



STATE OF MAINE
HOUSE OF REPRESENTATIVES
SPEAKER'S OFFICE
AUGUSTA, MAINE 04333-0002
(207) 287-1300

RACHEL TALBOT ROSS
SPEAKER OF THE HOUSE

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*Testimony of Speaker Rachel Talbot Ross presenting
LD 2, An Act to Address Maine's Housing Crisis.
Before the Joint Select Committee on Housing*

Good afternoon. Senator Pierce, Representative Gere, distinguished members of the Joint Select Committee on Housing, I am Representative Rachel Talbot Ross of Portland. I have the honor of serving as the Speaker of the House and I am with you today to present and ask for your support of LD 2, An Act to Address Maine's Housing Crisis.

While if solving something as pervasive as Maine's housing crisis could be solved with one bill title, I'm certain we would all immediately vote 'ought-to-pass.' The work that the Joint Select Committee on Housing has done thus far and will continue to do will create lasting and significant change to a far-reaching and ongoing crisis with multiple initiatives. Today, I offer you one proven initiative for consideration and the opportunity to provide safe, affordable, permanent housing and support hundreds of Mainers with an amendment to LD 2, An Act to End Chronic Homelessness by Creating the Housing First Fund.

It is my belief that every single human being deserves to be treated with dignity and respect, and that means safe shelter and having their basic needs met. For those experiencing chronic homelessness, we simply aren't meeting our obligations.

Chronic homelessness means a situation in which a person is living in a place not meant for human habitation 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.

People experiencing chronic homelessness typically have complex and long-term health conditions, such as mental illness, substance use disorders, physical disabilities, or other medical conditions. Once they become homeless — regardless of what immediately caused them to lose their housing — it is difficult for them to get back into housing and

District 118: Portland neighborhoods of Parkside, Bayside, East Bayside, Oakdale and the University of Southern Maine Campus

they can face long or repeated episodes of homelessness. Additionally, people who are long-term homeless have a life expectancy of over 10 years shorter than the general population and in some studies the discrepancy is even higher. The Maine State Housing Authority estimates that there are just below 700 such individuals here in Maine.

Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

This bill seeks to establish the Housing First Program within the Department of Health and Human Services and with support from the Maine State Housing Authority. This fund will provide permanent supportive housing, which to be clear pairs a housing subsidy with case management and supportive services, and is a proven solution to chronic homelessness. It has been shown to not only help people experiencing chronic homelessness achieve long-term housing stability, but also improve their health and well-being.

Additionally, this model has also been shown to lower public costs associated with the use of crisis services such as shelters, hospitals, jails, and prisons.

When passed and implemented, this is a model that can be used statewide. Because as we all know, homelessness is not just a southern Maine problem, it is a problem that must be addressed in communities across the state. Whether it be Lewiston, Augusta, Bangor, Waterville or Presque Isle, a Housing First model can be scaled to meet the needs of the community.

And it's been proven to work here in Maine already. A couple weeks ago I had the opportunity to visit Preble Street and learn about their pioneering Housing First work. Their programs at Logan Place, Florence House, and Huston Commons have provided people who have lived in shelters and on the streets for much of their lives with a permanent and safe living situation that supports their stability and independence while offering them a chance for a productive and fulfilling future.

I heard about individuals who literally lived on the streets for years now living safe dignified lives in their own homes. They shared that over a third of the tenants have reconnected with family members, some for the first time in over a decade. Folks are

working on their sobriety, are addressing mental health issues, are participating in their communities and becoming good neighbors.

Beyond anecdotal evidence, Preble Street has quantitative and qualitative evidence of the individuals served. Over a 5 year period they collected data on residents at Logan Place, Florence House and Huston Commons. In sum, 89% of the tenants maintained housing, with only 11% returning to homelessness or incarceration.

Additionally, they performed an independent cost analysis summary of Logan Place. The results are both clear in their impacts of the individuals, but the reduction of stress to the entire system. With secure housing, there was a dramatic reduction in residents' use of emergency shelters, ambulance services, emergency room services and police intervention.

LD 2 and expansion of the Housing First model is the policy combination we often strive to find. By providing compassionate care, the greater community benefits economically.

The time is now to expand this life-changing work and give more people the dignity and support they deserve. To meet this first and most basic need of our fellow Mainers. Because an ER waiting room is not a home, nor is a shelter floor, a jail cell or under a highway underpass. Nor can we expect folks who are currently experiencing this way of life to ever become their best and highest selves.

If you agree, I urge you to support this bill and know that LD 2, An Act to End Chronic Homelessness by Creating the Housing First Fund, will do more than create housing - it will create lasting and transformational change. We can make history here in Maine and have the ability to do something that no other state has done by ending chronic homelessness. This unique opportunity is now, the resources are available now and the time to take action is now.

Behind me today are people who work every day to provide these wrap-around services and can speak to their impacts. I am grateful for their time, their service and the profound nature of their work. I am certain they will be happy to provide you with more information today and at the work session. Thank you very much.

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 ~~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.