



**pennsylvania**

DEPARTMENT OF COMMUNITY  
& ECONOMIC DEVELOPMENT

## Keystone Communities Program

February 2, 2012

## General Overview

- Discuss the funding changes concerning state programs administered through the Center for Community Financing
  - PA Accessible Housing Program
  - Housing and Redevelopment Assistance
  - Elm Street Program
  - Enterprise Zone Program
  - Main Street Program
- Funding Levels
- Application Instructions
- Program Requirements and Critical Elements
- Questions and Answers

## Keystone Communities Appropriation

- \$12,000,000 Appropriated (Budget Office reduced it to \$10,766,000)
- Replaces the following Appropriations
  - Housing and Redevelopment Assistance (HRA)
  - New Communities (Main Street, Elm Street, and Enterprise Zone)
  - Pennsylvania Accessible Housing Program (PAHP)

## Keystone Communities Program

- Eligible Activities

All activities eligible under HRA, New Communities and PAHP are eligible under the Keystone Communities Program (Main Street, Elm Street and Enterprise Zone operational grants only for previously designated programs – Not new designations)

- Eligible Applicants

All applicants eligible under HRA, New Communities and PAHP are eligible under the Keystone Communities Program

- Designation not required to receive funding

## Keystone Communities Program

- Program Changes
  - 4 Designation Types - Newest is Keystone Communities - Keeps Main Street, Elm Street and Enterprise Zone
  - Eliminates Main Street Achiever and Enterprise Zone Impact Project Designation – replaces them with Keystone Communities Designation
  - Requires full time employment and permanent funding stream for the employment of a Manager/Coordinator
  - All designations are 5 consecutive years in duration

## Keystone Communities Program

- Program Changes Continued
  - Eliminates Blight Declaration
  - Match Requirements are slightly changed – mostly 50/50, some 30/70. Elm Street remains at 10% with exceptions
  - Businesses located in designated Main Streets, Enterprise Zones and Keystone Communities are eligible to apply for 25% Enterprise Zone Tax Credits under the Neighborhood Assistance Program

## Keystone Communities Program

- Program Changes Continued
  - Eliminates Operational Grants, except for prior designations
  - Introduces Implementation Grant
  - Façade Grant increased to \$50,000
  - Designation is not required to apply for funding
  - Grant activities must demonstrate public purpose – otherwise consider loan or grant-to-loan options
  - Housing assistance is only available to residents whose income does not exceed 120% (Was 115%) of the area median income

## Priorities

- Existing Main Streets, Elm Streets and Enterprise Zones
- Act 47 Communities
- Early Intervention Program Participants
- Flood Recovery
  
- Targeting, Leverage, Impact
- Asset-Based Approaches

## Application Instructions

- All requests for funding must be submitted electronically to DCED via the electronic Single Application.
- The Single Application must be completed online by accessing [www.newPA.com](http://www.newPA.com). Type Single Application into the search mechanism and follow instructions.
- Assistance in completing a Single Application may be obtained by contacting DCED's Customer Service Center at 1-800-379-7448 or 717-787-3405 or e-mailing: [ra-dcedcs@pa.gov](mailto:ra-dcedcs@pa.gov).

## Application Instructions

Supplemental information should be submitted to:

DCED Customer Service Center

400 North Street, 4<sup>th</sup> Floor

Harrisburg, PA 17120

(Identify the application by web number or SA #)

- A copy of the application and all additional information must be submitted to the Regional Office when the application is submitted to the Customer Service Center.

## Application Review Process State Programs

- The Region and Center work together to review the application in terms of the impact on the community and the capacity of the applicant to undertake and complete the project.
- Applications are batched and reviewed in conjunction with the appropriate Departmental Centers to determine if they should be funded.
- At the end of the process the applicant will receive an award letter and contract offer or a rejection letter.

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## Keystone Communities Program

### Grant Types

- Planning
- Implementation
- Keystone Communities Development
  - Façade Grant
  - Anchor Building Grant
  - Public Improvement Grant
  - Redevelopment Grant-to-Loan
  - Enterprise Zone Revolving Loan Fund Grant
- Accessible Housing

## Designation Application Requirements

- Do not submit a Single Application unless requesting funding with the designation.
- Refer to the Guidelines for designation requirements
  - Main Street Designation page 3
  - Elm Street Designation page 7
  - Keystone Communities Enterprise Zone Designation page 10
  - Keystone Community Designation page 13

## Main Street Designation Requirements

- Identify the community – note assets
- Provide 5 Year Strategy
- Document financial sustainability – identify funding source to maintain a manager for 5 years or longer
- Map
- Resolution
- Identify the Organization that will manage the program
- Vision/Mission statement
- Document local interest
- Market assessment and image development report

## Main Street Designation Requirements 2 or More Municipalities

- Identify participating communities – note assets
- Identify and describe the common theme
- Describe geographic connection
- Document there is a viable downtown in each participating municipality
- Identify the lead municipality
- All other documentation outlined on the previous slide for Main Street Designation

## Elm Street Designation Requirements

- Identify the community – note assets
- Provide 5 Year Strategy
- Document financial sustainability – identify funding source to maintain a manager for 5 years or longer
- Map
- Demonstrate compliance with the law: traditional neighborhood, geographic location, and need
- Resolution
- Identify the Organization that will manage the program
- Vision/Mission statement
- Document local interest

## Keystone Communities Enterprise Zone Designation Requirements

- Identify communities – note assets
- Provide an Enterprise Zone 5 Year Strategy
- Document financial sustainability – identify funding source to maintain a coordinator for 5 years or longer
- Describe how the communities are distressed
  - Narrative describing distressed nature of the communities
  - Provide evidence supporting that the area is distressed
- Describe how the communities are geographically and programmatically connected/related
- Zoning
- Number of acres making up the zone
- Resolutions
- Map
- Identify the organization that will manage the zone
- Document local interest

## Keystone Community Designation Requirements

- Identify the community or communities – note assets
- Provide a 5 Year Strategy
- Identify the revitalization effort
- Document financial sustainability – identify funding source to maintain a manager for 5 years or longer
- Map
- Identify the organization that will manage the program
- Resolutions
- Document local interest

## Funding Opportunities

- A Single Application must be submitted to the Department to be considered for funding
- Planning Grants - Page 15 of the Guidelines
- Implementation Grants – Page 18
- Keystone Communities Development Grants – Page 20
  - Keystone Façade Grant Funding – Page 21
  - Anchor Building Grants – Page 23
  - Enterprise Zone Revolving Loan Fund Grants – Page 26
  - Redevelopment Grant – to – Loan – Page 28
  - Public Improvement Grant – Page 30
- Accessible Housing Grants – Page 32

## General Requirements for all Applications

- Project Narrative
- Public Purpose
- Statement of Community Support
- Project Budget Narrative
- Resolution
- Cooperation Agreement (applicant is not a unit of government)
- Evidence of Matching Funds
- Project Map
- Project Timeline
- Cost Estimates
- Sub-contracts – outline of services and estimate of cost
- Loan documents

## Specific Application Requirements for Planning Grants

- Review examples of planning activities on page 15
- Intended to help a community address a particular need such as an Elm Street Plan, Main Street Plan, EZ Plan, etc.
- Grants are generally limited to \$25,000
- Dollar for dollar match – Elm Street – 10% match

## Specific Application Requirements for Implementation Grants

- One time grant for a newly designated program.
- Current designations transitioning into a Keystone designation are not eligible
- Eligible uses - Page 18 of the guidelines.
- Up to \$50,000
- No match except for Elm Street – 10%

## Specific Application Requirements for Keystone Façade Grants

- Undertake exterior building improvements in specific, targeted downtowns or neighborhoods
- Priority to designated communities
- Dollar for dollar match by the property owner/renter – Elm Street match requirements are outlined on page 23
- Application must document demand
- Façade guidelines must be approved by the Department or submitted with the application for funding
- \$50,000 application limit; \$5,000 limit per facade

## Specific Application Requirements for Anchor Building Grants

- Provided as a grant to the applicant, a loan to the developer
- \$500,000 limit or 30% of total project cost, whichever is less
- No administration funds available
- Audit fee is permissible
- Loans are repaid to an established Revolving Loan Fund (RLF)
- Building must be historic, vacant or under utilized, minimum 10,000 sq. ft., structurally sound, integral to the downtown. (other requirements page 24 of guidelines)
- Loan terms and conditions and loan documents required

## Specific Application Requirements for Enterprise Zone Revolving Loan Fund Grants

- Available only to Keystone Communities Enterprise Zone Designations and current Enterprise Zone Designations
- Funds are granted to the applicant, but loaned to the business
- Must establish a Revolving Loan Fund to receive loan payments
- Grants are limited to \$350,000 or 30% of project cost, whichever is less
- Administration fees are not eligible, audit cost is eligible
- Application must be underwritten by DCED
- One job created for every \$35,000 of grant funds
- Loan terms and conditions and loan documents required
- Refer to pages 26-27 of guidelines

## Specific Application Requirements for a Redevelopment Grant-to-Loan

- Funds are granted to applicant, but loaned to developer
- \$500,000 limit or 30% of total project cost, whichever is less
- Loans are repaid to an established Revolving Loan Fund (RLF)
- Administration fees are not eligible, audit cost is eligible
- Application may require underwriting by DCED
- Loan terms and conditions and loan documents required
- Refer to pages 28 and 29 of the guidelines for other requirements

## Specific Application Requirements for a Public Improvement Grant

- Assistance is available to a variety of development projects, housing, public improvements, disaster assistance, etc.
- Assistance available to homeowners whose income is 120% or less of area median income
- 10% administration allowed to administer project, includes audit cost
- Grants are generally up to \$500,000 with a dollar for dollar match required

## Specific Application Requirements for an Accessible Housing Grant

- Provides funding for accessibility improvements to housing units for people with permanent physical disabilities
- Grants are generally limited to \$300,000 with a dollar for dollar match
- 10% of the grant can be used to administer the program, includes audit cost
- Homeowners/renters whose income is 120% of the area median income or less are eligible to receive assistance
- Refer to pages 32 and 33 for other requirements