

Housing and Redevelopment Assistance Program

Program Guidelines | August 2008

> ready > set > succeed



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Section I – General

A. Introduction

In accordance with the requirements of the Pennsylvania Housing and Redevelopment Assistance Law (Act 477 of 1955), the Department of Community and Economic Development (DCED) is responsible for administering the Housing and Redevelopment Assistance Program.

The Housing and Redevelopment Assistance (HRA) Program is designed to help communities succeed in making their vision a reality. It encourages the creation of local community partnerships between the public and private sectors in the communities. The HRA Program should be utilized as one of several sources needed to maintain and rebuild a community.

The Housing and Redevelopment Assistance Program:

- supports local initiatives that promote the growth and stability of neighborhoods and communities;
- assists communities in achieving and maintaining social and economic diversity;
- ensures a productive tax base, and
- assists to improve the quality of life in a community.

The program is based on the following principles:

1. Economic opportunity empowers people to gain greater wealth and independence. Community-based initiatives with a broad base of local participation are generally the most successful in the long term. They promote economic and social empowerment and create a sense of local ownership.
2. Community development cannot rely on ever-expanding public funding. Public and private dollars need to be leveraged and stretched to their maximum usage.
3. Strategic planning is vital to community development. Local governments, residents of communities, community-based organizations and local businesses must be full partners in the planning process.
4. In order to share common strengths, weaknesses, opportunities and threats, local governments must be encouraged to undertake regional approaches and to think beyond their traditional geographic approaches as well as boundaries.
5. The Commonwealth encourages additional private sector investment, from both inside and outside the community, to stimulate community renewal and to restore healthy community dynamics.
6. Communities must reduce the fragmentation of their development programs by streamlining the decision-making process.

DCED strongly encourages community-based organizations, public agencies, business leaders, private developers, financial institutions, and private citizens to work in partnership with local government to develop a comprehensive approach to address community development and housing needs. The United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Entitlement Program, and the HOME Investment Partnerships (HOME) Program are excellent sources of flexible dollars that address locally identified needs. Applicants are encouraged to use CDBG, HOME and other public and private programs to complement the HRA Program. The two major categories of funding assistance under the HRA Program are Community Development and Housing Assistance (see Section F).

B. Program Objectives

1. DCED considers all of the following objectives when evaluating an HRA Program application. These objectives are not listed in rank order. Projects that meet multiple objectives will receive a more favorable review.
 - Leveraging of other resources and the demonstration of local commitment and participation.
 - Readiness of an applicant to proceed, with substantially all of the pre-development requirements completed.
 - Support of local, county, or regional community development strategies that address and identify compelling need in the community.
 - Activities that complement and are undertaken with federal Community Development Block Grant funds and HOME Investment Partnerships funds.
 - Economic opportunities that create or retain family sustaining jobs.
 - Maintaining and/or improving the quality of housing.
 - Linking housing and supportive services.
 - Building the capacity of the local community and relevant local organizations.
 - Best use of limited public resources.

C. Keystone Principles for Growth, Investment and Resource Conservation

The Department will adhere to the Commonwealth's Keystone Principles for Growth, Investment and Resource Conservation when selecting projects and awarding contracts. Project selection will support either redevelopment or concentrated development, or both. Greater consideration will be given to projects that make efficient use of infrastructure, increase job opportunities, and/or foster sustainable businesses. Every attempt will be made to make funding selections in a fair manner among geographic areas.

D. Immigrant Communities

In an effort to welcome and to integrate immigrant communities with the revitalization efforts of the Commonwealth and its municipalities, DCED encourages local governments and community-based organizations to actively engage these communities. DCED will give special consideration to applications that either include activities or describe how their municipality or organization currently takes proactive steps to integrate immigrant communities in their revitalization efforts. Activities that promote the integration of immigrant communities include, but are not limited to, projects that:

- Support community leadership training and develop the capacity of community-based organizations for project management
- Encourage civic participation in local affairs and planning
- Support English language acquisition
- Support entrepreneurial assistance

Definition of Immigrant: For the purposes of this section, Immigrant shall also include US citizens whose native language is not English.

E. Eligible Applicants

1. Eligible applicants include housing authorities and redevelopment authorities, non-profit housing corporations (under special circumstances), and units of local government, such as counties, cities, boroughs, townships, towns and home rule municipalities.
2. Non-profit housing corporations may apply directly to DCED under the provisions of Section 4(d) and 4(e) of the Housing and Redevelopment Assistance Law.
3. Non-profits in the cities of Philadelphia and Pittsburgh are not eligible to apply directly for HRA Program funds. Applications should be made through their respective cities.

F. Eligible Activities

1. Community Development Category

- a. Community development activities are necessary to enhance quality of life. Applicants proposing to revitalize distressed areas or meet critical community needs must document their relationship with a larger community strategy. Direct links to businesses creating or retaining family sustaining jobs are considered in the review process.
- b. If HRA Program funds are requested for acquisition purposes, evidence to support market values, such as an appraisal or recent comparable sales, must be submitted.
- c. Listed below are examples of the types of projects that are eligible for assistance under this category. This is not an exclusive list of all eligible activities.
 - The construction of public site improvements that provide direct benefit to other coordinated community improvement efforts.
 - The rehabilitation or restoration of older or under-utilized buildings for immediate reuse that will support other community development goals.
 - The extension of service through public rights-of-way (i.e., paving or widening of access roads and upgrading water, sanitary or storm sewers). The improvement must have a documented beneficial impact on the community.
 - The acquisition and demolition of a blighted structure (when a reuse plan has been adopted by the community for the cleared site and there is a commitment for private and/or public development).

2. Housing Assistance Category

- a. The HOME Program is the Commonwealth's major low income housing program. Because HRA Program funds are limited, DCED encourages applicants to submit applications for unique or innovative housing assistance programs that cannot be funded through HOME funds. These programs should contribute to local, county or regional strategic community development plans.
- b. Applicants for housing assistance are advised that:
 - Housing assistance can be made available to residents whose income is up to 115% of the county median.
 - HRA Program financial assistance may be used to pay for improvements that are essential to the housing projects. Examples of these improvements are off-site or on-site infrastructure, landscaping, roads, etc.
 - Linking housing and supportive services is required.
 - If HRA Program funds are requested for acquisition purposes, evidence to support market value must be submitted.

- New construction or modernization of conventional public housing is ineligible for HRA Program assistance.
 - Non-profit agencies may apply directly for certain types of activities under Section 4(d) of Act 477 of 1955. Section 4(d) requires federal funding and the DCED portion can not exceed 10% of the total project cost.
 - Under Section 4(e) of Act 477 of 1955, non-profit agencies may apply for funds to acquire, rehabilitate and sell single-family dwelling units to income-eligible persons or families.
- c. Listed below are examples of the types of projects that are eligible for housing assistance grants:
- Acquisition, rehabilitation, and/or new construction of housing which results in homeowner or rental opportunities.
 - Provision of site improvements to support the new construction of housing units.
 - Rehabilitation of owner-occupied residential properties.
 - Acquisition, rehabilitation, and resale of housing units.
 - Public improvements to support the rehabilitation of housing units.
 - Acquisition of units for their preservation.

G. Contract Provisions/Program Requirements

1. DCED contracts HRA Program funds throughout the fiscal year. The beginning date for all contracts is July 1 of the fiscal year from which the grant funds were allocated. (For example, contracts funded with 2003-2004 fiscal year funds will have a beginning date of July 1, 2003). The expiration date for all contracts is three years from the beginning date. (In our example, the ending date would be June 30, 2006).
2. Although contracts are for a three-year period, grantees do not have three years to complete projects and expend funds. The Single Application open window process may result in funds that are contracted near the end of a fiscal year. Therefore, many grantees may have contracts which, when fully executed, are already one year into the contract period and will only have two years to complete projects and to expend funds.
3. When a contract expires, it is too late to request additional time to complete the project. The grantee will not be permitted to expend the remaining funds. All unexpended funds from an expired contract must be returned to the DCED. These returned funds must be deposited into the Commonwealth's General Fund.
4. Grantees are responsible for compliance with the terms and conditions of their contracts. If the grantee cannot comply with contract terms or conditions, the grantee must notify DCED immediately.
5. All HRA Program grantees are advised to thoroughly review and understand all contract terms and conditions. Listed below are several terms and conditions that require local consideration during application preparation.
 - a. If the applicant/grantee proposing to conduct a loan program with grant funds wants to reuse the loan repayments to continue the activity, a program income reuse plan must be submitted, reviewed and approved by DCED.
 - b. If a program income reuse plan is not approved by the DCED, all income received by the grantee from the HRA Program grant must be returned to the DCED on a quarterly basis.

- c. Grantees must comply with all applicable Commonwealth statutes and regulations. These include, but are not limited to: the Statewide Building Code, Flood Plain Management Act, Prevailing Wage Act, Steel Products Procurement Act, et al. Grantees must also comply with the Commonwealth's Agricultural Preservation Policy (Executive Order 1994-3) and other applicable Executive Orders.
 - d. All contracts require compliance with State and Federal laws and regulations dealing with discrimination and environmental issues, as well as with the Americans with Disabilities Act.
 - e. Subsequent to the completion of projects and expenditure of funds, a project audit is required if the contract is more than \$100,000.
6. The DCED also requires the following:
- a. No more than 15% of the HRA Program grant may be used for administration.
 - b. If HRA Program funds are used for sewer or water system activities, the applicant must ensure that all properties in the project area will be tapped into the system. Only tap-in fees for very-low and low-income families or individuals may be included as an eligible budget cost.
 - c. Moderate housing rehabilitation projects under the HRA Program must comply with the Statewide Building Code.

Section II – The Application Process

A. General

1. To apply for funding, the applicant must submit the electronic on-line DCED Single Application for Assistance located at <http://www.newpa.com/programFinder.aspx>.
 - a. Questions concerning the completion of the Single Application for Assistance should be directed to: DCED Customer Service Center at 1-800-379-7448 or 717-787-3405 or e-mailing: ra-dcedcs@state.pa.us.
 - b. Supplemental application information not attached to the Single Application should be mailed to the DCED Customer Service Center, Commonwealth Keystone Building, 400 North Street, 4th Floor, Harrisburg, PA 17120-0225. Please reference the Web ID number or the assigned Single Application Number on all supplemental information.
 - c. Applications may be submitted any time.
 - d. Please provide the appropriate regional office with a copy of the supplemental information when it is provided to the DCED Customer Service Center.
2. While not a requirement, the potential applicant is strongly encouraged to communicate with the Department's applicable Regional Office (refer to page 7) about a proposed project prior to application submission.
 - a. This can be accomplished by sending a letter or concept paper that provides basic information about the proposed project to the DCED Regional Office (refer to page 7) or the Center for Community Development, Commonwealth Keystone Building, 4th Floor, 400 North Street, Harrisburg, Pennsylvania 17120-0225.

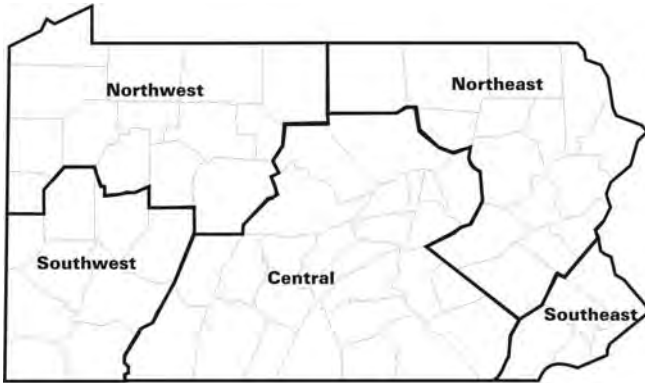
- b. Potential applicants may call either office to discuss the same information.
 - c. The purpose of this preliminary step is twofold: it permits DCED staff to offer technical assistance, and it alerts staff to pending Single Application submissions.
3. Applicants should carefully review the instructions contained in the Single Application kit and submit documentation that addresses the objectives identified in this Request for Proposal.
 - a. The narrative section in the Single Application should be detailed.
 - b. The narrative should describe the project to the extent that DCED can understand and evaluate it. The narrative must address how the project will impact the community and describe how the planning and operations of the project was coordinated with other public and private agencies.
 4. The Single Application kit is designed for all DCED programs. Therefore, some information on the form may not be applicable to your specific program and should not be answered. DCED staff in your appropriate regional office is available to provide assistance if needed.
 5. Please designate the HRA Program as the program you have chosen for initial consideration. Designation of the HRA Program will ensure that the application is referred to the Center for Community Development, for initial consideration.
 6. If a Single Application is selected for further consideration, the applicant may be asked to submit additional documentation that is unique to the HRA Program. This additional documentation should not be submitted with the Single Application. The additional documentation includes:
 - a. A resolution that references the determination of blight. Specifically the prevention and elimination of blight under Section 4 (c) of the Housing and Redevelopment Assistance Law as amended, the amount requested, the provision of the local share, and the reimbursement of ineligible expenditures.
 - b. Evidence of matching funds, if applicable, necessary to complete the project, such as letters from federal and state agencies, private funds commitments, financial institutions and local government commitments.
 - c. Project maps showing the project location.
 - d. A project timetable that tracks the key activities and the dates necessary to achieving the project's goals and objectives.
 - e. Other information/documentation that DCED may identify.

B. Application Window/Application Review

1. Application Window – DCED's Single Application process permits applications to be submitted at any time.
2. Application Review – After the Single Applications have been reviewed, and subject to availability of funds, DCED will determine the proposals that will be given further consideration. These applicants may be requested to submit additional documentation pertaining to the Department's review of the proposal.
3. DCED will make every effort to "package" creative financing proposals, accessing all funding resources in the Department, as well as other potential local/state/federal sources of funds.
4. Funding decisions will be made subject to the availability of funds.
5. Applications not considered for funding will receive rejection letters.

Regional Offices

Pennsylvania Department of Community and Economic Development



Southeast

Bucks, Chester, Delaware, Montgomery and Philadelphia counties

Department of Community and Economic Development
Toni Crawford-Major, Director
Philadelphia State Office Building
1400 Spring Garden Street, Room 1800
Philadelphia, PA 19130
(215) 560-2256
Fax: (215) 560-6722

Northeast

Berks, Bradford, Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, Schuylkill, Sullivan, Susquehanna, Tioga, Wayne and Wyoming counties

Department of Community and Economic Development
Sara Hailstone
409 Lackawanna Avenue
3rd Floor, Oppenheim Building
Scranton, PA 18503
(570) 963-4571
Fax: (570) 963-3439

Central

Adams, Bedford, Blair, Cambria, Centre, Clinton, Columbia, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, Somerset, Union, and York counties

Department of Community and Economic Development
Louis Colon, Director
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
(717) 720-7302
Fax (717) 234-4560

Southwest

Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Washington, and Westmoreland counties

Department of Community and Economic Development
Jack Macheck, Director
1405 State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222
(412) 565-5002
Fax: (412) 565-2635

Northwest

Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Potter, Venango, and Warren counties

Department of Community and Economic Development
Philip Scrimenti, Director
100 State Street, Suite 205
Erie, PA 16507
(814) 871-4241
Fax: (814) 454-7494

Exhibit I

Resolution of a Municipality

Resolution of the _____ authorizing the filing of a proposal for funds with the Department of Community and Economic Development (DCED), Commonwealth of Pennsylvania.

WHEREAS, the _____ is desirous of obtaining funds from the DCED in the amount of \$_____ for prevention and elimination of blight under Section 4 (c) of the Housing and Redevelopment Assistance Law, as amended.

NOW, THEREFORE, BE IT RESOLVED by the _____ that a blighting influence exists because of _____

_____ and the proposed project will prevent further blight and or eliminate the existing influence by _____

BE IT FURTHER RESOLVED, that the _____ will assume the provision of the full local share of the project costs.

BE IT FURTHER RESOLVED, that the _____ will reimburse the Commonwealth for the DCED's share of any expenditures found by DCED to be ineligible.

BE IT FURTHER RESOLVED, that the Secretary of _____ is directed to execute a certificate attesting to the adoption of this resolution and to furnish a copy of the Resolution to the DCED.

ATTEST

SEAL

Secretary

Exhibit II

Resolution of a Redevelopment Authority

Resolution of the _____ authorizing the filing of a proposal for funds with the Department of Community and Economic Development (DCED), Commonwealth of Pennsylvania.

WHEREAS, the _____ is desirous of obtaining funds from the DCED in the amount of \$_____ for prevention and elimination of blight under Section 4 (c) of the Housing and Redevelopment Assistance Law, as amended.

NOW THEREFORE, BE IT RESOLVED, by the _____ that a blighting influence exists because of _____
_____ and the proposed project will prevent further blight and or eliminate the existing influence by _____
_____.

BE IT FURTHER RESOLVED, that the Secretary of _____ is directed to execute a certificate attesting to the adoption of this Resolution and to furnish a copy of the Resolution to the DCED.

ATTEST

SEAL

Secretary