



# Hancock County Planning Commission

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## **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

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  
Swan's Island  
Tremont  
Trenton  
Verona  
Waltham  
Winter Harbor

**TO:** All HCPC Municipalities and Hancock County  
**FROM:** Tom Martin, Executive Director  
**DATE:** October 23, 2009  
**RE:** 2010 Final Program Description

### **PROGRAM DESCRIPTION:**

The final rules for the 2010 Community Development Block Grant (CDBG) have been released. This memorandum is an update to the information we mailed on August 3, 2009. 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@hcpcme.org](mailto:tmartin@hcpcme.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:**

HCPC staff members can meet with town officials without charge to discuss program details, income guidelines, help identify projects and discuss strategies to prepare applications. The HCPC has extensive grant writing experience with a good record of success in the CDBG Program. 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 2009-2010 CDBG Grants

Grant Type	Maximum Amount	Funding Match Required	Deadlines	Eligible Activities
<b>Community Enterprise-- Grant/Loan</b>	\$150,000	-----	Letter of intent: January 22, 2010, Application: March 5, 2010	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.
<b>Community Planning Grants</b>	\$10,000	25 percent	May 14, 2010	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.
<b>Downtown Revitalization</b>	\$600,000	25 percent	Letter of intent: January 22, 2010; Application: March 5, 2010	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 <sup>th</sup> legislature. (contact HCPC for details)
<b>Economic Development # 1: Grants to Municipalities for Public Infrastructure</b>	\$300,000	100 percent	(Three rounds) Letters of intent: February 12, May 28, and August 13, 2010. Applications: March 26, July 16, and September 24, 2010	For acquisition, demolition, clearance, construction & rehabilitation <u>associated with public infrastructure</u> projects such as water & sewer, drainage improvements, publicly-owned commercial & industrial bldgs., parking, streets, curbs, gutters, sidewalks, etc.

Grant Type	Maximum Amount	Funding Match Required	Deadlines	Eligible Activities
<b>Economic Development # 2: Grants to Municipalities for Direct Business Support</b>	\$200,000	100 percent	(Three rounds) Letters of intent: February 12, May 28, and August 13, 2010. Applications: March 26, July 16, and September 24, 2010	For non-capital equipment, land and site improvements, rehabilitation or construction of commercial or industrial buildings.
<b>Economic Development # 3: Grants to Municipalities for Direct Business Support</b>	\$100,000	100 percent	(Three rounds) Letters of intent: February 12, May 28, and August 13, 2010. Applications: March 26, July 16, and September 24, 2010	Working capital and capital equipment
<b>Economic Development # 4: Development Fund</b>	\$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 then 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.
<b>Housing Assistance</b>	\$250,000	10-20 percent	Letter of intent: February 19, 2010 Application April 3, 2009	Provides funding to address housing needs of LMI persons

<b>Grant Type</b>	<b>Maximum Amount</b>	<b>Funding Match Required</b>	<b>Deadlines</b>	<b>Eligible Activities</b>
<b>Interim Finance Program</b>	Normally \$500,000 - \$5,000,000	Gap financing	Open	Assisting businesses or developers in creating housing and job opportunities for low to moderate-income people through short-term loans.
<b>Non-Profit Development Grant</b>	\$250,000	20 percent	March 19, 2010	Funds community partnerships with local non-profit development organizations to carry out activities in downtown areas, which foster initiatives leading to the elimination of slum & blight & increased job opportunities for LMI persons.
<b>Public Facility Activity group 1</b>	\$350,000	25 percent	Letter of intent: December 4, 2009. Application: January 22, 2010	Fire stations (for towns that meet income requirements, Amherst, Aurora and Osborn are the only towns in Hancock County).
<b>Public Facility Activity group 2</b>	\$350,000	25 percent	Letter of intent: December 4, 2009. Application: January 22, 2010	Community, child, senior & health centers, libraries, sheltered workshops, homeless shelters, piers/wharves.
<b>Public Facility Activity group 3</b>	\$150,000	25 percent	Letter of intent: December 4, 2009. Application: January 22, 2010	Removal of architectural barriers. (as a stand-alone project)
<b>Public Facility Activity group 4</b>	\$150,000	25 percent	Letter of intent: December 4, 2009. Application: January 22, 2010	Historic Preservation (as a stand-alone project).
<b>Public Facility Activity group 5</b>	\$50,000	25 percent	Letter of intent: December 4, 2009. Application: January 22, 2010	Fire fighting equipment, salt/sand storage sheds, transfer stations, parks and recreation facilities, public works garages, dams. (Amherst, Aurora and Osborn only)

<b>Grant Type</b>	<b>Maximum Amount</b>	<b>Funding Match Required</b>	<b>Deadlines</b>	<b>Eligible Activities</b>
<b>Public Infrastructure Activity group 1</b>	\$500,000	25 percent	Letter of intent: December 4, 2009. Application: January 22, 2010	Water, sewer, storm drainage, and utility infrastructure.
<b>Public Infrastructure Activity group 2</b>	\$500,000	25 percent	Letter of intent: December 4, 2009. Application: January 22, 2010	Infrastructure in support of new, fully financed, LMI-affordable multi-family housing.
<b>Public Infrastructure Activity group 3</b>	\$100,000	25 percent	Letter of intent: December 4, 2009. Application: January 22, 2010	streets, sidewalks, parking, curbs and gutters.
<b>Public Service Grants</b>	\$50,000	20 percent	Letter of intent: March 19, 2010 Application: April 30, 2010	Operating expenses, equipment, programs for new or expanded public services aimed at LMI persons.
<b>Urgent Need</b>	Lesser amount of 50 percent of total cost or \$100,000	-----	First come basis Beginning March 19, 2010	Emergencies that pose serious & immediate threats to the health and welfare in a disaster declaration area.

## **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. 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.

### **3. 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.*

### **4. 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.

### **5. 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 119<sup>th</sup> legislature. Contact the HCPC for details.

## 6. 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.*

## 7. 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 four 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. **Grants to Municipalities for Direct Business Support:** Working Capital and capital equipment.
- d. **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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