

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 1301

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S.P. 480

In Senate, April 24, 1989

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

*Joy J. O'Brien*

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator GAUVREAU of Androscoggin.

Cosponsored by Representative CARROLL of Gray, Representative LEBOWITZ of Bangor and Representative HEESCHEN of Wilton.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-NINE

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An Act to Provide Housing for the Homeless.

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1 **Be it enacted by the People of the State of Maine as follows:**

3 **Sec. 1. Interagency committee on homelessness; establishment.** The  
4 Interagency Committee on Homelessness is established to inventory  
5 the availability of resources for the homeless, coordinate their  
6 efficient delivery and ensure full utilization of federal funds  
7 for the homeless. The committee shall include the following  
8 persons or their representatives: the Commissioner of Human  
9 Services, the Commissioner of Labor, the Commissioner of  
10 Corrections, the Commissioner of Economic and Community  
11 Development, the Commissioner of Mental Health and Mental  
12 Retardation, the Commissioner of Educational and Cultural  
13 Services, the Director of the Division of Community Services, the  
14 Director of the Maine State Housing Authority; and one  
15 representative of private nonprofit agencies providing shelter  
16 services, one representative of community action agencies, one  
17 representative of private nonprofit housing developers, one  
18 representative of municipalities and one representative of  
19 low-income people, to be appointed by the Speaker of the House of  
20 Representatives and the President of the Senate. The Director of  
21 the Maine State Housing Authority shall be responsible for  
22 coordinating the committee's activity and reporting to the  
23 Legislature by January 1st of each year on the progress in  
24 addressing the problem of homelessness and on the level of  
25 federal funds brought into the State. Committee members shall  
26 provide the coordinator with a complete list of all the programs  
27 and resources available for the homeless and shall assist in  
28 preparation of the annual comprehensive homeless assistance  
29 plan. Committee members shall, to the fullest extent possible,  
30 apply for all federal funds available for the homeless and  
31 coordinate the delivery of assistance to the homeless with other  
32 departments and agencies.

33 **Sec. 2. Appropriation.** The following funds are appropriated  
34 from the General Fund to carry out the purposes of this Act.

35  
36  
37 **1989-90** **1990-91**

38 **MAINE STATE HOUSING AUTHORITY**

39 **Housing Opportunities for Maine Fund**

40  
41  
42  
43 All Other \$5,000,000 \$5,000,000

44 Provides funds for grants to  
45 community-based nonprofit  
46 organizations providing  
47 shelter to people who are  
48 homeless through eviction or  
49 foreclosure, for operating  
50 expenses and the provision of  
51

1 essential services.  
Allocation of funds shall  
3 ensure that services are  
available to populations in  
5 need of special housing,  
including, but not limited  
7 to, families with children,  
persons with mental illness,  
9 alcohol or drug-dependent  
persons, and children,  
11 proportional to the ratio of  
such persons to the total  
13 number of persons needing  
shelter. These funds will be  
15 made available only to  
provide services for which no  
17 alternative funds are  
available.

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### **Housing Opportunities for Maine Fund**

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All Other	\$2,000,000	\$3,000,000
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23

25 The funds shall be used in  
conjunction with the creation  
or maintenance of low-income  
27 housing units affordable for  
low-income people to provide  
rental assistance, lower  
29 interest costs or to  
otherwise make the cost of  
31 units more affordable to  
people at risk of  
33 homelessness. Funds shall be  
allocated with priority to  
35 nonprofit housing developers  
and operators and to ensure  
37 proportional service to  
populations in need of  
39 special housing, including,  
41 but not limited to, persons  
with mental illness, alcohol  
43 and drug-dependent persons  
and families with children.

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### **Housing Opportunities for Maine Fund**

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All Other	\$500,000	\$500,000
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49

51 The funds shall be used to  
assist nonprofit  
community-based organizations

1 to develop their capacity to  
3 develop, build and manage  
affordable housing.

5 **Sec. 3. 9-A MRSA §2-302, sub-§1**, as amended by PL 1983, c.  
7 720, §6, is further amended to read:

9 1. The administrator shall receive and act on all  
11 applications for licenses to make supervised loans under this  
13 Act. Applications shall be filed in the manner prescribed by the  
15 administrator and shall contain the information the administrator  
17 requires by rule to make an evaluation of the financial  
19 responsibility, character and fitness of the applicant. Initial  
21 applications for a license shall be accompanied by a \$500 fee.  
Renewal applications shall include a \$200 fee. Licenses shall be  
granted for a 2-year period and shall expire on September 30th.  
License and renewal applications for nonprofit organizations  
engaged in the financing of housing for low-income people under a  
program designed specifically for that purpose shall include a  
fee of only \$20.

23 **Sec. 4. 9-A MRSA §2-302, sub-§2, ¶D** is enacted to read:

25 D. In determining the financial responsibility of a  
27 nonprofit organization engaged in the financing of housing for  
low-income people under a program specifically designed for that  
purpose, the administrator shall waive the requirements of a bond  
and availability of \$25,000 of net assets.

29 **Sec. 5. 9-A MRSA, §5-201, sub-§11** is enacted to read:

31 11. This section does not apply to violations made  
33 inadvertently and in good faith by nonprofit organizations  
engaged in the financing of housing for low-income people under a  
35 program designed specifically for that purpose.

37 **Sec. 6. 36 MRSA §1760, sub-§64** is enacted to read:

39 64. Nonprofit housing development organization. Sales to  
41 nonprofit organizations for the development of housing for  
low-income people.

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## STATEMENT OF FACT

47 Section 1 of this bill establishes the Interagency Committee  
49 on Homelessness under the direction of the Maine State Housing  
Authority to ensure the coordination and full utilization of all  
51 available funds to address the problem of homelessness.

1           Section 2 of this bill appropriates funds for emergency  
2 shelter operations, rental subsidies and other assistance to  
3 transitional and permanent low-income housing, and for nonprofit  
4 community-based organizations to increase their capacity to  
5 develop low-income housing.

7           Section 3 of this bill reduces the license fees payable by  
8 nonprofit housing lenders to the Department of Professional and  
9 Financial Regulation.

11          Section 4 provides for the administrator of the Bureau of  
12 Consumer Credit Protection to waive bonding and asset  
13 requirements for nonprofit housing developers.

15          Section 5 of this bill amends the consumer credit code so  
16 that good faith violations by nonprofit housing lenders would not  
17 lose their interest due.

19          Section 6 of this bill exempts from sales tax all sales to  
20 nonprofit organizations for the development of housing for  
21 low-income people.