

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1912

S.P. 753

In Senate, May 6, 2025

An Act to Authorize a General Fund Bond Issue to Address Maine's Housing Shortage

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BENNETT of Oxford.
Cosponsored by Speaker FECTEAU of Biddeford and
Senators: President DAUGHTRY of Cumberland, PIERCE of Cumberland, STEWART of
Aroostook, Representatives: BLIER of Buxton, DUCHARME of Madison, JACKSON of
Oxford, MALON of Biddeford, MCCABE of Lewiston.

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

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

PART A

Sec. A-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$60,000,000 for the purposes described in section 5 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds.

Sec. A-2. Records of bonds issued; Treasurer of State. The Treasurer of State shall ensure that an account of each bond is kept showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

Sec. A-4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

Sec. A-5. Disbursement of bond proceeds from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Provides funds for the Innovative Housing Incentive Program under the Maine Revised Statutes, Title 5, section 13059-A to support manufacturers of manufactured and other innovative housing in the State by providing grants for operating expenses, manufacture of affordable and energy-efficient housing and low-interest loans to develop new factories or expand existing factories by capitalizing the Home Accessibility and Repair Program Fund.

Total	\$30,000,000
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MAINE STATE HOUSING AUTHORITY

Provides funds to support a home accessibility and repair program by capitalizing the Housing Opportunities for Maine Fund under the Maine Revised Statutes, Title 30-A, section 4853.

1 Total \$25,000,000

2 **MAINE STATE HOUSING AUTHORITY**

3 Provides funds for the Weatherization Plus Program under the Maine Revised Statutes,
4 Title 30-A, section 4994-C to provide grants to eligible low-income households for
5 weatherization readiness and weatherization projects.

6 Total \$2,500,000

7 **MAINE STATE HOUSING AUTHORITY**

8 Provides funds to support a pilot program to issue grants to nonprofit housing developers
9 to rehabilitate existing aging housing stock in the State for purchase by qualified first-
10 time home buyers.

11 Total \$2,500,000

12 **Sec. A-6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not
13 become effective unless the people of the State ratify the issuance of the bonds as set forth
14 in this Part.

15 **Sec. A-7. Appropriation balances at year-end.** At the end of each fiscal year,
16 all unencumbered appropriation balances representing state money carry forward. Bond
17 proceeds that have not been expended within 10 years after the date of the sale of the bonds
18 lapse to the Office of the Treasurer of State to be used for the retirement of general
19 obligation bonds.

20 **Sec. A-8. Bonds authorized but not issued.** Any bonds authorized but not issued
21 within 5 years of ratification of this Part are deauthorized and may not be issued, except
22 that the Legislature may, within 2 years after the expiration of that 5-year period, extend
23 the period for issuing any remaining unissued bonds for an additional amount of time not
24 to exceed 5 years.

25 **Sec. A-9. Referendum for ratification; submission at election; form of**
26 **question; effective date.** This Part must be submitted to the legal voters of the State at
27 a statewide election held in the month of November following passage of this Act. The
28 municipal officers of this State shall notify the inhabitants of their respective cities, towns
29 and plantations to meet, in the manner prescribed by law for holding a statewide election,
30 to vote on the acceptance or rejection of this Part by voting on the following question:

31 "Do you favor a \$60,000,000 bond issue to provide funds for the
32 Innovative Housing Incentive Program to support manufacturers of
33 manufactured and other innovative housing in the State by providing
34 grants for operating expenses, manufacture of affordable and energy
35 efficient housing and low-interest loans to develop new factories or expand
36 existing factories by capitalizing the Home Accessibility and Repair
37 Program Fund under the Maine Revised Statutes, Title 5, section 13059-A,
38 provide funds to support a home accessibility and repair program by
39 capitalizing the Housing Opportunities for Maine Fund under the Maine
40 Revised Statutes, Title 30-A, section 4853, provide funds for the
41 Weatherization Plus Program to provide grants to eligible low-income
42 households for weatherization readiness and weatherization projects
43 pursuant to the Maine Revised Statutes, Title 30-A, section 4994-C and

1 provide funds to support a pilot program to issue grants to nonprofit
2 housing developers to rehabilitate existing aging housing stock in the State
3 for purchase by qualified first-time home buyers?"

4 The legal voters of each city, town and plantation shall vote by ballot on this question
5 and designate their choice by a cross or check mark placed within a corresponding square
6 below the word "Yes" or "No." The ballots must be received, sorted, counted and declared
7 in open ward, town and plantation meetings and returns made to the Secretary of State in
8 the same manner as votes for members of the Legislature. The Governor shall review the
9 returns. If a majority of the legal votes are cast in favor of this Part, the Governor shall
10 proclaim the result without delay and this Part becomes effective 30 days after the date of
11 the proclamation.

12 The Secretary of State shall prepare and furnish to each city, town and plantation all
13 ballots, returns and copies of this Part necessary to carry out the purposes of this
14 referendum.

15 PART B

16 **Sec. B-1. 5 MRSA §13059-A** is enacted to read:

17 **§13059-A. Innovative Housing Incentive Program; Innovative Housing Incentive** 18 **Program Fund**

19 **1. Innovative Housing Incentive Program.** The Innovative Housing Incentive
20 Program, referred to in this section as "the program," is administered by the department to
21 provide grants and factory loans to housing manufacturers located in the State.

22 **2. Eligibility.** A housing manufacturer is eligible for a grant or factory loan under the
23 program if the business:

24 **A. Is located in the State;**

25 **B. Has 500 or fewer employees; and**

26 **C. Manufactures:**

27 **(1) One or more manufactured homes as defined in Title 10, section 9081,**
28 **subsection 1; or**

29 **(2) Housing in any other manner that the department determines to be innovative,**
30 **including prefabricated panelized construction, which may include structural**
31 **insulated panels or insulated concrete forms, 3-dimensional printed housing, a kit**
32 **home installed on a permanent foundation or a tiny home as defined in Title 29-A,**
33 **section 101, subsection 80-C installed on a permanent foundation. For purposes**
34 **of this subparagraph, "3-dimensional printed housing" means a housing unit**
35 **constructed using a digital file using a process in which construction material is**
36 **deposited, joined or solidified under computer control with the material being**
37 **added together typically layer by layer.**

38 **3. Grants.** The department shall provide grants to eligible housing manufacturers
39 under subsection 2, including:

40 **A. Reimbursement up to 20% of monthly operating expenses up to \$350,000 per**
41 **housing manufacturer;**

1 B. From \$1,500 to \$6,000 for every housing unit manufactured and installed in the
2 State. The department shall grant an amount in the higher end of the range under this
3 paragraph for a housing unit that is affordable and energy-efficient; and

4 C. A \$50,000 bonus if an eligible housing manufacturer commits at least 10% of the
5 manufacturer's housing production to deed-restricted affordable housing.

6 The department may provide to an eligible housing manufacturer one or more grants under
7 this subsection.

8 **4. Factory loans.** The department shall provide a low-interest loan under a competitive
9 process to an eligible housing manufacturer under subsection 2 to support the development
10 of a new factory or the expansion of an existing factory dedicated to the manufacture of
11 housing under subsection 2, paragraph C. In awarding a loan under this subsection, the
12 department shall consider:

13 A. The percentage of affordable housing units to be produced by the factory;

14 B. The energy efficiency of the housing units produced by the factory;

15 C. The number and quality of jobs created by the development of the new factory or
16 the expansion of an existing factory;

17 D. The proposed terms of the loan; and

18 E. The financial health and qualifications of the applicant.

19 **5. Innovative Housing Incentive Program Fund.** The Innovative Housing Incentive
20 Program Fund, referred to in this subsection as "the fund," is established. The fund is
21 administered by the department. Disbursements from the fund must be provided equally to
22 support grants under subsection 3 and loans under subsection 4. The fund is a revolving,
23 nonlapsing, interest-bearing fund. Interest from investment of proceeds of the fund accrue
24 to the fund. The fund receives funds from bond proceeds, appropriations, allocations, gifts,
25 donations, interest from investments of bond funds and interest and principal derived from
26 loans made from the program and other revenue from public and private sources. Proceeds
27 of the fund may be used to support reasonable department expenses in administering the
28 program and the fund.

29 **6. Rules.** The department shall adopt rules to carry out the purposes of this section.
30 Rules adopted under this subsection are routine technical rules under Title 5, chapter 375,
31 subchapter 2-A.

32 **Sec. B-2. Contingent effective date.** This Part does not take effect unless the
33 people of the State ratify the issuance of the bonds as set forth in Part A.

34 **PART C**

35 **Sec. C-1. 30-A MRSA c. 201, sub-c. 15** is enacted to read:

36 **SUBCHAPTER 15**

37 **WEATHERIZATION PLUS PROGRAM**

38 **§4994-C. Weatherization Plus Program**

1 **1. Program established.** The Weatherization Plus Program, referred to in this
2 subchapter as "the program," is established within the Maine State Housing Authority, for
3 the purposes described in subsection 2. The program must be operated in conjunction with
4 other programs of the authority.

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

6 A. Help eligible low-income households implement energy conservation measures
7 through grants and the funding of weatherization readiness or weatherization projects.
8 For the purposes of this subchapter, "weatherization readiness" means the process to
9 protect a building from the outside weather elements and improve its energy efficiency;

10 B. Reduce the number of deferrals from the Weatherization Assistance for Low-income
11 Persons Program administered through the United States Department of Energy and
12 referenced in section 4741, subsection 15; and

13 C. Maximize the use of federal funding available for the purposes in paragraphs A and
14 B.

15 **3. Program requirements.** The Maine State Housing Authority shall establish
16 program requirements, including, but not limited to, requiring that an applicant for the
17 program must:

18 A. Meet the same household income eligibility requirements applicable to the
19 Weatherization Assistance for Low-income Persons Program administered through the
20 United States Department of Energy and implemented pursuant to section 4741,
21 subsection 15;

22 B. Demonstrate that the dwelling for which the funds are to be applied is a single-
23 family house or manufactured housing occupied by the applicant or another eligible
24 low-income household; and

25 C. For weatherization readiness projects, provide a substantiated expectation of the
26 dwelling being weatherized following completion of the weatherization readiness
27 project.

28 An approved applicant may be awarded a grant of up to \$20,000.

29 **§4994-D. Weatherization Plus Fund**

30 The Weatherization Plus Fund, referred to in this subchapter as "the fund," is
31 established under the jurisdiction and control of the Maine State Housing Authority for the
32 purpose of providing funds for the program.

33 **1. Sources of fund.** Sources of the fund include:

34 A. All money appropriated for inclusion in the fund;

35 B. Subject to any pledge, contract or other obligation, any money that the Maine State
36 Housing Authority receives in repayment of advances from the fund;

37 C. Subject to any pledge, contract or other obligation, all interest, dividends and
38 pecuniary gains from investment of money of the fund; and

39 D. Any other money available to and directed by the Maine State Housing Authority
40 to be paid into the fund.

1 **2. Revolving fund.** The fund is a nonlapsing, revolving fund. The Maine State
2 Housing Authority shall continuously apply all money in the fund to carry out the purposes
3 of this subchapter.

4 **Sec. C-2. Appropriations and allocations.** The following appropriations and
5 allocations are made.

6 **HOUSING AUTHORITY, MAINE STATE**

7 **Weatherization Plus Fund N505**

8 Initiative: Provides one-time funds for grants to eligible low-income households for
9 weatherization readiness and weatherization projects pursuant to the Maine Revised
10 Statutes, Title 30-A, chapter 201, subchapter 15.

11 GENERAL FUND	2025-26	2026-27
12 All Other	\$2,500,000	\$0
13		
14 GENERAL FUND TOTAL	\$2,500,000	\$0

15 **Sec. C-3. Contingent effective date.** This Part does not take effect unless the
16 people of the State ratify the issuance of the bonds as set forth in Part A.

17 **PART D**

18 **Sec. D-1. Maine State Housing Authority to create pilot program.** The
19 Maine State Housing Authority shall create a pilot program, referred to in this Part as "the
20 program," to issue grants to nonprofit housing developers to rehabilitate existing aging
21 housing stock in the State. The program must rehabilitate 15 units, and a grant issued by
22 the program may be in an amount up to \$80,000 per unit.

23 **Sec. D-2. Program grant uses.** A grant issued to a nonprofit housing developer
24 under the program may be used to rehabilitate an existing single-family or multifamily
25 dwelling unit. Renovation projects eligible under a grant include lead paint mitigation,
26 energy efficiency improvement or upgrading and repairing or replacing the unit's:

- 27 1. Well;
- 28 2. Heating system;
- 29 3. Electrical system;
- 30 4. Roof;
- 31 5. Chimney;
- 32 6. Structure;
- 33 7. Windows;
- 34 8. Doors;
- 35 9. Siding; and
- 36 10. Accessibility for persons with disabilities or persons who experience physical
37 barriers in living in the unit.

38 **Sec. D-3. Home buyer eligibility.** A single-family or multifamily dwelling unit
39 renovated by the program must be available for purchase by a first-time home buyer who

will occupy the unit and has an income that does not exceed 120% of the area median income and who agrees that:

1. If the home buyer sells the unit within the first 12 months of ownership, the home buyer retains 25% of any profit gained from the sale and 75% of the profit is returned to the nonprofit housing developer that received a grant under section 2;

2. If the home buyer sells the unit within the first 13 to 24 months of ownership, the home buyer retains 50% of any profit gained from the sale and 50% of the profit is returned to the nonprofit housing developer that received a grant under section 2;

3. If the home buyer sells the unit within the first 25 to 36 months of ownership, the home buyer retains 75% of any profit gained from the sale and 25% of the profit is returned to the nonprofit housing developer that received a grant under section 2; and

4. If the home buyer sells the unit after 36 months of ownership, the home buyer retains 100% of any profit gained from the sale.

Sec. D-4. Appropriations and allocations. The following appropriations and allocations are made.

HOUSING AUTHORITY, MAINE STATE

Existing Housing Stock Rehabilitation Program N510

Initiative: Provides one-time funds for a pilot program that provides grants to nonprofit housing developers to rehabilitate existing aging housing stock for purchase by qualified first-time home buyers.

GENERAL FUND	2025-26	2026-27
All Other	\$2,500,000	\$0
GENERAL FUND TOTAL	\$2,500,000	\$0

Sec. D-5. Contingent effective date. This Part does not take effect unless the people of the State ratify the issuance of the bonds as set forth in Part A.

SUMMARY

The funds provided by the bond issue in Part A of this bill, in the amount of \$60,000,000, will be used to provide funds for the Innovative Housing Incentive Program to support manufacturers of manufactured and other innovative housing in the State by providing grants for operating expenses, manufacture of affordable and energy-efficient housing and low-interest loans to develop new factories or expand existing factories by capitalizing the Home Accessibility and Repair Program Fund, provide funds to support the Maine State Housing Authority's home accessibility and repair program by capitalizing the Housing Opportunities for Maine Fund, provide funds for the Weatherization Plus Program to provide grants to eligible low-income households for weatherization readiness and weatherization projects and provide funds to support a pilot program to issue grants to nonprofit housing developers to rehabilitate existing aging housing stock in the State for purchase by qualified first-time home buyers.