

NEIGHBORHOOD ASSISTANCE PROGRAM ENTERPRISE ZONE PROGRAM TAX CREDIT

Program Guidelines | July 2017

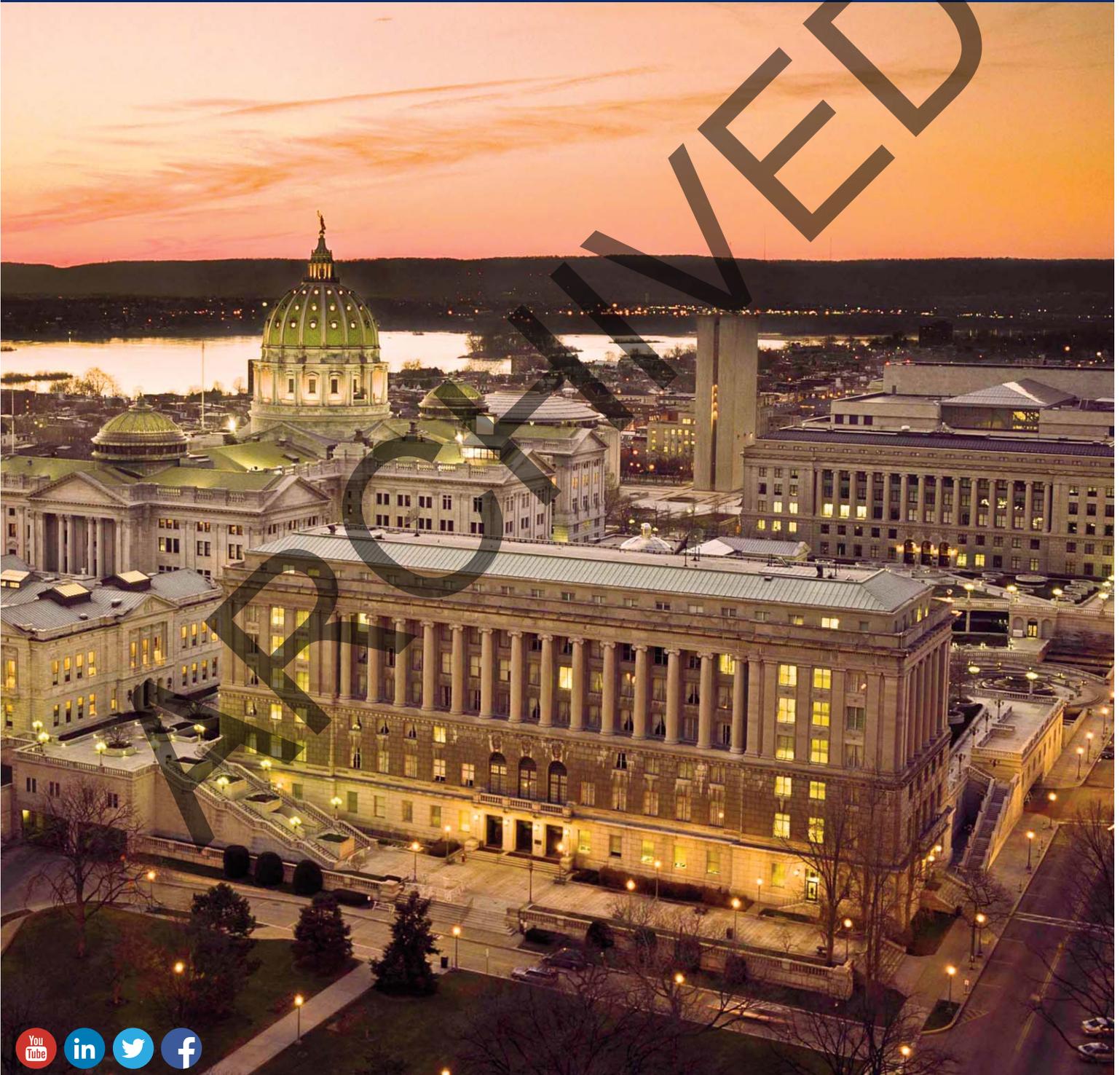


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Section I – Introduction

The Pennsylvania Department of Community and Economic Development (DCED) is authorized to administer the Neighborhood Assistance Program (NAP) under Article XIX-A of the Tax Reform Code of 1971, known as the Neighborhood Assistance Act (Act 48-1994) (72 P.S. §8901-A, et seq.), as amended. In 2007, Act 55 made several changes to the program, supporting the efforts of the original Act. There are five components to this Act: the Neighborhood Assistance Program (NAP) tax credit, Special Program Priorities (SPP), Neighborhood Partnership Program (NPP), Charitable Food Program (CFP), and the Enterprise Zone Program (EZP) tax credit.

The goal of the EZP guidelines is to define the eligibility requirements, how to apply, the approval process, and the closeout for EZP. The other components of NAP can be found under a separate cover on the Department's website.

EZP is for **private for-profit companies** ("Applicant") working in distressed areas within a designated Enterprise Zone. Applicants make qualified investments limited to construction cost only to rehabilitate, expand, and improve buildings or land that promote community development.

Once the EZP application is approved, the private company is eligible for up to a 25 percent tax credit, with a maximum of \$500,000 in credits for the EZP project.

For application dates and other important information regarding the program, please visit our website at dced.pa.gov.

If you are considering EZP, it is recommended you consult with your regional Enterprise Zone Coordinator (*Exhibit F*) or contact DCED at the phone number included at the end of the guidelines in **Section VI**. However, Applicants must consult their respective accountants or tax advisors for specific tax-related questions. The Department does not provide tax advice.

Section II – Program Criteria

A. Eligible Applicants

Private for-profit companies including agricultural, industrial, manufacturing, or research and development enterprises within Pennsylvania are eligible to apply. This includes any enterprise defined by the Pennsylvania Industrial Development Authority Act or the Pennsylvania Economic Development Financing Law.

An eligible private company is an entity authorized to conduct business in Pennsylvania and subject to taxes imposed under:

- Corporate Net Income Tax
- Bank & Trust Company Shares Tax
- Title Insurance Company Shares Tax
- Insurance Premiums Tax
- Mutual Thrift Institutions Tax

The Pennsylvania Department of Revenue (DOR) will grant a tax credit against any of the above taxes due by the contributing private company. Additionally, organizations without Pennsylvania tax liability such as Pennsylvania S corporations, limited liability companies, partnerships, joint ventures, and business trusts may pass-through tax credits.

Tax credits will not be approved or awarded to a bank, bank and trust company, insurance company, trust company, national bank, savings association, mutual savings bank, or building and loan association for activities that are a part of its normal course of business.

B. Eligible Activities

The goal of EZP is to assist qualified investments by approved private companies. Eligible activities include:

- Rehabilitation
- Expansion
- Improvement to a building(s)
- Improvement to land
- Engineering
- Architecture
- Acquisition

In addition, EZP requires that:

- The project is within portions of a distressed community designated as an Enterprise Zone.
- Employment opportunities are created for low-income individuals located within the Enterprise Zone. Employment opportunities must be full-time, higher than state minimum wage at a family sustainable wage, and include benefits.

C. Qualified Investments

Except for any financing secured through Commonwealth of Pennsylvania program assistance, qualified investments include:

- Business equity
- Private loans
- Working capital
- Loans from federal or local government sources

D. Ineligible Investment Sources

Other funding sources may be included in the budget; however tax credits are not eligible for the following:

- Grant funds from any source;
- Loan funds issued, guaranteed, or capitalized by a commonwealth agency or state-related authority, including but not limited to sources such as local Enterprise Zone revolving loan funds, Pennsylvania Industrial Development Authority, and Commonwealth Financing Authority;
- Revenue derived from the sale of NAP tax credits;
- Equity or revenue derived from or benefiting from other state or state-administered tax credits, including but not limited to the federal Low-Income Housing Tax Credit, federal Rehabilitation Investment Tax Credit (RITC), and state Historic Preservation Incentive Tax Credit.

E. Program Restrictions

1. Tax credits will not be granted if the investment displaces residents unless changes in neighborhood residential patterns demonstrate and promote neighborhood conservation. Neighborhood conservation is a project that prevents the decline of a neighborhood or supports the needs of a vulnerable population. Neighborhood conservation includes positive measures taken to assist in or minimize the cost of relocation of residents affected under a documented community plan.
2. EZP tax credits granted to a private company that is a partner in a limited partnership agreement formed for the purpose of developing affordable housing or other joint ventures are limited to their direct private investment in the project.
3. Tax credits will not be granted to a private company requesting additional tax credits for physical improvements to buildings or land that have been previously awarded EZP tax credits for improvements to the same building or land. However, a building addition is *not* considered the same building for this purpose.

F. Activity Period

The EZP activity period is 12 months, beginning on July 1 and ending on June 30 of the following year. The private company must expend the qualified investment and complete the approved project within this 12-month timeframe. If completion is not feasible within the 12-month timeframe, the Applicant must request an extension outlined in **Section V(F)**.

Qualified investments made or received outside of the activity period, July 1 through June 30, are not eligible for tax credits. Expenditures or investments that occur before the final award decisions are announced could be at risk.

G. Additional Requirements

1. **Nondiscrimination** – No assistance shall be awarded to a Qualified Taxpayer under this program unless the Qualified Taxpayer certifies that the Qualified Taxpayer 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.
2. **Conflict of Interest** – An officer, director, or employee of an Applicant who is a party to or 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 action of the Applicant concerning the project, nor participate in the deliberations of the Applicant concerning the project.
3. **Project Records** – The Applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The program office 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. Upon request of the program office, the Applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

Section III – The Single Application Process

Every Applicant is required to complete an Electronic Single Application (ESA), also known as the DCED Single Application, when applying for EZIP. To assist in the success of the application, complete all required elements of the program. Complete an accurate narrative that provides the Place and Problem, Project, and Proposed Outcomes.

Failure to submit a complete application with all required information will negatively impact the review of the application and may cause DCED to reject the EZIP application.

A. Submission of Application

1. The Applicant must complete and submit the application electronically utilizing ESA located at **dced.pa.gov** or **www.esa.dced.state.pa.us**. The Department also requires the Applicant to submit the application addenda listed in ESA as a part of the application process. The required application content may be attached on the Addenda tab. Please reference the Single Application number on any documents uploaded. If you need additional assistance, contact the DCED Customer Service Center at 1-800-379-7448 or 717-787-3405.
2. The Department will post the guidelines annually at **dced.pa.gov** by July 1st or when final approval is given to open ESA for NAP and EZIP applications. The application due dates and any other details regarding the programs will be updated within the guidelines as appropriate.

B. Review of Proposals

Applications will be reviewed and ranked by the Department based upon the following factors:

1. Projects in the preliminary stages of local approval, acquisition, etc. will not be considered. Only projects that have received all local approvals and are ready to begin will be considered.
2. The application must be complete and concise with measurable goals, outcomes, and quantified impact as required on the completed Community Impact Measures Report (*Exhibit A*).
3. The application must describe how the proposed investment qualifies to promote community and economic development through the rehabilitation of a building or buildings, or by expanding and improving buildings or land located in a designated Enterprise Zone.
4. Preference will be given if a substantial number of jobs are created or retained.
5. **The application should identify and explain collaboration with DCED Regional Offices and programs as well as the Enterprise Zone Coordinator.**
6. Approval will depend on the availability of tax credits, proposed activities, reasonableness of the overall project, and completeness of the application.
7. The Department, at its discretion after applications are reviewed and if tax credits are still available, may provide an opportunity for Applicants with incomplete applications meriting additional consideration to provide supplemental information for review and approval. However, the Department is under no obligation to seek further information or clarification to complete its review of the application.
8. Applications not approved for EZIP tax credits will receive letters notifying Applicants of the Department's decision.

Please Note: Once your application is submitted to the Department we will not accept major changes to the scope, breadth, budget, or location of your project prior to considering the project for approval. Minor changes may be considered on a case by case basis. It is within the Department's discretion to determine what constitutes a major or minor change to a project.

C. Approval Process

1. The Secretary of the Department will recommend for approval projects for EZP tax credits, and will determine the amount of tax credits that will be granted to the Applicant.
2. The Department will offer a tax credit project approval to the Applicant. The approval letter is an enforceable contract offer that outlines the terms and conditions of the award. To become effective, the approval letter must be signed by the Applicant and returned to DCED within 60 days of receipt of the offer. The approval letter becomes an executed contract, thus a binding agreement, between DCED and the Applicant once it is signed and returned to DCED.
3. A blank Application for Tax Credit under the Neighborhood Assistance Program Enterprise Zone Program form (*Exhibit C*) will be included with the award letter to the Applicant. This form should be completed by the investor and returned to DCED when the qualified investment is complete. Upon receipt, DCED will process the form and forward it to DOR for final approval and execution.

Section IV – Application Content

A. Narrative

The narrative portion of the application must contain an explanation of the Place and Problem, Project, and Proposed Outcomes along with a complete description of the entire project. Please include any attachments to the application that will demonstrate the following:

1. **Place and Problem:** Describes the neighborhood, community, or targeted area where this project will take place. Provide physical boundaries as precisely as possible, including street locations and other identifying information. Include the specific location of the site and note characteristics such as the acreage or square footage. Describe the characteristics of blight or disinvestment that make this site appropriate for the proposed investment. Also include information related to development of the site if it is consistent with any applicable comprehensive plan. Describe how the project complements the overall community, how it supports current and planned activities, and its feasibility for the demographics and other characteristics of the community. Describe the overall benefits to the community. Include an explanation of any other funds that have been invested in the project that demonstrate a strategic alignment or partnership with other projects, activities, or efforts, and the means of sustainability.
2. **Project Narrative:** Provide a concise description of the proposed EZP project. Include a detailed project schedule or timeline of activities including key milestones and dates for the investment and project. Identify and explain whether the EZP is part of a larger project. Describe the Applicant's approach, outlining the specific infrastructure and site development activities proposed for the site; the estimated start and end dates of construction; the existence or absence of already prepared sites within the county; whether the site has been identified as a priority investment in a local or regional economic development plan or strategy; and potential employment opportunities anticipated as a result of the project. Also, specifically address the following questions:
 - Is this new construction or a renovation/re-use of existing structures?
 - Is this a facility/property that will be used by the Applicant's own business?
 - When the project is complete, will the property be resold in whole or part? If so, please detail any pre-sales commitments secured at the time of application and provide documentation of the arrangement.

- When the project is complete, will the property be rented or leased in whole or in part? If so, please detail all leases, pre-leases, and/or commitments secured at the time of application and provide documentation.
 - If the project will provide leasable space and commitments have been secured, who is the proposed tenant? How much space will the known tenants lease?
 - Do you plan to sell the tax credit award to attract equity or capital needed to sufficiently complete the project?
 - If the project will provide space for resale or for lease or rent, AND commitments are not secured or cannot be documented, the Applicant must address the following items:
 - Is the project speculative? Building use?
 - Detail your plan to attract buyers and/or tenants to the space. Are commitments pending? Is negotiation in progress? Has a target market for the space been identified? If so, what is it? Can a demand be shown for the space created? Provide assurances the completed project will not result in vacant or underutilized space.
3. **Proposed Outcomes (Community Impact Measures Report):** The proposed outcomes identified by the Applicant must be quantifiable, measurable, and achievable results that demonstrate the impact of the project on the place and problems identified. The application narrative must explain the impact and change, and describe how outcomes relate to the EZP project. Outcome measures must be identified and provided in the Community Impact Measures Report (*Exhibit A*) addendum in ESA.

The Community Impact Measures Report also includes space for other measures proposed or anticipated by the Applicant. When providing both the required and Applicant-specific measures, use the following descriptions:

- **Inception Data:** Provide data pertaining to the observed problem prior to receiving EZP tax credit assistance.
- **Projected Outcomes:** Provide outcome measure data the Applicant expects to achieve at the completion of the EZP project. Employment opportunities must be created for low income individuals located within the Enterprise Zone. These employment opportunities must be full-time, above minimum wage at a family-sustainable wage, and include benefits.

B. Applicant Profile

Provide a profile of the Applicant private for-profit organization, including the most recent financial statements, parent company or business, and any proposed guarantors that demonstrate the fiscal stability of the Applicant. Financial statements should include balance sheets, income statements, and any comments regarding financial documents, pro forma, and income projections if applicable. Provide information that describes the Applicant's commitment to the community or to the revitalization of the Enterprise Zone.

C. Private Company and Commitment of Qualified Investment

Provide documentation that the qualified investment has been secured. This documentation is preferably in the form of a commitment letter that is signed and dated.

D. Budget

In completing the budget section in ESA, the budget must include the EZP Request located in the first column, and any other sources of funds that will be leveraged to undertake the project located in the remaining columns. The EZP Request column must reflect the total investment amount. The EZP Request is the amount that will be used to calculate the tax credit award. **The EZP Request budget column should not reflect the amount of tax credits requested.**

For example, if the Applicant is contributing \$100,000 to the project, the EZP Request column should reflect \$100,000. The tax credit award will be calculated from that column at 25 percent of the commitment, or \$25,000. Applicants are responsible for ensuring the full EZP-qualified investment amount is accounted for.

E. Financial Compliance Requirements

A financial Examination is required at the end of the EZP project to verify the investment was applied as it was approved by DCED. Please refer to the DCED Close-Out Guidelines for Grants and Tax Credits, dced.pa.gov/programs-funding/compliance-resources/, for guidance on completing a financial Examination. The Examination expense may not be included in the EZP budget because EZP project expenses are limited to construction-related costs only. The Examination **must be paid from other funds** identified in the project budget.

F. Budget Justification

Complete the Project Budget Justification form (*Exhibit B*) to describe how the project funds will be spent. All budget costs must be correct and correspond with the proposed project activities.

G. Attachments

Documents must be uploaded in ESA. The following items are required when submitting an EZP application:

1. Financial statements as outlined in **Section B** of these guidelines.
2. A letter from the appropriate planning agency certifying the proposed project complies with any comprehensive land use plans and zoning or subdivision codes, if applicable.
3. A letter of support from the Enterprise Zone Coordinator. The letter must also certify the project is located within a currently designated area (*Exhibit E*).
4. Cost estimates, if applicable, or statements estimating the cost of the project. The estimate must be prepared by an engineer or other qualified professional on official business letterhead and must be accompanied, where appropriate, by copies of the signed bids/quotations, contractor estimates, or sales agreements that verify project cost estimates.
5. Copies of funding commitment letters, on official letterhead, from all other funding sources if applicable, including equity commitments. Letters should include the term, rate, and collateral conditions, and must be signed and dated.
6. For EZP tax credit requests exceeding \$250,000, a projected cash flow analysis that includes all expenses and revenues covering the period of time from project commencement to lease-up/build out and/or sale of the property. If the project will occur on the Applicant's property, a copy of the deed and/or tax receipt is required. If the project is for leasehold improvements, a copy of the lease agreement between the leaseholder and the tenant is required.

7. Documentation that proves the Applicant is legally authorized to perform the work described in application.
8. Documentation of a commitment to avoid displacement of current residents.
9. Completed Community Impact Measures report (*Exhibit A*).
10. Copy of any proposed sub-contractual agreement(s) for services, if applicable.
11. The number of family-sustaining jobs created or retained, along with the calculated cost per job.

Section V – Requirements After Approval

Regardless of the date DCED approves the project and offers an EZP award, the activity period is 12 months, beginning on July 1 and ending on June 30 of the following year. The investment must be used for activities and expenditures occurring during that 12-month period. An approved EZP Applicant may request a one-year extension, if needed, as an amendment. **Section V (F)** provides details about the extension process.

All NAPs including EZP are a partnership with DCED and the DOR. DCED approves the EZP application via ESA. However, DOR is the issuing department for the tax credit award. Please refer to DOR at revenue.pa.gov and select Online Services to access the DOR Customer Service Center or for laws, policies, and tax bulletins that may contain additional information concerning tax credit approvals.

An eligible private company awarded EZP tax credits has three options:

- Retain and use,
- Sell, or
- Pass through to another eligible entity.

All tax liabilities are required to be satisfied before the private company can sell the credits or pass through to another entity. DOR makes the final determination concerning the sale or pass through of tax credits. If the private company has tax liabilities, DOR will require settling the liabilities before approving a sale or pass through. The Applicant may request use of the tax credits when the project is finished.

A. Retention and Use of Tax Credits

If the Applicant decides to retain and use the tax credits, the following is required:

- Complete and submit the Application for Tax Credit under the Neighborhood Assistance Program Enterprise Zone Program (*Exhibit C*) with all required documentation of the qualified investment to DCED.
- The form must be received by DCED prior to December 31. This date is 180 days, or six (6) months, after the investment period ends.
- DCED will first approve and then forward the form to DOR for processing.
- DOR will notify the Applicant when the tax credits are approved and applied.
- Tax credits not applied against current year taxes may be carried forward for the next five (5) subsequent calendar or fiscal years until the full credit has been applied if the certification for credits has been requested through DCED.
- Submit all forms and documentation to the DCED resource account for NAP and EZP, at RA-DCEDNAPMAIL@pa.gov

B. Private Company Selling Tax Credits

EZP Applicants are permitted to sell tax credits one (1) year from the start date of the contract provided the audit process is complete, the investment has been made, and the Applicant's tax liabilities are satisfied. For example, if the start date is July 1, 2017, the Applicant may sell the tax credits on or after July 1, 2018, provided all requirements are satisfied.

If an Applicant decides to sell the tax credits, the following two actions must be taken:

- Initial submission of the Application for Tax Credit under the Neighborhood Assistance Program Enterprise Zone Program form (*Exhibit C*), and
- Once the Applicant has held the tax credits for one (1) year, submission of an Application to Sell or Assign Tax Credits under the Neighborhood Assistance Act form (*Exhibit D*).

Upon receipt of the completed form, DCED will review it for completeness, and then forward it to DOR with a recommendation. DOR will then review the request and determine whether sufficient tax credits are available for the sale. DOR will notify DCED of its approval, and DCED will then provide notification to the Applicant with a memo and an approved Application to Sell or Assign Tax Credits under the Neighborhood Assistance Act form (*Exhibit D*).

Time is of the essence. The purchaser or assignee of the tax credits must use the credits in the tax year in which the purchase or assignment is made. Additionally, the purchaser or assignee may not carry forward, sell, or assign the purchased/assigned credits.

C. Pass-through of Tax Credits

EZP Applicants are permitted, in limited circumstances, to pass-through tax credits. Only Pennsylvania S corporations, limited liability organizations, partnerships, joint ventures, and business trusts may pass-through tax credits. For an Applicant to consider a pass-through, the Applicant's tax liabilities must first be satisfied.

If the Applicant meets the criteria to pass-through the tax credits, the following must be completed and submitted to the Department for the requisite approvals:

1. Initial submission and approval of the Application for Tax Credits under the Neighborhood Assistance Program Enterprise Zone Program form (*Exhibit C*), and
2. After DCED approves the EZP tax credits, the Applicant must send a letter to DOR requesting a pass-through of the credits. The following information must be provided to DOR on the Applicant organization's official letterhead:
 - a. A list of shareholders, members, or partners.
 - b. The amount of tax credit to be passed through to each shareholder, member, or partner.
 - c. Signature of an authorized representative of the Applicant organization.

The EZP tax credit pass-through request must be submitted to the following address:

Commonwealth of Pennsylvania
Department of Revenue Bureau of Corporation Taxes
Dept. 280701
Harrisburg, PA 17128-0701

DOR is the commonwealth entity that either approves or disapproves all pass-through requests.

The following limitations apply to EZIP tax credit pass-through:

- The purchaser or assignee of a tax credit may not sell or assign any part of a tax credit, and must use the tax credit in the tax year the pass-through occurred.
- The purchaser or assignee of a tax credit is not entitled to carry-back or obtain a refund of an unused tax credit.

D. Amendments

A project amendment is required when a major change occurs after a project has been approved. Major changes include but are not limited to dropping or adding an activity, changing the project location, changing the termination date of the project, or increasing/decreasing a budget line item by 10 percent or more. A written request from the Applicant to amend the project must be submitted to DCED before the project end date.

The request must describe the proposed changes. If the change affects the budget, a revised budget, justification, and all documents relating to the change must be submitted with the amendment request.

Submit all amendment requests and documents to the NAP and EZIP resource account at RA-DCEDNAPMAIL@pa.gov.

E. Modifications

A project modification is a minor change to the objectives, timelines, or goals of an approved project. Requests for modifications must be submitted by the Applicant in writing before the project end date, and must describe the circumstances and details related to the modification. The modification request must contain the original and the revised objectives, timeline, goals, and other changes. If the change affects the budget, a revised budget, justification, and all documents relating to the change must be submitted along with any documentation regarding the change.

Submit all modification requests and documents to the NAP and EZIP resource account at RA-DCEDNAPMAIL@pa.gov.

F. Extensions

EZIP Applicants may invest in the approved project for up to two (2) years. The two (2) year period includes the original one (1) year activity period and a one (1) year extension if the original plan demonstrates a need to spread the investment over a two (2) year period. In this instance, the EZIP tax credits must be requested from DOR upon conclusion of the first year, and the Applicant must request an extension from DCED to extend the project termination date by one (1) year.

G. Compliance and Monitoring

The Department reserves the right to monitor the project and project costs resulting from the award of EZIP tax credits.

H. Fiscal and Reporting Requirements

Upon conclusion of the project, each EZP recipient is required to submit the following reports to the Department:

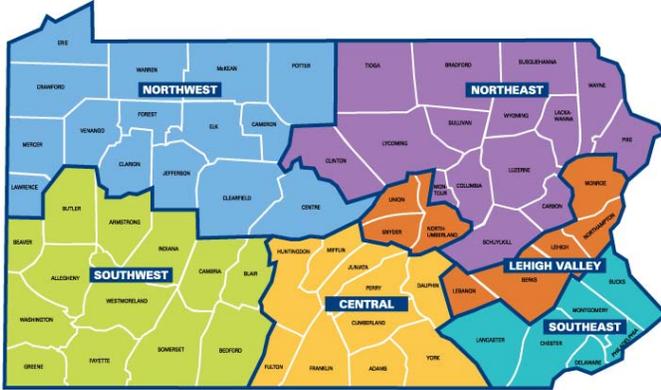
- Fiscal Examination in accordance with DCED Closeout Guidelines for grants and tax credits,
- Completed Community Impact Measures Report (Exhibit A) that identifies projected goals and activities along with actual outcomes that resulted from the EZP project, and
- Completed Annual Project Report on Success, Section VI of the Community Impact Measures Report (*Exhibit A*), that explains in a narrative format the EZP project's positive impacts and outcomes.

Note: The reporting format has been updated to more effectively collate and synthesize data for reporting to the Pennsylvania Legislature and taxpayers. Outcome measures have been revised, and these elements are required. Every field that applies to your project must be completed.

ARCHIVED

Regional Offices

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



Central

Adams, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Mifflin, Perry, and York counties

Department of Community and Economic Development
Gwen Ross
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
(717) 720-7386
Fax (717) 783-4663
gwross@pa.gov

Southeast

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

Department of Community and Economic Development
Aliyah Furman, Director
200 South Broad Street 11th Floor
Philadelphia, PA 19102
(215) 560-5830
Fax: (215) 560-5832
alifurman@pa.gov

Northeast

Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Lycoming, 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

Lehigh Valley

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

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

Southwest

Allegheny, Armstrong, Beaver, Bedford, 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

Northwest

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

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

NEIGHBORHOOD ASSISTANCE PROGRAM COMMUNITY IMPACT MEASURES REPORT

GENERAL INFORMATION

Applicant: _____	Project Name: _____
Single Application Number: _____	Fiscal Year: _____

This form will be submitted twice. An agency will submit it with their original application with all projected outcomes. The agency will save the submitted form so that they may update this form with the actual outcomes. All agencies approved for tax credits will update the form with the actual outcomes and are required to complete a second submission of this form in a completed format at the end of the contract year. This second submission will include the original data with the addition of the actual accomplishments of the project. The form will then be submitted via e-mail to: ra-dcedocs@state.pa.us.

SECTION I: PROJECT PURPOSE

Please select the type of Neighborhood Assistance Project	<input type="text" value="MUST Select NAP Type"/>
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SECTION II: PROJECT SUCCESS MEASURES

Please complete the project activity/ies below that apply to your Neighborhood Assistance Program (NAP). Although not all project activities are required for any one program, please complete ALL project activities that are related to your specific NAP project, as this will help substantiate the value of your specific project. "Projected" numbers must be completed at the time of application, and will be used as part of the award assessment process. The "actual" numbers are to be submitted at the end of the contract activity period as noted above.

Project Measures	Projected	Actual	Project Measures	Projected	Actual
# of neighborhood residents served/impacted by project			# of those listed served who are long term recipients of food subsidies (greater than 6 months)		
# served who would have been required to make a choice between food or medical expenses (assisted by this project) and other expenses, such as medical care, utility payments, etc.			# served who are receiving food subsidies as part of/participating in a self-sufficiency program (such as financial/budget counseling, employment and training, and/or family savings account, first time homebuyer, etc.)		
# of low-income individuals served who are also participating in income, infrastructure, & asset building towards their long-term goals			# of low-income individuals assisting in neighborhood cleanup & beautification		
# of low-income individuals assisting with project planning & implementation			# of combined "Total" of ALL low-income individuals assisting with any portion of this project (include all low-income individuals who planned/implemented and/or assisted with cleanup, plus any other low-income individuals who contributed in another way towards this project)		
# of low-income individuals learning & maintaining budgeting skills			# meals provided to low-income individuals/families		
# of day cares created by project			# of senior care sites created by project		
# of youth participating in weekend and/or after-school programs			# of first-time homebuyers served by project		
# of foreclosures prevented due to intervention			# of housing units maintained (mitigated all home issues)		
# of housing units rehabbed by project			# of housing units constructed by project		
# of residents who completed job training			# of residents who completed ABE/GED curricula		
# of residents who obtained FT employment as a result of job training			# of residents who obtained PT employment as a result of job training		

SECTION II: PROJECT SUCCESS MEASURES (Continued)

Project Measures	Projected	Actual	Project Measures	Projected	Actual
# of direct jobs created by project paying more than state minimum wage			# of jobs retained by project		
# of new business start-ups			# of commercial/industrial buildings constructed		
# of commercial/industrial buildings rehabbed			# of blighted properties cleared by project		
# of blighted buildings removed			# of new facia added to revive community appearance		
# of sites that were cleaned and repurposed (land recycling through environmental cleanup) so that land may serve a new purpose			# of sites which increased the low-income community's monetary network in order to satisfy a need (examples: Bank or Grocery Store)		
# of blocks with adequate lighting installed by this project			# of blocks receiving better street signs, flags, flowers, and/or other improvements/beautification		
# of parks or rest sites created			# of walking trail(s) created		
# rides given for work or medical			# of life-saving surgeries		
# of patients served by various other health services (medical services, opioid addiction services, dental services, etc.)			# of low-income individuals who received NARCAN and/or CPR training		
# of Community Health Centers created for low-income individuals			# of Community Gathering places created to serve a need for Seniors		
# of Community Gathering places created to serve a need for Youth			# of buildings cleaned for Disaster Recovery		

SECTION III: COMMUNITY IMPACT MEASURES

Community Impact Measures are required for ALL PROJECTS. Please complete all data elements that apply to your project. Capturing activity details is necessary to identifying projects which will most impact the community in which the project occurs. The project activities captured in Section II should be used toward producing the Community Impact Measures, which provide the actual change(s) that have occurred within the community and measures the result and effectiveness of the community investment through NAP tax credits for your project.

Enter the Community Impact Measures which best describe how your project will impact the community served (paying particular attention to the REQUIRED measures specific to the project type). NOTE: The "actual" column will reflect details at the end of the contract period and should not be included at the time of application.

Impact Measures	Inception	Projected	Actual
Homeownership Rate			
Median Property Value			
Residential Vacancy Rate			
Business Property Vacancy Rate			
Poverty Rate			
Crime Rate			
School Drop Out Rate			
High School Graduation Rate			
Unemployment Rate			
Food Insecurity Rate			
Impact Measures (Job Impact)	Inception	Projected	Actual
Number of Quality Jobs* Created	N/A		
Number of Quality Jobs* Retained	N/A		
Estimated Tax Credits per Total Jobs (created & retained)	N/A		

SECTION IV: COMMUNITY IMPACT MEASURES (Continued)

Impact Measures (Tax Impact)	Inception	Projected	Actual
State/Local Taxes*	N/A		
<p><i>* For site-specific construction or rehabilitation/redevelopment projects include all state and local taxes collected resulting from business and/or residential activity for that site. The state taxes should include:</i></p> <ul style="list-style-type: none"> - Earned income from workers; - Corporate/business taxes including Corporate Net Income Taxes: Capital Stock & Foreign Franchise Tax; Insurance Premiums Tax (see next measure regarding any abated State taxes <p><i>The local taxes should include taxes collected at the county municipal, and school district levels</i></p> <ul style="list-style-type: none"> - Property taxes (see next measure regarding any abated taxes); - Earned income from workers; - Business taxes including Net Profits Tax, Business Gross Receipts, Business Occupancy, Business Privilege and Mercantile Taxes (see next measure regarding any abated Sales taxes. <p><i>Exclude any property taxes from any properties that are in tax foreclosure or that have tax arrearages dating back more than one year. These amounts should be excluded from the inception column.</i></p>			
Abated Taxes**	N/A		
<p><i>** In completing answers for state/local tax measures above, do not include any abated taxes. Include all state and local taxes abated in the "Abated Taxes" measure. The amount due in the "Inception" column should be the most recent year total prior to project start. Exclude any property taxes from properties that are in tax foreclosure or that have tax arrearages dating back more than one year. These amounts should be excluded from the "Inception" column.</i></p>			
Impact Measures (Financial Related Impact)	Inception	Projected	Actual
\$\$ Value of Food Made Available to low-income individual's/family's (Required for CFP)	N/A		
Money Made Available for Project via Businesses Receiving Tax Credits	N/A		
Individual Cash Contributions Towards Project	N/A		
Other Community Dollars Available (local government and individual resources made available to the project as a result of NAP)	N/A		
Total Resources Available for Project as a Result of Tax Credits	N/A		
Impact Measures (Project Impacts Not Otherwise Counted Above)	Inception	Projected	Actual
Other Community Impact Measures to Support Project Proposed by Applicant:	(complete for each selected measure)		
#1			
#2			

SECTION V: FUNDS LEVERAGED - PRIVATE

Section IV Instructions: This is an opportunity to list all other funds that were able to be leveraged for this project as a result of the NAP Tax Credits. This section should include private/individual contributions given in support of the project, non-profits which contributed towards the project, and may include local tax dollars or other business contributions.

Contributor Name	Date of Contribution	Monetary Contribution \$\$ Value	# of Volunteer Hours Contributed	Other Contribution - List Services Type
Various Private Individuals	Dates will Vary			
Total of Additional Funds Leveraged		\$0	0	← Total Volunteer Hours

SECTION VI: FUNDS LEVERAGED from BUSINESS CONTRIBUTORS

Section V Instructions: During the first submission of this project, simply list the names of the businesses that will contribute. During the second submission of this form, at project completion and no later than October 15, all information must be completed for each participating business that is requesting tax credits.

Contributor Name & Address	Date of Contribution	Amount of Contribution	Applied to DCED for Tax Credits	Amount of Contribution Expended by Applicant
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Name Address City, State, Zip				
Total Contribution Amount		\$0	Total Expended =>	\$0

SECTION VII: ANNUAL PROJECT REPORT ON SUCCESS

Describe how the place-based, neighborhood outcome measures submitted with your application have been met?
If any of them were not met, describe the lessons learned and how you are working towards achieving this place-based, neighborhood outcome...

Describe how the project goals (measurements), as submitted with your application, were met? If any of them were not met, describe the lessons learned and how you are working towards achieving these goals/measurements...

Have all businesses met their initial commitment and applied for tax credits? Have all of these commitments been expended by the agency? If the answer is not affirmative, to both questions please explain...

Provide additional comments/information below that will aide the DCED in evaluating the progress and outcomes of your project. Also provide lessons learned which would assist DCED or other projects in future planning.

Provide information on lessons learned which will assist you or others in planning future projects.

Project Budget Instructions

Enterprise Zone Tax Credit Program

Budget Columns

Column 1: Budget Category

This category lists the various expense categories to be charged against the project.

Acquisition

List the cost of land or building to be purchased.

New Construction

List such items as electrical, heating, plumbing, etc.

Renovation

List such items as electrical, heating, plumbing, etc.

Infrastructure/Site Preparation

List such items as access road, demolition, excavation, etc.

Related Costs

List such items as design costs, fees, legal costs, etc.

Column 2: Amount Applicable for Tax Credits

Fill in only those amounts applicable for EZP tax credits. Enter the total of all budget categories on line VI. Enter the total EZP tax credits requested on Line VII *(up to \$500,000.00).

Column 3: Methods of Financing

Fill in by column, by financial supporter, all monies that will support this project. Amounts should be broken down by budget categories. Identify each financial supporter in the space provided at the top of each column. For each column, place a total on Line VI.

Column 4: Total Project

Total project should equal the total of all financial support identified in Column 3. Place a total on Line VI.

Project Budget Justification

Enterprise Zone Tax Credit Program

The project Budget Justification will detail by line item the basis for budget costs in the Enterprise Zone Tax Credit Program Project Budget. Indicate the cost per item in the space provided to the right of each item. Total the column of costs and place at the bottom marked Total Project Cost.

Acquisition

Land\$ _____
Buildings\$ _____

New Construction

General Construction\$ _____
Plumbing\$ _____
Electrical\$ _____
HVAC\$ _____
Sprinkler System\$ _____
Other (List)\$ _____

Renovation

General Construction\$ _____
Plumbing\$ _____
Electrical\$ _____
HVAC\$ _____
Sprinkler System\$ _____
Other (List)\$ _____

Infrastructure/Site Preparation

Access Road (priv. alley/garage) \$ _____
Parking\$ _____
Water/Sewer\$ _____
Utilities\$ _____
Lighting\$ _____
Demolition\$ _____
Excavation/Grading\$ _____
Environmental Cleanup ...\$ _____
Landscaping\$ _____
Other (List)\$ _____

Related Costs

Professional Services\$ _____
Design Costs\$ _____
Development Plans\$ _____
Engineering\$ _____
Inspections\$ _____
Fees\$ _____
Insurance\$ _____
Surveys\$ _____
Test Borings\$ _____
Legal Costs\$ _____
Transfer Taxes\$ _____
Other (List)*\$ _____

Total Project Cost\$ _____

**Do not include contingencies*

Project Budget Justification (cont'd)

Enterprise Zone Tax Credit Program

The project Budget Justification will detail by line item the basis for budget costs in the Enterprise Zone Tax Credit Program Project Budget. Indicate the cost per item in the space provided to the right of each item.

Sources

Private - Private Investment (list all sources separately)

Private loans and mortgages:

.....	\$
.....	\$
.....	\$
.....	\$

Equity Contributions (include source of investment)

.....	\$
.....	\$
.....	\$
.....	\$

Total Private Sources \$

Public

DCED Sources of funding (by program):

.....	\$
.....	\$
.....	\$
.....	\$

Other Government Sources (Federal, State and Local):

Federal	\$
State	\$
Local	\$

Total Public Sources \$

TOTAL ALL SOURCES \$

Sample Support Letter

Enterprise Zone, Keystone Main Street, Keystone Community or Keystone Communities Enterprise Zone

(The support letter must be on official Enterprise Zone, Keystone Main Street, Keystone Communities or Keystone Communities Enterprise Zone letterhead or the official letterhead of the entity administering the zone.)

Date

Addressee (Private Company)

Dear Private Company:

I am writing to inform you that your company (name of company) is located within the (name of Enterprise Zone, Keystone Main Street, Keystone Community or Keystone Communities Enterprise Zone). The expiration date of the Enterprise Zone, Keystone Main Street, Keystone Community or Keystone Communities Enterprise Zone is (expiration date) or the Enterprise Zone, Keystone Main Street, Keystone Community or Keystone Communities Enterprise Zone expired on (expiration date). However, one benefit of the program permits a private company to apply for Enterprise Zone Tax Credits for up to two years after the exit date of the zone.

State the reason why the Enterprise Zone, Keystone Main Street, Keystone Community or Keystone Communities Enterprise Zone supports the application.

Sincerely,

Enterprise Zone Coordinator