# 19 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

498 OFFICE OF COMMUNITY DEVELOPMENT

Chapter 14: ADMINISTRATION OF 1995 COMMUNITY DEVELOPMENT BLOCK GRANT SMALL CITIES PROGRAM

1995 Maine Community Development

Block Grant Program

Final Statement, September 1994

Department of Economic and Community Development

Office of Community Development

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19 489 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Chapter 14: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM:

1995 FINAL STATEMENT

SUMMARY: The 1995 Final Statement describes the design and the method of distribution of funds in Maine's 1995 Small Cities - Community Development Block Grant (CDBG) Program. The CDBG Program is administered pursuant to 5 M.R.S.A. §13073. The 1995 Final Statement was prepared by the Department of Economic and Community Development (DECD) following a review of the 1994 CDBG Program. As part of the Maine Administrative Procedure Act, DECD held three public bearings to solicit input for this Final Statement.

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, multi-jurisdictional 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 (OM), designs and offers programs allowing municipalities to achieve CDBG stated objectives. The purpose of the 1995 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 1995 programs under three broad methods of distribution areas: Community Development, Economic Development and Planning.

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 multi-jurisdictional organizations which can use the assistance as leverage to obtain funds under the EDA Economic Adjustment Assistance Program (Title DC) and the EDA Public Works Program (Title I), Planner Is 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

d. Economic Development Infrastructure Grants: To 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 Methods of Distribution

a. Phase II Planning Grants: To assist communities in the Proposed 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. Quality Main Street Strategy Grants: To provide financial assistance to communities for the development of strategies to revitalize main streets and downtowns.

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.

Quality Main; street strategy and

General Purpose Planning February 16, 1995

Housing Assistance November 18, 1994

Public Facilities/Infrastructure December 2, 1994

Micro-Loan and Public Service December 16, 1994

Economic Development Infrastructure November 18, 1994

March 29, 1995

June 1, 1995

Urgent Need 1st come basis beginning

February 1, 1995

Development Fund 1st Thursday of month

Regional Assistance Fund see Section 3. D. 4. (a)

Interim Finance Program 1st come basis

E. PROGRAM BUDGET

The budget an the next page indicates the manner in which CDBG Funds will be allocated among programs for the 1995 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 1995 federal allocation is projected to be $14,339,000. Based on the estimated federal amount, the maximum amount available for each program is indicated in the following budget.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM BUDGET

GRANT YEAR 1995

|  |
| --- |
| Projected FY 1995 CDBG Program Budget 1 $17,181,000  Administration 443,620  Technical Assistance Administration 171,000  **MAXIMUM BUDGET**  1. Housing Assistance Grants  Single community 2,000,000  Multi-jurisdictional 1,075,000  2. Public Facilities/Infrastructure  Sub Category 1 3,200,000  Sub Category 2 1,250,000  Sub Category 3 225,000  3. Public Service Grants 287,500  4. Urgent Need Grants 300,000  5. Reserved Grants 2,000,000  6. Development Fund 350,000  7. Regional Assistance Fund 1,400,000  8. Micro Loan Program 475,000  9. Economic Development Infrastructure Program 3,153,880  10. Interim Finance Program 2 See Below  11. Phase II Planning Grants 100,000  12. General Purpose Planning Grants 150,000  13. Quality Main Street Strategy Grants 400,000  14. Technical Assistance Grants 200,000 |

1 The total program budget is comprised of a projected federal allocation of $17,181,000 plus a State match to equal at least $343,620 (which is 2% of the-federal allocation).

2 The budget for 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 for this program is $5,000,000. This program is capitalized only as loans are issued.

F. THRESHOLD CRITERIA FOR THE 1995 CDBG PROGRAM

(1) The following State and Federal Regulations APPLY TO ALL PROGRAMS:

Federal and State Certifications for Local Governments:

All communities applying for CDBG 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 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;

(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) 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.

(2) The following general requirements APPLY TO ALL PROGRAMS:

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

(b) Prohibition on Subsequent Year Award: Units of general local government and unorganized territories that benefited from a 1993 two year award, (whether a single community or a part of a of a multi-jurisdictional program), may not apply again in that specific program until the 1996 program. Units of local government that benefited from a 1994 single year award may not apply again in that specific program until the 1996 program. Units of local government and unorganized territories that received a 1994 two year award may not apply again in that specific program until the 1997 program. Prohibition against subsequent year awards is program specific.

(c) Computation of Distress Scores - Multi-Jurisdictional Applications: Distress scores for multi-jurisdictional applications will be computed an a weighted average basis.

(population 1)(distress 1)+(population 2)(distress 2)+.../population 1 + population 2 +... = weighted average distress score.

(d) 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.

(e) Two Year Grant Criteria: (APPLICABLE TO ONLY THE FOLLOWING PROGRAMS: PUBLIC FACILITIES/INFRASTRUCTURE (PFIG) PROGRAM SUBCATEGORY 1, AND THE HOUSING ASSISTANCE PROGRAM). Applicants may be awarded a two year grant if they meet all three of the following criteria:

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

(ii) The total amount of requested funds must exceed the maximum limit allowed for a single year grant or a multi-jurisdictional project in that program;

(iii) 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.

(3) The following Threshold criteria APPLY ONLY TO THE FOLLOWING PROGRAMS:

\* Housing Assistance (HA) \* Public Service Grant(PSG)

\* Economic Development Infrastructure (EDI) \* Micro Loan (ML)

\* Public Facilities Infrastructure (PFIG)

(a) Threshold Criteria: The State will distribute CDBG funds to local governments through the annual CDBG Selection Process. The threshold criteria for the process are listed below:

(i) Eligible Applicants: All units of general local government in Maine, including plantations, are eligible to apply for and receive CDBG funds. County governments may apply an behalf of unorganized territories. Counties may make more than one application, per program, but only on behalf of different unorganized territories. Groups of local governments may apply for multi-jurisdictional or joint projects. These multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating local government.

(ii) Ineligible Applicants: The entitlement communities of Portland, Bangor, Lewiston, and Auburn are not eligible to receive State CDBG program. funds. Except as designated in 1(a) above, County governments are not eligible applicants.

(iii) Project Eligibility: Upon receipt by the OCD, applications will be reviewed to determine the eligibility of the activities the applicant proposes to undertake with CDBG funds. Those activities must be included in 1(c) of that program and be eligible under 24 CFR, Part 570.482. In the event an application contains an activity not listed in 1(c) of that program, the entire application will be judged riot to have net the project eligibility criteria. In all cases, the applicant will be notified in writing of the determination made by OCD.

(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 mill be invited to proceed to Phase II until the funding available in that 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 grant award for that program.

(aa) Project Planning: Details of the project including engineering, cost analysis, feasibility and/or market studies (and Structural analysis in the case of Housing Assistance)

(bb) Project Eligibility: Proposed activities are verified for eligibility pursuant to 24 CFR, Part 570.482 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 570.483 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.

(c) 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 multi-jurisdictional 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.

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

(a) 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, directly related to assisting or to creating residential housing units.

(b) All communities applying for Housing Assistance funds must certify that they have/will:

(i) adhere to MRSA Title 10, Chapter 214, Energy Efficiency Building Performance Standards Act, Section 1415-C (1), (1A) and Section 1415-G in the construction of any new residential housing units;

(ii) provide a local match equivalent to 10 percent of the total grant award.

2. Program Priorities:

(a) 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 1995 Housing Assistance program, communities that received Community Revitalization (CR) grants in 1990 must have conditionally closed their grants by November 18, 1994. Communities that received CR grants in 1991 must have expended 100% of their benefit activity funds by November 18, 1994. Communities that received CR grants in 1992 must have obligated 100% of their benefit activity funds by November 18, 1994. Communities that received HA grants in 1993 must have obligated at least 50% of their benefit activity funds by November 18, 1994. These requirements relate to all communities in a multi-jurisdictional program.

(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 multi-jurisdictional project will be $375,000 for one year grants and $750,000 for 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, foundation work, inadequate sewage disposal, lick of potable water, presence of asbestos, lead-based paint, radon, or other hazardous material, or the need for handicapped accessibility must be addressed, up to an additional $7,000 per unit nay be made available. In extreme circumstances the maximum housing rehabilitation cost can be waived by OCD.

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

The housing assistance grant program will have two competitions: one for multi-jurisdictional applications and one for single community applications. Applicant communities may submit one only application and must select either of the two competition categories. OCD reserves the right to transfer funds between these two budget categories if acceptable applications (score of 85 or higher) are not received in either of the categories.

(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 November 18, 1994. A minimum score of 85 will be required for an application to be considered for funding. Applications will be evaluated according to the following criteria.

(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 bow the applicant would like to use Housing Assistance funds to solve the problems or needs 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 homing problems in a timely manner and the readiness of the applicant to implement the program.

(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) 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 an estimated timeframe regarding when various aspects of the program will be undertaken, may be reviewed. For multi-jurisdictional applications, each participating community must provide a commitment of resources approximately commensurate with the amount of planned rehabilitation to occur within that community. 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 bow 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 from the following four areas:

(aa) Housing (2.5 points): a composite scare 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 total): Percentage Factor (1.5 points) = a composite score derived from two factors -- a ranking based an the unemployment rates of the applicant communities, plus .15 points for each percentage point the community's municipal unemployment rate is above the State's average unemployment rate. Absolute Factor (1.0 points) - a score derived from ranking absolute numbers of unemployed persons in each community from highest to lowest. The ranking will be divided into three segments and assigned points accordingly (high 1; middle .66; low .33). Unequal divisions will be rounded up.

(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 % of persons in a community below 150% of the poverty, level as defined by the most recent data available. The poverty level % will be ranked within the four population categories discussed above.

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 are part of a community development strategy and will lead to future public and private investments.

1. Special Threshold Criteria and Certifications: 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 and certifications are listed below:

(a) 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, neighborhood revitalization and public works garages. An application may include more than one eligible PFIG activity.

(b) All Communities applying for PFIG funds must certify that they have/will:

(i) adhere to ASHRAE/IES 90.1-1990 for energy efficient design and ASHRAE 62-1990 for ventilation requirements in the construction of all commercial and institutional buildings;

(ii) provide a local match equivalent to 2 0 percent of the total grant award.

2. Program Activities:

(a) Activity Breakdown: In Phase I of the selection process, all PFIG applications will be sorted into one of three separate sub-categories, based on the activities contained in the application. Each applicant must identify the sub-category for which it is applying. Applicants may only apply for one sub-category. Within a sub-category applicants must identify the specific activity(s) they intend to implement but may apply for multiple activities within a sub-category. The sub-categories of activities are described below.

(i) Sub-category 1: Water, sewer, sewer hook-ups, storm drainage/CSO, facilities reconstruction (in conjunction with a sewer or water project) downtown revitalization, infrastructure for now housing construction.

(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, neighborhood revitalization removal of architectural barriers.

(iii) Sub-category 3: Parking, street curbs, gutters, public parks, recreation facilities, public works garages, and salt/sand storage facilities.

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

(a) Post Performance: In order to be eligible to apply for the 1995 program, communities that received Community Revitalization (CR) grants in 1990 must have conditionally closed their grants by December 2, 1994. Communities that received CR grants in 1991 must have expended 100% of their benefit activity funds by December 2, 13994. Communities that received CR grants in 1992 must have obligated 100% of their benefit activity funds by December 2, 1994. Communities that received PFIG grants in 1993 must have obligated at least 50% of their benefit activity funds by December 2, 1994.

(b) Exceptions: Grant recipients may submit a request to DECD for 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 grant. For activities in Sub-category 3, the maximum grant amount is $75,000 for a single year grant. Activities in a multi-jurisdictional project are eligible for amounts up to a maximum of 25% greater in each grant year.

(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 award if progress is riot apparent within 12 months from the date of contract with DECD.

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 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 December 2, 1994. Each application will be rated in relation to all other applications in that sub-category. A minimum score of 85 will be necessary for an application to be considered for further 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, multi-jurisdictional, 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 be 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 problems and solutions discussed in. the application. Points will be awarded in the following categories:

(aa) Process and Content (10 points) - Discussion of process followed at the local level, including descriptions of public meetings, hearings and other methods used to solicit citizen involvement.

(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) 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 the 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 total) - Percentage Factor (1.5 points) = a composite score derived from two factors - a ranking based on the unemployment rates of the applicant communities, plus .15 points for each percentage point the community's municipal unemployment rate is above the State's average unemployment rate. Absolute Factor (1.0 points = a score derived from ranking absolute numbers of unemployed persons in each community from highest to lowest. The ranking will be divided into three equal segments and assigned points accordingly (high, 1; middle .66; low .33). Unequal divisions will be rounded up.

(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.

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. Special Threshold Criteria and Certifications: 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 and certifications for the process are listed below:

(a) Eligible Activities: Eligible activities include operating and program material expenses for child care, health care, job training, 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.

(b) All communities applying for PSG funds must certify they have/will:

(i) 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

(ii) provide a local match equivalent to 20 percent of the total grant award.

2. Program Priorities:

(a) Multi-Jurisdictional Priority: multi-jurisdictional or joint applications from a group of communities that meet the eligible applicant threshold criteria will receive 3 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 1995 PSG program, communities that received community Revitalization (CR) grants in 1990 must have conditionally closed their grants by December 16, 1994. Communities that received CR grants in 1991 must have expended loot of their benefit activity funds by December 16, 1994. Communities that received CR grants in 1992 mist have obligated 100% of their benefit activity funds by December 16, 1994. Communities that received PS grants in 1993 must have obligated at least 50% of their benefit activity funds by December 16, 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 multi-jurisdictional project will be $62,500.

(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 mist be in place before a PSG award will be node. Public 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 (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 human resource problems that it would like to address with PSG assistance. The application deadline is December 16, 1994. These applications will be evaluated according to the following criteria. A minimum score of 85 points 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 how 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

(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 for 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 scare from the following two areas:

(aa) Unemployment Rate (3.5 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 3.5 points assigned to this category. Communities with a yearly average unemployment rate greater than 10% will automatically receive the total points allowed.

Unemployment - Absolute Numbers (1.5 points): communities will be ranked from. highest to lowest based upon the numbers of unemployed persons. The ranking will be divided into three equal segments and assigned points accordingly (high, 1.5; middle 1.0; and low .5). Unequal divisions will be rounded up.

(bb) LMI Percentage (3.5 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 3.5 to determine the score for LMI percentage. Communities with an LMI of 51 percent cc more will receive the total points allowed.

LMI - Absolute Numbers (1.5 points): communities will be ranked from highest to lowest based upon the numbers of low and moderate income households. This ranking will be divided into three equal segments and assigned points accordingly (high 1.5; middle 1.0; low .5). Unequal divisions will be rounded up.

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. Special Threshold Criteria and Certifications: UNG Program applicants must meet the following threshold criteria and certifications:

(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. Counties may make more than one application on behalf of distinct unorganized territories. Groups of local governments may apply for multi-jurisdictional 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 from the State. Except as described in l(a) above, County governments are not eligible applicants.

(c) Project Eligibility: Pursuant to 24 CFR Part 570.483, 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 18 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.

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. Contingent upon a federal or state declared disaster, the Commissioner of the State can waive this maximum.

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 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 l(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 have been committed. Having committed all funds in the program, the State reserves the right not to accept any additional applications.

4. Approval Process: The UNG funds will be available beginning February 1, 1995. Applications will be accepted on a first come basis. Following receipt of an 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 the 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 eligible in the previous grant year.

1. Threshold Criteria: 1995 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 570.483;

(d) the recipient must undertake eligible activities, pursuant to 24 CFR, Part 570.482, and approved during the 1994 HA or PFIG Phase II processes;

(e) All communities applying for HA or PFIG Reserved Grants must certify, they have/will:

(i) provide a local match equivalent to 10% of total project cost for HA awards and 20% of the total grant award or total project cost for PFIG; and

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

2. Special Program Requirements: 1995 reserved grantees must meet the following:

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

(i) Public Facilities/Infrastructure program:

Calais $400,000

Enfield $400,000

Fort Fairfield $400,000

Fort Kent $400,000

Mars Hill $110,000

Washburn $290,000

(b) Reasonable Progress: evidence that applicants are in line with the 1994 expenditure schedule as submitted in their HA or PFIG contract. Reserved Grant communities must have demonstrated reasonable progress in staffing, program design and contracting for their current program.

(c) LMI Expenditures: in the aggregate, 70% of the expenditures proposed by Reserved Grantees must 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 1995 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 Idle 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 Manage, 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 1995 Phase II process.

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 Maine, 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 570.483, et seq.;

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

(e) undertake eligible activities, pursuant to 24 CFR, Part 570.482.

(f) complete the required DF application materials.

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

(a) Necessary and Appropriate: A DF loan to a for-profit businesses must be for projects that 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 for 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) IMF 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 from 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 referable 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 bar future economic development will be evaluated. The review will also examine the ripple effect of the proposes on 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 $87,500 plus any unobligated portion of allocations of previous quarters. This 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 ark 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 (RHE) 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 multi-jurisdictional 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 must meet one of the national objectives described In 24 CPR, Part 570.483 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 570.482.

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

(g) 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,

(h) be designated by the appropriate organization providing matching funds as eligible to receive funds; and

(i) complete the required RAF application materials.

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

(a) RAF 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 Letter of Conditions will be included in the contract to describe the terms that will govern the release of funds from the reserve. The 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 are 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 OCD. the IMF 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 for 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 We 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 at 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.

(ii) If the unemployment rate of the Labor Market Area is equal to or less than the national average, the dislocation must be the lesser of four (4) percent of the unemployed population, or 1,000 jobs. 2) 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 an 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 an a case by case basis. The increase in local tax dollars resulting Man the project mill 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 an the community as a whole.

4. Approval Process:

(a) Application: Once the applicant has submitted a pre-application to the appropriate agency and is working toward a full application, it may submit an RAF pre-application to DECD. DECD staff will review the RAF pre-applications an a first come 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 $1,400,000 and will be available beginning January 3, 1995. RAF proposals that meet all criteria nay 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 new 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 multi-jurisdictional basis and communities would be better served through a regionally administered loan program.

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

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

(b) 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 I (a) above and be eligible under 24 CFR, Part 570.482. 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(a) 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.

(c) Project Benefit: 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.

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 3 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 1995 Micro-Loan Program, communities that received Community Revitalization (CR) grants in 1990 must have conditionally closed their grants by December 16, 1994. Communities that received CR grants in 1991 mist have expended 100% of their benefit activity funds by December 16, 1994. Communities that received CR grants in 1992 must have obligated 100% of their benefit activity funds by December 16, 1994. Communities that have received ML grants in 1993 must have obligated at least 50% of their benefit activity funds by December 16, 1994.

(b) Exceptions: Grant 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 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 multi-jurisdictional project will be $156,250. 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 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 an circumstances of the loan proposal.

(g) Local Loan Procedures: The procedure the community uses to distribute loans must be approved by OCD in the Phase II process. OCD will provide sample 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 (Phase I) and a project development phase (Phase II).

a. Phase I Application: The maximum length of an application is ten pages. AS designed to be a description of a community's business problems it would like to address with Micro-Loan funds. The application deadline is December 16, 1994. Applications will be evaluated according to the following criteria. A minimum score of 85 points 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 mill 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(s) 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 had 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 Rate (3.5 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 3.5 points assigned to this category. Communities with a yearly average unemployment rate greater than 10% will automatically receive the total points allowed.

Unemployment - Absolute numbers (1.5 points): applicants communities will be ranked from highest to lowest in terms of numbers of unemployed persons. The ranking will be divided into three equal segments and assigned points accordingly (high, 1.5; middle 1.0; and low .5). Unequal divisions will be rounded up.

(bb) LMI Percentage (3.5 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 3.5 points assigned to this category. Communities with an LMI population greater than 51% will automatically receive the total points allowed.

LMI - Absolute Numbers (1.5 points): applicants will be ranked from highest to lowest in terms of numbers of low and moderate income households. The ranking will be divided into three equal segments and assigned points accordingly (high, 1.5; middle 1.0; and low Unequal divisions will be rounded up.

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 non-retail businesses can create or retain jobs for low and moderate income individuals.

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

(a) 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 in the non-retail sector for low and moderate income persons.

(b) Project Benefit: 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.

(c) Local Match: All communities applying for EDI funds must certify that they will:

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

2. Program Priorities:

(a) Activity Priority: Not applicable.

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

(a) Past Performance: In order to be eligible to apply for the 1995 EDI Program, communities that received community Revitalization (CR) grants in 1990 must have conditionally closed their grants by November 18 1994. Communities that received CR grants in 1991 must have expended 100% of their benefit activity funds by November 18, 1994. Communities that received CR grants in 1992 must have obligated 100% of their benefit activity funds by November 18, 1994. Communities that have received EDI grants in 1993 must have obligated at least 50% of their benefit activity funds by November 18, 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 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 for a single grant year. The maximum grant amount for a multi-jurisdictional project will be $500,000. OCD's funding decision also resides on its determination of the feasibility of the project.

(d) EDI Projects in Support of Retail Businesses: OCD will accept EDI Program applications in support of retail businesses only under limited conditions.

(i) The retail business represents the provision of new products and services previously unavailable in the community;

(ii) The development or expansion of the retail business represents a net economic gain for the community and the region. Applicant communities seeking EDI funds in support of a retail business or businesses would be required to demonstrate that the development represents a net overall gain for the regional economy and not a shift from existing established businesses to a new or expanded one.

(e) 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.

(f) 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 or retain jobs with EDI funds. At a 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 1 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 for the EDI Program will be accepted three times during the grant year. The application deadlines are November 18, 1994. March 29, 1995 and June 1, 1995. A total of $500, 000 will be made available for each application period. These applications will be evaluated according to the following criteria. A minimum score of 85 points 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 problem(s) discussed in the Problem Statement. Points will be awarded in the following categories:

(aa) Scope of Solution (15 points) - Description of the activities that the applicant will undertake in the toe of EDI Program funds to resolve the problem(s) presented in the Problem Statement.

(bb) Project Feasibility (15 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) Significance of Project to Community and Region (20 points). This section should describe and demonstrate, including statistical analysis (such as jobs/grant $), the significance of the employer and the jobs to be created and/or retained, for the labor market area and the local economy.

(iv) Citizen Participation(10 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 (5 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 ware conducted where governmental business assistance was discussed.

(bb) General Citizen Involvement (5 points) - Description of the involvement that the general citizenry or municipal leaders have 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 be 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.

E. INTERIM FINANCE PROGRAM

The purpose of the Interim Finance Program (IFP) is 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.

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 my apply for multi-jurisdictional 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 570.483 (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 570.483 (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 570.483 (a) (A).

(d) Undertake eligible activities pursuant to 24 CPR 570.482 et seq.

(e) Complete the required IFP application materials.

(f) The application amount mist be between $500,000 and $5,000,000. The Commissioner of DECD way waive the $500,000 minimum requirement if OCD determines it is in the best interest of the State and if OCD 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) Read 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 UP 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

SECTION 4. PLANNING 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 for 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 l(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 for Phase II Planning Grants must certify they will:

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 that 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 and Certifications: The State will distribute GPPG funds to local governments, through the annual General Purpose Planning Grant Application Selection Process. The threshold criteria and certifications 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 GPPG funds. County governments may apply on behalf of unorganized territories. Counties may make more than one application on behalf of distinct unorganized territories. Groups of local governments my apply for multi-jurisdictional or joint projects. Multi-jurisdictional applications require designation of one local government as the lead applicant and documentation of the consent for that designation by each participating local government.

(b) Ineligible Applicants: The entitlement communities of Portland, Bangor, Lewiston and Auburn, are not eligible to receive State GPPG program funds. Except as described in 1(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 570.482. 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 must meet one of the national objectives pursuant to 24 CFR, Part 570.483, (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.

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

(a) Past Performance: In order to be eligible to apply for the 1995 General Purpose Planning Grant program, communities that received Community Revitalization (CR) grants in 1990 must have conditionally closed their grants by February 16, 1995. Communities that received CR grants in 1991 must have expended 100% of their benefit activity funds by February 16, 1995 . Communities that received CR grants in 1992 must have obligated 100% of their benefit activity funds by February 16, 1995.

(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 as described in 1(e) above.

3. Selection Process: Applications for GPPG's will be accepted February 16, 1995 . 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 an the following criteria:

(a) Description of Problem (40 points): A description of the problems the community wants to resolve, how the problems were identified, and the impact of the problems on the community.

(b) Development of Strategy (40 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 problems and bow GPPG binds 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 (20 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 be 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.

5. Approval Process: The emphasis during Phase II will be to finalize project development. The goal is to develop a local-multi-jurisdictional-State partnership that will facilitate project development that best meets the community's identified needs, supports multi-jurisdictional 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 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 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. 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 and Certifications: The State will award QM funds for up to one community in each of Maine's sixteen counties, provided they meet the following threshold criteria and certifications:

(a) Eligible Applicants: All omits 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: The entitlement communities of Portland, Bangor, Lewiston and Auburn, are not eligible to receive QMS funds. Except as described in 1(a) above, County governments 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 Benefit: The proposed activities must meet one of the national objectives pursuant to 24 CFR, Part 570.483, (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.

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

(a) Past Performance: In order to be eligible to apply for the 1995 Quality Main Street Strategy Grant program, communities that have received CDBG funding since 1982 for downtown revitalization must describe changes in economic conditions, infrastructure capacity or other circumstances that demonstrate the necessity of QMS assistance.

(b) Growth Management or Community Planning Program: 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 accordance with their growth management policies or with the community Planning Program"

(c) Maximum QMS award amount: The maximum award is $25, 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: 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 Main Street and Downtown problems that it would like to address with Quality Main Street Planning Grant Funds. The applications deadline for QMS is February 16, 1995. Prior to consideration of a grant award, the proposals must meet the threshold criteria and the special program requirements. A minimum score of 85 will be required for funding. The applications will be evaluated according to the following criteria.

(i) Description of Problem (35 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.

(ii) Development of Strategy (35 points): A description of how the QMS 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 effective solutions to the problems and how QMS funds will be used in the formulation of this solution. An estimate of the amount of QMS funds needed and an itemized breakdown of the proposed planning budget must be included.

(iii) Project Leverage (30 points) : A description of other resources (local, state, federal, private) that will be contributed to the project. These nay 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 scares determined by the scoring team. The highest scoring applicant in each county, provided that the 85 point minimum scoring requirement is met, 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.

5. Approval Process: The emphasis during Phase II will be to finalize project development. The goal is to develop a local/state partnership that will facilitate project development that best meets the community's identified needs, and is in accordance with State goals. A program representative will be assigned to your community to work closely with you to finalize your project. Successful completion of Phase II criteria mill 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. All 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.

D. TECHNICAL ASSISTANCE GRANTS

The purpose of the Technical Assistance Grant Program is to provide grant funding to the following lead communities to act on behalf of communities within 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 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 will contract with a Regional Council to provide information about the Community Development Block Grant Program to communities in their region. They will assist interested communities in preparing grant applications in the program categories.

Caribou

Dresden

Ellsworth

Freeport

Kittery

Mechanic Falls

Orono

Winslow

The following communities will issue Request for Proposals and select technical assistance providers:

Bath

Eastport

Rockland

Any contracts for services provided hereunder shall be subject to all applicable requirements to the Department of Housing and Urban Development. If any lead community is unable to 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.

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 grants as a result of the 1995 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 1995 CDBG program, or added to the available monies for the 1996 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 1995 CDBG program or added to the available monies for the 1996 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, multi-jurisdictional Assistance, Micro-Loan, Economic Development Infrastructure, Phase II Planning, General Purpose Planning, Quality Main Street Strategy may be added to any open CDBG contract, used to make additional awards in any 1995 CDBG program or added to the available monies for the 1996 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 1995 CDBG program or added to the available monies for the 1996 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 1995 competitions but did not receive funding and the possibility of holding additional competitions during the 1995 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 1995 Program 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 Program Statement.

All staff recommendations regarding redistribution of funds in the 1995 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 nay 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 mist 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 mist 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 mist 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 10% in any program, 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 for 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: Except for those grantees who can adequately demonstrate demand for the reuse of program income for 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 the Micro-Loan Program.

SECTION 6. APPEALS

An applicant wishing to appeal DECD's decision regarding their 1995 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 judgement 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 PROPOSED STATEMENT

The State can amend the 1995 Proposed Statement from time, to time in accordance with the same procedures required for the preparation and submission of the proposed statement. In addition, the amendment process will be guided by the State of Maine's Administrative Procedures Act.

EFFECTIVE DATE:

September 19, 1994

AMENDED:

June 25, 1995

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 15, 1996

CONVERTED TO MS WORD:

May 16, 2005

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