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An Act To Create Jobs and Improve Energy Efficiency through the Transformation of Maine's Housing Stock

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, there is an immediate need to address affordable housing needs and to weatherize residences in this State to meet the current economic and energy crises and protect the public health and welfare; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

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

Sec. 1. 30-A MRSA c. 201, sub-c. 7-A is enacted to read:

SUBCHAPTER 7-A

MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY PROGRAM

§ 4861. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

- 1. Authority.** "Authority" means the Maine State Housing Authority.
- 2. Fund.** "Fund" means the Maine Energy, Housing and Economic Recovery Fund established in section 4863.
- 3. Program.** "Program" means the Maine Energy, Housing and Economic Recovery Program established in section 4862.

§ 4862. Maine Energy, Housing and Economic Recovery Program

1. Operator of program. The Maine Energy, Housing and Economic Recovery Program is established. The authority shall operate the program. The program may be operated in conjunction with other programs of the authority.

2. Purposes of the program. The purposes of the program are to:

- A.** Establish stable, reliable, long-term capital funding sources dedicated to providing affordable housing for families in the State;

B. Substantially increase the supply of housing that is affordable, safe, appropriately sized and located near jobs and services;

C. Improve the energy efficiency of residential housing in the State through construction of new units, replacement of older substandard units and renovation of existing units;

D. Stimulate the State's economy and create jobs through investment in the construction and renovation of affordable housing and the weatherization of existing owner-occupied housing;

E. Replace hazardous, unhealthy and inefficient manufactured homes that do not meet the United States Department of Housing and Urban Development standards under 24 Code of Federal Regulations, Part 3280; and

F. Reduce the State's greenhouse gas emissions, lower dependence on foreign oil and ease the energy burden on households in the State by increasing the energy efficiency of housing in the State.

3. Program elements. The authority shall achieve the purposes of the program by applying the resources of the program to support:

A. Construction of multifamily affordable housing units;

B. Renovation of affordable housing units;

C. Weatherization of owner-occupied residences; and

D. Replacement of manufactured housing units that do not meet the United States Department of Housing and Urban Development regulations, 24 Code of Federal Regulations, Part 3280.

§ 4863. Maine Energy, Housing and Economic Recovery Fund

The Maine Energy, Housing and Economic Recovery Fund is established under the jurisdiction and control of the authority. The fund is nonlapsing and may be invested in the same manner as permitted for investment of other state funds.

1. Purposes. Money in the fund may be applied by the authority for the purposes of the program:

A. To reduce the rate of interest on or the principal amount of such mortgage loans as the authority determines;

B. To make mortgage loans and such other types of loans or grants as the authority determines;

C. To fund reserve funds for, pay capitalized interest on, pay costs of issuance of or otherwise secure and facilitate the sale of the bonds issued under this subchapter;

D. To pay the administrative costs of the program; and

E. In any other reasonable manner to support the purposes of the program.

2. Sources of funds. The fund consists of:

- A. All money transferred to the fund pursuant to Title 36, section 4641-B, subsection 4;
- B. Subject to any pledge, contract or other obligation under this subchapter, any money the authority receives in repayment of advances from the fund;
- C. Subject to any pledge, contract or other obligation under this subchapter, all interest, dividends and pecuniary gains from the investment of money of the fund; and
- D. Any other money available to the authority and directed by the authority to be paid into the fund.

3. Funds as security. Money in the fund may, in whole or in part, be pledged or transferred and deposited as security for and applied in payment of principal of, interest on or redemption premiums on bonds issued under this subchapter.

4. Division of fund. The authority may divide the fund into any separate accounts that it finds necessary to accomplish the purposes of this subchapter.

5. Recovery of money. To the extent permitted by law and to the extent it is economically and socially reasonable, the authority may recover amounts from any person on whose behalf money from the fund has been applied to carry out this subchapter and may charge interest on those amounts at a rate determined by the authority. The recovery may be deferred until the sale or refinancing of the housing, the end of the term of the mortgage loan or any other time determined by the authority. Recourse for the recovery is limited to property subject to the mortgage, except in cases of fraud.

§ 4864. Bonds

Pursuant to its authority under this chapter, the authority may issue revenue bonds from time to time, to be known as Maine Energy, Housing and Economic Recovery Fund revenue bonds, to carry out the purposes of the program. Notwithstanding any other provision of law, the authority may have in the aggregate principal amount outstanding at any one time Maine Energy, Housing and Economic Recovery Fund revenue bonds up to but not exceeding \$200,000,000. The authority shall issue revenue bonds under this subchapter in an amount of at least \$30,000,000 in fiscal year 2009-10 and an additional \$30,000,000 in fiscal year 2010-11.

Sec. 2. 36 MRSA §4641-B, sub-§4, ¶A, as enacted by PL 2007, c. 539, Pt. WW, §2, is repealed.

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

A-1. In fiscal year 2009-10, the Treasurer of State shall:

- (1) Pay on a monthly basis 1/2 of the revenues derived from the tax imposed by section 4641-A, subsection 1 to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853; and

(2) Pay the remaining amount 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 total amount paid equals \$2,500,000, after which the Treasurer of State shall credit any remaining amounts to the General Fund.

Sec. 4. 36 MRSA §4641-B, sub-§4, ¶A-2 is enacted to read:

A-2. In fiscal year 2010-11, the Treasurer of State shall:

(1) Pay on a monthly basis 1/2 of the revenues derived from the tax imposed by section 4641-A, subsection 1 to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853; and

(2) Pay the remaining amount 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 total amount paid equals \$5,000,000, after which the Treasurer of State shall credit any remaining amounts to the General Fund.

Sec. 5. 36 MRSA §4641-B, sub-§4, ¶A-3 is enacted to read:

A-3. In fiscal year 2011-12 and thereafter, the Treasurer of State shall:

(1) Pay on a monthly basis 1/2 of the revenues derived from the tax imposed by section 4641-A, subsection 1 to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853; and

(2) Pay the remaining amount 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 total amount paid equals the amount certified by the authority pursuant to this subparagraph, after which the Treasurer of State shall credit any remaining amounts to the General Fund. At the beginning of each fiscal year the authority shall certify to the State Tax Assessor the amount to be deposited in the Maine Energy, Housing and Economic Recovery Fund under this subparagraph. The authority shall certify the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued by or planned to be issued by the authority under Title 30-A, section 4864.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect July 1, 2009.

SUMMARY

This bill:

1. Establishes within the Maine State Housing Authority the Maine Energy, Housing and Economic Recovery Program to support the construction of multifamily affordable housing units; renovation of affordable housing units; weatherization of owner-occupied residences; and replacement of manufactured housing units that do not meet the United States Department of Housing and Urban Development regulations, 24 Code of Federal Regulations, Part 3280;

2. Directs that a portion of the revenues derived from the real estate transfer tax be deposited in a new fund to provide funds for the Maine Energy, Housing and Economic Recovery Program. In fiscal year 2009-10, \$2,500,000 is transferred to the fund, and in fiscal year 2010-11, \$5,000,000 is transferred to the fund. Thereafter, amounts are transferred as necessary to meet the obligations of the Maine State Housing Authority with respect to revenue bonds issued for the Maine Energy, Housing and Economic Recovery Program; and

3. Authorizes the issuance of revenue bonds by the Maine State Housing Authority for the purposes of the Maine Energy, Housing and Economic Recovery Program. The authority may have at any time an aggregate principal amount outstanding on such bonds of up to but not exceeding \$200,000,000. The authority is required to issue revenue bonds in an amount of at least \$30,000,000 in fiscal year 2009-10 and an additional \$30,000,000 in fiscal year 2010-11 and may issue additional amounts as appropriate for the purposes of the program.