

## No. 1986-112

## AN ACT

## SB 1468

Establishing a program within the Department of Commerce to provide assistance to communities experiencing economic distress by providing grants for the development of long-term economic recovery strategies.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

**Section 1. Short title.**

This act shall be known and may be cited as the Community Economic Recovery Program Act.

**Section 2. Definitions.**

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Community.” A municipality, including counties, cities, boroughs, incorporated towns, townships, home rule municipalities and councils of local government.

“Department.” The Department of Commerce of the Commonwealth.

“Distressed communities.” Communities which are designated as distressed under the act of July 2, 1984 (P.L.520, No.105), known as the Business Infrastructure Development Act.

“Local development agency.” Any municipality or any industrial and commercial authority organized pursuant to, or industrial development company as certified by the department pursuant to, the act of August 23, 1967 (P.L.251, No.102), known as the Industrial and Commercial Development Authority Law; any council of government organization or any multi-municipal agency organization created pursuant to the act of July 12, 1972 (P.L.762, No.180), referred to as the Intergovernmental Cooperation Law; any municipal authority organization pursuant to the act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945; any redevelopment authority organized pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law; and any local development district of the Appalachian Regional Commission.

“Secretary.” The Secretary of Commerce of the Commonwealth.

**Section 3. Program establishment.**

There is hereby established, under the direction of the department, a program to be known as the Community Economic Recovery Program.

**Section 4. Eligibility.**

(a) General rule.—Applicants eligible to receive grants are local development agencies. Preference shall be given to areawide and regional consortium applications.

(b) Applications.—Applicants must submit an application, in a form and manner prescribed by the secretary, demonstrating the need for developing a local economic recovery strategy and describing a plan for developing such a strategy.

#### Section 5. Use of funds.

(a) General rule.—Grant funds shall be used to help develop the local capacity to plan and to implement an economic recovery strategy. Funding may be used for activities, including, but not limited to, the following:

(1) Identifying existing industries within the community which may be in danger of leaving the area and encouraging the retention of these industries.

(2) Identifying growth industries and developing plans for encouraging the expansion of such industries within the community.

(3) Analyzing the job skills of the unemployed labor force and reviewing existing job training programs in order to make recommendations on the upgrading of the skills of the unemployed labor force.

(4) Itemizing infrastructure improvements necessary for job creation.

(5) Cataloging the services of local economic development agencies and ensuring that these agencies have qualified personnel with knowledge of State and local programs.

(6) Listing those areas in which the community has a particular advantage over other locations, both inside and outside this Commonwealth.

(7) Listing those areas in which the community is at a disadvantage when attracting private capital, along with making recommendations for alleviating these problems.

(8) Working with businesses and other organizations to encourage the retention of existing jobs, the expansion of existing firms and the attraction of new businesses, with emphasis on projects that will help diversify the community's economic base.

(b) Report.—A final report shall be submitted to the department within one year of the award of funds and shall include, as a minimum, a summary of the analyses performed and the businesses assisted and a detailed list of locally supported programs or projects planned, designed or implemented as part of the local economic recovery strategy.

#### Section 6. Grant conditions.

Grants shall meet the following conditions:

(1) Individual grants shall not exceed \$100,000.

(2) No more than one grant per municipality shall be awarded in any one State fiscal year.

#### Section 7. Application procedures.

(a) Form.—Applications for the Community Economic Recovery Program funds shall be made to the department, in a form and manner prescribed by the secretary.

(b) Coordination.—The department may require that local development districts or counties coordinate the efforts of the various municipalities within their region to insure that communities are not duplicating grant proposals, including encouraging adjacent jurisdictions that are individually

applying for a grant to pool resources and submit a joint proposal and encouraging those eligible jurisdictions not applying for a grant to cooperate with adjacent jurisdictions and apply for funding, if applicable.

(c) Contents of application.—The application shall contain the following:

(1) Documentation that the community or communities meet the eligibility criteria specified in this act.

(2) Justification of the need for State assistance in developing a local community economic recovery strategy.

(3) A description of the organization that will administer the funds and the reason why it can represent the area in its revitalization effort, including statements from other community groups in support of the application.

(4) A detailed description of the activities to be carried out using the funds.

(5) A letter from the elected officials in each municipality and county of the distressed area specifying their support.

(6) Other information as specified by the department.

#### Section 8. Grant evaluation criteria.

(a) Analysis of application.—The department shall determine from the application whether the community is eligible for assistance and the proposed plan is likely to promote economic growth. If the department determines that the applicant is not qualified to develop a community economic recovery strategy, the department may attempt to aid the applicant to establish a group which is qualified or to develop a revised plan which will best carry out the purpose of revitalizing the particular community.

(b) Criteria.—In addition, in evaluating applications for grants, the department shall consider the following specific criteria:

(1) Community support and cooperation, including the degree of public and private matching commitments.

(2) The degree of areawide or multicomunity involvement, including the total population to be served by the grant.

(3) Identification of critical economic needs or opportunities.

(4) Consistency of the proposal with State economic development strategies, goals or objectives.

(5) Other criteria as established by the department as necessary to achieve the purposes of this act.

#### Section 9. Yearly report.

By March 1 of each year, the board shall provide a written report of the assistance provided under this act to the Governor, the Chief Clerk of the House of Representatives and the Secretary of the Senate. This report shall contain, at a minimum, the following:

(1) The community group and amount of each assistance project approved under this act and the same information for those applicants not receiving funding.

(2) A narrative description of each assistance project provided under this act.

(3) Recommendations for changes to this and any other State program which would enable the program to more effectively serve distressed areas of this Commonwealth.

(4) Any reports received by the department under section 5(b).

Section 10. Additional powers and duties of department.

The department may prescribe such application forms, promulgate and publish rules, regulations, procedures and application manuals, and request such information as may be necessary to carry out the provisions of this act.

Section 11. Effective date.

This act shall take effect immediately.

APPROVED—The 9th day of July, A. D. 1986.

DICK THORNBURGH