

# Maine Continuum of Care

June 6, 2017

John Gallagher  
Maine Housing  
353 Water Street  
Augusta, Maine 04330

Mr. Gallagher,

The Maine Continuum of Care (MCOC), would like to respectfully request that MaineHousing use Stability Through Engagement Program (STEP) rental assistance as interim gap funding for Milbridge Harbor Apartments 5 residents, until Section 8 is replenished and available for use by the project. Milbridge is a long-standing Maine Continuum of Care Project which recently lost the long-standing HUD operations funding in the most recent HUD COC application process. In a previous request, the MCOC requested 5 vouchers for “Milbridge Harbor Apartments (COC 1252),” a vital project located at 9 Harbor Lane (“aka” 48 Main Street) in Milbridge, Washington County, Maine. The Project is a Permanent Supportive Housing (PSH) project serving homeless individuals with disabilities. The project was originally developed in 2005 using both HUD and MaineHousing funding (MaineHousing funding was a performance grant in the amount of \$296,925 made on 11/30/2005. Terms: 0% deferred, forgivable at the end of 30 years) for Bricks and Mortar.

We believe the availability of these critical resources to this existing project will help encourage and ensure financial feasibility of this project and protect the asset funding MaineHousing and HUD have in the facility. Lack of securing replacement of operations funding, according to the agency, will result in closing the facility resulting in a lack of access to a PSH project for people experiencing homelessness in Washington County and leaving a facility in MaineHousing’s Asset Management Portfolio vacant. It is worth noting that per the MaineHousing deed covenant, the project is restricted for 30 years from the date of the loan closing to do the following:

- Rent to homeless persons with severe mental illness; and
- Rent to households with low and moderate incomes.

We believe the limited dedication of 5 STEP vouchers, as interim gap funding until 5 Section 8 vouchers can be made available to the project, is an effective, efficient option to ensure that the project can continue to house its existing consumers so that they do not return to homelessness, that the project remains in operation, and that people experiencing homelessness in Washington county – one of the most impoverished counties in our state – continue to have access to vital PSH resources. STEP’s flexibility and funding stream, makes it a viable temporary solution to a very complex issue until Section 8 can be put in place. Awarding rental assistance in the form of STEP vouchers, followed by Section 8, also protects the interest of both HUD and MaineHousing, who have a financial stake in the project. This strategy appears to be the most cost effective and efficient way to ensure the viability of this existing PSH resource currently at risk.

The outcome of this request is on the next agenda for the Maine Continuum of Care meeting on June 15<sup>th</sup> at 1:00pm; as such we respectfully request a response to this request before the time of that meeting, or by noon on June 15<sup>th</sup>.

Thank you for your time and consideration to this request.

Sincerely,



Vickey Rand, MCOC Co-Chair



Rob Parritt, MCOC Co-Chair