

# Redevelopment Assistance Capital Program (RACP)

## RACP Program Summary

A grant program administered by Pennsylvania's Office of the Budget for the acquisition and construction of regional economic, cultural, civic and historical improvements that generate substantial increases or maintain current levels of employment, tax revenues or other measures of economic activity

## General Requirements

- RACP projects are state-funded projects that cannot obtain primary funding under other state programs. Projects that can normally obtain funding from PENNDOT, PENNVEST, the Department of Community and Economic Development or other state agencies are generally restricted from participating in the RACP program.
- All RACP grants awarded MUST be for projects included in one or more of the Capital Budget Project Itemization Acts passed by the General Assembly and signed into law by the Governor
- RACP grants must be eligible for tax-exempt bond funding under existing federal law requirements. The Applicant must demonstrate and document that the project qualifies for financing with federally tax-exempt bonds. Applicants will be required to comply with procedures to maintain the tax-exempt status of bonds issued to finance the project
- A RACP project must have matching funds that comply with the following:
  - At least 50% of the project cost must be match (non-state) participation
  - At least 50% of the non-state participation must be secured funding at the time of application
  - Sources of matching funds must be documented at the time of application with identifiable and firm commitments from all sources
  - Sources of match funds can be local, private, land or building appraised value and/or federal funds
  - The only non-cash, non-state match permitted are land or fixed assets, which have a substantial useful life and are directly related to the project
  - If financing/loans are used in match funding they typically must consist of permanent financing (i.e., a minimum term of 20 years). This policy does not apply to bridge or interim financing used in the project

### For More Information:



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## Amounts

A RACP project must have a total cost of at least \$1,000,000

## Reimbursable Costs

- Construction
- Interest during construction
- Permits
- Land
- Other – other costs that can be reimbursed with RACP funds can include work related to the abatement of hazardous materials, acquisition costs

## RACP Definitions

- **Candidate** – Any entity that has an authorized eligible project and subsequently has submitted a business plan, but has not received an award or rejection letter
- **Applicant** – An eligible entity that has submitted a RACP Application for a project that has received a RACP Award Letter. It may be the candidate itself or if they're not an eligible applicant, a separate "sponsor" entity selected by the candidate
- **Sub-applicant** – In cases where a RACP candidate is not an eligible applicant, the candidate becomes the sub-applicant and selects and eligible applicant to "sponsor" them and submit the application
- **Grantee** – An applicant that meets eligibility requirements and has received a grant agreement for execution
- **Sub-grantee** – An entity that, through the cooperation of a grantee, will utilize RACP funds for an eligible project

## Fees

- e-RACP Application assistance is complimentary for the first 2 hours, any assistance provided beyond the complimentary 2 hours is subject to an hourly-rate based fee
- 1.5% RACP Fee based on the total grant amount (minimum \$15,000)
- \$2,500 Grant Term Extension Fee
- Any out of pocket expenses