

# MAINE STATE LEGISLATURE

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February 22, 2017

TO: Senator Amy Volk  
Representative Ryan Fecteau  
Members of the Joint Standing Committee on Labor, Commerce, Research and Economic  
Development

FROM: John G. Gallagher, Director  
Maine State Housing Authority



SUBJ: Preliminary Report on Public Law 2016, Chapter 424, An Act to Implement the  
Recommendations of the Maine Affordable Housing Working Group

I am pleased to share our progress in implementing the provisions of LD 1607, An Act to Implement the Recommendations of the Maine Affordable Housing Working Group, enacted as Public Law 2016, Chapter 424.

In 2015, the 127th Maine Legislature established the Maine Affordable Housing Working Group (Part QQQQ of Public Law 2015 chapter 267) “to evaluate the extent to which extremely low-income households, including families, persons with disabilities and elderly, lack access to safe and affordable housing, and the burden that this inadequacy creates for individuals and communities. ‘Extremely low-income households’ mean those with incomes at or below 30% of the area median income for their county or metropolitan area.” The Working Group’s recommendations were transmitted to your committee during the last legislative session and several of the recommendations were enacted as Public Law 2016, Chapter 424.

MaineHousing is charged with a preliminary report by February 1, 2017 and a final report by January 15, 2019 to the joint standing committee of the Legislature having jurisdiction over labor, commerce, research and economic development. Our progress to implement the recommendations are described in the attached report. I welcome the opportunity to discuss the progress report in greater detail with your committee if you so desire.

Enclosure

**Report to the**  
**Joint Standing Committee on**  
**Labor, Commerce, Research, and Economic Development**

## **The Law**

Public Law 2016, Chapter 424, An Act to Implement the Recommendations of the Maine Affordable Housing Working Group, requires the Maine State Housing Authority to report back to the Joint Standing Committee on Labor, Commerce, Research and Economic Development on the following:

- An examination of options to increase access to affordable housing for families with incomes at or below 30% of the area median income; and
- A preliminary report on an initiative to pilot a rental assistance program to prevent homelessness and promote housing stability, family well-being and self-sufficiency for families at risk of homelessness.

## **Background**

The 127th Maine Legislature established the Maine Affordable Housing Working Group (Part QQQQ of Public Law 2015 chapter 267) “to evaluate the extent to which extremely low-income households, including families, persons with disabilities and elderly, lack access to safe and affordable housing, and the burden that this inadequacy creates for individuals and communities. ‘Extremely low-income households’ mean those with incomes at or below 30% of the area median income for their county or metropolitan area.”

The Maine Affordable Housing Working Group presented its final report to the committee in 2016 with the following recommendations:

1. Restore the federal funding commitment to housing affordability.
2. Restore the State HOME Fund to full funding.
3. Examine options to expand the supply of quality, affordable housing that is available to households with extremely low income.
4. Design a rental assistance pilot program.
5. Evaluate opportunities available under the MaineCare program to provide coverage of housing-related activities and services.
6. Remove impediments to full utilization of existing rental assistance programs and adopt a consumer centered approach to program delivery.
7. Improve housing stability and create opportunities for self-sufficiency.

Suggested legislation to accomplish these recommendations was offered to the committee and included in the committee’s L.D. 1607, subsequently enacted as Public Law 2016 Chapter 424. The legislation requires that the Maine State Housing Authority shall provide a

preliminary report by February 1, 2017 and a final report by January 15, 2019 on its progress in increasing access to affordable housing.

## **1. An examination of options to increase access to affordable housing for families with incomes at or below 30% of the area median income**

Section 2 of PL 2016 c.424 requires MaineHousing to examine strategies to increase access to affordable housing to the extent funds become available:

“To the extent funds become available, the Maine State Housing Authority shall examine strategies to increase access to affordable housing for persons with incomes at or below 30% of the area median income, including, but not limited to, increasing the accessibility of new housing units built with support from the federal low-income housing tax credit program for households with incomes at or below 30% of the area median income.”

### **National Housing Trust Fund**

Federal and state funding for affordable housing has not increased with the exception of the National Housing Trust Fund. The National Housing Trust Fund (HTF), funded with a percentage of overall business from Fannie Mae and Freddie Mac, will provide the State of Maine with a formula allocation of \$3 million in 2016 to create housing affordable to extremely low income (30% or less of Area Median Income) households for a minimum of 45 years.

To determine the most effective method of creating affordable housing for extremely low income households, MaineHousing held two public hearings and one focus group comprised of low-income tenants and advocates. The tenant and advocate focus groups identified extensive housing needs of people with extremely low income as they relate to priorities for National Housing Trust Funds. These included attention to vulnerable or marginalized populations, concerns for evictions and extremely limited affordable housing options, provisions for affordable housing to have access to services and supports, and a desire to try new solutions with limited funds.

The resulting plan for Maine’s use of the National Housing Trust Fund targets resources to extremely low income housing projects via a competitive process that will allow for the following eligible recipients:

- Not-for-profit organizations
- Municipalities
- Tribal Housing Authorities
- Public housing authorities

Applications for housing assistance will be evaluated using the following criteria:

- Applicants will be evaluated on their development capacity; their experience with public sector housing development programs; and their track-record for developing projects successfully within a reasonable timeframe.
- Degree to which the applicant will serve homeless people.
- Degree to which applicants will expand the number of adaptable and accessible units in the State.
- The extent to which the application makes use of non-federal funding resources.
- MaineHousing will regard the entire State of Maine as the eligible area for purposes of the HTF. Applicants will receive additional scoring points for projects that will be developed in census tracts that have been designated as high opportunity areas as set forth in MaineHousing's 2017 Qualified Allocation Plan.

MaineHousing will require that affordability be for a 45 year term. MaineHousing will make Section 8 Housing Choice Vouchers available on a "project-based" basis for eligible units funded with HTF.

MaineHousing will issue an RFP for proposal early in 2017.

## **2. Design a Rental Assistance Pilot**

Sec. 3 of PL 2016 c.424 requires the design and implementation of a rental assistance pilot to prevent homelessness and promote housing stability.

"Rental assistance pilot program. The Maine State Housing Authority shall work with municipal housing authorities to identify unused vouchers under the United States Department of Housing and Urban Development's Housing Choice Voucher Program and use these vouchers to establish a rental assistance pilot program. The Maine State Housing Authority shall design and implement the program based on best practices and evidence-based research to provide a comprehensive approach to prevent homelessness and promote housing stability, family well-being and self-sufficiency for families at risk of homelessness."

### **BUILDING FAMILY FUTURES**

#### ***(A Housing Choice Voucher Pilot to Prevent Homelessness and Increase Opportunity in Working Families)***

At the time the working group was deliberating there was a small supply of unused vouchers among the state's PHAs, including MaineHousing. Since that time most PHAs and MaineHousing are close to full voucher utilization resulting in few if any unused vouchers. Subsequently, we chose to initiate a small pilot program with a focus on increasing family self-sufficiency. The program pairs rental assistance with the HCV Family Self-Sufficiency

(FSS) Program and is delivered in partnership with a homeless shelter housing (MidMaine Homeless Shelter in Waterville). MaineHousing will provide 10 HCV vouchers and the homeless shelter will provide housing navigator services. The program is designed to provide resources to the participant families in a more holistic approach that avoids the typically 'siloed' nature of social services.

The program began in mid-September 2016 and is designed with built in evaluation to monitor program success and make any necessary improvements. We then plan to increase the number of vouchers over the next few years through replication to other parts of the state.

## **Program Design**

Building Family Futures has been designed based on the evidence-supported "Mobility Mentoring" approach developed by Crittenton Women's Union (now EMPATH), a Massachusetts nonprofit dedicated to helping families achieve economic independence. Their "Bridge to Self-Sufficiency" theory of change suggests that "becoming economically independent requires that people optimize their lives in five key areas: family stability, well-being, education and training, financial management, and employment/career management. Individuals must address these areas simultaneously in order to achieve economic stability." (Crittenton 2012)

Eligible participants for the pilot are working families who meet income and general eligibility requirements for the HCV program. Preference will be given to families in which an adult family member has already participated/is currently participating in an "FSS-related service or program", e.g., high school equivalency or post-secondary classes, employment preparation classes, financial literacy classes, etc. Families will be referred by the MidMaine Homeless Shelter's Homelessness Prevention Program.

Through the Mobility Mentoring approach, trained staff partner with families to help them acquire the resources, skills and sustained behavior changes necessary to achieve and maintain economic independence. The essential elements of the approach are: 1) The Bridge to Self-Sufficiency framework, 2) Clear goal setting and outcomes measurement, 3) Coaching and 4) Incentives. We have adapted this approach to work within the context of the HCV Family Self-Sufficiency program.

The pilot officially began on September 15, 2016. Through the end of October we received referrals from MidMaine Homeless Shelter and determined program eligibility. By the end of November we had 10 families participating in the 8-week Rent Smart course. Because of the need to individualize some of the course scheduling to accommodate participants' work schedules families have been graduating from the course at staggered intervals during January 2017. We are now in the process of collecting baseline demographic information on families as they graduate, along with carrying out initial assessments to gauge self-sufficiency and family support systems. We will then begin working with them to develop Housing Stability and Individual Training and Services Plans, which will guide all future service delivery to the families. Thus far we have been very impressed with the initiative and

genuine interest in moving their families toward economic self-sufficiency that has been demonstrated by all participating families.

A more detailed description of the pilot program is attached to this report.

### **3. Establish an Universal Application and Waiting List for Tenant Based Rental Assistance**

Section 1 of PL 2016 c.424 requires the establishment of a single wait list for applications for tenant based rental assistance:

“The Maine State Housing Authority and municipal housing authorities shall establish a single, streamlined application for tenant based rental assistance under the United States Housing Act of 1937, Public Law 412, Section 8 by which families may apply for housing assistance in any geographic area of the State and shall also establish a statewide, centralized waiting list for that tenant-based rental assistance. The Maine State Housing Authority and municipal housing authorities shall establish a method for individuals or families to submit applications and to update applications for rental assistance by electronic means.”

Under the leadership of the Portland, South Portland, and Westbrook housing authorities, a single application and wait list has been established for households applying for Section 8 Housing Choice Voucher rental assistance.

While a report on our progress in implementing this provision is not required, we would like to give you an update. Currently, of Maine’s 21 public housing authorities:

- 8 housing authorities are using the consolidated wait list - Portland, South Portland, Westbrook, Bath, Augusta, Auburn, Bangor, and Biddeford/Saco;
- 6 housing authorities are beginning the process of joining - Brewer, Fort Fairfield, Lewiston, MDI & Ellsworth, Sanford, and MaineHousing; and
- 7 housing authorities have not yet begun the process - Brunswick, Caribou, Old Town, Presque Isle, Van Buren, Waterville, and York.

The goal is have all public housing authorities using the consolidated wait list by the end of 2017.

## **Attachment Building Family Futures Pilot Program Description**

### **Geographic Location**

Waterville was selected for the initial pilot based on the challenges faced by families in the area and the opportunities available for education and services. MaineHousing also has a strong partner in the MidMaine Homeless Shelter with experience providing navigator based assistance to clients located in Waterville.

In 2016 the Median Income for Waterville households was \$31,995, as compared to Kennebec County at \$46,559 and the state average of \$48,804. The poverty rate in the city was 22.8% as compared to 13.8% in Kennebec County and 14.1% statewide. Approximately 155 families were receiving TANF assistance in 2016. The unemployment rate was slightly higher than the state average at 4.9%. An estimated 61% of renter households in Waterville were rent burdened (paying more than 30% of their income on rent).

On the opportunity side, Waterville has a younger population, with a median age of 36 as opposed to the state median age of 42, and the population is increasing at a rate of 3.4%, well above the state average of 0.1%. Waterville is a service center and has some transportation infrastructure. Educational opportunities are abundant - Adult Education and Thomas and Colby Colleges are located in the city, Kennebec Community College in nearby Fairfield, and UMA in Augusta. Employment opportunities exist within a 20-mile radius of the city, and there is a strong network providing employment preparation and job search assistance.

MidMaine Homeless Shelter has employed the housing navigator case management model since 2014 and has extremely strong relationships with service providers within the community. Educare is another strong potential partner in providing families with high quality childcare and parenting support.

### **Best Practice Research**

Most researchers agree that it has become increasingly difficult for families to work their way out of poverty without significant support. To get ahead, people need to care for family, manage money and stay out of debt, maintain public assistance, go to school and work full-time – understandably daunting to families struggling with the impact of poverty on physical and mental health, self-esteem and family stability.

New discoveries from brain science indicate that the stress of living in poverty “undermines the brain’s executive functioning skills of problem-solving, organizing thoughts and tasks, goal-setting, and goal attainment/persistence – processes necessary to successfully juggle all the competing demands placed on the low-income adults trying to get ahead.” (Riccio and Babcock 2014)

Research has shown that a family’s social networks are extremely important as a source of support and means of connecting to advancement opportunities. Sociologists have found



that “the size of our social network and our position in it matter more than race, class, gender, or education in whether we get ahead or fall behind.” (Babcock 2012) There is evidence that the natural social networks of families living in poverty tend to be smaller than those of more means. These friends and family “share relatively limited information about education and career opportunities, and have equally limited resources of time, money and other sources of support to assist members of the network.” (Babcock 2012)

Human resource and investment theories suggest that adequate resources and positive interactions produce more human and social capital, more social interaction and better life opportunities. An evidence-based approach known as the “2-Generation” approach to assisting families by focusing on creating opportunities for and addressing the needs of both parents and children together emphasizes the importance of quality education, economic supports (rental assistance, childcare subsidies, health insurance), and social capital (based on strengthened personal and community support networks) in helping families to move out of poverty.

### **Program Structure**

***Cohort:*** In order to address the importance of building social networks for families working toward economic independence, we adopted a ‘cohort’ approach in which all of the initial 10 families began the program at the same time. Upon determination of eligibility families were invited to attend an 8-week Rent Smart course that covered renter education, as well as information on the goals and structure of the Building Family Futures program. Participants were required to complete the course before being officially enrolled in the program. Classes were offered both during the day and in the evening to accommodate the schedules of working parents. Childcare was also arranged as needed. The goal of this pre-enrollment activity was to ensure the commitment of the participants to fully engage in the program and begin to build a peer support network that will continue throughout the first year of their participation.

***Assessment:*** Upon successful completion of Rent Smart, each family will complete an individual assessment based on two instruments: 1) The Building Family Futures Self-Sufficiency Matrix, which will assess their current situation in the five program domains of Housing, Family Supports, Education and Training, Employment, and Financial Health; and 2) an Ecomap, which will map out the family’s current personal and community support networks. These tools will be utilized after 3 month’s participation in the program and then at 6-month intervals through program completion.

***Activities:*** The Logic Model we developed identifies program activities. A brief summary includes the following:

- Following the Rent Smart course/program orientation and assessment, a shelter navigator will work individually with each family on developing a Housing Stability Plan and securing appropriate housing.
- The FSS Coordinator will meet with each family to complete the lease up and create an FSS Individual Training and Services Plan that incorporates any appropriate objectives from the Housing Stability Plan.

- The shelter navigator will continue to meet at least monthly with all families through the first year of program participation in order to monitor progress on goals/objectives of the Housing Stability Plan.
- The navigator/MaineHousing staff will offer a monthly activity for the families selected for the pilot, either including children or providing childcare, to foster peer support among the families. Activities will be based around themes (e.g., healthy eating), but will also provide a fun social outing for families.
- The shelter will offer a variety of workshops on financial literacy and employment preparation for families to participate in depending on their individual goals and needs.
- The FSS Coordinator will work with families to provide resources on goals related to making progress within the five domains identified on the Self-Sufficiency Matrix. She will meet with families on a quarterly basis at minimum, more frequently based on individual needs.

Because no two families are composed of the same number of people or have the same level of education or other attributes, there will be variations in the time it takes different families to move through the program.

## **Program Partners**

***MidMaine Homeless Shelter*** assigned a Housing Navigator to provide the following services for program participants:

- Facilitate the 8-week Rent Smart course
- Carry out individual assessments
- Develop a Housing Stability Plan for each family
- Assist in housing search and with landlord issues
- Offer workshops on financial literacy and employment preparation
- Meet at least monthly with each family to monitor progress toward housing stability goals and connect to community resources
- Offer monthly peer support activities
- Arrange transportation to employment-related activities

***Educare*** will assist with childcare and parent education resources.

***Compass Working Capital*** will provide technical assistance and training around assisting participants in setting and reaching personal financial goals, building assets, and becoming more financially secure. They will also assist in data collection and analysis for program evaluation and improvement.

## **Program Evaluation**

### **Participant Outcomes**

We have identified short, medium and long-term desired outcomes for participants. We have designed an evaluation matrix that includes indicators and data sources for each of the desired outcomes. Participants will have a baseline assessment done at intake using the Self-Sufficiency Matrix and Ecomap tools. At 3 and 6-month intervals following this, the FSS

Coordinator, in coordination with the Housing Navigator, will measure success toward the short-term outcomes.

At one year of program participation participants will be evaluated on remaining short-term and medium-term outcomes and then will continue to be evaluated for those outcomes at 6-month intervals. Upon completion of the FSS program, a final evaluation will measure long-term (impact) outcomes for the families served.

**Program Effectiveness**

Although we will measure overall family stability by identifying the number and percentage of families that make progress along the Self-Sufficiency Matrix, we will concentrate our program effectiveness evaluation on the four main domains of: Housing Stability, Education/Training, Employment and Financial Health, as they relate most closely to the goals of the FSS program. The following are the outcomes we aspire to, based on the results of participant assessments:

<b>YEAR 1</b>
<ul style="list-style-type: none"> <li>● 100% of families will complete the Rent Smart course.</li> <li>● 100% of families will secure quality housing and complete a one-year lease.</li> <li>● 90% of family units will pass an annual Housing Quality Standards inspection with no significant tenant-caused fails.</li> <li>● 100% of families will have a completed FSS Individual Training and Services Plan which includes goals related to education/training, employment and financial health.</li> </ul>
<b>YEAR 2</b>
<ul style="list-style-type: none"> <li>● 90% of families will maintain housing stability with 0 evictions.</li> <li>● 80% of families will have enrolled and completed coursework in a career-related education/training program.</li> <li>● 50% will have increased family income.</li> <li>● 50% will have accrued savings in FSS escrow account.</li> <li>● 25% will have accrued personal savings and are making consistent monthly contributions.</li> <li>● 50% will have increased their credit score.</li> <li>● 50% will have decreased derogatory (collections) debt.</li> <li>● 80% will have reliable quality childcare when needed.</li> <li>● 60% will have reliable transportation.</li> <li>● 90% will have increased the number of positive personal and community supports.</li> </ul>
<b>YEARS 3-5</b>
<ul style="list-style-type: none"> <li>● 90% of families will maintain housing stability with 0 evictions.</li> <li>● 70% of families will have completed a career-related education/training program.</li> <li>● 90% will be TANF free for &gt; one year.</li> <li>● 90% will be working full-time.</li> <li>● 80% will have increased family income.</li> <li>● 80% will have accrued savings in FSS escrow account.</li> <li>● 50% will have accrued personal savings equal to one-to-two months' salary.</li> </ul>

- 70% will have increased their credit score.
- 90% will have decreased household debt or maintained collections debt a \$0.
- 90% will have reliable quality childcare when needed.
- 90% will have reliable transportation.
- 100% will have increased the number of positive personal and community supports.

**1 YEAR POST PROGRAM COMPLETION**

- 50% will have transitioned out of HCV program.