**An Act to Address Maine's Housing Crisis**

L.D. 2

Date: (Filing No. H- )

**Housing**

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE**

**HOUSE OF REPRESENTATIVES**

**131st Legislature**

**First Special Session**

COMMITTEE AMENDMENT “      ” to H.P. 4, L.D. 2, “An Act to Address Maine's Housing Crisis”

Amend the bill by striking out the title and substituting the following:

**'An Act to Address Chronic Homelessness by Creating the Housing First Fund'**

Amend the bill by striking out everything after the enacting clause and inserting the following:

'**Sec. 1. 22 MRSA §20-A** is enacted to read:

**§20-A. Housing First Program**

**1. Program established.** The Housing First Program, referred to in this section as "the program," is established in the department to facilitate the delivery of support and stabilization services to residents of properties established or developed to provide permanent housing to address chronic homelessness in the State. Except as otherwise provided in this section, services facilitated under the program must be available on site, 24 hours per day and be designed to build independent living skills and connect individuals with community-based services. The department shall ensure that reimbursement under the MaineCare program is available to providers under the Housing First Program to the maximum extent possible. For the purposes of this section, "chronic homelessness" means a situation in which a person is living in a place not meant for human habitation, including emergency shelters, for at least 12 months and for whom homelessness is correlated with a condition that makes accessing services and maintaining housing a significant challenge such as substance use disorder or a behavioral health condition. "Chronic homelessness" includes a situation in which a person has been living intermittently in an institutional care facility, including but not limited to jail or a health treatment facility, but is otherwise living in a place not meant for human habitation.

**2. Fund established.** The Housing First Fund, referred to in this section as "the fund," is established as a separate and distinct fund for accounting and budgetary reporting purposes in order to support the program. Funds distributed in accordance with this section must be used to supplement, not supplant, existing or future federal funding designed to provide services associated with services provided by the program under subsections 1 and 5, including but not limited to the MaineCare program and the housing outreach and member engagement provider program administered by the department.

**3. Sources of fund.** The Treasurer of State shall credit to the fund:

A. All money received by the State in accordance with Title 36, section 4641-B, subsection 4-B, paragraph E-1;

B. Money from any other source, whether public or private, designated for deposit into or credited to the fund; and

C. Interest earned or other investment income on balances in the fund.

**4. Distribution of funds.** Beginning July 1, 2025, the department shall make distributions from the fund as described in this subsection.

A. Annually, the department shall deposit $1,000,000 from the fund to an account established for the purpose of providing funding for housing stability services described in subsection 5.

B. The department shall establish payment models as appropriate for the purpose of providing 24-hour, on-site supportive services to residents at Housing First Program properties established or developed to provide permanent housing to persons experiencing chronic homelessness. Supportive services must include coordination with a MaineCare provider.

C. The department shall annually determine the amount necessary to support the established payment models at each property for services provided under the program in the current fiscal year and the anticipated amount needed to pay for 24-hour, on-site services expected to be provided at each property in the next fiscal year. Funds in excess of those amounts must be transferred to the Maine State Housing Authority for the purposes of:

(1) Providing technical assistance to housing developers to help with capital and planning issues associated with developing properties consistent with the housing model established by the program and as described in subsection 5; and

(2) Developing affordable housing projects with a housing model established by the program and as described in subsection 5.

**5. Housing stability services.** The department shall establish a payment model to provide funds to pay for the costs of housing stability services provided to residents at properties under the program where supportive services are not necessarily provided on site or 24 hours per day. Services funded under this subsection must be available to residents no less than 20 hours per week and must adequately meet the needs of the residents to build independent living skills, to maintain housing and to access necessary community-based services. Housing stability services funded under this subsection may also include outreach to persons who are experiencing chronic homelessness for the purposes of establishing connections and providing support that may result in securing stable housing at a property under the program.

**6. Rulemaking.** The department and the Maine State Housing Authority shall jointly adopt rules to administer the program. The rules must specify which elements of the program are administered by the department, which elements are administered by the Maine State Housing Authority and which elements are administered jointly, if any. Rules adopted under this subsection are routine technical rules under Title 5, chapter 375, subchapter 2-A.

**7. Report.** Beginning February 1, 2025, the department and the Maine State Housing Authority shall submit a report annually to the joint standing or joint select committee of the Legislature having jurisdiction over housing matters to provide the committee with necessary data and information to evaluate the effectiveness of the program. The initial report submitted to the committee must provide an assessment of the number of housing units and the scope of services needed to serve persons who are experiencing chronic homelessness to serve as a baseline against which the effectiveness of the program and other services will be measured. Subsequent reports must provide updates to that assessment in addition to the following:

A. An accounting of the services facilitated using money from the fund at properties that provide 24-hour, on-site services and properties that provide housing stability services described under subsection 5;

B. An accounting of services provided at properties under the program funded under the housing outreach and member engagement provider program and services reimbursed under the MaineCare program;

C. The number of residents served by the program and the number of months residents have avoided returning to homelessness or maintained stable housing;

D. The amount of money from the fund transferred to the Maine State Housing Authority pursuant to subsection 4, paragraph C that is used for the purposes described in subsection 4, paragraph C, subparagraphs (1) and (2); and

E. Information requested by the committee considered necessary to evaluate the effectiveness of the program.

**Sec. 2. 36 MRSA §4641-B, sub-§4-B, ¶E,** as amended by PL 2021, c. 753, §1, is further amended to read:

E. In fiscal year 2015-16 and each fiscal year ~~thereafter~~ prior to fiscal year 2025-26, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641‑A, subsection 1 in accordance with this paragraph.

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30‑A, section 4864.

(2) On a monthly basis, the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30‑A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit any remaining revenues available under this subparagraph to the General Fund.

(3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to the Maine State Housing Authority, except that, notwithstanding paragraph F, in fiscal year 2015-16, the Treasurer of State shall first credit $6,291,740 of the revenues available under this subparagraph to the General Fund and except that, notwithstanding paragraph F, in fiscal year 2016-17, the Treasurer of State shall first credit $6,090,367 of the revenues available under this subparagraph to the General Fund and except that, notwithstanding paragraph F, in fiscal years 2017-18 and 2018-19, the Treasurer of State shall first credit $2,500,000 of the revenues available under this subparagraph to the General Fund. The Maine State Housing Authority shall deposit the funds received pursuant to this subparagraph in the Housing Opportunities for Maine Fund created in Title 30‑A, section 4853. Beginning July 1, 2023, the Maine State Housing Authority shall use 25% of funds transferred to the Housing Opportunities for Maine Fund under this subparagraph to support the creation of new housing units, through new construction or adaptive reuse, that are affordable to low-income households.

**Sec. 3. 36 MRSA §4641-B, sub-§4-B, ¶E-1** is enacted to read:

E-1. In fiscal year 2025-26 and each fiscal year thereafter, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641‑A, subsection 1 in accordance with this paragraph.

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30‑A, section 4864.

(2) On a monthly basis, the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30‑A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit 1/2 of any remaining revenues available under this subparagraph to the General Fund and 1/2 of any remaining revenues available under this subparagraph to the Housing First Fund established in Title 22, section 20-A, subsection 2.

(3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to the Maine State Housing Authority. The Maine State Housing Authority shall deposit the funds received pursuant to this subparagraph in the Housing Opportunities for Maine Fund created in Title 30‑A, section 4853. Beginning July 1, 2025, the Maine State Housing Authority shall use 25% of funds transferred to the Housing Opportunities for Maine Fund under this subparagraph to support the creation of new housing units, through new construction or adaptive reuse, that are affordable to low-income households.

**Sec. 4. Department of Health and Human Services to apply for state plan amendments to align certain MaineCare rules with Housing First Program.** Within 9 months of the effective date of this Act, the Department of Health and Human Services shall apply to the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services for relevant state plan amendments for rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 13, Targeted Case Management Services, and the Housing Outreach and Member Engagement Provider Program within rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 91, Health Home Services - Community Care Teams, to maximize the alignment of these rules with the Housing First Program under the Maine Revised Statutes, Title 22, section 20-A, subsections 1 and 5. The department shall initiate rulemaking within 120 days of receiving state plan approval of the requested changes.

**Sec. 5. Appropriations and allocations.**  The following appropriations and allocations are made.

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

**Housing First Program Z374**

Initiative: Provides a base allocation for the Department of Health and Human Services, Housing First Program.

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| --- | --- | --- |
| **OTHER SPECIAL REVENUE FUNDS** | **2023-24** | **2024-25** |
| All Other | $0 | $500 |
|   | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| OTHER SPECIAL REVENUE FUNDS TOTAL | $0 | $500 |

**Housing First Program Z374**

Initiative: Establishes one Public Service Manager II position and one Social Services Program Manager position, beginning January 1, 2024, to provide initial planning and administration for the delivery of support and stabilization services to residents of properties established or developed to provide permanent housing to end chronic homelessness in the State.

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| --- | --- | --- |
| **GENERAL FUND** | **2023-24** | **2024-25** |
| POSITIONS - LEGISLATIVE COUNT | 2.000 | 2.000 |
| Personal Services | $125,755 | $265,355 |
| All Other | $6,537 | $13,074 |
|   | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| GENERAL FUND TOTAL | $132,292 | $278,429 |

|  |  |  |
| --- | --- | --- |
| **HEALTH AND HUMAN SERVICES,** **DEPARTMENT OF** |   |   |
| **DEPARTMENT TOTALS** | **2023-24** | **2024-25** |
|   |   |   |
| **GENERAL FUND** | **$132,292** | **$278,429** |
| **OTHER SPECIAL REVENUE FUNDS** | **$0** | **$500** |
|   | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| **DEPARTMENT TOTAL - ALL FUNDS** | **$132,292** | **$278,929** |

**HOUSING AUTHORITY, MAINE STATE**

**Housing First - MSHA N447**

Initiative: Provides a base allocation to authorize expenditures of funds transferred from the Department of Health and Human Services to be used to provide technical assistance with capital and planning issues associated with developing properties consistent with the housing model under the Housing First Program and to develop affordable housing projects consistent with the housing model under the Housing First Program.

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| --- | --- | --- |
| **OTHER SPECIAL REVENUE FUNDS** | **2023-24** | **2024-25** |
| All Other | $500 | $500 |
|   | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| OTHER SPECIAL REVENUE FUNDS TOTAL | $500 | $500 |

|  |  |  |
| --- | --- | --- |
| **HOUSING AUTHORITY, MAINE STATE** |   |   |
| **DEPARTMENT TOTALS** | **2023-24** | **2024-25** |
|   |   |   |
| **OTHER SPECIAL REVENUE FUNDS** | **$500** | **$500** |
|   | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| **DEPARTMENT TOTAL - ALL FUNDS** | **$500** | **$500** |

|  |  |  |
| --- | --- | --- |
| **SECTION TOTALS** | **2023-24** | **2024-25** |
|   |   |   |
| **GENERAL FUND** | **$132,292** | **$278,429** |
| **OTHER SPECIAL REVENUE FUNDS** | **$500** | **$1,000** |
|   | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| **SECTION TOTAL - ALL FUNDS** | **$132,792** | **$279,429** |

'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**SUMMARY**

This amendment replaces the bill, which is a concept draft, and changes the title. The amendment, the minority report of the committee, establishes the Housing First Program within the Department of Health and Human Services to facilitate the delivery of stabilization and support services to residents of properties established or developed to provide permanent housing to persons who have been experiencing chronic homelessness and to fund technical assistance, administered by the Maine State Housing Authority, for the development of housing consistent with the program. The amendment requires the department to ensure that funding supplements existing and future services provided under associated programs such as the MaineCare program and the housing outreach and member engagement provider program. The program is funded from the real estate transfer tax by depositing half of the funds that would otherwise be deposited into the General Fund into the Housing First Fund created by the amendment. The amendment directs the Department of Health and Human Services and the Maine State Housing Authority to jointly adopt rules to administer the program and requires them to report annually to the joint standing committee or joint select committee of the Legislature having jurisdiction over housing matters for the purpose of evaluating the effectiveness of the program. The amendment also directs the Department of Health and Human Services to apply to the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services for state plan amendments to align certain MaineCare rules with the Housing First Program.

**FISCAL NOTE REQUIRED**

**(See attached)**