

**Cumberland County Community Development Program**  
**2012 CDBG General Program Application**  
*Regional Cover Page*

**Project Title**      Central Heating Improvement Program (CHIP)

**Regional Applicant**      Cumberland County Commissioners

**Non-Profit Entity**      The Opportunity Alliance (formerly the Peoples Regional Opportunity Program)

**Contact Information**      Name      Roger Bondeson, Vice President of Housing & Energy Services

Address      510 Cumberland Avenue, Portland, Maine 04101

Email      roger.bondeson@opportunityalliance.org      Tel      207-553-5901

**Program Category**

Public Infrastructure/Facility      N/A      Downtown Revitalization      N/A

Public Service      \_\_\_\_\_      Housing      X      Economic Development      N/A

**CDBG "National Objective"**

Low/Moderate Income:      Area-Wide      \_\_\_\_\_      Limited Clientele      XX

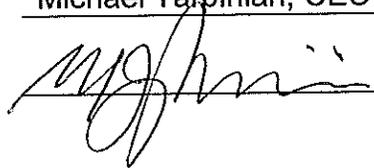
Direct Benefit:      Presumed Group      \_\_\_\_\_      (Identify Group)

Slum/Blight:      Area-Wide      N/A      Spot Basis      N/A

**Amount of CDBG Funds Requested**      \$150,000

**Total Estimated Project Cost**      \$225,276

**Name of Authorized Official**      Michael Tarpinian, CEO & President

**Signature of Authorized Official**      

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

The Opportunity Alliance proposes to use \$150,000 of CDBG funds for the Central Heating Improvement Program (CHIP) as follows.

- Emergency repair of malfunctioning heating systems in 38 households.
- The program involves corrections of malfunctioning heating systems by privately employed Maine Oil and Solid Fuel Board licensed technicians.
- State code requires that a code compliant chimney liner and/or a code compliant fuel oil storage tank be installed when replacing a heating system. These repairs will also be a part of the program when necessary.
- Other life safety repairs will be made if circumstances warrant (e.g. wiring upgrades, correction of tripping hazards, leaky roofs, malfunctioning septic systems, and substandard drinking water wells).

The program will work as follows:

- Upon notice of award, The Opportunity Alliance will issue a press release to local newspapers announcing the availability of CDBG funds. Priority will be given to households with no heat.
- Upon receipt of a call from a client, the agency's fuel assistance intake staff and its Loan Officer will assess income eligibility and process the application for assistance. Clients apply through both the fuel assistance (LIHEAP) and Home Repair programs.
- If deemed eligible, staff will refer the client's file to the agency's CHIP/Home Repair Technician.
- The technician will diagnose the problem; solicit quotes from private companies to correct the problem, review quotes for price reasonableness and issue work orders. While in the home, the technician will conduct a HUD Housing Quality Standards (HQS) inspection to determine if other life safety repairs need to be completed.
- The agency's technician will conduct an inspection of the work to ensure quality and that billing information matches work completed in the home.
- Projects will range in cost from \$2,000 to \$8,000. Costs will be shared through use of CDBG, MaineHousing, and Maine Department of Environmental Protection (DEP) Above Ground Storage Tank funds.

Repair of malfunctioning heating systems accomplishes the National Objective of providing a benefit to low and moderate income households. These repairs will be conducted in households below 80% of the area median income (AMI) and residing in the Cumberland County Entitlement Jurisdiction. Those households referred by LIHEAP staff will be below 60% of AMI. The agency's Department of Housing & Energy Services will administer this program.

**Item #2 - Need for the Activity – 20 points**

The need for the proposed activity is very high. The Opportunity Alliance estimates that 192 low and moderate income households will have unmet heating repair needs for the winter of November 2012 through March of 2013. Half of these households will be occupied by persons over the age of 60. These estimates are based on the agency's current and projected budgets and on average costs for the past four years. The table below illustrates the demand for services, budget resources, and the unmet need.

**Central Heating Improvement Program – 4 Year History**

<b>Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012 current</b>	<b>2013 Projected</b>
<b>Budget</b>	\$437,804	\$481,870	\$419,743	\$150,551	\$150,551
<b>Households Served</b>	165	133	126	45	45
<b>Unmet Need</b>	0	8	15	96	192

The unmet need calculations are based on an annual average of 141 households requesting help. The unmet need for 2013 assumes a flat budget and that the 2012 unmet need will carry forward and add to the unmet need of 2013.

The Central Heating Improvement Program (CHIP) incurred a 64% reduction for the October 1, 2011 to September 30, 2012 program year (federal fiscal year). This severe reduction in funding results in substantial unmet need.

Funding of this project will improve the economic and social health of Cumberland County residents because:

- Fewer households will be less prone to using unsafe heat to stay warm, thus reducing potential for fires and carbon monoxide poisonings;
- Elderly and disabled homeowners will be less prone to sickness if they can stay adequately warm through the winter;
- Local private sector companies will be hired to conduct the work, thus helping to retain jobs. These companies will need to purchase gasoline and supplies from local vendors, thus helping them to retain jobs; and

- Installing more efficient heating systems will reduce heating energy consumption by 15% to 20% per household. This reduces the carbon footprint and dependency on fossil fuels.

### **Item # 3 – Management of the Proposed Activity – 10 points**

The management of the CDBG grant award will be conducted by a core group of staff in The Opportunity Alliance's 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 program and contractual requirements are met. Roger will serve as the lead person for contract related issues. Roger has 17 years management experience in affordable housing programs, is a Certified CDBG Program Administrator, has 12 years experience in managing central heating repair programs and has attended two training workshops in federal cost accounting principals and Davis Bacon.
- Nathan Mills, Business Manager, supervises the Loan Officer and the CHIP/Home Repair Technician. He will submit financial and production reports to Cumberland County. Nathan has 22 years experience in managing financial and reporting requirements for many programs and is a Certified CDBG Program Administrator.
- Ellen Fogg, Loan Officer, will process applications, determine eligibility and prepare loan/grant documents. Ellen has 12 years experience in this type of work. Ellen is registered with the Maine Office of Consumer Credit Regulation and is a Certified CDBG Program Administrator. Ellen will also complete environmental and historical reviews for projects.
- Kenneth Caldwell, the agency's CHIP/Home Repair Technician, has been a licensed oil burner technician for 9 years and is HQS certified. Ken's work will include the inspection of heating systems, HQS inspections of homes, job specification writing, obtaining quotes from contractors and inspection of the work.

The Opportunity Alliance has been conducting home repair and heating system repair activities since the 1970's. The agency has identified CHIP as a core activity to its mission. The Opportunity Alliance will administer a heating system repair program for the foreseeable future.

### **Item #4 – Ready to Proceed – 10 points**

The Opportunity Alliance employs experienced staff that administers home rehabilitation and central heating repair programs on a daily basis. The agency has a Finance Department that has well established accounting procedures that

comply with federal Office of Management and Budget (OMB) regulations and state accounting principals. The agency has operated this program for many years and is ready to proceed without the need for planning or ramp up. Matching funds will be obtained from the MaineHousing Central Heating Improvement Program (CHIP) and the Maine DEP Above Ground Storage Tank Program. These are non-competitive funds that are replenished annually.

**Item # 5 – Implementation Schedule – 10 points** Schedule is attached.

**Item #6 – Budget for Project – 10 points** Budget is attached.

The attached budget assumes continued receipt of DEP funds for fuel storage tank replacements and funds from MaineHousing for CHIP. These funds will provide a 50% match. The DEP and MaineHousing programs will be in place for the foreseeable future, however, it is anticipated that the dollars allocated will remain very low relevant to the need.

**Item #7 – Economic Development/Job Creation Related Projects Only (N/A)**

**Item #8 – Need for CDBG Program Funds – 15 Points**

The Opportunity Alliance received \$150,551 from MaineHousing to conduct heating system repairs. This is down 64% from last year's allocation of \$419,743. The CDBG award will help address more of the need than would otherwise be possible. Instead of only being able to help 45 households, the agency would be able to help 83. Without the \$150,000 of CDBG, the agency would have very limited dollars with which to conduct emergency heating system repairs resulting in an unmet need of 192 households for the coming year. With CDBG funds, the agency can reduce the unmet need to 154 households.

In 2012, The Opportunity Alliance anticipates it will receive \$167,662 in HUD Home Investment Partnership Act (HOME) funds from MaineHousing to provide home repair services. This funding will support the repair of 14 households and must be split evenly between York and Cumberland Counties (the agency conducts home repair services in both counties). The primary limitation of these funds is that they cannot be used for emergency repairs (per HUD regulations).

The Opportunity Alliance has made substantial efforts in acquiring emergency heating funds from sources other than Cumberland County and MaineHousing. In 2011, fund raising efforts by the Opportunity Alliance resulted in receipt of \$47,000 in Keep Me Warm donations from businesses and citizens. These funds are used for emergency fuel deliveries and emergency repairs for heating systems. It is anticipated that these grant funds will be expended by the date of notice of award in 2012. The Opportunity Alliance will continue its fund raising efforts for these services with some success, but the current economic climate makes it difficult to predict how much will be raised.

**Item #9 – Distress Score**

This is a county wide project and it is our understanding that 6 points will be awarded for this category.

**Item #10 – Multi-Jurisdictional Bonus (N/A)**

<b>Project Implementation Schedule</b>								
<b>Activity</b>	<b>Q #1 J – S 2012</b>	<b>Q #2 O – D 2012</b>	<b>Q #3 J – M 2013</b>	<b>Q #4 A – J 2013</b>	<b>Q #5 J – S 2013</b>	<b>Q #6 O – D 2013</b>	<b>Q #7 J – M 2014</b>	<b>Q #8 A – J 2014</b>
Contract/ Environmental Review	X							
Reporting		X	X	X	X			
Program Announcement via local press	X							
Applicant Intake / Eligibility Determinations	X	X	X	X				
Project Environmental & Historical Reviews	X	X	X	X				
Emergency Heating System Repairs (includes bid solicitations)	X	X	X	X				
HQS Home Repairs (health & safety) (includes bid solicitations)	X	X	X	X				
Project Completed					X			
Final Report to Cumberland County					X			

**Notes: Environmental & Historical reviews are completed for each project.  
At least 3 bids will be solicited for every project.**

**Budget**

<b>Construction Projects</b>				
<b>Cost Category</b>	<b>CDBG Funds</b>	<b>Municipal Funds</b>	<b>Other Funds</b>	<b>Total</b>
<b>Design/Engineering</b>				N/A
<b>Land Costs</b>				N/A
<b>Materials/Supplies</b>				N/A
<b>Construction Costs</b>	\$127,500		** \$58,000 (49,000 CHIP allocation from MaineHousing & \$9,000 from DEP = 5 tanks)	\$185,500
<b>Project Management</b>	\$22,500 (15%)		**\$17,276 (\$16,126 from MaineHousing & \$1,150 from DEP)	\$39,776
<b>Other</b>				
<b>1.</b>				
<b>2.</b>				
<b>3.</b>				
<b>Total Costs</b>	\$150,000		**\$75,276 (50% match)	\$225,276

**Provide the basis for determination of budget amounts:**

The CDBG request will provide funds for 38 households. This is calculated based on the historical average of \$3,331 per household to repair heating systems. The total project management costs will help cover the costs of 1.5 FTEs to operate the program (CHIP/Home Repair Technician and administrative support). The Opportunity Alliance received a CHIP allocation from MaineHousing of \$150,551 for the program year October 1, 2011 to September 30, 2012. The agency assumes flat funding for the following year. The agency received an allocation of \$86,100 from the Maine DEP for the program year 4/1/2011 to 3/31/2012. The agency assumes flat funding for the following program year 4/1/2012 to 3/31/2013. The agency will use proceeds from both these funding sources to provide a 50% match of the \$150,000 request. Administrative fees from MaineHousing and DEP are based on contractual limitations (i.e. DEP provides \$230 per installed tank and MaineHousing provides up to 25% of the CHIP allocation for program operations.

# Cumberland County CDBG FY13

## BUDGET SUMMARY SHEET: VERSION 12

	REVENUES	AMOUNT
60000	Donations – General Public	0
60100	Donations – Fundraising	0
60200	Donations – United Way	0
60300	Grants And Foundations	0
60400	Donations – Other Organizations	0
60500	Agency Annual Appeal	0
60600	Legacies & Bequests	0
60900	Miscellaneous Contributions	0
61100	Third Party Reimbursement – Insurance	0
61200	Third Party Reimbursements – Other Agencies	0
61500	Mainecare	0
62100	County Governmental Units	127500
62150	County Government Fee	22500
62200	Municipal - CDBG - HCD	0
62250	Municipal - CDBG - HCD Fee Income	0
62300	Municipal & Local Government	0
63100	State - DHHS - CSBG	0
63200	State - DHHS - OCFS	0
63250	State - DHHS - OES	0
63300	State - DHHS - CDC	0
63350	State - DHHS – Food Reimbursements	0
63400	State - DHHS – Mandated Fees	0
63450	State - DHHS – OSA	0
63500	State - DHHS – Other	0
63600	Maine State Housing Authority – DOE	0
63610	Maine State Housing Authority – Weatherization	0
63620	Maine State Housing Authority – Chip	0
63630	Maine State Housing Authority – Appliance Replacem	0
63640	Maine State Housing Authority – Other	0
63650	MSHA - Fee Income	0
63900	State – Other	0
64100	Federal Grants – CNCS	0
64200	Federal Grants - DHHS	0
64300	Federal Grants - Education	0
64400	Federal Grants - FEMA	0
64500	Federal Grants - HUD	0
64900	Federal Grants - Other	0
64950	Federal Pass Through Grants - Other	0
65100	Private Client Fees	0
65150	Private Fees - Co-pay	0
65200	Sales – Food Service – Non-Taxable	0
65250	Sales – Food Service – Taxable	0

# Cumberland County CDBG FY13

## BUDGET SUMMARY SHEET: VERSION 12

65290	Sales – Other	0
65300	Rental Income - Housing	0
65390	Rental Income - Other	0
65500	Fee Income	0
69100	Gain On Sale Of Fixed Assets	0
69200	Investment Income	0
69250	Gain On Investments	0
69275	Unrealized Gains/Losses on Investments	0
69900	Other Revenues	0
69910	In-Kind - Volunteer Labor	0
69990	In-Kind Revenues	0
	<b>TOTAL REVENUES</b>	<b>150000</b>

### EXPENSES

70000	Salaries	12000
70100	Cafeteria Plan Expense	2400
70200	FICA/Medicare Taxes	952
70300	State Unemployment Taxes	500
70400	Retirement	500
70500	Workers Compensation	150
70600	Other Fringe Benefits	35
71100	Stipends	0
71200	Professional Fees	0
71300	Purchase Of Services	0
71500	Client Reimbursements (Subject To Indirect)	0
73000	Equipment – Purchases - Minor	0
73100	Equipment – Purchases - Major	0
73200	Equipment – Rental/Lease	0
73300	Equipment Repairs/Service	0
73400	Internet Connection/Web Hosting	0
73600	Depreciation - Furniture & Equipment	0
73700	Depreciation - Building	0
73800	Software Amoritization	0
74000	Background Checks/Credit Reports	0
74100	Bank Fees	0
74200	Supplies - Food	0
74250	Supplies – Kitchen	0
74300	Supplies - Maintenance	0
74350	Supplies - Medical	0
74400	Supplies - Office	353
74450	Supplies – Other	0
74500	Supplies – Paper Goods – Food Service	0
74550	Supplies - Program Materials	0
74700	Postage	100

# Cumberland County CDBG FY13

## BUDGET SUMMARY SHEET: VERSION 12

74800	Printing & Stationery	0
74900	Photocopy	0
75100	Insurance	0
75200	Occupancy Costs	900
75300	Utilities – Electric	0
75350	Utilities – Gas	0
75400	Utilities – Heat	0
75450	Utilities – Telephone	400
75500	Utilities – Water & Sewer	0
75550	Maintenance – Buildings	0
75600	Maintenance – HVAC	0
75650	Maintenance – Grounds	0
75700	Maintenance – Other	0
75750	Maintenance – Trash Service	0
75900	Reserves	0
76100	Agency Vehicle Costs	0
76200	Agency Travel - In-State	560
76300	Agency Travel – Out Of State	0
76400	Staff Development	0
76500	Advertising And Publicity	0
76600	Dues And Subscriptions	0
77100	Accreditation Costs	0
77200	Board/Advisory Council Expenses	0
77300	Contributions	0
77500	Gifts And Recognition	0
77600	Interest Payments	0
77700	Parent Fund	0
77800	Taxes And Licenses	0
77850	Loss on Sales of Fixed Assets	0
77900	Other Expenses	0
77990	Information Technology Allocation	1100

### L EXPENSE SUBJECT TO INDIRE

		19950
78000	Indirect Cost	2550

### EXPENSES NOT SUBJECT TO INDIRECT COST ALLOCATION

79000	Client Assistance	127500
79050	Food - WIC Vouchers & CACFP	0
79100	Volunteer - Background Checks	0
79110	Volunteer - Food	0
79120	Volunteer - Gifts And Recognition	0

# Cumberland County CDBG FY13

## BUDGET SUMMARY SHEET: VERSION 12

79130	Volunteer - Insurance	0
79140	Volunteer - Miscellaneous Expense	0
79150	Volunteer - Physical Exams	0
79160	Volunteer - Reimbursements	0
79170	Volunteer - Stipends	0
79180	Volunteer - Screenings	0
79190	Volunteer - Travel	0
79200	ARP - Appliance Replacement	0
79210	ARP - Lamps	0
79220	ARP - Light Bulbs	0
79230	ARP - Refrigerators	0
79240	ARP - Waterbeds	0
79500	Heating Systems - Chimneys	0
79510	Heating Systems - CTE's And Other	0
79520	Heating Systems - Oil Tank Upgrade And Repair	0
79530	Heating Systems - Repairs	0
79540	Heating Systems - Replacements	0
79600	Labor - Contractor	0
79610	Labor - Contractor- Health & Safety	0
79620	Materials - Installed	0
79630	Materials - Health and Safety	0
79800	Subcontractor Amount Over \$25,000	0
79900	InKind Expenses - Professional Services	0
79910	InKind Expenses - Volunteer Labor	0
79920	InKind Expenses - All Other	0
<b>TOTAL EXPENSES NOT SUBJECT TO INDIRECT</b>		<u>127500</u>
<b>EXPENSE GRAND TOTAL</b>		<u>150000</u>
<b>SURPULS (DEFICIT)</b>		<u>0</u>

STATE OF MAINE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

CERTIFICATE OF AUTHORIZATION

At a duly authorized meeting of the Board of Directors of People's Regional Opportunity Program (PROP) held on July 27, 2011, it was VOTED that

Marc Doyon, Chairman  
Gail Wilkerson, Vice Chairman  
Ann Donaghy, Treasurer  
Julie Bassett, Secretary  
Michael Tarpinian, President/CEO  
Paul L. Morgan, CMA, Chief Finance Officer

of this organization be authorized to execute contracts in the name of and on behalf of said organization. Such execution of any contract or obligation in this organization's name shall be valid and binding upon the organization.

ATTEST: Marc A. Doyon  
Marc Doyon, Chairman - Board of Directors

July 27, 2011