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**MCDA OFFICERS:**

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Town of Fort Fairfield

*James Gulnac, Vice President*  
Town of Sanford

*Ron Harriman, Treasurer*  
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Northern Maine Development Commission

**Directors:**

Mary Walton, City of Caribou  
Rodney Lynch, City of Rockland  
Don Keiser, Town of Houlton  
Steve Dyer, Ransom Environmental Consultants, Inc.

## Economic Stimulus

President Obama is working with Congress to enact an American Reinvestment and Recovery Plan, also known as the economic stimulus plan, to create jobs. The plan invests in clean energy, health care, education and infrastructure; cuts taxes for American families and businesses; and helps protect the most vulnerable families from economic harm during the recession. The American Reinvestment and Recovery Plan is designed to jumpstart the economy, create jobs, and lay the foundation for a more competitive 21<sup>st</sup> century economy. Major benchmarks for this plan include –

- Spurring a Clean Energy Economy
- Lowering Health Care Costs and Ensuring Broader Health Care Coverage
- Preparing Our Children for the 21<sup>st</sup> Century Economy
- Rebuilding America’s Roads and Bridges
- Supporting America’s Working Families
- Changing the Way Washington Does Business

The National Governors Association met in November, 2008 and called on Congress to invest in states as part of any national recovery strategy by providing additional funding for Medicaid and investing in ready-to-go infrastructure. One of the most efficient set of mechanisms the federal government can use to speed a national recovery is investments in existing federal-state programs. These mechanisms are effective because the programs are on-going and because state-by-state funding allocations, administrative procedures and staff already are in place to quickly distribute any additional funds.

Federal-state programs with the greatest potential to assist with recovery efforts fall into three categories:

- Benefit programs for individuals in need
- Infrastructure programs with ready-to-go projects that will create new jobs; and
- Countercyclical programs where the federal government can help offset proposed budget cuts by increasing the federal share of key federal-state programs, such as Medicaid and special education.

For more information visit [www.recovery.gov](http://www.recovery.gov)

## Town of Guilford



CDBG DOWNTOWN REVITALIZATION  
GRANT PROGRAM  
Ron Harriman is MCDA's Treasurer and CDBG  
Grant Administrator  
Coordination of local, state, and federal agencies  
made this project possible!

The Economic Development Board thanked Guilford Town Manager, Tom Goulette and Ron Harriman, CDBG grant administrator for their tireless efforts in facilitating this entire project. An unusual alliance created among the Maine Department of Transportation, two distinct Community Development Block Grants, the Guilford-Sangerville Water District, the Economic Development Board, business owners within the project, Public Utilities, and the local government; coupled with months that stretched into years, a lot of development funding, and many volunteer hours working with all entities while defending the work against the negative and impatient, has accomplished a finished product of which all of Guilford can be proud.

### Neighborhood Stabilization Program - Update

The NSP Action Plan Substantial Amendment has been finalized and delivered to HUD for approval as required following the 15 day comment period. Attached to this message are copies of the Neighborhood Stabilization Program Substantial Amendment to the State of Maine 2008 Consolidated Plan and [the comments received during the comment period and the responses to those comments.](#)

HUD's new Neighborhood Stabilization Program (NSP) provides targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. HUD has allocated \$19.6 million to the State of Maine CDBG program to address the *areas of greatest need* within Maine. These areas are identified in the attached plan; further the plan describes how OCD will distribute and use the NSP funds in accordance with the requirements of Section 2301(c) (2) of the Housing and Economic Recovery Act, 2008.

## Maine New Markets Loan Fund Fact Sheet

### **WHAT is the Maine New Markets Loan Fund?**

The New Markets Loan Fund is a \$9.5 million pool of money to be disbursed as loans to small and medium-size Maine enterprises. The minimum loan amount is \$500,000, with a maximum of \$2 million.

Bangor Savings Bank is underwriting the loans, which are made possible through the acquisition of U.S. Dept. of Treasury New Markets Tax Credits by Coastal Enterprises, Inc.

### **WHO can apply for the loans?**

Borrowers can be businesses, nonprofit organizations, corporations, partnerships or individuals located in an eligible, economically distressed census tract.

Eligible census tracts are determined by the U.S. Dept. of Treasury, using median income, poverty and unemployment guidelines.

In Maine, eligible census tracts are located primarily in the rural rim counties – Washington, Aroostook, Piscataquis, Franklin, Somerset and Oxford. Eligible tracts are also found in the downtown areas of Portland, Lewiston, Auburn, and Bangor, as well as downtown areas of smaller communities such as Westbrook, Sanford, Biddeford, Bridgton, Augusta,

Waterville, Rockland and Old Town. Maine's Native American Reservations are also considered eligible census tracts.

### **WHAT can the loans be used for?**

The loans may be used for acquisition, construction, rehabilitation, purchase of or additions to business-related real estate or purchase of long-term capital assets or equipment.

There should be some community investment benefit from the business loan related to employment, stabilization, or revitalization of disadvantaged communities.

### **WHAT are the terms of the loans?**

Funds are available at below fixed market interest rates (currently <5%) for a seven-year term; terms to 25-years are available for real estate or capital assets.

The proceeds have to stay invested in the business and may not be repaid for seven years. Generally, the fund is not for housing loans or refinancing of existing debt. The fund is not available for revolving lines of credit or financing short-term assets.

*For more information, contact John Moore, Sr. VP for Community Development Lending, at (207) 262-4936 or [John.Moore@bangor.com](mailto:John.Moore@bangor.com).*

## American Recovery and Reinvestment Act of 2009 & CDBG Programs

(Stimulus Bill) was enacted by the 111<sup>th</sup> U.S. Congress and signed into law by President Barack Obama on February 17, 2009. The \$787 billion economic stimulus bill is designed to attack the worst economic crisis since the Great Depression by providing nearly \$325 billion in tax cuts, federal spending, and aid to states and municipalities.

The MCDA Advocacy Committee urged all economic and community development directors, municipal officials, local and state officials, and all other interested parties to contact their Senators to advocate for an increase in infrastructure funding and to safeguard the \$1 billion in CDBG funding approved by the House.

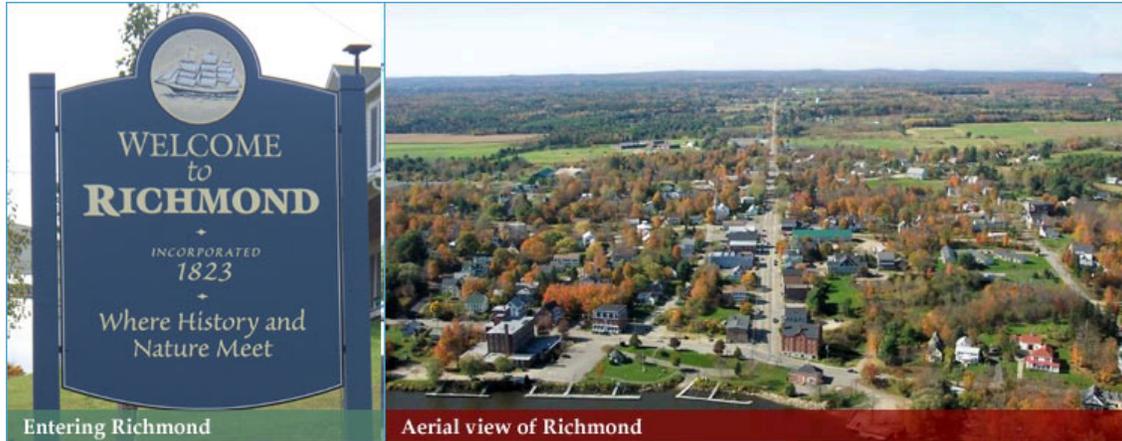
DECD officials submitted a notice to the legislative delegation regarding the “gaps” that is needed to fund CDBG projects. For example, under the 2009 CDBG Program, 15 Public Infrastructure Applications (totaling \$6.25 million) were received; 21 Letters of Intent for the Housing Assistance Program; and 20 Letters of Intent for the first round of Economic Development Programs. The only program with decreased applications was the Public Facility Program. Even at last year's rate of funding, there would be a “gap” to fund all of these applications.

If the CDBG Program receives additional funding, DECD recommends funding applications proportionately in all programs; particularly funding those projects that are ready to be implemented since the stimulus funding will require money to be spent in a timely manner. County Action Program agencies stand to receive significant amounts of weatherization funds through the Department of Energy.

## *Economic & Community Development By: Darryl Sterling, Director*

### **Marketing Richmond**

The Town of Richmond is featured in “Allure of the Coast-2009 Visitors Guide”, which has a circulation of 70,000 copies. The town is also featured at the AAA Travel Show in Massachusetts.



Darryl Sterling, Director, serves on the Midcoast Council for Business Development and Planning and the Midcoast Economic Development District Executive Committees. The Town has participated to several Community Development Block Grant (CDBG) programs to enhance the community. They submitted a CDBG Public Infrastructure Grant on behalf of the Richmond Utilities District for \$500,000 to undertake a sewer line improvement and a CDBG Economic Development Grant for \$200,000 for a business expansion that would create between 7-10 new jobs. The 2009 Riverfront Grant project is also in the design and environmental review phases and should be ready for construction during this summer.

CDBG Accomplishments since 2006 include –

2006	\$420,000	Public Infrastructure Grant
2007	\$150,000	Community Enterprise Grant for Business Facades and Streetscapes
2008	\$400,000	Business Assistance Grant for Hodgdon Yachts, Inc. creating 60 new jobs
2008	\$500,000	Downtown Revitalization Grant for streetscapes, street lights, parking, sidewalks, and park improvements
2009	\$333,000	Riverfront Community Development Bond Grant
Total	\$1,803,000	

## Maine Comprehensive Economic Development Evaluation Report

On March 9, 2009 the Maine Comprehensive Economic Development Evaluation report was submitted to the Department of Economic and Community Development. The evaluation results can be found in Chapter 6 of the report. To summarize, the Office of Community Development (OCD) manages the community development program. Community development is defined as investments to help a community develop and enhance its potential in areas such as infrastructure, housing and business development. Overall, community development investments represent only about 2.5 percent of Maine's wider economic development portfolio. Most of the Department's funding comes from the Federal government in the form of Community Development Block Grant (CDBG) funding. In 2007, OCD awarded over \$12 million to community projects through the federal CDBG program, and OCD projects that more than \$13 million was invested in 2008. For 2009, the State has \$9.9 million allocated to communities.

From 1982 through the present, OCD made over 2200 grants to more than 300 entities across the state. CDBG grants are designed to assist low-to-moderate income individuals and, in Maine, almost 47 percent of grant funds from 1982 to the present have gone to the five counties experiencing the highest levels of individual poverty – Washington, Franklin, Somerset, Aroostook, and Waldo. The distribution of grant funds by county is presented in the following table.

County	Total CDBG Funds	% of State CDBG Funds	Individual Poverty Rate (%)
Androscoggin	7,848,623	2.11	12.0
Aroostook	82,122,197	22.13	16.6
Cumberland	14,960,888	4.03	10.0
Franklin	10,201,935	2.75	16.9
Hancock	20,136,505	5.43	10.4
Kennebec	28,637,170	7.72	13.0
Knox	16,548,415	4.46	11.9
Lincoln	5,122,064	1.38	11.0
Oxford	20,474,063	5.52	14.6
Penobscot	32,431,028	8.74	12.8
Piscataquis	13,881,881	3.74	16.3
Sagadahoc	12,282,254	3.31	9.0
Somerset	27,020,063	7.28	16.9
Waldo	12,239,224	3.3	16.6
Washington	41,858,739	11.28	19.1
York	25,403,780	6.84	9.0

**Maine Community Development Association**  
60 Community Drive  
Augusta, Maine 04330-9486  
(207) 623-8428

## MAINE COMMUNITY DEVELOPMENT ASSOCIATION

A Professional organization promoting economic and community development in Maine.

### MCDA's Purpose

To provide forums to increase awareness and foster communication relating to community development issues and concerns, and to provide education and training through workshops.

### MCDA Meetings:

The Annual Meeting of the Association takes place at the Annual Convention of the Maine Municipal Association. Four (4) regular meetings for the General Membership and the Executive Committee are held annually throughout the State of Maine. The Executive Committee meetings are called by the President or majority of officers on an as-needed basis.

**All Meetings are open to MCDA Members!**

If you would like to become an MCDA member, please contact us:

**Maine Community  
Development Association**

Local Government Center  
60 Community Drive  
Augusta, ME 04330-9486  
(207) 623-8428 or  
1-800-452-8786

**Annual Membership Fee is \$100.00**

**Please make checks payable to:**

**MAINE COMMUNITY  
DEVELOPMENT ASSOCIATION**

**MEMBERSHIP:**

- Individual
- Municipal
- Firm

## Benefits to Becoming a Member. . . .

-  MCDA Funding Directory
-  Training and Workshops
-  Legislative Advocacy
-  Affiliation with Other Agencies and Organizations
-  Links to Funding and Business Agencies
-  MCDA's ability to network with multiple partners