

30th Annual MCDA Meeting

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The 30th Annual Meeting of the Maine Community Development Association was held on Thursday, October 9, 2008 at the Augusta Civic Center. Stephen Dyer of Ransom Environmental Consultants, Inc. and Wade Hanson, Community Development Director for the Town of Houlton were elected to serve a two-year term as MCDA Director. In other business, President Tony Levesque introduced Michael D. Baran, Director of the Office of Community Development who provided updates on the Department of Economic and Community Development's (DECD) programs. New programs, such as the Neighborhood Stabilization Program and Riverfront Community Development Program, are being drafted and members should be aware of time frames for applying for these grant fund programs. More detailed information on these programs is provided on Pages 2 and 3.

MCDA, in conjunction with the Maine Association of Planners, hosted the Maine Historic Tax Credit Workshop during the Maine Municipal Association's Annual Convention.

MCDA OFFICERS:

Tony Levesque, President
Town of Fort Fairfield

James Gulnac, Vice President
Town of Sanford

Ron Harriman, Treasurer
Ron Harriman Associates

Joella R. Theriault, Secretary
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.



NEIGHBORHOOD STABILIZATION PROGRAM

The Neighborhood Stabilization Program (NSP) was created as a result of HR 3221 - the Housing and Economic Recovery Act of 2008. NSP provides 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. NSP provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes.

Maine's allotment of \$19,600,000 will be expended in areas of greatest need as determined by the following criteria:

- 1) How many foreclosures have occurred within the community in 2008,
- 2) What is the geographic density of foreclosures, and
- 3) The likelihood that foreclosures will increase in a community in 2009.

Based on the criteria, the distribution of NSP funds will be as follows:

Municipality	Total Score	% of Total Score Sum	\$
Sanford	80	13%	\$1,856,085
Lewiston	64	11%	\$1,473,103
Portland	57	10%	\$1,324,136
Bangor	47	8%	\$1,084,873
Westbrook	40	7%	\$936,414
Auburn	40	7%	\$921,889
South Portland	35	6%	\$805,851
Old Orchard Beach	33	6%	\$776,266
Biddeford	33	6%	\$768,942
Bath	30	5%	\$704,017
Brunswick	29	5%	\$664,675
Lisbon	28	5%	\$639,348
Saco	28	5%	\$639,153
Waterville	28	5%	\$639,144
Waterboro	27	4%	\$616,104
Total	597	100%	\$13,850,000

To assure compliance with NSP requirements, state's must use at least 25% of NSP funds to purchase and redevelop abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of the area's median income. All activities funded by NSP must benefit low-to-moderate (LMI) persons whose income does not exceed 120% of the area's median income. A set aside of \$5,000,000 will be used by MaineHousing to conduct the following programs in the identified areas of greatest need:

- a) Regional Homeless Council: This program will provide grant money for the acquisition and rehabilitation of foreclosed upon properties to develop permanent housing for people that are homeless.
- b) Supportive Housing for People with Special Needs: This program will provide grant money for the acquisition and rehabilitation of foreclosed upon properties for people that have special needs.

Members interested in the Neighborhood Stabilization Program should contact: Michael D. Baran, Director, OCD at DECD, 111 Sewall Street, 59 State House Station, Augusta, ME 04333-0059 or (207) 624-9816.



NEWS FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

2008 CDBG Application Workshops

CDBG Application Workshops were held in Caribou, Augusta, Machias, Saco, and Bangor during the weeks of November 3 and November 10, 2008. These workshops are essential to any community or organization that is interested in learning more about the 2009 Maine Community Development Block Grant Program application process. Included in the workshop was a description of the CDBG program, eligible activities, application due dates, submission requirements, and a chance for questions and answers.



Michael D. Baran, Director



Michael D. Baran was appointed Director of DECD's Office of Community Development on October 1, 2008. On October 9, 2008, Governor John E. Baldacci honored nearly two dozen managers within State government presenting them with the William Twarog Manager of the Year Award. Nomination criteria for the award includes service to the agency, demonstration of leadership, stewardship and problem solving, a record of career growth and development, and overall service to the public or volunteer service. Mike Baran was named 2008 Employee of the Year for the Department of Economic and Community Development.

Riverfront Community Development Program

The Riverfront Community Development Bond Program, established under 5 MRSA §13083-T was established within the Department of Economic and Community Development (DECD) to assist and encourage communities along the State's rivers to revitalize their riverfronts in an environmentally sustainable manner and to promote river-oriented community development and enhancement projects. The DECD shall administer the program in conjunction with the Maine Municipal Bond Bank (MMBB) to provide funding for the rehabilitation, revitalization and enhancement of riverfront communities and river ecosystems in the State. Only 24 applications out of the 30 Letters of Intent were received. Applications received total \$8,000,000 out of a budget of \$5,000,000.

CALENDAR FOR 2008-2009

Date	Meeting
October 31, 2008	General Meeting via Teleconference
December 12, 2008	General Meeting via Teleconference
February 13, 2009	General Meeting via Teleconference
April 23 and 24, 2009	Joint DECD/MCDA Meeting at Lucerne Inn
June 5, 2009	General Meeting at Sanford
August 21, 2009	DECD/MCDA Meeting at CDBG Appreciation Day
October 7 and 8, 2009	Annual Meeting at MMA Convention

Meeting agendas and minutes are posted on MCDA's website, which can be accessed at www.mainecca.org.

Subcommittee Appointments

During the MCDA Annual Meeting, the President, together with the Executive Committee, appointed MCDA members to subcommittees deemed necessary for the conduct of the Association. The following were appointed for a term of one year.

Membership Committee: Steve Dyer (Co-Chair), Jim Gulnac (Co-Chair), Tony Levesque, Suzie Paradis

Professional Development: Jim Gulnac (Chair), Joella Theriault, Rodney Lynch, Steve Dyer, Wade Hanson, Mathew Eddy

Finance Committee: Ron Harriman (Chair) and Executive Committee

Communication: Joella Theriault (Chair), Mike Baran, Ken Arndt, Mary Walton, Tony Levesque

Advocacy Committee: Dan LaPointe (Chair), Al Smith, Tony Levesque, Ron Harriman

Nominations Committee: Al Smith (Chair), Wade Hanson, Paul Bernier

2009 DECD/COSCA Representative

Rodney Lynch, City of Rockland

New Members Elected to the MCDA Board of Directors



WADE HANSON

*Community Development Director
Town of Houlton*

Wade has enjoyed a number of employment opportunities that have taught him an unequalled ability to appreciate people and help in resolving the hurdles of life through experience. His practice of the trades and construction industry has given him the back ground to work through all aspects of the development process. After fourteen years in the retail/ wholesale distribution markets Wade put his University of Maine Orono Civil Engineering back ground to work in the family owned construction business until landing a position with the Town of Houlton as the Code Enforcement Officer. A seven year tour as CEO for Houlton honed his abilities to move from an enforcement position to the Community Development Director. As Community Development Director Hanson's duties include oversight of the Planning Division of the community, grant research and submission for the benefit of municipal improvements, oversight of the Code Enforcement Office, Tax Incremental Financing (TIF) district coordination and supervision and Municipal liaison to developers and citizens interested in Houlton's growth options. Wade's membership in MCDA will broaden his abilities to market the Town of Houlton and access development opportunities in the company of the friendships and acquaintances made through the organization and its counterparts.



STEPHEN DYER

*Senior Project Manager and Engineer
Ransom Environmental Consultants*

Stephen Dyer is a senior project manager and engineer with Ransom Environmental in Portland, Maine. Steve has 18 years of experience with environmental engineering projects and is licensed Professional Engineer. Steve works closely with communities to develop and engineer solutions for their infrastructure and environmental problems. Steve has helped communities assess their underutilized and environmentally stigmatized properties since 2000 through the EPA's Brownfield Assessment program as well as through the State of Maine's program. As part of these Brownfield projects, Steve will design a practical assessment program to investigate the need for environmental clean-up for a site. If environmental hazards are found, Steve will work with the community and the developer to establish a remediation plan that mutually abates the environmental concerns at the property in a cost effective manner, and realizes the redevelopment wishes of the community. Steve also designs and manages public infrastructure improvement projects for communities including roadway, stormwater, drinking water and wastewater improvements.

New Markets Tax Credit Program

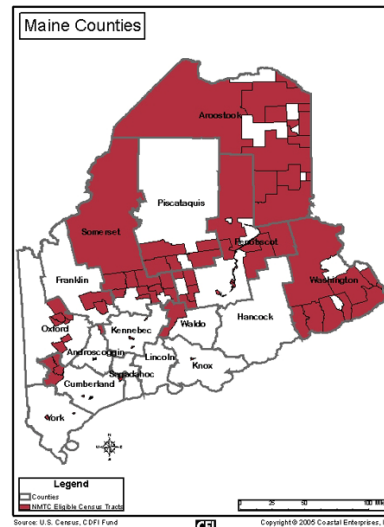
The New Markets Tax Credit (NMTC) program, established by Congress in December 2000, gives individual and corporate taxpayers the opportunity to receive a credit against income taxes by investing in qualified investment entities. This program also allows Coastal Enterprises, Inc. (CEI) to participate in large-scale projects that meet their 3E criteria.

The NMTC initiative is designed to mobilize up to \$15 billion in development capital based on a direct federal income tax credit of 39 percent spread over seven years. The program is already proving to be a powerful tool that is helping underserved communities attract smart capital to good projects on favorable terms and is allowing investors to book new business with enhanced returns, while helping create greater opportunities for low-income communities.

The program is very flexible and allows the tax credits to be structured into a deal in a variety of ways to best meet the needs of the investors (banks and private equity), borrowers (project), and the sponsor (CEI). The tax credits, for instance, can be used to enhance an investor's Internal Rate of Return, provide a borrower with access to debt at a reduced interest rate (typically 1.00-3.00% below market), and/or repay equity investors with tax credits as opposed to actual cash. The financial success of a project depends on balancing all of the interests so that all needs are met. The types of business investments eligible under the NMTC program are very broad, allowing virtually any real estate project or operating business. (Please note that there are some exceptions to this eligibility, such as insurance companies and others.) Projects can be undertaken by either for profit or nonprofit entities.

According to an article in the Bangor Daily News, bankers, politicians, and nonprofit officials behind a new \$9.5 million low-interest loan program for small and medium-sized businesses in Maine are hoping they have hit upon a way to give the state's economy a much-needed lift. Bangor Savings Bank and Coastal Enterprises, Inc. have worked to create a "first in the nation" partnership between a nonprofit and a community bank to provide smaller loans

through the Maine New Markets Loan Fund. These are loans for businesses, nonprofit organizations, and other groups that want to expand or move into economically distressed areas. Those areas are determined by the U.S. Census and are located in Maine's rural counties, including Washington, Aroostook, and Piscataquis, and also in disadvantaged metropolitan areas including parts of Bangor, Rockland, and Orono.



New Markets Tax Credit — Qualifying Areas

Loans may be used to acquire, construct, rehabilitate, purchase or make additions to business-related real estate. Loans may also be used to purchase long-term capital assets or equipment, but cannot be used for working capital.

AROOSTOOK COUNTY AWARDED \$290,000 IN BUSINESS AND TRAINING GRANTS

Governor John E. Baldacci announced on October 21, 2008 that Aroostook County is to receive \$290,000 from two Community Development Block Grants. Commissioner John Richardson of the Maine Department of Economic and Community Development presented the grants to Aroostook County Administrator Douglas Beaulieu. A 2008 CDBG Special Projects Matching Funds grant in the amount of \$250,000 will be used for various Small Business Development Centers to provide training and counseling to micro-enterprise businesses. Northern Maine Development Commission (NMDC) will be the administrative agent of the grant program. Also, a 2008 CDBG Public Service grant in the amount of \$40,000 was awarded to Aroostook County on behalf of the Aroostook Family Investment Center to provide training and education to at least 20 low-to-moderate income (LMI) individuals interested in pursuing careers as Certified Nurse Aide and Medical Technicians. Funds will be used to administer the program as well as provide transportation, tuition, books, and child care reimbursements to qualified participants.

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