

# MAINE STATE LEGISLATURE

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# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2023

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Legislative Document

No. 1293

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H.P. 818

House of Representatives, March 23, 2023

### **An Act to End Chronic Homelessness by Creating the Housing First Fund**

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Reference to the Joint Select Committee on Housing suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative GATTINE of Westbrook.  
Cosponsored by Senator POULIOT of Kennebec and  
Representatives: BLIER of Buxton, GERE of Kennebunkport, MORRIS of Turner, RANA of  
Bangor, Speaker TALBOT ROSS of Portland, Senators: President JACKSON of Aroostook,  
PIERCE of Cumberland, VITELLI of Sagadahoc.

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

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

3 **§20-A. Housing First Program**

4 **1. Program established.** The Housing First Program, referred to in this section as "the  
5 program," is established in the department to facilitate the delivery of support and  
6 stabilization services to residents of properties established or developed to provide  
7 permanent housing to end chronic homelessness in the State. Services facilitated under the  
8 program must be available on site, 24 hours a day and be designed to build independent  
9 living skills and connect individuals with community-based services. The department shall  
10 ensure that reimbursement under the MaineCare program is available to providers under  
11 the program to the maximum extent possible. For the purposes of this section, "chronic  
12 homelessness" means a situation in which a person is living in a place not meant for human  
13 habitation for at least 12 months, excluding stays in emergency shelters or intermittent brief  
14 stays in a place suitable for human habitation, and for whom homelessness is correlated  
15 with a condition that makes accessing services and maintaining housing a significant  
16 challenge such as substance use disorder or a behavioral health condition.

17 **2. Fund established.** The Housing First Fund, referred to in this section as "the fund,"  
18 is established as a separate and distinct fund for accounting and budgetary reporting  
19 purposes in order to support the program.

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

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

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

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

26 **4. Distribution of funds.** The department shall distribute funds to pay those who  
27 provide supportive services to residents at properties established or developed to provide  
28 permanent housing to persons who have been chronically homeless. The department shall  
29 also use the fund to establish a permanent full-time position in the department to assist  
30 providers with providing 24-hour, on-site supportive services and navigating  
31 reimbursement under the MaineCare program for those services. Beginning July 1, 2024,  
32 the department shall annually determine the amount necessary to cover any unpaid services  
33 provided under the program in the previous year and the anticipated amount needed to pay  
34 for services expected to be provided at each property in the next fiscal year. Funds in  
35 excess of those amounts must be transferred to the Maine State Housing Authority for the  
36 purposes of:

37 A. Providing technical assistance to housing developers to help with capital and  
38 planning issues associated with developing properties consistent with the housing  
39 model described by the program; and

40 B. Developing affordable housing, including for projects with a housing model  
41 described by the program to the extent development is not covered by other resources.

1           **5. Report.** Beginning February 1, 2025 and annually thereafter, the department shall  
2 submit a report to the joint standing committee of the Legislature having jurisdiction over  
3 housing matters describing the number of residents served by the program and the number  
4 of months residents have avoided returning to homelessness or maintained stable housing.

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

7           E. In fiscal year 2015-16 and each fiscal year ~~thereafter~~ prior to fiscal year 2024-25,  
8 the Treasurer of State shall credit the revenues derived from the tax imposed pursuant  
9 to section 4641-A, subsection 1 in accordance with this paragraph.

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

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

22           (3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to  
23 the Maine State Housing Authority, except that, notwithstanding paragraph F, in  
24 fiscal year 2015-16, the Treasurer of State shall first credit \$6,291,740 of the  
25 revenues available under this subparagraph to the General Fund and except that,  
26 notwithstanding paragraph F, in fiscal year 2016-17, the Treasurer of State shall  
27 first credit \$6,090,367 of the revenues available under this subparagraph to the  
28 General Fund and except that, notwithstanding paragraph F, in fiscal years 2017-  
29 18 and 2018-19, the Treasurer of State shall first credit \$2,500,000 of the revenues  
30 available under this subparagraph to the General Fund. The Maine State Housing  
31 Authority shall deposit the funds received pursuant to this subparagraph in the  
32 Housing Opportunities for Maine Fund created in Title 30-A, section 4853.  
33 Beginning July 1, 2023, the Maine State Housing Authority shall use 25% of funds  
34 transferred to the Housing Opportunities for Maine Fund under this subparagraph  
35 to support the creation of new housing units, through new construction or adaptive  
36 reuse, that are affordable to low-income households.

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

38           E-1. In fiscal year 2024-25 and each fiscal year thereafter, the Treasurer of State shall  
39 credit the revenues derived from the tax imposed pursuant to section 4641-A,  
40 subsection 1 in accordance with this paragraph.

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

1                   (2) On a monthly basis, the Treasurer of State shall apply 50% of the revenues in  
2                   accordance with this subparagraph. The Treasurer of State shall first pay revenues  
3                   available under this subparagraph to the Maine State Housing Authority, which  
4                   shall deposit the funds in the Maine Energy, Housing and Economic Recovery  
5                   Fund established in Title 30-A, section 4863, until the amount paid equals the  
6                   amount certified by the Maine State Housing Authority under subparagraph (1),  
7                   after which the Treasurer of State shall credit half of any remaining revenues  
8                   available under this subparagraph to the General Fund and half of any remaining  
9                   revenues available under this subparagraph to the Housing First Fund created in  
10                   Title 22, section 265, subsection 2.

11                   (3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to  
12                   the Maine State Housing Authority. The Maine State Housing Authority shall  
13                   deposit the funds received pursuant to this subparagraph in the Housing  
14                   Opportunities for Maine Fund created in Title 30-A, section 4853. Beginning July  
15                   1, 2024, the Maine State Housing Authority shall use 25% of funds transferred to  
16                   the Housing Opportunities for Maine Fund under this subparagraph to support the  
17                   creation of new housing units, through new construction or adaptive reuse, that are  
18                   affordable to low-income households.

19                   **SUMMARY**

20                   This bill establishes the Housing First Program within the Department of Health and  
21                   Human Services to facilitate the delivery of stabilization and support services to residents  
22                   of properties established or developed to provide permanent housing to persons who have  
23                   been chronically homeless and to fund technical assistance, administered by the Maine  
24                   State Housing Authority, for the development of housing consistent with the program. The  
25                   program is funded from the real estate transfer tax by depositing half of the funds that  
26                   would otherwise be deposited into the General Fund into the Housing First Fund created  
27                   by the bill.