

# MAINE STATE LEGISLATURE

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Date 5-24-23

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L D 2  
(Filing No H-221)

HOUSING

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" 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

COMMITTEE AMENDMENT

1 provide services associated with services provided by the program under subsections 1 and  
 2 5, including but not limited to the MaineCare program and the housing outreach and  
 3 member engagement provider program administered by the department

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

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

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

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

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

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

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

20 C The department shall establish 2 permanent, full-time positions in the department to  
 21 assist providers with providing 24-hour, on-site supportive services and navigating  
 22 reimbursement under the MaineCare program for those services

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 after which the Treasurer of State shall credit any remaining revenues available  
2 under this subparagraph to the General Fund

3 (3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to  
4 the Maine State Housing Authority, except that, notwithstanding paragraph F, in  
5 fiscal year 2015-16, the Treasurer of State shall first credit \$6,291,740 of the  
6 revenues available under this subparagraph to the General Fund and except that,  
7 notwithstanding paragraph F, in fiscal year 2016-17, the Treasurer of State shall  
8 first credit \$6,090,367 of the revenues available under this subparagraph to the  
9 General Fund and except that, notwithstanding paragraph F, in fiscal years 2017-  
10 18 and 2018-19, the Treasurer of State shall first credit \$2,500,000 of the revenues  
11 available under this subparagraph to the General Fund The Maine State Housing  
12 Authority shall deposit the funds received pursuant to this subparagraph in the  
13 Housing Opportunities for Maine Fund created in Title 30-A, section 4853  
14 Beginning July 1, 2023, the Maine State Housing Authority shall use 25% of funds  
15 transferred to the Housing Opportunities for Maine Fund under this subparagraph  
16 to support the creation of new housing units, through new construction or adaptive  
17 reuse, that are affordable to low-income households

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

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

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

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

36 (3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to  
37 the Maine State Housing Authority The Maine State Housing Authority shall  
38 deposit the funds received pursuant to this subparagraph in the Housing  
39 Opportunities for Maine Fund created in Title 30-A, section 4853 Beginning July  
40 1, 2025, the Maine State Housing Authority shall use 25% of funds transferred to  
41 the Housing Opportunities for Maine Fund under this subparagraph to support the  
42 creation of new housing units, through new construction or adaptive reuse, that are  
43 affordable to low-income households

44 **Sec. 4. Department of Health and Human Services to apply for state plan**  
45 **amendments to align certain MaineCare rules with Housing First Program.**

COMMITTEE AMENDMENT "A" to HP 4, LD 2

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

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

13 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

14 **Housing First Program Z374**

15 Initiative Establishes one limited-period Public Service Manager II position and one  
 16 limited-period Social Services Program Manager position beginning January 1, 2024 to  
 17 provide initial planning and administration for the delivery of support and stabilization  
 18 services to residents of properties established or developed to provide permanent housing  
 19 to end chronic homelessness in the State through June 14, 2025

20	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
21	Personal Services	\$125,755	\$265,355
22	All Other	\$6,537	\$13,074
23			
24	<b>GENERAL FUND TOTAL</b>	<u>\$132,292</u>	<u>\$278,429</u>

25 **Housing First Program Z374**

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

28	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
29	All Other	\$0	\$500
30			
31	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$0</u>	<u>\$500</u>

32

33 **HEALTH AND HUMAN SERVICES,**  
 34 **DEPARTMENT OF**  
 35 **DEPARTMENT TOTALS**

36		<b>2023-24</b>	<b>2024-25</b>
37	<b>GENERAL FUND</b>	\$132,292	\$278,429
38	<b>OTHER SPECIAL REVENUE FUNDS</b>	\$0	\$500
39			
40	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$132,292</u>	<u>\$278,929</u>

41 **HOUSING AUTHORITY, MAINE STATE**

42 **Housing First - MSHA N447**

COMMITTEE AMENDMENT "A" to H P 4, L D 2

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

6	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
7	All Other	\$500	\$500
8			
9	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$500</u>	<u>\$500</u>

11	<b>HOUSING AUTHORITY, MAINE STATE</b>		
12	<b>DEPARTMENT TOTALS</b>	<b>2023-24</b>	<b>2024-25</b>
13			
14	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$500</b>	<b>\$500</b>
15			
16	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$500</u>	<u>\$500</u>

18	<b>SECTION TOTALS</b>	<b>2023-24</b>	<b>2024-25</b>
19			
20	<b>GENERAL FUND</b>	<b>\$132,292</b>	<b>\$278,429</b>
21	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$500</b>	<b>\$1,000</b>
22			
23	<b>SECTION TOTAL - ALL FUNDS</b>	<u>\$132,792</u>	<u>\$279,429</u>

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

27 **SUMMARY**

28 This amendment replaces the bill, which is a concept draft, and changes the title The  
 29 amendment, the majority report of the committee, establishes the Housing First Program  
 30 within the Department of Health and Human Services to facilitate the delivery of  
 31 stabilization and support services to residents of properties established or developed to  
 32 provide permanent housing to persons who have been experiencing chronic homelessness  
 33 and to fund technical assistance, administered by the Maine State Housing Authority, for  
 34 the development of housing consistent with the program The amendment requires the  
 35 department to ensure that funding supplements existing and future services provided under  
 36 associated programs such as the MaineCare program and the housing outreach and member  
 37 engagement provider program The program is funded from the real estate transfer tax by  
 38 depositing half of the funds that would otherwise be deposited into the General Fund into  
 39 the Housing First Fund created by the amendment The amendment authorizes 2 positions  
 40 within the Department of Health and Human Services under the Housing First Fund The  
 41 amendment directs the Department of Health and Human Services and the Maine State  
 42 Housing Authority to jointly adopt rules to administer the program and requires them to  
 43 report annually to the joint standing committee or joint select committee of the Legislature

**COMMITTEE AMENDMENT**

COMMITTEE AMENDMENT "A" to HP 4, LD 2

1 having jurisdiction over housing matters for the purpose of evaluating the effectiveness of  
2 the program The amendment also directs the Department of Health and Human Services  
3 to apply to the United States Department of Health and Human Services, Centers for  
4 Medicare and Medicaid Services for state plan amendments to align certain MaineCare  
5 rules with the Housing First Program

6 **FISCAL NOTE REQUIRED**

7 (See attached)





# 131st MAINE LEGISLATURE

LD 2

LR 345(02)

## An Act to Address Maine's Housing Crisis

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-221)  
 Committee: Housing  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$132,292	\$278,429	\$10,780,287	\$11,197,391
<b>Appropriations/Allocations</b>				
General Fund	\$132,292	\$278,429	\$0	\$0
Other Special Revenue Funds	\$500	\$1,000	\$10,780,787	\$11,197,391
<b>Revenue</b>				
General Fund	\$0	\$0	(\$10,780,287)	(\$11,197,391)
Other Special Revenue Funds	\$0	\$0	\$10,780,287	\$11,197,391

### Fiscal Detail and Notes

This bill includes General Fund appropriations to the Department of Health and Human Services of \$132,292 in fiscal year 2023-24 and \$278,429 in fiscal year 2024-25 to establish one limited-period Public Service Manager II position and one limited-period 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 through June 15, 2025. The bill also includes an Other Special Revenue Funds base allocation of \$500 in fiscal year 2024-25 to a newly created Housing First Program account within the Department of Health and Human Services to facilitate the delivery of stabilization and supplemental services to residents of properties established or developed to provide permanent housing to persons who have been chronically homeless. It is also assumed that the limited-period positions funded by the General Fund in this bill will be established as ongoing positions funded by the Other Special Revenue Funds allocations in future bienniums.

The bill also includes an Other Special Revenue Funds base allocation of \$500 per year beginning in fiscal year 2023-24 to a newly created Housing First - MSHA program account within the Maine State Housing Authority 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 described by the Housing First Program and to develop affordable housing projects consistent with that model.