



# State of Maine

**Community Development Block Grant Program**

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## 2020 Program Statement

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# 2020 PROGRAM STATEMENT

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The Office of Community Development reserves the right to fund only those applications deemed to be in the best interest of, and that offer definable benefits to, the State of Maine and the Community Development Block Grant Program. The Director of the Office of Community Development (OCD) may waive any requirement of the program provided such waiver would not be out of compliance with CDBG Program regulations.

**MAINE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM 2020  
PROGRAM STATEMENT**

**SUMMARY**

This Program Statement describes the method by which 2020 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A 13073. The 2020 CDBG program was developed by the Department of Economic and Community Development (DECD) following a review of past programs, a forum with program constituents, 3 state-wide public forums and a comprehensive assessment of statewide community and economic development needs. DECD will hold a public hearing regarding the development of this Program Statement on October 24, 2019, Burton Cross Office Building, 3<sup>rd</sup> floor, 111 Sewall Street, Augusta Maine.

**SECTION 1. PROGRAM OVERVIEW**

**A. CDBG OBJECTIVES**

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All CDBG funded activities must meet one of three National Objectives of the program. These objectives are:

- Benefit to low and moderate income persons;
- Prevention and/or elimination of slum and blight conditions; and
- Meeting community development needs having a particular urgency.

The Maine CDBG Program serves as a catalyst for local governments to implement programs which meet one of the three National Objectives, and:

- Are part of a long-range community strategy; or State of Maine Strategic Economic Development Plan
- Improve deteriorated residential and business districts and local economic conditions;
- Provide the conditions and incentives for further public and private investments;
- Foster partnerships between groups of municipalities, state and federal entities, multi-jurisdictional organizations, and the private sector to address common community and economic development problems; and
- Minimize development sprawl consistent with the State of Maine Growth Management Act and support the revitalization of downtown areas.

## B. METHOD OF DISTRIBUTION:

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DECD, through the Office of Community Development (OCD), offers programs to assist municipalities to achieve their community and economic development objectives. The 2020 Program Statement provides a description of the selection criteria that OCD will use to allocate CDBG funds among communities. Programs are grouped under the three categories listed below.

### 1. Community Development

- a. Home Repair Network
- b. Housing Assistance Grants
- c. Public Infrastructure Grants
- d. Downtown Revitalization Grants
- e. Public Service Grants
- f. Small Business Development Centers
- g. Maine Downtown Center Assistance
- h. Urgent Need Grants
- i. Special Projects
- J. Community Enterprise

### 2. Economic Development

- a. Grants to Municipalities for Direct Business Support
- b. Micro-Enterprise Grants

### 3. Technical Assistance

## C. STATE ADMINISTRATION:

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**1. General Administration Allocation:** Pursuant to Section 106(d) (3) (A) of the Housing and Community Development Act of 1974, as amended (the Act), the DECD will utilize \$100,000 plus 2% of its allocation from the Department of Housing and Urban Development (HUD) to administer Maine's CDBG Program in accordance with Federal and State requirements.

**2. Technical Assistance Administration Allocation:** Pursuant to Section 106(d) (5) of the Act, DECD will utilize up to 1% of its allotment from HUD to provide technical assistance in accordance with Federal and State requirements.

**3. Exclusion of Entitlement Communities and Counties:** The entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County with the exception of Brunswick and Frye Island, are not eligible to receive State CDBG program funds.

### **4. Grant Administration Requirement:**

Grantees must employ, or contract with, a certified CDBG Grant Administrator. The Office of Community Development must approve waivers of this requirement in writing. All planning activities are exempt from this requirement.

## D. PROGRAM TIMEFRAME

Application deadlines – All applications and Letters of Intent must be received at the physical location of the Office of Community Development on or before 4:00PM EST on the dates listed below. ***Faxed copies will not be accepted.***

<b>Program</b>	<b>Letter of Intent Due Date VIA E-MAIL</b>	<b>Application Due Date By Invitation Only</b>
Downtown Revitalization	January 24, 2020	March 27, 2020
Economic Development	February 21, 2020	May 22, 2020
Housing Assistance	March 6, 2020	May 1, 2020
Micro-Enterprise Assistance	February 7, 2020	April 24, 2020
Public Infrastructure	January 17, 2020	March 27, 2020
Public Service	March 27, 2020	May 1, 2020
Community Enterprise	January 31, 2020	April 10, 2020
Special Projects/Urgent Need *	N/A	TBD*

\*Funding for these programs may be available based upon redistribution, reallocation and/or additional allocation from HUD.

## E. 2020 PROGRAM BUDGET

2020 CDBG Budget	<b>\$11,566,645</b>
Administration	331,332
Technical Assistance Administration	115,666

### **Community Development**

Downtown Revitalization Grants	300,000
Home Repair Network Program	2,600,000
Housing Assistance Grants	1,000,000
Public Service Grants	250,000
Public Infrastructure Grants	3,400,000
Regional Council Planning Assistance	114,000
Small Business Development Centers	50,000
Maine Downtown Center Assistance	300,000
Urgent Need Grants*	0
Special Projects*	5,647
Community Enterprise Grants	600,000

### **Economic Development**

Economic Development Grants	2,000,000
Micro-Enterprise Assistance Grants	500,000

TOTAL Estimated 2020 CDBG Funds (final amount determined by HUD) **11,566,645**  
Funding for individual categories may change based on actual HUD award.

\*Funding for these programs may be available based upon redistribution, reallocation and/or additional allocation from HUD.

## F. CERTIFICATIONS

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All communities applying for CDBG funds must certify that they will:

- Minimize displacement and adhere to a locally adopted displacement policy in compliance with section 104(d) of the Housing and Community Development Act, 24 CFR part 42;
- Take action to affirmatively further fair housing and comply with the provisions of Civil Rights Acts of 1964 and 1968;
- Not attempt to recover certain capital costs of improvements funded in whole or in part with CDBG funds;
- Establish a community development plan;
- Meet all required State and Federal public participation requirements;
- Comply with the Federal requirements of Section 319 of Public Law 101-121, codified at 31 U.S.C. Section 1352, regarding government-wide restriction on lobbying;
- With the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, elected officer, or appointed official of State or local government or of any designated public agencies, or sub-recipients which are receiving CDBG funding may obtain a financial interest or benefit, have an interest in or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect to CDBG activities;
- Any person or firm associated with the administration of the CDBG program award is not on the U.S. Department of Labor's Debarred and Suspended Contractor's List; and
- Review the project proposed in the application to ensure it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

## G. GENERAL REQUIREMENTS:

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**1. Eligible Applicants:** All units of general local government in Maine, including plantations, except for the entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County with the exception of Brunswick and Frye Island are eligible to apply for and receive State CDBG program funds. County governments may apply on behalf of the Unorganized Territory. Groups of local governments may apply for multi-jurisdictional or joint projects. Multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating local government. Counties may apply for the Public Service program on behalf of a collaboration of communities. **Eligible applicants, including counties as defined above may apply for CDBG assistance on behalf of the five Maine Indian Tribes. Maine Indian Tribes are not themselves eligible applicants.** Eligible applicants applying on behalf of a Maine Indian Tribe are

permitted to apply in the same 2020 CDBG funding category only if the eligible applicant will not directly benefit from the tribal CDBG project.

**2. Eligible Activities:** Applications will be reviewed to determine that the activities proposed are eligible under Section 105(a) of the Act. Ineligible activities will not be considered.

**3. Project Benefit:** Letters of Intent and/or required documentation for all programs will be reviewed to verify that the proposed activities meet at least one of the CDBG Program national objectives pursuant to section 104(b) 3 of the Act. If the activity does not meet a national objective the application will not be considered for funding.

**4. “Growth Related” Preference:** In accordance with M.R.S.A Title 30-A section 4349-A (3-A), OCD is required to give preference in the award of grants to capital investments defined as “growth related” in section 4301(5-B) to communities with certified growth management programs or that have adopted a comprehensive plan and implementation strategy consistent with the goals and guidelines of the subchapter. A municipality that does not obtain a certificate or finding of consistency within 4 years after receipt of the first installment of a financial assistance grant or rejection of an offer of financial assistance will receive a low priority.

**5. Repayment of Grant Funds:** Recipients must repay on demand to the State of Maine all funds expended if CDBG program benefits are not achieved as specified in their contract with the DECD.

**6. Application Threshold:** Incomplete and/or non-conforming applications which do not meet the specifications set forth in the 2020 Program Statement and 2020 CDBG Application Packages will be removed from the scoring process during the threshold review.

**7. Financial Commitments:** Applications for projects not demonstrating a firm financial commitment as required in the application materials will be removed from the scoring process during the threshold review.

**8. Restriction of Grant Awards:** OCD may deny or restrict the award of grants to communities with outstanding audit(s), monitoring findings, or a record of administrative misconduct.

**9. Past Performance:** In order to be eligible to apply for a 2020 Community Development Block Grant program, communities that received CDBG grants in or prior to 2016 must have finally closed out their grants prior to application due date. Communities that received CDBG grants in 2017 must have conditionally closed their grants prior to application due date. Communities that received CDBG grants in 2018 must have expended 50% of their benefit activity funds prior to application due date. Communities that received 2019 CDBG grants must be under contract with DECD. All Past Performance Criteria will be strictly enforced; however these criteria may be waived for just cause by the Director of OCD.

**10. Grant Termination:** OCD may terminate a community’s grant if progress on the project is not apparent within 6 months from the date of contract signing. The Office of Community Development may grant waivers for just cause.



## H. EXCLUSIONS:

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**1. Multiple Grants:** Eligible applicants may not apply for, or benefit from, more than one grant per program category in any grant year. Communities participating in multi-jurisdictional applications may submit their own applications for the same program as long as they demonstrate that there will not be a duplication of program activity/benefit.

**2. Housing Assistance Grant Program:** Communities are not eligible to apply for a HA grant unless they have an identified multi-family project with a developer approved by OCD.

## I. AWARD PROCESS:

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### 1. Scoring:

The Review Team will assign a score to each of the scoring areas and the application's total score will be determined by the sum of the Review Team's scores. The top scoring applications will be considered for an invitation into the Project Development Phase.

An invitation into the Project Development Phase is not a guarantee of funding or permission to obligate funds. Successful communities will receive an amount determined by the OCD for their project.

### 2. Project Development Phase:

**a. Project Planning:** Details of the project including pre-engineering, bid requirements, budget, and/or grant administration.

**b. Acceptance of Funds:** Public Hearing and Legislative Body Approval for the acceptance of funds.

**c. Local Certifications:** Local adoption of State and Federal regulations..

**d. Project Benefit:** Verification that proposed activities meet or will meet one of the CDBG Program National Objectives.

**e. Environmental Review:** Review of project for compliance with State and Federal Environmental Regulations.

### 3. Project Development Timeframe and Assistance:

The goal of the Project Development Phase is a grant contract for CDBG funds. An OCD Development Program Manager will be assigned to work closely with each community to finalize their project. OCD will rescind the CDBG program award offer if the community is not under contract within six months of the date of the award offer and invitation into the project development phase process. The Office of Community Development may grant waivers for just cause.

## SECTION 2. COMMUNITY DEVELOPMENT PROGRAMS

### A. HOUSING ASSISTANCE GRANT PROGRAM

The Housing Assistance Grant (HA) Program provides funding to address housing problems of low-and moderate-income persons. Housing Assistance Program (HA) funds will be distributed through an annual grant application selection process.

**1. Eligibility Requirements for Housing Assistance Applications:** Communities must have an identified multi-family project with a developer approved by OCD.

**2. Eligible Activities:** Eligible HA activities are rehabilitation of occupied or vacant multi-family housing units and conversion of non-residential structures.

**3. Matching Funds:** Applicants for housing activities must provide a cash match of at least 20% of the total HA project cost.

**4. Maximum HA Grant Amount:** \$1,000,000

**5. Maximum Administrative Costs:** The HA Program may allow expenditures for general and/or rehabilitation administration. The total general and rehabilitation administration expenditures may not exceed 15% of the grant amount. **Please refer to OCD Policy Statement #2 for more information regarding CDBG administrative costs.**

**6. Selection Process:** The selection process for all HA applications will consist of two stages:

(a) Stage 1:

**Letter of Intent:** All communities wishing to submit a HA application must submit a Letter of Intent. After review for completeness and eligibility, units of general local government may be invited to make a full application. Please refer to Page 5 of this document for Program deadlines and due dates.

(b) Stage 2:

**Application:** The maximum length of an application is **four pages (not counting required attachments)**. Please refer to Page 5 of this document for Program deadlines and due dates. Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

Impact (40 points):

- A description of the specific housing problems to be addressed with HA funds – 15 points
- How the problems were identified – 10 points
- How these issues affect LMI persons in the community or region – 15 points

Development Strategy (40 points):

- A description of the plan proposed to implement the housing project – 20 points

- Summary of the activities and use of HA funds –20 points

Citizen Participation (20 points):

- How overall citizen participation process directly relates to identification of solution strategies and application development - 4 points
- Effective use of any media (newspapers, radio, TV, etc.) to further public awareness and participation – 4 points
- Relevance of listed meeting/hearing activities/comments (not counting required public hearing) on application and project development – 4 points
- Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process – 4 points
- How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments – 4 points

**Opportunity Zone Bonus – 3 bonus points** will be assigned to each applicant community certified as an Opportunity Zone location at time of application.

**7. Final Application Score** – Each application will receive a Final Application Score assigned by members of the Review Team. The top scoring applicants will be considered for an invitation to proceed to the Project Development Phase as funds allow.

## **B. HOME REPAIR NETWORK PROGRAM**

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The Home Repair Network Program (HRN) provides funding statewide to address housing problems of low- and moderate-income persons. This program will provide housing rehabilitation services administered on a regional basis throughout Maine, as stated below.

**1. Special Threshold Criteria and Certifications:** HRN Program funds will be distributed through a set aside of CDBG funds provided to the City of Rockland as the lead community. The lead community will establish a legally binding contract with each of the participating Maine Community Action Agencies (or other approved entity) to provide Housing Rehabilitation Services in the region. Participation in the HRN delivery system is subject to the approval of the Director of the OCD.

**2. Eligible Activities:** Eligible activities under the HRN Program include but are not limited to: rehabilitation of occupied or vacant single-family or multi-family housing units, demolition, same site replacement housing, provision of potable water and sewer, energy conservation, removal/mitigation of lead-based paint, asbestos, radon, or other hazardous material, removal of architectural barriers and the Critical Access Ramp Program (via Alpha One).

**3. Housing units ineligible for Home Repair Network assistance:** Housing units located in communities that have current CDBG Housing Rehabilitation programs or the entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County with the exception of Brunswick and Frye Island are not eligible for financial assistance under the HRN program.

**4. Maximum HRN Grant Amount:** \$2,600,000. Allocations to each of the established regions will be determined by the Office of Community Development.

**5. Maximum Administrative Costs:** The HRN Program allows expenditures for general and rehabilitation administration. The total general and rehabilitation administration expenditures may not exceed 20% of the grant amount. The City of Rockland is allowed a maximum of \$5,000 in administrative funding.

**6. Section 8 Housing Quality Standards:** All units assisted or created with HRN funds will strive to meet HUD Section 8 Minimum Housing Quality Standards if possible. This does not apply to projects undertaken to correct specific emergency health and safety issues only, i.e. wells, septic, heating units, removal of hazardous materials, energy conservation etc. In addition, all units must comply with other applicable standards included in the HRN contract.

## **C. PUBLIC INFRASTRUCTURE GRANT PROGRAM**

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The Public Infrastructure Grant (PI) Program provides gap funding for local infrastructure activities, which are part of a community development strategy leading to future public and private investments.

**1. Eligible Activities:** Eligible activities in the PI Program are construction, acquisition, reconstruction, installation, relocation assistance **associated with** public infrastructure, and public infrastructure limited to supporting construction of fully-funded affordable LMI housing; eligible planning activities necessary to complete the Project Development Phase.

**2. Exclusions:** See Section 1H (1) (2).

**3. Match:** All communities applying for PI funds must certify that they will provide a cash match of at least 25 percent of the total grant award. This match may consist of all non-CDBG loans, grants etc. contributed to the project.

**4. Program Activities:** Applicants may apply for one or more activities within a specific activity group. Applicants cannot mix activities from different activity groups in an application.

### **Activity Group Numbers:**

- 1) Water system installation/improvements, sewer system installation/improvements, water/sewer system hookups, storm drainage, utility infrastructure, dams with the main purpose of providing the primary water storage facility for an active water district or municipal system. **Maximum Amount: \$1,000,000**
- 2) Infrastructure in support of new LMI affordable fully financed housing. **Maximum Amount: \$1,000,000**

**5. Funding Restrictions:** PI funds may not be used to assist infrastructure for the purpose of job creation/retention. Job creation/ retention infrastructure activities are eligible in the Economic Development Program. Except for proposals for infrastructure in support of new housing construction and sewer/water system hookups, no housing activities may be assisted with PI funds.

**6. Demonstration of National Objective:** Applicants must demonstrate at Letter of Intent that the project meets the National Objective of benefiting 51% or greater low/moderate income persons via Census information, or a certified target area survey.

**7. Selection Process:** The selection process for all PI applications will consist of two stages:

(a) Stage 1:

**Letter of Intent and Verification of CDBG National Objective:** All communities wishing to submit a PI application must submit a Letter of Intent and Verification of CDBG National Objective to OCD. After review for completeness and eligibility, units of

general local governments may be invited to make a full application. Please refer to Page 5 of this document for Program deadlines and due dates.

(b) Stage 2:

**Application:** Please refer to Page 5 of this document for Program deadlines and due dates.

Each application will be rated in relation to all others in a two-stage process. Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area.

**Impact (40 points):**

- A description of why the project is necessary, previous efforts to address needs, and how the project was prioritized locally –6 points
- What engineering firms and/or regulatory agencies have verified the infrastructure problems, and what studies and testing have been done that corroborate the need– 6 points
- How the verified health, safety and welfare conditions affect users and others in the community and region –8 points
- Size and demographic makeup of user base and target area of projected infrastructure project –10 points
- Why PI funds are necessary to fill a funding gap, what other state and/or federal agency funding is involved, capacity of the utility or town to borrow, and how match funds will work with PI funds to implement the project –10 points

**Development Strategy (40 points):**

- A description of the proposed infrastructure improvements, including size, capacity, design, utilities and fit with existing systems – 10 points
- Positive impacts on health, safety and welfare of users directly attributable to proposed PI expenditures –5 points
- Extent of financial benefits to users; list current user rates, what rates will be if PI funding is approved, and list what user rates will be if the project is built without PI funding –15 points
- Project timeline: list tasks necessary to begin implementation. Identify work already completed, such as engineering, design and final commitment of other funds. Identify when remaining tasks will be completed. Estimate a project completion date and describe why project timeline is feasible –10 points

**Citizen Participation (20 points):**

- How overall citizen participation process directly relates to identification of solution strategies and application development - 4 points
- Effective use of any media (newspapers, radio, TV, etc.) to further public awareness and participation – 4 points

- Relevance of listed meeting/hearing activities/comments (not counting required public hearing) on application and project development – 4 points
- Involvement of potential LMI project beneficiaries in to the application development and citizen participation process – 4 points
- How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments – 4 points

**8. Final Score** Each application will receive a Final Application Score assigned by members of the Review Team. The top scoring applicants will be considered for an invitation to proceed to the Project Development Phase as funds allow.

## **D. DOWNTOWN REVITALIZATION GRANT PROGRAM**

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The Downtown Revitalization Grant (DR) Program provides funds to communities to implement comprehensive, integrated, and innovative solutions to the problems facing their downtown districts. These community revitalization projects must be part of a strategy that targets downtown service and business districts and will lead to future public and private investment. Qualified applicant communities must have a downtown district meeting the definition in 30-A M.R.S.A. Section 4301(5-A).

**1. Eligible activities** - include all those eligible under the Public Facilities, Public Infrastructure, Housing Assistance or Micro Enterprise Assistance programs as relevant to the revitalization of a downtown district; and eligible planning activities necessary to complete the Project Development Phase.

**2. Exclusions:** See Section 1H (1) (2).

**3. Match** – All communities applying for DR Program funds must certify that they will provide a minimum cash match equivalent to 25 percent of the total grant award. This minimum 25% match may come from any source public and/or private. All match must be fully committed at time of application.

**4. Planning Requirements:** Applicants must have completed a comprehensive downtown revitalization planning process within the past five years. Communities with plans older than five years must demonstrate that their plans are under active implementation, the action plan remains valid, or have been updated within the past 5 years. The proposed DR activities must be in the plan as recommended actions necessary for downtown revitalization.

**5. Maximum DR Award:** \$300,000

**6. Bonus Points for Applicants with Maine Downtown Center Designation:** Applicants will receive three bonus points if they have been designated as a Main Street Maine Community by the Maine Downtown Center, or one bonus point if they have been designated as a Maine Downtown Network Community.

**7. Demonstration of National Objective:** Applicants must demonstrate that the project meets the National Objective of 1) benefiting 51% or greater low/moderate income persons or 2) preventing or eliminating slum or blighting conditions. Census information, a certified town-wide income survey, or an officially adopted declaration of slum/blight conditions conforming to the requirements of Title 30-A M.R.S.A § 5202 and HUD must be submitted to OCD. ***These demonstrations must be made as part of the Letter of Intent and Verification of CDBG National Objective submitted to OCD.***

**8. Selection Process** – The selection process will consist of two stages

(a) Stage 1:

**Letter of Intent and Verification of CDBG National Objective:**

All communities wishing to submit a DR application must submit a Letter of Intent. After review for completeness and eligibility, units of general local governments may be invited to make a full application. Please refer to Page 5 of this document for Program deadlines and due dates.



(b) Stage 2:

**Application:** The maximum length of an application is **six pages, not counting required attachments.**

Please refer to Page 5 of this document for Program deadlines and due dates.

Each application will be rated in relation to all others. Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area.

**Impact (40 points):**

- Describe the scope and magnitude of the problems you seek to address. Describe how they are obstacles for revitalizing the downtown. – 8 points
- Explain how these problems negatively impact the viability of existing downtown businesses, and how they limit new development and expansion. –12 points
- Demonstrate how the problems impacting the downtown affect LMI persons, or how they contribute to slum/blight conditions. –8 points
- Explain why DR funds are necessary for the project, and describe what efforts have been made and where you have searched to secure other grant or loan funds, –12 points

**Development of Strategy (40 points):**

- Clearly link the proposed DR activities to action steps outlined in your community's Downtown Action Plan and explain how the activities of the project will stimulate economic activity in the downtown. –12 points
- List the specific activities to be addressed in this downtown revitalization effort, and identify the tasks to be undertaken with DR funds and the activities to be undertaken with each other source of funds. –12 points
- Define how the proposed DR activities provide a solution to the problems and assist in improving the area's viability, and how the activities will have a positive impact on LMI persons, or on alleviation of the slum/blight conditions. –8 points
- Describe the capacity and experience of the administrator who will be implementing the project, describe the engineering and design work completed to date, provide a project timeline, and explain how DR funds will be expended in a timely manner. – 8 points

**Citizen Participation (20 points):**

- Effective use of media (newspapers, radio, TV, web etc.) to further public awareness and participation. – 4 points
- Relevance of listed meeting/hearing comments (not counting required public hearing) and the overall citizen participation process in application and project development. – 4 points
- Involvement of downtown and local businesses, Chambers of Commerce, development groups or other business related organizations in identification of problems and development of the application and project. – 4 points

- Involvement of potential LMI project beneficiaries in development of the application and project, and how the required public hearing relates to the application development and citizen participation process. – 4 points
- How other local resources (cash and in-kind) are directly related to the project, and the establishment of a cash value equivalent for all in-kind commitments. – 4 points

**Maine Downtown Center Designation Bonus – 3 bonus points** will be assigned to each applicant community designated as a Main Street Maine Community by the Maine Downtown Center, and a 1 bonus point will be awarded to those communities designated as a member of the Maine Downtown Network.

**Opportunity Zone Bonus – 3 bonus points** will be assigned to each applicant community certified as an Opportunity Zone location at time of application.

**9. Final Application Score** – Each application will receive a Final Application Score assigned by members of the Review Team plus any applicable Maine Downtown Center and/or Opportunity Zone Bonus points. The top scoring applicants will be considered for an invitation to proceed to the Project Development Phase as funds allow.

## **E. PUBLIC SERVICE GRANT PROGRAM**

The Public Service Grant (PSG) Program addresses community and business resource needs by providing funding for operating expenses, equipment, and program materials for activities which will benefit low/moderate income (LMI) persons.

**1. Eligible Activities:** Eligible activities include but are not limited to, operating and program material expenses for the purpose of providing workforce training and skills development, child care, health care, recreation programs, education programs, public safety services, fair housing activities, senior citizen services, homeless services, drug abuse/mental health counseling and treatment.

**2. Project Benefit:** Eligible PSG projects must provide benefits to one of the groups of persons listed below and be in support of an identified business or non-profit entity:

(a) Participants in a program where 51% or greater of the persons receiving benefit from PSG activities are determined to be LMI.

(b) Persons who are members of the following groups that are currently presumed by HUD to meet benefit requirements. The presumption may be challenged if there is substantial evidence the group served by the project is most likely not comprised of principally LMI persons;

- Abused Children (Does not include “at-risk” youth)
- Battered Spouses (Does not include all victims of domestic violence)
- Elderly Persons (62 years +, or 55 years + for housing)
- Severely Disabled Adults
- Homeless Persons
- Illiterate Adults
- Migrant Farm Workers
- Persons Living with AIDS

**3. All communities applying for PSG funds must certify that:** The activity represents a new service to the community; or a quantifiable increase in the level of an existing service;

**4. Maximum PSG Amount: \$50,000**

**5. Selection Process:** The selection process will consist of two stages

(a) Stage 1:

**Letter of Intent:** All communities wishing to submit a PSG application must submit a Letter of Intent. Please refer to Page 5 of this document for Program deadlines and due dates. After review for completeness and eligibility, units of general local governments will be invited to make a full application.

(b) Stage 2:

**Application:** The maximum length of an application is **four pages, not counting required attachments**. Please refer to Page 5 of this document for Program deadlines and due dates.

Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

**Impact (40 points):**

- Conditions requiring a new or expanded service – 15 points
- Issues faced by service providers including capacity, finances and staffing – 15 points
- Why PSG funds are critical for the project – 10 points

**Development Strategy (40 points):**

- A description of the new or expanded service, specific use of PSG funds, including how this service will resolve identified problems, and why this service will be more effective than existing services for the targeted beneficiaries – 10 points
- How PSG funds will be utilized to assist LMI persons or a HUD approved Limited Clientele group – 10 points
- Project timeline, including a start date, tasks completed to date, how PSG funds will be expended in a timely manner, and method of tracking success – 10 points
- Capacity and qualifications of the service provider implementing the project, including familiarity with the needs of project beneficiaries – 10 points

**Citizen Participation (20 points):**

- How overall citizen participation process directly relates to identification of solution strategies and application development - 5 points
- Effective use of any media (newspapers, radio, TV, etc.) to further public awareness and participation – 5 points
- Relevance of listed meeting/hearing activities/comments (not counting required public hearing) on application and project development – 5 points
- Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process – 5 points

**6. Final Application Score** – Each application will receive a Final Application Score assigned by members of the Review Team. The top scoring applicants will be considered for an invitation to proceed to the Project Development Phase as funds allow.

## **F. SMALL BUSINESS DEVELOPMENT CENTERS**

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The Small Business Development Center Technical Assistance (SBDCTA) provides funding for the provision of technical assistance to Maine micro-enterprise businesses through a partnership with Maine's Small Business Development Centers.

**1. Special Threshold Criteria and Certifications:** SBDCTA will be distributed through a set aside of CDBG funds provided to the County of Aroostook as the lead community. The lead community will establish a legally binding contract with the SBDC as approved by OCD.

**(a) Eligible Activities:**

(i) Eligible activities under the SBDCTA are technical assistance to verified Maine micro-enterprise businesses and potential start-up companies which can be reasonably expected to become a micro-enterprise business.

**(b) Communities ineligible for SBDCTA Assistance:**

(i) Micro-enterprise businesses and potential start-up companies located in the communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County except for Brunswick and Frye Island, are not eligible for financial assistance under the SBDCTA.

## **G.MAINE DOWNTOWN CENTER ASSISTANCE**

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The Maine Downtown Center Assistance (MDCA) provides funding to support activities undertaken by the Maine Downtown Center on behalf of communities addressing critical needs in established downtown areas.

**1. Special Threshold Criteria and Certifications:** MDCA funds will be distributed through a set aside of CDBG funds provided to the City of Belfast who will be the lead community. The City of Belfast will establish a legally binding contract with the Maine Downtown Center as approved by OCD.

**2. Eligible Activities:** Eligible activities under the MDCA are planning, capacity building, technical assistance and administration directly related to furthering the Maine Downtown Center's objectives in building vibrant, sustainable Maine downtowns. Assistance will be available to Main Street Maine communities as well as communities not currently so designated. Assistance will be made available as determined by the Maine Downtown Center and OCD.

**3. Communities Ineligible for MDCA Assistance:** The entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County, with the exception of Brunswick and Frye Island are not eligible for financial assistance under the MDCA.

## H. URGENT NEED GRANT PROGRAM

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The Urgent need Grant (UN) Program provides funding to communities to address serious and immediate threats to health and welfare which are declared state or federal disasters.

**1. Project Eligibility:** Pursuant to Section 104 (b) 3 of the Housing and Community Development Act of 1974, as amended (see 24 CFR Section 570.483(d)), the applicant must address a community development need which meets all four criteria listed below:

- (a) poses a serious and immediate threat to the health or welfare of the community;
- (b) originated or became a direct threat to public health and safety no more than 18 months prior to submission of the application;
- (c) is a project the applicant cannot finance on its own. “Cannot finance on its own” means, that the town’s tax burden, regulatory structure, utility user fees, bonding capacity, or previous or existing budgetary commitments, precludes it from assuming the additional financial obligation needed for this project; and
- (d) cannot be addressed with other sources of funding.

### 2. Program Requirements:

**(a) Necessary Documentation:** The emergency situation must require immediate action to alleviate the serious and imminent threat of injury or loss of life resulting from a natural or man-made cause.

**(b) State or Federal Declaration of Disaster:** The applicant must submit documentation that the project to be assisted with UN funds will take place in an area that has received a state or federal declaration of disaster. In addition, the activities to be assisted must be a direct result of the event leading to the declaration. This requirement may be waived by the Director of OCD with just cause.

**(c) Application Submittal:** Applicants must submit a complete UN application that includes all required information and documentation.

**3. Selection Process:** The selection process will consist of two stages: an application phase and a project development phase.

(a) Stage 1:

**Application:** An UN application must include the following:

- documentation that the emergency situation was prompted by natural or man-made causes that pose an imminent threat of injury or loss of life;
- certification that the proposal is designed to address an urgent need and an immediate response is required to halt the threat of injury or loss of life;

- information regarding when the urgent need condition occurred or developed into a threat to health and safety;
- evidence confirming the applicant is unable to finance implementation on its own; and,
- documentation that other financial resources are not available to implement the proposal.
- a copy of a state or federal declaration of disaster.

(b) Stage 2:

**Project Development:** Prior to consideration of a grant award, all UN proposals must meet the four eligibility criteria listed above and the Program requirements. Project Development Phase applications must comply with the following:

**Project Planning:** Details of the project including engineering, cost analysis, feasibility, and structural analysis as necessary.

**Management Plan:** Details of the structure and methods established by the community for program management.

**Regulations:** Project Development Phase applications will be reviewed for compliance with State and Federal regulations.

**4. Approval Process: Applications will be accepted on a first-come first-served basis.** Following receipt of an application, OCD shall review the application and verify that it contains all the required information. Eligible planning activities necessary to complete the Project Development Phase may be included in the UN grant total. Notification to the applicant of the Office of Community Development's decision will initiate the Project Development Phase process necessary for contract award.



## **I. SPECIAL PROJECTS PROGRAM**

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The Special Projects Program provides funds to projects that are not funded through the normal CDBG application process. SP funds will be used for alternative OCD grant activities and partnerships that meet the community or economic development needs of municipalities and CDBG National Objectives in the State of Maine. Approval for the use of SPMF funds is through the Director, Office of Community Development.

## J. COMMUNITY ENTERPRISE GRANT PROGRAM

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The Community Enterprise Grant (CE) Program provides grant funds to assist in business façade programs and to make streetscape improvements in downtown and village areas. Assistance to businesses may be in the form of grants or loans at the discretion of the community.

**1. Threshold Criteria and Program Requirements:** CE Program funds will be distributed through an annual grant application selection process.

**(a) Eligible Activities:**

Eligible activities under the façade grants to for-profit or non-profit businesses are for exterior improvements, including signage, painting, siding, awnings, lighting, display windows and other approved exterior improvements (**interior improvements are not allowed**) and eligible activities under streetscapes include pocket parks, benches, street lighting, tree plantings, signage, traffic calming improvements, sidewalks and other approved improvements; eligible planning activities necessary to complete the Project Development Phase. **Sewer, water, storm drainage, parking, roads or streets and other infrastructure improvements and buildings solely for residential use are not eligible. All streetscape improvements must take place on publicly owned property.**

**(b) Downtown Revitalization Program Prohibition -** Communities applying for a CE grant may not apply for, receive, or benefit from a Downtown Revitalization Program (DR) grant in the same program year.

**(c) Maximum CE Grant Amount: \$100,000 -** Applicants may apply to address one or any combination of eligible activities listed above but are limited to a total of \$100,000 in CE funds.

**(d) Maximum Amount of Community Enterprise Grant/Loan Assistance to Businesses: \$25,000**

**(e) Match –** All communities applying for CE Program funds must certify that they will provide a minimum cash match equivalent to 25 percent of the total grant award. This minimum 25% match may come from any source public and/or private. All match must be fully committed at time of application.

**(f) Project Benefit:**

**(i) Business Facade Grants:** Project benefit will be met when exterior improvements and signage on an existing business take place in a designated slum/blight area, or documentation exists that a business qualifies under a spot blight basis.

**(ii) Streetscapes:** Project benefit will be met when streetscapes take place in a designated slum/blight area or the applicant community where the project will take place is 51% or greater LMI as determined by HUD and the U.S. Census.

## 2. Special Program Requirements

**Demonstration of National Objective:** Applicants must demonstrate that the project meets the National Objective of 1) benefiting 51% or greater low/moderate income persons, or 2) preventing or eliminating slum or blighting conditions. Census information, a certified target area survey, an officially adopted declaration of slum/blight conditions conforming to the requirements of MRSA Title 30-A, Chapter 205, 5202 and HUD, or assurances of spot blight designation eligibility must be submitted to OCD. ***These demonstrations must be made as part of the Letter of Intent and Verification of CDBG National Objective submitted to OCD on or before 4:00pm on Friday January 31, 2020.***

**3. Selection Process:** The selection process will consist of three phases; a letter of intent, an application phase and a project development phase.

**(a) Letter of Intent and Verification of CDBG National Objective:**

All communities wishing to submit a CE application must submit a Letter of Intent and Verification of CDBG National Objective to OCD on or before 4:00PM on Friday January 31, 2020 according to the requirements set forth in the 2020 CE application package.

**(b) Application:** The maximum length of an application is **four pages, not counting required attachments**. The application deadline for the CE Program is 4:00 PM on April 10, 2020.

**(i) Impact (40 points):**

\*State the problems then present the scope and magnitude of the identified problems. – 6 points

\*Explain how the problems negatively impact the local economy and the viability of existing downtown or village area. – 8 points

\*Clearly define how the problems negatively affect LMI persons and/or contribute to slum/blight conditions. – 10 points

\*Describe the obstacles to overcoming the identified problems. – 6 points

\*Explain why CE funds are necessary for the project; describe efforts to secure other grant or loan funds and tell why they are not available locally to assist businesses or local government with their development and site improvement needs. – 10 points

**(ii) Development Strategy (40 points):**

\*List the specific activities to be undertaken in the project. For streetscapes include location, size and design features. – 5 points

\*Identify the specific use of CE funds and the specific tasks or activities to be funded with each other source of funds. – 5 points

\*Provide Identification and description of potential business façade applicants and their needs; **or** provide details of how areas in need of streetscape improvements were identified and prioritized. – 5 points

\*Explain how the CE project will stimulate business in the downtown or village area and assist in improving the area's long-term viability. – 6 points

\*Describe how the CE funded activities will have a positive impact on LMI persons and/or on alleviation of the slum/blight conditions. – 6 points

\*Provide a project timeline; list activities or actions completed to date. – 4 points

\*Describe the capacity and experience of the administrator to market and conduct a facade program **or** streetscape improvement effort; and describe how CE funds will be expended in a timely manner. – 5 points

\*Budget Summary Review – 4 points

**(iii) Citizen Participation (20 points):**

\*Effective use of any media (newspapers, radio, TV, etc.) to further public awareness and participation. – 4 points

\*Relevance of listed meeting/hearing activities/comments (not counting required public hearing) and the overall citizen participation process in application and project development. – 4 points

\*Involvement of downtown and local businesses, Chambers of Commerce, development groups or other business-related organizations in identification of problems and development of the application and project. – 4 points

\*Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process. – 4 points

\*How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments. – 4 points

**Opportunity Zone Bonus – 3 bonus points** will be assigned to each applicant community certified as an Opportunity Zone location at time of application.

**Stage 2: Final Application Score** – Applications will be awarded funding based on the consensus of the review team. There is no minimum Final Application Score required for an application to be considered for funding.

## SECTION 3. ECONOMIC DEVELOPMENT PROGRAMS

### A. ECONOMIC DEVELOPMENT

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The Economic Development program (EDP) provides communities with **gap** funding to assist identified businesses in the creation/retention of jobs for low-and moderate-income persons.

#### 1. Eligible Activities by Group Number:

<u>Group Numbers</u>	<u>Maximum Award</u>
<b>a) Grants to Municipalities:</b> for acquisition, relocation, demolition, clearance, construction, reconstruction, installation and rehabilitation <b><u>associated with public infrastructure projects</u></b> . All public infrastructure must be owned by the municipality, or public or private utility, and be in support of an identified business.	\$500,000*
<b>b) Grants to Municipalities for Direct Business Support:</b> for capital and non-capital equipment, land and site improvements, rehabilitation or construction of commercial or industrial buildings, job training, working capital and capital equipment and be in support of an identified business. Acquisition is <b><u>not</u></b> an allowable activity under this group.	\$500,000*

#### 2. Exclusions:

- Applicants may apply in only one specific activity group and only one business
- **EDP funds cannot be used to refinance existing debt.**
- All EDP activities must be in support of an identified business; speculative activities are excluded.
- Communities that received an EDP award, for the same business in a prior year, must document, at submission of Letter of Intent, employment baseline information to show the company is at or above the employment number achieved as a result of previous CDBG assistance and that the CDBG assistance is vital to the project and cannot be obtained elsewhere.
- \*Start-up businesses are limited to a maximum grant award of \$250,000
- **Waivers to increase the maximum grant award amount, in instances where the impact of the project is substantial and can be documented, both through project investment and job creation, may be requested to the Director of the Office of Community Development.**

**3. Project Benefit:** All projects must document that at a minimum, 51% of all jobs created or retained as a result of the funded activity must be taken/held by persons of low and moderate income as defined by HUD. Jobs created/retained must be in the community applying for the EDP award, new jobs to that community and not associated with any other branches of the assisted business located in another community. Transfer positions cannot be counted toward the job creation/retention requirements. **In the event that job creation requirements are not met, the applicant community will be responsible for immediate repayment to DECD of all CDBG funds expended on the project.**

**4. Program Dollars per Job:** The maximum CDBG participation per job created or retained with EDP funds is \$30,000.

**5. Full Time permanent Jobs:** In determining CDBG National Objective compliance with jobs created or retained only **Permanent** jobs may be counted; temporary jobs may not. Full time jobs require a worker to work at least 1750 hours per year. Part time jobs require a worker to work at least 875 hours but less than 1750 hours per year. Part-time jobs **must** be converted to Full Time Equivalents (FTE). An FTE is defined as two part time jobs. **Seasonal** jobs may count only if the seasonal job lasts long enough and provides sufficient income to be considered the employee's principal occupation. (Contact OCD prior to counting seasonal jobs towards LMI benefit.) **All** permanent jobs created by the project must be counted, regardless of funding source(s). Jobs indirectly created by the project (i.e., remote location, “trickle down” jobs) do not count.

**6. Maximum Project Size for Utilizing EDP Funds: \$3,000,000** Phasing of projects to make the total cost appear to be below the maximum project size is expressly forbidden.

#### **7. Program Requirements:**

**(a) EDP Letter of Intent Due Dates:**

All communities wishing to submit an EDP application must submit a Letter of Intent. Please refer to Page 5 of this document for Program deadlines and due dates. After review for completeness and eligibility, units of general local governments may be invited to make a full application.

**(b) EDP Application Due Dates:** By invitation only as a result of accepted Letter of Intent. Please refer to Page 5 of this document for Program deadlines and due dates.

**(c) Necessary and Appropriate:** EDP assistance to a business must be for projects that are necessary and appropriate. The application must describe the need for program assistance, reasonableness of the amount requested, and assurance that the assistance provided is commensurate with the community benefits that will accrue from the project. **Documentation must be provided that the project cannot proceed without program participation and that program funds provide gap financing.**

**(d) Compliance with Benefit Certification Requirements:** The business and the applicant community, under the direction of the Program Manager assigned to the project, must comply with documentation requirements for jobs created/jobs retained on a project including but not limited to benefit surveys, income verification and periodic reporting that the Office of Community Development may require.

**(e) EDP Matching Funds Requirements:** Communities applying for Economic Development Program funds must certify that a 100% cash match of the total EDP award will be provided. Matching funds must be directly related to the activities undertaken with EDP funding.

**(f) EDP Projects in Support of Retail Businesses:** OCD may accept an EDP application in support of a retail business activity only under the following limited conditions:

- The retail business represents the provisions of new products and services previously unavailable in the community or is a tourism-related business; and
- The development or expansion of the retail business represents a net economic gain for the community and the region. Applications supporting a retail business or businesses are required to certify that the development represents a new overall gain for the region's economy and not a shift from existing established businesses to a new or expanded one; and
- The retail business is located in either a downtown district meeting the definition in 30-A M.R.S. Section 4301 (5-A); or a designated local growth area contained in an adopted and consistent comprehensive plan; and
- At least 50% of the jobs created by the retail business must be full time jobs.

**9. Selection Process:** The selection process will consist of two stages. Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and any applicable bonus points. The following criteria will be used:

(a) Stage 1:

**Letter of Intent:** All communities wishing to submit an EDP application must first submit a Letter of Intent. After review for completeness and eligibility, units of general local governments may be invited to make a full application. Please refer to Page 5 of this document for Program deadlines and due dates.

(b) Stage 2:

**Application:** Members of the Review Team will assess the applications based on the following criteria:

**Problem Statement**

**Scope**

- Detail the problems or needs facing the community/business to be assisted.
- Tell how these problems relate to job creation or job retention activities.
- Describe how the overall financial viability of the community/business is affected by the problems or needs.

**Impact** Identify how employment opportunities for persons of low/moderate income are negatively affected by the identified problems.

- Emphasize the importance of the affected business in relation to the stability of the community/region and its current financial well-being including property tax analysis before and after the proposed activities.

**Need** Identify reasons why the community/business is unable to finance the proposed project on its own, or with assistance from other sources.

<sup>20</sup>

- Include a narrative that highlights any recent efforts by the community/business to assist job creation/retention activities.

**Solution**

**Project Description** Detail the activities that the community/business will undertake using EDP funds to resolve the problems/needs presented in the Problem Statement.

- Identify, in detail, the specific acquisition, equipment, real property improvements and/or fixtures that will be installed, modified, and upgraded, etc., with EDP funds.
- Explain how the solution directly solves the identified problems/needs.
- Include a firm figure of the number of jobs to be created or retained as a result of the project, and how these jobs relate to persons of low/moderate income.
- Clearly state the amount of EDP funds sought and how they will fit into the overall financing for the project.
- Include a graphic description (aerial photo, map, and sketch) of the sites involved. Provide a generalized location of the site relative to the community and a copy of a floodplain map showing the project location. Include existing and proposed site and/or building improvements.

#### **Effect on Assisted Business**

- Describe the effect the EDP award and completion of the project, as a whole, will have on the ability of the community/business to remain competitive, and create/retain quality jobs.
- Describe the market including identification of competitors, price structure, resource availability, operating/manufacturing costs, transportation costs, demand, and other factors influencing the marketability of the product or service proposed. Also identify all project risks and the extent of the risks.

#### **Project Timeline and Feasibility**

- Describe how the project is assured of successful completion within 12 months.
- Identify what work, such as pre-engineering, construction and improvements, or fixture purchases that have been completed, or are in process, and exactly how these relate to the proposed EDP project.
- Provide background information (including resumes) for the owners and/or managers of the business and specific information about the skills and experiences of the owners and/or managers as related to the successful management of the business and proposed project.
- Include a concise timetable for project implementation.

#### **Citizen Participation**

##### **Public Hearing Process**

- Describe how citizen participation contributed to the actual development of this application, including how the required public hearing contributed to the process. **(Submit a public hearing record consisting of the published public hearing notice, hearing minutes, and attendance list with the original and all three copies of the application.)**



- **Business/Local Involvement** Outline other input from businesses, chambers of commerce, development organizations, local groups and individuals have had in increasing the citizen participation process for the proposed project.  
Highlight how the use of any media (TV, radio, newspapers, etc.) increased public awareness and participation in the EDP project.

**10. Opportunity Zone Priority** will be given to each applicant community certified as an Opportunity Zone location at time of application.

**11. Final Score.** EDP applications will be awarded funding based on the consensus of the review team together with the analysis completed by OCD's financial underwriter.

**12. Project Development Phase:** The project development phase must be completed within 6 months from the date of award. The goal of this phase is a grant contract for CDBG funds. During this phase an OCD Development Program Manager will be assigned to work with the community to finalize their project. OCD reserves the right to rescind the CDBG program award if the community is not under contract within this time. The Office of Community Development may grant waivers for just cause.

## **B. MICRO-ENTERPRISE ASSISTANCE GRANT PROGRAM**

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The Micro-Enterprise Assistance Grant (MEA) Program provides grant funds to assist in solutions to problems faced by micro-enterprise businesses.

**1. Eligible Activities:** Eligible activities under the Micro-Enterprise Assistance category are grants or loans to for-profit businesses that can be used for working capital and interior renovations, and other approved improvements; and eligible planning activities necessary to complete the Project Development Phase. **Sewer, water, storm drainage, parking, roads or streets and other infrastructure improvements and buildings solely for residential use are not eligible.**

**2. Exclusions:** See Section 1H (1) (2).

**3. Micro-Enterprise Assistance Loan Repayments –** Communities that establish Micro-Enterprise Assistance as loans, and anticipate receiving \$35,000 or more in loan repayments, must utilize the services of a Community Development Financial Institution (CDFI) or a Community Based Development Organization (CBDO) as defined in Section 105(a)(15) of the Housing and Community Development Act of 1974, to manage repayments and subsequent relending.

**4. Maximum MEA Grant Amount: \$150,000 per Community per year.**

**5. Maximum Amount of Micro-Enterprise Assistance to an individual Business:**  
\$50,000

**6. Project Benefit:**

**Micro-Enterprise Grant/Loan:** Existing or developing businesses that have five or fewer employees, **one of whom owns the enterprise, and whose family income is LMI will meet the project benefit.** Applicants will need to submit a copy of their 2018 Income Tax filing with their Letter of Intent. For those businesses whose owners are Low-to moderate-income existing employees' incomes are not considered in meeting project benefit.

**7. Demonstration of National Objective:** Applicants must demonstrate that the project meets the National Objective of assisting existing or developing businesses that have five, or fewer employees, one of whom owns the enterprise, and whose family income is LMI, conforming to the requirements of Title 30-A M.R.S.A. § 5202 and HUD. ***These demonstrations must be made as part of the Letter of Intent and Verification of CDBG National Objective submitted to OCD***

**8. Selection Process:** The selection process will consist of two stages:

(a) Stage 1:

**Letter of Intent and Verification of CDBG National Objective:** All communities wishing to submit a MEA application must submit a Letter of Intent and Verification of CDBG National Objective to OCD. Please refer to Page 5 of this document for Program deadlines and due dates. After review for completeness and eligibility, units of general local governments will be invited to make a full application.

(b) Stage 2:

**Application:** The maximum length of an application is **four pages, not counting required attachments**. Please refer to Page 5 of this document for Program deadlines and due dates.

Members of the Review Team will assign a Point Total for each application reviewed. Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

**Impact (40 points):** describes the community problems or needs the applicant wishes to address with MEA assistance. The following rating criteria will be used:

- Provide Identification and description of potential business grant/loan applicants and their needs. – 15 points
- State the problem and explain how it negatively impacts the local economy. – 15 points
- Explain why MEA funds are necessary for the project; describe efforts to secure other grant or loan funds, and tell why they are not available locally to assist – 10 points

**Development Strategy (40 points):** presents solutions to the problems identified in the Impact section. The following rating criteria will be used:

- Provide a description of how grant/loan applicants would expend requested funds to meet their needs – 15 points
- Explain how the MEA project will stimulate business and assist in improving the area's long-term viability. – 15 points
- Provide a project timeline; list activities or actions completed to date. – 10 points

**Citizen Participation (20 points):** describes how citizens, businesses, community groups and project beneficiaries participated in identifying the problems and solutions included in this application. **(Note: you must also submit a public hearing record consisting of the of the Title VI compliant published public hearing notice, hearing minutes, and attendance list with the original and all four copies of the application.)** The following rating criteria will be used:

- Effective use of any media (newspapers, radio, TV, etc.). – 5 points
- Relevance of listed meeting/hearing activities/comments (not counting required public hearing) in application and project development. – 5 points
- Involvement of downtown and local businesses, Chambers of Commerce, development groups or other business related organizations in development of the application and project. – 5 points

- How other local resources (cash and in-kind) are directly related to the project. – 5 points

**9. Final Score** – Applications will be awarded funding based on the consensus of the review team. There is no minimum Final Application Score required for an application to be considered for funding.

## SECTION 4. TECHNICAL ASSISTANCE

The Office of Community Development will use Technical Assistance funds to: conduct workshops, produce program materials, implement the CDBG Administrator's Certification Training Program, and provide technical assistance and outreach to communities.

Regional Providers will provide planning assistance to units of general local government in identifying community & economic development needs, developing, and administering CDBG projects. For purposes of this paragraph the term "**planning assistance**" means the facilitating of skills and knowledge in planning, developing, and administering CDBG activities for entities in non-entitlement areas that may need but do not possess such skills and knowledge.

## SECTION 5. REDISTRIBUTION OF GRANT FUNDS

This section describes the methods by which undistributed funds, disencumbered funds, additional funds received from HUD, and program income will be redistributed.

**1. Local Government Grants from the State:** Applicants receiving grants under the 2019 CDBG program but failing to have their projects substantially underway (environmental review complete, program costs obligated, construction or services begun) within six months of grant award, may have their grant rescinded by DECD. Rescinded grant funds may be added to any open CDBG contract and can be used to make additional awards under any eligible CDBG program activity.

Unexpended funds remaining in the grantee's CDBG account at grant closeout, funds remaining in a grantee's award but not requested upon grant closeout, and funds returned to DECD because of disallowed costs may be added to any open CDBG contract and can be used to make additional awards under any eligible CDBG program activity.

**2. Unallocated State Grants to Local Governments:** Unallocated grant funds resulting from lack of adequate program competition or demand in any of the available 2020 CDBG programs and any additional funds allocated by HUD may be added to any open CDBG contract and can be used to make additional awards under any eligible CDBG program activity.

**3. Basis for Redistribution:** The decision to redistribute funds will be made after staff evaluation of the following: the total funds available, new requests for funding, requests for additional funding from current CDBG grantees and applicants for competitions that did not receive funding. The OCD may redistribute available funds to any project deemed to be in the best interest of, and that offer CDBG definable benefits to the State of Maine.

## SECTION 6. PROGRAM INCOME

As used in this Proposed Statement, "Program Income" means the gross income received by a grantee from any grant-supported activity in excess of \$35,000. Applicants will refer to the CDBG Regulations and the Maine Office of Community Development policies on program income.

## **SECTION 7. APPEALS**

Appeals of award decisions are restricted to errors of fact or procedure. Appeals in the areas of judgment qualitative scoring will not be entertained. In the case of a successful appeal, funds will be reserved for the project from available or subsequent CDBG funds.

An applicant wishing to appeal DECD's decision regarding their 2020 application restricted to errors of fact or procedure, may do so by submitting an appeal letter to the Director of the Office of Community Development within fifteen (15) days of the award announcement for that specific program.

## **SECTION 8. AMENDMENTS TO THE PROGRAM STATEMENT**

The State may amend the 2020 Program Statement from time to time in accordance with the same procedures required for the preparation and submission of the program statement. The Department of Housing and Urban Development's citizen participation requirements will guide the amendment process.

**THIS MATERIAL IS AVAILABLE IN ALTERNATIVE FORMAT  
UPON REQUEST**

**BY CONTACTING:**

**OFFICE OF COMMUNITY DEVELOPMENT  
111 SEWALL STREET, 3<sup>RD</sup> FLOOR  
59 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0059  
TELEPHONE (207) 624-7484  
TTY: 1-800-437-1220**

**ALSO AVAILABLE ON THE OFFICE OF COMMUNITY  
DEVELOPMENT WEB SITE:**

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