

PRIVATE DAM FINANCIAL ASSURANCE PROGRAM

Loan Application Process Guidelines | January 2019



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Section I – Introduction and Purpose

The Private Dam Financial Assurance Program (“Program”) was established under the Private Dam Financial Assurance Program Act (PDFAP Act), pursuant to Section 1603-N of the Act of June 22, 2018 (P.L. 281, No. 42), known as the Fiscal Code, to provide financial assurance assistance to owners of regulated private dams to meet proof of financial responsibility required under Section 11 of the Dam Safety and Encroachments Act. The PDFAP Act also has a provision to provide low-interest loans to enrolled private dam owners once the Private Dam Financial Assurance Fund has reached \$1,500,000. The program is administered jointly by the Department of Community and Economic Development (DCED) and the Department of Environmental Protection (DEP).

Section II – Eligibility

Private dam owners who are enrolled and maintain good standing in the Private Dam Financial Assurance Program. Compliance must also be maintained with the Dam Safety and Encroachments Act and the regulations promulgated under that Act, including, but not limited to, annual inspection reporting, payment of registration fees and compliance with an approved Emergency Action Plan. To enroll in the Private Dam Financial Assurance Program please see the enrollment guidelines at www.dced.pa.gov.

Section III – Program Requirements

A. Eligible Uses of Program Funds

1. Maintenance, repair, rehabilitation, or permanent breach of the owner’s dam
2. Demolition
3. Excavation and reclamation
4. Engineering costs (10% max)

Ineligible expenses include, but are not limited to, fees for securing other financing, interest charges on borrowed funds (although reasonable capitalized interest and direct interest costs related to interim financing may be permitted), unpaid taxes or municipal liens, and costs incurred prior to the approval of the loan. Additionally, program funds may not be used to procure lobbying services or pay fines or reparations resulting from lawsuits, citations or regulatory actions.

B. Matching Funds

An eligible applicant shall provide matching funds of not less than 50% of the total project cost.

C. Other Requirements

1. Nondiscrimination

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

2. 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. DCED 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 DCED, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

3. Certification of Expenses

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

4. Annual Fee

Payment of the annual fee is a condition of being enrolled in the program. Failure to pay the annual fee on time will result in termination from the program and will be considered an event of default under the loan agreement.

Section IV – Financial Assistance

A. Loan Amount

The loan amount cannot exceed 50% of the eligible project costs or \$500,000, whichever is less.

B. Interest Rate

The interest rate for the loan will be based on the five-year US Treasury Note and will be set at the time of loan application.

C. Repayments

Loans will be repaid over a period not to exceed 10 years.

Section V – Application Process

A. Application Procedures

1. To apply for funding, the applicant must submit the on-line Department of Community and Economic Development Electronic Single Application for Assistance located at www.esa.dced.state.pa.us. Required supplemental information outlined in Appendix I of these guidelines must be attached electronically to the application as directed on the Addenda tab. For technical inquiries regarding the submission of the on-line application, contact the Customer Service Center at (800) 379-7448 or (717) 787-3405. Once submitted, please print two (2) copies of the application, including the required supplemental information, and mail to:

PA Department of Community and Economic Development
Business Financing – Site Development
Private Dam Assurance Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
2. The department charges a \$100 non-refundable application fee for Private Dam Financial Assurance Program applications. The application fee must be paid electronically by credit or debit card through our secure, third-party vendor. Payment of the application fee must be completed prior to the certification and submission of the Electronic Single Application. Detailed payment instructions will be provided on the Certification Tab of the Electronic Single Application once all required fields have been completed.

Section VI – Program Inquiries

- A. Program inquiries should be directed to:

Department of Community & Economic Development
Center for Business Financing
Private Dam Financial Assurance Program
Commonwealth Keystone Building, 4th Floor
400 North Street
Harrisburg, Pennsylvania 17120-0225

Phone: (717) 787-6245
Fax: (717) 772-3581
E-mail: ra-dcedsitedvpt@pa.gov

- B. These guidelines can be accessed on-line at www.dced.pa.gov.

Appendix I – Application Supplemental Items

In addition to completing the DCED Single Application for Assistance, please include the following items when applying for PDAF loans:

- Exhibit 1:** Provide a detailed description of the project which discusses all of the following: (a) the specific location of the project area; (b) the work to be completed; (c) the estimated start and end dates of the project; and (d) the number and name of the municipalities that will potentially benefit from the project.
- Exhibit 2:** A statement as to the estimated cost of the project. The estimate must be prepared by an engineer or other qualified professional.
- Exhibit 3:** Funding commitment letters from all other project funding sources. Letters must be signed and dated.
- Exhibit 4:** Provide a letter from DEP approving the scope of work to be completed using the loan proceeds.
- Exhibit 5:** A color-coded map or plot plan detailing the location of the project and any improvements.
- Exhibit 6:** The most recent financial statements of the Applicant.
- Exhibit 7:** For all applicants, provide copies of notifications provided to county and municipal governing bodies advising them of the proposed project.