

Cumberland County Community Development Program
2015 CDBG General Program Application
Community Cover Page

Project Title Freeport Home Insulation Project – Phase 2

Lead Community Freeport

Additional Communities _____

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Program Category

Public Infrastructure/Facility _____ Downtown Revitalization _____

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 \$112,000

Total Estimated Project Cost \$140,000

Name of Authorized Official Peter Joseph, Town Manager

Signature of Authorized Official 

2015 General Application Questions

Respond to the narrative questions in a maximum of six pages (economic development & non-economic development project applications) or seven pages (multi-jurisdictional project applications.)

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

Focus your answer on issues *such as, but not limited to*: What will be built? What will happen? Where will it happen? Who's in charge? Who will be served?

In 2014, Freeport was awarded a CDBG to complete energy assessment and air sealing on LMI homes. That project was a huge success. Some good air sealing work was done, each house was different. The air sealing resulted in an estimated savings of 28 gallons of oil per home annually. In addition, a report was done saying what additional work should be done. In this second phase of the project, 20 houses from phase 1 will have the additional recommended insulating work that needs to be done. Typically that includes insulating the basement and the attic. But it can also include the outside walls, doors and windows. It is estimated that \$7,000 per home will be needed to complete the work.

A total of 61 houses will be done by Phase 1 (54 have been completing as of mid-January 2015). Some houses will have more insulating done through the HOME program, others will be done through Opportunity Alliance programs. Phase 1 of the program is working just the way it was intended. Not everyone wants to have more work done. This grant should help complete the program.

The insulating work being contemplated in this grant is eligible for rebates from Efficiency Maine. Those rebates will be part of the required match and shows a continued partnership between CDBG and Efficiency Maine. Many LMI residents don't have the funds to get the work done even if they are eligible for rebates. The goal of this grant is for LMI residents to be more energy independent.

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

- a. Convey the magnitude and severity of the issue to be addressed.
While we're all enjoying lower energy prices this winter, that probably won't last. In addition to cost, lowering the town's carbon footprint is also important. The more we can lower a resident's energy

consumption, the more affordable their housing, the greater quality of life they can enjoy.

- b. Identify the total number of people affected by the issue.
 - i. Out of the total number of people affected, identify the number of people from low/moderate income households.

All of the recipients of this program have to have participated in Phase 1 of the project. Phase 1 was supposed to serve 75 homes, however, after extensive outreach, it seems that we've reached most of the residents. 100% of the recipients are LMI.

- c. Describe to what extent the project makes in the long-term measurable difference in the economic and social health of the region.

Lower energy costs are good for everyone. The town relies on donations to provide heating assistance. While the town is grateful for those donations, they come in on an irregular basis and it's never known how much is going to be needed.

Phase 1 of this program is now being duplicated by the Town of Yarmouth. Phase two of this project assumes \$7,000 for each house. That should be enough to insulate the attic and the basement and do some other smaller projects. The estimated energy saving for a full attic/basement insulation project is 20%. The typical house uses about 700 gallons, so a 20% represents 140 gallons, x 20 houses is 2,800 gallons saved every year. That adds up to a huge savings over the lifetime of the house.

Phase 1 of the project enjoyed excellent coverage in local newspapers. As a result, dozens of residents called to learn about the Efficiency Maine program that was being used. Although most were not LMI, it was an opportunity to talk about the program and many other residents took advantage of the Efficiency Maine program. An excellent unintended consequence.

- d. Construction related activities: Convey how the project relates to the community's long-range planning and capital improvement needs.

The Vision of Freeport's Comprehensive Plan states "Freeport's energy needs would be met by organizing energy conservation including all residents.

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.

Because the recipients have already been identified, Phase 2 will be managed by existing staff, a combination of the General assistance Manager and the Town Planner.

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

Both the General Assistance Manager and the Town Planner have successfully completed many CDBG projects. Both also developed and implemented Phase 1 of this program.

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

Once this work is done, it serves it's purpose for many years without maintenance. Therefore; no maintenance is proposed.

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.

Staffing is complete, the application is complete (applicants will have to submit new documentation to support their application), potential recipients have been identified as part of Phase 1. Homeowners of Phase 2 will be required to agree to a 10 year forgivable loan. That loan agreement will be modeled after the HOME program agreement. Still it will need to be agreed to. The town will have to develop a bid document as each project will have to go out to bid.

- Describe any existing and/or potential impediments to project initiation
Some homeowners are reluctant to enter into the 10 year forgivable loan. That is the only impediment that is expected.

For projects requiring a match:

County sponsored projects do not require a match. Community sponsored applicants require a threshold 20% match in cash, donated land or building materials, or contracted project development services. In-kind contributions are allowed, but need to be documented, quantifiable services for work performed.

- List sources and amounts of matching funds on match sheet provided (*Appendix III*). *Matching funds will be a combination of rebates from Efficiency Maine and local dollars.*
- Are the funds secured?
 - If yes: Provide documentation The Efficiency Maine rebates are secured, on January 20, 2015, the Freeport Town Council unanimously endorsed the application along with the match of

\$4,000. On January 14, 2015, the Freeport Housing Trust voted to allocate \$4,000 as a match for this project provided the Town of Freeport also paid \$4,000.

- If no: Describe what is pending or next steps

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

- Describe how funds, including match when applicable, will be distributed between project elements.
- Limit the budget and budget description to that portion of your program that is applicable to this application.

Applications will not be accepted without a completed budget.

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

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?
Phase 1 of this project was only possible because of CDBG funds. Those continued funds are also necessary to complete the project.
- b. Have you, or will you, seek funds from other sources? If so, what are those funding sources?
The HOME program has offered some funding to complete some of the houses. They are focused on residents that are older than 55. In addition, funds have been requested from Opportunity Alliance to work on mobile homes that are in the mobile home park.
- c. What is the impact on the project if CDBG funds are not received or if only partial CDBG funds are received?
The town will continue to look for funding through other programs, this will dramatically slow the progress of the program as will reduced funding. This is expected to be the final phase of the insulation project for several years.

7. **Distress Score**

Each community will be **assigned** a score from **0 to 10 points** based upon two factors:

- a. Percent of low/moderate income community residents of the total community population.

- b. Percent of low/moderate income residents in the 25 communities of the Cumberland County Entitlement Jurisdiction that reside in the applicant community.

Freeport has a distress score of 3

County sponsored projects serving region-wide initiatives will receive a distress score of **6 points**.

Project Implementation Schedule

<u>Activity</u>	Q #1 J - S 2015	Q #2 O - D 2015	Q #3 J - M 2016	Q #4 A - J 2016	Q #5 J - S 2016	Q #6 O - D 2016	Q #7 J - M 2017	Q #8 A - J 2017
Contract/ Environmental Review	X							
Reporting		X	X	X	X	X	X	X
Send out letters to qualified residents	X							
Develop 10 year forgivable loan documents	X							
Application completion and approval	X	X	X	X	X			
Prepare and release bid documents		X						
Estimated project completion						X		

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
Cash	Municipal Cash	Energy Efficiency fund	10% of total project	Yes		
	Other Cash	Efficiency Maine rebates	20% of total project	Yes	Projects will be required to meet Eff ME standards	
	Other Cash	Freeport Housing Trust		Yes		
	Other Cash			Yes / No		
In-Kind/ Donation	Municipal In-Kind & Donation			Yes / No		
	Other In-Kind & Donation			Yes / No		
	Other In-Kind & Donation			Yes / No		
	Other In-Kind & Donation			Yes / No		
TOTAL MATCH						\$28,000

¹ Please feel free to attach up to 1 page of additional documentation demonstrating secured match.

² Please feel free to attach up to 1 page explaining the future steps that will be taken to secure matches.

Appendix IV: Budget

Construction Projects				
Cost Category	CDBG Funds	Municipal Funds	Other Funds	Total
Design/Engineering				
Land Costs				
Materials/Supplies				
Construction Costs				
Project Management				
Other				
1. Insulation materials and installation	\$112,000	\$8,000	\$20,000	\$140,000
2.				
3.				
4.				
Total Costs	\$112,000	\$8,000	\$20,000	\$140,000

Provide the basis for determination of budget amounts:

20 houses at \$7,000/house*
 Estimated Efficiency Maine rebate per house - \$1,000
 Some houses might need more, others less, this is intended to be an average. If more houses can be completed with these funds, the town will do that.

