



Maine Community Development Association

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President's July to September 2012 Newsletter Message Board:

Thinking Outside CDBG

(Note: These are my opinions only and do not represent the opinions and positions of the MCDA.)

At the September 11, 2012 MCDA retreat in Bangor, Office of Community Development Director Deborah Johnson remarked that because of the reductions in CDBG program funding municipalities can no longer solely depend on CDBG funding for the entire cost of a project, but must include other funding resources as well. Fortunately the membership has long recognized this and in doing so has shifted its focus from one predominate project funding source to multiple-resources. In addition to reduced funding there has also been a shift in emphasis from community to economic development. In regards to this shift in focus, I can only presume that there are members like myself who are in the process of digesting this swing and grappling with how best to utilize the changes for the benefit of the communities we serve; this is particularly true of the newly minted Workforce Development Grant Program.

In summary, as a result the recent promulgated CDBG shifts and changes MCDA as an organization is perhaps now even more critical as we try to sort these things out and adapt to the new realities.

Rodney Lynch, AICP

President, MCDA

2011-2013

Housing and Economic Recovery Act (HERA) by Glen Ohlund, TD Bank

Glen Ohlund, Community Development, TD Bank NA

Welcome to our newest member of MCDA! Glen is pleased to announce the TD Bank Acquisition Line of Credit. This is a great financing tool for neighborhood stabilization work being conducted by local development groups. Its primary focus is to advance activities related to buying distressed housing or commercial properties. An important component of this loan product is that up to half of the funds can be used for soft costs. TD Bank anticipates that it will have a real impact on the lives of people hardest hit by the economic downturn.



TD Bank Community Development
Housing and Economic Recovery Act (HERA)* Line of Credit
Revolving Line of Credit for Acquisition-Predevelopment of Commercial Real Estate

Purpose:

- Acquisition – Proceeds of the line can be used to acquire property located within the CDC's defined target area. Must be within the Bank footprint. Intended use of properties is defined – properties acquired fit into a planned project or neighborhood development strategy. **And**
- Soft Costs – Up to 50% of the proceeds can be used to complete pre-development soft costs for acquired properties, such as environmental testing/inspections, architectural, legal service, consultant services to prepare funding applications.

Borrower Qualifications:

- Legal nonprofit or for profit corporation
- Minimum 3 years of operations with documented development expertise, minimum of 5 affordable housing projects

Loan Size: Minimum: \$100,000

Maximum: \$1,000,000

Term: Minimum: 2 Years

Maximum: 3 Years

Interest Rate: LIBOR plus 1%

Payments: Monthly, Interest Only

Repayment of principal for all applicable acquisition and soft cost funding is required when a collateral property is released (sale or refinancing).

Fees: None

**The Housing and Economic Recovery Act became public law on July 30, 2008. The law was established as an emergency assistance for the redevelopment of abandoned and foreclosed homes and is administered through the U.S. Housing and Urban Development (HUD).*

For more information on this program, please contact Glen Ohlund via e-mail at glen.ohlund@td.com or via telephone at (603) 222-9570.

Upcoming Events and Grant Opportunities

October 3 & 4, 2012 **MMA Annual Convention** – www.memun.org

November 15, 2012 **MCDA General Assembly Meeting via teleconference:** Check MCDA website at www.maineccda.org for agenda and phone number to call

November 28, 2012 **CDBG Application Workshop** – Eastern Maine Development Corporation, Bangor

November 29, 2012 **CDBG Application Workshop** – DECD Office, Augusta
(Both Workshops begin at 10:00 a.m.)

Workforce Development

The loss of manufacturing jobs has been a trend throughout the country as production shifted to countries where labor and other costs are far less. Manufacturing jobs provided well-paying jobs. Paper mill jobs, for example, were a great source of good-paying jobs for the non-college population, noted Glenn Mills, director of economic research for the Maine Center for Workforce Research and Information. As those jobs declined, these workers were not able to find jobs that pay comparable wages. Table 1 below compares annual payroll for manufacturing between 2005 and 2010. Table 2 details the number of establishments and employees by county for the same time period. Approximately 220 establishments have been lost resulting in the loss of almost 10,000 employees.

Because of foreign competition and technology-driven jobs, the manufacturing workforce will need to become better educated. Maine's manufacturers need access to a more skilled workforce. Other in-demand jobs requiring a skilled workforce include the health-related field, network systems and data communications.

The 2013 CDBG Proposed Program has added a new program to address community and business resource needs by providing funding for operating expenses, equipment, and program materials known as the Workforce Development Grant Program. The proposed program will provide a maximum of \$100,000 in grant funding. Communities interested in submitting an application to the Department of Economic and Community Development (DECD) for workforce development should submit a Letter of Intent, which is due on the first Friday of each month. More information is available at www.meocd.org, click on CDBG Program on the right-hand side of the web page to access all CDBG programs.

The China Toll

China entered the World Trade Organization (WTO) in 2001. Since that time, the trade deficit has resulted in the elimination and/or displacement of 2.7 million jobs. 76.9% of these jobs were in manufacturing. The China Toll on Maine was the loss of 10,000 jobs.

In 2011, China exported \$398.5 billion to the U.S. and the U.S. exported only \$96.9 billion to China.

Source: Economic Policy Institute, August 2012

Table 1. Annual Payroll for Manufacturing – 2005 and 2010

	2005	2010	% Change
Androscoggin	\$254,414,000	\$231,038,000	-9.18%
Aroostook	\$131,417,000	\$112,492,000	-14.40%
Cumberland	\$482,797,000	\$416,865,000	-13.60%
Franklin	\$93,733,000	N/A	N/A
Hancock	\$92,187,000	\$74,851,000	-18.80%
Kennebec	\$89,955,000	\$90,848,000	+1.00%
Knox	\$55,816,000	\$59,961,000	+7.40%
Lincoln	\$28,765,000	\$28,031,000	-2.56%
Oxford	\$131,501,000	\$142,090,000	+8.05%
Penobscot	\$166,934,000	\$169,160,000	+1.33%
Piscataquis	D	\$29,905,000	N/A
Sagadahoc	D	\$0	N/A
Somerset	\$149,796,000	\$160,047,000	+6.84%
Waldo	\$38,178,000	\$31,765,000	-16.79%
Washington	\$48,614,000	\$42,655,000	-12.25%
York	\$424,241,000	\$298,171,000	-29.71%

Source: U.S. Census, American Fact Finder, Economic Census

Table 2. # of Establishments & # of Employees – 2005 and 2010

	Establishments			Employees		
	2005	2010	% Chg	2005	2010	% Chg
Androscoggin	162	153	-5.6%	6,670	5,380	-19.03%
Aroostook	97	93	-4.1%	3,247	2,702	-16.8%
Cumberland	407	374	-8.1%	10,926	9,150	-16.3%
Franklin	42	27	-35.7%	1,984	N/A	N/A
Hancock	107	88	-17.7%	1,985	1,448	-27.1%
Kennebec	114	101	-11.4%	2,474	2,174	-12.1%
Knox	100	95	-5.0%	1,465	1,382	-5.7%
Lincoln	88	71	-19.3%	925	755	-18.4%
Oxford	74	62	-16.2%	3,110	2,627	-15.5%
Penobscot	165	135	-18.2%	4,540	4,138	-8.9%
Piscataquis	24	22	-8.3%	N/A	N/A	N/A
Sagadahoc	37	39	+5.4%	N/A	N/A	N/A
Somerset	73	66	-9.6%	3,718	3,438	-7.5%
Waldo	56	41	-26.8%	1,367	N/A	N/A
Washington	48	36	-25.0%	1,026	823	-19.8%
York	256	227	-11.3%	10,410	7,418	-28.7%

Source: U.S. Census, American Fact Finder, Economic Census

New Members - MCDA welcomes the Town of Madison and the Maine Downtown Center



A great place to live, work & play!



Welcome back to the Town of Madison who joined MCDA in September. Madison is known as the Gateway to the Western Mountains. Historically known as a mill town with paper, woolens, and other manufacturing as the primary employment in the community; today the Madison Business Gateway provides new opportunities for its citizens to diversify the local economy. Developed in March 27, 2000 to attract new businesses, this multi-purpose business park offers low-cost, dependable power to 57 buildable acres, fully serviced by underground utilities, including water, sewer, electricity, and fiber optic cable. A major business located in the park is *Backyard Farms*, which grows vine-ripened, hydroponic tomatoes in their 24-acre greenhouse. The greenhouse incorporates grow-lights, thermal blanketing for production climate control and a water recycling runoff system. Roof runoff provides approximately 90% of irrigation water.

The Madison Economic Development Department is currently busy working on its Downtown Plan, which was adopted by the voters in 2011.

Click here www.madisonmaine.com for more information on the Town of Madison, Maine.



Welcome Roxanne Eflin, Senior Program Director, of the Maine Downtown Center. The Maine Downtown Center (MDC) was established in 1999 to advance preservation-based economic development in Maine downtowns.

The Center is currently working with 10 Main Street Maine and 20 Maine Downtown Network communities, representing every county in Maine. The Maine Downtown Center serves as Maine's state coordinator for the National Trust for Historic Preservation's Main Street Program.

The Center is supported with private and public funds, including the Community Development Block Grant (CDBG) Program. For a number of years, MDC has relied on annual CDBG grants for a significant portion of MDC's annual revenue. The elimination of the MDC funding under the 2013 CDBG proposed program statement, will likely imperil MDC's continued ability to deliver the downtown revitalization program.

For more information, please visit the Maine Downtown Center at www.mdf.org/mdc.

The USDA Natural Resources Conservation Service awarded the Maine Rural Partners a \$40,000 grant to carry out a heat pump demonstration project. Through the grant, Maine Rural Partners will demonstrate and evaluate an air-to-air ductless heat pump in an agricultural-based application. The Aroostook Band of Micmacs will be the recipient of the heat pump. It will be installed in the retail farm store and processing facility of Micmac Farms and Trading Company. By selecting a northern Maine site, all Maine farms will know if this technology might work for them.

Maine Rural Partners also offers a variety of programs –

- **FOOD: Local and Healthy**-Local, healthy foods prevents chronic disease and promotes wellness
- **WEALTH: Developing Community Assets**-With an investment of 5% in community endowment funds, your community could generate by 2020, \$74 million every year to achieve community economic development priorities. See *Realizing Maine's Worth*.
- **ENERGY: Powering Solutions for Maine**-The Farm Energy Field Guide provides free information on energy saving practices, renewable energy options, and implementation assistance.
- **HEALTH: Vital Connections for Mainers**-Connects Mainers to wellness advocates.

For more information on programs and projects through the Maine Rural Partners, please visit the website at www.mainerural.org.

Fall July to September 2012 MCDA Newsletter: Community Development Bytes 'N Pieces, Rodney Lynch, AICP

Micki Sumpter, the Ellsworth Chamber of Commerce executive director for 15 years, has been hired by the City of Ellsworth as its full-time economic development director, the first in 2½ years. She has been working part-time for the city since late 2010, when the previous director, Janet Troth, resigned.

Shannon Haines plans to resign in the fall as executive director of Waterville Main Street after nine years on the job. Haines, who worked 10- and 12-hour days and usually on weekends as well, said she thinks a change in leadership at Waterville Main Street, will be a good thing.

Jason Bird has been hired by the City of Bangor. He will be working on Bangor's downtown development. He will be the primary coordinator for its CDBG entitlement community funds as well as Business Development Officer/Downtown Coordinator. Previously he was Senior Program Director for MCEDD.

Mike Bush has left Penquis CAP for the position of Housing Director with the Penobscot Indian Nation. According to Mike the Nation has about 100 rental units they manage and they plan to add more housing. There is a staff of 6-7, and a 1+ million budget. Prior to working for Penquis CAP, Mike was along time employee of the Eastern Maine Development Corporation. He is a graduate of the University of Maine at Orono. Wishing you the best of success in your new position and your continued membership in MCDA.

Mike Baran former Director of the Office of Community Development is presently employed as Housing Inspector for Maine Housing Authority.

South Portland's Director of Economic Development **Erik Carson** has resigned from his position as the City's economic development administrator. Erik formerly held a similar position with the City of Westbrook and prior to that position was a senior planner with the State Planning Office.

MCDA RETREAT

The Maine Community Development Association (MCDA) held a retreat on Tuesday, September 11, 2012 at the Seadog Brewing Company and Conference Center in Bangor to review the proposed 2013 CDBG Program Statement and held a discussion among the MCDA membership and the Department of Economic and Community Development's (DECD) Office of Community Development Staff.

The following are comments agreed upon by the membership.

Overall Program Statement: Philosophically the 2013 CDBG Program Statement is a fundamental departure from the previous community development program whether this involves the shift from an emphasis on infrastructure to economic development or the defunding of Public Facilities. The demand for non-emergency public facilities including historic preservation, solid waste, recreation, removal of architectural barriers, libraries, day cares, and other community facilities remains very high, with the number of applications exceeding the available funds by millions of dollars every year. There is a continuing need for public support for public facilities that will not be met by redirecting CDBG funds to economic development. In summary, many Maine towns faced with rising educational and municipal services costs, combined with a limited property tax base, need CDBG funding; particularly, for public facilities.

Public Facilities

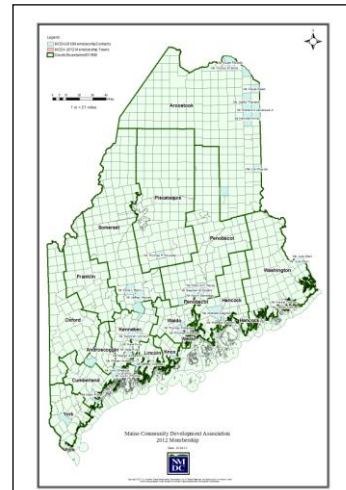
- *Priority funding category if funding becomes available through the redistribution of undistributed funds*

Maine Downtown Center: *Reinstate \$100,000 for funding for the Maine Downtown Center with the funding to come from the Workforce Development category.*

Workforce Development: *Reallocate \$100,000 in funding from Workforce Development to fund the Maine Downtown Center.*

Economic Development: *The EDP threshold amount should be at a requirement of two jobs with a minimum of \$60,000. MCDA recognizes OCD's offer for flexibility to adjust the threshold; however, we believe the proposed \$100,000 limit may be too prohibitive for smaller size businesses.*

Regional Technical Assistance: *The reality is that even though there is a decrease in the availability of CDBG funds, this does not mean the need or workload has decreased.*



There are 41 MCDA members located throughout the State of Maine. Membership is divided among municipalities, firms and individuals who are interested in increasing awareness and fostering communication relating to community development issues and concerns.

MCDA works closely with the staff of the Office of Community Development to offer comments on the CDBG Program. In addition to the CDBG Program, MCDA members are made up of experienced professionals with connections to other funding sources. MCDA offers training and educational workshop on a variety of community and economic development topics as well as planning and conducting low-to-moderate income (LMI) surveys.

MCDA members, town officials, economic and community development directors, planners, and other interested parties should plan on attending the 2013 CDBG Proposed Program Statement public hearing to be held on Wednesday, October 10, 2012 at DECD Office in Augusta. A copy of the program statement is available at DECD-OCD's website www.meocd.org.

ABOUT MCDA

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.

MCDA Newsletters

QUARTERLY NEWSLETTERS HIGHLIGHTING COMMUNITY AND ECONOMIC DEVELOPMENT ARTICLES OF SPECIAL INTEREST THROUGHOUT THE STATE OF MAINE ARE MADE AVAILABLE TO THE GENERAL MEMBERSHIP.

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

Who's Invited to Join????

ANY PERSON, MUNICIPALITY, OR FIRM EMPLOYED BY OR INTERESTED IN ECONOMIC AND/OR COMMUNITY DEVELOPMENT.

THE COMPOSITION OF MCDA'S EXECUTIVE COMMITTEE AND CURRENT MEMBERSHIP OFFERS NEW MEMBERS AN EXTENSIVE KNOWLEDGE BASE OF COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS AND AVAILABLE FINANCIAL RESOURCES. THE TENURE AND EXPERIENCE OF THIS ASSOCIATION CAN PROVIDE NEW MEMBERS WITH A MULTIPLE RESOURCE BASE ON A VARIETY OF PROPOSED PROJECTS IN YOUR COMMUNITY. I AM/AM NOT INTERESTED IN SERVING ON ONE OF THE FOLLOWING COMMITTEES:

- ✓ ADVOCACY
- ✓ COMMUNICATIONS
- ✓ FINANCE
- ✓ PROFESSIONAL DEVELOPMENT
- ✓ MEMBERSHIP
- ✓ OFFICER/EXECUTIVE COMMITTEE

DID YOU KNOW!!!!!!!!!!!!

There are 491 municipalities in the State of Maine, yet there are only 17 municipalities who are members of the Maine Community Development Association (MCDA). Now, more than ever, MCDA urges each municipality to become a member of the organization. MCDA is an affiliate group of the Maine Municipal Association (MMA) and as such enjoys the same status regarding lobbying. MCDA's Advocacy Role is to weigh in on proposed legislation and policies that impact community development in Maine. This organization is the "voice" of community development policy making in Maine.

Each year, prior to the distribution of Community Development Block Grant (CDBG) funds, the State Department of Economic and Community Development's (DECD) Office of Community Development (OCD) holds public hearings on the upcoming program statement. Each year, proposed changes to the CDBG program are prepared and made available during the public hearing forums. Little or no representation among municipalities is on hand to provide comments on the program changes that would have a direct affect on their communities needs.

Focus on cutting federal spending and decreasing the national debt has resulted in continual decreases of the CDBG budget over the past few years. CDBG is vitally important for Maine communities since it is the only flexible source of federal assistance available to address a wide array of rural community development needs. OCD administers the CDBG funds through an annual competition based on scoring criteria adopted in the rule-making and program statement process. OCD works collaboratively with MCDA to review proposed changes and garner support for the CDBG program. This is the time for the MCDA membership to provide feedback on the CDBG program.

Please join and make your 'voice' count!

Please visit our website at www.mainecca.org for a membership application or contact any member of the Board of Directors.

Maine Community Development Association

Local Government Center
60 Community Drive
Augusta, ME 04330-9486

(207) 623-8428 or
1-800-452-8786

www.maineccda.org

MCDA Subcommittee Members:

Advocacy

Daniel LaPointe (Chair)
Tony Levesque
Ron Harriman
Al Smith
Wade Hanson
Noel Musson

Communications

Joella Theriault (Chair)
Tony Levesque
Mary Walton
Ken Arndt

Finance

Ron Harriman (Chair)
Executive Committee

Professional Development

Darryl Sterling (Chair)
Jim Gulnac
Joella R. Theriault
Steve Dyer
Wade Hanson
Mathew Eddy
Noel Musson
Suzie Paradis

Membership

Steve Dyer (Chair)
Michael Bush
Suzie Paradis
Tony Levesque
Jonathan Edgerton

Nomination

Al Smith (Chair)
Wade Hanson
Paul Bernier

2012-2013 MCDA EXECUTIVE COMMITTEE MEMBERS

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Term Expires: October, 2013

Vice President:

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Term Expires: October, 2013

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Term Expires: October, 2013

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Term Expires: October, 2013

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Term Expires: October, 2013

