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.

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

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

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

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

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

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

4. A person is eligible to apply to live in a set-rate apartment built through the project if that person's adjusted gross household income as reflected on the person's latest federal income tax return is below 70% of area median income using the household size adjustments for area median income calculated and published by the federal Department of Housing and Urban Development. An eligible applicant with a lower household income must be prioritized over an eligible applicant with a higher household income who has the same number of household members. A person may not be evicted from that person's housing if that person's income increases beyond the application limits. Set-rate apartments may be publicly owned or may be entrusted to a community land trust or a housing cooperative. To avoid segregating low-income communities into isolated housing projects, the set-rate apartments must be interspersed with the market-rate apartments in the same apartment buildings.
5. Housing built through the project must be designed to meet or exceed the requirements for certification in at least one of the following building certification systems:

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

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

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

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

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

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

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

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

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

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

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

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

B. Geographically proximate to public transportation hubs and routes;

C. Cost effective;

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

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

F. Submitted by a developer who employs a highly diverse workforce to design and build the housing and prioritizes diversity of the workforce when awarding contracts.
to subcontractors, including with regard to race, gender, religion and immigration status; and

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

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

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

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

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

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

MAINE STATE HOUSING AUTHORITY Initiative: Provides funds for energy-efficient affordable housing.

<table>
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<tr>
<th>GENERAL FUND</th>
<th>2021-22</th>
<th>2022-23</th>
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</thead>
<tbody>
<tr>
<td>All Other</td>
<td>$100,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>GENERAL FUND TOTAL</td>
<td>$100,000,000</td>
<td>$0</td>
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SUMMARY

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