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Testimony of Rep. Rebecca Millett presenting LD 1656, An Act To Promote Energy-efficient Affordable Housing Before the Joint Standing Committee on Labor and Housing

Good morning Senator Hickman, Representative Sylvester and esteemed members of the Committee on Labor and Housing. My name is Rebecca Millett and I represent House District 30 which is most of Cape Elizabeth. I am honored to present **LD 1656, An Act To Promote Energy-efficient Affordable Housing**.

Many times, as I've sat on my local school board, chaired the children's caucus and served on the education committee, I've heard from educators about how they find themselves being asked to solve some of society's most difficult problems as they try to educate our kids, fundamental issues that they can't address in the classroom.

They know that in order to succeed in school, in order to succeed in their lives, children and their families need healthy, affordable, secure homes. When families struggle to pay rent and mortgages, they are at higher risk of instability, eviction, and even homelessness, which is then linked to food insecurity, poor health, lower academic achievement, and more foster care placement among children.

It's from that perspective, from that understanding of the interconnectedness of these issues and the crisis facing our state, that I'm approaching energy-efficient affordable housing development.

This legislation addresses the issue with the seriousness and comprehensiveness it deserves leveraging each dollar invested to advance three critical goals.

The Fair Market Rent (FMR) for a two-bedroom apartment in Maine is \$1,029. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn \$3,430 monthly or \$41,156 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of \$19.79.¹ Maine's minimum wage is \$12.15. This squeeze means that Mainers have less money for other necessities like nutritious food, transportation, healthcare let alone retirement savings.

¹ National Low Income Housing Coalition, Out of Reach 2020

Research shows that the shortage of affordable housing costs the American economy about \$2 trillion a year in lower wages and productivity. Without affordable housing, families have constrained opportunities to increase earnings, causing slower GDP growth. In fact, researchers estimate that the growth in GDP between 1964 and 2009 would have been 13.5% higher if families had better access to affordable housing. This would have led to a \$1.7 trillion increase in income or \$8,775 in additional wages per worker.

We must get serious about investing in affordable housing to help promote Mainer's health and economic security.

Maine's residential homes are responsible for 20% of our state's greenhouse gas emissions. "The most cost-effective time to improve a building's energy efficiency is during construction. New "net zero" efficiency buildings combine energy efficiency and renewable energy generation to create homes with very minimal utility costs and emissions."²

Maine's Climate Council summarizes well the challenges our state faces due to climate change:

- "Warming winters reduce snowpack and change snowmelt, river, and lake ice-out dates, causing ripple effects through Maine's biodiversity, agriculture, inland lakes and streams, and winter-based recreation.
- Recent "ocean heat waves" have occurred in the Gulf of Maine, which is warming faster than 99 percent of the world's oceans and is beginning to lose its subarctic characteristics.
- Sea level rise will cause regular flooding of Maine's coast and may cause saltwater contamination of groundwater aquifers. Coastal beaches, dunes, salt marshes, and bluffs are likely to experience increased erosion, landward movement and land loss.
- Recurring blooms of harmful blue-green algae in Maine lakes are expected to become frequent as temperatures warm, potentially impacting human, animal, and ecosystem health.
- Iconic Maine species such as moose, Canada lynx, loons, boreal chickadees, eastern brook trout, saltmarsh sparrows and Atlantic puffins are under stress from climate change.
- Sub-Arctic and boreal marine species are disappearing from the Gulf of Maine's traditional fishing grounds as they move northward with ocean warming, while temperate species from the south invade.
- Ocean acidity levels have already risen 30 percent and will continue rising alongside growing greenhouse gas levels. Ocean acidification has already impacted some aquaculture operations in Maine and will increasingly affect marine organisms that produce calcium carbonate to build shells, such as oysters, scallops, clams, mussels, and sea urchins.
- Extreme precipitation, changing temperatures, and other impacts from climate change are contributing to stress on Maine's native tree species

² <https://climatecouncil.maine.gov/strategies/buildings>

- Warmer, shorter winters from climate change have played a role in the increase of tick-borne illnesses in Maine, such as Lyme disease, anaplasmosis, babesiosis, and Powassan encephalitis virus.
- Maine’s natural environment is essential to the state’s multi-billion-dollar tourism industry, which relies heavily on outdoor and recreational activities. Favorite activities of visitors – such as skiing or snowmobiling in the winter or visiting beaches in the summer – are vulnerable from rising temperatures, precipitation, and sea level rise.”³

It is imperative that we leverage every strategy to reduce Maine’s greenhouse gases, and committing resources to building energy efficient affordable housing is one such tool.

The green/ energy efficiency standards in LD 1656 are not a major step above the current Maine Housing green standards, which means they are in reach! This bill provides three different ways for developers to meet higher green standards: Passive House, Leed Gold and Living Building Challenge.

Passive House standards tend to be the most practical to meet because so much of it is about the exterior construction. Leed standards are easier to achieve because there are so many different areas/avenues in which you can accrue points. Living Building Challenge is a more aggressive standard. It will include the same types of things as a Passive House project like energy efficiency and excellent indoor air quality, but there are more avenues for achieving the standard.

Passive housing also isn’t effectively more expensive than a standard construction budget and can be built with a lot of standard construction techniques. There’s room to be innovative but it doesn’t have to be more expensive to do so. It’s already been done.

This is a win, win, win. Raising standards lowers operating costs for those who manage the properties. It’s a win for developers because the costs of development aren’t significantly higher and they receive access to additional public funding to offset those costs, and it’s a healthier environment and lower utility costs for residents.

In the education committee we often hear about the desperate need for our youth to pursue careers in the trades and work every year to find ways to support our Career and Technology programs as well as workforce training through our community colleges. This bill takes a different approach by requiring housing developed to use project labor agreements to raise working standards for construction trades and to expand our registered apprenticeship programs thereby helping to grow the pipeline of skilled construction workers. This legislation can help ease Maine’s affordable housing shortage while making progress toward meeting Maine’s need for skilled tradesmen and tradeswomen, energy efficient building experts, and jobs that offer fair pay and benefits.

³ <https://climatecouncil.maine.gov/maines-climate>

Investing in green affordable housing is about increasing available housing, addressing chronic and severe shortages and helping thousands of Mainers who find themselves being squeezed out of their homes.

It's about building better, greener homes, to begin to meet our commitment to addressing climate change and protecting our kids from a worsening global crisis.

It's about raising our wage and labor standards and creating good jobs that can support families and allow tradespeople to return home to work here in Maine.

This legislation will support the development we need with a high bar for both green building standards and affordability. It also prioritizes flexibility, making sure developers have many ways to meet these high energy and climate resiliency standards and that the housing that is built fits the communities who need it.

It also raises the bar for Maine's labor standards, creates quality jobs and will help to fuel our state's recovery from the pandemic downturn.

LD 1656 recognizes the interconnectedness of the challenges we face and the need for a comprehensive solution. I thank you for your attention and hope you will join me in support of this bill.