

**Cumberland County**  
**State & Local Fiscal Recovery Funding**  
**Tranche 2 Action Plan**

**Background**

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan, provides state, local, and Tribal governments across the country funding to support their response to and recovery from the COVID-19 public health emergency. Treasury allocated \$57,300,874 million of these funds directly to Cumberland County. In May of 2022, Cumberland County received its second and final tranche of funding in the amount of \$28,650,437 million.

The intent of the grant funds is to provide Cumberland County with the financial resources needed to respond to the pandemic and its economic effects, and to build a stronger, more equitable economy. Cumberland County considers the State and Local Fiscal Recovery Fund (SLFRF) as once-in-a-lifetime opportunity to deliver a strong recovery and improve current and future economic and health outcomes for all residents. The County believes working with municipalities and nonprofit organizations will set the stage for a stronger, more durable recovery. In doing so, the County's Plan for SLFRF spending prioritizes support for struggling households and critical investments in infrastructure.

Last winter the County Commissioners established regional priorities and created an open competitive grant process. The goal for the open competitive grant process was to align our SLFRF with nonprofits and municipalities who have the capacity to provide services to those impacted by COVID-19, thereby sending an infusion of funds into our community during a critical time of the pandemic.

To ensure the County targets funding where it is needed within our community need, the County embarked on additional community engagement and feedback for the use of the Tranche 2 funds. From the onset of the AAC's community engagement process for tranche 2, committee members wanted to ensure that our efforts did not overwhelm our community leaders, given concurrent work being done around our community needs by County Public Health and the Community Development department. In keeping in line with this thought, the AAC surveyed our community and then used collective data from these County departments as part of their community engagement process.

From this approach, data points were established and outlined for our regions current needs. The County's existing priorities although similar had in fact shifted slightly for our region. The needs have not changed but the ranking of those needs have. Data provided the County with a new ranking of needs and is outlined as follows:

1. Affordable Rental Housing Units Capacity gain
2. Services for the Homeless that would support Health Equity
3. Make necessary investments to improve access to clean drinking water, support vital wastewater and storm water infrastructure
4. Education - Services to address educational disparities
5. Funding to support infrastructure development of local childcare facilities with a goal of expansion
6. Expansion for Substance Use disorders Service Centers
7. Enhancing our regional Transportation services
8. Broadband infrastructure to expand affordable access to broadband internet

### Comparison

#### Existing Priorities Ranking

1. Shovel Ready Housing/  
Homelessness Units – Capacity gain
2. Mental Health & Substance –  
Capacity Building
3. New American Job Training &  
Work Opportunities
4. Food Insecurity
5. Childcare
6. Infrastructure - Water and  
Sewer

VS

#### New Priorities Ranking

1. Affordable Rental Housing Units Capacity gain
2. Services for the Homeless that would support Health Equity
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As outlined above affordable housing, and homeless services rank highest among our community needs. However, a shift has occurred in the area of municipal water and sewer as well as childcare and education services, moving head of mental health, substance use and food insecurity. It can be presumed that by funding these areas as the county did has helped elevate the imitate needs and has allowed for other programs to emerge.

**The following bullet points outline details of the AAC Community survey:**

- 82 Respondents of which 54.88% where households vs organizations or towns
- Important investments for the community have shifted slightly, though affordable housing and homeless services ranked the same. Municipal water/ sewer, as well as education moved up in level of importance.
- The data outlined support given to funding projects in our community around creation of affordable rental housing, construction of affordable homes, followed by infrastructure for water/ sewer and childcare expansion.

While Cumberland County's process for competitive grants was swift and effective in putting SLFRF funds to work in our community, it also presented its own challenges. The County Commissioners and the volunteer-driven ARPA Advisory Committee found areas of concern, including: project sustainability, capacity, and timeline for expenditure of funds and funding multipliers - i.e. leveraged dollars.

County administration and ARPA Advisory Committee believe our application process should be revised to encompass a more target approach to our regional needs. Staff are requesting to have the open competitive grant application process be replaced with the following grant programs. Three of the five programs outlined would be open to community providers and municipalities to apply for and access funding:

- 1. Cumberland County Affordable Rental Housing Program**
- 2. Cumberland County Municipal water and Sewer infrastructure Grant Program**
- 3. Cumberland County Childcare Expansion Grant Program**
- 4. Keeping Cumberland County Warm (internal)**
- 5. Cumberland County Preservation of Affordable Housing Program (internal)**

Applicants would need to comply with the programs guidelines set by both Treasury and the County. Each Program has its own eligible uses and non-eligible uses for the funds. The goal for outlining the non-eligible uses is to ensure applicants are aware of what can be covered with the SLFRF funds and what is not supported by either Treasury, Cumberland County Commissioners or both. Setting up a maximum funding amount for each program allows the County to meet our regional needs and do this in a fair and equitable manner. Once Funds are gone the program closes. It also assist the County with its need to place an expiration on the funds. This process would both promote clear funding allocations to our community and also assist the County with Risk Management. If projects are not spending funds down and thereby need to be reprogramed we have a system in place to do this from the onset of our funding, beyond just our contractual agreements.

The Programs outlined within this packet will begin after the County Commissioners approval and will include any amendments by the commissioners. Each Program will have deadlines for submission with some having application deadlines that are clearly defined with an end date, while also allowing others the needed flexibility of a rolling application process. No new applications will be accepted after December 31, 2024.

## **Affordable Rental Housing Grant Program**

The Affordable Rental Housing Program is intended to assist developers in creating affordable, workforce, rental housing consisting of five to 12 units where 100% of the units are leased to households making no more than 80% of Area Median Income and are leased at not more than Fair Market Rents. All residents must inhabit the units as their primary, permanent residence. The Program may finance (i) the acquisition and adaptive re-use of an existing building or buildings, (ii) the acquisition and substantial rehabilitation of existing, non-rent restricted housing, or (iii) the creation of a newly constructed building or buildings. For purposes of this program, substantial rehabilitation is defined as the acquisition and rehabilitation of existing, non-rent restricted housing in which the cost of the rehabilitation (as deemed necessary by Cumberland County) averages at least \$50,000 per unit.

One goal of the Affordable Rental Housing Program is to bring economic equity to Cumberland County with a preeminence on our rural areas of Cumberland County, which are often left out of the Low Income Housing Tax Credit program as the size, scale and lack of investor interest makes them all but unworkable. The Program will provide subsidy in the form of zero interest forgivable loans as well as paying debt for the acquisition and substantial rehabilitation or construction of any units developed under the Program. The affordability will be required for a minimum of 45 years.

### **Funding**

The maximum forgivable grant amount is \$50,000 per unit for acquisition rehab projects and \$75,000 per unit for adaptive re-use or new construction units. The maximum forgivable loan amount is \$600,000 per acquisition rehab project and \$900,000 per new construction or adaptive reuse project.

**Total available funds \$ 2,000,000.00**

### **Timing of Applications**

Applications are accepted on an on-going basis as long as resources are available and must be in the form prescribed by Cumberland County. The County will review applications as they are received. Recommendations will not be presented until the AAC has a minimum of three or more applications under review. Cumberland County reserves the exclusive right to determine whether an application meets the requirements of the Program.

**Eligible developers are:**

- Public Housing Authorities,
- Community Action Agencies
- Non-Profit Housing Developers, and
- For-Profit Housing Developers

**Ineligible:** Properties that restrict or prohibit the required minimum 45 year covenants, and or any other requirements of the SLFRF program that are applicable to affordable housing development.

**Additional Program Stipulation:** The focus for this program is to target rural communities of Cumberland County. The County will accept applications from all municipalities, however priority and additional bounce points will be given to areas outside of the Maine DOT defined urban compact areas for greater Portland, Please see link below for corresponding map: <https://www.maine.gov/mdot/mapviewer/index.html> .

**Developer Fees**

The maximum developer fee, including all overhead and profit, is \$15,000 per unit.

## **Municipal Water & Sewer Grant**

The Municipal Sewer and Water Grant Program aims to provide funding to Cumberland County municipalities to support local sewer and water infrastructure needs. Goals of County ARPA Funding is to support and prioritize projects that would provide the greatest public benefit within our community.

Water and sewer infrastructure investments marked one of the six ways that funds could be used for recovery and to address climate change impacts. Guidance from the U.S. Department of the Treasury identified drinking water infrastructure projects as eligible if they met the U.S. Environmental Protection Agency's (EPA) Drinking Water State Revolving Fund (DWSRF) projects eligibility criteria. All projects must be deemed necessary investments. Necessary Investments are defined by Treasury if it is:

1. Responsive to an identified need to achieve or maintain an adequate minimum level of service, which may include a reasonable projection of increased need, whether due to population growth or otherwise,
2. A cost-effective means for meeting that need, taking into account available alternatives, and
3. For investments in infrastructure that supply drinking water in order to meet projected population growth, projected to be sustainable over its estimated useful life.

Along with certain additional projects, including a wider set of lead remediation and storm water infrastructure projects and aid for residential wells. The final rule permits use for certain dam and reservoir restoration projects and certain drinking water projects to support population growth. The nature of these additional uses is such that additional factors must be met.

### **Funding**

The maximum SLFRF allocated to this program \$3,500,000. Max per Municipality \$1,500,000

### **Timing of Applications**

Applications will be accepted beginning following Commissioners approval. All applications must be submitted by no later than 4:00pm on January 13, 2023 and must be in the form

prescribed by Cumberland County. Cumberland County reserves the exclusive right to determine whether an application meets the requirements of the Program

The following are types of projects that are eligible under this program:

- A. Improvements to enable systems to comply with drinking water regulations
- B. Infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems
- C. Consolidation of existing drinking water systems
- D. Construct, improve, and repair wastewater treatment plants
- E. Control non-point sources of pollution
- F. Improve resilience of infrastructure to severe weather events
- G. Create green infrastructure
- H. Protect waterbodies from pollution
- I. Construction of publicly owned treatment works
- J. Projects pursuant to implementation of a nonpoint source pollution management program established under the Clean Water Act (CWA)
- K. Decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage
- L. Management and treatment of stormwater or subsurface drainage water
- M. Water conservation, efficiency, or reuse measures
- N. Development and implementation of a conservation and management plan under the CWA
- O. Watershed projects meeting the criteria set forth in the CWA
- P. Energy consumption reduction for publicly owned treatment works
- Q. Reuse or recycling of wastewater, stormwater, or subsurface drainage water
- R. Security of publicly owned treatment works

## **Childcare – Expansion Funds**

Cumberland County Childcare grant program will fund new and expanded childcare facilities to help close the childcare supply/demand gap. The focus of this grant is to address the significant barrier for many childcare businesses, around the cost associated with making physical plant changes to comply with licensing regulations or to expand capacity.

Five key principles of the County Grant Program:

- Maintain and increase the supply of high-quality childcare, particularly in underserved areas and for families with low incomes or high needs.
- Boost low-income parents' ability to work and provide continuity of care for children.
- Stabilize the childcare workforce and support program quality and child development.
- Make use of short-term financial resources for long-term assets.
- Align Child Care and Development Block Grant (CCDBG) and child care stabilization funds (CCSF) funding with other pandemic relief efforts and federal resources.

Cumberland County will work with an experienced vendor, whom will develop a grant application process, evaluation criteria, and provide Cumberland County State & Local Fiscal Recovery grant funding and technical assistance to address these business challenges thereby increasing childcare capacity within Cumberland County. Vendor technical assistance will include support developing a business plan, coaching through the licensing process, support to earn a Quality for ME rating, learning best practices for managing a childcare business, and providing one-on-one support with a business advisor.

### **Funding**

The funding is intended to support Gaps in financing between what is available from the state, what the grantee is contributing and delta of the project. Total funding for this project is \$1,000,000.00

### **Timing of Applications**

Applications will be accepted on an on-going basis as long as resources are available and must be in the form prescribed by Cumberland County. The County will review applications on a first-come, first-served basis. Cumberland County reserves the exclusive right to determine whether an application meets the requirements of the Program.

### **Eligible Costs:**

Costs associated with Renovating an existing building or constructing a new building. Grant awards received may be used for the following purposes:

- Purchasing or renting a building and renovating it to deliver high quality child care. Selected examples include adding a window to allow for egress and to add natural light, removing a wall to increase the size of a room, adding an accessible ground-floor bathroom and installing a fire alarm system.
- Constructing a new building that is designed to enhance a child's development.
- Buying educational materials for the new children to be served. Selected examples include books, musical instruments, developmentally appropriate toys and consumable supplies, such as paper, paint and chalk.
- Acquiring indoor furniture and fixtures for the increased capacity. Selected examples include tables, chairs, cribs and sleeping mats.
- Creating an outdoor learning environment that accommodates the additional children. Selected examples include building pathways, gardens or activity centers, such as a mud kitchen.
- Buying playground equipment to include more children. Selected examples include swings, sandboxes, shade areas, playsets and energy-absorbing material.
- Procuring health and safety supplies and other materials required to increase your licensed capacity. Selected examples include first aid kits, electrical outlet covers and gates.

## Keeping Cumberland County Warm (Internal Grant Program)

With Costs for home heating forecasted to remain high this winter, Cumberland County wanted to provide additional funding to local municipalities and their existing GA programs. The goal of this program is to target community members that are just outside the income guidelines for LIHEAP and General Assistance. Income restrictions will be applicable under the SLFRF and as such will have an income cap. Funds will be filtered through local municipalities existing GA process. Minimum set asides for towns will be \$50,000.00. Towns will have built in milestones, so funds are not left unused and thereby can be given to other municipalities with a greater need.

### Funding

Each Municipality willing to accept the grant funding will be given \$50,000.00 for the 2023 heating season, which will run from January 01, 2023- April 15, 2023.

**Total available funds \$ 1,350,000.00**

### Timing of Applications

Municipalities will be notified of the funding availability upon approval from the County Commissioners. Municipalities will be given until January 01, 2023 to sign up and agree to the County’s terms and conditions of the award.

**Eligible:** Households making above the income thresholds of GA & LHEAP but not more than the 300% Federal Poverty Guidelines. See income guidelines outlined below:

### Income Guidelines

Family Size	GA Income Caps	LIHEAP Income Caps	Low-Moderate Income
1	\$15,156	\$30,869	<b>\$40,770</b>
2	\$17,556	\$40,356	<b>\$54,930</b>
3	\$22,716	\$49,582	<b>\$69,090</b>
4	\$28,980	\$59,348	<b>\$82,710</b>



## **Cumberland County Preservation of Affordable Housing Program (Internal Grant Program)**

The Cumberland County Preservation of Affordable Housing Program is intended to assist our region in its pursuit to preserve and produce affordable housing and increase opportunities for families and individuals to access decent affordable homes.

The goal of this program is to strengthen the local economy and support local communities. Acquiring property throughout our rural region and preserving it for future development will support more families' access to stable, quality, affordable housing. To do this the County will work with our Corporate Council to either create a development arm to facilitate purchase and sale.

### **Funding**

Cumberland County Compliance Staff will administer this program and will work collaboratively with municipalities, Local real-estate groups, and existing affordable housing developers to seek out property and or land to purchase that would support affordable development.

**Total available funds \$ 2,500,000.00**

### **Timing of Applications**

Upon approval by the County Commissioners, staff will begin working on and with our Legal team to establish a Development Arm of the County. Once the development arm is established staff will retain and work with a local real estate group to assist with the programs mission and goals.

## Breakdown of Funding

Below outlines the remaining SLFRF available to the County. The proposed funding allocations outlined today do not use up all of our remaining funding. This was done to ensure funds would still be available for internal needs. Those needs could range from new proposals to covering existing project cost overruns.

T2 Breakout	
The following outlines Projects that were Earmarked for T2 Funding in 2021-2022	
Tedford Housing Shelter Buildout	\$ 1,500,000.00
Tedford Housing Shelter Planning Study Lakes region	\$ 106,201.00
City of Portland HSC	\$ 3,000,000.00
Communications radio upgrade	\$ 500,000.00
County New Office Buildout	\$ 9,531,814.25
Total Earmark Allocations	\$ 5,106,201.00
T2 allocation	\$ 28,650,437.00
T1 allocation pulled forward	\$ 654,327.38
<b>Balance</b>	<b>\$ 14,666,749.13</b>
<b>Existing Proposals for T2 As of 11.10.22</b>	
Winchester Woods Proposals Current Requested funds in process	\$ 2,500,000.00
<b>Balance after request is approved of all ARPA funding remaining</b>	<b>\$ 12,166,749.13</b>
<b>Proposed Uses Breakdown</b>	
<b>External Grant Programs</b>	
Cumberland County Affordable Rental Housing	\$ 2,000,000.00
Cumberland County Municipal Water and Sewer Infrastructure	\$ 3,500,000.00
Cumberland County Childcare Expansion	\$ 1,000,000.00
<b>Internal Grant Programs</b>	
Keeping Cumberland County Warm	\$ 1,300,000.00
Cumberland County Preservation of Affordable Housing	\$ 2,500,000.00
<b>Total Funding Request</b>	<b>\$ 10,300,000.00</b>
Total Funding Available	\$ 12,166,749.13
<b>Funding Buffer/ Available funding to draw down</b>	<b>\$ 1,866,749.13</b>

\*Staff also requested an additional funding increase to Tedford housings shelter buildout in the amount of \$250,000.00 dollars. This items was voted on and approved by the Commissioners at the November 14, 2022 meeting.