



Amherst
Aurora
Bar Harbor
Blue Hill
Brooklin
Brooksville
Bucksport
Castine
Cranberry Isles
Dedham
Deer Isle
Eastbrook
Ellsworth
Franklin
Frenchboro
Gouldsboro
Great Pond
Hancock
Isle au Haut
Lamoine
Lucerne-in-Maine
Mariaville
Mount Desert
Orland
Osborn
Otis
Penobscot
Sedgwick
Sorrento
Southwest Harbor
Stonington
Sullivan
Surry
Swans Island
Tremont
Trenton
Verona
Waltham
Winter Harbor

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COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

TO: All HCPC Municipalities and Hancock County
FROM: Tom Martin, Executive Director
DATE: October 7, 2010
RE: 2011 Final Program Description

GRANT PROGRAM DESCRIPTION:

The final rules for the 2011 Community Development Block Grant (CDBG) have been released. This memorandum is an update to the information we mailed on August 30, 2010. The CDBG program makes federal funding available for a variety of purposes such as upgrading substandard housing, improving public facilities, social services and infrastructure. Funds can also be used for eliminating blighted conditions, revitalizing downtowns and creating or retaining jobs.

PROGRAM REQUIREMENTS:

Projects funded under this program must primarily benefit low-and moderate-income (LMI) people, eliminate slums and blight or address an urgent need according to CDBG guidelines. Projects must also be designed, where applicable, to minimize development sprawl.

ELIGIBILITY:

Any Hancock County municipality may apply either individually or as part of a group. The county may apply on behalf of unorganized territories and for certain economic development projects. Generally, applicants may apply for only one grant per category in a given year and must expend sums from previous awards before applying again in that category. Some programs prohibit a second application for a certain number of years. There are other restrictions concerning funding for "growth-related capital investments." Contact the HCPC for details.

PROJECT CATEGORIES:

The three grant categories are Community Development, Economic Development and Planning. These programs have different deadlines, funding amounts and match requirements. Details are summarized in the descriptions and the table included with this mailing. Feel free to call Tom Martin 667-7131 (or tmartin@hpcme.org) with questions. *Please note that there have been some changes in the program since last year.*

THE GRANT AWARD PROCESS:

Most grants are awarded on a competitive basis. The first step is normally to submit a Letter of Intent. This letter determines if your project is eligible under the particular grant category. You are then invited to submit a 2- to 6-page application, which is scored by the Maine Office of Community Development. The scoring criteria include a description of the problem, the proposed solution, citizen participation and the extent and type of matching funds. Successful applicants receive an invitation to proceed with an in-depth Project Development application, which is prepared with help from the Maine Office of Community Development and/or consultants such as HCPC.

HOW THE HCPC CAN HELP:

We can meet with town officials without charge to discuss program details, income guidelines, help identify projects and discuss strategies to prepare applications. The HCPC staff has over 30 years of CDBG grant writing experience and knows the program well. Feel free to call or e-mail us if you have any questions. We have electronic copies of most applications on file. Copies are also available at: <http://www.meocd.org/forms/> .

A Summary of 2010-2011 CDBG Programs

Grant Type	Maximum Amount	Funding Match Required	Deadlines	Eligible Activities
Community Enterprise--Grant/Loan	\$150,000	-----	Letter of Intent: January 7, 2011 Application: March 4, 2011	Provides grant funds to assist in innovative solutions to problems faced by micro-businesses, promote business façade programs and 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.
Community Planning Grants	\$10,000	25 percent	Letter of intent: N/A Application: May 13, 2011	Provides funding to communities or community partnerships that have clearly identified a local community or economic development problem and lack the resources to develop a strategy for solving that problem.
Downtown Revitalization	\$600,000	25 percent	Letter of intent: January 7, 2011; Application: March 4, 2011	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 of PL 776 enacted by the 119 th legislature. (contact HCPC for details)
Economic Development # 1: Grants to Municipalities for Public Infrastructure	\$300,000	100 percent	(Three rounds) Letters of intent: February 11 May 20, and August 12, 2011. Applications: March 25, July 15, and September 23, 2011	For acquisition, relocation, demolition, clearance, construction, reconstruction, installation and rehabilitation <u>associated with</u> public infrastructure projects such as water and sewer facilities, flood and drainage improvements, publicly-owned commercial and industrial buildings, parking, streets, curbs, gutters, sidewalks, etc. All public infrastructure must be owned by the municipality or public or private utility and be in support of an identified business.

Grant Type	Maximum Amount	Funding Match Required	Deadlines	Eligible Activities
Economic Development # 2: Grants to Municipalities for Direct Business Support	\$200,000	100 percent	(Three rounds) Letters of intent: February 11, May 20, and August 12, 2011. Applications: March 25, July 15, and September 23, 2011	For non-capital equipment, land and site improvements, rehabilitation or construction of commercial or industrial buildings.
Economic Development # 3: Development Fund	\$300,000	100 percent	First Friday of every month by 4:00 p.m. If that day is a recognized State Holiday or State shutdown day the due date would be the following regular business day by 4:00 p.m.	For acquisition of existing facilities, land and site improvements necessary for the construction of a new facility, rehabilitation or construction of commercial or industrial buildings, structures, non-capital equipment, capital equipment, working capital and real property improvements and the development of affordable LMI housing.
Development Fund Housing Loan Program	\$300,000	50%	First Friday of every month by 4:00 p.m. If that day is a recognized State Holiday or shutdown day the due date would be the next regular business day by 4:00 p.m.	Provides funding for communities forming partnerships with local non-profit housing development organizations to carry out activities leading to the development of affordable housing opportunities for low-to-moderate income (LMI) persons.
Housing Assistance	\$300,000	10 percent (20 percent for new housing activities)	Letter of intent: February 18, 2011 Application: April 1, 2011	Provides funding to address housing needs of LMI persons

Grant Type	Maximum Amount	Funding Match Required	Deadlines	Eligible Activities
Interim Finance Program	Normally \$500,000 - \$5,000,000	Gap financing	Open	The Interim Finance Program (IFP) utilizes funds not disbursed in the State's Letter of Credit for grants to communities to assist businesses or developers in creating housing and job opportunities for low and moderate-income people through short-term loans. The duration of loans will be dependant on availability of CDBG funds.
Non-Profit Development Grant	\$250,000	20 percent	Letter of Intent: January 21, 2011 March 25, 2011	Provides funding for communities forming partnerships with local non-profit development organizations to carry out activities in blighted areas located in designated downtown areas which will foster community economic development initiatives leading to the elimination of slum and blight and increased job opportunities for LMI persons.
Public Facility Activity group 1	\$350,000	25 percent	Letter of intent: December 3, 2010. Application: January 21, 2011	Fire stations (for towns that meet income requirements, Amherst, Aurora and Osborn are the only towns in Hancock County).
Public Facility Activity group 2	\$350,000	25 percent	Letter of intent: December 3, 2010. Application: January 21, 2011	Community, child, senior & health centers, libraries, sheltered workshops, homeless shelters, piers/wharves.
Public Facility Activity group 3	\$150,000	25 percent	Letter of intent: December 3, 2010. Application: January 21, 2011	Removal of architectural barriers. (as a stand-alone project)
Public Facility Activity group 4	\$150,000	25 percent	Letter of intent: December 3, 2010. Application: January 21, 2011	Historic Preservation (as a stand-alone project).

Grant Type	Maximum Amount	Funding Match Required	Deadlines	Eligible Activities
Public Facility Activity group 5	\$50,000	25 percent	Letter of intent: December 3, 2010. Application: January 21, 2011	Fire fighting equipment, salt/sand storage sheds, transfer stations, parks and recreation facilities, public works garages, dams. (Amherst, Aurora and Osborn only)
Public Infrastructure Activity group 1	\$500,000	25 percent	Letter of intent: December 3, 2010. Application: January 21, 2011	Water system installation/improvements, sewer system installation/improvements, water/sewer system hookups, storm drainage, utility infrastructure, dams that primarily provide water storage for an active water district or municipal system.
Public Infrastructure Activity group 2	\$500,000	25 percent	Letter of intent: December 3, 2010. Application: January 21, 2011	Infrastructure in support of new, fully financed, LMI-affordable multi-family housing.
Public Infrastructure Activity group 3	\$100,000	25 percent	Letter of intent: December 3, 2010. Application: January 21, 2011	streets, sidewalks, parking, curbs and gutters.
Public Service Grants	\$50,000	20 percent	Letter of intent: March 11, 2011 Application: May 6, 2011	Operating expenses, equipment and program materials for new or expanded public services that will benefit LMI persons.
Urgent Need	Lesser amount of 50 percent of total cost or \$150,000	-----	First come basis Beginning March 11, 2011	Provides funding to communities to address serious and immediate threats to health and welfare which are declared state or federal disasters.

2010 COMMUNITY DEVELOPMENT-- Project Category Descriptions:

1. HOUSING ASSISTANCE GRANTS

Funds may be used for activities such as acquisition, rehabilitation of substandard housing, alternative housing, demolition, down payment and relocation assistance, lead-based paint removal, new housing construction under certain restrictive circumstances, removal of architectural barriers and provision of water and sewer systems. A 10 percent match of funds is required for housing rehabilitation activities; a 20 percent match is required for all other housing activities.

2. DEVELOPMENT FUND HOUSING LOAN PROGRAM

The Development Fund Housing Loan program (DFHL) provides funding for communities forming partnerships with local non-profit housing development organizations to carry out activities leading to the development of affordable housing opportunities for low-to-moderate income (LMI) persons. Eligible activities in the DFHL are acquisition, demolition, site work, construction, renovations, public infrastructure and funding mechanisms directly related to the creation of affordable LMI housing units. Implementation of all project activities must be carried out by a non-profit development organization that has established a contractual relationship with the applicant community.

3. PUBLIC FACILITIES GRANTS

There are five sub-categories of public facility grants. Applications can mix project types within, but not between sub-categories. Category one is for fire stations; only Amherst, Aurora and Osborn meet the income guidelines for fire stations in Hancock County. Category two consists of community, child, senior and health centers, libraries, sheltered workshops, homeless shelters and piers/wharves. Category three is restricted to the removal of architectural barriers. Category four is for renovation of facilities that either are listed in or are eligible for listing on the National Register of Historic Places. Category five consists of fire fighting equipment, dams, salt/sand storage sheds, transfer stations, park and recreation facilities and public works garages. All projects must have at least a 25 percent cash match of other funds.

*CDBG funds may **not** be used to fund any public facility, such as a fire station or salt-sand storage shed, that would benefit an entire town unless the low to moderate income (LMI) guidelines are met for the entire town. Contact the HCPC for details on income level and income survey requirements.* Historic preservation and architectural barrier removal projects do not always require a town to be 51% LMI. Also, your town is eligible for funding if funds are aimed at a specific part of town that is LMI or a client group.

4. PUBLIC INFRASTRUCTURE GRANTS

There are three sub-categories under this program. Activity group one projects include public water, sewer and storm drainage improvements and utility infrastructure. It also includes water/sewer system hook-ups. Dams with the primary purpose of providing the primary water facility for an active water district or municipal system are eligible. Activity group two consists of infrastructure that supports new, fully financed LMI-affordable multi-family housing. Activity group three includes streets, roads, sidewalks, parking, curbs and gutters.

A 25 percent cash match is required for all projects. *Contact the HCPC for details on income level and income survey requirements. Requirements may have changed since last year.*

5. PUBLIC SERVICE GRANTS

These grants are designed to address human resource needs by providing funding for operating expenses, equipment, and program materials for public service programs that benefit low to moderate income persons. Funds may be used for expenses related to child care and health care centers, job training, education and recreation programs, public safety services, fair housing activities, drug abuse counseling, homeless services, energy conservation counseling and testing for low-income persons. Funds are only granted to new or expanded services that will be able to continue after the CDBG monies are spent. A 20 percent match is required.

6. DOWNTOWN REVITALIZATION GRANTS

These grants are for comprehensive downtown improvement programs. Towns may combine activities from the Housing Assistance, Public Facilities, Public Infrastructure, Public Service, and Economic Development programs that help improve a downtown. A 25 percent cash match is required. Applicants must have completed a comprehensive downtown revitalization planning process. A recently adopted comprehensive plan **is insufficient** to meet this downtown planning requirement. Applicants must also provide evidence that the proposed project is located in a blighted area or that over 51 percent of the residents of the neighborhood served by the grant are low to moderate income. There are specific criteria that must be met in order for an area to be considered blighted. Also, qualified applicants must have a downtown district meeting the definition of PL 776 enacted by the 119th legislature. Contact the HCPC for details.

7. COMMUNITY ENTERPRISE GRANT PROGRAM

The program provides grant or loan funds to for-profit businesses, façade grants to for-profit or non-profit businesses for exterior improvements, including signage, painting, siding, awnings, lighting, display windows and other approved exterior improvements and streetscapes including pocket parks, benches, street lighting, tree plantings, signage, traffic calming improvements, sidewalks and other approved improvements. 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.**

8. URGENT NEED GRANTS

This grant allows applicants to address emergencies that pose serious and immediate threats to the health and welfare of a community, which are declared state or federal disasters. Applicants must demonstrate that they cannot finance the project on their own, that no other source of funding is available and the threat emerged no more than 18 months before submission of the application.

ECONOMIC DEVELOPMENT -- Project Category Descriptions:

1. ECONOMIC DEVELOPMENT PROGRAM (EDP)

Funds are used for **gap** financing to assist businesses in the creation/retention of jobs for low to moderate income persons. There are three grant subcategories:

- a. **Grants to Municipalities:** for acquisition, relocation, demolition, clearance, construction, reconstruction, installation and rehabilitation associated with public infrastructure projects such as water and sewer facilities, flood and drainage improvements, publicly-owned commercial and industrial buildings, parking, streets, curbs, gutters, and sidewalks. All public infrastructure must be owned by the municipality or public or private utility and be in support of an identified business.
- b. **Grants to Municipalities for Direct Business Support:** for non-capital equipment, land and site improvements, rehabilitation or construction of commercial or industrial buildings.
- c. **Development Fund Loan (DF):** for acquisition of existing facilities, land and site improvements necessary for the construction of a new facility, rehabilitation or construction of commercial or industrial buildings, structures, non-capital equipment, capital equipment, working capital and real property improvements.

The maximum cost per job created or retained with CDBG funds is \$20,000 (\$30,000 if for a certified Pine Tree Development Zone business and/or a business located in an empowerment Zone or HUB zone). Communities applying for Economic Development Program funds must certify that they will provide a 100% cash match of the total EDP award. Matching funds must be directly related to the activities undertaken with EDP funding.

2. NON-PROFIT DEVELOPMENT GRANT PROGRAM

The Non-Profit Development Grant Program provides funding for communities forming partnerships with local non-profit development activities in blighted downtown areas that will foster initiatives leading to the elimination of slums and blight and increased job opportunities for LMI persons. Eligible activities include demolition, site clearance and removal of contaminants and architectural barriers. Funds may also be used for interior improvements to existing properties. A 20 percent match is required.

3. INTERIM FINANCE PROGRAM

The program uses funds not disbursed in the state's Letter of Credit for grants to communities to assist businesses or developers in creating housing and job opportunities for LMI people through short-term loans. The maximum cost per job created or retained with CDBG funds is \$20,000 (\$30,000 if for an eligible Pine Tree Development Zone, Empowerment or HUB zone applicant).

PLANNING -- Project Category Description:

1. COMMUNITY PLANNING GRANTS

This program is designed for towns that have a clearly identified local community or economic development problem and lack the resources to develop a strategy to solve that problem. Grants are for studies, analysis, data gathering, preparation of plans and maps and identification of actions that will implement plans. Engineering, architectural and design costs related to specific projects are **not** eligible. These grants are useful for applicants that need to develop a solution for a problem before actually seeking a construction grant. The maximum grant amount is \$10,000. A cash match of 25 percent is required.



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