15. **Letters of Support:** Applicants are encouraged, but *not required*, to submit letters of support from elected officials, local organizations, and other community stakeholders.

## Proposal Submission Instructions

Grant proposals are connected to the account of the organization requesting funds in response to this RFP. Organizations may submit proposals for multiple projects but are discouraged from creating multiple accounts to do so. An open application may be accessed and modified as necessary through the proposal submission website until the proposal is submitted or the application window closes.

The CRFP submission website will open and begin accepting funding requests on Monday, August 25, 2025. All CRFP funding proposals and supporting documentation must be uploaded and submitted via the site **no later than 2:00 pm on Friday, October 31, 2025.**

Proposals will not be submitted unless you click "**Submit Application to PHFA**" at the bottom of the Review and Submit screen. A notification will be sent to verify that a proposal has been successfully submitted.

## Reporting Requirements

Successful applicants must immediately report, in writing to PHFA, any material changes in ownership, staffing, or financial condition of the developer or ownership entity. Any transfer of ownership of the subject property is subject to and must receive prior approval from PHFA in accordance with the requirements set forth in the funding agreement.

This grant program is funded by the proceeds generated through the Mixed-Use Development Tax Credit Program. Funding of the grant is, at all times, subject to the availability of funding. The Agency is required to provide an annual report to the Governor and Legislature with a listing of the taxpayers who applied for the tax credits, those awarded a tax credit certificate, and a list of projects funded through CRFP. PHFA partners with the Pennsylvania Department of Revenue to review interested taxpayers to ensure that they are fully compliant with all Program requirements. Successful project applicants will be required to submit ongoing documentation related to the operation of their project.

**Affordability Period** – Housing units impacted by CRFP funds and made available to residents must remain affordable at or below 80% Area Median Income (AMI) and must be reserved for occupancy by qualified households for a minimum of ten (10) years.

**CRFP Questions**- All questions must be submitted via email to Shelby Rexrode at srexrode@phfa.org. Phone calls will not be accepted.