

Redevelopment Assistance Capital Program (RACP) At A Glance

**Administered by
PA Office of the Budget**

What is the Redevelopment Assistance Capital Program (RACP)?

A grant program administered by the Office of the Budget (OB) for the acquisition and construction of regional **economic, cultural, civic, recreational, and historical** improvement projects.

What is the Redevelopment Assistance Capital Program (RACP)?

To be eligible for a RACP grant, the project must meet the following:

- Must be authorized in a Capital Budget Project Itemization Act
- Must have at least \$1 Million in total eligible and compliant project costs
- Must have, at a minimum, 50% of total project costs in eligible MATCH Funding that is non-RACP and not other state funds
- Must not be a completed project at the time of the e-RACP Application submission process
- Cannot be located in a City Revitalization and Improvement Zone (CRIZ)

RACP grants have awarded an array of projects such as:

- ✓ Office/Commercial Development
- ✓ Hospitals, Medical Centers, Rehabilitation Centers, Shelters, Senior Centers, etc.
- ✓ Educational Institutions
- ✓ YMCA & YWCA
- ✓ Museums, Theaters, and Studios of the Arts
- ✓ Multi-purpose facilities and Convention Centers
- ✓ Parks, Stadiums, Arenas, Athletic Fields, etc.
- ✓ Business and Industrial Parks
- ✓ Airports
- ✓ Green-space

Capital Budget Project Itemization Act

- The project must be authorized in a Capital Budget Project Itemization Act
- These Acts enumerate projects that are authorized to potentially receive RACP funding (and sunset after 10 years)
- Currently there are 4 Acts with over 5,000 itemizations totaling over \$38 billion in unused authorization dollars
- Some itemizations are “tailored” to a specific project, others are very general
- A list of available itemizations can be found on our website, entitled ‘[Itemized Projects Eligible for Funding](#)’

Capital Budget Project Itemization Act Example

ITEM #	COUNTY	MUNICIPALITY	ACT #	Act's LAD Date	Sunset Date per Act 77 of 2013	ACT'S PROJECT DESCRIPTION	ACT AMOUNT	RELEASE AMOUNT	RELEASE DATE	REMAINING AVAILABLE ACT AMOUNT
9614	Lehigh	Emmaus Borough	2017-052	10/30/2017	10/30/2027	Construction, infrastructure, renovation and other related costs for the Borough of Emmaus Municipal Building, including meeting rooms, parking lots, fire and ambulance station and garages	\$1,500,000			\$1,500,000
9615	Lehigh	Fountain Hill Borough	2017-052	10/30/2017	10/30/2027	Construction, infrastructure, redevelopment and other related costs for the Borough of Fountain Hill Public Works Building Expansion Project	\$750,000	\$0		\$750,000
9616	Lehigh	Lehigh County Department of Community and Economic Development	2017-052	10/30/2017	10/30/2027	Infrastructure, redevelopment, construction and other related costs for renovation and rehabilitation of the Dubbs Memorial Community Center	\$750,000			\$750,000
8815	Potter	County projects	2013-085	11/1/2013	11/1/2023	Acquisition, infrastructure, construction and other related costs for economic project	\$10,000,000	\$1,500,000	8/7/2018	\$8,500,000
8816	Schuylkill	Schuylkill Economic Development Corporation	2013-085	11/1/2013	11/1/2023	Acquisition, infrastructure, construction, utilities extensions and roadway improvements for development of Schuylkill Airport Business Park in Foster Township	\$2,500,000			\$2,500,000

Pre-Award Submission Process Overview

To apply for RACP funding, an entity must submit an e-RACP Application during an open funding round window

- Funding rounds are opened at the Governor's discretion
- Funding rounds are typically open for 30 days to allow for the completion and submission of an e-RACP Application
- The e-RACP Application is completed through our Electronic Single Application (ESA) website <https://grants.pa.gov/Login.aspx>
- There is a \$500 fee paid only by Credit Card via secured site to submit an e-RACP Application

Pre-Award Submission Process Overview

The following are information needed at the time of the application

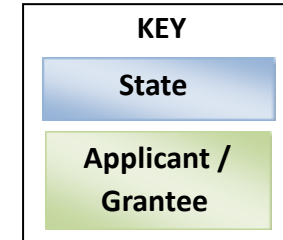
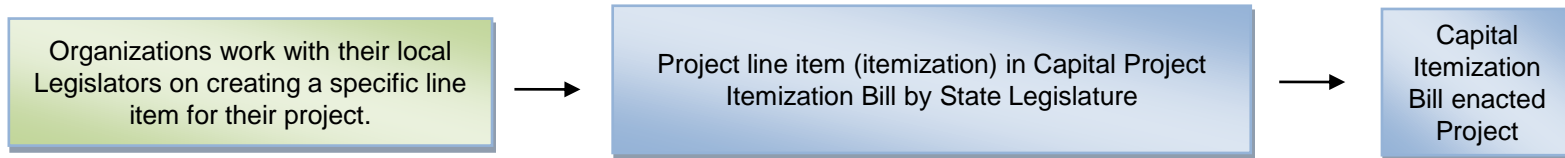
- Project Site Location
- Project Description on the benefits and improvements to the community; detailed breakdown of the construction components; how the funds are planned to be used; estimated schedules/milestones; and financial necessity
- Itemization used from the Capital Budget Itemization Act(s)
- Sources and Uses of Funds (RACP RDA Forms)
- Involved Organization contact information

RACP Grant Award Process

- **ALL RACP** Grant awards are made at the **Governor's discretion**
- Within 30 days of the receipt of the RACP award letter, the entity that received the award must formally accept the funding
- If the entity does **NOT** qualify as an eligible **GRANTEE**, then will need to partner with an eligible **GRANTEE**
- Within 6 months of the award letter, a **Project Management Proposal (PMP)** must be submitted by the **GRANTEE**

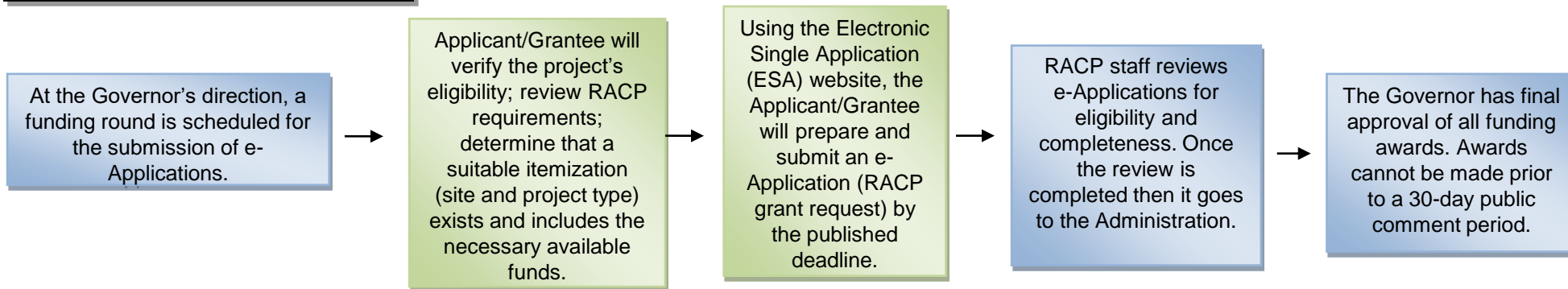
RACP: Pre-award Grant Process Flowchart

Legislative Process

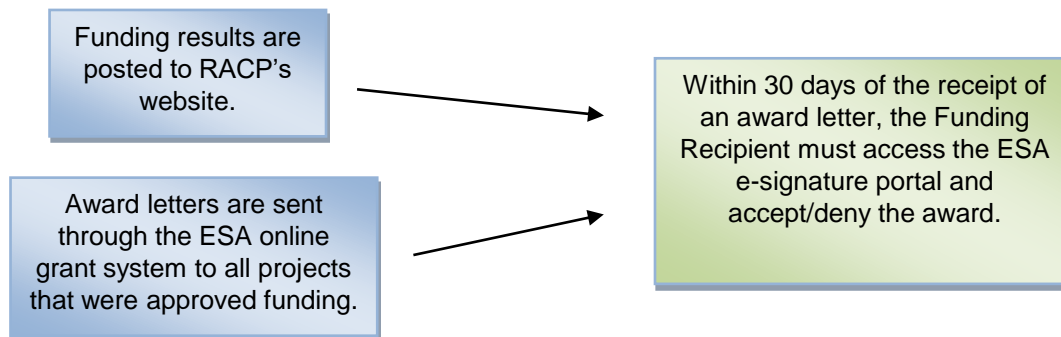


NOTE: Only non-sunset itemizations/projects from Capital Budget Acts with remaining, unused amounts are available for funding.

Pre-award Application Process



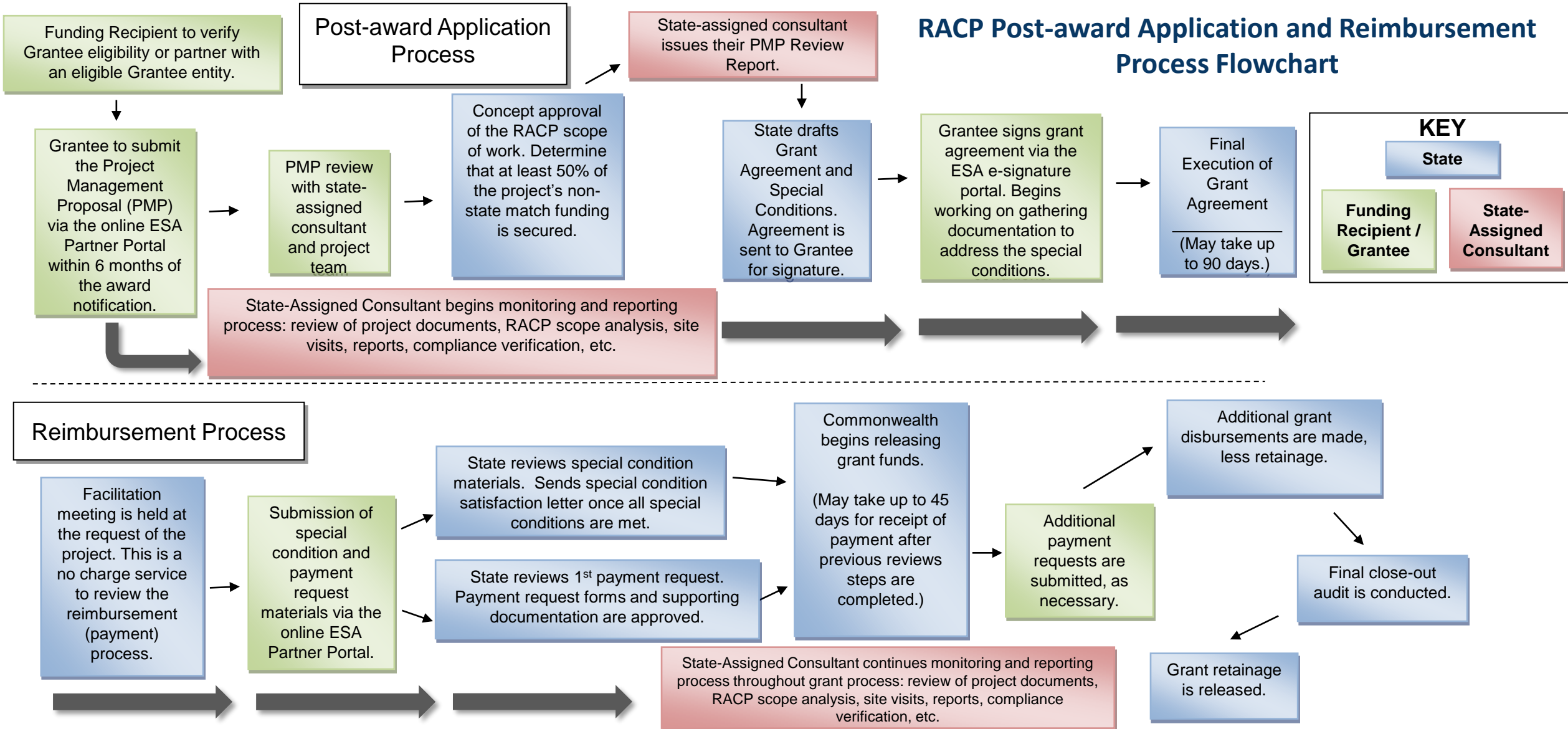
Award Notification



RACP Post Award Process

- After the Office of the Budget (OB) receives the PMP, a state appointed consultant will be assigned to meet and review the PMP with the Grantee/Sub-Grantee
- Once the RACP eligible scope is determined, the state appointed consultant will submit a report to OB to aid in developing a grant agreement
- A grant agreement will be then be drafted and sent to the Grantee for signature
- The next steps will include the state appointed consultant conducting status meetings, site visits, continuous review of scope eligibility and grant compliance monitoring
- The state appointed consultant will submit various reports to OB and the project through-out this process. The results of the construction monitoring reports submitted are utilized by OB to support adherence to grant compliance and thereby allowing the release of the grant funds

RACP Post-award Application and Reimbursement Process Flowchart



Grant Development

- The project will need to have supporting documentation for at least 50% secured eligible, non-state permanent match funding source(s) and a designated RACP scope for a grant to be drafted
- Grant development will identify any Special Conditions to be included in Appendix B of the grant agreement
- The grant will be sent to the Grantee for signature and returned to the Office of the Budget to be circulated within the Commonwealth for validation and execution by the following agencies:
 - ✓ Office of the Budget's Chief Counsel
 - ✓ Secretary of the Budget
 - ✓ Deputy General Counsel
 - ✓ Deputy Attorney General
 - ✓ Comptroller Office
- The grant execution could take up to 90 days

Special Conditions – Appendix B

- Special Conditions are outstanding documents identified during grant development and are located in Appendix B to the grant agreement. They can include but are not limited to:
 - ✓ Match Funding Sources
 - ✓ Site Control
 - ✓ Bidding
 - ✓ Construction Contracts
 - ✓ Construction Schedules
 - ✓ Cash Flow
 - ✓ Interim Financing/Bridge Loans
 - ✓ Environmental Studies
 - ✓ Cooperation Agreements
 - ✓ Flood Zone Maps and/or Insurance
- All Special Conditions must be satisfied before any grant funds can be received
- A submission to address Special Conditions must be received no later than six months from the date of the grant execution
- Once sufficient documentation has been received to satisfy Special Conditions you will be notified via a letter that funds are available for reimbursement

RACP Compliance

Program compliance requirements include but are not limited to:

- Bidding – solicitation of a min. of 3 written bids
- Steel Products Procurement Act
- Pennsylvania Prevailing Wage Act
- Trade Practices Act
- Insurance (Worker’s Comp, Gen Liab., Prop. Damage, Flood, etc.)
- Americans with Disabilities Act
- Public Works Contractors’ Bond Law (Performance and Payment Bonds)
- Fidelity Bonds
- Article 8 (Restrictions on Gov’t Entities Selling RACP Projects)

Request for Reimbursement

A request for reimbursement (called a Payment Request) can be processed when:

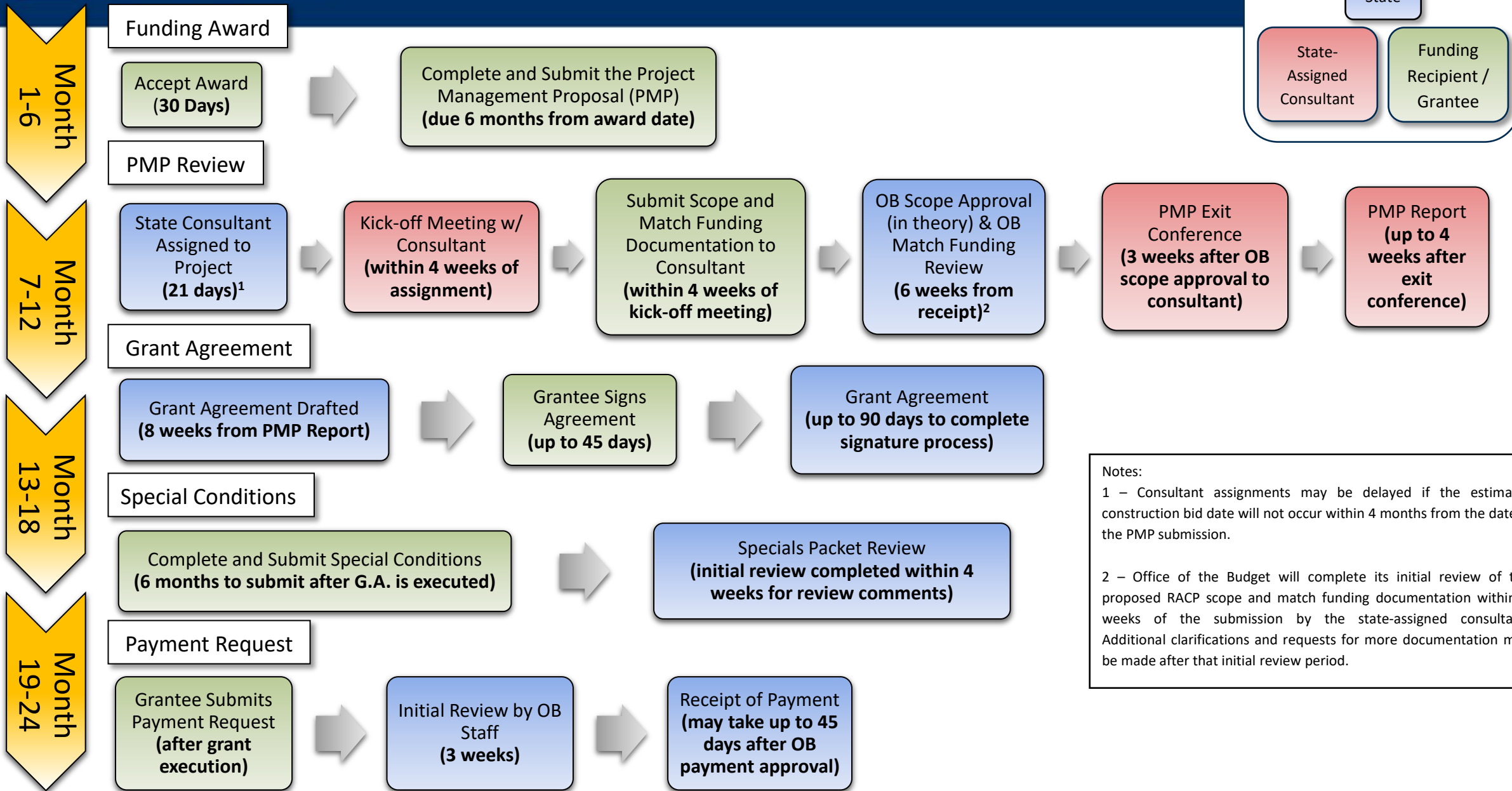
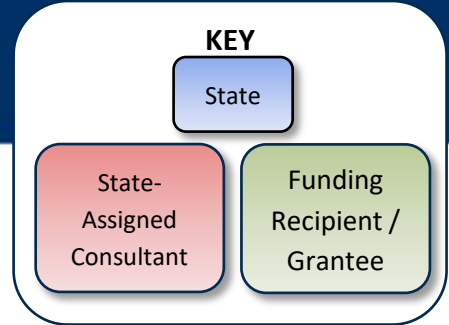
- Construction has commenced and been paid for
- Completion of 'Payment Request (PR) Form'
- Documents are uploaded to the Office of the Budget:
 - ✓ All supporting cost documentation & proof of payment (in PDF format)
 - ✓ A completed signature page (in PDF format)
 - ✓ A completed PR1B form (in Excel format)

Request for Reimbursement

Reimbursement will only be made when **all** the following have occurred:

- A grant has been fully executed
- Special Conditions are satisfied
- RDAs have been submitted & approved by RACP staff
- All compliance items are reviewed and satisfied
- All back-up documentation are satisfied

RACP Grant Process Timeline



Notes:

1 – Consultant assignments may be delayed if the estimated construction bid date will not occur within 4 months from the date of the PMP submission.

2 – Office of the Budget will complete its initial review of the proposed RACP scope and match funding documentation within 6 weeks of the submission by the state-assigned consultant. Additional clarifications and requests for more documentation may be made after that initial review period.

Key Guidance

The RACP grant process can be a long and dulling process. Here are some tips to help along the way.

- Include & ensure adherence to Compliance Requirements in all documents (bidding & contracts)
- Review certified payroll reports routinely for compliance
- Secure adequate interim financing, as RACP reimbursements take time for processing
- Maintain a file with all project related documents to assist with the close-out audit process

QUESTIONS?

Send all questions to RA-OB-RACP@pa.gov