

Cumberland County Community Development Program
2014 CDBG General Program Application
Community Cover Page

Project Title Freeport Energy Conservation Project

Lead Community Freeport

Additional Communities _____

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Program Category

Public Infrastructure/Facility _____ Downtown Revitalization _____

Public Service _____ Housing X Economic Development _____

CDBG "National Objective"

Low/Moderate Income: Area-Wide _____ Limited Clientele X

Direct Benefit: Presumed Group _____ (Identify Group)

Slum/Blight: Area-Wide _____ Spot Basis _____

Amount of CDBG Funds Requested \$17,880

Total Estimated Project Cost \$22,350

Name of Authorized Official Peter Joseph, Town Manager

Signature of Authorized Official _____

2014 General Application Questions

1. Provide a **brief summary** (400 words maximum) of the proposed project.
-10 points.

Focus your answer on issues such as: What will be built? What will happen? Where will it happen? Who's in charge? Who will be served?
Be specific to the project and the CDBG funds requested.

This project uses CDBG funding to supplement funding provided through Efficiency Maine's Home Energy Savings Program (HESP) to improve the energy efficiency of Freeport homes. The HESP offers a variety of financial incentives to encourage owners of single family homes and multi-family buildings up to 4 units to improve the efficiency of their building. The Air Sealing with Assessment program is a combination of an energy audit with air sealing completed by the same contractor in one visit. Efficiency Maine keeps a list of qualified contractors; the town will use those contractors. The total cost of this service is \$600, of which Efficiency Maine will pay \$400. Typically the remaining \$200 is paid by the homeowner, but in this project the town proposes to use the CDBG funds for the balance. Efficiency Maine estimates that on average this program reduces a household's oil consumption by 100 gallons, at \$3.70/gallon of oil, that's a \$27,750 savings for the program in one year.

The town is proposing to improve the efficiency of 75 low/mod single family homes (or a smaller number of single family homes and some multi-family units). All of the homes are expected to be in Freeport. The audits will be given to the homeowner, but the town will require that a list of suggested projects be provided by the contractor so that other resources can be leveraged if necessary and possible.

The town proposes to hire a part-time temporary person to administer the project. Completing the Air Sealing with Assessment program makes homeowners eligible for more incentives from Efficiency Maine and possibly other programs from Opportunity Alliance. Existing town staff wouldn't have the time to focus on getting the most out of the audit and to leverage other resources. The goal of the project is to help as many residents reduce their energy consumption as a buffer against fluctuating energy costs and to improve the long term sustainability of the town.

The town will provide office space and office equipment, no reimbursement or expenses are allocated to these costs.

2. Provide a response to the four questions below defining and justifying the **need for the activity**. **-20 points**

Over the last three heating seasons, the town has spent on average \$12,900 providing heat assistance to 40 households. On average that's 1,680 gallons of oil and 950 gallons of K-1 (typically mobile homes use K-1). Some of those recipients also might receive LIHEAP, but those benefits are not included in the averages.

Efficiency Maine predicts that over 95% of the homes in Maine would benefit from air sealing and other insulation. Also, it's the first step in reducing the town and the state's carbon footprint. Given the number of households that received heating assistance in past years, no problems are anticipated in finding 75 qualifying homeowners.

These residents have the least ability to pay and the least ability to improve the efficiency of their homes because of the cost involved. The town would prefer to spend the assistance on improving the efficiency rather than spending the same amount of money year after year.

3. Provide a response to the three questions concerning **management of the proposed activity**—10 points

- a. Define *who* will manage the grant funded project and *how* they will manage it.

The Freeport town planner and the general assistant director will oversee and manage the project. They will hire and train a temporary part-time staff person to do the day-to-day activities. Those activities include

- *marketing the program,*
- *contacting homeowners that have received LIHEAP and other fuel assistance in the past to explain the program and encourage their participation,*
- *income verification and qualification of applicants*
- *develop and issue a request for qualifications from local contractors capable of doing the work,*
- *coordinate the work between homeowners and contractors,*
- *visit homes if necessary,*
- *review the audits and identify other programs that the homeowner may be eligible for. If the homeowner is willing, the staff person will coordinate getting those other service(s) completed*
- *evaluate the program*

- b. Explain the experience of the applicant in undertaking projects of similar complexity.

The town of Freeport has completed multiple CDBG projects over the years. The town planner is experienced with the CDBG requirements and paperwork. The general assistance director is experienced working with low/mod income households and has built many working relationships with these clients. Efficiency Maine is aware of this grant and looks forward to partnering with Freeport as this could become a model for other communities.

- c. Demonstrate that an ongoing commitment exists to continue the maintenance and operation of the activity or facility.

The town solicits donations every year to help residents who are struggling to buy fuel as their commitment to conserve energy and to assist those who can't afford the high cost of energy. Those efforts will continue, but the more we can use funds to help these residents become energy independent the better off the resident is and as a community our carbon footprint goes down. This program can also raise the awareness to other residents of the various Efficiency Maine incentives.

In 2009, an Energy Conservation Reserve Fund was also created to continue energy conservation projects. Every year 50% of energy savings and 50% of any rebates are put into a fund for future conservation projects. There is currently \$22,000 in that fund.

4. Demonstrate that the project is **ready to proceed**—20 points
For non-construction related projects:

- Describe the steps that have been completed or must be completed to initiate the project. These may include: community support, staffing, securing an appropriate location, marketing and networking.

Community support for this type of project started with the adoption of the Comprehensive Plan in 2011. The vision of that plan states that the town's energy demands will be met by organizing energy conservation efforts for all residents. The staffing demands will be met by hiring someone that will focus on this project. That person will have a space in the town office, but much of the work will be done in the field and on the phone. The town will start the hiring process when notification of funding is received; however, the person will not be hired until the contract is signed. The town maintains a list of households receiving assistance throughout the current heating season. That list

is an immediate pool of potential recipients. Freeport Community Services also provides heating assistance, those recipients will also be contacted. It is possible that between those two lists, 75 households will be identified.

The Town Council unanimously endorsed this project and the submission of this grant on January 21, 2014.

- Describe any existing and/or potential impediments to project initiation

The town has tried to improve the energy efficiency of low/mod income households in the past and has had very limited success by partnering with Habitat for Humanity. The town has identified several homeowners that want to improve their energy efficiency but haven't been eligible for other existing programs for reasons such as back taxes due, they have poor credit, or they are behind in mortgage payments. Efficiency Maine understands those problems and designed this program to improve the efficiency of building regardless of the circumstances of the owner. The contractors understand that each building is different. When they get on the site and start the audit, they decide what the best air sealing options for that building are and they do them. If the building changes hands the benefit is passed on to the next owner. After several attempts to develop a program, the town thinks that this combination is a perfect fit for the needs that have been identified.

For projects requiring a match:

- List sources and amounts of matching funds on match sheet provided (Appendix III).
- Are the funds secured?

Not yet; however, the Freeport Town Council will hold a public hearing on February 4, 2014 to discuss the appropriation of the \$4,470 local match from the energy conservation fund.

5. **Budget for project.** Fill in the attached budget form and provide the basis for determination of budget amounts (Appendix IV). - 5 points

See attached budget

6. **Implementation schedule** for project: Fill in the attached schedule form (Appendix III). - 5 points

See attached

7. **7A) NON-ECONOMIC DEVELOPMENT ONLY**

Provide a response to the three questions demonstrating the **need for CDBG program funds** -15 points

- a. Why are CDBG funds critical for the commencement and ultimate success of the project?

The town would be able to fund a few of these audit/air-sealing projects without CDBG funds. The CDBG funds will allow the town to do this on a much larger scale and it will also let us hire someone who can also leverage other funds. Coupling CDBG with Efficiency Maine has the potential to leverage other resources such as renewable energy resources, additional insulation, and/or heating equipment replacement thus improving the efficiency of our housing stock.

- b. Have you, or will you, seek funds from other sources? If so, what are those funding sources?

The town plans to use these funds to leverage other funds to increase the efficiency of homes. The funds will not be used for the audit/air-sealing project.

- c. What is the impact on the project if CDBG funds are not received or if only partial CDBG funds are received?

Without the funds the town will probably be able to do 4-5 homes. Two hundred and fifty six dollars has been allocated for each house, partial funding will reduce the number of houses that are completed by that amount.

7. **Distress Score**

Freeport has a distressed score of 4.

Type of Funding	Match Amount	Source of Match	How is the match calculated?	Is the match secured? Please circle yes or no.	If yes, please attach relevant documentation. ¹	If no, please outline and attach future steps to secure match. ²
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<u>Project Implementation Schedule</u>								
<u>Activity</u>	Q #1 J – S 2014	Q #2 O – D 2014	Q #3 J – M 2015	Q #4 A – J 2015	Q #5 J – S 2015	Q #6 O – D 2015	Q #7 J – M 2016	Q #8 A – J 2016
Contract/ Environmental Review	X							
Reporting		X	X	X	X			
Hire staff	X							
Start list of potential recipients	X							
Identify qualified contractors	X							
Identify recipients	x	x	x	x				
audit/air sealing		x	x	x	X			
Project Completed:					X			

Cash	Municipal Cash	\$4,470	Freeport Energy conservation fund	20% of total project	No		Council public hearing 2/4/14 to appropriate funds. Documentation will be submitted if approved
In-Kind/ Donation	Municipal In-Kind & Donation	\$900	Existing office space and equipment as well as staff time for grant administration		Yes	No official action is required	
TOTAL MATCH		\$5,370					

Appendix IV: Budget

Construction Projects				
Cost Category	CDBG Funds	Municipal Funds	Other Funds	Total
Design/Engineering				
Land Costs				
Materials/Supplies \$200 match	\$10,530	\$4,470		\$15,000
Construction Costs				
Project Management	\$6,300			\$6,300
Other				
1. Mileage	\$1,050			\$1,050
Total Costs	\$17,880	\$4,470		\$22,350

Provide the basis for determination of budget amounts:

The costs are based on completing 75 houses

\$200 match * 75 houses = \$15,000

Staff 6 hours/house * 75 houses @ \$14/hour = \$6,300

Mileage 25 miles/house*75 houses @ \$.56/mile = \$1,050