



pennsylvania
DEPARTMENT OF COMMUNITY
& ECONOMIC DEVELOPMENT

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

PROGRAMS OVERVIEW GRANT AND LOAN OPPORTUNITIES

Christi Martone
Northwest Regional Director

ECONOMIC DEVELOPMENT STRATEGY GOALS

Making Pennsylvania a Leader in Economic Development, Job Creation, and Innovation



**Invest in Our Economic
Growth to Compete**



**Make Government Work
at the Speed of Business**



**Open Doors of Opportunity
for all Pennsylvanians**



Innovate to Win



**Build Vibrant and
Resilient Regions**

MAIN STREET MATTERS PROGRAM

Purpose: The Main Street Matters program (MSM) is designed to support our downtown cores and surrounding neighborhoods with tools to create healthy, vibrant, and welcoming communities. Funding is available to support revitalization efforts in planning, business support, aesthetic improvements, and the increase of safety

- Main Street Designation and Funding
- Elms Street Designation and Funding

Planning Grants

Façade Grants

Business
Improvement

District
Improvement
Grants

Accessible
Housing Grants

Implementation
Grant

MAIN STREET MATTERS DESIGNATION

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.

- ❖ Main Street – focus on downtowns and commercial districts
- ❖ Elm Street – focus on residential areas and neighborhoods adjacent to the community's downtown or commercial district

The benefits to designation may include:

- Funding for operational support, including the salary and benefits of the area manager.
- Priority consideration for a variety of DCED programs,
- Technical assistance and training for the designated area team.
- Eligibility for consideration under the Neighborhood Assistance Program (NAP) and Neighborhood Assistance Program Enterprise Zone Tax Credit (NAP/EZP)



MAIN STREET MATTERS DESIGNATION

Operations Funding Support

- Designation approval → Invitation to apply for operations grant
- Up to \$225,000 may be available:
 - Year 1: Up to \$75,000
 - Year 2: Up to \$75,000
 - Year 3: Up to \$50,000
 - Year 4: Up to \$25,000
 - Year 5: \$0
- Eligible Uses of Funds:
 - Direct salary and benefits of a professional Main Street or Elm Street manager or coordinator responsible for the administration of the approved designation strategy and direct support staff.
 - Travel and training costs required by designation.
 - Rent or mortgage.
 - Utilities to include electric, water, internet, and phone.
 - Professional support service contracts to include:
 - Bookkeeping
 - Accounting
 - Social media management
 - Advertising



MAIN STREET MATTERS FUNDING

❖ Planning:

Planning grants are available to address a particular need or circumstance within a community, undertake a study relevant to an identified need, or study the results of implementing a specific



Max Award:
\$50,000
Match: 25% of total
eligible cost

❖ Façade:

Façade grants are available to stimulate private investment in properties, foster an attractive environment, and preserve the architectural heritage of properties and communities.



Max Award:
\$100,000 - Each
property may not
exceed \$10,000
Match: 50% dollar
for dollar

❖ Business Improvement:

Business Improvement Grants are available to stimulate private business investment and better enable business attraction, retention, and expansion in the defined target area of a downtown or neighborhood. Grants funds will be awarded to an eligible applicant to support a local program providing microgrants and/or forgivable microloans



Max Award:
\$100,00
Capped at:
Microgrant - \$5,000
Microloan - \$25,000
Match: 50% / dollar
for dollar

MAIN STREET MATTERS FUNDING

❖ District Development:

District Development grants are available for large public and private development projects which improve the buildings, housing units, and infrastructure associated with Main Street and Elm Street districts, as well as for public safety and permanent aesthetic improvements for these districts

- **Max Award:** \$1,000,000 **Match:** minimum 50% of the total eligible project cost

❖ Accessible Housing:

Accessible housing grants are available to undertake accessibility improvements to housing units for people with permanent physical disabilities in order to allow the individuals to reside in their current home rather than an institution or to return to the community from an institution.

- **Max Award:** \$300,000 **Match:** 50% / dollar for dollar

❖ Implementation:

Implementation grants are available to assist designated MSM program communities in implementing critical components of their approved Five-Year Strategy.

- **Max Award:** \$100,000
 - No match** required for the first \$50,000 in requested grant funding
 - Any funds requested in excess of \$50,000 will be matched as follows:
 - Main Street – 50%
 - Elm Street – 10%

LOCAL SHARES ACCOUNT (LSA)

LSA Northampton & Lehigh 7/1 – 9/30
Statewide LSA – tentative 9/1– 11/30

Economic Development Projects

Promote local economic activity and create and/or retain jobs.

Neighborhood Revitalization Projects

Improve the health, safety, and well-being of residents and/or improve commercial corridors in distressed neighborhoods.

Community Improvement Projects

Improve or create civic, cultural, or recreational facilities.

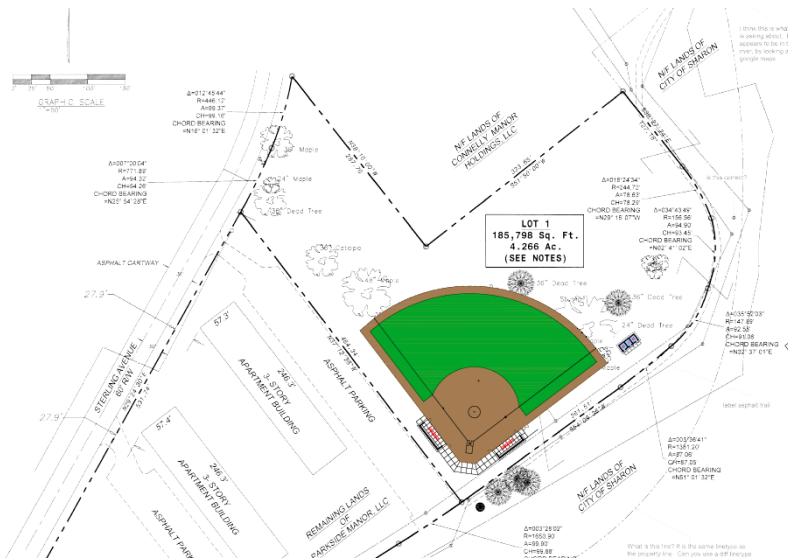
Projects in the Public Interest

Improve the quality of life in the affected community.

NOTE: Projects must be owned and maintained by an eligible applicant.

LOCAL SHARE ACCOUNT - STATEWIDE

- Projects in the public interest



Competitiveness evaluated on:

- Financial need
- Project readiness
- Strategic importance
- Remediation & reuse of blighted and/or underutilized sites
- Community impact
- Economic impact
- Private sector investment
- Local financial support
- Diversity and inclusion efforts

ELIGIBLE USES OF FUNDS:

❖ Projects may not start prior to approval

❖ **Request/Award Limitations:**

\$25,000 minimum

\$1,000,000 maximum

❖ **Budgetary Caps:**

Engineering, design, fees – 10% of the grant request

Administrative costs – 5% of the grant request

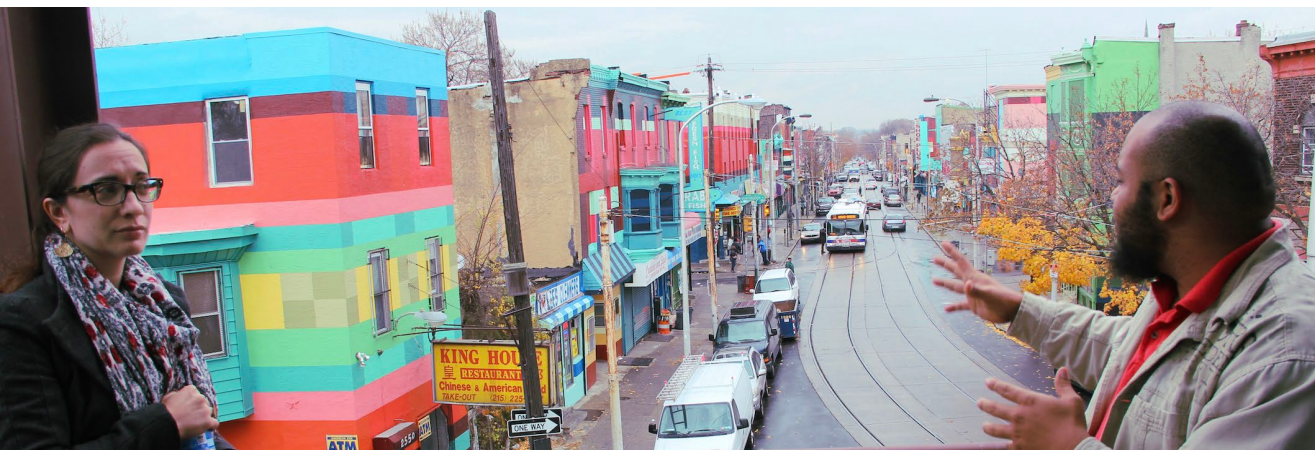
Contingencies – 5% of the
construction/infrastructure costs

- 
- Acquisition
 - Construction
 - Fixed equipment
 - Site prep – demo, assessment/ remediation, etc.
 - Signage
 - Landscaping
 - Streetscape amenities
 - Related engineering/design

- 
- Fees for securing financing
 - Interest on borrowed funds
 - Public relations
 - Outreach
 - Communications
 - Lobbying
 - Litigation
 - Application preparation ¹⁰



NAP PROGRAM OVERVIEW



NAP helps non-profit organizations and businesses with collaboration to improve the conditions for low-income populations in communities throughout Pennsylvania.



Eligibility

Neighborhood non-profits

Assistance

\$72 million in tax credits
available annually

More information

dced.pa.gov/nap

TAX CREDIT BASICS



- ✓ For profit companies make contributions to a non-profit entity. (Must be 501c3)
- ✓ Organizations can receive value of approved credits immediately upon approval.
- ✓ Contributions must be to 501c3 Non-Profit Organizations
- ✓ Contributions may be cash, equipment or supplies, real estate, technical assistance or on-the-job training
- ✓ May have multiple contributors



Business receives a % in credits to be used against future tax liability

Credits can be used over a period of time

Contributions from For-Profit businesses with PA Tax obligation
Commonwealth fiscal year: July 1st to June 30th

GENERAL REQUIREMENTS

Beneficiaries

Low Income Community is defined as a census tract where the median family income does not exceed 80% of the state-wide median family income.

Distressed Area

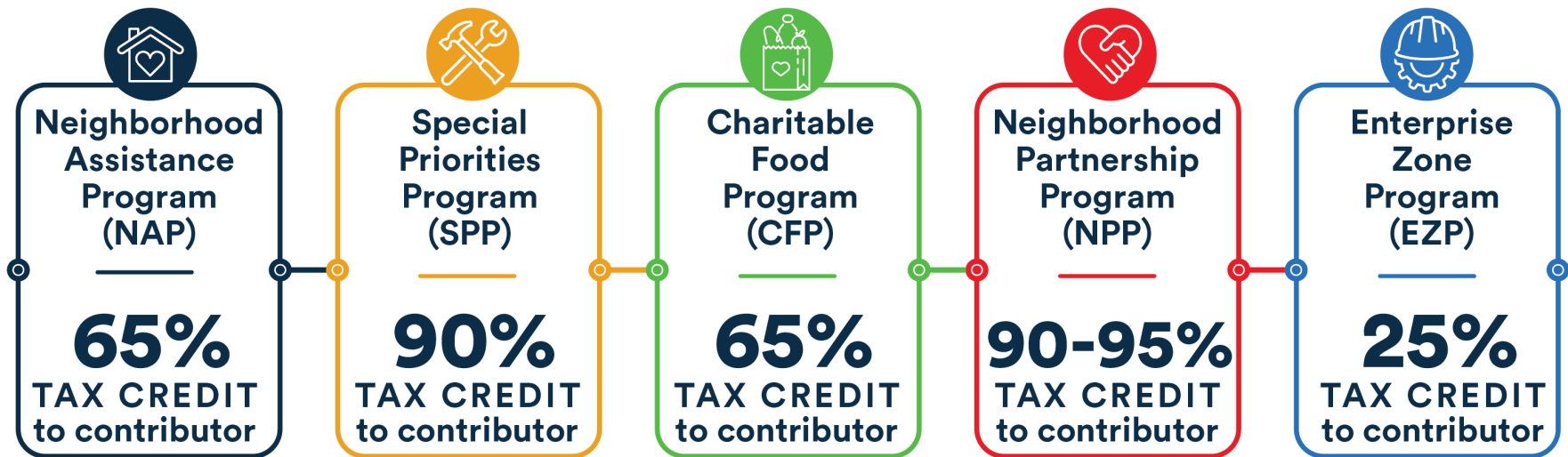
A distressed area must demonstrate a high incidence of one or more of the following demographic factors:

- Persistent unemployment or underemployment,
- Dependence upon public assistance,
- Overcrowded, unsanitary, or inadequate housing,
- Crime and delinquency,
- School dropouts or other evidence of low educational attainment,
- Vacant and dilapidated properties, blight, or
- Other generally accepted indicators of widespread social problems

DCED ELIGIBLE DESIGNATIONS:

- Enterprise Zones
- Keystone Opportunity Zones
- Keystone Opportunity Expansion Zones
- Keystone Opportunity Improvement Zones
- Keystone Communities
- Keystone Main Streets
- Keystone Elm Streets
- Keystone Communities Enterprise Zones
- Act 47 Municipalities
- Cities of the First-class, Cities of the Second-class, Cities of the Second-class A or Cities of the Third-class

Tax Credits Per Sub-Program



DCED does not offer actual dollars for funding. Funding is between contributor and awardee.

NAP Eligible Activities

Neighborhood Assistance Program (NAP)



- Affordable Housing
- Community Economic Development
- Community Services
- Crime Prevention
- Education
- Job Training
- Neighborhood Assistance
- Neighborhood Conservation

Special Priorities Program (SPP)



- Disaster & Economic Recovery
- Weatherization/Housing Rehab
- Diversity Initiatives
- Mortgage Foreclosure Prevention
- Blight Elimination
- Veteran Initiatives
- Rural Initiatives
- Affordable Housing
- Support Services for At-Risk & Vulnerable Populations
- Integrated Health & Housing Initiatives

Charitable Food Program (CFP)



- Regional Food Banks
- Pantries
- Soup Kitchens
- Shelters
- Feeding Centers providing food packages or meals
- Non-profit Emergency Food Suppliers
- Innovative Food Resource Projects

Neighborhood Partnership Program (NPP)



- Affordable Housing
- Community Economic Development
- Community Services
- Crime Prevention
- Education
- Job Training
- Neighborhood Assistance
- Neighborhood Conservation

Enterprise Zone Program (EZP)



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



Understanding Tax Credits

Deduction



- Reduce taxable income.
- Can be itemized or standard.
- The more income made, the more valuable a deduction.
- Some deductions are limited based on your income and other factors.
- Charitable contribution.

Credit



- A tax credit is an amount of money a taxpayer can subtract from the amount of tax they owe to the government.
- Tax credit programs such as NAP do not offer actual dollars for funding.
- Tax credits are intended as an incentive for corporate partners to contribute real dollars in return for the tax credit.

**NAP tax credits may be used the year of contribution or during one of the 5 subsequent years.*



Non-Profit & Business Responsibilities

Applicant



- Define the project.
- Look for businesses to participate.
- Complete application.
- Follow up reporting, closeout, or audit.

Business



- Agree to contribute.
- Write letter of commitment for project.
- Make contribution if project is approved.
- Submit tax credit application to DCED to apply for credits.*

** Contributor has up to 5 years to use approved tax credits.*

Required Contributor Documentation



Electronic Clearance Form for Tax Credits

- Revenue Clearance Form for tax credits must be completed online with the PA Department of Revenue.
- Completed when funding commitment is made.



Commitment Letter

- On letterhead, dated, and signed.
- Provide EIN, legal address, contact name, and email.
- Funding commitment amount and program year.



MOU *(for NPP only)*

- Fully executed between non-profit applicant and contributor.
- Outlines the multiyear relationship.

Project and Contribution Timeline

Contribution Period

- July 1-June 30 (aligns with state fiscal year)
- Contributor has 18 months after start of the fiscal year to submit the Application for Tax Credit with proof from DCED



Project Readiness & Timeliness

Activity period is 15 months
(from July 1 through the
following September 30)

**NAP Application to open Spring 2025*



Caps on contributions

- **1 to 3 projects:** maximum aggregate tax credit at \$1,000,000
- **4+ projects:** maximum aggregate tax credit at \$2,500,000

Tax Details

Taxes Eligible for NAP Deductions

- Corporate Net Income
- Bank and Trust Company Shares Tax
- Title Insurance Company Shares Tax
- Insurance (Gross) Premiums Tax
- Mutual Thrift Institutions Tax
- Personal Income Tax (only if being passed-through from a corporate entity)

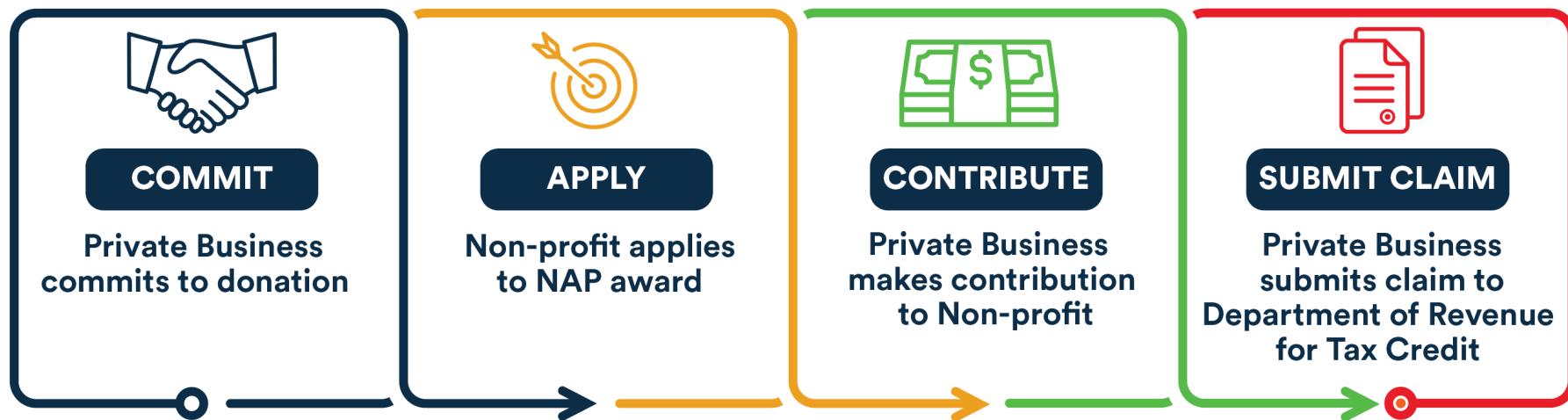
DCED does not provide tax advice and it is up to the business entity to consult their tax advisors concerning how their tax credits can and should be used.



Eligible contributions

- Cash
- In-Kind (e.g. equipment, food, real estate, etc.)
- Job Training
- Real Estate Contribution
- Technical Assistance

Contributor Timeline



Commitment must be made prior to application submission by non-profit and provided in writing.

Connect with a Non-Profit



Work with non-profits
in existing funding
structure



Connect with your
local community
foundation



Check out the
list of previous
NAP awards



Work with organizations
leading impactful work
across your community



Speak with your local
DCED Regional Director

PA BUSINESS ONE-STOP SHOP

- The PA Business One-Stop Shop can guide businesses through all stages of development — from planning and startup to operating and expanding.
- The One-Stop Shop offers dedicated resources and assistance for diverse businesses (including minority-owned, women-owned, and veteran-owned businesses), **including how to register as a small diverse business**, and training and best practices on important business topics including eCommerce.
- The One-Stop Shop can also help connect you with specific opportunities and partner networks for one-on-one counseling, training, and business assistance.



MORE INFO
business.pa.gov

SMALL BUSINESS DEVELOPMENT CENTERS (SBDCS)

- The SBDCs provide entrepreneurs and small business owners with the knowledge needed to make smart decisions in all 67 Pennsylvania counties.
- They offer resources like strategic planning, marketing, capital acquisition, environmental management, financial management, targeted assistance, technology assistance, and industry-specific guidance.



*Supported by the Widener University
SBDC, Autocare Mobile Services
Celebrates Grand Opening*



BUSINESS/ INDUSTRY

Small businesses
in a wide variety of
industries

ASSISTANCE

Technical and
financial

MORE INFO

pasbdc.org

REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP)

- RACP is a grant program administered by the PA Office of the Budget for the acquisition and construction of economic development, cultural, civic, recreational, and historical improvement projects.
- A project is eligible for RACP funding only if that project fits within one of the categories listed in the PA Capital Budget Project Itemization Act.



The Alvernia CollegeTowne project in the City of Reading received two RACP grants.

BUSINESS/INDUSTRY

Wide variety of industries, but project must have a cultural, civic, historical, or regional impact and generates substantial increases in employment, tax revenues or other measures of economic activity.

ASSISTANCE

Grant

MAXIMUM AMOUNT

No set maximum

MORE INFO

racp.pa.gov

WORKFORCE AND ECONOMIC DEVELOPMENT NETWORK (WEDNETPA)

2022-23
TOMORROW'S WORKFORCE – TODAY'S CHALLENGE



- WEDnetPA improves the skill level and productivity of Pennsylvania's workforce to strengthen our business environment.
- Eligible in-state businesses and out-of-state companies relocating to Pennsylvania can apply to WEDnetPA to receive worker training grant funds which can be used for a broad range of training.

BUSINESS/INDUSTRY

Wide variety of industries (agriculture, manufacturing, hospitality, retail, and more)

ASSISTANCE

Grant

MAXIMUM AMOUNT

\$100,000

MORE INFO

wednetpa.com

QUESTIONS & ANSWERS

1-800-379-7448

dced.pa.gov

Guidelines

Newsletter

Christi Martone

cmartone@pa.gov

