

(5) Any local government agency may apply to the Office on Aging for a State grant to be applied toward the cost of a project eligible for funds in accordance with this Act and the regulations adopted under this Act. The application shall be directed to the Director of the Office on Aging. When the Director has approved the project and project plans, the Director shall report the application to the Board of Public Works, describing the scope of the project, and recommend that the Board make available the funds requested.

(6) The allocation and use of State funds under this Act are subject to the following terms and conditions:

(i) State funds may be used to acquire an existing building or part of a building for use as an Elderly Citizen Activities Center, or to plan, design, and construct an Elderly Citizen Activities Center, only if the local government and the Office on Aging certify to the Board of Public Works that no surplus school building or other public building appropriate for use as an Elderly Citizen Activities Center exists in the area where it is desired to locate a Center.

(ii) Any federal grant that is received for an eligible project shall be applied first to the cost of the project.

(iii) For the development of a comprehensive master plan for Elderly Citizen Activities Centers in a political subdivision, a State grant may not exceed \$15,000 or 50 percent of the costs of development of the plan, whichever is less.

(iv) For a project other than the development of a comprehensive master plan, except as provided in subsection (6)(v), below, a State grant may not exceed \$300,000 or 50 percent of the cost of eligible work remaining unpaid after any federal grant has been applied, whichever is less.

(v) At the discretion of the Board of Public Works, a grant for a project other than the development of a comprehensive master plan may exceed 50 percent of the cost of eligible work remaining unpaid after any federal grant has been applied, up to \$300,000, if:

1. The project involves the conversion of a public building or part of a building to an Elderly Citizen Activities Center, the renovation of an Elderly Citizen Activities Center, or the planning, design, and construction of an Elderly Citizen Activities Center;

2. The residual value of the real property and improvements made available by the local government, or the value of the Center to be renovated is in excess of: