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Testimony of Representative Nicole Grohoski In Support of LD 1656, *An Act To Promote Energy-efficient Affordable Housing*

Before the Committee on Labor and Housing 10 May 2021

Hello Senator Hickman, Representative Sylvester and members of the Committee on Labor and Housing. I am Nicole Grohoski, and I represent the communities of Ellsworth and Trenton in the Maine House. I appreciate the opportunity to speak in support of LD 1656, *An Act To Promote Energy-efficient Affordable Housing*.

This bill takes an important step to address three pressing issues in Maine: our severe lack of affordable housing, the need for good-paying jobs and workforce development, and greenhouse gas emissions. It is inspiring to see one initiative tackle three of the topics that I hear the most about from constituents!

Affordable housing development is constrained by three major factors: the lack of funding, the lack of development capacity, and the local permitting process. LD 1656 addresses the first two challenges by providing necessary funding to support new development and growing our capacity to develop more housing.

Developing affordable housing is a complex process that requires navigating multiple federal, state and local funding avenues, as well as raising capital. The funding proposed in this bill would work flexibly to leverage existing financial support, promote higher building standards, and ensure long-term affordability of the housing.

Maine has chronically low wage rates for the construction trades compared with other states in New England. In Maine, a skilled laborer's prevailing wage is \$19.00/hour, less than the \$20.43/hour median wage needed to afford a median two-bedroom rent. These low wages make it hard to attract new people to grow a strong workforce and meet the demand for new green building skills.

Requiring project labor agreements on the affordable housing projects funded by LD 1656 would raise the wages and benefits in the green building sector, thus attracting new people to this industry and increasing participation in registered apprenticeships, resulting in a skilled, 21st century workforce.

Maine's residential sector accounts for 19% of our greenhouse gas emission, almost as much as our commercial and industrial sectors combined (20%). New housing stock provides a good opportunity to get it right from the start -- minimizing emissions and saving residents money from day one compared to older, inefficient units. It is much cheaper to properly weatherize a building during the construction phase rather than renovating it years later.

Maine already relies on a good building energy code and will adopt the 2015 International Energy Conservation Code this July. However, municipalities of fewer than 4,000 residents are not required to enforce our uniform building code, which can put low-income residents in rural areas at a greater financial disadvantage as they spend more on heating and cooling. We must ensure that the housing Maine invests in, regardless of location, meets and exceeds these standards, to keep monthly bills down and reduce residential emissions.

This bill provides three well-known and accepted construction standards for developers to ensure greater building efficiency: <u>Passive House</u>, <u>LEED</u> Gold rating (Leadership in Energy and Environmental Design), and <u>Living Building Challenge</u>. By raising the efficiency standards to one of these three options in our affordable housing projects, we will create demand to grow our skilled workforce in this burgeoning sector.

I would like to leave the committee with a few suggestions to consider as you discuss this bill.

- Section 1, subsection 6, requires a certain amount of renewable energy generation to be located onsite or nearby. The amount required is related to the building's roof area.
 - It would be more appropriate to use the word "electricity" instead of "energy" since the goal is probably not to generate renewable natural gas, for example.
 - Both location and scale of renewable generation are important to its value to our grid operations and the economics of a project. "Nearby" is a vague term that could result in using a location that provides no actual benefit in matching the new electricity load created by the housing facility. We have other programs designed to add renewable generation to our grid affordably. Instead of the current language, I recommend the affordable housing developer install photovoltaic arrays on all feasible building roof areas. This will encourage better site orientation of the building and guarantee the electricity is generated where it is used. A net-metering agreement can evenly distribute the bill credits amongst all

units in the building, so that residents benefit from lower electricity bills. I would be happy to ask a representative from the Governor's Energy Office or a solar developer to advise the committee on this recommendation.

I have observed that many affordable housing developments do not include adequate green space and trees to support the physical and emotional wellbeing of residents. Research now indicates that higher levels of green vegetation around homes, schools, and workplaces are associated with decreased mortality and that neighborhood greenery decreases aggressive behavior in adolescents.¹ Some communities have ordinances that require these features, but many do not. I recommend adding a requirement similar to the energy production requirement that would provide for minimum green space for housing developments created through new construction (as opposed to renovation or redevelopment). I have asked the Maine Association of Planners to provide more specific feedback on this topic before the work session.

Thank you all for listening attentively to my testimony in support of LD 1656 and recommendations for improvement. I would be happy to answer any questions.

¹ National Institute of Environmental Health Sciences:

https://www.niehs.nih.gov/research/supported/translational/peph/webinars/green_spaces/index.cfm