# 19 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

498 OFFICE OF COMMUNITY DEVELOPMENT

Chapter 9: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM:

1994 FINAL STATEMENT

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Chapter 9: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM: 1994 FINAL STATEMENT

SUMMARY: The 1994 Final Statement describes the design and the method of distribution of funds in Maine's 1994 Small Cities - Community Development Block Grant (CDBG) Program. The CDBG Program is administered pursuant to 5 M.R.S.A. §13073. The 1994 Final Statement was prepared by the Department of Economic and Community Development (DECD) following a review of the 1993 CDBG Program. As part of the Maine Administrative Procedure Act, DECD held three public hearings to solicit input for this Final Statement. Further, the DECD met with the Maine Community Development Advisory Committee, the Maine Association of Regional Councils and the Maine Community Development Association to gather comments for this document.

SECTION 1. PROGRAM OVERVIEW

A. CDBG OBJECTIVES

The objective of the Maine CDBG Program is to serve as a catalyst for local governments to implement programs which:

1. benefit low and moderate income people;

2. are part of a long range community strategy;

3. improve deteriorated residential and business districts and local economic conditions;

4. provide the conditions and incentives for further public and private investment; and

5. foster partnerships between groups of municipalities, State and federal entities, regional organizations and the private sector to address common community and economic development problems with innovative solutions that maximize resources.

B. METHOD OF DISTRIBUTION STRUCTURE

The DECD, through the Office of Community Development (OCD), designs and offers programs allowing municipalities to achieve CDBG stated objectives. Toe purpose of the 1994 Final Statement is to provide units of local government with a description of the selection criteria for each program (called a method of distribution) that OCD will use to allocate CDBG funds among Maine communities. To assist communities in determining which program(s) best meet their needs, we have grouped the 1994 programs under three broad methods of distribution areas: Community Development, Economic Development and Planning/Technical Assistance.

1. Community Development Methods of Distribution

a. Housing Assistance Grants: To provide financing to address acute housing needs of low and moderate income persons residing in the State of Maine.

b. Public Facilities/Infrastructure Grants: To provide financing for local infrastructure and public facility activities.

c. Public Service Grants: To address human resource needs in a community by providing funding for operating expenses, equipment and program materials for public service programs.

d. Urgent Need Grants: TO enable communities to address community development needs having a particular urgency.

e. Reserved Grants: To provide funding for the second year of a Housing Assistance or Public Facilities/Infrastructure grant initially determined in the previous year.

2. Economic Development Methods of Distribution

a. Development Fund: To provide financial resources to local governments which in turn assist businesses to create/retain jobs for low and moderate income people.

b. Regional Assistance Fund: To provide financial resources to local governments or regional organizations which can use the assistance as leverage to obtain funds under the EDA Economic Adjustment Assistance Program (Title IX) and the EDA Public Works Program (Title I), Farmer's Home Administration Programs, and Small Business Administration Programs.

c. Micro-Loan Program: To provide communities with funds for small loans to assist existing and new local businesses create/retain jobs for low and moderate income individuals.

d. Economic Development infrastructure Grants: lb provide funding to communities where public infrastructure must be installed or improved to enable an existing or new business to create/retain jobs for low and moderate income people.

e. Interim Finance Program: To utilize funds not disbursed in the State's letter of Credit for grants to communities to assist businesses or developers create housing and job opportunities for low and moderate income people through short-term loans.

3. Planning/Technical Assistance Methods of Distribution

a. Phase II Planning Grants: lb assist communities in the final development of their CDBG strategies that address specific community development problems.

b. General Purpose Planning Grants: To provide 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.

c. Comprehensive Planning Grants: To enable Maine's municipalities to develop comprehensive plans to prepare for and manage their future growth and development.

d. Quality Main Street Strategy Grants: to provide financial assistance to communities for the development of strategies to revitalize main streets and downtowns.

e. Defense conversion Planning Grants: to provide financial assistance to community partnerships that will he affected by defense reductions and lack the resources to develop a multi-jurisdictional strategy to ameliorate impacts to local and regional economies.

C. STATE ADMINISTRATION

1. General Administration Allocation: The DECD, through OCD, pursuant to the Housing and Community Development Act of 1974, as amended (through October 28, 1992), Section 106(d) (3) (A) is permitted and will utilize $100,000 plus 2% of its annual allotment from the Department of Housing and Urban Development (HUD) to assist in administering the State's Small Cities CDBG Program in accordance with Federal, State and local requirements.

2. Technical Assistance Administration Allocation: The DECD, through OCD, pursuant to the Housing and Community Development Act of 1974, as amended (through October 28, 1992), Section 106(d) (5) is permitted and will utilize 1% of its annual allotment from HUD to provide technical assistance to local governments and nonprofit program recipients.

D. PROGRAM TIMEFRAME

All application deadlines are listed below.

Housing Assistance. January 14, 1994

Public Facilities/infrastructure January 27, 1994

Economic Development Infrastructure February 11, 1994

Micro-Loan February 15, 1994

Public Service February 25, 1994

General Purpose Planning April 8, 1994

Quality Main Street Strategy May 9, 1994

Defense Conversion Planning Grants May 9, 1994

Urgent Need 1st come basis after February 1, 1994

Development Fund 1st Thursday of month

Regional Assistance see Section 3.B.4.(a)

Interim Finance Program 1st come basis

E. PROGRAM BUDGET

The budget on the next page indicates the manner in which CDBG Funds will be allocated among programs for the 1994 grant year. The total budget is comprised of a federal allocation from HUD, along with a State match equivalent of up to 2% of the federal allocation. The amount of the 1994 federal allocation will be $14,339,000. Based on the federal amount, the maximum amount available for each program is indicated in the following budget.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM BUDGET

GRANT YEAR 1994

|  |
| --- |
| FY 1994 CDBG Program Budget 1 $14,339,000  Administration 386,780  Technical Assistance Administration 143,390  MAXIMUM BUDGET  1. Housing Assistance Grants 3,075,000  2. Public Facilities/Infrastructure Grants 3,000,000  3. Public Service Grants 300,000  4. Urgent Needs Grants 300,000  5. Reserved Grants 1,600,000  6. Development Fund 1,450,000  7. Regional Assistance Fund 843,830  8. Micro Loan Program 500,000  9. Economic Development Infrastructure Program 1,500,000  10. Interim Finance Program 2 See Below  11. Phase II Planning Grants 100,000  12. General Purpose Planning Grants 350,000  13. Growth Management Planning Grants 110,000  14. Quality Main Street Strategy Grants 480,000  15. Defense Conversion Planning Grants 200,000 |

1 The total program budget is comprised of a projected federal allocation of $14,339,000 plus a State match to equal at least $286,780 (which is 2% of the federal allocation).

2 The budget for Me Interim Finance Program is comprised of monies not yet disbursed from each of the other programs. These monies are lent on a short term basis, The maximum budget for this program is $5,000,000. This program is capitalized only as loans are issued.

SECTION 2. COMMUNITY DEVELOPMENT METHODS OF DISTRIBUTION

A. HOUSING ASSISTANCE GRANTS

The purpose of a Housing Assistance (HA) Grant is to provide financing to address acute housing needs of low and moderate income persons residing in the State of Maine. These needs must be part of a community development strategy which will lead to future public and private investments.

1. Threshold Criteria: The State will distribute Housing Assistance funds to local governments through the annual Housing Assistance Selection Process. The threshold criteria for the process are listed below:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive Housing Assistance funds. County governments may apply on behalf of unorganized territories. Groups of local governments may apply for regional or joint housing activities. multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating local government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn, are not eligible to receive HA funds. Except as described in 1 (a) above, County governments are not eligible applicants.

(c) Eligible Activities: Eligible activities include Acquisition, Code Enforcement, Conversion of Non-Residential structures, Demolition, Historic Preservation, Housing Rehabilitation, New Housing Construction, Relocation Assistance, and Removal of Architectural Barriers.

(d) Project Eligibility: Upon receipt by OCD, applications will be reviewed to determine the eligibility of the activities that the applicant proposes to undertake with Housing Assistance funds. Those activities must be included in Section 3. (c) above and be eligible under 24 CFR, Part 570, Subpart I, .482. Applications will only be accepted for activities directly related to the assistance to, or the creation of residential housing units. In the event that an application contains any Final activity unrelated to housing, or an activity riot listed in Section 1(c) above, the entire application will be judged not to have met the project eligibility criteria. In all cases the applicant will be notified in writing of the determination made by OCD.

(e) Federal and State Certifications for Local Governments: All communities applying for Housing Assistance funds must certify that they have/will:

(i) minimize displacement and adhere to a locally adopted displacement policy as set forth in Section 104 (d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) adhere to MRSA Title 10, Chapter 214, energy Efficiency, Building Performance Standards Act, Section 1415-c (1), (IA) and Section 1415-G in the construction of any new residential housing units;

(iv) not attempt to recover certain capital costs of public improvements funded in part with Housing Assistance monies;

(v) establish a community development plan;

(vi) meet all required State and Federal public participation requirements;

(vii) comply with the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying;

(viii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients 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;

(ix) provide a local match equivalent to 10 percent of the total grant award; and

(x) reviewed the project proposed in the application to be sure that it complies with. the community's comprehensive, plan and/or applicable state and local land use requirements.

(f) Prohibition on Multiple Grants: Units of local government and unorganized territories may not benefit from more than one Housing Assistance Grant per grant year.

(g) Prohibition on Subsequent Year Award: Units of general local government and unorganized territories that received a 1993 single year Housing Assistance award may not apply for a 1994 Housing Assistance grant. Units of general local government that received a 1993 two year award may not apply again for a Housing Assistance grant until the 1996 program. Prohibitions against subsequent year awards is program specific.

2. Program Priorities:

(a) Multi-jurisdictional Priority: Regional or joint applications from a group of communities that meet the eligible applicant threshold criteria will receive 5 supplemental points in Phase I of the selection process.

(b) Activity Priority: Not applicable.

3. Special Program Requirements: Housing Assistance applicants must also comply with the following:

(a) Past Performance: In order to be eligible to apply for the 1994 Housing Assistance program, communities that received Community Revitalization (CR) grants in 1989 must have conditionally closed their grants by January 14, 1994. Communities that received CR grants in 1990 must have expended 100% of their benefit activity funds by January 14, 1994. Communities that received CR grants in 1991 must have obligated 100% of their benefit activity funds by January 14, 1991. communities that received CR grants in 1992 must have obligated at least 50% of their benefit activity funds by January 14, 1994.

(b) Exceptions: Grant recipients may only submit a request to DECD for a waiver of this special requirement under the following circumstances: 1) program delays have occurred that are beyond the control of the grantee due unforeseen changes in scheduled availability of leveraged funds or acts of nature or 2) the recipient has received unanticipated program income and is unable to meet the above performance requirements.

(c) Maximum Housing Assistance Grant Amount: The maximum grant amount will be $300,000 for a one year grant and a $600,000 maximum for a two year grant. The maximum grant amount for a regional project will be 25% greater for one and two year grants.

(d) Maximum Housing Rehabilitation Costs: The amount of grants or loans available to participants in local housing rehabilitation programs will be no more than $15,000 per unit rehabilitated. In cases of replacement housing, inadequate sewage disposal, lack of potable water, presence of asbestos, lead-based paint, radon, or other hazardous material, or the need for handicapped accessibility must be addressed, au additional $7, 000 per unit. may be made available.

4. Selection Process: The selection process will consist of two phases: an application phase (Phase I), and a project development phase (Phase II).

(a) Phase I Application: The maximum length of an application is ten pages. It is designed to be a description of a community's housing problems that it would like to address with Housing Assistance funds. The application deadline is January 14, 1994. These applications will be evaluated according to the following criteria. A minimum score of 85 points out of a possible 100 will be required for an application to be further considered for funding.

(i) Problem Statement (20 points): The Problem Statement is a description of the problems or needs the applicant wishes to address with a Housing Assistance Grant. Points will be awarded in the following categories:

(aa) Scope of Problem (5 points) - Description of the magnitude and nature of the substandard housing in the applicant's area.

(bb) Identification of Problem (5 points) - Description of the process used in identifying the substandard housing problem.

(cc) Life Safety Considerations (5 points) - Description of the frequency, severity and nature of potential threats to health and safety contained in the housing units.

(dd) Energy Efficiency Considerations (5 points) ­Description of deficiencies that inhibit low and moderate income residents from being able to maintain reasonable energy efficiency standards in an affordable and comfortable manner.

(ii) Proposed Solution (30 points): The Proposed Solution is a description of how the applicant would like to use Housing Assistance funds to solve the problem(s) or need(s) discussed in the Problem Statement. Points will be awarded in the following categories:

(aa) Effectiveness (10 points) - How the proposed solution relates to problems or needs identified in the Problem Statement and how Housing Assistance funds will be used in solving those problems in a cost effective manner.

(bb) Life Safety and Energy Efficiency (10 points) - How the proposed solution addresses serious threats to health and safety and improves energy efficiency of the units to be rehabilitated or created.

(cc) Project Feasibility (10 points) - How the proposed solution will impact the housing problems in a timely manner and the readiness of the applicant to implement the program.

(iii) Citizen Participation (20 points): Citizen Participation is descriptive demonstration of bow local citizens, community groups and others were involved in the identification of the Problems and solutions discussed in the application. Points will be awarded in the following categories:

(aa) Public Meetings and Hearings (10 points) - A description of the public meetings and hearings that were held specific to this application and their role in identifying problems, fostering public comments and formulating proposed solutions.

(bb) Local Organizations. Residents and Public Officials: (10 points) - A description of the roles played by these groups and individuals in the process that led up to this application.

(iv) Commitment (20 points): Commitment is a description of the other resources that will be contributed to the project. These may include commitments obtained or sought to date. Commitments, along with am estimated timeframe regarding when various aspects of the program will be undertaken, may be reviewed. Points will be awarded in the following categories:

(aa) Partnerships: (10 points) A list of those groups that will work in close concert with the applicant on the housing project. and a description of how each will provide financial resources or technical assistance.

(bb) Local Commitment: (10 points) A description of the technical and financial resources the applicant and private citizens will provide to the project.

(v) Distress (10 points): OCD will derive a community's distress score tram the following four areas:

(aa) housing (2.5 points): a composite score consisting of two factors: the percent of substandard housing and the percent of households with income less than $15,000 per year and spending 25% of their income on housing costs. The percentages will be derived from the most recent data available.

(bb) Economic Conditions (2.5 points): a composite score derived from two factors: a ranking based on the unemployment rates of the applicant communities plus a quarter point for each percentage point the community's municipal unemployment rate is above the State's average unemployment rate.

(cc) Local Fiscal Capacity (2.5 points): a score determined by ranking the effective (State equalized) tax rates for each applicant within population categories (999 and less; 1,000 to 2499; 2,500 to 4,999; 5,000 and above).

(dd) Poverty Level (2.5 points): a score derived by using the percent of persons in a community below 150% of the poverty level as defined by the most recent data available. The poverty level percentages will be ranked within the four population categories discussed above.

(b) Phase II Project Development:

(i) Invitation to Proceed: Applicants will be placed in rank order from highest to lowest according to the scores determined by the scoring team. Starting at the top of the scoring list, applicants will be invited to proceed to Phase II until the available funding in the HA program is exhausted. An invitation into Phase II is not a guarantee of funding, but a community will receive the amount it requests, up to the maximum, provided it completes the following criteria:

(aa) Project Planning: Details of the project including cost estimates and structural analyses.

(bb) Project Eligibility: Proposed activities are verified for eligibility pursuant to 24 CFR, Part 570, Subpart I, .482 and are cleared through the environmental review process pursuant to 24 CFR, Part 58.

(cc) Project Benefit: The proposed activities are verified to meet one of the national objectives pursuant to 24 CFR, Part 570, Subpart I,.483 et seq., of either providing direct benefit to low and moderate income persons or in emergency circumstances, removing slum and blighting influences within that community.

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

(ee) Regulations: Both State and Federal regulations will be reviewed for compliance.

(ii) Phase II Planning Grants: Pursuant to Section 4A. of this Proposed Statement, communities will receive financial assistance, on an as needed basis, in the form of Phase II Planning Grants to cover a portion of the costs associated with project development. The extent to which such assistance is needed shall be determined by OCD.

(iii) Two Year Grant Criteria: Housing rehabilitation activities will not be eligible for a two year grant award. Other eligible activities receiving Housing Assistance funds may be considered for a two year grant award if they meet all three of the following criteria:

(aa) The timeframe required to complete the proposed grant activities must exceed the maximum 18 month period allowed for a single year grant;

(bb) We total amount of requested funds must exceed the one year maximum grant limits for a single community cc a regional project; and

(cc) The activities proposed for the second year of the grant mist be related to, and necessary to complete, activities proposed for the first year; OR, the proposed second year activities must be related to, and necessary to complete, the overall project began in the first year.

5. Approval Process: The emphasis during Phase II will be to finalize project development. The goal is to develop a local-regional-State partnership that will facilitate project development that best meets the community's identified needs, supports regional development, and is in accordance with State goals. A community liaison will be assigned to your community to work closely with you to finalize your project. Successful completion of Phase II criteria will allow the applicant to contract with DECD and become eligible to receive CDBG funds. Communities not having a signed contract within six months of receipt of a Phase II invitation will forfeit said invitation. The Director of OCD reserves the right to waive this requirement in light of extenuating circumstances.

Project implementation shall begin upon execution of a contract. All activities mist be cleared through an environmental review process prior to obligating CDBG funds. OCD staff will remain involved with the community through the end of the project.

B. PUBLIC FACILITIES/INFRASTRUCTURE GRANTS

The purpose of a Public Facilities/Infrastructure Grant (PFIG) is to provide financing for local infrastructure and public facility activities which zone part of a community development strategy and will lead to future public and private investments.

1. Threshold Criteria: The State will distribute PFIG funds to local governments through the annual Public Facilities/Infrastructure Grant Application Selection Process. The threshold criteria for the process are listed below:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive PFIG funds. County governments may apply on behalf of unorganized territories. Groups of local governments may apply for regional or joint public facility/infrastructure facilities. These multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating local government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn are not eligible to receive PFIG funds. Except as designated in 1 (a) above, County governments are not eligible applicants.

(c) Eligible Activities: Eligible activities include infrastructure for new housing construction and construction, acquisition, reconstruction, installation, rehabilitation, site clearance, historic preservation, and relocation assistance associated with such projects as water and sewer facilities, non-housing rehabilitation hook-ups, wharfs, flood and drainage improvements, parking, streets, curbs, gutters, sidewalks, fire protection facilities, community, child, senior, and health centers, libraries, salt/sand storage sheds, shelters for the homeless, sheltered workshops, recreational facilities, parks, removal of architectural barriers, downtown revitalization, and public works garages. An application may include more than one eligible PFIG activity.

(d) Project Eligibility: Upon receipt by the OCD, applications will be reviewed to determine the eligibility of the activities the applicant proposes to undertake with PFIG funds. Those activities must be included in 1(c) above and be eligible under 24 CFR, Part 570, Subpart I, .482. In the event an application contains an activity not listed in l(c) above, the entire application will be judged not to have met the project eligibility criteria. In all cases, the applicant will be notified in writing of the determination made by OCD.

(e) Federal and State Certifications for Local Governments: All communities applying for PFIG funds must certify that they will:

(i) minimize displacement and adhere to a locally adopted displacement policy in compliance with Section 104 (d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to, affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(iv) establish a community development plan;

(v) meet all required State and Federal public participation requirements;

(vi) comply, with the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying;

(vii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients 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;

(viii) adhere to ASHRAE/IES 90.1-1989 for energy efficient design and ASHRAE 62-1989 for ventilation requirements in the construction of all commercial and institutional buildings;

(ix) provide a local notch equivalent to 20 percent of the total grant award; and

(x) reviewed the project proposed in the application to be sure that it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(f) Prohibition on Multiple Grants: Units of local government and unorganized territories may nut benefit from more than one PFIG per grant year.

(g) Prohibition on subsequent Year Award: Units of general local government and unorganized territories that benefited from a 1993 single year PFIG award may not apply for a 1994 PFIG grant. Units of general local government that received a 1993 two year award may not apply again for a PFIG until the 1996 program year. Prohibition against subsequent year awards is program specific.

2. Program Priorities:

(a) Multi-jurisdictional Priority: Regional or joint applications from a group of communities that meet the eligible applicant threshold criteria will receive 5 supplemental points in Phase I of the selection process.

(b) Activity Priority: In Phase I of the selection process, applications will receive supplemental points based on the type of activity. The sub-categories of activities and the points available are described below. In the event that an application contains activities from more than one of the sub-categories, the application will receive the average of the available supplemental points.

(i) Sub-category 1: Water, sewer, sewer hook-ups, storm drainage/CSO, downtown revitalization, infrastructure for new housing construction. Applications containing one or more of these activities will receive 5 supplemental points.

(ii) Sub-category 2: Streets/roads, sidewalks, public wharfs/ piers, fire stations and firefighting equipment, community centers, child care/senior citizen centers, health care centers, sheltered workshops, homeless shelters, libraries, transfer stations, removal of architectural barriers. Applications containing one or more of these activities will receive 2.5 supplemental points.

(iii) Sub-category 3: Parking, street, curbs, gutters, public parks, recreation facilities, public works garages, and salt/sand storage facilities. Applications containing one or more of these activities will not receive any supplemental points.

3. Special Program Requirements: PFIG applicants must also comply with the following:

(a) Past Performance : In order to be eligible to apply for the 1993 program, communities that received Community Revitalization (CR) grants in 1989 must have conditionally closed their grants by January 27, 1994. Communities that received CR grants in 1990 must have expended 100% of their benefit activity funds by January, 27, 1994. (communities that received CR grants in 1991 must have obligated 100% of their benefit activity funds by January 27, 1994. (communities that received (CR grants in 1992 must have obligated at least 50% of their benefit activity funds by January 27, 1994.

(b) Exceptions: Grant recipients may submit a request to DECD far a waiver of this special requirement only under the following circumstances: 1) program delays have occurred that are beyond the control of the grantee due to acts of nature or unforeseen changes in scheduled availability of leveraged funds or 2) unanticipated program income has been received and the grantee is unable to meet performance requirements described above.

(c) Maximum Public Facilities/Infrastructure Grant Amounts: The maximum grant amounts are determined by the activity sub-categories described in 2(b) above. For activities in Sub-category 1, the maximum grant amount is $400,000 for a one year grant and $800,000 for a two year grant. For activities in Sub-category 2, the maximum grant amount is $250,000 for a single year giant. For activities in Sub-category 3, the maximum grant amount is $75,000 far a single year grant. Activities in a regional project are eligible for amounts that are 25% greater.

(d) Funding Restrictions: PFIG funds may not be used to assist infrastructure for the purpose of job creation. Job creation infrastructure activities are eligible in the Economic Development Infrastructure Grant program. With the exception of proposals for infrastructure in support of new housing construction, no housing activities may be assisted with PFIG funds. All other housing activities are eligible in the Housing Assistance Grant program.

(e) Grant Termination: The OCD reserves the right to terminate a (community's PFIG grant if progress on the construction begun at the end of Phase II is not apparent within 12 months from the date of signing a contract with DECD.

4. Selection Process: The selection process will consist of two phases: an application phase and a project development phase.

(a) Phase I Application: The maximum length of a Phase I application is ten pages. It is designed to be a description of a community's problems relating directly to public facilities and infrastructure that it would like to address with CDBG assistance. The application deadline is January 27, 1994. Each application will be rated in relation to all other applications. A minimum score of 85 out of 100 will be necessary for an application to be considered further for funding.

(i) Problem Statement (20 points): The Problem Statement is a description of the infrastructure/public facility problems or needs the applicant wishes to address with CDBG assistance. Points will be awarded in the following categories:

(aa) Identification (10 points) - Scope and magnitude of the problems or needs to be addressed with CDBG funds.

(bb) Priority (5 points) - Rank of problems or needs with other local, regional, and/or State problems or needs.

(cc) Health, Safety, Welfare (5 points) - Impact of problem an public health, safety, and welfare.

(ii) Proposed Solution (30 points): The Proposed Solution is a description of what the applicant will do to address problems discussed in the Problem Statement, when the applicant will take actions to solve these problems, and how this will provide a solution to the problems presented. Points will awarded in the following categories:

(aa) Identification (10 points) - Description of what will be done to solve problems included in the Problem Statement.

(bb) Action Plan (20 points) - Identification of tasks, timetables, and responsible parties in implementing the solution.

(iii) Citizen Participation (20 points) - Citizen Participation is a descriptive demonstration of how local citizens, community groups and others were involved in the identification of the problem(s) and solution(s) discussed in the application. Points will be awarded in the following categories:

(aa) Process (5 points) - Discussion of process followed at the local level, including descriptions of public meetings, hearings and other methods to used to solicit citizen involvement.

(bb) Content (10 points) - Extent and results of the participation of citizens in the local process.

(cc) Relevance (5 points) - Connection between citizen participation and Problem Statement and Proposed solution.

(iv) Commitment (20 points): commitment is a description of the other resources that will be contributed to the project. These may include commitments obtained or sought to date. Points will be awarded in the following categories:

(aa) Commitments (15 points) - List and description of the status of each resource committed to the solution.

(bb) Relevance (5 points) - Relationship between commitments and Proposed Solution and attempts to gain other commitments.

(v) Distress (10 points): OCD will derive a community's distress score from following four areas:

(aa) housing (2.5 points): a composite score of two factors: the percent of substandard housing and the percent of households with income less than $15,000 per year and. spending 25% of their income on housing costs. The percentages will be derived from the most recent data available.

(bb) Economic Conditions (2.5 points): a composite score derived from two factors: a ranking based on the unemployment rates of the applicant communities plus a quarter point for each percentage point the community's municipal unemployment rate is above the State's average unemployment rate.

(cc) Local Fiscal Capacity (2.5 points): a score determined by ranking the effective (State equalized) tax rates for each applicant within population categories (999 and less; 1,000 to 2,499; 2,500 to 4,999; 5,000 and above).

(dd) Poverty Level (2.5 points): a score derived by using the percent of persons in a community below 150% of the poverty level as defined by the most recent data available. Poverty level percentages will be ranked within the four population categories discussed above.

(b) Phase II Project Development:

(i) Invitation to Proceed: Applicants will be placed in rank order from highest to lowest according to the scores determined by the scoring team. Starting at the top of the scoring list, applicants will be invited to proceed to Phase II until the funding available in the PFIG program is exhausted. While an invitation into Phase II is not a guarantee of funding, communities will receive the amount necessary to complete its project, up to the maximum.

(aa) Project Planning: Details of the project including engineering, cost analysis, feasibility and/or market studies.

(bb) Project Eligibility: Proposed activities are verified for eligibility pursuant to 24 CFR, Part 570, Subpart 1,.482 and are cleared through the environmental review process pursuant to 24 CFR Part 58.

(cc) Project Benefit: The proposed activities are verified to meet one of the national objectives pursuant to 24 CFR, Part 570, Subpart I., .483 et seq., of either providing direct benefit to low and moderate income persons or removing slum and blighting influences within that community.

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

(ee) Regulations: Both State and Federal regulations will be reviewed for compliance.

(ii) Phase II Planning Grants: Pursuant to Section 4A of this Final Statement, Phase II participants will be eligible for planning grant funds on an as needed basis to assist payment of project development costs. Extent of assistance shall be determined by OCD staff.

(iii) Two Year Grant Criteria: Applicants may be awarded a two year grant if they meet all three of the following criteria:

(aa) The timeframe required to complete the proposed grant activities must exceed the maximum 18 month period allowed for a single year grant;

(bb) The total amount of requested funds must exceed the maximum limit in PFIG Sub-category I for a single year grant or a regional project; and

(cc) The activities proposed for the second year of the grant must be related to, and necessary to complete, activities proposed for the first year; OR, the proposed second year activities must be related to, and necessary to complete, the overall project begun in the first year.

5. Approval Process: The emphasis during Phase II will be to finalize project development. The goal is to develop a local-regional-State partnership that will facilitate project development that best meets the community's identified needs, supports regional development, and is in accordance with State goals. A community liaison will be assigned to your community to work closely with you to identify finalizing your project. Successful completion of Phase II criteria will allow the applicant to contract with DECD and become eligible to receive CDBG funds. Communities not having a signed contract within six months of receipt of a Phase II invitation will forfeit said invitation. The Director of OCD reserves the right to waive this requirement in light of extenuating circumstances.

Project implementation shall begin upon execution of a contract. All activities must be cleared through an environmental review process prior to obligating CDBG funds. OCD staff will remain involved with the community through the end of the project.

C. PUBLIC SERVICE GRANTS

The purpose of a Public Service Grant (PSG) is to address human resource needs in a community by providing funding for operating expenses, equipment and program materials for public service programs.

1. Threshold Criteria: The State will distribute PSG funds for public service activities to local governments through the annual Public Services Grant Application Selection Process. The threshold criteria for the process are listed below:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive CDBG bands. County governments may apply on behalf of unorganized territories. Groups of local governments may apply for regional or joint public service projects. Multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating local government. A local government may apply on behalf of a non-profit organization that provides public services in its community.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston, and Auburn are not eligible to receive PFIG Awards. Except as designated in l (a) above, County governments are not eligible applicants.

(c) Eligible Activities: Eligible activities include operating and program material expenses for child care, health care, job trailing, recreation programs, education programs, public safety services, fair housing activities, senior citizen services, homeless services, drug abuse counseling and treatment, and energy conservation counseling and testing.

(d) Project Eligibility: Upon receipt by the OCD, applications will be reviewed to determine the eligibility of the activities that the applicant proposes to undertake with PSG funds. Those activities must be included in l(c) above and be eligible under 24 CFR, Part 570, Subpart I, .482. In the event that an application contains any activity that is ineligible, the entire application will be judged not to have met the project eligibility criteria. In all cases the applicant will be notified in writing of the determination made by OCD.

(e) Federal and State Certifications for Local Governments: All communities applying for PSG funds must certify they will:

(i) minimize displacement and adhere to a locally adopted displacement policy) in compliance with Section 104(d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(iv) establish a community development plan;

(v) meet all required State and Federal public participation requirements;

(vi) comply with the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying;

(vii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients. which are receiving CDBG funding nay 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;

(viii) provide a local match equivalent to 20 percent of the total grant award;

(ix) certify the public service to be provided represents: 1) a new service to the community or, 2) is a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during the 12 months prior to submission of the application; and reviewed the project proposed in the application to be sure it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(f) Prohibition On Multiple Grants: Units of local government and unorganized territories may not benefit from more than one PSG per grant year.

(g) Prohibition an Subsequent Year Award: Units of general local government and unorganized territories that received a 1993 single year Public Service award may not apply for a 1994 Public Service grant. Prohibition against subsequent year award is program specific.

2. Program Priorities:

(a) Multi-jurisdictional Priority: Regional or joint applications from a group of communities that meet the eligible applicant threshold criteria will receive 5 supplemental points in Phase I of the selection process.

(b) Activity Priority: Not applicable.

3. Special Program Requirements: PSG applicants must also comply with the following:

(a) Past Performance: In order to be eligible to apply for the 1994 PSG program, communities that received Community Revitalization (CR) grants in 1989 must have conditionally closed their grants by February 25, 1994. Communities that received CR grants in 1990 must have expended 100% of their benefit activity funds by February 25, 1994. Communities that received CR grants in 1991 must have obligated 100% of their benefit activity funds by February 25, 1994. Communities that received CR grants in 1992 must have obligated at least 50% of their benefit activity funds by February 25, 1994.

(b) Exceptions: PSG recipients may only submit a request to DECD for a waiver of this special requirement under the following extraordinary circumstances: 1) the recipient has received unanticipated program income and is unable to meet the above performance requirements 2) program delays have occurred that are beyond the control of the grantee due to acts of nature or unforeseen changes in scheduled availability of essential leveraged funds.

(c) Maximum Public Service Grant Amount: The maximum grant amount will be $50,000 for a single grant year. The maximum grant amount for a regional project will be 25% greater.

(d) Funding Restrictions: PSG funding is restricted to non-construction activities as listed in the Eligible Activities Section. Funding for construction or rehabilitation of public service facilities must be in place before a PSG award will be made. ROW service construction activities are considered public facilities and can be included in an application to the PFIG program.

4. Selection Process: The selection process will consist of two phases: an application phase, and a project development phase.

(a) Phase I Application: The maximum length of an application is ten pages. It is designed to be a description of a community's human resource problems that it would like to address with PSG assistance. The application deadline is February 25, 1994. These applications will be evaluated according to the following criteria. A minimum score of 85 points out of a possible 100 will be needed for projects to be further considered for funding.

(i) Problem Statement (20 points): The Problem Statement is a description of the problems or needs the applicant wishes to address with PSG assistance. Points will be awarded in the following categories:

(aa) Identification (10 points): Description/definition of the nature and magnitude of the public service need or problem confronting the applicant.

(bb) Health, Safety and Welfare (10 points): Description of the impact of the problem on individuals within the community and on the community as a whole.

(ii) Proposed Solution (30 points): The Proposed Solution is a description of bow the applicant would like to use PSG assistance to solve the problem(s) discussed in the Problem Statement. Points will be awarded in the following categories:

(aa) Identification (10 points): Description of how PSG funds will be used to solve the problem described in the Problem Statement.

(bb) Action Plan (10 points): Description of the project timetable and parties responsible for implementing the solution.

(cc) Capacity (10 points): Description of abilities of implementing parties to do the project activities.

(iii) Citizen Participation (20 points): Citizen Participation is a descriptive demonstration of how local citizens, community groups and others were involved in the identification of the problem(s) and solutions discussed in the application. Points will be awarded in the following categories:

(aa) Process and Content (10 points): Description of the process used to involve citizens and a summary of the comments and issues raised.

(bb) Relevance (10 points): Discussion of the connection between the citizen participation and the problems and solutions discussed in the application.

(iv) Commitment (20 points): Commitment is a description of the other resources that will be contributed to the project. These may include commitments obtained or sought to date. Points will be awarded in the following categories:

(aa) Effort (5 points): Description of how the applicant sought other resources to assist the project.

(bb) Status (10 points): A list and status of commitments far the project.

(cc) Relevance (5 points): Discussion of how the other resources make the solution possible.

(v) Distress (10 points): OCD will derive a community's distress score from the following two areas:

(aa) Unemployment (5 points): a scare determined by taking the community's yearly average unemployment rate and dividing it by the standard of 10% (this figure represents 10% unemployment) . This figure will be multiplied by the 5 points for this category to receive a final score. Communities with a yearly average unemployment rate greater than 10% will automatically receive the total points allowed.

(bb) LMI Percentage (5 points): a score derived by dividing the community's most recent low and moderate income (LMI) percentage by, 51 percent. This figure will be multiplied by 5 to determine final score for LMI percentage. Communities with an LMI of 51 percent or more will receive the total points allowed.

(b) Phase II Project Development:

(i) Invitation to Proceed: Applicants will be placed in rank order from highest to lowest according to Me scores determined by the scoring team. Starting at the top of the scoring list, applicants will be invited to proceed to Phase II until the funding available in the PSG program is exhausted. While an invitation into Phase II is not a guarantee of funding, communities will receive the amount necessary to complete its project, up to the maximum.

(aa) Project Planning: Details of the project including management plan, equipment costs, and program timetable.

(bb) Project Planning: Proposed activities are verified for eligibility pursuant to 24 CFR, Part 570, Subpart I, .482 and are cleared through the environmental review process pursuant to 24 CFR, Part 58.

(cc) Project Benefit: The proposed activities are verified to meet one of the national objectives pursuant to 24 CFR, Part 570, Subpart I, .483 et seq., of either providing benefit to low and moderate income persons or removing slum and blighting influences within that community.

(dd) Management Plan: Details of the structure and methods established by the community for program management. In addition, the community must provide a plan far the continuation of the service after the conclusion of the PSG funding or must demonstrate that the need will be met daring the course of the PSG.

(ee) Regulations: Both State and Federal regulations will be reviewed for compliance.

(ii) Two Year Grant Criteria: Public Service Grants are not eligible far two year grant award.

5. Approval Process: The emphasis during Phase II will be to finalize project development. The goal is to develop a local-regional-State partnership that will. facilitate project development that best meets the community's identified needs, supports regional development, and is in accordance with State goals. A community liaison will be assigned to your community to work closely with you to identify finalizing your project. Successful completion of Phase II critter will allow the applicant to contract with DECD and become eligible to receive CDBG funds. Communities not having a signed contract within six months of receipt of a Phase II invitation will forfeit said invitation. The Director of OCD reserves the right to waive this requirement in light of extenuating circumstances.

Project implementation shall begin upon execution of a contract. All activities must be cleared through an environmental review process prior to obligating CDBG funds. OCD, staff will remain involved with the community through the end of the project.

D. URGENT NEED GRANTS

The purpose of the Urgent, Need Grant (UNG) Program is to provide financing that enables a community to address community development needs having a particular urgency.

1. Threshold criteria: UNG Program applicants must meet the following threshold criteria:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive Urgent Need funds. County governments may apply on behalf of unorganized territories. Groups of local governments may apply for regional or joint emergency situations. Multi-jurisdictional applications require designation of one local government as the lead applicant and consent for the designation by each participating local government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn are not eligible to receive UNG funds form the State. Except as described in 1 (a) above, County governments are not eligible applicants.

(c) Project Eligibility: Pursuant to 24 CFR Part 570 Subpart I .483, the applicant must seek to address a community development need which:

(i) poses a serious and immediate threat to the health or welfare of the community;

(ii) originated or became a direct threat to public health and safety no more than IS months prior to the submission of an application;

(iii) is a project the applicant cannot finance on its own; and

(iv) cannot be addressed with other sources of funding.

(d) Federal and State Certifications for Local Governments: All communities applying far UNG funds must certify they will:

(i) minimize displacement and adhere to a locally adopted displacement policy in compliance with Section 104 (d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(iv) establish a community development plan;

(v) meet all required State and Federal public participation

(vi) comply with the Federal requirements of Section 319 of Public Law 101-122 regarding government-wide restriction on lobbying; and

(vii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State cc local government or of any designated public agencies, or subrecipients 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.

2. Special Program Requirements: UNG applicants must also comply with the following:

(a) Necessary Documentation: The emergency situation to be addressed must be of such a nature it requires immediate action to alleviate the occurrence of or the imminent threat of widespread or severe injury or loss of life resulting from any natural or man-made cause.

(b) Application Submittal: Applicants must submit a complete UNG application that includes all required information and documentation.

(c) Maximum Urgent Need Grant Amount: The maximum grant amount will be $150,000.

3. Selection Process: Communities seeking to undertake a project on the basis of urgent need must submit an UNG application which includes the following:

(a) documentation the emergency situation was prompted by natural or man-made disasters that pose an imminent threat of widespread or severe injury or loss of life;

(b) certification the proposal is designed to address an urgent need and an immediate response is essential to initiate action that will halt the threat of widespread or severe injury or loss of life;

(c) information regarding when the urgent need condition occurred or developed into a threat to health and safety;

(d) evidence confirming the Applicant is unable to finance implementation on its own; and

(e) documentation that other financial resources are not available to implement the proposal.

Urgent Need Grants will be made on a first come basis. Prior to consideration of a grant award, all UNG proposals must meet the four Threshold Criteria in 1(c) above plus the Special Program requirements in 2 above. Grant proposals that meet these requirements may be awarded grants from the UNG Program, until the amount of funds available in the program has been committed. Having committed all funds in the program, the State reserves the right not to accept any other applications.

4. Approval Process: The UNG funds will be available after May 1, 1994. Applications will be accepted on a first come basis. Following receipt of a application, the. OCD shall review the application and verify that it contains all the required information. If the application is complete and funds remain available in the program, the Director of OCD will evaluate each proposal and make the decision on whether or not to make a grant award. Notification to the Applicant of the Director's decision will initiate completion of processes necessary for contract award.

E. RESERVED GRANTS

The purpose of a Reserved Grant is to provide funding for the second year of a Housing Assistance (HA) or Public Facilities/Infrastructure (PFIG) grant award that was initially determined in the previous grant year.

1. Threshold Criteria: 1994 Reserved grantees must meet the following threshold criteria:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive Reserved Grants. County governments may apply on behalf of unorganized territories.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn are not eligible to receive Reserved Grant funds. Except as described in 1 (a) above, County governments are not eligible applicants.

(c) the proposed activities must meet one of the national objectives described in 24 CFR, Part 570, Subpart I, .483;

(d) the recipient must undertake eligible activities, pursuant to 24 CFR, Part 570, Subpart I, .482, and approved during the 1993 HA or PFIG Phase II processes;

(e) Federal and State Certifications for Local Governments: All communities applying for HA, or PFIG Reserved Grants must certify they will:

(i) minimize displacement and adhere to a locally adopted displacement policy in compliance with section 104(d) of the Housing and Community Development Act of 1974, as, amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(iv) establish a community development plan;

(v) meet all State/Federal public participation requirements;

(vi) comply with the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying;

(vii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients 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;

(viii) provide a local match equivalent to 10-20 percent of the total grant award or total project cost; and

(ix) reviewed the project proposed in the application to be sure it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(f) complete the required HA or PFIG Reserved Grant applications.

2. Special Program Requirements: 1994 reserved grantees must meet the following:

(a) Restriction on Applicants: eligible applicants are restricted to the following communities:

(i) Housing Assistance program:

Lisbon $400,000

(ii) Public Facilities/Infrastructure program:

Dixfield $400,000

Hallowell $400,000

Van Buren $400,000

(b) Reasonable Progress: evidence that applicants are on line with the 1993 expenditure schedule as submitted in their HA or PFIG contract. Reserved Grant communities must have demonstrated reasonable progress in staffing, program design and contracting far their current program.

(c) LMI Expenditures: in the aggregate, 70% of the expenditures proposed by Reserved Grantees mist result in benefit to low and moderate income persons.

3. Selection Process: Not applicable.

4. Approval Process: The following actions constitute the approval process for reserved grants:

(a) Applications from Reserved Grant communities will be invited during the 1994 Phase II Process.

(b) Each Reserved Grant application will be reviewed. by the OCD. The OCD will:

(i) Review status reports of Reserved Grant communities and compare the reserved grant application to the second year of the project as proposed in the previous year's Phase II process;

(ii) Review activity schedule and management plan for acceptability based on project design and budget; and

(iii) Develop recommendations for the CDBG Program Manager regarding the application's acceptability, grant conditions and funding level.

(c) Recommendations an Reserved Grant applications will be reviewed by the CDBG Program Manager, who will recommend to the Director and commissioner of the DECD that the Reserved Grant community:

(i) Be funded at the requested level;

(ii) Not receive a reserved grant (if ineligible costs were incurred during the administration of the previous year or the project is no longer feasible); or

(iii) Be funded at a reduced level (the amount of reduction will be determined by the changes in the project's activities and schedules as originally proposed or by evidence that the project cannot accomplish its original goals).

(d) The Commissioner of the DECD will announce reserve grant awards during the 1994 Phase II process.

SECTION 3. ECONOMIC DEVELOPMENT METHODS OF DISTRIBUTION

A. DEVELOPMENT FUND

The purpose of the Development Fund (DF) is to provide financial resources to local governments which in turn assist businesses to create jobs for low and moderate income people.

1. Threshold criteria: DF applicants must meet the following threshold criteria:

(a) Eligible Applicants: All units of general local government in Wine, including plantations, are eligible to apply for and receive CDBG funds. County governments may apply on behalf of unorganized territories.

(b) Ineligible Applicants: Entitlement, communities of Portland, Bangor, Lewiston, and Auburn are not eligible to receive DF assistance. Except as described in 1 (a) above, County governments are not eligible applicants.

(c) the proposed activities must meet one of the national objectives described in 24 CFR, Part 570, Subpart I, .483, et seq.;

(d) 51% of the jobs created or retained as a result of CDBG expenditures proposed 11, the DF applicant are provided to persons of low and moderate income;

(e) undertake eligible activities, pursuant to 24 CFR, Part 570, Subpart I, .482;

(f) Federal and State Certifications for Local Governments: All communities applying far Development Funds must certify, that they will:

(i) minimize displacement and adhere to a locally adopted displacement policy in compliance with Section 104(d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(iv) establish a community development plan;

(v) meet all required State and Federal public participation requirements;

(vi) comply with the Federal requirements of Section 319 of Public Law 101-122 regarding government-wide restriction on lobbying;

(vii) With the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients 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; and

(viii) reviewed the project proposed in the application to be sure that it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(g) complete the required DF application materials.

2. Special Program Requirements: DF proposals also must comply with the following:

(a) Necessary and Appropriate: The DF loan for profit businesses must be for projects limed: are necessary and appropriate. The application must describe the need for DF assistance, reasonableness of the amount requested, the repayment plan, 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 DF participation.

(b) Financing Plan: The DF application should present a financing plan for a project in which the DF loan comprises the lesser of $100,000 or 40% of total project cost. Project activities and use of funds to calculate the non-DF financing must represent a new investment or a new project. The financing necessary to support at least 60% of the total project cost must be documented by binding commitment letters submitted with the application. Project activities or uses of funds used to calculate the non-DF financing also must represent new investment.

(c) DF Loan: The DF is provided as a grant to a unit of local government. The local government must use designated grant monies as a loan to the business or the developer identified in the DF application. The loan must be provided under the terms stated in a DF letter of Conditions and the contract between DECD and the local government.

(d) Repayment Terms: Justification far the repayment. terms relate to filling the financing gap, identifying the rate of return allowed through the repayment terms, or specifying the locational cost differentiations and the benefit derived from the assistance.

(e) LMI Benefit: In the aggregate, 70% of the program expenditures are provided to benefit persons of low and moderate income.

3. Selection Process: Eligible projects will be evaluated according to the following factors:

(a) Impact: The DF project will be evaluated as a viable business proposal. The following considerations will be the focus of the Impact factor.

(i) Chance of Success: The project demonstrates that a market exists for its product or service, the cost of the product or service is competitive in current market conditions, the cash flow projections are adequate to support operating expenses and indebtedness, and management has the capacity to carry out the business or development plan. The project must be complete in that there are no unidentified activities or project costs necessary to implement the project.

(ii) Financial Plan: The financing for the project is in place and legally, binding commitments have been submitted; the proposal has an appropriate leverage ratio of private and public dollars and is structured to meet cash flow projections; and the project pro forma has been reviewed by an independent qualified accountant, preferably a CPA. The financing plan must be complete in that there are no unidentified uses of funds necessary to complete the project.

(iii) Equity: The proposed loan recipient has made an equity commitment to the project, preferably through a cash equity injection. Other substantial participation may substitute for a cash equity injection with appropriate explanation regarding equity participation.

(iv) DF Loan repayment: Terms of the loan pay back are to reflect what is necessary to allow a project to be implemented while providing the maximum and most expeditious return of CDBG - DF monies for reuse.

(v) Security: The proposed loan recipient presents collateral appropriate to secure the DF Loan and indicates willingness to enter into security agreements.

(vi) Benefit: The DF proposal will be evaluated on the basis of the community and economic benefits that will result from the project. Benefit considerations are given below.

(vii) Cost: The number of permanent jobs created or retained as per DF project dollars will be compared with current and past DF projects. The increase in local tax dollars resulting form the project will be evaluated. overall project cost effectiveness also will be considered.

(viii) Low and Moderate Income Benefit: Benefit to low and moderate income persons and families will be evaluated. The integration of job training programs, job advancement opportunities, education and training programs, and referral services from Joint Training Partnership Act and Job Service will also be reviewed.

(ix) Community and Economic Development: The primary and secondary impacts of the DF project on the community's plans far future economic development will be evaluated. The review will also examine the ripple effect of the proposal an the community as a whole.

4. Approval Process:

(a) Application: Applications shall be submitted on the first Thursday of each month. DECD staff will review the applications to determine if the threshold criteria have been met. A credit analysis will be conducted by DECD or its designee for each job creation proposal. Following staff analysis, applications will be evaluated by a review committee. As a review body, the DF Committee will make recommendations to the Director of the OCD. The DF Committee is appointed by the Director and consists of a representative of local government, a certified public accountant and attorney, a representative of private financing, a business person, and two at-large appointees.

(b) DF Committee Recommendations: The DF Committee will review staff reports and make recommendations to the Director for awards. The Committee will have four general options to recommend on any individual project. The options are:

(i) approval of requested amount and terms;

(ii) approval of requested amount but under different terms proposed;

(iii) rejection with staff recommendation for complete/partial resubmission; and

(iv) rejection.

(c) Quarterly Allocation: The quarterly allocation will be limited to $250,000 plus any unobligated portion of allocations of previous quarters. ills limit can be waived by the Director. The Director also reserves the right to reject any or all applications in any month.

If, while nearing the end of the quarter, available funds are not sufficient to finance credit-worthy proposals, the review process will incorporate an. objective needs factor (the distress factor described in Section 2.A. 3. (v) . Those proposals with the highest score in the needs factor will receive assistance first.

B. REGIONAL ASSISTANCE FUND

The purpose of the Regional Assistance Fund (RAF) is to provide financial resources to local governments or regional organizations which can use the RAF assistance as leverage to obtain funds under the Economic Development Administration (EDA) Economic Adjustment Assistance Program (Title IX) and the EDA Public Works Program. (Title I) or the Farmers Home Administration (FmHA) Rural Business Enterprise (RBE) Grant and the Intermediary Relending Program (IRP) and/or other Federal, State, and private programs. The purpose of the RAF is to bring additional money into the State and therefore RAF cannot be used as match with the State's Small Cities CDBG program or conventional lending institutions.

1. Threshold Criteria: RAF applicants must meet the following threshold criteria:

(a) Eligible Applicants: All units of general local government in Maine, including plantations and Counties, are eligible to apply for and receive RAF. County governments may also apply on behalf of unorganized territories: Groups of local governments may apply for a regional or joint RAF project. Multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating local government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston, Auburn are not eligible to receive RAF funds.

(c) the proposed activities mist meet one of the national objectives described in 24 CFR, Part 570, Subpart I,.483 et seq.;

(d) 51% of the jobs created as a result of CDBG expenditures proposed by the RAF applicant are provided to persons of low and moderate income;

(e) undertake eligible activities, pursuant to 24 CFR, Part 570, Subpart I,.482.

(f) Federal and State Certifications for Local Governments: All communities applying for PM mist certify they will:

(i) minimize displacement and adhere to a locally adopted displacement policy in compliance with Section 104 (d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(iv) establish a community development plan;

(v) meet all required State and Federal public participation requirements;

(vi) comply with the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying;

(vii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State cc local government or of any designated public agencies, or subrecipients 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; and

(viii) reviewed the project proposed in the application to be sure that it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(g) complete Me required RAF application materials; and

(h) be designated by EVA. as eligible to receive funds under the Title IX program, and must have submitted a Title IX or Title I preapplication to EDA and be working with EDA toward submission of a full application; or,

(i) be designated by FmHA as eligible to receive funds under the either the Rural Business Enterprise Grant or the Intermediary Relending Program and be working with FmHA toward submission of a full application; or,

(j) be designated by the appropriate organization providing matching funds as eligible to receive funds.

2. Special Program Requirements: RAF proposals also must comply with the following:

(a) RAP Funds: Provided an initial RAF application is successful, a grant contract will be executed between DECD and the local government to reserve RAF funds for the applicant, and an RAF Latter of Conditions will be included in the contract to describe the terms that will govern the release of bands from the reserve. We local government must use the designated RAF funds as a match to leverage additional funds. Depending on the matching requirements, requests to use funds from the reserve may have to meet additional special requirements that are similar to those described in Section 3.A.2. (a and b) of this Proposed Statement.

(i) EDA Title IX Economic Adjustment Assistance defined: Funds under the Title IX Program are used to assist areas experiencing long-term economic deterioration (LTED) and areas threatened or impacted by sudden or severe economic dislocation (SSED).

Long-term economic deterioration (LTED) : The LTED Program assists eligible applicants to develop and/or implement strategies designed to halt and reverse the long-term decline of their economies. The most common type of activity funded under the LTED Program is Revolving Loan Funds (RLFs), although other types of eligible Title IX activity may be funded.

Sudden and severe economic dislocation (SSED): The SSED Program assists eligible applicants to respond to actual or threatened job losses (dislocation) and other severe economic adjustment problems. It is designed to help communities prevent a sudden, major job loss; to reestablish employment opportunities and facilitate community adjustment as quickly as possible after one occurs; or to meet special needs resulting from severe changes in economic conditions. SSED assistance is intended to respond to permanent rather than temporary job losses. Assistance may be in the form of a grant to develop a strategy to respond to the dislocation (Strategy Grant) or a grant to implement an EDA approved strategy (Implementation Grant).

In light of the current high level of economic distress in rural areas, EDA is particularly interested in Title IX projects designed to mitigate serious rural economic adjustment problems.

(ii) EDA Title I Public Works Program defined: Funds under Title I Program axe used to assist distressed communities attract new industry, encourage business expansions and generate long-term, private sector jobs through projects to improve water and sewer facilities primarily serving industry, build access roads to industrial parks or sites, and construct business incubator buildings.

(iii) FmHA Rural Business Enterprise Grant: Grants are made to finance and facilitate development of small and emerging private business enterprises in rural areas.

(iv) FmHA Intermediary Relending Program: Grants are used to finance business facilities and community development projects in rural areas.

(b) Limit on Amount of RAF assistance: Each region of the State will be eligible for one RAF grant. Additional grants within regions will be made at the discretion of the Director of OCCD. The RAF application must present a plan in which the RAF funding comprises the lesser of $200,000 or up to 100% of the matching funds required from the local government. The local government must also demonstrate that it is not possible to get funding from any other source for the portion of matching funds sought from the RAF.

(c) Program Income Plan: Thresholds regarding interest rates or repayment terms for RAF assistance to revolving loan funds have not been established. Justification fox, the repayment terms relate to filling the financing gap, identifying the rate of return allowed through the repayment terms, or specifying the locational cost differentiations and the benefit derived from the assistance. To meet matching requirements, program income generated from RAF funds may be retained by the local grantee or by the local grantee's assignee with the approval of DECD.

3. Selection Process: Eligible projects will be evaluated according to the following factors:

(a) Impact: The RAF project will be evaluated as a viable CDBG proposal. The following considerations will be the focus of the Impact factor.

(i) Chance of Success:

LTED: To receive funding under the LTED/RLF Program, an area must be experiencing at least one of three economic problems: 1) very high unemployment; 2) low per capita income; or, 3) chronic distress (failure to keep pace with national economic growth trends over the last five years). Priority will be given to those areas with two or more of these indicators.

SSED: To receive priority consideration for funding under the SSED Program, an area must show actual or threatened permanent job losses that exceed the following threshold criteria. 1) If the unemployment rate of the Labor Market Area exceeds the national average, the dislocation must be the lesser of four (4) percent of the employed population, or 500 direct jobs. 2) If the unemployment rate of the Labor Market Area is equal to or less than the national average, the dislocation mist be the lesser of four (4) percent of the unemployed population, or 1,000 jobs.

(ii) Financial Plan: The financing need for the project will be based on an assessment of its financial resources The proposal must have an appropriate leverage ratio of private and public dollars.

(iii) Benefit: The RAF proposal will be evaluated on the basis of the community and economic benefits that will result from the project.

(iv) Cost: The number of permanent jobs created or retained as per RAF project dollars will be reviewed on a case by case basis. The increase in local tax dollars resulting from the project will be evaluated. overall project cost effectiveness also will be considered.

(v) Low and Moderate Income Benefit: Benefit to low and moderate income persons and. families will be evaluated. The integration of job training programs, job Advancement opportunities, education and training programs, and referral services from Job Training Partnership Act and Job Service will also be reviewed.

(vi) Community and Economic Development: The primary and secondary impacts of the RAF project on the community's plans for future economic development will be evaluated. This review will also examine the ripple affect of the proposal on the community as a whole.

4. Approval Process:

(a) Application: once the applicant has submitted a preapplication to the appropriate agency and is working toward a full application, it nay submit an RAF pre-application to DECD. DECD staff will review the RAF pre-applications on a first came basis to determine if the threshold criteria and special program requirements have been met. If so and when the application process has been successfully completed, the applicant will be invited to continue into the project development phase where the CDBG part of their project will be more fully developed. An analysis will be conducted by DECD or its designee for each proposal.

(b) Staff Recommendations: Following the project development analysis, staff will make one of the following three recommendations to the Director of the OCD for awards:

(i) approval of requested amount and requested or different terms;

(ii) approval of lesser amount and requested or different terms; or,

(iii) rejection.

(c) Allocation: The RAF allocation will be $685,760 and will be available after My 1, 1994. RAF proposals that meet all criteria may be awarded funds until the amount of funds available in the program has been committed. Having committed all funds in the program, the State reserves the right not to accept any further applications.

C. MICRO-LOAN PROGRAM

The purpose of the Micro-Loan Program is to provide Maine communities with funds to assist existing and now businesses create or retain jobs for low and moderate income individuals. These needs must be part of a community development strategy which will lead to future public and private investments.

Communities are encouraged to enter into partnerships to request Micro-Loan assistance when demand is sufficient on a regional basis and communities would be better served through a regionally administered loan program.

1. Threshold Criteria: The State will distribute funds to communities to establish a commercial loan program through the annual Micro-Loan application process. The threshold criteria for the process are listed below:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive micro-Loan funds. County governments may apply on behalf of unorganized territories. Groups of local governments may apply for regional or joint Micro-Loan programs. Multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn are not eligible to receive Micro-Loan funds. Except as described in 1 (a) above, County governments are not eligible.

(c) Eligible Activities: Eligible activities include the establishment of a local commercial loan program for the purpose of assisting for-profit and non-profit businesses.

(d) Project Eligibility: Upon receipt by the OCD, applications will be reviewed to determine the eligibility of the activities the applicant proposes to undertake with Micro-Loan funds. Those activities must be included in l(c) above and be eligible under 24 CFR, Part 570, Subpart I 482. Under this program, activities that construct, support or assist housing related projects are ineligible to receive Micro-Loans. Applications will only be accepted for the development of a Micro-Loan program. In the event an application contains any proposed activity unrelated to the establishment of a Micro-loan Program, or the activity listed in Section 1(c) above, the entire application will be judged not to have met the project eligibility criteria. In all cases the applicant will be notified in writing of the determination made by OCD.

(e) 51% of the jobs created or retained as a result of Micro-Loan expenditures must be made available to or taken by persons of low and moderate income.

(f) Federal and State Certifications for Local Governments: All communities applying, for Micro-Loan funds must certify they will:

(i) minimize displacement and adhere to a displacement policy set forth by Section 104 (d) of the Housing and Community Development Act of 1974, as amended.

(ii) comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) establish a community development plan;

(iv) meet all required State and Federal public participation requirements;

(v) comply with the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying;

(vi) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients which are receiving CDBG funding may obtain a financial interest in any contract, subcontract or agreement with respect to CDBG activities; and

(vii) reviewed the project proposed in the application to be sure that it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(g) Prohibition on Multiple Grants: Units of local government and unorganized territories may not benefit from more than one Micro-loan Program per grant year.

(h) Prohibition on Subsequent Year Award: Units of local government and unorganized territories that benefited from a 1993 Micro-Loan award may not apply for a 1994 Micro-Loan grant. Prohibition against subsequent year award is program specific.

2. Program Priorities:

(a) Multi-jurisdictional Priority: Regional or joint applications from a group of communities that meet the eligible applicant threshold criteria will receive 5 supplemental points in Phase I of the selection process.

(b) Activity Priority: Not applicable.

3. Special Program Requirements: Micro-loan applicants must also comply with the following:

(a) Past Performance: In order to be eligible to apply for the 1994 Micro-Loan Program, communities that received Community Revitalization (CR) grants in 1989 must have conditionally closed their grants by February 18, 1994. Communities that received CR grants in 1990 must have expended loot of their benefit activity funds by February 18, 1994. Communities that received CR grants in 1991 must have obligated loot of their benefit activity funds by February 18, 1994. Communities that have received CR grants in 1992 mast have obligated at least 50% of their benefit activity funds by February 18, 1994.

(b) Exceptions: Grant recipients may only send a request to DECD for a waiver of this special requirement under the following extraordinary circumstances: 1) the recipient has received unanticipated program income and is unable to meet the above performance requirements or 2) program delays have occurred that are beyond the control of the grantee due to acts of nature or unforeseen changes in scheduled availability of essential leveraged funds.

(c) Maximum Micro-Loan Grant Amount: The maximum grant amount will be $125,000 for a single grant year. The maximum grant amount for a regional project will be 25% greater. The level of funding will be established in Phase II pursuant to the level of demand that can be demonstrated by the applicant.

(d) Necessary and Appropriate: All loans made from the Micro-Loan Program to for-profit and non-profit businesses must be for projects that are necessary and appropriate as defined by the federal government. Documentation must be provided that the project cannot proceed without Micro-Loan participation.

(e) Financing Plan: Micro-Loans are limited to a maximum of $25,000 per loan. Micro-loans may provide up to 100% of the financing for loans up to $15,000. Micro-loans exceeding $15,000 require a dollar-for-dollar match for the portion of the loan exceeding $15,000. Project activities and use of funds to calculate the non Micro-Loan financing must represent a new investment or a new project.

(f) Repayment Terms: The community reviewing the loan will establish repayment terms based on circumstances of the loan proposal.

(g) Local loan Procedures: The procedure the community uses to distribute loans must be certified by the OCD in the Phase II process. OCD will generate guidelines for local loan procedures. A loan application must initially be reviewed by a local loan review committee. The review committee must determine the assistance provided is commensurate with the community benefits that will accrue from the project.

4. Selection Process: The selection process will consist of two phases: an application phase, and a project development phase.

a. Phase I Application: The maximum length of an application is ten pages. It is designed to be a description of a community's business problems it would like to address with Micro-Loan funds. The application deadline is February 12, 1994. Applications will be evaluated according to the following criteria. A minimum score of 85 points out of a possible 100 will be required for an application to be further considered for funding.

(i) Problem Statement (30 points): The Problem Statement is a description of the problems or needs the applicant wishes to address with Micro-Loan funds. Points will be awarded in the following categories:

(aa) Scope of Problem (15 points) - Description of the magnitude and nature of the lack of job opportunities and lack of business capital in the applicant's area.

(bb) identification of Problem (15 points) - Description of the need for these funds and how that need was identified.

(ii) Proposed Solution (30 points): The Proposed Solution is a description of how the applicant would use Micro-Loan funds to solve the problem(s) discussed in the Problem Statement. Points will be awarded in the following categories:

(aa) Scope of Solution (15 points) - Description of the actions that the applicant will undertake in the use of Micro-Loan Program funds to resolve the problem(s) presented in the Problem Statement.

(bb) Capacity (15 points) - Description of the capacity that the applicant has to conduct those efforts specified in the Scope of Solution section and the history of the community in administering lending programs.

(iii) Citizen Participation (30 points): Citizen Participation is a descriptive demonstration of how business groups, local citizens, community groups and others were involved in the identification of the problem and solutions discussed in the application. Points will be awarded in the following categories:

(aa) Business Involvement (15 points) - Description of the involvement that the applicant's business community has bad in the development of the application. This should include a description of any and all meetings that were conducted where governmental business assistance was discussed.

(bb) General Citizen Involvement (15 points) - Description of the involvement that the general citizenry has had concerning the concept of assisting business. General citizenry groups consist, but are not limited to, Community Development Advisory Committees, Area Betterment Associations, Community Groups, Planning Board, and the Board of selectmen.

(v) Distress (10 points): OCD will derive a community's distress score from the following two areas:

(aa) Unemployment(5 points): a score determined by taking the community's yearly average unemployment rate and dividing it by the standard of 10% (this figure represents 10% unemployment). This figure will be multiplied by the 5 points for this category to receive a final score. Communities with a yearly average unemployment rate greater than 10% will automatically receive the total points allowed.

(bb) LMI Percentage (5 points): a score determined by taking the community's most recent LMI percentage and dividing it by 51 percent. This figure will be multiplied by the 5 points for this category to receive a final score. Communities with an LMI population greater than 51% will automatically receive the total points allowed.

b. Phase II Project Development:

(i) Invitation to Proceed: Applicants will be placed in rank order from highest to lowest according to the scores determined by the scoring team. Starting at the top of the scoring list, applicants will be invited to proceed to Phase II until the funding available in the ML program is exhausted. An invitation into Phase II is not a guarantee of funding, a community will receive the amount necessary to complete its project, up to the maximum, provided it completes the following criteria.

(aa) Project Planning: Details of the project including cost analysis and market feasibility study.

(bb) Project Eligibility: Proposed activities are verified for eligibility pursuant to 24 CFR, Part 570, Subpart I, .482 and are cleared through the environmental review process pursuant to 24 CFR, part 58.

(cc) Project Benefit: The proposed activities are verified to meet the national objective pursuant to 24 CFR, Part 570, Subpart I, .483 et seq. of providing direct benefit to low and moderate income persons.

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

(ee) Regulations: Both State and Federal regulations will be reviewed for compliance.

(ii) Phase II Planning Grants: Pursuant to Section 4A of this Proposed Statement, communities will receive financial assistance, on an as needed basis, A the form of Phase II Planning Grants to cover a portion of the costs associated with project development. The extent to which such assistance is needed shall be determined by OCD staff.

(iii) Two Year Grant Criteria: Micro-loan Programs are not eligible for a two year grant award.

5. Approval Process: The emphasis during Phase II will be to finalize project development. The goal is to develop a local-regional-State partnership that will facilitate project development that best meets the community's identified needs, supports regional development, and is in accordance with State goals. A community liaison will be assigned to your community to work closely with you to identify finalizing your project. Successful completion of Phase II criteria will allow the applicant to contract with DECD and became eligible to receive CDBG funds. Communities not having a signed contract within six months of receipt of a Phase II invitation will forfeit said invitation. The Director of OCD reserves the right to waive this requirement in light of extenuating circumstances.

Project implementation shall begin upon execution of a contract. All activities must be cleared through an environmental review process prior to obligating CDBG funds. OCD staff will remain involved with the community through the end of the project.

D. ECONOMIC DEVELOPMENT INFRASTRUCTURE PROGRAM

The purpose of the Economic Development Infrastructure (EDI) Program is to provide Maine communities with funds in which to develop or rehabilitate public infrastructure so that existing and new businesses can create or retain jobs for low and moderate income individuals.

1. Threshold criteria: The State will distribute EDI funds through the EDI Program. The threshold criteria for the process are listed below:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive EDI Program funds. County governments may apply on behalf of unorganized territories. Groups of local governments may apply for regional or joint EDI projects. multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating local government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston, and Auburn are not eligible to receive EDI funds. Except as described in 1 (a) above, County governments are not eligible.

(c) Eligible Activities: Eligible activities include acquisition, relocation, demolition, clearance, construction, reconstruction, installation, and rehabilitation associated with such public infrastructure projects as water and sewer facilities, flood and drainage improvements, publicly-owned commercial/industrial buildings, parking, streets, curbs, gutters, sidewalks, etc. which are deemed necessary to create or retain jobs for low and moderate income persons.

(d) Project Eligibility: Upon receipt by the OCD, applications will be reviewed to determine the eligibility of the activities that the applicant proposes to undertake with EDI funds. Those activities must be included in 1(c) above and be eligible under 24 CFR, Part 570, Subpart I 482. Applications will only be accepted far infrastructure related activities that lead to job creation or retention. In the event that an application contains any proposed activity unrelated to this, or an activity not listed in Section l(c) above, the entire application will be judged not to have met the project eligibility criteria. In all cases the applicant will be notified in writing of the determination made by OCD.

(e) 51% of the jobs created or retained as a result of EDI expenditures must be made available to or taken by persons of low and moderate income.

(f) Federal and State Certifications for Local Governments: All communities applying for EDI funds must certify that they will:

(i) minimize displacement and adhere to a displacement policy set forth by Section 104(d) of the Housing and Community Development Act of 1974, as amended.

(ii) comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) establish a community development plan;

(iv) meet all required State and Federal public participation requirements;

(v) comply with the Federal requirements of Section 319 of Public Law 101-122 regarding government-wide restriction on lobbying;

(vi) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients which are receiving CDBG funding may obtain a financial interest in any contract, subcontract or agreement with respect to CDBG activities;

(vii) Provide a local match equivalent to 20 percent of the total grant award; and

(viii) reviewed the project proposed in the application to be sure that it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(g) Prohibition on Multiple Uses: Units of local government and unorganized territories may not benefit from more than one EDI grant per grant year.

(h) Prohibition ark Subsequent Year Award: Units of general local government and unorganized territories that benefited from a 1993 single year Economic Development Infrastructure award may not apply for a 1994 Economic Development Infrastructure grant. Prohibition against subsequent year award is program specific.

2. Program Priorities:

(a) Multi-jurisdictional Priority: Regional or joint applications from a group of communities that meet the eligible applicant threshold criteria will receive 5 supplemental points in Phase I of the selection process.

(b) Activity Priority: Not applicable.

3. Special Program Requirements: EDI Program applicants must also comply with the following:

(a) Past Performance: In order to be eligible to apply far the 1994 EDI Program, communities that received Community Revitalization (CR) grants in 1989 must have conditionally closed their grants by February 11, 1994. Communities that received CR grants in 1990 must have expended 100% of their benefit activity funds by February 11, 1994. Communities that received CR grants in 1991 must have obligated 100% of their benefit activity funds by February 11, 1994. Communities that have received CR grants in 1992 must have obligated at least 50% of their benefit activity funds by February 11, 1994.

(b) Exceptions: Grant recipients may request. for a waiver of this special requirement under the following circumstances: 1) program delays have occurred that are beyond the control of the grantee due to acts of nature or unforeseen changes in availability of leveraged funds or 2) unanticipated program income has been received and the grantee is unable to meet the above performance requirements.

(c) Maximum Economic Development Infrastructure Grant Amount: The maximum grant amount will be $400,000 far a single grant year. The maximum grant amount for a regional project will be 25% greater. OCD's funding decision also resides on its determination of the feasibility of the project.

(d) Grant Termination: The OCD reserves the right to terminate a community's EDI grant if progress on the project is not apparent within 12 months from the date of signing a contract with DECD.

(e) Legally Binding Agreement: The applicant must have a legally binding agreement as of the date of the Phase I application with the party proposing to create and retain jobs with EDI funds. At minimum, the agreement must include details of the project's timeframe, the entire funding package of the project, and the number of proposed jobs for low and moderate income persons created or retained by the use of EDI funds.

4. Selection Process: The selection process will consist of two phases: an application phase, and a project development phase.

(a) Phase I Application: The maximum length of an application is ten pages. It is designed to be a description of a community's economic development problems that it would like to address with EDI funds.

Applications far the EDI Program will be accepted once during the grant year. The application deadline is February 11, 1994. These applications will be evaluated according to the following criteria. A minimum score of 85 points out of a possible 100 will be required for an application to be further considered for funding.

(i) Problem Statement (20 points): The Problem Statement is a description of the problems or needs the applicant wishes to address with an EDI Program. Points will be awarded in the following categories:

(aa) Scope of Problem (10 points) - Description of the problem facing a specific business in the community, or the community as a whole, in relation to job creation or retention activities.

(bb) Identification of Problem (10 points) - Description of the need for these funds and how that need was identified.

(ii) Proposed Solution (30 points): The Proposed Solution is a description of how the applicant would use EDI Program funds to solve the problems discussed in the Problem Statement Points will be awarded in the following categories:

(aa) Scope of Solution (10 points) - Description of the activities that the applicant will undertake in the use of EDI Program funds to resolve the problem(s) presented in the Problem Statement.

(bb) Role of Funding (10 points) - Description of the role that EDI funds play in the overall project and the status of other funding sources integral to project completion.

(cc) Project Feasibility (10 points) - Description of how the project will progress within 12 months from the date of signing a contract with DECD and any obstacles that may be present that could hinder the project.

(iii) citizen Participation (20 points): Citizen Participation is a descriptive demonstration of how business groups, local citizens, community groups and others were involved in the identification of the problem(s) and solutions discussed in the application. Points will be awarded in the following categories:

(aa) Business Involvement (10 points) - Description of the involvement that the specific business or applicant's business community, whichever the case, has had in the development of this application. This should include a description of any and all meetings that were conducted where governmental business assistance was discussed.

(bb) General Citizen involvement (10 points) - Description of the involvement that the general citizenry has had concerning the concept of assisting businesses. General citizenry groups consist, but are not limited to, Community Development Advisory Committees, Area Betterment Association, Community Groups, Planning Board, and the Board of Selectmen.

(iv) Commitment (20 points): Commitment is a description of the other resources that will he contributed to the project. These may include commitments obtained or sought to date. In the evaluation of this section, commitments that have been obtained and that are legally binding will receive greater scores than those that are not. Points will be awarded in the following categories:

(aa) Sources (10 points): A description of all the other sources of funding that have been secured for this specific project, the arrangements that have been made to secure these funds, and a detailed description of the status of these sources at the time of this application.

(bb) Timeframe (10 points): A description of when the funds mentioned above will be injected into the overall project.

(v) Distress (10 points): OCD will derive a community's distress score from the following two areas:

(aa) Unemployment (5 points): a score determined by taking the community's yearly average unemployment rate and dividing it by the standard of 10% (this figure represents lot unemployment). This figure will be multiplied by, the 5 points for this category to receive a final score. Communities with a yearly average unemployment rate greater than 10% will automatically receive the total points allowed.

(bb) IMI Percentage (5 points): a score determined by taking the community's most recent LMI percentage and dividing it by 51 percent. This figure will be multiplied by the 5 points for this category to receive a final score. Communities with an LMI population greater than 51% will automatically receive the total points allowed.

(b) Phase II Project Development:

(i) Invitation to Proceed: Applicants will be placed in rank order from highest to lowest according to the scores determined by the scoring teas" Starting at the top of the scoring list, applicants will be invited to proceed to Phase II until the funding available in the EDI program is exhausted. An invitation into Phase II is not a guarantee of funding, but a community will receive the amount it requests, up to the maximum, provided it completes the following criteria.

(aa) Project Planning: Details of the project including engineering, cost analysis and market feasibility study.

(bb) Project Eligibility: Proposed activities are verified for eligibility pursuant to 24 CFR, Part 570, Subpart I, .482 and are cleared through the environmental review process pursuant to 24 CFR, Part 58.

(cc) Project Benefit: The proposed activities are verified to meet the national objective pursuant to 24 CFR, Part 570, Subpart I., .483 et seq. of providing direct benefit to low and moderate income persons.

(dd) Management Plan: Details of the structure and methods established the community for program management.

(ee) Regulations: Both State and Federal regulations will be reviewed for compliance.

(ii) Phase II Planning Grants: Pursuant to Section 4.A. of this Proposed Statement, communities will receive financial assistance, on an as needed basis, in the form of Phase II Planning Grants to cover a portion of the costs associated with project development. The extent to which such assistance is needed shall be determined by OCD staff.

(iii) Two Year Grant Criteria: EDI Programs are not eligible for two year grant awards.

5. Approval Process: The emphasis during Phase II will be to finalize project development. The goal is to develop a local-regional-State partnership that will facilitate project development that best meets the community's identified needs, supports regional development, and is in accordance with State goals. A community liaison will be assigned to your community to work closely with you to identify finalizing your project. Successful completion of Phase II criteria will allow, the applicant to contract with DECD and become eligible to receive CDBG funds. Communities not having a signed contract within six months of receipt of a Phase II invitation will forfeit said limitation. The Director of OCD reserves the right to waive this requirement hi light of extenuating circumstances.

Project implementation shall begin upon execution of a contract. All activities must be cleared through an environmental review process prior to obligating CDBG funds. OCD staff will remain involved with the community through the end of the project.

E. INTERIM FINANCE PROGRAM

The purpose of the Interim Finance Program (lip) is to utilize funds not disbursed in the State's Letter of Credit far grants to communities to assist businesses or developers create housing and job opportunities for low and moderate income people through short-term loans.

1. Threshold Criteria: IFP applicants must meet the following threshold criteria:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive IFP funds. County governments may apply on behalf of unorganized territories. Groups of local governments may apply for regional or joint projects. Multi-jurisdictional applications require designation of one local government as the legal applicant and consent for that designation by each participating local government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn are not eligible to receive IFP funds. Except as described in 1 (a) above, County governments are not eligible applicants.

(c) The proposed activities must meet the low and moderate income objective as described below:

(i) at least 51% of the jobs created by IFP expenditures must be provided to low and moderate income persons (24 CFR Part 570, Section I, .483 (a) (4)),

(ii) at least 51% of the housing units created by IFP expenditures must be occupied by low and moderate income households (24 CFR Part 570, Subpart I, .483 (a) (3)), or

(iii) the IFP expenditures reduce the development costs for new multi-family, non-elderly housing construction where not less than 20% of the units will be occupied by low and moderate income households at affordable rents and the proportion of the total cost of developing the project to be borne by the IFP funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households (24 CFR Part 570, Subpart I, .483 (a) (3) (i)).

(d) Undertake eligible activities pursuant to 24 CFR 570, Section I, .482 et seq.

(e) Federal and State Certifications for Local Governments: All communities applying IFP funds must certify they will:

(i) Minimize displacement and adhere to a locally adopted displacement policy set forth by Section 104(d) of the Housing and Community Development Act of 1974, as amended.

(ii) comply with the provisions of the Civil Riots Acts of 1964 and 1968;

(iii) establish a community development plan;

(iv) meet all required State and Federal public: participation requirements;

(v) comply with. the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying;

(vi) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients which are receiving CDBG funding may obtain a financial interest in any contract, subcontract or agreement with respect to CDBG activities; and

(vii) reviewed the project proposed in the application to be sure it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(f) Complete the required IFP application materials.

(g) The application amount must be between $500,000 and $5,000,000. The commissioner of DECD may waive the $500,000 minimum requirement if OCD determines it is in the best interest of the State and if OM incurs no additional administrative costs as a result of the smaller award.

2. Special Program Requirements: IFP applicants must also comply with the following:

(a) Need for Financing: There must be a demonstrated need for an IFP loan in order for the project to be funded. The need may be based upon either a gap in available funding for the project or on a determination the costs of financing so adversely affect the project's rate of return the project would not be undertaken without additional assistance. IFP grantees must demonstrate the proposed rate and term have been set to ensure the assistance provided is the minimum needed and the proposed assistance is necessary and appropriate to carry out an economic development project.

(b) Commitment of Non-CDBG Funds: The business being assisted must demonstrate that all non-CDBG financing, both permanent and interim, necessary for the project's completion has been secured.

(c) Community Benefit: The project must result in a substantial benefit to the community: job creation/retention, tax revenue increases, new housing opportunities, or public facility improvements relative to the public dollar investment.

(d) Irrevocable Letter of Credit: The business being assisted by the IFP grantee must secure an unconditional, irrevocable letter of credit for the full amount of the Interim Financing loan (principal plus accrued interest to term) from a lending institution acceptable to DECD which will be assigned to the State. The State may accept a FAME guarantee in lieu of an irrevocable letter of credit.

3. Selection Process: IFP grants will be made on a first come basis. Projects that meet requirements may be awarded IFP grants until the amount of funds available in the State's letter of credit has been committed. Following full commitment of the IFP, the State will maintain a waiting list of eligible projects to be funded. If projected funds will not be available for a minimum of six months, the State reserves the right not to accept any additional applications.

4. Approval Process: Through its Technical Assistance Providers, direct mailings, and other marketing methods, the State will advertise the availability of funds within the IFP. Communities interested in applying will: notify the State of its intent to apply, identify the proposed loan recipient and provide an application describing the project. Following the acceptance of a complete application by the State, the DECD or its designee will conduct a financial analysis of the project. DECD will determine if the IFP grant/loan is needed, if all non-CDBG permanent and interim funds are committed, and if an irrevocable letter of credit is in place. The DECD staff will recommend the loan terms and interest rates to the Director of the OCD. The State will review all other program requirements. If these requirements are met, the Commissioner of the DECD will make a grant award based an the project meeting all program requirements.

SECTION 4. PLANNING/TECHNICAL ASSISTANCE METHODS OF DISTRIBUTION

A. PHASE II PLANNING GRANTS

The purpose of the Phase II Planning Grant is to enable communities to gather, analyze, and Provide information required by the Phase II Project Development process.

1. Threshold Criteria: The State will distribute Phase II funds to communities or community partnerships, provided they meet the following threshold criteria:

(a) Eligible Applicants: Only communities invited into Phase II of the Housing Assistance, Public Facilities/Infrastructure, Economic Development Infrastructure, and Micro-Loan Programs are eligible to apply far and receive Phase II Planning Grants from the State.

(b) Eligible Activities: Phase II Planning funds may be used for planning activities necessary to complete Phase II requirements as described in applicable funding programs listed in 1 (a) above.

(c) Need and Capacity: Applicants must demonstrate a need for financial assistance and the means to execute the Phase II Planning grant award.

(d) Federal and State Certifications for Local Governments: All communities applying far Phase II Planning Grants must: certify they will:

(i) minimize displacement and adhere to a locally adopted displacement policy as set forth in Section 104(d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) adhere to applicable Energy Efficiency Building Performance Standards;

(iv) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(v) establish a community development plan;

(vi) meet all required State and Federal public participation requirements;

(vii) comply with the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying; and

(viii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or, elected official or appointed official of State or local government or of any designated public agencies, or subrecipients which are receiving CDBG funding nay, 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.

2. Special Program Requirements: Not applicable.

3. Selection Process: Communities will submit a Phase II Planning Grant Proposal that demonstrates need for financial assistance to complete applicable Phase II requirements and will describe how the funds will be used to complete Phase II tasks.

4. Approval Process: OCD staff will review threshold criteria and the applicant's proposal. Phase II Planning Grants will be awarded on a competitive and as-needed basis.

B. GENERAL PURPOSE PLANNING GRANTS

The purpose of the General Purpose Planning Grant (GPPG) program is to provide financial assistance to communities or community partnerships have clearly identified a local community or economic development problem and lack the resources to develop a strategy for solving that problem.

1. Threshold Criteria: The State will award GPPG funds to communities or community partnerships, provided they meet the following threshold criteria:

(a) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive GPPG funds. County governments may apply on behalf of unorganized territories. Groups of local governments may apply for regional or joint projects. Multi-jurisdictional applications require designation of one local government as the legal applicant and consent for that designation by each participating local government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn, are not eligible to receive GPPG funds. Wept as described in l (a) above, County governments are not eligible applicants.

(c) Eligible Activities: GPPG funds may be used for planning only activities that include studies, analyses, data gathering, preparation of plans and maps, and identification of actions that will implement plans. Engineering, architectural and design costs related to specific activities are not eligible.

(d) Project Eligibility: All activities undertaken with GPPG funds must be eligible under 24 CFR Part 570, Subpart I, .482. All applications containing proposed ineligible or non-planning activities will be judged not to have met the project eligibility criteria. In all cases the applicant will be notified in writing of the determination node by OM.

(e) Project Benefit: The proposed activities must meet one of the national objectives pursuant to 24 CFR, Part 570, Subpart I, .483, (b) (5), (c) (3) or (d), of either providing direct benefit to low and moderate income persons, removing slum or blighting influences within that community, or meeting community development needs having a particular urgency.

(f) Federal and State Certifications for Local Governments: All communities applying for GPPG funds must certify they will:

(i) minimize displacement and adhere to a locally adopted displacement policy as set forth in Section 104 (d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) adhere to applicable Energy Efficiency Building Performance Standards;

(iv) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(v) establish a community development plan;

(vi) meet all required State and Federal public participation requirements;

(vii) comply with the Federal requirements of Section 319 of Public Law 101-122 regarding government-wide restriction on lobbying;

(viii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients which are receiving CDBG funding nay 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;

(ix) if the project that was assisted with GPPG funds was to be implemented, it would meet one of the national objectives of the CDBG program and

(x) reviewed the project proposed in the application to be sure it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

(g) Prohibition on Multiple Grants: Units of local government and unorganized territories nay not benefit from more than one General Purpose Planning Grant during the same grant year.

2. Special Program Requirements: GPPG applicants must also comply with the following:

(a) Past Performance: In order to be eligible to apply far the 1994 General Purpose Planning Grant program, communities that received Community Revitalization (CR) grants in 1989 must have conditionally closed their grants by April 8, 1994. Communities that received CR grants in 1990 mist have expended 100% of their benefit activity funds by April 8, 1994. Communities that received CR grants in 1991 must have obligated 100% of their benefit activity funds by April 8, 1994. Communities that received CR grants in 1992 must have obligated at least 50% of their benefit activity funds by April 8, 1994. Communities that received GPPG funds in 1993 Rust have obligated at least 25% of their benefit activity funds by April 8, 1994.

(b) Exceptions: Grant recipients may request a waiver of this special requirement under the following circumstances: 1) program delays have occurred that are beyond the control of the grantee due to acts of nature or unforeseen changes in availability of leveraged funds or 2) unanticipated program income has been received and the grantee is unable to meet the above performance requirements.

(c) Maximum GPPG award amount: The maximum award is $10,000.

(d) Benefit of Planning: Communities must describe how the project assisted with GPPG funds, if implemented, would meet one of the national objectives of the CDBG program an; described in 1(e) above.

3. Selection Process: Applications for GPPG's will be accepted April 8, 1994. Prior to consideration of a grant award, the proposals must meet the threshold criteria and the special program requirements. Applications will then be reviewed based on the following criteria:

(a) Description of Problem (30 points): A description of the problem(s) the community wants to resolve, how the problem(s) was identified, and the impact of the problem(s) on the community.

(b) Development of Strategy (30 points): A description of how the GPPG program will work with local government, citizens groups, agencies, and local businesses towards the development of strategies that work towards common goals. This strategy should identify the most effective solution to the problem(s) and how GPPG funds will be used in the formulation of this solution. An estimate of the amount of GPPG funds needed and itemized breakdown of the proposed planning budget must be included.

(c) Project Leverage (40 points): A description of other resources (local, state, federal, private) that will be contributed to the project. These may include commitments obtained or, sought to date.

4. Phase II Project Development: Applicants will be placed in rank order from highest to lowest according to the scores determined by the scoring team. Starting at the top of the scoring list, applicants will awarded funds until the funding available in the GPPG program is exhausted. A community will receive the amount necessary to complete its project, up to the maximum, provided it completes a contract with DECD.

The emphasis during Phase II will be to finalize project development. The goal is to develop a local-regional-State partnership that will facilitate project development that best meets the community's identified needs, supports regional development, and is in accordance with State goals. A community liaison will be assigned to your community to work closely with you to finalize your project. Successful completion of Phase II criteria will allow the applicant to contract with DECD and become eligible to receive CDBG funds. Communities not having a signed contract within six months of receipt of a Phase II invitation will forfeit said invitation. The Director of OCD reserves the right to waive this requirement in light of extenuating circumstances.

Project implementation shall begin upon execution of a contract. All activities must be cleared through an environmental review process prior to obligating CDBG funds. OCD staff will remain involved with the community through the end of the project.

5. Allocation: The GPPG allocation is $150,000. Up to $70,000 will be available for studies to assist communities in developing strategies for downtown revitalization.

C. GROWTH MANAGEMENT PLANNING GRANTS

The Growth Management Planning Grant (GMP) program is intended to enable Maine's communities to develop comprehensive plans and implementation measures to prepare for and manage their future growth and development. The plans and implementation measures will help communities recognize strengths and weaknesses while identifying their planning goals for a ten year period and define strategies to implement the plans. A community's growth management planning program must be consistent with established State goals to protect natural and cultural resources, enhance economic development, affordable housing and recreational opportunities and identify and plan for public facilities needs.

1. Threshold Criteria: The State will award GMP grants to communities, provided they meet the following threshold criteria:

(a) Eligibility:

(i) Planning Assistance Grants: have not previously received a planning assistance grant from the DOCK

(ii) Implementation Assistance Grant: (a) have not previously received an implementation assistance grant from the DECD; and (b) have a locally adopted comprehensive plan that has been reviewed by the OCD and found to be consistent with the Growth Management Act, or receive a special waiver of this requirement.

(b) Benefit: At least 51% of their population is law and moderate income;

(c) Capacity: Demonstrate the means and ability to complete the planning program.

(d) Federal and State Certifications for Local Governments: All communities applying for GMP funds must certify they will:

(i) minimize displacement and adhere to a displacement policy set forth by Section 104 (d) of the Housing and Community Development Act of 1974, as amended;

(ii) comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) establish a community development plan;

(iv) meet all required State and Federal public participation requirements;

(v) comply with the Federal requirements of Section 319 of Public Law 101-122 regarding government-wide restriction on lobbying; and

(vi) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients which are receiving CDBG funding may obtain a financial interest in any contract, subcontract or agreement with respect to CDBG activities.

2. Special Program Requirements: GMP applicants must also comply with the following:

(a) Match: communities will provide a local match to the grant funds of 15% of the total project, (85% grant/15% local share);

(b) Match Waiver: the local match requirement may be reduced at the discretion of the OM when a community makes such a request and demonstrated an inability to fund the local match;

(c) State Share Funding Formula:

(i) Planning Assistance Grants: grant funds (State share) are provided in accordance with the following formula, based upon 1987 State census data: all communities with populations of 500 or less receive $13,500, for each additional 500 persons a community will receive $1,250, actual amounts will be determined by interpolation, to a maximum grant amount of $60,000;

(ii) Implementation Assistance Grants: a maximum of $9,375 will be awarded to each community in accordance with provision of a full local match. Communities that provide a diminished local match will receive a proportionally reduced grant award.

(d) Growth Management Requirements: Communities participating in the Growth Management Planning Grant program funded by CDBG funds will be bound by the requirements of the DECD's Growth Management Program pursuant to, Title 30-A, MRSA, Chapter 187 and any rules adopted by the OCD.

3. Selection Process: Communities will be made offers of GMP grants by OCD in the following order of preference:

(a) Van Buren, Phillips, Bingham, Jonesport, and Milbridge are the eligible communities with populations over 1,000;

(b) implementation grants to communities that meet the threshold criteria and have locally adopted, consistent comprehensive plans. Communities that qualify for this group on the date funding is available will be selected for a grant by lottery;

(c) selection of all other communities will be made by lottery, with allowances to foster regional distribution throughout the State;

(d) each community, upon receipt of notification of a grant offer, will be provided 45 calendar days to accept the funds. After this time period has lapsed, funds initially reserved for that community will be made available to the next community based upon the selection process (a-d).

(e) Funds will be distributed in the following manner:

(i) Beginning May 1, 1994 with the first community listed in 3 (a), funds will be reserved for communities up to the level of funds in the pool.

(ii) If a community rejects the funds, or requests a reduced level from the amount of the offer, the next community as established in the selection process will be offered funds.

(iii) Offers will be node until all funds are exhausted or all communities that wish to participate have received grants.

4. Approval Process: OCD staff will review threshold criteria, make grant offers based upon selection criteria and enter, into contracts, including detailed work plan programs, with selected communities.

D. TECHNICAL ASSISTANCE GRANTS

The purpose of the Technical Assistance (TA) Grant Program is to provide grant funding to the following preselected lead communities that will act on behalf of communities, within the existing Regional Council planning districts.

The lead communities have been selected on the basis of their willingness to assume the responsibility of administering this grant. These lead communities will assume certain administrative work, but will not receive any greater program benefit than neighboring communities that receive technical assistance for the Community Development Block Grant Program.

The following lead communities may provide technical assistance services under contract with their respective Regional Council to provide information about the Community Development Block Grant Program to communities in their region and to assist interested communities in preparing grant applications in the program categories:

Boothbay Harbor

Caribou

Ellsworth

Freeport

Kittery

Mechanic Falls

Orono

Winslow

The following lead communities may Request for Proposals and be selected as technical assistance providers under the Community Development Block Grant Program to communities in their identified region and, if selected, assist interested communities in preparing grant applications in the program categories. The lead community will develop this RFP based an criteria developed through the Department of Economic and Community Development. These communities are:

Bath

Eastport

Rockland

Any contracts for services provided hereunder shall be subject to all applicable requirements of the U. S. Department of Housing and Urban Development. If any lead community satisfactorily undertake and complete its responsibilities under this program, the Department of Economic and community Development reserves the right to remove said community and name a replacement.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM BUDGET

GRANT YEAR 1994

|  |
| --- |
| Projected FY 1994 CDBG Program Budget 1 $14,339,000  Administration 386,780  Technical Assistance Administration 143,390  MAXIMUM BUDGET  1. Housing Assistance Grants 3,075,000  2. Public Facilities/Infrastructure Grants 3,000,000  3. Public Service Grants 300,000  4. Urgent Needs Grants 300,000  5. Reserved Grants 1,600,000  6. Development Fund 1,450,000  7. Regional Assistance Fund 843,830  8. Micro loan Program 500,000  9. Economic Development Infrastructure Program 1,500,000  10. Interim Finance Program 2 See Below  11. Phase II Planning Grants 100,000  12. General Purpose Planning Grants 150,000  13. Growth Management Planning Grants 110,000  14. Quality Main Street Strategy Grants 480,000  15. Defense Conversion Planning Grants 200,000  16. Technical Assistance Grants 200,000 |

1 The total program budget is comprised of a federal allocation of $14,339,000 plus a State Match to equal at least $286,780 (which is 2% of the federal allocation).

2 The budget far the Interim Finance Program is comprised of monies not yet disbursed from each of the other programs. These monies are lent on a short term basis. The maximum budget far this program is $5,000,000. This program is capitalized only as loans are issued.

E. QUALITY MAIN STREET STRATEGY GRANTS

The purpose of the Quality Main Street Strategy (QMS) program is to provide financial assistance to communities for the development of strategies to revitalize main streets and downtowns.

1. Threshold Criteria.: The State will award QMS funds to one community in each of Maine's sixteen counties, provided they meet the following threshold criteria:

(a) Eligible Applicants: All units of general local government in Maine, including Plantations, are eligible to apply for and receive QMS funds. County governments may apply on behalf of unorganized territories.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn, are not eligible to receive QMS funds. Except as described in 1 (a) above, County Governments are not eligible applicants.

(c) Eligible Activities: QMS funds may be used for Planning only activities related to the economic revitalization of a main street that include studies, analyses, data gathering preparation of plans and maps, and identification of actions that will implement plans. Engineering, architectural and design costs related to specific activities are not eligible.

(d) Project Eligibility: All activities undertaken with QMS funds must be eligible under 24 CFR, Part 570, Subpart I, .482. All applications containing proposed ineligible or non-planning activities will be judged not to have met the project eligibility criteria. In all cases the applicant will be notified in writing of the determination made by OCD.

(e) Project Benefit: The proposed activities mast meet one of the national objectives pursuant to 24 CFR, Part 570, Subpart I, .483, (b) (5), (c) (3) or (d), of either providing direct benefit to low and moderate income persons, removing slum or blighting influences within that community, or meeting community development needs having a particular urgency.

(f) Federal and State Certifications for Local Governments: All communities applying for QMS funds must certify they will:

(i) minimize displacement and adhere to a locally adopted displacement policy as set forth in Section 104(d) of the Housing and Community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil rights Acts of 1964 and 1968;

(iii) adhere to applicable Energy Efficiency building Performance Standards;

(iv) not attempt to recover certain capital costs of public improvements funded in part with QMS monies;

(v) establish a community development plan;

(vi) meet all required State and Federal public participation requirements;

(vii) comply with the Federal requirements of Section 319 of Public Law 101-122 regarding government-wide restriction on lobbying;

(viii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official, or official of State or local government, or of any designated public agencies, or subrecipients which are receiving QMS 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; and

(ix) if the project that was assisted with QMS funds was to be implemented, it would meet one of the national objectives of the Program.

2. Special Program Requirements: QMS applicants must also comply with the following:

(a) Past Performance: In order to be eligible to apply for the 1994 Quality Main Street Strategy Grant Program, communities that have received CDBG funding since 19982 for downtown revitalization must describe changes in economic conditions, infrastructure capacity or other circumstances that demonstrate the necessity of QMS assistance.

(b) Growth Management: Applicants for QMS must define their status within Maine's Growth Management Program. Communities that have accepted planning assistance funds, have a consistent comprehensive plan, and/or have accepted implementation funds must conduct their QMS planning in accord with their growth management policies. communities that are not currently participating in the Growth Management Program must state their willingness to do so.

(c) Maximum QMHS award amount: The maximum award is $30,000.

(d) Benefit of Planning: Communities must describe how the project assisted with QMS funds, if implemented, would meet one of the national objectives of the CDBG program, as described in 1(e) above,

3. Selection Process: Applications far QMS will be accepted May 9, 1994. Prior to consideration of a grant award, the proposals must meet the threshold criteria and the special program requirements. Applications will then reviewed based on the following criteria:

(a) Description of Problem (30 points): A description of the problem (s) the community wants to resolve including the economic condition of the main street how the problem(s) was identified including the events leading to the present situation, and the impact of the problem(s) on the community.

(b) Development of Strategy (30 paints): A description of how the OAS program will work with local government, citizens groups, agencies, and local businesses toward the development of strategies that work toward common goals for revitalizing the main street. This strategy should identify the most effective solution to the problem(s) and how QMS funds will be used in the formulation of this solution. An estimate of the amount of QMS funds needed and itemized breakdown of the proposed planning budget must be included.

(c) Project Leverage (40 points): A description of other resources (local, state, federal, private) that will be contributed to the project. These may include commitments obtained or sought to date.

4. Phase II Project Development: Applicants will be placed in rank order from highest to lowest by county according to the scores determined by the scoring team. The highest scoring applicant in each county will receive a QMS award. A community will receive the amount necessary to complete its project, up to the maximum, provided it completes a contract with DECD.

The emphasis during Phase II will be to finalize project development The goal is to develop a local-regional-State partnership that will facilitate project development that best meets the community's identified needs, and is in accordance with State goals. A community liaison will be assigned to your community to work closely with you to finalize your project. Successful completion of Phase II criteria will allow the applicant to contract with DECD and become eligible to receive QMS funds. Communities not having a signed contract within six months of receipt of a Phase II invitation will forfeit said invitation. The Director of OCD reserves the right to waive this requirement in light of extenuating circumstances.

Project implementation shall begin upon execution of a contract. Activities must be cleared through an environmental review process prior to obligating QMS funds. OCD staff will remain involved with the community through the end of the project.

5. Allocation: The QMS allocation is $480,000. Up to $30,000 will be available for studies to assist one community in each of Maine's sixteen counties in developing a strategy far economic revitalization of main street and downtowns.

F. DEFENSE CONVERSION PLANNING GRANTS

The purpose of the Defense Conversion Planning Grant (DCPG) program is provide financial assistance to community partnerships that will be affected by defense reductions and lack resources to develop a regional strategy to ameliorate impacts to local and regional economies.

1. Threshold Criteria: The State will award DCPG funds to community partnerships, provided they meet the following threshold criteria:

(a) Eligible Applicants: Groups of communities that are units of general local government in Maine including plantations, are eligible to apply for and receive DCPG funds. County governments may apply on behalf of unorganized territories. The multi-jurisdictional applications require designation of one local government as the legal applicant and consent for that designation by each participating local government.

(b) Ineligible Applicants: Entitlement communities of Portland, Bangor, Lewiston and Auburn, are not eligible to receive DCPG funds. Except as described in l (a) above, County governments are not eligible applicants.

(c) Eligible Activities: DCPG funds may be used for planning only activities related to the development of intergovernmental, interlocal and alternative strategies to ameliorate the impacts of defense downsizing and/or base closure to local and regional economies. Those activities include studies, analyses, data gathering, preparation of plans and maps, and identification of actions that will implement plans. Engineering, architectural and design costs related to specific activities are not eligible.

(d) Project Eligibility: All activities undertaken with DCPG funds rust be eligible under 24 CFR, Part 570, Subpart I, .482. applications containing proposed ineligible or non-planning activities will be judged not to have met the project eligibility criteria. In all cases the applicant will be notified in writing of the determination made by OCD.

(e) Project Benefit: The proposed activities must meet one of the national objectives pursuant to 24 CFR, Part 570, Subpart I .483, (b) (5),(c) (3) or (d), of either providing direct benefit to low and moderate income persons, removing slum or blighting influences within that community, or meeting community development needs having a particular urgency.

(f) Federal and State Certifications for Local Governments: All communities applying for DCPG funds must certify they will:

(i) minimize displacement and adhere to a locally adopted displacement policy as set forth in Section 104(d) of the Housing and community Development Act of 1974, as amended;

(ii) take action to affirmatively further fair housing and comply with the provisions of the Civil Rights Acts of 1964 and 1968;

(iii) adhere to applicable Energy Efficiency Building Performance Standards;

(iv) not attempt to recover certain capital costs of public improvements funded in part with CDBG monies;

(v) establish a community development plan;

(vi) meet all required State and Federal public participation requirements;

(vii) comply with the Federal requirements of Section 319 of Public law 101-122 regarding government-wide restriction on lobbying;

(viii) with the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of State or local government or of any designated public agencies, or subrecipients 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;

(ix) if the project that was assisted with DCPG funds was to be implemented, it would meet one of the national objectives of the CDBG program; and

(x) develop the defense conversion strategy funded by DCPG with awareness of any comprehensive plans in the communities of the region as well as applicable state and local land use requirements.

2. Special Program Requirements: DCPG applicants must also comply with the following:

(a) Past Performance: Not applicable

(b) Funding Restrictions: DCPG funds are limited to coalitions of communities which:

(i) have not received, or will not in the future be eligible for, Office of Economic Adjustment (OEA) planning funds or Economic Development Administration (EDA) planning directly related to defense conversion impacts; and

(ii) have now, or will have, measurable economic impact related to defense downsizing and base closure measured in terms of job loss, housing vacancy, economic impact on infrastructure, e.g. sewer and water.

(c) Maximum DCPG award amount: The maximum award is $50,000.

(d) Benefit of Planning: Communities must describe how the project assisted with DCPG funds, if implemented, would meet one of the national objectives of the CDBG program as described in 1(e) above.

3. Selection Process: Applications for DCPG's will be accepted May 9, 1994. Prior to consideration of a grant award, the proposals must meet the threshold criteria and the special program requirements. Applications will then be reviewed based on the following criteria:

(a) Description of Problem (30 points): A description of de downsizing or base closure issues that confront the coalition of communities. This discussion should include the impacts on sustainable development in the area, an overview of the regional economy including competitive position and strengths, an analysis of the economic resource base, and how the problem(s) were identified by the group.

(b) Development of Strategy (30 points): A description of how the DCPG program will work with local governments, citizens groups, agencies, and local businesses toward the development strategies that work toward common goals. This strategy address the following major issues: development capacity, support of current business/industrial base, enterprise developments, development infrastructure, human resources, and economic growth options. A description funds of how DCPG funds will be used in the development of the strategy including an estimate of the amount of DCPG funds needed and itemized breakdown of the proposed planning budget is required.

(c) Regional Involvement (40 points): A description of how the strategic planning will involve all participating communities and how all the communities All contribute other resources (local, state, federal, private) to the project. These may include commitments obtained or sought to date.

4. Phase II Project Development: Applicants will be placed in rank order from highest to lowest according to the scores determined by the scoring team. Starting at the top of the scoring list, applicants will awarded funds until the funding available in the DCPG program is exhausted.. A community will receive the amount necessary to complete its project, up to the maximum, provided it completes a contract with DECD.

The emphasis during Phase II will be to finalize project development. The goal is to develop a local-reqional-State partnership that will facilitate project development that best meets the identified needs of the group of communities, supports regional development, and is in accordance with State goals. A community liaison will be assigned to your community to work closely with you to finalize your project. Successful completion of Phase II criteria will allow the applicant to contract with DECD and become eligible to receive CDBG fends. Communities not baying a signed contract within six months of receipt of a Phase II invitation will forfeit said invitation. The Director of OCD reserves the right to waive this requirement in light of extenuating circumstances.

Project implementation shall begin upon execution of a contract. All activities must be cleared through an environmental review process prior to obligating CDBG funds. OCD staff will remain involved with the community through the end of the project.

5. Allocation: The DCPG allocation is $200,000.

SECTION 5. REDISTRIBUTION OF GRANT FUNDS

This section describes the methods by which any funds not distributed, disencumbered funds, additional funds received from HUD, and program income may be redistributed by the State.

A. ADMINISTRATIVE REDISTRIBUTION OF GRANT FUNDS

1. Local Government Grants from the State: local governments receiving giants as a result of the 1994 CDBG program but unable to have their projects substantially underway (staff hired, environmental review complete, program costs obligated) within twelve months of the grant award, shall have their grant canceled by the State. Unexpended grant funds may be added to any open CDBG contract, used to make additional awards in any 1994 CDBG program, or added to the available monies for the 1995 competition.

Unexpended funds remaining in the grantee's CDBG account at grant closeout, funds remaining in a grantee's award but not drawndown upon grant closeout and funds returned to the State because of disallowed costs may be added to any open CDBG contract, used to make additional awards in any 1994 CDBG program or added to the available monies for the 1995 competition.

2. Unallocated State Grants To local Governments: Unallocated grant funds resulting from lack of adequate program competition or demand in the Housing Assistance, Public Facilities/Infrastructure, Public Service, Urgent Need, Development Fund, Regional Assistance, Micro-Loan, Economic Development Infrastructure, Phase II Planning, General Purpose Planning, Growth Management Planning, Quality Main Street Strategy, and Defense Conversion Planning Grant Programs may be added to any open CDBG contract, used to make additional awards in any 1994 CDBG program or added to the available monies for the 1995 competition.

3. State Grants from HUD: Additional HUD allocations to the State of Maine may be added to any open CDBG contract, used to make additional awards in any 1994 CDBG program or added to the available monies for the 1995 competition.

4. Basis for Redistribution: The decision on how to redistribute the types of funds described in Paragraphs 1, 2 and 3 above will be made after staff evaluation of the following: the total funds available, requests for additional funding from current CDBG grantees, any applicants that received scores above the 85 point threshold in 1994 competitions but did not receive funding and the possibility of holding additional competitions during the 1994 Program. Additional competitions will be held only as a last resort, and be limited to Housing Assistance, Public Facility/Infrastructure, Public Service, Micro-Loan, and Economic Development Infrastructure. In all cases, these additional competitions and the subsequent programs developed, will be subject to the applicable section(s) of this 1994 Final Statement or amendments thereto.

In the case of funds added to open grant(s), redistribution will give priority to grants needing additional CDBG funds in order to complete the activities described in their application to the State and secondly to grants for additional activities which meet the State and local community development objectives. In no case will the total of the original grant award and any redistributed funds to that grant, exceed the maximum grant award for that program as set forth in this Final Statement.

All staff recommendations regarding redistribution of funds in the 1994 CDBG program will be subject to approval by the Director of the OCD.

B. PROGRAM INCOME

As used in this Proposed Statement, program income means the gross income received by a grantee from any grant-supported activity.

1. General Program Income Requirements:

(a) Program Income Received During the Grant Period: Program income may be retained by a grantee for a specific purpose or activity during the grant period provided the grantee submits an acceptable Program Income Plan, as described in Section 5(B) (1) (d) of this Proposed Statement. If not, the grantee must expend program income for all activities, prior to requesting additional grant funds for any activity.

(b) Program Income Received After the End of a Grant Period: Grantees must transfer all program income, at the end of a grant, to the most recent open grant. The funds are considered program income of the new grant.

Grantees that desire to retain program income received after the end of their last open CDBG grant, must submit a Program Income Plan as described in Section 5(B)(1)(d) of this Proposed Statement.

(c) Program income Received by the State: Up to 2% of program income returned to the State may be used for administrative costs. The balance of program income (98%) will be used to fund new or previously committed CDBG obligations.

(d) Program Income Plan.: Each grantee anticipating program income during or after the end of a grant period must submit a Program Income Plan to OCD. A Program Income Plan shall include the following:

(i) A description of the Title I eligible activities and National Objective(s) that will be funded with program income;

(ii) Documentation of the need for the program income in the activity proposed for reuse;

(iii) A schedule for the receipt and reuse of the program income; and

(iv) A description of the grantee's administrative capacity to manage and track all program income received during and after a grant and to manage the activity, to be funded with program income. The grantee must also indicate how much of the program income, not to exceed 13% in the HA, PFIG and EDI programs and not to exceed 18% in the PS and ML programs, will be used for administration of the program income.

(e) Program Income Plan Submission: The following schedules must be adhered to when submitting a program income plan:

(i) Housing Assistance, Public Facilities/Infrastructure, Public Service, Urgent Need, Reserved, Micro-Loan, Economic Development Infrastructure: during the Phase II process;

(ii) Development Fund: within forty-five (45) days of grant award;

(iii) interim Finance Program: with the IFP application; and

(iv) Regional Assistance Fund: with the RAF application.

2. Special Program Requirements: special program requirements apply to the following programs:

(a) Development Fund Program Income: Except for those grantees who can adequately demonstrate the reuse of program income for the "same activity" that generated the program income, grantees will return the repayments to the State to be placed in a State CDBG Development Fund Revolving loan Fund (RLF) Program.

For these purposes, "same activity" shall mean the same business that originally received CDBG assistance. Loans made from the State RLF must be provided as grants to local governments far loans to businesses and/or developers, must undergo DECD's loan review process, and must meet the 51% low to moderate income benefit threshold.

(b) Interim Finance Program Income: The assignment of program income will be negotiated at the time of grant award.

(c) Regional Assistance Fund Program Income: The assignment of program income will be negotiated at the time of grant award.

(d) Micro-Loan Program Income: Wept for those grantees who can adequately demonstrate demand for the reuse of program income far the "same activity" that generated the program income, grantees will return Micro-Loan repayments to the State to be placed in the pool of funds for the State Micro-loan Program.

For these purposes, "same activity" shall mean an eligible loan as defined under tie micro-loan Program.

SECTION 6. APPEALS

An applicant wishing to appeal DECD's decision regarding their 1994 award may do so by submitting an appeal letter to the Commissioner of Economic and Community Development within fifteen (15) days of grant announcement.

Appeals of award decisions are restricted to errors of fact or procedure. Appeals in the areas of judgment regarding qualitative scoring will not be allowed. If an appeal is successful, funds will be reserved for the project from available or subsequent CDBG funding.

SECTION 7. AMENDMENT TO THE FINAL STATEMENT

The State can amend the 1994 Final Statement from time to time in accordance with the procedures required for the preparation and submission of the final statement. In addition, the amendment process will be guided by the State of Maine's Administrative Procedure Act.

STATUTORY AUTHORITY: 5 M.R.S.A. Section 13058(3)

EFFECTIVE DATE:

November 27, 1993

AMENDED:

December 18, 1993

March 30, 1994 -- Sec. 1,4, 5, 6, & 7

April 5, 1994 - Sec. 1, 4, 5, 6, & 7

January 8, 1995 - Sec. 4 (D)(Sec. 4D & E changed to 4E & 4F) per Aaron ?.

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 15, 1996

CONVERTED TO MS WORD:

May 12, 2005

APAO WORD VERSION CONVERSION (IF NEEDED) AND ACCESSIBILITY CHECK: July 15, 2025