

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Encourage Availability of Genuinely Affordable Housing in High-cost Markets

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

Sec. 1. 30-A MRSA §4301, sub-§6-D is enacted to read:

6-D. Housing affordability index. "Housing affordability index" means the ratio calculated by the Maine State Housing Authority under section 4408 of a price of a home that is affordable for a household with a labor market's median income to the median home price for the labor market.

Sec. 2. 30-A MRSA §4408 is enacted to read:

§ 4408. Affordable units

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Affordable unit" means a housing unit of at least 2 bedrooms for which the monthly base rental or monthly payment for a 30-year, fixed mortgage is no more than 2.85% of the median household income for that labor market as determined by the Maine State Housing Authority.

2. Affordable units. If a subdivision of more than 5 housing units or lots is proposed in a labor market that has a housing affordability index of less than 0.88, the developer of the subdivision shall dedicate as an affordable unit at least 10% of the units or lots, but not less than 1, of the subdivision.

3. Maine State Housing Authority to calculate housing affordability index. The Maine State Housing Authority section for each labor market in the State shall calculate and publish annually the housing affordability index.

4. Enforcement. The Attorney General shall enforce the provisions of this section. A person who violates this section commits a civil violation for which a fine of twice the difference between the sale price of a housing unit and the sale price of the housing unit if the unit had been built as an affordable unit. If the person in violation owns the subdivision as rental property, the court shall order the subdivision to conform to this section. A person found liable under this subsection shall pay the reasonable costs and attorney's fees for enforcement of this section.

SUMMARY

This bill creates the definition of "housing affordability index," which is the ratio of a price of a home that is affordable for a household with a labor market's median income to the median home price for the labor market, calculated by the Maine State Housing Authority. This bill requires a developer of a subdivision of more than 5 housing units in a labor market that has an affordability index of less than 0.88

to dedicate at least 10% or one of the units as affordable units. This bill requires the Attorney General to enforce the provisions of this bill, with a person in violation committing a civil violation for which a fine of twice the profit the person made by not making the units affordable if the person sells the units or allowing the court to order the property to conform to the provisions of this bill if the units are rental units still in the possession of the person.