

# KEYSTONE COMMUNITIES PROGRAM DESIGNATIONS

*Keystone Main Street, Keystone Elm Street,  
Keystone Enterprise Zone, and Keystone Community*

Program Guidelines | June 2019



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## Section I – General Program Information

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The Department of Community and Economic Development (DCED) offers communities the opportunity to designate areas of a municipality or region for targeted investment and development for a period of five years. Designation includes the identification of specific needs for investment and/or development and the design and/or implementation of a strategy to address those needs. Applicants may request designation as any one of the following:

- **Keystone Main Street** – focus on downtowns and commercial districts
- **Keystone Elm Street** – focus on residential areas and neighborhoods adjacent to the community’s downtown or commercial district
- **Keystone Enterprise Zone** – focus on the deteriorated, distressed, and blighted industrial or manufacturing areas of a community
- **Keystone Community** – alternative approach allowing for inclusion of one or more aspects of the above designation options

The benefits to designation may include:

- Priority consideration for a variety of DCED programs,
- Technical assistance and training for the designated area manager, local board, and committee members through DCED and other subject matter experts,
- Networking opportunities with other designated program areas, and
- Eligibility for consideration under the Neighborhood Assistance Program (NAP).

## Section II – Eligible Applicants

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The following entities are eligible to submit requests for designation under the Keystone Communities Program:

- A. Units of local government to include counties, cities, boroughs, townships, towns, and home rule municipalities,
- B. Redevelopment and/or housing authorities,
- C. Nonprofit organizations to include economic development organizations, housing corporations, etc.,
- D. Community development corporations, and
- E. Business improvement districts, neighborhood improvement districts, downtown improvement districts, and similar organizations incorporated as authorities.

Nonprofit organizations, business improvement districts, and other similar entities are required to provide documentation of at least two years of satisfactory operational experience relevant to the requested designation program and/or activities. Additionally, these entities must submit copies of the two most recent agency audits demonstrating no findings.

## **Section III – Designations Defined**

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### **A. Keystone Main Street Designation**

The Keystone Main Street designation follows the principles of the National Trust for Historic Preservation's Main Street Approach ([www.preservationnation.org](http://www.preservationnation.org)) with the notable addition by DCED of a fifth point – Organizational Sustainability – demonstrated by identifying and documenting a sustainable funding stream to employ the full-time manager for five years. Examples of designation goals and strategies are as follows:

- Preserve and strengthen existing retail, local government, and business centers of communities.
- Improve the quality of life in a community by making the traditional downtown area a more attractive place to live and work.
- Act as a catalyst for small business development thereby increasing employment and tax revenues in downtown locations.
- Assist local governments and small businesses in development relevant, state-of-the-art technology to provide cost-effective solutions for business and community development opportunities.
- Develop and maintain continuous contact with Main Street businesses regarding opportunities and solutions for impediments to business growth.
- Utilize a well thought-out planning process, ensuring bricks and mortar projects funded with public funds are making a meaningful difference in the downtown economy.
- Ensure the importance of reinvestment in traditional downtowns is considered in the overall economic development strategy at all levels of the private and public sectors.

### **B. Keystone Elm Street Designation**

The Keystone Elm Street designation encourages communities to integrate Main Street or downtown revitalization program with a neighborhood renewal strategy for a residential area adjacent to the commercial district. Using the principles of the Elm Street Five Point Approach (Appendix I) residential neighborhoods in proximity to the central business district receive resources and development with the aim of further enhancing the downtown area and improving the viability of older neighborhoods. The designated area must be in a residential neighborhood in existence since at least 1961, within ½ mile of a commercial district, displaying signs of deterioration, and be in need of revitalization. Examples of designation goals and strategies are as follows:

- Revitalize neighborhoods in proximity to the existing downtown by improving the exterior appearance of the buildings and streetscapes.
- Formalize a connection between established residential neighborhood areas with downtown revitalization activities.
- Prevent neighborhood decline by developing a plan that includes the establishment of a sustainable community organization that will implement a Five-Year Strategy based on the Elm Street Five Point Approach.
- Assist municipalities in implementing a revitalization strategy for established residential neighborhoods either in the vicinity of a Main Street program or project or in proximity to an existing commercial district.

## C. Keystone Enterprise Zone Designation

The Keystone Enterprise Zone (EZ) designation addresses deteriorated, distressed, and blighted industrial and manufacturing areas. The designation and subsequent Five-Year Strategy should improve standards of living through revitalization, attraction of new business, and creating job opportunities. Examples of designation goals and strategies are as follows:

- Increase the competitiveness of local communities by improving business technology capabilities.
- Increase the capability of local governments to respond effectively to local business expansion opportunities and constraints in financially disadvantaged municipalities.
- Assist local governments and local business communities in the formation of public/private partnerships to develop and sustain increased rates of business investment and job creation in financially disadvantaged municipalities.
- Encourage multi-municipal participation for better economic planning and development.
- Encourage the reuse of brownfields and the location of commercial, manufacturing, and industrial enterprises into appropriately zoned areas.
- Assist local governments and small businesses in developing e-business technology to provide cost-effective solutions for business and community development opportunities.
- Increase the access of local firms to financing by lending institutions on mutually advantageous terms.

Additional benefits to designation as a Keystone Enterprise Zone include:

- Eligible businesses located within the zone receive priority consideration when bidding on state government contracts. This benefit continues for five years after the zone exits the program.
- Eligible businesses located within the zone receive priority consideration when applying for financial assistance to clean up contaminated sites under Act II. This benefit is active up to five years after the zone has exited the program.
- Eligible businesses receive priority consideration for any resource administered by the commonwealth that would assist in leveraging imminent business investment and job creation in an Enterprise Zone.
- Priority consideration for a State Liquor License.
- If an EZ Revolving Loan Fund (RLF) is in place, the boundaries of the Enterprise Zone remain in-tact as long as the RLF is operating

## D. Keystone Community Designation

The Keystone Community designation supports an alternative and/or blended approach to revitalization which may include one or more of the aspects of the previously outlined designation approaches.

## Section IV – Application Procedures

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1. Applicants for designation must first contact the appropriate DCED Regional Office (Appendix II) to discuss designation consideration and requirements. The Regional Office may request additional information from the applicant to determine if the application will meet program requirements and qualifies to implement a designation program.
2. With notice to move forward from the Regional Office, the applicant should submit a copy of the completed designation application, with all required materials as outlined in Appendix III, to each of the following:
  - a. Center for Community Enhancement  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120
  - b. Appropriate DCED Regional Office
  - c. Pennsylvania Downtown Center  
*(excluding Enterprise Zone applications)*  
PO Box 1265  
Harrisburg, PA 17108
3. Applications will be reviewed by DCED and Pennsylvania Downtown Center (PDC) staff. Applicant should be prepared to answer questions and modify information as requested in a timely manner.
4. DCED will make final decisions and provide formal notification of application approval/denial. Approvals will include confirmation of the specified designation area and effective dates.

## Section V – Miscellaneous Information

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### A. Training, Monitoring, and Reporting

- **Managers of designated areas are required to attend various training and technical assistance sessions offered by DCED or PDC at DCED’s request. These include, at a minimum:**
  - **Three Managers Meetings per year and**
  - **Five Academy Sessions to address Organization, Physical Improvement/Design, Community Marketing, Asset Enhancement, and Safe-Clean-Green within the first two years of designation.**
- **Monitoring assessments of designated programs will be conducted following years 1, 3, and 5 of designation.**
- **Reporting of investment statistics and revitalization efforts within the designated area must be completed annually, at a minimum, using the online reporting system through PDC.**

## B. Keystone Enterprise Zone Boundary Extension Requests

- Confirm that the initial request for designation includes all of the municipalities wishing to participate in the program. Each municipality should ensure all areas to be included in the zone are properly identified.
- Boundary extension requests should be discussed with the appropriate DCED Regional Office prior to the submission of a formal request.
- Consideration will be given to amend Enterprise Zone boundaries in cases of exceptional opportunity that could not have been foreseen at the time of the original designation. Documentation of exceptional opportunity and an explanation of why the municipality(ies) and/or areas in question were not included with the original application must be provided.
- In some instances, the Enterprise Zone entity may be required to reduce the size of the zone by the same amount of property that will be added.
- At a minimum, the following is required:
  - A detailed narrative describing the nature of the boundary extension,
  - A statement explaining why the municipality or area was not included in the original designation application,
  - A statement explaining how the inclusion of this municipality will benefit the zone and how it relates to the overall Five-Year Strategy, and
  - A map of the zone that includes the new location.

*Please note that while designation does provide priority consideration for several DCED funding programs, including the Keystone Communities Program, it does not guarantee funding of any project.*

## Section VI – Contact Information

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Questions regarding designation or program funding may be directed to:

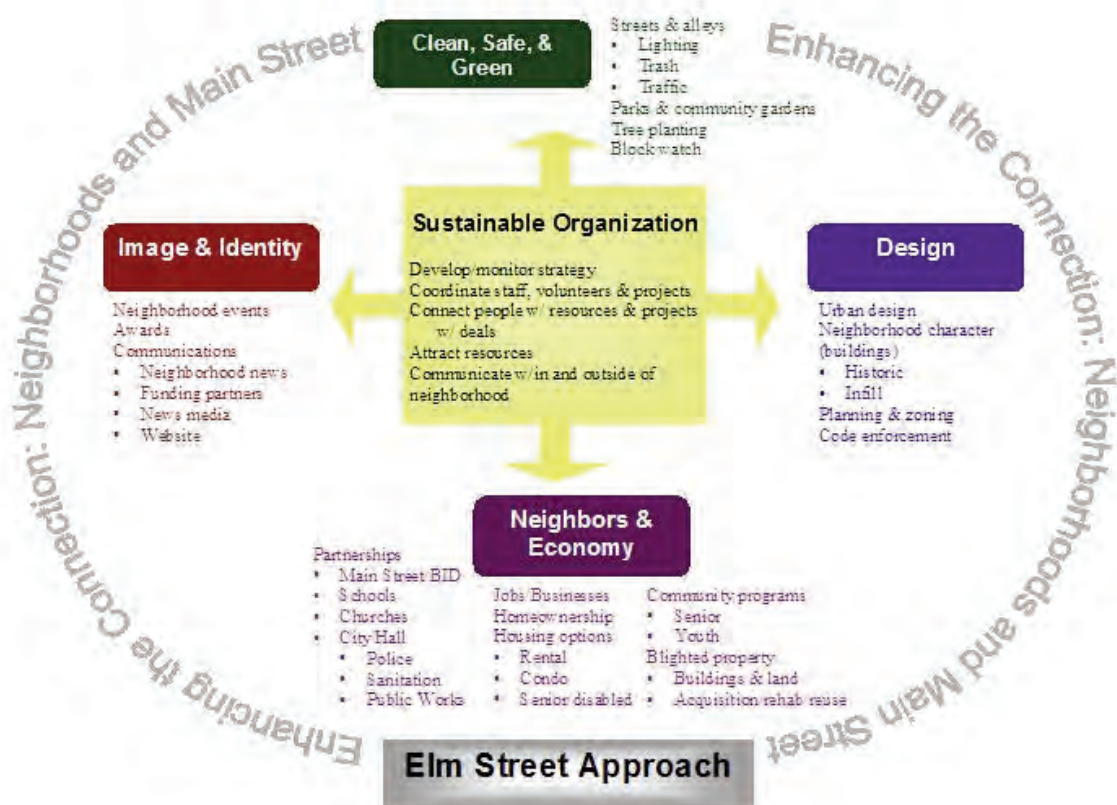
Center for Community Enhancement  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225

Phone: (717) 787-6245

Email: ra-dced-kcp@pa.gov

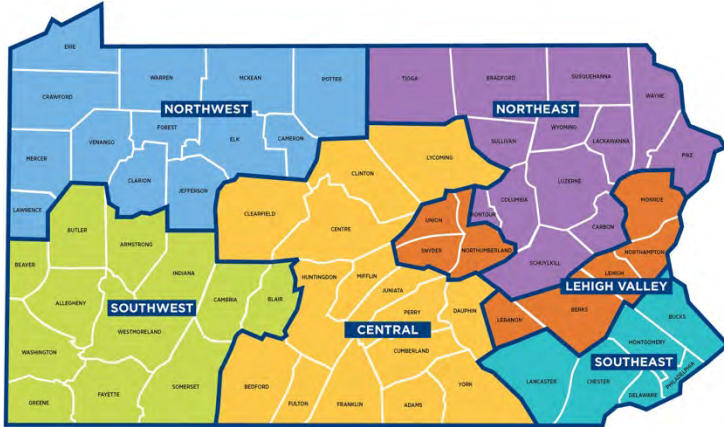


# Appendix I – The Elm Street Approach



# Regional Offices

## Pennsylvania Department of Community and Economic Development dced.pa.gov



### Central

*Adams, Bedford, Centre, Clearfield, Clinton, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lycoming, Mifflin, Perry, and York counties*

Department of Community and Economic Development  
Marita Kelley, Director  
400 North Street, 4<sup>th</sup> Floor  
Commonwealth Keystone Building  
Harrisburg, PA 17120-0225  
(717) 720-7301  
Fax (717) 783-4663  
markelley@pa.gov

### Southeast

*Bucks, Chester, Delaware, Lancaster, Montgomery and Philadelphia counties*

Department of Community and Economic Development  
Aliyah Stanger, Director  
110 North 8<sup>th</sup> Street, Suite 505  
Philadelphia, PA 19107-2471  
(215) 560-5830  
Fax: (215) 560-5832  
astanger@pa.gov

### Southwest

*Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland counties*

Department of Community and Economic Development  
Johnna Pro, Director  
301 Fifth Avenue, Suite 250  
Pittsburgh, PA 15222  
(412) 565-5098  
Fax: (412) 565-2635  
jopro@pa.gov

### Northeast

*Bradford, Carbon, Columbia, Lackawanna, Luzerne, Montour, Pike, Schuylkill, Sullivan, Susquehanna, Tioga, Wayne and Wyoming counties*

Department of Community and Economic Development  
Paul Macknosky  
2 North Main Street  
Pittston, PA 18640  
(570) 963-4122  
Fax: (570) 654-6315  
pmacknosky@pa.gov

### Northwest

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

Department of Community and Economic Development  
Tina Mengine, Director  
100 State Street, Suite 205  
Erie, PA 16507  
(814) 871-4245  
Fax: (814) 454-7494  
tmengine@pa.gov

### Lehigh Valley

*Berks, Lehigh, Monroe, Lebanon, Northampton, Northumberland, Snyder, and Union counties*

Department of Community and Economic Development  
Fadia Halma, Director  
400 North Street, 4<sup>th</sup> Floor  
Commonwealth Keystone Building  
Harrisburg, PA 17120-0225  
(717) 877-8481  
fhalma@pa.gov

## Appendix III – Designation Application Requirements

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Applications for designation must clearly state the designation status being sought and provide the following:

1. **Name and description of the community applying for designation.**

- Demonstrate the area is in need of revitalization to include, as applicable, the reporting of crime, poverty, unemployment, deteriorated/dilapidated housing stock, blighted buildings, a blight declaration in accordance with the Housing and Redevelopment Assistance Law and Urban Renewal Law, reduced homeownership rates, or other similar criteria.
- Discuss the role the community plays within the context of its region. Identify the substantive assets within the community and explain how these assets significantly contribute to the regional economy. Examples include, but are not limited to, colleges and universities; Keystone Innovation Zones, Keystone Opportunity Zone designations; regional healthcare centers; county seats; tourism venues; and high growth businesses and/or high-tech business concentrations.
- If an application is a regional request or includes more than one community, the application must identify all communities involved in the request and outline the role each community plays within the region and with respect to this request. This must include a description of the geographic connection among the participating communities.
- Applications for *Keystone Elm Street* designation must also demonstrate the following:
  - The designated area is a targeted, residential, pedestrian-oriented district dominated by traditional older buildings which as existed as a residential neighborhood since 1961. The selected area may be mixed-use, but must be primarily residential. Preference is given for those areas within a local or Nationally Registered Historic District.
  - The target area must be within approximately a ½ mile of the edge of a downtown commercial district in need of or actively undergoing a revitalization effort.
- Applications for *Keystone Enterprise Zone* designation must also:
  - Demonstrate how the area is distressed – both financially and physically.
    - Describe in detail the distressed nature of the area.
    - Provide evidence that supports the distressed description, e.g. population statistics that describe the nature of the workforce, such as disabled, skilled versus unskilled employment needs; educational levels of the population; migrant/seasonal farm workers or other workforce groups; unemployment rate in comparison to that of the commonwealth rate; number of blighted properties in the selected area; crime rate; income levels; poverty rate; availability of public transportation; business growth; market value of properties; per capita income; percentage of the population over 65; financial stability of the participating municipalities; identification of severe job loss or other economic crises within the proposed zone; etc.
    - Enterprise Zones should be multi-municipal and the municipalities participating in the program should be contiguous. The areas within the zone itself do not have to be contiguous, but they must be programmatically and, preferably, geographically connected.
    - Single municipality requests for Enterprise Zone designation will be reviewed on a case-by- case basis.

- Non-contiguous multi-municipal requests will be reviewed on a case-by-case basis.
  - In instances where a rural county is seeking designation, the county may include several core areas that are considered disadvantaged as described above. These core areas are not required to be contiguous, but they must be programmatically connected in relation to the county's economic development strategy and the business strategy that will be developed.
  - Provide the total number of acres making up the zone.
  - Each participating municipality must have passed legally-enacted zoning ordinances since only areas zoned as manufacturing and industrial may be included in the zone.
2. **Five-Year Strategy** that emphasizes opportunities for business growth, downtown and/or neighborhood revitalization, and the effective ways in which the local government intends to assist in the implementation of the strategy.
- a. The strategy must be specific to the designated area and contain, at a minimum:
    - the goals, objectives, and outcomes of the revitalization effort,
    - identification of how implementation complements the community and/or region's overall development strategy,
    - specific outline of activities anticipated to be accomplished during the first year of implementation and planned activities through year five.
  - b. Applications, with the exception of Keystone Enterprise Zone Applications, must also include:
    - mission statement and
    - vision statement.
  - c. Applications for Keystone Enterprise Zone designation must incorporate a business strategy into the formal Five-Year Strategy document.
3. **Identification of the funding source(s) in place to sustain a full time manager** for, at a minimum, the five year designation period. Provide documentation demonstrating availability of funds and/or financial stability of the source.
- a. Applicants for a *Keystone Community* designation may request permission to reduce the time spent on specific designation area activities and Five-Year Strategy implementation for the program manager to a minimum of 60% of a full-time manager or coordinator's time. The manager is expected to serve in other community related roles for the balance of this time. A detailed description of these roles and delineation of oversight is required at the time of application. Further information, such as a memorandum of understanding, may be requested upon review of the application.
4. **A map of the proposed designation area** which details the area's location with regard to major thoroughfares, amenities, and other notable landmarks specific to the community.
5. **A resolution** from the subject municipality indicating support for the designation request, willingness to participate in the program, support of the Five-Year Strategy, and, if the applicant is an organization other than the municipality, authorization of the applicant to represent the municipality.
6. **Identification of the organization responsible for daily oversight and administration of the designation program.** This organization should be reflective of the designated area it represents, for example, Keystone Elm Street designations should be represented by organizations that are neighborhood-oriented and comprised of residents, community-based organizations, property owners, institutions, churches, businesses, social services agencies and/or municipal officials.

- a. Applications, with the exception of Keystone Enterprise Zone Applications, must include:
    - Names and titles of board members providing information regarding each person’s role within the organization
    - Copies of regularly scheduled board and committee meetings minutes since the inception of designation discussions,
    - Copies of the organizational by-laws, official incorporation, and nonprofit tax status of the organization, and
    - The name, address, phone number, email address, and resume or narrative outlining experience of the full-time, professional downtown manager.
    - Applicants that are non-profit organizations must be registered with the Department of State, Bureau of Charitable Organizations and provide their most recent BC-O-10 and most recent financial compilation, review, or audit based on the appropriate conditions and criteria.
  - b. Applications for *Keystone Enterprise Zone* designation must include information relating to all member communities and organizations to include:
    - The names and titles of all members of the organization providing detail on each person’s role within the organization,
    - Copies of the organizational by-laws, official incorporation, and nonprofit tax status of the organization,
    - Membership should reflect the business development focus of the Enterprise Zone and include representation from community interest groups and labor organizations,
    - A description of the local firms, groups, agencies, etc. forming the organization,
    - The name, address, phone number, email address, and resume or narrative outlining experience of the full-time, professional downtown manager.
7. **Market assessment and image development reports.**
- The Market Assessment Report provides the business inventory, the property/building inventory, and the socio- economic psychographic profile, aka the PRIZM lifestyle profile. The PDC has templates available for both the business inventory and the property/building inventory on the members-only section of the PDC website and will make available to other communities seeking designation upon request. The socio-economic psychographic profile/PRIZM lifestyle profile is available upon request to PDC.
  - The Image Development Report compiles the results of a standard perceptual question survey of community members regarding the area to be designated. The purpose of this survey tool is to get a better idea of how people feel about common attributes that contribute to a “sense of place” within a community.
8. **Historic Preservation.** As applicable, document local interest and commitment to historic preservation as evidenced by the existence or planned creation of a local historic district, the involvement of local historic groups on the organization’s board, or qualification as a Local Certified Government.