2025 RFP FAQs

Non-LIHTC Affordable Rental and Preservation Housing Projects

Funding & Eligibility

Q: Can projects under this RFP be paired with 4% or 9% LIHTCs?
A: No. This RFP is for projects that do not already have and will not seek 4% or 9% LIHTCs from PHFA.

Q: Are both new construction and preservation projects eligible?
A: Yes. Both new construction and preservation projects are eligible to respond to this RFP. However, preservation projects will only be eligible for HOME-ARP if the end use provides rental units for Qualifying Populations under HOME-ARP.

Q: Is there a minimum/maximum number of units?
A: No. There is no minimum or maximum number of units for this RFP.

Q: Do developers need to be a 501(c)(3)?
A: No. Developers are not required to have 501(c)(3) nonprofit status for this RFP.

Q: Can projects be located outside Philadelphia (e.g., Delaware County)?
A: No. Only projects located within the City of Philadelphia are eligible for this RFP.

Q: Can a project start construction before award or closing?
A: No. Projects must not begin construction prior to the award announcement or loan closing. Projects cannot begin construction until PHDC issues a Notice to Proceed which will not occur until after the PHDC loan settlement date.

Q: Are market studies required for projects submitted under this RFP?

A: No. Market studies are not required. However, respondents are welcome to conduct market studies and submit them as one of the supporting documents.

Affordability & Loan Terms

Q: What are the loan terms?
A: A standard PHDC loan has 0% interest and a 42-year term along with a 42-year affordability period, with all principal due at the end of year 42. However, funding sources may dictate different loan terms. The loan will be secured by a mortgage and a declaration of restrictive covenants.

Q: When does the 42-year affordability period start?
A: At financial closing. The 42-year affordability period begins at financial closing.

Q: What can loan proceeds be used for?
A: Loan proceeds can only be used for hard costs for work completed as evidenced by signed AIA Application and Certificate for Payment documents.

Q: Does PHDC withhold any retainage from loan disbursements?
A: Yes. PHDC withholds a 10% retainage based on work completed (hard costs only) from loan disbursements. The retainage is released only when the project is completed to PHDC's satisfaction, and all required compliance documentation has been received.

Unit Set-Aside Waivers

Q: Can the accessible unit requirements be reduced below 10% for physical disability and 4% for hearing and vision disability?
A: Except in rare cases, the accessibility requirements for new construction projects will NOT be waived. PHDC and DHDC will consider requests to reduce the accessibility requirements for preservation projects and for projects involving the rehabilitation of an

existing building, on a case-by-case basis. Approval will only be granted if it can be demonstrated that adding the accessible units is not feasible.

Q: Can the homeless and special needs set-aside requirement be reduced below 10%?
A: No. Requests to reduce the homeless and special needs set-aside requirement to below 10% will not be considered. All referrals for homeless and special needs units must be made through the Office of Homeless Services Supportive Housing Clearinghouse.

Q: Can the visitability requirement be waived for new construction projects?
A: Except in rare cases, the visitability requirement for new construction will NOT be waived.

Preservation Projects

Q: Are capital needs assessments required for projects submitted under this RFP?
A: No. Capital Needs assessments are not required. However, respondents are welcome to conduct capital needs assessments and submit them as one of the supporting documents.

Community Engagement

Q: Are community meetings required for preservation projects?
A: No. Community meetings are encouraged, but not required, for preservation projects. For preservation projects (rehabilitation of existing affordable units), applicants should describe any resident engagement around the rehabilitation project. Applicants should also provide a detailed relocation plan, including how relocation expenses will be funded (DHCD/PHDC funds cannot be used for relocation expenses).

Q: Are community meetings required for production projects (new construction and rehabilitation of vacant property)?
A: Yes. Community meetings are a threshold requirement for all production projects, both new construction and rehabilitation of vacant property.

Q: What if engagement happened long ago without documentation?
A: Community engagement must be documented through a meeting held within the past year. Developers must provide documentation of a meeting held within the past year to receive credit for the community meeting requirement.

Construction & Compliance

Q: What is the expected completion timeframe?
A: Projects are expected to reach completion within twelve months of closing, subject to project-specific review and approval.

Q: Is competitive bidding required?

A: It depends. Under PHDC's Cost Containment Policy, competitive bidding is required for general contractor selection if the project's replacement cost estimate exceeds 120% of the HUD 234-Condominium Housing basic mortgage limit for elevator-type projects (the "threshold"). Unless otherwise approved by PHDC, the lowest responsible bidder must be selected.

If the project's replacement cost estimate is below the threshold, the developer may utilize any general contractor of its choice who is willing to meet the architect's cost estimate.

Q: Is prevailing wage required?
A: Yes. All projects funded under this RFP must comply with prevailing wage requirements.

Q: Is a contractor bond required?
A: Yes. A contractor bond is required for all projects.

Q: Is insurance required for all projects?

A: Yes. See Exhibit B for additional information on PHDC's insurance requirements.

Q: Is union labor required?

A: No. Union labor is not required; however, prevailing wage rates must be paid.

Developer Experience

Q: What if I have no prior affordable housing development experience?

A: First-time developers are encouraged to partner with experienced affordable housing teams.

Process & Timeline

Q: When will awardees be notified?

A: Awardees can expect to be notified during winter 2025-2026.