

## **B - MICRO-ENTERPRISE ASSISTANCE GRANT PROGRAM**

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The Micro-Enterprise Assistance Program (MEA) provides funding to non-entitlement areas statewide to address the needs of Micro businesses. This program will start **July 1, 2023** and will be administered on a regional basis throughout Maine, as stated below.

**1. Special Threshold Criteria and Certifications:** MEA Program funds will be distributed through a set aside of CDBG funds provided to Aroostook County as the lead community. The lead community will establish a legally binding contract with each of the participating Economic Development entities. Participation in the MEA delivery system is subject to the approval of the Director of the OCD. The MEA Program provides grant funds to micro-enterprise businesses through a partnership with Maine's Small Business Development Centers and their partners.

**1. Eligible Activities:** Eligible activities include grants to for-profit businesses that can be used for working capital, purchase of inventory, supplies and equipment. Maine's Small Business Development Centers will identify and pre-qualify those businesses who are eligible for the program. Potential participants will need to provide their previous years' income tax return to verify eligibility.

**Cannabis related businesses are not eligible.**

**2. Maximum Amount of Micro-Enterprise Assistance to an individual Business:**  
\$10,000

**3. Project Benefit / Demonstration of National Objective:**

**Micro-Enterprise Grant:** Existing businesses that have five or fewer employees, **one of whom owns the enterprise, and whose household income is Low/Moderate as defined by HUD will meet the project benefit.** Applicants will need to submit a copy of their previous year's Personal Income Tax filing with their application. Non-owner employees' incomes are not considered in meeting project benefit.

**4. Selection Process:**

**All Micro-Enterprise businesses wishing to submit a MEA application must meet with their local Small Business Development Center advisor to determine eligibility. SBDC advisors will review and submit complete applications to be considered for funding.**

## SECTION 4. TECHNICAL ASSISTANCE

The Office of Community Development will use Technical Assistance funds to: conduct workshops, produce program materials, provide training and provide technical assistance and outreach to communities.

Regional Providers will provide planning assistance to units of general local government in identifying community & economic development needs, developing, and administering CDBG projects. For purposes of this paragraph the term "**planning assistance**" means the facilitating of skills and knowledge in planning, developing, and administering CDBG activities for entities in non-entitlement areas that may need but do not possess such skills and knowledge.

## SECTION 5. REDISTRIBUTION OF GRANT FUNDS

This section describes the methods by which undistributed funds, disencumbered funds, additional funds received from HUD, and program income will be redistributed.

**1. Local Government Grants from the State:** Applicants receiving grants under the CDBG program but failing to have their projects substantially underway (environmental review complete, program costs obligated, construction or services begun) within six months of grant award, may have their grant rescinded by DECD.

Rescinded grant funds may be added to any open CDBG contract and can be used to make additional awards under any eligible CDBG program activity.

Unexpended funds remaining in the grantee's CDBG account at grant closeout, funds remaining in a grantee's award but not requested upon grant closeout, and funds returned to DECD because of disallowed costs may be added to any open CDBG contract and can be used to make additional awards under any eligible CDBG program activity.

**2. Unallocated State Grants to Local Governments:** Unallocated grant funds resulting from lack of adequate program competition or demand in any of the available 2023 CDBG programs and any additional funds allocated by HUD may be added to any open CDBG contract and can be used to make additional awards under any eligible CDBG program activity.

**3. Basis for Redistribution:** The decision to redistribute funds will be made after staff evaluation of the following: the total funds available, new requests for funding, requests for additional funding from current CDBG grantees and applicants for competitions that did not receive funding. The OCD may redistribute available funds to any project deemed to be in the best interest of, and that offer CDBG definable benefits to the State of Maine.

## SECTION 6. PROGRAM INCOME

As used in this Proposed Statement, "Program Income" means the gross income received by a grantee from any grant-supported activity in excess of \$35,000. Applicants will refer to the CDBG Regulations and the Maine Office of Community Development policies on program income.

## **SECTION 7. APPEALS**

Appeals of award decisions are restricted to errors of fact or procedure. Appeals in the areas of judgment qualitative scoring will not be entertained. In the case of a successful appeal, funds will be reserved for the project from available or subsequent CDBG funds.

An applicant wishing to appeal DECD's decision regarding their 2023 application restricted to errors of fact or procedure, may do so by submitting an appeal letter to the Director of the Office of Community Development within fifteen (15) days of the award announcement for that specific program.

## **SECTION 8. AMENDMENTS TO THE PROGRAM STATEMENT**

The State may amend the 2023 Program Statement from time to time in accordance with the same procedures required for the preparation and submission of the program statement. The Department of Housing and Urban Development's citizen participation requirements will guide the amendment process.