



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



05.11.20

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 Microenterprise 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 /Town Manager	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 \$ 150,000		Total Program Budget \$400,000	
Estimated number of people who will be served: _At least 25_		OR Estimated number of businesses served: At least 25	
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. LMI microenterprise owners (businesses of 5 or fewer employees) who live and work in Cumberland County (excluding Bridgton, Portland and Brunswick)
B. How many will be served by the proposed program? (unduplicated -per year)	B. At least 25
C. How many are <i>CCEJ Resident</i> ?	C. 25
D. How many are <i>low to moderate income residents of a CCEJ town/City</i> ? See income data in the instructions	D. 25
E. What percentage of total clients are low to moderate income residents of the CCEJ? (To calculate = D/B * 100; Must be > 51%)	E. 100% of the LMI microenterprise owners will be residents of a CCEJ town/ city.

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. 1.0
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. 1.0

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.
C. How will the units of service be tracked and documented?	C. The unit of service is each microenterprise business assisted. Each microenterprise will be required to submit an application. All approved applications will be documented in the project file and



GPCOG Microenterprise Application

	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 microenterprises assisted. Microenterprise success will be determined if the business continues to be in operation for one year. This information will be collected and documented in their project file, and 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, impacted by the crisis. ***CDBG funds targeted toward microenterprises, specifically disadvantaged, women, or minority owned businesses, are vital to the health and welfare of our community. This critical funding is aimed at providing resources these businesses need to keep their doors open through the crisis, so they can emerge stronger on the other side.***

This application requests \$150,000 for the GPCOG CDBG Microenterprise Program. To be eligible under this category, the business applicant must earn under 80% of the Area Median Income and have five or fewer employees, including the business applicant.

The Program provides loans up to \$5,000 to businesses most impacted by Coronavirus that are in danger of closing or have had to close temporarily. The loan is forgivable for eligible purposes. Applicants must be residents of the Cumberland County, who meet the County’s definition of being low to moderate income, earning 80% of the area median income or less.

The microenterprise business must also be located within the Cumberland County Entitlement Jurisdiction (excluding Portland, Bridgeton and Brunswick). Please note, South Portland would receive a set aside of \$50,000 available to businesses located in South Portland. These businesses would be identified, tracked, and reported separately to Cumberland County.

To own and operate a small business is a challenging and all-consuming endeavor. Doing so in a position of economic disadvantage increases difficulty exponentially. For this reason, GPCOG seeks to provide as much benefit for microenterprises as possible. Support through this program aims to serve as a starting point for how eligible businesses can be as connected to additional regional funding and technical resources as possible.

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. 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**. Businesses are clearly struggling. It's vital that government and businesses work together to support existing businesses.

The federal government has created numerous programs, through the CARES Act to address this need, including the Payroll Protection Program (PPP) and the SBA's Economic Injury Disaster Loan Program (EIDL). Access to resources for both programs has been challenging. There have been two distributions of funds for this Program, both maxing out funding capacity, excluding many small businesses in need. The EIDL program has hit multiple road blocks and release of funds have been delayed. Both Senators Collins and King have requested, "...the SBA release emergency EIDL grants to businesses promptly and issue clear, concise, and accurate guidance on the EIDL program immediately. Doing so will ensure that small businesses speedily access EIDL and emergency EIDL grant resources, as Congress intended."

Relying on the federal PPP and EIDL programs to support our economy and stabilize our small businesses is not enough, we need to do more for our community.

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 resources to assist them to stay in businesses could provide a much needed, targeted response.

In order to reach the smallest and most vulnerable businesses, Congress has included \$5 billion in the CARES Act for the Community Development Block Grant program. CDBG is the vehicle that Congress uses to funnel federal resources directly to Cities, Towns and Counties, during a crisis. The purpose of CDBG is to develop and maintain viable communities BY providing and expanding economic opportunity to low- and moderate-income persons. **During an economic crisis, utilizing CDBG for to assist businesses is critical.** There are two ways to do this: 1) by providing loans and grants to businesses who *hire* low-to-moderate income employees AND 2) to *support persons who are low- and moderate-income to develop and maintain microenterprises.*

To this end, GPCOG is submitting two applications for CDBG funds to further provide resources for small businesses. **This application requests \$150,000 to fund the CDBG Microenterprise Program** for Cumberland County. **These funds will ensure microenterprises can remain in business, continue to contribute to our economy, and provide for their families.** An infusion of funds at this time, through small business loans and grants, can begin to stabilize small businesses so they have a chance at emerging from this crisis stronger on the other side.

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 \$400,000. GPCOG is requesting \$150,000 of CDBG funds to be used in the CDBG Microenterprise 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.

\$150,000 of CDBG funds will go to 1) the provision of assistance to facilitate economic development by providing grants and loans for the establishment, stabilization, and expansion of microenterprises; 2) providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and 3) providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises, as eligible by the CDBG program according to **24 CFR 570.201 (o)**.



\$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 Microenterprise**
 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	150000
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		\$ 400,000

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	82,500	42,500	205,000	330,000
b. Loan Servicing/	12,375	6,375		18,750
c. Oversight, compliance, mgnt, promo	5,125	1,125	5,000	11,250
Subtotal	100,000	50,000	250,000	400,000
TOTAL PROGRAM or PROJECT EXPENSES				