West Virginia Appalachian Regional Commission (ARC) Area Development Program

Notice of Funding Availability (NOFA)

FY2025

Application Period Opens: November 1 ,2024 Application Period Ends (application deadline): March 31, 2025 (postmarked)

West Virginia ARC Area Development NOFA for FY 2025

The West Virginia Department of Economic Development (WVDED) will begin accepting applications for the FY 2025 Appalachian Regional Commission (ARC) area development program under the following schedule:

Application Period Opens: November 1 ,2024 Application Period Ends (application deadline): March 31, 2025 (postmarked)

This Notice of Funding Availability (NOFA) provides an overview of the West Virginia ARC area development program, including funding priorities, general guidelines, and requirements needed to complete and submit an application.

Questions about the West Virginia ARC program can be directed to:

James Bush West Virginia ARC State Program Manager West Virginia Department of Economic Development 304-558-2234 James.E.Bush@wv.gov

Or

Krista Cox West Virginia ARC Program Specialist West Virginia Department of Economic Development 304-558-2234 Krista.K.Cox@wv.gov

Interested applicants can contact the individuals identified above at any time during the application period for no-cost technical assistance.

WVDED manages the ARC program in West Virginia, including ARC area development funds. Eligible applicants apply to the WVDED for ARC area development funding. West Virginia does not use a pre-application process or any type of letter of intent to apply. Applicants need to submit a full application before the deadline noted above.

Information on the ARC can be found at www.arc.gov. Applicants should also consult the Applicant Resources section of the ARC website, found at www.arc.gov/applicant-resources.

Overview

The Appalachian Regional Commission (ARC) is a regional economic development program that represents a partnership of federal, state, and local government. Established by an act of Congress in 1965 through the Appalachian Regional Development Act (ARDA) 40 U.S. Code § 14101–14704, ARC is composed of the governors of the 13 Appalachian states and a federal co-chair, who is appointed by the president of the United States. Local participation is also provided through multi-county local development districts (LDDs). ARC serves a 205,000 square-mile region of 25 million people that includes all of West Virginia and parts of twelve other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia.

ARC provides grants to eligible applicants for community and economic development projects. It has several different funding programs, including POWER, INSPIRE, ARISE, and area development funding. This NOFA is specifically for ARC area development funding in West Virginia only. For information on the other funding programs, please visit www.arc.gov.

Funding Priorities

The highest priorities for the West Virginia ARC area development program are the following (in priority order):

- Public water/sewer projects located in ARC-designated distressed counties
- Public water/sewer projects located outside ARC-designated distressed counties
- Non-construction projects that focus on enhancing public water/sewer infrastructure, such as planning/assessment projects or circuit-rider technical assistance projects, in or outside ARC-designated distressed counties
- Site development, public trail development, and capital improvement projects that promote or enhance opportunities for economic development or improve community quality of life, in or outside ARC-designated distressed counties.

Applicants are encouraged to review previous year funding of ARC projects in West Virginia as examples of typical funding priorities, funding distribution, and amounts. Information on projects awarded in previous years can be found at www.wvcad.org/resources under the Appalachian Regional Commission heading.

WV ARC Area Development Funding Trends

In the 4 previous funding cycles (FY2021 – FY2024), the WV area development program obligated a total of \$63,008,627 in ARC funds to projects. Of that total, \$56,650,157 (89%) went to water/sewer projects. Of the \$56,650,157 that was obligated to water/sewer projects, \$49,830,157 (87%) went to projects in ARC-designated distressed counties.

In terms of number of applications received and funded during the same period (FY2021 – FY2024), WVDED received a total of 140 applications for ARC area development assistance, of which 46 (32%) were awarded funding.

Eligible Applicants

Eligible applicants for ARC funding are the following:

- States, counties, cities, or other political subdivision of a state, including a special purpose unit of a state or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions
- Institutions of higher education or a consortium of institutions of higher education
- Public or private nonprofit organizations or associations
- Local development districts (LDDs)

Individuals and for-profit entities are not eligible to apply.

Eligibility Criteria

Eligible funding requests must meet the following criteria:

- Project relates to one or more of the ARC/State of West Virginia development strategies (eligible strategies are listed at the end of this NOFA).
- Projects are clearly described, including documented need, activities, and achievable outcomes.
- Applicant has the experience and capacity to manage the project. Nonprofit organizations must demonstrate adequate capacity, including fulltime staff, current 501(c)3 status, and a demonstrated track record of managing comparable projects.

Eligible Activities and Costs

ARC funds cannot be used for research, improvements to state or local government buildings, or for the general conduct of state or local government business. In addition, ARC does not fund public safety (police cars or fire trucks), social services, athletic stadiums or fields, or skate parks. <u>ARC projects must have a primary focus on economic development outcomes and benefits.</u>

Administrative costs such as staff and personnel that are directly tied to project implementation are eligible costs. Both implementation and planning projects are eligible for funding; however, priority is placed on implementation grants.

Grant Amount Thresholds

ARC amounts that applicants can request are limited to the following parameters:

- Applicants for water/sewer projects in ARC-designated distressed counties can request up to \$4 million in ARC funding
- Water/sewer projects in non-distressed counties can request up to \$3 million
- All other projects can request up to \$2 million.

WVDED reserves the right to award larger amounts when compelling circumstances are present, and funds are available. Compelling circumstances include substantially high levels of need in the project area to be served or unique economic development opportunities that can only be realized through completion of the project.

ARC area development funds are limited: applicants should take note of the funding priorities listed on page 3 and should also be aware of ARC matching requirements (see matching requirements section below).

Construction Projects

All construction projects must have a basic agency identified to administer the project. More information on ARC basic agency requirements, including a list of basic agencies, can be found at www.arc.gov/basic-agency-partners.

Construction project applications should include a Preliminary Engineering Report (PER) that contains a description of the need for the project, a detailed scope of work, project budgets with firm cost estimates, permit requirements, status of lands and rights-of way, and a project schedule.

Infrastructure projects (water and wastewater) must include a copy of the Infrastructure and Jobs Development Council (IJDC) review letter and all technical review committee comments. An application for an ARC-assisted construction project should include a discussion of any efforts that may have been made to improve the energy efficiency of the project.

All applicants interested in applying for a construction project are strongly encouraged to work with their appropriate West Virginia regional planning and development council, including identifying a basic agency for the project. Information on the regional councils can be found at www.wvregionalcouncils.org.

Residential Service Policy (Infrastructure Projects Only)

ARC will provide grants for basic residential infrastructure projects only for communities in ARCdesignated distressed counties, except that such assistance may be provided in an at-risk or transitional county upon a special showing of compelling need such as the location of the project in a distressed area of the county, or as disaster relief, or to address a mandate of the Federal EPA or a state health or environmental agency. Self-help projects for basic residential infrastructure may also be funded in transitional counties.

Matching Requirements

Applicants for an ARC grant must demonstrate a matching share from non-ARC sources that is identified and committed to the project. Matching sources may be non-federal, other federal, or a combination of sources, including in-kind sources.

Commitment letters for all matching funds should be included in the application. Letters should be signed and on the letterhead of the source agency or organization and include the exact amount of funds that are being committed to the project.

In-kind match must be realistic and documented in the application, including a detailed breakdown of exactly how the value of the in-kind match was derived.

The maximum share of ARC assistance is determined by the ARC classification of the county or counties served by the proposed activity. County classifications in West Virginia for FY2025 and the matching share required are detailed below:

Distressed Counties—ARC participation costs are limited to 80% of the total project cost: Barbour, Braxton, Calhoun, Clay, Fayette, Lincoln, Logan, McDowell, Mingo, Nicholas, Roane, Summers, Webster, Wirt, and Wyoming.

At-Risk Counties—ARC participation costs are limited to 70% of the total project cost:

Boone, Gilmer, Greenbrier, Jackson, Lewis, Mason, Mercer, Pocahontas, Raleigh, Randolph, Upshur, Wayne, and Wetzel.

Transitional Counties—ARC participation costs are limited to 50% of the total project cost: Berkeley, Brooke, Cabell, Doddridge, Grant, Hampshire, Hancock, Hardy, Harrison, Kanawha, Marion, Marshall, Mineral, Monongalia, Monroe, Morgan, Ohio, Pendleton, Pleasants, Preston, Putnam, Ritchie, Taylor, Tucker, Tyler, and Wood.

Competitive Counties—ARC participation costs are limited to 30% of the total project cost: Jefferson.

The level of ARC participation may vary in projects that include activities and/or services involving at least one or more or more distressed and at least one or more non-distressed county. Please check with our office as you plan multi-county projects to determine the exact match requirement.

More information on ARC match requirements can be found at www.arc.gov/match-requirementsfor-arc-grants.

SAM Requirements

As required by the Federal Funding Accountability and Transparency Act of 2006 and 2 CFR §200, Appendix I, applicants are required to meet the following criteria:

- Be registered in the System for Award Management (SAM) before submitting their application (www.sam.gov)
- Provide a valid Unique Entity ID (UEI) in their application
- Always maintain an active SAM registration with current information whenever they have an active federal award or an application or plan under consideration by a federal awarding agency.

Application Process

Steps to Apply:

• **Review this NOFA entirely before completing the application.** Make sure you are aware of the program priorities and guidelines contained in the NOFA. Contact WVDED if you have any questions.

- Start by choosing the ARC Construction Project Application Checklist or the ARC Non-Construction Project Application Checklist as determined by your project activities. Both checklists can be found either at <u>www.arc.gov/applicant-resources</u> or at <u>www.wvcad.org/resources</u> under the Appalachian Regional Commission heading.
- The checklists list all the forms you will need to complete along with the narrative questions you must answer and any additional documents that are required. All the forms you will need can be found at www.arc.gov/applicant-resources or at www.avcad.org/resources under the Appalachian Regional Commission heading.
- Organize your completed application according to the order indicated in the application checklist.
- Submit by mail an original and <u>one</u> copy of the application to the following address:

ARC PROGRAM REPRESENTATIVE ATTENTION: KRISTA COX WEST VIRGINIA DEPARTMENT OF ECONOMIC DEVELOPMENT 1900 KANAWHA BOULEVARD EAST BUILDING 3, SUITE 700 CHARLESTON, WEST VIRGINIA 25305

Please note the following:

- The application checklists require the applicant to list the primary ARC state strategy. West Virginia's state strategies can be found below. Please list only <u>one</u> strategy (listing more than one does not help your project in the review process).
- The application checklists reference a Transmittal Letter in Section 1 as part of the application. Please ignore this section and move to Section 2. The applicant does <u>not</u> need a Transmittal Letter as part of their application.
- The application checklists reference certain forms required by state ARC program offices in Section 2. West Virginia does not use ARC Forms 1 or 2. Do <u>not</u> submit them with your application.
- West Virginia does not require or use any type of pre-application form or process. Applicants must submit a full ARC application before the application deadline noted in this NOFA.
- There are no required formatting specifications regarding line spacing, font style, margins, or font size. Applications, however, should be readable and organized, and present the required information concisely. For requirements on the number of pages, consult the application checklists.
- Applicants will be evaluated on their ability and experience in managing federal grant funds. Applicants need to be fully familiar with federal requirements such as 2 CFR 200, the Davis-Bacon Act, and other federal requirements (see Award Administration below).

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Review and Approval Process

Applicants submit their application to the WVDED office, which reviews the application. Recommendations are then sent to the Governor for approval. Projects that are recommended by the Governor are then sent on to ARC headquarters for final review and approval by ARC.

Award Administration

ARC non-construction projects are administered by ARC, not by WVDED. ARC construction projects are administered by the basic agency approved for the project. Applicants are advised to review and understand the ARC Memorandum of Understanding which is part of the application.

Administration of ARC awards is subject to the same regulations, restrictions, and requirements as other federal awards. These include but are not limited to "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" at 2 CFR §200, as currently updated; past performance and non-compliance; restrictions on making awards to corporations convicted of felony criminal violations and unpaid federal tax liabilities; environmental and historic preservation; and national policy requirements, including but not limited to those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination, e.g., Equal Employment Opportunity and the Americans with Disabilities Act (ADA).

ARC area development funds are subject to the domestic content procurement (Buy America) preference requirements set forth in the Build America, Buy America Act. This Buy America preference will apply to the infrastructure portion of all grants involving infrastructure regardless of whether the primary purpose of the award is an infrastructure project. Details about this domestic content procurement preference are available at http://www.arc.gov/BuyAmericaGuidelines. Additionally, ARC grants are subject to the Davis-Bacon Act.

ARC reserves the right to change the reporting time periods and, depending on the nature of the project, may request additional relevant data. In addition, ARC requires grantees to cooperate with post-award evaluations, which require maintaining records for at least three years after project closeout. All ARC awards are subject to audit. If your organization has been subject to a federal audit within the past five years, please note within your application the recommendations made and your subsequent responses to those recommendations.

Non-Construction Projects

General management and administration requirements for ARC non-construction projects are contained in the Grant Administration Manual for Non-Construction Grants (https://www.arc.gov/grantee-resources).

Development of the Travel and Tourism Industry

ARC recognizes the development of the travel and tourism industry as an important component of the Commission's strategy to improve the economic health of the Appalachian Region.

ARC will support activities as they relate to the travel and tourism industry in the context of an overall development strategy such as:

- Planning and research
- Training and technical assistance
- Education and capacity building
- Marketing and promotional efforts

Infrastructure projects related to the travel and tourism industry will be reviewed using the same criteria as that used for all other economic development projects. Proposals to use ARC funds for capital investments in this sector, including construction and acquisition, are not prohibited but will be reviewed stringently. In particular, such projects must be an integral part of a strategic plan for the community and/or region and must meet the highest standards of a cost-benefit analysis as to economic outcomes.

General Disclosure

WVDED reserves the right to modify the scope of work, activities, and expected outcomes for any application for ARC assistance, and to increase or decrease the amount of funds being requested. Any such modifications will be negotiated with the applicant. Publication of this NOFA does not obligate WVDED to make any specific recommendation of funding to ARC or to obligate any or all of the ARC funds available to the State of West Virginia.

West Virginia ARC FY 2025 State Strategies

West Virginia's ARC state strategies are listed below. Each strategy is aligned with the goals and objectives of the ARC Startegic Plan, Appalachia Envisioned: A New Era of Opportunity 2022-2026. All projects requesting assistance from the West Virginia ARC program must match one of the state strategies listed below in order to receive consideration for funding.

ARC Goal 1: Building Appalachian Businesses. Strengthen and diversify the Region's economy through inclusive economic development strategies and investments in entrepreneurship and business development.

- <u>ARC Objective 1.1</u>: Provide financing, technical assistance, and other support for entrepreneurship and small business development in the Region.
- State Strategy 1.1.1: Support initiatives that provide training, assistance, and other services to entrepreneurs for the creation and expansion of businesses.
- State Strategy 1.1.2: Increase access to capital for entrepreneurs and businesses.
- State Strategy 1.1.3: Promote downtown redevelopment through support of programs such as Main Street and local business retention and expansion efforts.
- State Strategy 1.1.4: Support export strategies to connect start-up and established businesses with external and global markets.
- <u>ARC Objective 1.2</u>: Pursue economic and enterprise development strategies that grow existing industries, support economic diversification, and advance economic prosperity at the regional level.
- State Strategy 1.2.1: Support planning and implementation activities that identify and capitalize upon emerging economic opportunities and sectors in the state.

ARC Goal 2: Building Appalachia's Workforce Ecosystem. Expand and strengthen community systems (education, healthcare, housing, childcare, and others) that help Appalachians obtain a job, stay on the job, and advance along a financially sustaining career pathway.

- <u>ARC Objective 2.1</u>: Develop and support educational programs and institutions from early childhood through post-secondary that provide the building blocks for skills development and long-term employment success.
- State Strategy 2.1.1: Support local and regional initiatives to better prepare students, out-of-school youths, and adults for post-secondary-level training.
- State Strategy 2.1.2: Support literacy, lifelong learning, and dropout prevention initiatives.

- State Strategy 2.1.3: Provide funding for educational and workforce development strategies that increase science, technology, engineering, and math (STEM) skills in students.
- <u>ARC Objective 2.2</u>: Invest in workforce development programs and strategies informed by industry talent needs and designed to allow workers to simultaneously earn, learn, and advance along a career pathway.
- State Strategy 2.2.1: Support planning and implementation activities that improve workforce readiness for current and future employment needs.
- State Strategy 2.2.2: Assist efforts to increase business competitiveness and retention in the state through workforce training and certification programs.
- State Strategy 2.2.3: Encourage youth and student opportunities for work and community service experiences, including internships, mentorships, leadership development, and job shadowing.
- <u>ARC Objective 2.3</u>: Develop a network of employment supports to help Appalachians enter and remain in the workforce.
- State Strategy 2.3.1: Develop and support training and job-placement programs for individuals recovering from substance use disorders.
- State Strategy 2.3.2: Promote efforts that increase access to quality childcare to support workforce recruitment and retention.
- State Strategy 2.3.3: Invest in innovative housing initiatives that support economic development or improve local community livability and quality of life.
- <u>ARC Objective 2.4</u>: Expand access to high quality healthcare as well as programs and services that support overall mental and physical health, for workers and their families.
- State Strategy 2.4.1: Enhance community-based healthy living initiatives that address diabetes, obesity, substance use disorders and other conditions that constitute barriers to workforce participation and community quality of life.
- State Strategy 2.4.2: Improve medical facilities and infrastructure to increase access to highquality health care in underserved areas and improve public health.

ARC Goal 3: Building Appalachia's Infrastructure. Ensure that the residents and businesses of Appalachia have access to reliable, affordable, resilient, and energy efficient utilities and infrastructure in order to successfully live and work in the Region.

- <u>ARC Objective 3.1</u>: Ensure the availability of quality, affordable basic infrastructure to meet the needs of the residents and businesses of Appalachia.
- State Strategy 3.1.1: Provide support for the improvement or expansion of basic infrastructure such as water, wastewater, and storm water systems to increase community quality of life and facilitate economic development.
- State Strategy 3.1.2: Work with localities and regional organizations to support the planning, assessment, and prioritization of basic infrastructure needs to ensure greater efficiency and coordination of infrastructure investments.
- State Strategy 3.1.3: Support technical assistance services and programs that improve the efficiency and long-term operations of local water and wastewater systems.
- State Strategy 3.1.4: Provide training, consultation, and implementation support for local leaders and regional organizations to build their capacity to address infrastructure challenges.
- <u>ARC Objective 3.2</u>: Ensure that all Appalachians have access to quality and affordable telecommunications and broadband services.
- State Strategy 3.2.1: Make strategic investments in high-speed telecommunications infrastructure to increase local and regional connectivity and access.
- State Strategy 3.2.2: Encourage and support the innovative use of telecommunications in education, health care, business, government, and infrastructure initiatives.
- State Strategy 3.2.3: Assist planning, analysis, and training activities that increase broadband access, adoption, and deployment in the state.
- <u>ARC Objective 3.3</u>: Support proactive efforts to adopt alternative energy strategies and bolster energy infrastructure.
- State Strategy 3.3.1: Assist local and regional energy efficiency efforts to enhance their economic competitiveness and sustainability.

- <u>ARC Objective 3.4</u>: Complete the Appalachian Development Highway System and invest in innovative intermodal transportation systems to connect businesses and residents within the Region with global opportunities
- State Strategy 3.4.1: Assist federal and state efforts in solving design problems and moving ADHS sections to the construction phase.
- State Strategy 3.4.2: Support local access road projects that result in economic development, provision of essential services, or community revitalization.
- State Strategy 3.4.3: Invest in improvements to transportation facilities such as rail, inland ports, and airports that increase economic development and access to markets.
- State Strategy 3.4.4: Support the development of transportation corridors (highway, rail, and waterway) that increase access to markets outside the Appalachian region.
- State Strategy 3.4.5: Support the planning and development of intermodal transportation facilities.
- <u>ARC Objective 3.5</u>: Support construction of business development sites and public facilities and the adaptive reuse of obsolete and/or unsafe properties to stimulate economic and community development.
- State Strategy 3.5.1: Invest in the development and improvement of industrial sites, commercial and industrial parks, and shell buildings that will spur economic development.
- State Strategy 3.5.2: Support planning, assessment, and redevelopment efforts that target vacant and dilapidated buildings.
- State Strategy 3.5.3: Assist with the reclamation and redevelopment of brownfields and mine impacted sites to convert them to productive economic and community uses.

ARC Goal 4: Building Regional Culture and Tourism. Strengthen Appalachia's community and economic development potential by preserving and investing in the Region's local, cultural heritage, and natural assets.

- <u>ARC Objective 4.1</u>: Invest in the development of vibrant Appalachian downtowns and provide support for Appalachian placemaking.
- State Strategy 4.1.1: Leverage support for downtown redevelopment efforts that will enhance local and regional tourism and outdoor recreation initiatives.

- <u>ARC Objective 4.2</u>: Invest in economic and community development initiatives that preserve and promote Appalachian communities' vibrant arts, cultural, and heritage traditions.
- State Strategy 4.2.1: Support efforts to identify, assess, and mobilize regional assets, including natural, cultural, and structural assets and resources that can be utilized for economic growth and diversification.
- <u>ARC Objective 4.3</u>: Preserve and expand Appalachia's natural resources to increase outdoor recreation opportunities for residents and visitors and support sustainable economic growth.
- State Strategy 4.3.1: Promote the development of outdoor recreation trails and facilities that enhance economic development opportunities.
- State Strategy 4.3.2: Support planning, assessment, and implementation activities that improve and expand upon the state's natural, historical, and cultural assets for economic development and growth.

ARC Goal 5: Building Community Leaders and Capacity. Invest in the capacity of local leaders, organizations, and communities to address local challenges by providing technical assistance and support to access resources, engage partners, identify strategies and tactics, and conduct effective planning and project execution.

- <u>ARC Objective 5.1</u>: Develop, support, and empower community leaders that are representative of local communities, inclusive in their approach, and focused on long-term, innovative strategies and solutions.
- State Strategy 5.1.1: Encourage and support the training and development of local and regional community leadership.
- <u>ARC Objective 5.2</u>: Build capacity of community organizations and local development districts to effectively access and manage funding, administer programs, and execute projects through implementation.
- State Strategy 5.2.1: Provide support to regional planning and development councils in the state that will improve their ability to plan, implement, and complete projects and provide services to local governments and organizations.
- State Strategy 5.2.2: Support planning, analysis, and technical assistance activities for local and regional organizations and units of government to capitalize on economic development opportunities and assets, address critical needs, or improve community quality of life.

- ARC Objective 5.3: Invest in developing the capacity of communities to build ecosystems where government, non-profits, businesses, and philanthropic partners coalesce around a shared vision for economic and community prosperity and collaborate to implement that vision.
- State Strategy 5.3.1: Promote and support regional partnerships and initiatives for economic development.