

SENATE

TERESA PIERCE, DISTRICT 25, CHAIR  
ELOISE A. VITELLI, DISTRICT 24  
MATTHEW POULIOT, DISTRICT 15

DANIELLE FOX, OPLA DIRECTOR  
KAREN NADEAU, LEGISLATIVE ANALYST  
STEVEN LANGLIN, LEGISLATIVE ANALYST  
MARIANNE MACMASTER, COMMITTEE CLERK



HOUSE

TRACI GERE, KENNEBUNKPORT, CHAIR  
HOLLY B. STOVER, BOOTHBAY  
GRAYSON B. LOOKNER, PORTLAND  
DREW GATTINE, WESTBOOK  
AMBUREEN RANA, BANGOR  
CHERYL A. GOLEK, HARPSWELL  
RICHARD T. BRADSTREET, VASSALBORO  
JOSHUA MORRIS, TURNER  
RICHARD H. CAMPBELL, ORRINGTON  
MARK JOHN BLIER, BUXTON

STATE OF MAINE  
ONE HUNDRED AND THIRTY-FIRST LEGISLATURE  
JOINT SELECT COMMITTEE ON HOUSING

MEMORANDUM

TO: Senator Margaret Rotundo, Senate Chair  
Representative Melanie Sachs, House Chair  
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Teresa Pierce, Senate Chair  
Representative Traci Gere, House Chair  
Members, Joint Select Committee on Housing

DATE: May 26, 2023

RE: **HOU recommendations for Governor's Change Package (LD 258)**

---

Please accept this memo as the Joint Select Committee on Housing (HOU) recommendation on the Governor's Change Package to the biennial budget (LD 258). The committee is pleased to see that the change package includes so many of the initiatives that are supported by our committee, many of which were included as part of our recommendations to you earlier this year. We see this as strong support of the work we've done to date to address the housing in our state. In this memo, we express our support for the Governor's change package proposals with some suggested changes and one necessary correction.

**Part TT - \$80 million transfer.** We are thrilled to see that the Governor's change package recognizes the need for significant funding of programs administered by the Maine State Housing Authority (MSHA) which will increase Maine's stock of affordable rental units by financing their construction through programs like the Low-income Housing Tax Credit and Rural Affordable Rental Housing. The part of the change package also recognizes the need to support home ownership, and the role home ownership plays in long-term housing stability and building prosperity by including the creation of the Innovation Fund for Attainable Housing. This has been a significant part of our committee's discussion in recent weeks.

Our support of Part TT comes with the caveat that both AFA and HOU need a better understanding of the new Innovation Fund for Attainable Housing. We have requested more detail about the goals and envisioned administration of this fund, particularly as it relates to home ownership objectives. Additionally, we believe that the Innovation Fund should support both rental housing and home ownership for persons making up to 120% of area median income (AMI) rather than limiting the rental housing support from that fund to just persons at 80% or

lower AMI. HOU recently voted unanimously to support an amended version of **LD 226 An Act to Address Maine's Affordable Housing Crisis**. This emergency legislation is similar to part TT but includes language directing MSHA to use funds to support home ownership programs such as the First-Generation Home Buyer Program and others. Further, our report on LD 226 would extend funding through FY 2027-28 by using balances in the Liquor Operation Revenue Fund and require regular reporting to show how MSHA is distributing those funds. When the language for LD 226 is finalized, we will provide that to you for consideration and discussion of the change package.

**Part AAAA -Housing First:** Again, we are pleased to see that the change package supports our committee's work on Housing First. We would note an error in the language requires revenue from a portion of the Real Estate Transfer Tax to be credited to the Housing First Fund. The language directs that crediting of revenue to begin in FY 2024-25 while it should begin in FY 2025-26. We are making that correction in the final version of our amendment to **LD 2 An Act to Address Chronic Homelessness by Creating the Housing First Fund**.

**Part RRRR – Emergency Housing Relief Fund.** We support the transfer of \$12 million to support short-term emergency housing and support of wrap-around and legal services as proposed in Part RRRR. We understand that these will continue the successful efforts to house and provide necessary services for asylum-seekers in Saco. However, we believe it is important to include a reporting requirement as to how those funds were used and the rate at which they were exhausted – or conversely, if the full transfer was not spent. This report should be received no later than June 30, 2024.

**Additional relief needed:** Further, we believe more money is needed for emergency shelters that can demonstrate that they can meet the need (open 365 days per year and can sustain services necessary to those utilizing their shelters). We recommend appropriating an additional \$5 million to \$10 million to be distributed in the same manner as emergency shelter money provided in LD 3. We encourage you to review testimony presented to your committee from Dr. Katie Spencer White who has expertly articulated this critical need for more emergency shelter funding.

**Housing Opportunity Program – positions (DECD).** The change package recognizes the important work of administering the Housing Opportunity Program in the Department of Economic and Community Development (Part A pg. 26). However, the positions are only extended for a limited period. We recommend that these 2 positions be made permanent as the municipal grants provided under the program will need to be administered well beyond this biennium.

**Recommendation to include HOU bills as amendments to the change package:**

**Student Homelessness:** The housing crisis has dramatically increased the number of students who are experiencing or at risk of homelessness. Current programs can often result in students in this situation falling through the cracks. We have worked with the sponsors of **LD 1422 An Act to End Homelessness and Assist Students Who Are Homeless by Establishing a Housing Voucher Program and Providing Site-based Housing Services** (Brennan) and **LD 1609 An Act to Prevent Student Homelessness** (Rafferty). These programs will connect students who are experiencing homelessness with housing vouchers (for those who are not accessing federal vouchers) and help to prevent homelessness for other students who may be on

the brink of homelessness through a 2-year pilot program which uses McKinney-Vento housing navigators to distribute assistance to keep students in their homes. Assistance under this pilot would be distributed in amounts up to \$750 per student to cover things like unpaid rent (not covered by McKinney Vento funds). This small investment will save students from the trauma of homelessness and save state and local programs the expense of serving them if they find themselves homeless. Once these amendments are finally processed, we will provide them to you for potential inclusion in the amendment to LD 258.

*All members present at the time this proposal was made support the recommendation to include LD 1422 and LD 1609 in the change package – Senators Pierce and Pouliot and Representatives Campbell, Lookner, Morris, Gere, Golek, Bradstreet and Blier.*

Rental assistance: As a committee, we have discussed significant gaps when it comes to providing assistance for rental payments which could prevent homelessness. **LD 1540 An Act to Create the Stable Home Fund Program** sponsored by Rep. Rebecca Millett has been amended to establish a pilot program which provides rental assistance paid directly to a landlord to help low-income renters avoid eviction and homelessness. Up to \$300 per month would be paid to a landlord for up to 24 months under this pilot program.

*Senator Pierce and Representatives Lookner, Gere and Golek support including this bill in the change Package. Sen. Pouliot supports a slightly different version of the bill for inclusion with the change package (landlord assistance would be limited to 12 months).*

Thank you for your time and consideration of our recommendations.