

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

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

**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 end chronic homelessness in the State. Services facilitated under the program must be available on site, 24 hours a 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 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 for at least 12 months, excluding stays in emergency shelters or intermittent brief stays in a place suitable for human habitation, 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.

**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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **SUMMARY**

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