

STATEMENTS OF POLICY

Title 12—COMMERCE, TRADE AND LOCAL GOVERNMENT

DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT

[12 PA. CODE CH. 123]

Community Revitalization Program

The Department of Community and Economic Development (Department) hereby amends Chapter 123 (relating to Community Revitalization Program—statement of policy) to read as set forth in Annex A. The statement of policy is amended under the authority of Part II, section 209 of Act 6A of 1998 (Appropriation Act).

Background

The Appropriation Act requires the Department to publish Community Revitalization Program (CRP) guidelines in the *Pennsylvania Bulletin* prior to the spending of the 1998-99 moneys designated for the Community Revitalization Program. This amended statement of policy updates the existing Community Revitalization Program guidelines published in 1997.

Amendments

Section 123.1 (relating to introduction) is amended to update the reference to the Appropriation Act and to include a notice to applicants that requests for funding far exceed CRP moneys available.

Section 123.2 (relating to definitions) is amended to add a definition for the term "Department."

Section 123.3 (relating to eligibility) is amended to update the reference to the Appropriation Act and to list additional information required to accompany each application.

Section 123.4 (relating to program requirements and instructions) is amended to include a statement that incomplete applications may be rejected and to include an excerpt from the Department Single Application for Assistance form, to show the level of detail required on each application.

Section 123.5 (relating to application submission and approved procedure) is amended to change submission information, grant award cycles and proposed award dates.

Section 123.6 (relating to procedures) is amended to increase by \$75,000 the monetary cap which activates the requirement to submit an audit for approved projects and to include provisions dealing with the rejection of applications.

Section 123.7 (relating to limitations and penalties) is amended to include a provision on penalties for noncompliance with procedures.

Section 123.8 (relating to contact information) is amended to provide updated contact information.

Fiscal Impact

The amended statement of policy has no fiscal impact on the Commonwealth, political subdivisions or the public.

Paperwork Requirements

Additional paperwork requirements are not imposed as a result of the amended statement of policy.

Contact Person

For further information regarding the amended statement of policy, contact Matthew Tunnell, Director, Office of Policy, Department of Community and Economic Development, Room 433 Forum Building, Harrisburg, PA 17120, (717) 787-3003.

Finding

The Department finds that:

Delay in implementing the statement of policy will have a serious adverse impact on the public interest.

Order

The Department acting under the authorizing statute, orders that:

(a) The statement of policy of the Department, 12 Pa. Code Chapter 123, is amended by amending §§ 123.1—123.8 to read as set forth in Annex A.

(b) The Secretary of the Department shall submit this order and Annex A to the Office of General Counsel for approval as to form and legality as required by law.

(c) The Secretary of the Department shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(d) This order shall take effect upon publication in the *Pennsylvania Bulletin*.

SAMUEL MCCULLOUGH,
Secretary

Fiscal Note: 4-69. No fiscal impact; (8) recommends adoption. Act 1998-6A appropriated \$45 million to the Department of Community and Economic Development to implement this program.

Annex A

TITLE 12. COMMERCE, TRADE AND LOCAL GOVERNMENT

PART V. COMMUNITY AFFAIRS AND DEVELOPMENT

CHAPTER 123. COMMUNITY REVITALIZATION PROGRAM—STATEMENT OF POLICY

§ 123.1. Introduction.

(a) The CRP provides grants for community revitalization and improvement projects throughout this Commonwealth. CRP funds may be used for projects that are in accordance with Act 6A of 1998. Eligible projects are defined in § 123.3(b) (relating to eligibility).

(b) Assistance from the CRP is in the form of grants from the Commonwealth to eligible applicants for projects which, in the judgment of the Department, comply with Act 6A of 1998, are in accordance with the program guidelines in this chapter and meet all Department Single Application for Assistance criteria.

(c) Applicants should be aware that applications for other Department programs may also be considered under the CRP. This creates a large pool of applications for a limited appropriation from the General Assembly. Applicants should be aware that not every application can or will be funded.

(d) 1998 CRP expenditures will be charged to the State fiscal year July 1, 1998, to June 30, 1999.

§ 123.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

CRP—The Community Revitalization Program.

§ 123.3. Eligibility.

(a) *Eligible applicants.* The following applicants are eligible:

(1) General purpose units of local government such as counties, cities, boroughs, townships and home rule municipalities.

(2) Municipal and redevelopment authorities and agencies.

(3) Industrial development authorities and agencies.

(4) Nonprofit corporations incorporated under the laws of the Commonwealth.

(5) Community organizations engaged in activities consistent with the program guidelines as determined by the Department.

(b) *Eligible projects.* CRP funds may be used for community revitalization and improvement projects that are consistent with Act 6A of 1998. These provisions include projects which:

(1) Improve the stability of the community.

(2) Promote economic development.

(3) Improve existing and develop new civic, cultural, recreational, industrial and other facilities.

(4) Assist in business retention, expansion, stimulation and attraction.

(5) Promote the creation of jobs and employment opportunities.

(6) Enhance the health, welfare and quality of life of Pennsylvania citizens.

(c) *Guideline compliance for 1998-99.* The Department will require the applicant to identify the type of project from the six eligible project activities listed in subsection (b). The Department will also require supporting information. This information shall be contained in a separate, easily identified section of the narrative entitled "Guideline Compliance." Information shall be provided on the community being served or the target population of the project.

§ 123.4. Program requirements and instructions.

The following requirements apply to CRP:

(1) Project applications shall be submitted using the Department Single Application for Assistance. Applications are available through the Department's Customer Service Center or the Department's website, at the addresses and phone numbers listed in § 123.5(a) (relating to application submission and approval procedure).

(2) The Department reserves the right to:

(i) Request additional information regarding proposed use of funds.

(ii) Verify non-Department funding sources.

(iii) Require explanation or revision of the project's budget.

(iv) Require clarification of the project's narrative.

(3) Incomplete applications may be rejected. An applicant shall follow the detailed instructions for completing the Department Single Application for Assistance when applying for CRP, especially, with regards to the completion of the Project Narrative section. The following excerpt from the Department Single Application for Assistance provides the level of detail that the Department is seeking on a project.

"A typewritten or computer generated Project Narrative must accompany the Single Application for Assistance. The narrative should provide a detailed and comprehensive description of the project. The narrative must specifically address each of the cost items identified in the Project Budget section of the application. In general, the narrative should include:

Specific Problems to be Addressed or Improvement to be Financed. Identify the problem that needs to be resolved.

Project Description. What do you plan to accomplish with this project and how do you plan to accomplish it?

Expected Outcomes. Examples of measurable outcomes include; jobs created or retained, people trained, land or buildings acquired, park constructed, feet of road repaired.

Projected Schedule and Key Milestones and Dates. A detailed project schedule must accompany the application, including key milestones and dates.

Documentation to support Projected Budget Costs. This documentation may consist of bids or cost quotations, contractor estimates, appraisals, engineer estimates or an itemized line by line listing of how you arrived at the specific amounts for the project.

Documentation of matching dollars such as commitment letters, receipts, etc.

Religious disclaimer. If an applicant has a religious affiliation, the applicant should provide a disclaimer assuring that Department funds will not be used for religious purposes."

§ 123.5. Application submission and approval procedure.

(a) The application is available by calling the Customer Service Center number listed in this subsection, the Department's regional offices or by accessing the Department's website at "www.dced.state.pa.us." Applications will be accepted anytime throughout the fiscal year. Applications should be submitted to the following address: Department of Community and Economic Development, Customer Service Center, 4th Floor, Forum Building, Harrisburg, PA 17120 (800) 379-7448.

(b) CRP grant awards will be made in three rounds during the fiscal year. The Department will grant approximately 33% of the program appropriation in the first round, approximately 33% in the second round and approximately 33% during the third round. These percentages are targets. The Department will make every effort to allocate program funds in accordance with these targets.

(1) The first round consideration will include all applications received between July 1 and Friday, September 18, 1998.

(2) The second round will include applications received by Friday, December 18, 1998, and applications not approved in the first round.

(3) The third round will include applications received by Friday, March 19, 1999, and applications not approved in the first and second rounds.

(4) Targeted grant announcement dates, subject to change without notice at the discretion of the Department, are as follows:

- (i) On or about October 15 for the first round.
- (ii) On or about January 15 for the second round.
- (iii) On or about May 15 for the third round.

(c) CRP funds remaining after the third round may be awarded by the Department up to the end of the fiscal year.

(d) Follow up information as to the status of submitted grant applications may be obtained at anytime by contacting: DCED Customer Service Center, (800) 379-7448, DCED@state.pa.us.

(e) Applicants should be aware that demand for this program is very high and staff may not be familiar with each individual application. Applicant care in preparation of the application will assist the Department in processing the application.

§ 123.6. Procedures.

(a) CRP grant award notifications will be made by award letter. After the award letter has been mailed, the applicant will receive a contract document that shall be executed by the grantee and returned to the Department for execution by the Department on behalf of the Commonwealth. No grants will be awarded without a fully executed contract.

(b) The applicant shall maintain full and accurate records with respect to the project. The Department will have free access to the records including invoices of material and other relative data and records as well as the right to inspect all project work. The applicant shall furnish upon request of the Department all data, reports, contracts, documents and other information relevant to the project.

(c) Approved grants in the amount of \$100,000 or more require the grantee to provide an audit of the grant by a certified public accountant, prepared at the expense of the grantee, in compliance with State law.

(d) Approved grants under \$100,000 require the grantee to submit a detailed financial statement, and a

close out report of the use of State funds consistent with the contract. An audit is recommended, although not required.

(e) Funds will be disbursed according to the provisions in the contract between the applicant and the Department.

(f) Applications not acted on favorably will be considered to have been denied and will not be considered for the 1999-2000 fiscal year.

(g) Applications should not be submitted after April 15, 1999, or in advance for the 1999-2000 fiscal year, until the passage of a budget authorizing an appropriation and the Department's compliance with language within the appropriation bill or other legislation providing direction to the Department on the program.

(h) The Department reserves the right to reject, without notification, applications received after April 15, 1999, and prior to continuation of the appropriation and compliance with appropriation language by the Department.

§ 123.7. Limitations and penalties.

(a) This section identifies program limitations or penalties, or both, that may result from the misuse of the grant funds.

(b) An applicant may not make or authorize any substantial change in an approved project without first obtaining consent of the Department in writing.

(c) If the full amount of the grant is not required for the project, the unused portion of the grant shall be returned to the Department.

(d) Failure to comply with procedures may result in penalties, including repayment of funds with interest.

§ 123.8. Contact information.

(a) Inquires should be directed to: DCED Customer Service Center, Forum Building, Harrisburg, Pennsylvania 17120, (800) 379-7448 DCED@state.pa.us

(b) If inquiry is made about an application that the Department has acknowledged receipt of and has assigned an Account Manager, calls should be directed to the assigned account manager per the letter.

(c) Applications should be submitted to the following address: Department of Community and Economic Development, Customer Service Center, 4th Floor, Forum Building, Harrisburg, PA 17120.

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