

FINAL 2017 CDBG PROGRAM RULES

TO: All HCPC Municipalities and Hancock County

FROM: Tom Martin, Executive Director

DATE: December 15, 2016

RE: 2017 Program Summary

This memorandum describes the final 2017 Community Development Block Grant (CDBG) program rules. Eligible grant activities improving public facilities and infrastructure, eliminating blighted conditions, include upgrading substandard housing, revitalizing downtowns, workforce development, and creating or retaining jobs. The complete rules are available at: www.maine.gov/decd/meocd/cdbg/statement.shtml.

PROGRAM REQUIREMENTS:

Projects must primarily benefit low and moderate-income (LMI) people, eliminate slums and blight, or address an urgent need as defined in CDBG guidelines. *All applications require municipal sponsorship. Counties may apply on behalf of the unorganized territories.*

Projects that benefit an entire town are only eligible for funding if at least 51 percent of the households are LMI. According to 2014 American Community Survey data, the only towns in the HCPC service area over the 51 percent LMI threshold are Aurora, Cranberry Isles, Eastbrook, Frenchboro, Isle au Haut, Osborn, Stonington, Tremont, and Winter Harbor. Please note that no funds are presently allocated for Public Facility or Public Infrastructure projects. We will inform you if funding becomes available.

All towns are eligible for projects that either serve a portion of a town (such as a water district) where residents meet the income guidelines or that are targeted primarily at a low to moderate income clientele (such as job creation or housing rehabilitation). For current income guidelines, see:

<http://www.maine.gov/decd/meocd/forms/surveys.shtml>

In some cases, a project may be eligible if it removes slum and blight. For more information on slums and blight, see:

<http://www.maine.gov/decd/meocd/forms/slum.shtml>.

Applications have a two-phase process. The first is a Letter of Intent, which is submitted to determine if a project is eligible for funding. The second is the application phase, during which the application competes for funding against other eligible projects.

HOW HCPC CAN HELP:

HCPC staff can meet with town officials without charge to discuss program details, income, slums and blight guidelines, determine the eligibility of projects, and identify matching sources of funds. We can prepare outlines of applications and review draft narratives. HCPC staff has worked with the CDBG Program since 1980 and is well versed in all stages of application development. Two members of our staff are certified CDBG grant administrators. Feel free to contact Tom Martin (tmartin@hpcme.org) or Sheri Walsh (swalsh@hpcme.org) (telephone: 667-7131) with any questions.

AN OVERVIEW OF 2017 PROJECT CATEGORIES:

The two grant categories are Community Development and Economic Development. These programs have different deadlines, funding amounts, and match requirements. These are explained below:

I. COMMUNITY DEVELOPMENT

1. HOUSING ASSISTANCE (HA) GRANTS

Eligible activities are rehabilitation of occupied or vacant single-family or multi-family housing units. Funds may also be used for same site replacement housing, relocation assistance, acquisition, alternative housing, energy conservation, correction of code violations, conversion of non-residential structures, demolition, down payment assistance, first-time homebuyer's programs, lead-based paint removal, new housing construction as allowed by HUD regulations, provision of potable water or sewer, and removal of architectural barriers. A minimum 10 percent match (cash or in-kind) of the total HA grant award is required. New housing construction activities require a cash match of at least 20% of the total HA grant award.

Communities may not submit a HA single family rehabilitation application if they have received or benefited from two HA awards within the five-year period prior to the CDBG program year for which applications are being accepted. Multi-jurisdictional applications with more than 3 communities will not be accepted. *There are detailed grant requirements, especially for new housing construction, please contact HCPC for more information.*

Please note that housing repair funds are also available through the Washington Hancock Community Agency's (WHCA) Home Repair Network (HRN). The HRN is usually more suitable for towns with a small number of homes needing repairs. For more information, contact WHCA at 207-664-2424.

1.a Maximum HA Grant Amount: \$1,000,000

1.b. Due date for Letters of Intent: March 10, 2017

1.c. Application due date: May 5, 2017

2. PUBLIC FACILITIES (PF) GRANTS

The Public Facilities Grant (PF) program provides funding for local public facilities, which represent an **immediate** threat to the health and safety of the general public. Eligible activities are construction, acquisition, reconstruction, rehabilitation, site clearance, historic preservation, and relocation assistance **associated with** public facilities projects. All communities applying for PF 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 sources such as loans, grants, and endowments contributed to the project. *Please note that there are currently no funds allocated for this grant category. Money **may** be reallocated from any unexpended balances in other programs or from any unanticipated increase in federal CDBG funding.*

2.a. Maximum PF Grant Amount: \$300,000

2.b. Deadline Letters of Intent: January 13, 2017.

2.c. Application due date: to be determined

3. PUBLIC INFRASTRUCTURE (PI) GRANTS

This program has two sub-categories:

1. public water, sewer and storm drainage improvements, water/sewer system hookups, utility infrastructure and dams with the main purpose of providing primary water storage for an active water district or municipal system.
2. infrastructure in support of new, fully financed, LMI-affordable housing.

Please note that no Letters of Intent or applications will be accepted in FY-17. The money will be allocated to priority projects from FY 16.

4. DOWNTOWN REVITALIZATION (DR) GRANTS

The Downtown Revitalization Grant (DR) Program provides funds to communities to revitalize their downtowns. Applicants may combine activities from the Housing Assistance, Public Facilities, Public Infrastructure, and Micro Enterprise Assistance programs. The projects must meet the following requirements:

1. be part of a strategy that targets downtown service and business districts and leads to future public and private investment;
2. serve a downtown district as defined in 30-A MRS Section 4301(5-A);

3. have completed a comprehensive downtown revitalization planning process within the past five years or demonstrate that an older plan is under active implementation;
4. provide a 25 percent cash match;
5. document that the proposed project is located in a blighted area or that over 51 percent of the residents are low to moderate income.

4.a. Maximum DR grant amount: \$300,000

4.b. Due date for Letters of Intent: January 27, 2017

4.c. Application due date: March 31, 2017

5. WORKFORCE DEVELOPMENT GRANT (WDG) PROGRAM

The Workforce Development Grant (WDG) Program addresses community and business resource needs by providing funding for operating expenses, equipment, and program materials for workforce training programs which will benefit low/moderate income (LMI) persons. Eligible activities include operating and program material expenses for the purpose of providing workforce training and skills development to address the shortage of an available trained workforce. Program development, marketing materials, and structural changes to a facility are not eligible expenses under this grant.

5.a. Maximum WDG Amount: \$50,000

5.b. Due date for Letters of Intent: *May 5, 2017 (contingent on availability of funds)*
Round 2: June 16, 2017 (contingent on availability of funds)

5.c. Application due dates: *July 7, 2017 (contingent on availability of funds)*
Round 2: August 8, 2017 (contingent on availability of funds)

6. URGENT NEED (UN) 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 disaster areas. Applicants must demonstrate that they cannot finance the project on their own and that no other source of funding is available. *Please note that no set funding has been allocated for this grant category. Funds may be reallocated from elsewhere in the CDBG program.*

6.a. Maximum UN Grant Amount: *N/A*

6.b. Application due date: *to be determined.*

II. ECONOMIC DEVELOPMENT:

1. ECONOMIC DEVELOPMENT PROGRAM

Funds are for **gap** financing to help businesses in the creation/retention of jobs for low to moderate income persons. *Projects related to retail jobs are allowed only under specific circumstances.* Communities must certify that they will provide a 100% cash match of the total grant award. There is a minimum application amount of \$100,000 and the total project size may not exceed \$3 million. There are two categories of funds:

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.

1.a. Maximum Grant Amount: \$500,000.

b) Grants to Municipalities for Direct Business Support: 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 not an allowable activity under this group.

Maximum Grant Amount: \$500,000

1.b. Due date for Letters of Intent: Round 1: January 6, 2017; February 3, 2017; March 3, 2017. Round 2: (contingent on availability of funds) April 7, 2017; May 5, 2017; June 2, 2017 Round 3: (contingent on availability of funds) July 7, 2017; August 4, 2017; September 1, 2017

1.c. Anticipated Application due dates: *Round 1: May 31, 2016 Round 2: (contingent on availability of funds) August 25, 2017*

2. MICRO-ENTERPRISE ASSISTANCE (MEA) PROGRAM

Provides grant funds to assist in innovative solutions to problems faced by micro-enterprise businesses. Assistance to businesses may be in the form of grants or loans at the discretion of the community. 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, façade grants or loans for exterior improvements, including signage, painting, siding, awnings, lighting, display windows and other approved improvements.

2.a. Maximum MEA Grant Amount: \$150,000

2.b. Maximum Amount of Micro-Enterprise Assistance to Businesses: \$50,000

2.c. Due date for Letters of Intent: *Round 1: January 6, 2017 and February 3, 2017 and March 3, 2017. Round 2 (contingent on availability of funds) April 7, 2017, May 5, 2017 and June 2, 2017.*

2.d. Application due dates: *Round 1: April 28, 2017; Round 2: (contingent on availability of funds) July 28, 2017*

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