

B. MICRO-ENTERPRISE ASSISTANCE GRANT PROGRAM

The Micro-Enterprise Assistance Grant (MEA) Program provides grant funds to assist in innovative solutions to problems faced by micro-enterprise businesses. Assistance to businesses may be in the form of grants or loans at the discretion of the community.

1. Eligible Activities: Eligible activities under the Micro-Enterprise Assistance category are grants or loans to for-profit businesses that can be used for working capital and interior renovations, façade grants or loans for exterior improvements, including signage, painting, siding, awnings, lighting, display windows and other approved improvements; and eligible planning activities necessary to complete the Project Development Phase. **Sewer, water, storm drainage, parking, roads or streets and other infrastructure improvements and buildings solely for residential use are not eligible.**

2. Exclusions: See Section 1H (3)

3. Micro-Enterprise Assistance Loan Repayments – Communities that establish Micro-Enterprise Assistance as loans, and anticipate receiving \$35,000 or more in loan repayments, must utilize the services of a Community Development Financial Institution (CDFI) or a Community Based Development Organization (CBDO) as defined in Section 105(a)(15) of the Housing and Community Development Act of 1974, to manage repayments and subsequent relending. Micro-Enterprise Assistance Grants will be structured as forgivable loans.

4. Maximum MEA Grant Amount: \$150,000 per Community per year.

5. Maximum Amount of Micro-Enterprise Assistance to an individual Business: \$50,000

6. Project Benefit:

(a) Micro-Enterprise Grant/Loan: Existing or developing businesses that have five or fewer employees, one of whom owns the enterprise, and whose family income is LMI will meet the project benefit. Applicants will need to submit a copy of their 2018 Income Tax filing with their Letter of Intent. For those businesses whose owners are Low-to moderate-income existing employees' incomes are not considered in meeting project benefit.

(b) Businesses with owners who do not qualify as low-to moderate-income **must create up to two (2) full-time equivalent (FTE) jobs (depending on funds requested), which must be taken by low-to moderate-income individuals. *The new jobs must be maintained for a minimum of one year.*** Proof of employee income for 12 months prior to date of hire will be required. Businesses applying for MEA funds must have a business plan not older than 18 months and must have met with a Small Business Development Center (SBDC) business counselor in the three months prior to submitting an application for assistance.

(c) Business Facade Grants: Project benefit will be met when exterior improvements and signage on an existing business take place in a designated slum/blight area, or documentation is submitted showing that a business qualifies under a spot blight basis.

7. Demonstration of National Objective: Applicants must demonstrate that the project meets the National Objective of 1) assisting existing or developing businesses that have five or fewer

employees, one of whom owns the enterprise, and whose family income is LMI, or 2) creating up to two FTE jobs which must be taken by low- to moderate income individuals, or 3) preventing or eliminating slum or blighting conditions conforming to the requirements of Title 30-A M.R.S.A. § 5202 and HUD,. ***These demonstrations must be made as part of the Letter of Intent and Verification of CDBG National Objective submitted to OCD***

8. Selection Process: The selection process will consist of two stages:

(a) Stage 1:

Letter of Intent and Verification of CDBG National Objective: All communities wishing to submit a MEA application must submit a Letter of Intent and Verification of CDBG National Objective to OCD. Please refer to Page 5 of this document for Program deadlines and due dates. After review for completeness and eligibility, units of general local governments will be invited to make a full application.

(b) Stage 2:

Application: The maximum length of an application is **four pages, not counting required attachments**. Please refer to Page 5 of this document for Program deadlines and due dates.

Members of the Review Team will assign a Point Total for each application reviewed.

Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

Impact (40 points):

- State the problem and explain how it negatively impacts the local economy. – 30 points
- Explain why MEA funds are necessary for the project; describe efforts to secure other grant or loan funds, and tell why they are not available locally to assist – 10 points

Development Strategy (40 points):

- Provide Identification and description of potential business grant/loan applicants and their needs – 15 points
- Explain how the MEA project will stimulate business and assist in improving the area's long-term viability. – 15 points
- Provide a project timeline; list activities or actions completed to date. – 10 points

Citizen Participation (20 points):

- Effective use of any media (newspapers, radio, TV, etc.). – 5 points
- Relevance of listed meeting/hearing activities/comments (not counting required public hearing) in application and project development. – 5 points
- Involvement of downtown and local businesses, Chambers of Commerce, development groups or other business related organizations in development of the application and project – 5 points

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- How other local resources (cash and in-kind) are directly related to the project. – 5 points

9. Business Friendly Community Designation Bonus – 3 bonus points will be assigned to each applicant community certified as a Business-Friendly Community at time of application.

10. Final Score – Each application will receive a Final Application Score consisting of the sum of the scores assigned by members of the Review Team, added to any applicable Business Friendly Community Bonus. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.