

Kiermaier Consulting

Public Policy

Advocacy – Analysis – Grant Writing – Research

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Ms. Deborah Johnson, Director
Office of Community Development
Department of Economic and Community Development
59 State House Station
Augusta, ME 04333-0059

Dear Ms. Johnson,

I am writing to express my strong support for continued funding for the Maine Downtown Center (MDC) and the Downtown Revitalization Grants (DRG) that have been distributed from the Community Development Block Grant (CDBG) program for a number of years. It is my understanding that the proposed CDBG budget for 2016 completely eliminates CDBG funding for these purposes.

From my perspective as a current member of the Maine Downtown Center Advisory Board, as well as my nearly 25 year career as a Legislative Analyst for the Office of Fiscal & Program Review during which time I was responsible for budget and policy analysis for the Joint Standing Committee on Appropriations & Financial Affairs, previous decisions to provide CDBG funding for the MDC and the closely associated DRG represented an uncommonly wise, effective and efficient use of scarce public funds. The recent use of CDBG grants to benefit the overall goal of downtown revitalization is a rare instance in which public funding has directly translated into measurable and significant programming which has benefited a wide swath of Maine's population. The success of the MDC and the DRG has been accomplished with relatively little administrative overhead and bureaucracy and thus translates into direct success on the local level.

As identified on the DECD webpage dealing with the CDBG purpose and objectives, current federal law requires that CDBG grants can only be provided if a funded activity meets one of the following objectives:

- Benefit to low and moderate income persons;
- Prevention and elimination of slum and blight conditions; and
- Meeting community development needs having a particular urgency.

I believe that it is crucial to note that previous CDBG funding for the MDC and DRG unequivocally meets all three criteria. It is clear that downtown revitalization:

- Provides significant economic benefit for low and moderate income persons through the significant job creation that inevitably occurs when historic buildings are rehabilitated and then occupied by businesses seeking to return to a vibrant downtown economy;
- Prevents and eliminates slum and blight conditions that are often associated with previously neglected downtown centers including places of business and residential buildings; and

- Comprehensively addresses urgent community development needs in an approach which emphasizes community involvement in planning efforts which are tailored to the unique needs of a particular downtown area.

I also believe that the accomplishments of the MDC and DRG are tangible and manifest in the communities that have undertaken downtown revitalization under the program administered by the MDC:

Maine Reinvestment Statistics

(As reported by Main Street Maine communities from Sept 2002-Dec 2013)

- Total amount of reinvestment in physical improvements from public and private sources: \$224.5 Million
- Net gain in businesses: 325
- Net gain in part-time jobs: 313
- Net gain in full-time jobs: 1038
- Number of building rehabilitations and improvements: 832
- Volunteer Hours: 264,257
- Reinvestment Ratio: \$24.10 reinvested for every \$1 spent

My point in mentioning these previously publicized accomplishments is to once again emphasize the success that MDC and the DVG have achieved in meeting all 3 of the required CDBG objectives. This success has come about through the public/private collaboration of programming, planning, dedicated efforts from the Main Street Communities and MDC staff and the effective use of previous CDGB funding.

I strongly urge the reconsideration of the CDBG 2016 budget to restore funding for this uniquely successful endeavor which has resulted in downtown revitalization and sustainable economic development for a large segment of Maine's population that needs it the most. Please do not hesitate to contact me for any further comment.

Sincerely,



Lock Kiermaier

CC Lorain Francis, MDC Senior Program Manager
Nancy Smith, Executive Director, GrowSmart Maine
Senator Roger Katz
Representative Matt Pouliot