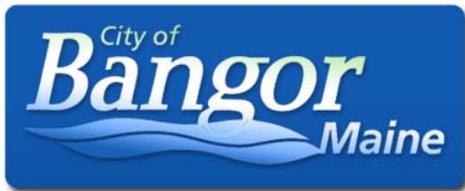


MEMORANDUM



TO: Business & Economic Development Committee
FROM: Jason Bird, Community and Economic Development Officer
DATE: January 28, 2015

Community Housing of Maine CDBG Grant Request

Community Housing of Maine (CHOM) is requesting \$50,000 in gap funding from the City's CDBG funding to assist in a proposed four unit supportive housing redevelopment at a vacant building on Chester Place. As they have done at 53 Charles Street, and will do at 76 Pier Street once construction there is complete, CHOM will apply to the Maine State Housing Authority (MSHA) for renovation funding and Sect. 8 project vouchers for the 4 unit property.

CHOM will work with the Bangor Area Homeless Shelter (BAHS) on this project. CHOM will own and manage the property and the BAHS will act as a bridge of support for those moving from the shelter or places not fit for human habitation into the new housing. This will replicate the successful model in place at their project located at 53 Charles Street, and will be the model implemented at their new project under construction at 76 Pier Street.

If approved by the City Council, this agreement would be in the form of a forgivable loan, whereby 25% percent of the funding would be waived for every year that the facility was operating and providing affordable housing to its stated clientele, therefore satisfying a CDBG objective; additionally, the agreement would be contingent on a successful request to MSHA and completion of the renovation project.

Given the City's potential contribution of only \$12,500 per unit, the partnership with BAHS, and the success of CHOM's other projects, Staff supports the funding request and recommends authorizing the City Manager to execute the development agreement in a final form approved by the City Solicitor.

There are sufficient funds in our CDBG budget, along with Program Income, to fund this expenditure.