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Legislative Document

No. 1656

H.P. 1227

House of Representatives, May 5, 2021

An Act To Promote Energy-efficient Affordable Housing

Received by the Clerk of the House on May 3, 2021. Referred to the Committee on Labor and Housing pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative MILLETT of Cape Elizabeth.
Cosponsored by President JACKSON of Aroostook and
Representatives: CUDDY of Winterport, Speaker FECTEAU of Biddeford, GERE of
Kennebunkport, GROHOSKI of Ellsworth, PEBWORTH of Blue Hill, SYLVESTER of
Portland, Senators: BRENNER of Cumberland, HICKMAN of Kennebec.

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

2 **Sec. 1. Construction of energy-efficient affordable housing.** The funds
3 provided by this Act must be used by the Maine State Housing Authority, referred to in this
4 section as "the authority," to fund the construction of energy-efficient affordable housing
5 through the green housing construction project established under this section, referred to in
6 this section as "the project." The authority shall work with housing developers through a
7 competitive bidding process to implement the project. The use of the funds provided by
8 this Act is subject to the following conditions and requirements.

9 1. Each time the authority awards funds to a developer using money that is derived, in
10 whole or in part, from the project, that developer must enter into a pre-hire, collectively
11 bargained project labor agreement with the workers who will build the housing. A project
12 labor agreement must apply to all workers who build housing through the project, including
13 those employed by a contractor and all subcontractors. A project labor agreement must
14 protect the collective bargaining rights of the workers involved in building the housing.

15 2. All of the housing built through the project must be multifamily residence buildings
16 containing apartments, as opposed to single-family houses. Between 55% and 60% of the
17 apartments built under the project must be set-rate apartments, and the remaining
18 apartments must be market-rate apartments.

19 3. Market-rate apartments built through the project may be owned, leased and sold on
20 the open market. Residents of set-rate apartments built through the project may not pay
21 more than 25% of their income on rent and utilities combined. Any difference between the
22 operating and maintenance costs of a set-rate apartment and a resident's ability to finance
23 those costs must be subsidized by any combination of a variety of state or federal programs,
24 including but not limited to:

- 25 A. Appropriations drawn from state bonds;
- 26 B. Subsidies;
- 27 C. Project-based vouchers;
- 28 D. Housing choice vouchers under Section 8 of the United States Housing Act of 1937;
- 29 E. General assistance; and
- 30 F. Grants.

31 4. A person is eligible to apply to live in a set-rate apartment built through the project
32 if that person's adjusted gross household income as reflected on the person's latest federal
33 income tax return is below 70% of area median income using the household size
34 adjustments for area median income calculated and published by the federal Department of
35 Housing and Urban Development. An eligible applicant with a lower household income
36 must be prioritized over an eligible applicant with a higher household income who has the
37 same number of household members. A person may not be evicted from that person's
38 housing if that person's income increases beyond the application limits. Set-rate apartments
39 may be publicly owned or may be entrusted to a community land trust or a housing
40 cooperative. To avoid segregating low-income communities into isolated housing projects,
41 the set-rate apartments must be interspersed with the market-rate apartments in the same
42 apartment buildings.

1 5. Housing built through the project must be designed to meet or exceed the
2 requirements for certification in at least one of the following building certification systems:

3 A. Passive House by Passive House Institute US, Inc. or International Passive House
4 Association or a successor organization;

5 B. Leadership in Energy and Environmental Design Gold by the U.S. Green Building
6 Council or a successor organization; or

7 C. Living Building Challenge by the International Living Future Institute or a
8 successor organization.

9 6. Housing built through the project must provide onsite or nearby renewable energy
10 production of no less than equal to the system size of a photovoltaic array of an area totaling
11 100% of the building's roof area.

12 7. To ensure that subsidized housing remains affordable until the end of its useful life,
13 housing built through the project must:

14 A. Be owned and controlled by State Government or county or municipal
15 governments;

16 B. Be owned and controlled by a housing authority or a charitable organization under
17 Section 501(c)(3) of the United States Internal Revenue Code of 1986 as social
18 housing; or

19 C. Have a limited equity structure such as a community land trust, deed restrictions, a
20 housing cooperative or other innovative housing model.

21 8. The authority shall form a community advisory board of stakeholders, including but
22 not limited to low-income residents and nonprofit partners, to review project proposals,
23 advise the authority and report on the status of the project's impact on the community. The
24 board shall survey residents about their experience in housing through the project and
25 evaluate the effectiveness of financing mechanisms and climate and workforce goals in the
26 construction process.

27 9. Residents of housing built through the project have the right to form tenant
28 associations to organize, to meet collectively and to negotiate with management on
29 priorities for repairs, upgrades and quality of life improvements to the buildings.

30 10. When determining where to build new housing through the project, the authority
31 shall prioritize project proposals that are:

32 A. Geographically proximate to communities in which there are chronic and severe
33 shortages of affordable housing;

34 B. Geographically proximate to public transportation hubs and routes;

35 C. Cost effective;

36 D. Designed to provide a comfortable standard of living for residents in well-designed,
37 pleasant housing;

38 E. Supported by a well-developed, detailed and highly credible plan submitted by the
39 developer;

40 F. Submitted by a developer who employs a highly diverse workforce to design and
41 build the housing and prioritizes diversity of the workforce when awarding contracts

1 to subcontractors, including with regard to race, gender, religion and immigration
2 status; and

3 G. Designed to be available and affordable to individuals or families whose adjusted
4 gross income is less than 30% of area median income calculated and published by the
5 federal Department of Housing and Urban Development.

6 11. When hiring workers, hiring contractors, awarding contracts, negotiating project
7 labor agreements, adopting rules and enforcing rules, the authority shall maximize, to the
8 greatest extent feasible, lawful and appropriate, racial and gender equity within the hiring
9 processes for all workers involved in housing construction through the project.

10 12. Contractors, subcontractors, firms, corporations, partnerships and all other entities
11 working on housing construction through the project shall, at all times, make good faith
12 efforts to promote workforce diversity, including with regard to race and gender. If the
13 authority determines that a contractor, subcontractor, firm, corporation, partnership or other
14 entity is not making good faith efforts to achieve workforce diversity, the authority may
15 prohibit that entity from bidding on contracts or being awarded contracts for the project for
16 2 years.

17 13. If the authority violates the terms of this section, including, but not limited to, the
18 requirement to enter into one-project project labor agreements with developers or the
19 requirement to equip all housing with on-site or nearby renewable energy production, the
20 Attorney General may initiate a suit against the authority to compel it to comply with this
21 section or any resident of this State may initiate a suit against the authority to compel it to
22 comply with this section.

23 The authority may accept federal funds to carry out the purposes of this section.

24 **Sec. 2. Appropriations and allocations.** The following appropriations and
25 allocations are made.

26 **MAINE STATE HOUSING AUTHORITY**

27 Initiative: Provides funds for energy-efficient affordable housing.

28 GENERAL FUND	2021-22	2022-23
29 All Other	\$100,000,000	\$0
30		
31 GENERAL FUND TOTAL	<u>\$100,000,000</u>	<u>\$0</u>

32 **SUMMARY**

33 This bill provides funds in the amount of \$100,000,000 to be used by the Maine State
34 Housing Authority to provide energy-efficient affordable housing. It also authorizes the
35 authority to accept federal funds for this purpose.