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Date: (Filing No. H-)

HOUSING

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**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

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

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

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

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

41 **6. Rulemaking.** The department and the Maine State Housing Authority shall jointly
42 adopt rules to administer the program. The rules must specify which elements of the
43 program are administered by the department, which elements are administered by the

1 Maine State Housing Authority and which elements are administered jointly, if any. Rules
2 adopted under this subsection are routine technical rules under Title 5, chapter 375,
3 subchapter 2-A.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 **Sec. 4. Department of Health and Human Services to apply for state plan**
43 **amendments to align certain MaineCare rules with Housing First Program.**
44 Within 9 months of the effective date of this Act, the Department of Health and Human
45 Services shall apply to the United States Department of Health and Human Services,

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

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

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

12 **Housing First Program Z374**

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

15	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
16	All Other	\$0	\$500
17			
18	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$500

19 **Housing First Program Z374**

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

25	GENERAL FUND	2023-24	2024-25
26	POSITIONS - LEGISLATIVE COUNT	2,000	2,000
27	Personal Services	\$125,755	\$265,355
28	All Other	\$6,537	\$13,074
29			
30	GENERAL FUND TOTAL	\$132,292	\$278,429

31
 32 **HEALTH AND HUMAN SERVICES,**
 33 **DEPARTMENT OF**
 34 **DEPARTMENT TOTALS**

35		2023-24	2024-25
36	GENERAL FUND	\$132,292	\$278,429
37	OTHER SPECIAL REVENUE FUNDS	\$0	\$500
38			
39	DEPARTMENT TOTAL - ALL FUNDS	\$132,292	\$278,929

40 **HOUSING AUTHORITY, MAINE STATE**

41 **Housing First - MSHA N447**

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

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11 **HOUSING AUTHORITY, MAINE STATE**
 12 **DEPARTMENT TOTALS**

13		2023-24	2024-25
14	OTHER SPECIAL REVENUE FUNDS	\$500	\$500
15			
16	DEPARTMENT TOTAL - ALL FUNDS	<u>\$500</u>	<u>\$500</u>

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18 **SECTION TOTALS**

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

24

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 minority 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 directs the Department
 40 of Health and Human Services and the Maine State Housing Authority to jointly adopt rules
 41 to administer the program and requires them to report annually to the joint standing
 42 committee or joint select committee of the Legislature having jurisdiction over housing
 43 matters for the purpose of evaluating the effectiveness of the program. The amendment

COMMITTEE AMENDMENT

1 also directs the Department of Health and Human Services to apply to the United States
2 Department of Health and Human Services, Centers for Medicare and Medicaid Services
3 for state plan amendments to align certain MaineCare rules with the Housing First Program.

4 **FISCAL NOTE REQUIRED**

5 **(See attached)**