



May 11, 2020

To: Kristin Styles, Cumberland County
Municipal Oversight Committee – Review Team

From: Andrew Butcher, GPCOG

RE: A CDBG Coronavirus Response Partnership

Greetings Kristin and MOC Review Committee Members,

Please see GPCOG's complete application materials to provide support to small business throughout Cumberland County. We recognize the unprecedented nature of these times – and the deep impact of the pandemic and economic shut down on our local businesses. It is for these reasons that GPCOG has ramped up our small business loans, developed a new Rapid Response Micro Loan Program, and created a matchmaking platform to connect businesses to community activities via the Greater Portland Resilience Exchange.

To this extent we are pleased to partner with Cumberland County in fulfillment of HUD's CDBG Coronavirus response program and are committed to maximizing the impact on low – moderate employees and business owners throughout Cumberland County. This is a time where local government can demonstrate how good and meaningful services can come together to benefit the collective community. Our complimentary proposals here both for Job Creation & Retention as well as for Micro-Enterprises are designed to best support Cumberland County's needs. We can be flexible – are clear and committed to supporting communities with set-aside allocations - and recognize this program as a unique opportunity to leverage the strengths and capabilities of multiple local government agencies.

Please do not hesitate to contact me with any questions – and we look forward to expanding services to small businesses throughout Cumberland County.

In service,

Andrew Butcher
Director of Innovation and Resilience
Greater Portland Council of Governments
AButcher@gpcog.org
Cell. 303.570.5018

COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS RESPONSE

II. CDBG-CV APPLICATION

COMPLETE APPLICATION CHECKLIST

Please submit each section of the application, including this checklist:

- A. CDBG-CV Application Cover Page**, *limit 1 page*
- B. CDBG-CV Application Worksheet** , *limit 2 pages*
- C. CDBG-CV Application Narrative**, *limit 7 pages*
- D. Budget: Revenues and Expenditures**, attached separately, *limit 1 page*
Budget worksheet MUST match budget listed on the Cover Page, Summary page, and in the narrative

Required documents for non-profit organizations:

- Verification of 501(c)3 or 6 Status**, *limit 1 page*
- Agency Organizational Chart** to show how the proposed program fits into the overall organizational structure; include program staff or positions, *limit 1 page*
- Most Recent Agency Operating Budget Summary**, *limit 1 page*
- Most Recent Independent Auditors Report and identified findings** or *if an Audit is not available* the most recent 990 Financial Statement
- Complete list of Board Members**

Signature of the Executive Authority

Date



5.11.20

Kristina Egan

Executive Director

Name

Title



A. CDBG-CV COVER PAGE, limit 1 page

CDBG-CV COVER PAGE

Service Type	<input checked="" type="checkbox"/> Small Business Assistance Program <input type="checkbox"/> Food Assistance <input type="checkbox"/> Rental/Mortgage Assistance <input type="checkbox"/> Other <input type="checkbox"/> Homeless Prevention		
CDBG-CV Type	<input type="checkbox"/> Prevention of the Coronavirus <input type="checkbox"/> Preparation for the Coronavirus <input checked="" type="checkbox"/> Response to the Coronavirus		
Operating Agency	Center for Regional Prosperity a supported 501(c)3 organization of the Greater Portland Council of Governments		
Program Name	GPCOG CDBG Job Retention Program for Cumberland County		
Program Area	<input checked="" type="checkbox"/> Cumberland County Entitlement Jurisdiction, including South Portland <input type="checkbox"/> City of South Portland <input type="checkbox"/> Other		
Mailing Address	970 Baxter Blvd #201, Portland, ME 04103		
Address Services are Delivered	970 Baxter Blvd #201, Portland, ME 04103		
Executive Director	Kristina Egan	Phone (207) 210-3396	Email kegan@gpcog.org
Project Director	Andrew Butcher	Phone (303) 570-5018	Email abutcher@gpcog.org
Financial Contact	Josh Kochis	Phone (207) 659-2297	Email jkochis@gpcog.org
Person who completed the Application	Andrew Butcher Amy Grommes Pulaski	Phone (303) 570-5018	Email abutcher@gpcog.org
Amount of CDBG-CV Funds Requested \$ 250,000		Total Program Budget \$ 500,000	
Estimated number of people who will be served: <u>84</u>		OR Estimated number of businesses served: A minimum of 21 businesses	
DUNS Number	117460297	Tax ID	83-0879130



B. CDBG-CV WORKSHEET, limit 2 pages

1. **HUD National Objective.** All CDBG-CV programs must serve Low and Moderate Income Clientele

- Low and Moderate Income Clientele (LMC):** an activity which provides benefits to a specific group of persons who qualify as LMI.

2.

A. Describe the beneficiaries or clients served by the program.	A. Employees of businesses located in Cumberland County Entitlement Jurisdiction (excluding Bridgton, Portland and Brunswick)
B. How many will be served by the proposed program? (unduplicated -per year)	B. 84
C. How many are <i>CCEJ Resident</i> ?	C. 84
D. How many are <i>low to moderate income residents of a CCEJ town/City</i> ? See income data in the instructions	D. 84
E. What percentage of total clients are low to moderate income residents of the CCEJ? (<i>To calculate = D/B * 100; Must be > 51%</i>)	E. Our goal is that 100% of employees assisted will be LMI residents of a Cumberland County.

3. **Employees.** Program specific, not for the entire organization.

A. Is this a new (pilot) program?	A. yes
B. How many employees are currently employed in this program?	B. 1
C. How many employees will be employed in this program if it receives CDBG-CV funding?	C. 1.5- 2.0
D. How many employees will be employed in this program if it does not receive CDB-CV funding?	D. 1

4. **Documentation**

A. How will the beneficiaries' information be collected and documented?	A. The program manager/ loan officer will collect and file all relevant documentation. This will be stored electronically on GPCOG's information server.
B. What documentation will be used to prove the funds are going to the prevention, preparation or response to the Coronavirus?	B. Financial need, as a result of the Coronavirus, will be identified and documented in the business application. The information will be verified and documented in the applicant's file. Funds will be reimbursed based upon project budgets. Applicants will submit funding requests with documentation that indicates how the funds were spent with receipts. Each fund disbursement will be tracked and documented in the applicant's file. This information will be used to submit quarterly and annual reports to Cumberland County.



GPCOG Job Retention Application

C. How will the units of service be tracked and documented?	C. The unit of service is a job maintained or created. Each business will be required to submit payroll documentation at application and at project completion. All information will be documented in the project file and submitted to Cumberland County on their quarterly and annual reports.
D. How will the outcomes be measured, collected, and documented?	D. Projected outcomes for this project will be jobs retained, rehired, or created. The number of jobs retained will be outlined in the application and grant agreement. Payroll documentation will be required to submitted quarterly for one year. This information and will be included in their project file, submitted quarterly to Cumberland County.

Please limit the CDBG-CV Worksheet to 2 (two) Pages.



C. CDBG-CV APPLICATION NARRATIVE

1. *Program Description*

GPCOG is a leader in regional economic development. In 2011, GPCOG was designated by the US Department of Commerce's Economic Development Administration as the Economic Development District for our region, now serving 29 communities throughout Cumberland County. In this role, GPCOG worked with its partners to develop a Five Year Comprehensive Regional Development Strategy.

The plan calls for an assessment of the region's economic performance, identification of strengths and weakness, threats and opportunities, and definition of a path forward. The plan specifically requests that the path forward integrates resiliency so that economic disruptions are anticipated, planned for, avoided where possible, and recovered from as quickly as possible.

The impact of the current Coronavirus health crisis may not have been anticipated, nor planned for, but GPCOG is focused on directing resources to help the region recover from the economic impact of this crisis as quickly as possible. Last month, Oxford Economics identified the State of Maine as the most economically vulnerable state in the Country due to a high concentration of elderly citizens, inadequate internet infrastructure, and a non-diversified economy with over dependence on tourism and retail. As the population center and economic engine for the State Cumberland County is confronting nothing less than an unprecedented disruption of business as usual.

Overcoming this challenge will require multiple waves of coordinated relief and support to businesses and at vulnerable populations over the next few years. Central to that effort will be the need for a regional approach in which a collaboration between Cumberland County and GPCOG is ideally suited. In this context GPCOG has taken the extraordinary measure to restructure what economic development can look like in the region. Through the launch of the Greater Portland Resilience Exchange, GPCOG is revisioning how government and the private sector can work together. The Resilience Exchange is focused on addressing immediate needs and facilitating new partnerships and opportunities among governmental entities, businesses, and organizations. This represents one way in which funding can be made available to businesses affected by the coronavirus crisis.

Within the Resilience Exchange, GPCOG is leading the way, specifically in addressing the needs of small businesses. Small businesses range in size and need, and therefore GPCOG is developing a "ladder" of resources targeted at their varying levels of need. They are proposing four rungs to the ladder, identified here and outlined below.

Two programs are already available: GPCOG's Revolving Loan Program and the new Rapid Response Micro Loan Program, released earlier this month. The Revolving Loan Program has been in existence for 30 years and provides low interest loans to businesses up to 150 employees. The Micro Loan Program, developed to address the immediate needs of this crisis, is targeted to businesses up to 75 employees, and can provide a loan up to \$10,000 (25% of which is forgivable) to provide companies the working capital they need to stay in business.



Loan/Grant Program	Business Size	Target	Loan/ Grant Amount
GPCOG Revolving Loan Program	150 or fewer employees	CCEJ residents	Up to \$350,000 Less than \$100,000 preferred
GPCOG Micro Loan Program	75 or fewer employees	CCEJ residents	Up to \$15,000, \$5,000 forgivable
GPCOG CDBG Job Retention Program for Cumberland County (this CDBG application request)	25 or fewer employees	51% of jobs must be for LMI CCEJ residents	\$10,000 (\$2500 per employee up to four employees)
GPCOG CDBG Microenterprise Assistance Program for Cumberland County (a separate CDBG application request)	Five (5) or fewer employees	LMI business owners and CCEJ residents. Preference for disadvantaged, women and minority owned.	Up to \$5,000

GPCOG is submitting two requests for CDBG funding to target businesses smaller in size, employing and/or owned by economically vulnerable populations impacted by the crisis.

CDBG funds targeted toward job retention are vital to help businesses maintain employees who are most at risk for losing their jobs.

This application requests \$250,000 for the GPCOG CDBG Job Retention Program. The program would target small businesses that have between two (2) to twenty-five (25) employees. The program would be available to for-profit businesses located within the Cumberland County Entitlement Jurisdiction (excluding Portland, Bridgton and Brunswick). Please note, South Portland would receive a set aside of approximately \$50,000 for businesses located in South Portland. These businesses would be identified, tracked, and reported separately to Cumberland County.

The Program provides loans up to \$10,000 to businesses most impacted by Coronavirus that are in danger of closing, have laid off workers, or have had to close temporarily. Applicants can request up to \$10,000 (\$2,500 per job, up to four jobs). The loan is forgivable if businesses utilize the funds to maintain, rehire, or create the specified number of jobs. To be eligible, employees of retained jobs must be residents of the Cumberland County, who meet the County’s definition of being low to moderate income, who earn 80% of the area median income.

Businesses can utilize the funds to help keep the business afloat during these difficult economic times. Expenses would be limited to eligible activities, include lease or mortgage payments, utility payments, monthly debt repayment, payroll, inventory expenses, or other eligible expenses. Other expenses may be considered by must be outlined in the project budget and approved in advance.

The GPCOG CDBG Job Retention Program would be launched once grant agreements are in place, expected to be in summer 2020.



2. Need for the Program and CDBG-CV Funds as it relates to the Coronavirus

As a result of the Coronavirus health, and pursuant economic, crisis companies are struggling to remain in business and maintain employees. Based on the most recent data, provided by the Maine Department of Labor's Center for Workforce Research and Information, over a five-week period between March 21- April 25, **over 108,500 Mainers filed for unemployment**. This represents **15.6% of the current workforce** in Maine (of 695,200). Businesses in **Cumberland County employ 35% of Maine's workforce**. It is widely expected that unemployment will remain high for the foreseeable future. It's vital that government and businesses work together to protect, rehire, and retain existing jobs.

The federal government has created numerous programs to address this need, including the Payroll Protection Program (PPP), targeted at small businesses (defined as a company with fewer than 500 employees). According to Senator Susan Collins, 16,699 Maine businesses received PPP loans totaling \$2.24 billion through April 16. She estimates that those funds would cover payroll for 180,000 Maine workers, or more than one in four Maine workers. But **the Payroll Protection Program is not enough**. There have been two distributions of funds for this Program, both maxing out funding capacity.

We need to do more. The most recent data available by the Small Business Administration found that small businesses employ 57% of Maine's workforce. According to the Maine Center for Economic Policy, small businesses are particularly vulnerable currently and play a key role in Maine's economy. Local and regional lawmakers need to be mindful of the impact of the Coronavirus could lead to further decline in the small business sector, which will harm consumers and weaken our economy. Targeting smaller businesses with job retention resources could provide a much needed, targeted response.

GPCOG is also submitting two applications for CDBG funds to further provide resources for small businesses. This **application requests \$250,000 to create a CDBG Job Retention Program** for Cumberland County. **These funds will ensure businesses retain low income employees, so that they are able to continue to provide for their families.** An infusion of funds at this time, through small business loans and grants, can begin to stabilize small businesses and continue to employ our most vulnerable neighbors.

3. Project Management

GPCOG has the institutional capacity and infrastructure for managing business loan programs. It's existing Regional Revolving Loan Program (RRLP) has been serving the businesses of Cumberland County for nearly 25 years. During that time, they have provided over \$6,000,000 in working capital to over 110 businesses in our region.

Business loan and grant programs are managed under the direction of the GPCOG Resilience Exchange, directed by Andrew Butcher, Director of Innovation and Resilience. Two additional staff members: Chris Hall, General Counsel / Director of Regional Initiatives and Josh Kochis, Director of Finance, will provide ongoing technical support. Staff will be supported and guided by a twelve-member volunteer committee, comprised of regional business leaders. GPCOG will continue to work with existing underwriter partner, David McLaughlin, who has also served as underwriter for the City of Portland. A program manager/loan officer will be hired to assist in



program promotion, processing loan applications, managing documentation, and grant reporting requirements. GPCOG is designated as the Economic Development District by the Economic Development Administration.

4. Readiness to proceed

GPCOG will be ready to launch the GPCOG CDBG Job Retention within one month of award. GPCOG has a framework in place to accept and process loan applications and will expand these services to allow for the new Job Retention program. Once HUD has approved funding, and Cumberland County has provided a notice of award, GPCOG can begin.

Timeline

June 2020	Phase 1: Program development including: creating an outreach and marketing strategy, developing standards for reviewing and underwriting applications; creating necessary applications, agreements, and documentation; developing job descriptions; defining roles and responsibilities among team members; recruiting staff; and other necessary start up activities.
July 2020	Phase 2: Program Outreach and marketing in municipalities throughout Cumberland County
August 2020	Phase 3: Accept, Review and Process Job Retention Applications
Oct - Aug 2020	Quarterly Reporting

Note: Phases 1, 2 and 3 are subject to change depending on HUD approval and Cumberland County Notice of Award and subsequent contracting requirements.

5. Budget for the Project

The total program budget is \$500,000. GPCOG is requesting \$250,000 of CDBG funds to be used in the CDBG Job Retention Program for Cumberland County (of which \$50,000 is dedicated for businesses located in South Portland). These funds will be matched by an additional \$250,000 dollars of private funds for the GPCOG Rapid Response Micro Loan Program.

\$205,000 of CDBG funds will go directly to businesses for job retention services under 24 CFR 570.203 (b) The provision of assistance to a private for-profit business to carry out an economic development project. It is expected that \$205,000 will maintain 84 jobs.

\$45,000 of CDBG funds will go to GPCOG to provide outreach and loan services under 24 CFR 570.203 (c) Economic development services including, but not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions. Of the \$45,000, \$37,500 will go directly to direct services of loan applications. The remaining \$7,500 will go for program start up (Phases 1, 2 and 3) and ongoing program promotion.



\$250,000 will be matching funds provided by GPCOG through their Rapid Response Micro Loan Program. This program funds small business loans and grants, outreach efforts, screening applicants, reviewing and underwriting applications for assistance, preparation of necessary agreements, management of assisted activities, screening, and referral of applicants as relevant.

Each applicant will complete a Program Application. Applications will collect, and be used to document and confirm, all relevant eligibility requirements including income and the business address where services are delivered. Businesses located in South Portland will be identified and tracked separately for Cumberland County reporting requirements. \$50,000 of the CDBG Job Retention Program is dedicated to South Portland.

6. Partnerships, Collaboration, and Outreach

GPCOG works in collaboration with the twenty-nine communities throughout Cumberland County. GPCOG provides member municipalities with leadership and regional vision and support through cooperative purchasing; technical assistance; targeted programming support; initiatives to strengthen transportation and infrastructure; economic development initiatives to build a stronger economy; and programming to protect our resources and expand sustainable energy. As a result of these collaborative relationships, GPCOG has the ability to facilitate cooperation among members to address regional challenges, such as the coronavirus.

Prior to the current crisis, towns were convened bi-monthly to share information and discuss regional strategies. For the past six weeks, Tony Plante, Director of Municipal Collaboration, has been meeting town managers weekly to discuss strategies and best practices, including how to address current economic challenges in our communities.

Individual Town Managers are best positioned to know how to promote and share information about business funding opportunities within their own communities. Towns who do not have their own economic development staff work with local and regional Economic Development Corporations and Chambers of Commerce who are in touch with local businesses. GPCOG has already shared information about the current funding availability through the GPCOG Revolving Loan Fund and Rapid Response Micro Loan Program with town managers. If funding is approved, the CDBG Job Retention Program will be promoted as well.

In addition to promoting the program at the town and municipal level, GPCOG aims to target women and minority-owned small businesses as well. Marketing efforts may include local newspaper advertisements; distribution of marketing brochures; and online social media. Presentations may be scheduled for local banks, credit unions, or other member organizations. The Women's Business Center, SCORE, and the Small Business Development Center (SBDC), and other similar entities, will be contacted and can be used for referrals.

The GPCOG CDBG Job Retention Program is meant to compliment, not duplicate, the City of Portland's Business Assistance Program. No other similar program exists in the region. Together Cumberland County (including South Portland) and the City of Portland creates a cohesive regional approach to address the economic impact of the coronavirus on small businesses in an effort to retain jobs for low income employees.



CDBG-CV BUDGET FORM , limit 1 page

Complete one program budget spreadsheet for each program application.

PROGRAM OR PROJECT NAME:

GPCOG Job Creation/ Retention

OPERATING AGENCY:

Greater Portland Council of Government

Revenues: List ALL funding sources for the proposed program.	Please indicate: Secured or Projected	Revenues TOTAL
CDBG-CV Request	Projected	250000
Other HUD Funds (please list)		
a.		
Other Federal Funds (please list)		
a.		
b.		
State/ County Funds (please list)		
a. GPCOG Loan Fund	Secured	250000
b.		
Local Funds		
Private Funds (Grants, Fundraising, etc, please list)		
a.		
b.		
In Kind Services		
TOTAL PROGRAM or PROJECT REVENUE		500000

EXPENDITURES: Feel free to edit categories as relevant to your program	CDBG-CV Expenditures in CCEJ (excluding South Portland)	CDBG-CV Expenditures in South Portland	Expenditures All Other Sources	TOTAL Expenditures
Employee Salaries			32,500	32,500
Employee Fringe Benefits			7,500	7,500
Materials/Supplies				-
Equipment				-
Advertising & Public Information				-
Other, please specify				-
a. Loans/ Grants	167,100	37,900	205,000	410,000
b. Loan Servicing/	25,400	12,100		37,500
c. Program oversight, compliance, mg	7,500		5,000	12,500
Subtotal	200,000	50,000	250,000	500,000
TOTAL PROGRAM or PROJECT EXPENSES				