

C. Keystone Communities Development Grants (KCDG)

This component provides financial assistance for a wide variety of physical improvements including housing, residential and building construction, improvements or redevelopment, infrastructure, property acquisition, grant-to-loan assistance, and costs related to any of the eligible activities. Also included are activities that support Keystone Main Street, Keystone Elm Street, Keystone Community, and Keystone Enterprise Zone communities. While funding priority will be given to communities undertaking Main and Elm Street physical improvements, communities and applicants without designation status are eligible for most of these grants.

The proposed improvement(s) must have a documented beneficial impact on the community demonstrating public purpose; otherwise the funds must be in the form of a loan with re-payment provisions.

These grants can include:

- The revitalization of a neighborhood, downtown or specific location;
- Development of a housing project;
- Provision of site improvements to support the new construction of housing units;
- Acquisition, rehabilitation, and/or new construction of housing which results in homeowner or rental opportunities;
- Rehabilitation of owner-occupied residential properties;
- Acquisition, rehabilitation, and resale of housing units;
- Public improvements to support the rehabilitation of housing units;
- Street improvements, including streetscape improvements;
- Water and sewer improvements;
- Infrastructure;
- Structural improvements;
- Acquisition, provided there is evidence to support market values, such as an appraisal or recent comparable sales and provided there is funding to implement immediate reuse of the parcel/building;
- The construction of public site improvements that provide direct benefit to other coordinated community improvement efforts;
- The rehabilitation or restoration of older or under-utilized buildings for immediate reuse that will support other community development goals;
- The extension of service through public rights-of-way (i.e., paving or widening of access roads and upgrading water, sanitary or storm sewers);
- The demolition of a blighted structure (when a reuse plan has been adopted by the community for the cleared site and there is a commitment for private and/or public development).

1. Keystone Façade Grant Funding

The Keystone Façade Grant is designed to stimulate private investment in properties, foster an attractive environment and preserve the architectural heritage of properties. A community requesting Keystone Façade Grant funding is not required to be a designated community; however, funding priority is given to designated communities. The application limit is \$50,000 for Main Street and negotiable for other programs. A fee to administer the grant by the applicant is not an eligible expense. Application preparation fees are not eligible under this program.

a. Keystone Façade Grant Funding Program Requirements

- These grants are for exterior building improvements in a specific downtown or neighborhood.
- The Keystone Façade Grant limit is \$5,000 per façade (home or store front). Façade funding cannot be used on out buildings located on the property.
- Must be matched dollar-for-dollar by the individual owner of the property for all programs except Elm Street (Elm Street match requirements are listed directly below this section).
- A strong demand for façade funding must be documented in the application (listing of interested parties: names, addresses, estimated project costs).
- The following activities are eligible for reimbursement: sign programs (storefronts), paint programs, design assistance (refers to uniformity, compliance with the Secretary of Interior Standards, and building facades, as appropriate).
- Labor provided by the owner of the property is not an eligible expenditure.
- Design Guidelines and Procedures
 - Establish program boundaries. Consideration must be given to the number of properties that can be assisted. All properties must be within the target area. For maximum impact, these boundaries can be reduced to include a portion target area.
 - Set design standards. Promoting sensitive and quality rehabilitation is usually done by creating design guidelines that are approved by a local committee and distributed to local property owners. Note: Main Street programs should follow the U.S. Department of the Interior’s “Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.”
 - Define eligible applicants and activities. Only external improvements are eligible.

Arrangements can be made for merchants who lease buildings and for residential properties located within the target area, if these buildings are addressed in the local façade guidelines. Work items eligible for assistance must be specified in the local façade guidelines. For example, landscaping and site improvements, such as sidewalks and paving, though important aspects of a revitalization program, are ineligible expenditures for Keystone Façade Program assistance.
 - Develop Policy and Procedures. A written document with local program guidelines should be prepared and should encourage the use of the local façade improvement program through clear and easy instructions. The Keystone Façade policy and procedures should have written policies to rely on if disputes arise. All of the necessary forms and the contract document should be included as appendices. This is important for the local organization and business/property owners and should clearly outline the step-by-step procedures a person must follow from initial inquiry to final inspection and payment.

b. Match Requirements

- A dollar for dollar match is required except for projects within a designated Elm Street Neighborhood, which require a 10% match as described below.
- Elm Street Match Requirements
 - A 10% match from local, private or public sources is required.
 - Match can be cash and/or documented in-kind services or goods. Applications are enhanced in the competitive review when match is provided above the required amounts. In-kind match must be documented per property.

- Façade improvements for non-residential buildings and rental properties must be matched dollar-for-dollar. A match waiver will not be granted for non-residential and rental properties.
- Façade improvements for homeowners must be matched dollar-for-dollar for owners whose income is above 120% of the median income for the community.
- At least a 10% match (cash or in-kind) is required for homeowners whose income is less than 120% of the median.
- Other grant programs such as HOME, CDBG or local funds, may be used to match façade improvements for homeowners whose income is less than 120% of the median income.
- The match requirement may be waived or reduced if it is determined that the requirement would constitute a hardship upon the municipality or an agency designated by the municipality. A hardship exists if the municipality meets one of the following criteria:
 - The municipality is declared financially distressed under the Act of July 10, 1987 (P.L. 246, No. 47), known as the Municipalities Financial Recovery Act.
 - The matching requirements for the application would exceed 5% of the municipality’s annual operating budget.
 - A minimum of 20% of the municipality’s population falls below 150% of the Federal Poverty Level.

c. Complete the application and provide all the required information listed in Exhibit X.

2. **Enterprise Zone Revolving Loan Fund Grants**

Only Keystone Enterprise Zone Designations are eligible to apply for this grant category provided the zone has not exited the program. Keystone Enterprise Zone designated organizations are encouraged to apply for Enterprise Zone Revolving Loan Fund Grants (EZ Grants) on behalf of eligible businesses located within the zone. These funds are granted to the Enterprise Zone organization, which loans the funds to the eligible business. Eligible businesses include industrial, manufacturing, and technology-oriented businesses that are located within the boundaries of the designated Enterprise Zone. The businesses must be expanding, updating technology, creating and or retaining existing jobs. **Retail and commercial businesses are not eligible to apply for the original EZ Revolving Loan Fund (RLF) Grants.** The business repays the initial loan to the local agency. The local agency places the repaid funds into a revolving loan fund and re-loans the funds to other businesses within the zone. However, once the initial funds are paid back to the local RLF account, commercial businesses may apply for revolving loan funds as long as the local revolving loan fund guidelines allow it.

The intent is to grant these funds to Enterprise Zones in order to establish a financially viable Revolving Loan Fund (RLF) that will assist the Enterprise Zone organization to continue to carry out the purposes of the program after the zone exits the program. The maximum application amount is generally \$350,000 or 30% of project costs, whichever is less. A fee to administer the grant is not an eligible expense by the applicant. A fee to pay for the audit is eligible. Application preparation fees are not eligible under this program.

a. Enterprise Zone Revolving Loan Fund Program Requirements

The applicant must provide evidence that the following funding information is documented and will be adhered to:

- Jobs created/retained must be full-time, substantially above federal minimum wage levels (family sustaining), with some fringe benefits.