

BLIGHT REMEDIATION

Program Guidelines | May 2020



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Section I – Statement of Purpose

Section 1726-K (E) of the act of June 28, 2019 (P.L. ___, No. 20), under the Fiscal Code creates within the Commonwealth Financing Authority (the “Authority”) the Blight Remediation Program for blight remediation, including hazard mitigation, within the commonwealth, and authorizes the Authority to adopt guidelines to ensure that grants are made available to all geographic areas of the commonwealth.

Section II – Eligibility

A. Eligible Applicants

Any of the following entities may apply for a grant under the Blight Remediation Program:

1. **Municipality** – Any county, city, borough, incorporated town, township or home rule municipality.
2. **Councils of Governments** – An entity organized by units of local government under an intergovernmental agreement, which provides cooperative planning, coordination and technical assistance to its member governments on issues of mutual concern that cross jurisdictional lines, and which does not act under the direction and control of any single member government.
3. **Land Bank** – Organized under Act of Oct. 24, 2012, P.L. 1239, No. 153.
4. **Redevelopment Authority** – Organized under Act of May 24, 1945, P.L. 991, No. 385.
5. **Housing Authority** – Organized under Act of May 28, 1937, P.L. 955, No. 265.
6. **Community Development Corporations**
7. **Economic Development Organizations**
8. **Housing Corporations**

B. Eligible Projects

Eligible Blight Remediation Program projects must be undertaken by an eligible applicant and include:

1. **Planning Projects** – These projects involve the development of a comprehensive blight plan. Eligible projects also include code enforcement technical assistance and the completion of reuse feasibility studies on blighted properties.
2. **Remediation Projects** – These projects involve the acquisition, demolition, and/or rehabilitation of blighted properties or properties affected by natural disasters to also include the clearing and preparing of land for future use and projects resulting in visible improvements.

*NOTE: Planning and Remediation projects may not be intermingled. Applications may be submitted for a Planning Project **OR** a Remediation Project.

C. Eligible Use of Funds

Funds may be used by the applicant to pay for any of the following project costs:

1. **Demolition and Clearing** of blighted property and property impacted by natural disaster to include:
 - a. Demolition and resulting costs, including environmental remediation, related to the clearing and preparation of land for future use. Construction contingencies are limited to 5% of actual construction costs.
 - b. Related engineering, design, and inspection costs specific to demolition not to exceed 10% of grant award.
2. **Planning Projects** that “lay the groundwork” for future land acquisition, redevelopment and/or management of blighted properties. This includes the development of an official blight plan, technical assistance related to code enforcement improvement, and reuse feasibility studies.
 - a. Blight plans must identify, at a minimum, address and ownership status of each problem property, relevant locational information (e.g. is it located on a gateway street, in the central business district, in a floodplain, etc.), and existing tools to address blight.
3. **Acquisition** of blighted, abandoned, and tax-delinquent properties, and properties impacted by natural disaster, to include related closing and settlement costs.
 - a. Acquisition projects must be part of a project to mitigate the blight on the acquired property and may not be purchased solely for the purpose of site control and inventory.
4. **Rehabilitation or Reconstruction** of blighted properties and/or properties impacted by natural disaster to include activity necessary to remediate safety hazards or improve the appearance of the property.
5. **Administrative costs** of the applicant necessary to administer the grant. Administrative costs may include advertising and legal costs as well as documented staff expenses. Administrative costs shall not exceed 2% of the grant award with the exception of Land Banks whose administrative costs shall not exceed 4% of the grant award. Administrative costs may not be included as match for this program.

Ineligible costs include but are not limited to public relations, outreach, communications, lobbying, litigation, fees for securing other financing, interest on borrowed funds, application preparation fees and other costs incurred prior to the approval of grant funds.

Section III – Program Requirements

A. Applicant Cost Share Requirements

Projects require a 10% cash match of the total eligible project cost that may come from any other source. Match commitment documentation is required to be provided along with the application (see Appendix 1, Exhibit 3). The match requirement may be waived for municipalities with a median household income below 80% of the state median household income.

B. Planning and Permit Requirements

All recipients of funding under the Blight Remediation Program will be required to secure all necessary planning and permit approvals for the project from the federal, state, and local governments prior to disbursement of funds.

C. Other Requirements

1. Conflicts of Interest

An officer, director, or employee of an applicant who is a party to or who has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant and may not vote on any action of the applicant concerning the project, nor participate in the deliberations of the applicant concerning the project.

2. Nondiscrimination

No assistance shall be awarded to an applicant under this program unless the applicant certifies that the applicant shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds must contain the commonwealth's official nondiscrimination clause.

3. Project Records

The applicant must maintain full and accurate records, retained as Daily Activity Logs, with respect to the project and must ensure adequate control over related parties in the project. The Authority requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places in order to authorize daily activities and expenditures. Upon request of the Authority, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

4. Pennsylvania Prevailing Wage Act

All of the construction work associated with the project may be subject to the Pennsylvania Prevailing Wage Act, as determined by the Pennsylvania Department of Labor and Industry.

5. Certification of Expenses

The applicant shall sign a payment request form certifying that the expenses were incurred and were in accordance with the scope of work approved by the CFA. In lieu of a formal project audit and prior to final closeout of the grant agreement, the applicant shall be required to submit copies of all canceled checks verifying the expenditure of the Blight Remediation Program proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

6. **Bidding Requirements**

Applicants must comply with all applicable federal, state, and local laws and regulations dealing with bidding and procurement.

7. **Guideline Provisions**

The Blight Remediation Program guideline provisions may be modified or waived by the Authority unless otherwise required by law.

D. Fees

The Commonwealth Financing Authority charges a \$100 non-refundable application fee for Blight Remediation Program applications. The application fee must be paid electronically by credit or debit card or electronic check through our secure, third-party vendor. Payment of the application fee must be completed prior to the certification and submission of the Electronic Single Application. Detailed payment instructions will be provided on the Certification Tab of the Electronic Single Application once all required fields have been completed.

- NOTE: Upon completion of the payment transaction, you will be redirected to the Electronic Single Application to complete the submission process resulting in confirmation of submission and generation for **12-digit Application ID number**. Failure to complete this process will make your application ineligible for consideration.

Section IV – Grants

1. Planning grant requests/awards may not exceed \$25,000.
2. Remediation grant requests/awards may not exceed \$300,000.
3. “Blighted properties” are determined by the definition outlined in Act 79 of 2019.
4. “Natural disaster” is defined as any hurricane, tornado, storm, flood, high-water, wind driven water, tidal wave, earthquake, landslide, mudslide, snowstorm, drought, fire, explosion or other catastrophe which results in damage to property, hardship, suffering or possible loss of life.
5. The project may not commence prior to the approval of Blight Remediation Program assistance. Project costs incurred prior to approval are ineligible for reimbursement or consideration as match.
6. To be eligible for reimbursement, project costs must be incurred within the time frame established by the grant agreement.

Section V – Application Procedures

To apply for funding, the applicant must submit the electronic on-line Department of Community and Economic Development Single Application for Assistance located at www.esa.dced.state.pa.us. Required supplemental information outlined in Appendix I of these guidelines must be attached electronically to the application as directed on the Addenda tab.

Applications will be accepted between 06/01/2020 and 07/31/2020. All applications and required supplemental information must be received by 5 pm on 07/31/2020.

Section VI – Application Evaluation

All applications for Blight Planning financial assistance will be reviewed by the Authority in conjunction with the Department of Community and Economic Development to determine eligibility of the proposed project as well as the competitiveness of the proposal. Applications are evaluated on a competitive basis using the following criteria:

1. The economic conditions of the region where the project is located.
2. The level of matching investment.
3. Local financial support.
4. Project readiness.
5. Financial need.

All applications for Blight Remediation financial assistance will be reviewed by the Authority in conjunction with the PA Department of Community and Economic Development to determine eligibility of the proposed project as well as the competitiveness of the proposal. Applications are evaluated on a competitive basis using the following criteria:

1. The economic conditions of the region where the project is located.
2. The existence of a current blight plan.
3. The level of matching investment.
4. Local financial support.
5. Project readiness.
6. Financial need.

Section VII – Procedure for Accessing Funds

Upon approval of an application by the CFA, a grant agreement (contract) will be issued electronically to the applicant explaining the terms and conditions of the grant to include the approved scope of work. The contract must be electronically signed and returned timely or the offer may be withdrawn.

- At the time of application, the applicant will be requested to provide the name, title, and email address of two individuals authorized to execute a contract, if awarded. Program staff will verify the accuracy of information prior to contracting, as necessary.

Upon *full execution* of the grant agreement, the applicant will receive a payment request form and instructions for requesting reimbursement as costs are incurred. The CFA will release funds to the applicant at not less than 30-day intervals.

Section VIII – Program Inquiries

Program inquiries should be directed to:

PA Department of Community and Economic Development
Center for Community Enhancement
Blight Remediation Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone: (717) 787-6245
E-mail: ra-dcedcbf@pa.gov

Appendix I – Supplemental Information

In addition to completing the PA Department of Community and Economic Development Single Application for Assistance, please include the following items:

Exhibit 1: Project Description

Provide a description of the project which discusses all of the following:

- a) a clear, concise and focused description of the proposed project to include specific project activities and expected results;
- b) the specific location of the project site/area;
- c) current owner of the project site;
- d) the estimated start and end dates for project costs which, for acquisition only projects, should include the timeframe for demolition and source of funds;
- e) the names of the municipalities that will participate in and benefit from the project; and
- f) if applicable, economic development impacts of the proposed project.

Exhibit 2: Cost Estimate

A thorough and detailed estimate for the total project cost. The estimate must be prepared by a qualified professional and should be accompanied where appropriate by copies of the signed bid/quotations, contractor estimates, sales agreements or other documentation that verify project cost estimates.

Exhibit 3: Matching Funds Commitment

Provide funding commitment letters from all other project funding sources (including equity commitments).

- Funding commitments or term sheets provided by lending institutions must include the term, rate, and collateral conditions, and must be signed and dated.
- Funding commitments of equity from the applicant or private third party must be signed and dated (indicating the amount of funds being committed) and be accompanied by documentation (such as audited financial statements) showing the ability to commit such funds.

Exhibit 4: Color-Coded Map

For Blight Remediation Projects, provide a color-coded map or plot plan to include street names and project boundaries detailing the location of the proposed project.

Exhibit 5: Permits

A list of all state, federal, and local planning and permit approvals required for the project.

Exhibit 6: Resolution

Provide a resolution duly adopted by the applicant's governing board formally requesting the grant, designating two officials by title to execute all documents, describing briefly the project scope, and identifying the requested grant amount (see Appendix II for a Sample Resolution).

Exhibit 7: Land Acquisition Documents

For acquisition projects, please provide the following:

- copy of the sales agreement or easement
- an appraisal prepared by either a Member, Appraisers Institute (MAI) formerly Institute of Real Estate Appraisers or a PA State Certified Appraiser.

Exhibit 8: Blight Plan

As applicable, provide a copy of the current local Blight Plan which must identify, at a minimum, address and ownership status of each problem property, relevant locational information (e.g. is it located on a gateway street, in the central business district, in a floodplain, etc.), and existing tools to address blight.

**Note: Upon receipt and review of the application, DCED may identify additional information necessary to complete the review of the funding request.*

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Appendix II – Authorized Official Resolution

Be it RESOLVED, that _____ (Name of Applicant) of _____ (Name of County) hereby requests a Blight Remediation Program grant of \$ _____ from the Commonwealth Financing Authority to be used for _____.

Be it FURTHER RESOLVED, that the Applicant does hereby designate _____ (Name and Title) and _____ (Name and Title) as the official(s) to execute all documents and agreements between the _____ (Name of Applicant) and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, _____, duly qualified Secretary of the _____ (Name of Applicant), _____ (Name of County) _____, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the _____ (Governing Body) at a regular meeting held _____ (Date) and said Resolution has been recorded in the Minutes of the _____ (Applicant) and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the _____ (Applicant), this ____ day of _____, 20__.

Name of Applicant

County

Secretary