

CUMBERLAND COUNTY COMMUNITY DEVELOPMENT PROGRAM

CDBG GENERAL PROGRAM APPLICATION – 2010

Lead Community: People's Regional Opportunity Program

Additional Communities:

Contact Information: Name: Roger Bondeson; Tel. 207-553-5901

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Project Title: Weatherization and Emergency Repair Program

Program Category: Public Service___; Public Infrastructure/Facility___;
Housing **XXX**; Downtown Revitalization ___; Economic Development___

Select your CDBG "National Objective".

Low/moderate income: Area-wide___; Limited Clientele **XXX**; Direct Benefit___;

Presumed Group_____ (identify group)

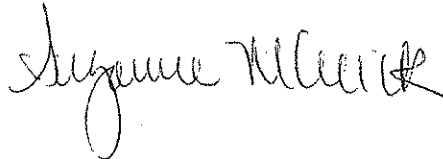
Slum/Blight: Area-wide___; Spot Basis___

Amount of CDBG funds requested \$150,000

Estimated Project Cost: \$216,120

Name of Authorized Official: Suzanne McCormick, CEO & President

Signature of Authorized Official:



Item # 1 – Brief Summary of Proposed Project – 10 points

The People's Regional Opportunity Program (PROP) proposes to use \$150,000 of CDBG funds for the following purposes:

- \$50,000 to conduct repairs in 6 homes enabling the home to be weatherized (e.g. leaky roofs, unsafe wiring, and asbestos removal). Once these repairs are completed, PROP will weatherize the home using Department of Energy Weatherization (DOE) funds. Weatherization will reduce heating energy use by 15% to 25% annually, freeing up monies for families to use for other necessities.
- \$50,000 to conduct emergency repairs in 7 homes (e.g. failing wells and septic systems, major roof leaks/failure, heating system failure).
- \$50,000 to conduct comprehensive repairs in 3 homes. These repairs will be determined by assessing the home against the HUD Housing Quality Standards checklist. All items that fail must be cured. Such items may include roofing, windows, doors, foundations, stairs and wiring.

These repairs will be conducted in households below 80% of the area median income and residing in the Cumberland County Entitlement Jurisdiction. For weatherization repairs, household income must be below 65% of area median income so they can also qualify for DOE funds. PROP's Department of Housing & Energy Services will administer this program.

Item # 2 – Management of the Proposed Activity – 10 points

Upon notice of award, PROP will issue a press release to local area newspapers announcing the availability of CDBG funds for home repair and contact information. PROP will also identify from its list of weatherization and home repair clients, those projects that will receive funding. Priorities to receive funding will be those households that have been identified as a "high energy user" from the MSHA fuel assistance database and those households that have emergency repair needs from PROP's waiting list.

The management of the CDBG grant award will be conducted by a core group of PROP staff in the Department of Housing & Energy Services. Key personnel and their responsibilities are outlined below.

- Roger Bondeson, Vice President of Housing & Energy Services will be responsible for ensuring all program and contractual requirements are met. Roger will serve as the primary contact for program related questions and issues. Roger has 15 years of management experience in affordable housing programs, is a Certified CDBG Program Administrator and has 10 years experience in managing weatherization programs.

- Nathan Mills, Business & Compliance Manager, supervises the Loan Officer and will prepare and submit financial and unit production reports to Cumberland County. Nathan has 20 years experience in managing financial and reporting requirements for many types of programs.
- Ellen Fogg, PROP's Loan Officer, will process applications, determine eligibility and prepare loan documents. Ellen has 10 years experience in this type of work. Ellen is registered with the Maine Office of Consumer Credit Regulation enabling her and PROP to conduct lending activities.
- Todd Anges, Weatherization Program Manager, directly supervises Peter Thayer, an Energy Auditor and a Construction Analyst. Todd will oversee Peter's work and make sure home repair and weatherization work meets program standards. Todd has 9 years of experience in managing the weatherization program and associated home repair work.
- Peter Thayer has 20 years experience in conducting home repair activity, is certified in HUD Housing Quality Standards and Maine Energy Auditing and has 5 years experience in conducting weatherization audits. Peter's work will include the inspection of homes, conducting energy audits and environmental and historical reviews, development of job specifications, obtaining quotes from contractors and overseeing the construction work.

PROP has been conducting home repair and weatherization activities since the 1970's. PROP has identified home repair and weatherization as core activities to its mission. PROP will administer these programs for the foreseeable future.

Item # 3 – Implementation Schedule – 10 points Schedule is attached.

Item #4 – Ready to Proceed – 10 points

PROP has experienced staff that administers home repair and weatherization projects on a daily basis. This staff includes 2 loan officers, 2 construction analysts certified in HUD Housing Quality Standards, 7 Maine certified energy auditors and a Finance Department that has well established accounting and reporting procedures that comply with federal Office of Management and Budget (OMB) regulations and state accounting principals.

PROP energy auditor and home repair staff are fully equipped with tools, computer software for energy audits (MEADOWS) and home repair job specification writing and estimating (Housing Developer Pro). PROP also has a waiting list of clients needing weatherization and home repair work and a list of 16 MSHA approved home repair and weatherization contractors who are reliable, insured and have a good history of delivering quality services. Once approval from Cumberland County is given, PROP is ready to proceed without the need for gearing up or for planning how to operate this program.

Item #5 – Need for the Activity

The need for the proposed rehab activities in Cumberland County is very high. The Maine Consolidated Five Year Plan dated November 2004 and developed by the Maine Department of Economic and Community Development (DECD) and the Maine State Housing Authority (MSHA) estimates that there are 7,466 low income substandard homes in Cumberland County. The data used to develop this report came from the 2003 Claritas (census) and from the 2003 MSHA LIHEAP/fuel assistance database. These homes lack attic or wall insulation, have no functioning heating system or have need of substantial repair.

PROP estimates that 1,493 (20%) of these homes have immediate or emergency needs. Such repairs include failing drinking water wells, septic systems, malfunctioning heating systems and major roof failures. This estimate is based on PROP's experience in conducting home repair activities for the past three decades.

Historically, PROP has provided repair services for 50 households per year (25 in Cumberland County and 25 in York County). These repairs have been financed with monies from MSHA, Maine DECD, and Cumberland County (a combined total of \$775,000, with an average cost of \$15,500 including PROP staff costs).

Of the 6,000 households eligible for weatherization in Cumberland County, 1,200 (20%) will not be weatherized due to unmet repairs identified in Item #1. PROP has weatherized 70 homes in each of the two counties annually and with Recovery Act funds this will increase to 240 houses in each county annually. The increase in homes to be weatherized means that PROP will need special purpose repair funding to make it feasible to weatherize many of these homes.

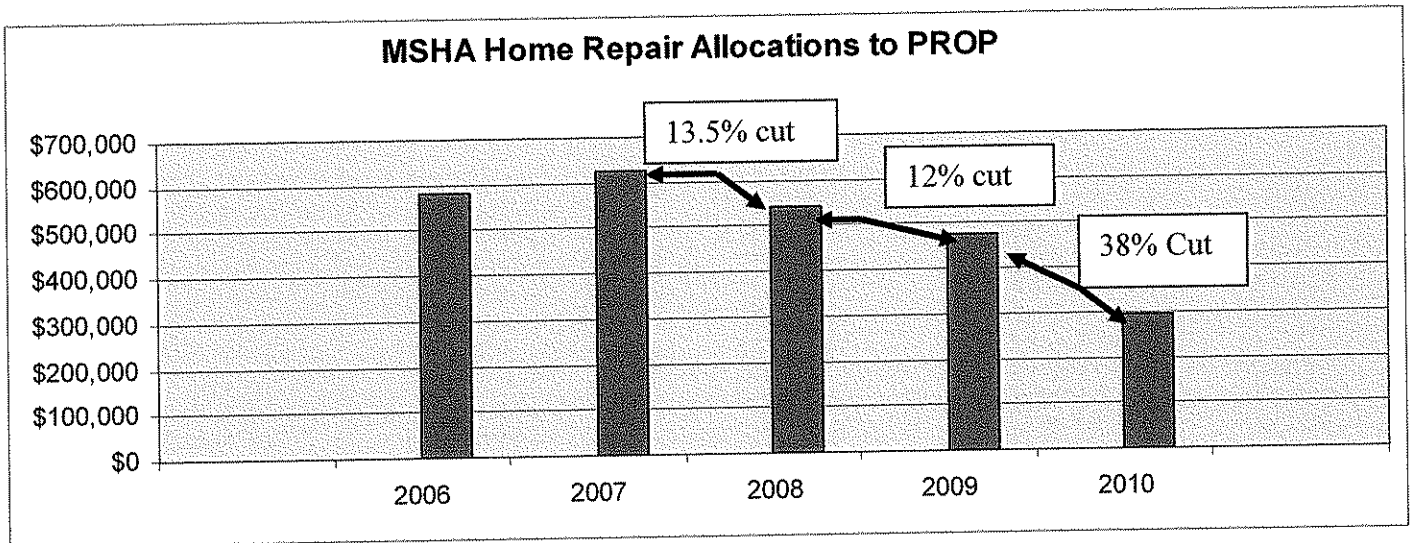
Weatherization of a home can reduce energy consumption by 15% to 25% annually. This provides much needed relief to low income families struggling to keep their homes. Forty percent of PROP's weatherization and home repair clients are elderly. Weatherization and repair work to these homes help the elderly age in place in a safe, familiar and comfortable environment. As demonstrated above, the need for repair and weatherization services far outstrips the funding and number of homes PROP is able to help.

Item #6 – Need for CDBG Program Funds – 15 Points

Of the \$775,000 PROP has received annually for home repair services, \$475,000 has come from MSHA. Unlike CDBG funds, MSHA funds cannot be used for emergency or special purpose repair and PROP is obligated to spend almost half of the \$475,000 in York County. The \$150,000 CDBG funding received by the Maine DECD cannot be used in Cumberland County because it is a recipient of CDBG funds. Maine DECD funds, therefore are used for home repair activity in York County. Without the \$150,000 of CDBG funds from Cumberland County,

PROP would have no funds with which to conduct emergency repairs or repairs necessary to weatherize a home for residents of Cumberland County.

MSHA's home repair allocations to Maine CAPs have been on a steady decline for the past four years. The graph below illustrates PROP's share of the funding. MSHA's 2010 budget reflects a 38% cut from 2009 and a 53% reduction in funding since the peak year of 2007. The importance of CDBG funding to maintain staff capacity to operate a viable home repair program becomes more critical.



PROP has made substantial efforts in acquiring home repair funds from sources other than Cumberland County, MSHA or Maine DECD. For example, PROP recently received a \$15,000 grant from the Huntington Commons Foundation to do repair work in York County for homes occupied by the elderly. This grant will likely serve only one or two homes. In 2008, PROP received \$50,000 from the Cohen Foundation and \$10,000 from United Way of York County to do repairs needed to weatherize homes in York County. Both of these grant funds have been expended. PROP will continue to seek such funding for home repair services but the current economic climate makes this extremely difficult and even when there is success; the grants tend to be very small and not adequate to cover many homes.

Item #7 – Budget for Project – 10 points

The attached budget form assumes continued receipt of DOE Weatherization Program funds and indicates a 38% match from use of DOE funds and MSHA Home Repair funds. Recovery Act funds for weatherization will carry through March of 2012 and the regular DOE Weatherization Program will be in place for the foreseeable future. It is anticipated that MSHA home repair funds will be available but at much lower levels than previous years.

Project Implementation Schedule

<u>Activity</u>	Q #1 J-S 2010	Q #2 O-D 2010	Q #3 J-M 2011	Q #4 A-J 2011	Q #5 J-S 2011	Q #6 O-D 2011	Q #7 J-M 2012	Q #8 A-J 2012
Contract/ Environmental Review ¹	X							
Reporting		X	X	X	X			
Program Announcement via local press	X							
Applicant Intake / Eligibility Determinations	X	X	X					
Weatherization Related Repairs		X	X					
Emergency Repairs	X	X	X	X				
HQS Repairs	X	X						
Project Completed				X				
Final Report to Cumberland County					X			

¹Environmental and Historical reviews are conducted for every project.

Budget – Construction Projects

Cost Category	CDBG Funds	Municipal Funds	Other Funds	Total
Design/Engineering				
Land Costs				
Materials/Supplies				
Construction Costs	\$127,500		** \$42,000 (Weatherization) \$15,000 (MSHA)	\$184,500
Project Management	\$22,500 (15%)		\$6,870 (Weatherization) \$2,250 (MSHA)	\$31,620
Other				
1.				
2.				
3.				
4.				
Total Costs	\$150,000		\$66,120	\$216,120

** The \$57,000 in other construction funds represents a 38% match for the \$150,000 CDBG request.