

MAINE STATE LEGISLATURE

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L.D. 2269
(Filing No. H-678)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 1659, L.D. 2269,
Bill, "AN ACT to Make Housing More Affordable to Maine
Citizens."

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Amend the bill by striking out everything after
the enacting clause and inserting in its place the
following:

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'Sec. 1. 5 MRSA §1742, sub-§23, ¶D is enacted
to read:

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D. The department shall work closely with the
Maine State Housing Authority to develop a
procedure by which surplus state-owned land and
structures are held in trust for the purpose set
forth in this section and Title 30, chapter 239,
subchapter II, articles 3-A and 8.

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Sec. 2. 30 MRSA §4522, sub-§9 is enacted to
read:

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9. Comprehensive plans to comply with standards.
Any comprehensive plan developed pursuant to this
subchapter shall comply with the provisions of
subchapter VI.

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Sec. 3. 30 MRSA c. 239, sub-c. II, art. 3-A is
enacted to read:

1 ARTICLE 3-A. AFFORDABLE HOUSING PROGRAM

2 §4661. Purpose

3 The State is experiencing severe shortages of
4 affordable housing in various parts of the State. The
5 affordable housing shortage is also contributing to an
6 increasing class of working poor people and creating
7 severe hardships for a significant number of the
8 State's citizens. Municipalities feel the impact of
9 the affordable housing shortage and find it difficult
10 to deal with the problem with their inadequate
11 resources. By working together, sharing resources and
12 using more comprehensive measures, the State and its
13 municipalities can more effectively address the
14 shortage of affordable housing and the many other
15 problems stemming from this housing shortage.

16 §4662. Housing component of comprehensive plans

17 Any comprehensive plan developed pursuant to
18 subchapter VI shall provide for the development of
19 affordable housing for low-income and moderate-income
20 households. A municipality may cooperate with
21 neighboring municipalities to develop a regional
22 comprehensive plan in lieu of a municipal plan. Any
23 comprehensive plan developed under this chapter shall
24 include municipal or regional strategies to
25 effectively reduce the cost of housing or provide for
26 the construction of affordable housing, including
27 zoning measures, use of municipally owned land and
28 other similar measures.

29 1. Provide technical assistance and information.
30 The Maine State Housing Authority and any municipal
31 housing authority shall provide technical assistance
32 and information to municipalities requesting
33 assistance in the development of affordable housing
34 provisions for comprehensive plans to include the
35 formulation of measures to effectively address the
36 shortage of affordable housing for low-income and
37 moderate-income households.

38 2. Land and buildings of political subdivisions.
39 Each municipality shall report to the Bureau of Public
40 Improvements any municipally owned land or buildings

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1 and any land or buildings within the jurisdiction of
2 any other political subdivisions, except school
3 administrative districts, that may be suitable for the
4 construction, reconstruction or rehabilitation of
5 affordable housing for low-income and moderate-income
6 households.

7 A. School administrative districts shall report
8 to the Bureau of Public Improvements any land and
9 buildings owned by or within the jurisdiction of
10 the district that may be suitable for the
11 construction, reconstruction or rehabilitation of
12 affordable housing for low-income and
13 moderate-income households.

14 B. The Maine State Housing Authority shall adopt
15 rules pursuant to the Maine Administrative
16 Procedure Act, Title 5, chapter 375, which
17 establish standards by which land and buildings
18 are deemed suitable for the construction,
19 reconstruction or rehabilitation of affordable
20 housing for low-income and moderate-income
21 households to be used by municipalities and school
22 administrative districts pursuant to this section.

23 §4663. Coordination of resources and programs

24 The Maine State Housing Authority, municipal
25 housing authorities, municipalities and the Department
26 of Economic and Community Development shall cooperate
27 in the coordination of resources and programs and the
28 development of housing for low-income and
29 moderate-income households.

30 1. Matching of resources. The Maine State
31 Housing Authority may match the resources provided by
32 municipalities according to ratios established by the
33 Maine State Housing Authority by rule in accordance
34 with the Maine Administrative Procedure Act, Title 5,
35 chapter 375.

36 A. Municipal resources may consist of land,
37 buildings, equipment, personnel, zoning
38 provisions, money and any other resources deemed
39 by the Maine State Housing Authority to
40 effectively help to provide affordable housing to
41 low-income and moderate-income households.

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1 B. Any municipality and the Maine State Housing
2 Authority may use resources provided by the
3 private sector, any private nonprofit organization
4 or any other public sector organization for the
5 purpose established in this article.

6 §4664. Purchase and acquire property; construct
7 housing

8 The Maine State Housing Authority or any municipal
9 housing authority may purchase or acquire property to
10 preserve or provide affordable housing to low-income
11 and moderate-income people and provide for the
12 management and maintenance of this property.

13 1. Construction. The Maine State Housing
14 Authority or any municipal housing authority may
15 construct or reconstruct housing for low-income and
16 moderate-income households.

17 2. Rehabilitation. The Maine State Housing
18 Authority or any municipal housing authority may
19 rehabilitate buildings as a means of providing
20 affordable housing to low-income and moderate-income
21 households.

22 3. State-owned property. The Maine State Housing
23 Authority may use surplus state-owned property
24 pursuant to articles 3-A and 8 and Title 5, section
25 1742, subsection 23, to achieve the purpose of this
26 article.

27 4. Property. For the purpose of this article,
28 property includes land, buildings, structures and
29 equipment.

30 §4665. Provide property

31 The Maine State Housing Authority may provide
32 surplus state property below market value pursuant to
33 articles 3-A and 8 and Title 5, section 1742,
34 subsection 23, to any person, firm or organization
35 that agrees to construct, reconstruct or rehabilitate
36 affordable housing for low-income and moderate-income
37 households and maintain this property for this purpose
38 in a written contract with the Maine State Housing
39 Authority.

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1 §4666. Rules

2 The Maine State Housing Authority shall adopt
3 rules in accordance with the Maine Administrative
4 Procedure Act, Title 5, chapter 375, to implement this
5 article, including eligibility standards for financing
6 under this article.

7 Sec. 4. 30 MRSA §4732, sub-§2, as enacted by PL
8 1981, c. 702, Pt. W, §1, is repealed and the following
9 enacted in its place:

10 2. Use of money. Money in the fund may be used
11 as follows.

12 A. Money in the Housing Opportunities for Maine
13 Fund may be applied to:

14 (1) Reduce the rate of interest on or the
15 principal amount of such mortgage loans as
16 the state authority determines;

17 (2) Reduce payments by persons of low-income
18 for rental of single-family or multi-unit
19 residential housing;

20 (3) Make mortgage loans and such other types
21 of loans or grants as the state authority
22 determines;

23 (4) Fund reserve funds for, pay capitalized
24 interest on, pay costs of issuance of or
25 otherwise secure and facilitate the sale of
26 the state authority's bonds issued in
27 accordance with this subchapter;

28 (5) Pay the administrative costs of state
29 public bodies or other public
30 instrumentalities and private, nonprofit
31 corporations directly associated with housing
32 projects; and

33 (6) Otherwise make the costs of
34 single-family or multi-unit residential
35 housing affordable by persons of low-income.

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1 B. Notwithstanding the requirements of section
2 4552, subsection 18, mortgage loans made or
3 assisted with money from the fund may be secured
4 by a mortgage which does not constitute a first
5 lien.

6 C. If any money in the Housing Opportunities for
7 Maine Fund is used in conjunction with or as part
8 of the issuance of any mortgage purchase bonds and
9 the proceeds of the bonds are allocated by the
10 state authority to assist in the acquisition of
11 housing, the state authority may require that the
12 purchaser of the housing make a minimum down
13 payment in an amount determined by the state
14 authority; except that any such requirement shall
15 not apply to mortgage loans insured or guaranteed
16 by the United States Veterans Administration, the
17 Federal Housing Administration or any other agency
18 of the Federal Government that allows for a lesser
19 down payment than that required by the state
20 authority. The state authority may not limit the
21 maximum down payment that may be required.

22 D. Money in the fund may be provided to 3rd
23 parties to provide reasonable administrative
24 support and planning funds for the development or
25 specific creation of new housing units or the
26 rehabilitation of dilapidated or substandard
27 existing housing units.

28 Sec. 5. 30 MRSA §4787, sub-§1, as enacted by PL
29 1973, c. 618, §1, is amended to read:

30 1. Contracts. The Maine State Housing Authority
31 is authorized to establish housing mortgage insurance
32 contracts, to charge and collect premiums, to make
33 appropriate payments and to do all other things
34 necessary and proper to administer a State Housing
35 Mortgage Insurance Program. The Housing Mortgage
36 Insurance Program may be made available to persons who
37 have not financed housing through a program of the
38 Maine State Housing Authority.

39 A. Any revenues in excess of the money required
40 to insure housing mortgages pursuant to this
41 article shall first be used to pay back any loans
42 from the General Fund.

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1 B. Following repayment to the General Fund, any
2 surplus money may be allocated to the Housing
3 Opportunities for Maine Program.

4 Sec. 6. 30 MRSA §4791, sub-§1, as enacted by PL
5 1987, c. 407, §4, is amended to read:

6 1. Study of inventory of state-owned land. The
7 Maine State Housing Authority, following completion of
8 the inventory of state-owned land pursuant to Title 5,
9 section 1742, subsection 23, shall determine sites
10 that will be suitable for the construction of
11 affordable housing to meet the needs of the State,
12 particularly housing for low-income persons and
13 middle-income households.

14 Sec. 7. 30 MRSA §4792 is enacted to read:

15 §4792. Surplus land in trust

16 The Maine State Housing Authority and the
17 Department of Administration shall develop a procedure
18 by which state-owned land and structures determined to
19 be surplus and useable or needed for the furtherance of
20 the development of affordable housing for
21 low-income and moderate-income households shall be
22 held in trust for this purpose and may not be sold or
23 used for other purposes, except with the approval of
24 the Commissioner of Administration and the Director of
25 the Maine State Housing Authority.

26 1. Procedure. The procedure established pursuant
27 to this section shall include provisions for the
28 expeditious transfer of title to surplus land and
29 structures to the Maine State Housing Authority to be
30 used for affordable housing for low-income and
31 moderate-income households. Transfer of title to
32 specific parcels of land and structures shall occur
33 following the Maine State Housing Authority's
34 preparation of plans for housing projects for these
35 specific parcels or structures.

36 2. Transfer of surplus property. Any surplus
37 land and buildings transferred to the trust pursuant
38 to this section shall be approved by law.

39 3. Surplus property removed from trust. Prior to

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1 the removal of any surplus property from the trust,
2 the Maine State Housing Authority shall hold a hearing
3 within the municipality in which the property is
4 located. The hearing shall be conducted in accordance
5 with the notice provisions of Title 5, section 8053.

6 4. Report to Legislature. The Maine State
7 Housing Authority shall report to the joint standing
8 committee of the Legislature having jurisdiction over
9 housing matters by the 3rd Wednesday in January of
10 each First Regular Session with respect to the
11 implementation and impact of this section.

12 Sec. 8. 30 MRSA §4961, sub-§3 is enacted to
13 read:

14 3. Provisions of technical assistance. Within
15 the scope of its budget, the Department of Economic
16 and Community Development, upon request, may provide
17 technical assistance to municipalities with respect to
18 the development of comprehensive plans pursuant to
19 this subchapter. Regional planning commissions shall
20 cooperate with the department in the provision of
21 technical assistance pursuant to this subchapter.

22 Sec. 9. 30 MRSA §4961-A is enacted to read:

23 §4961-A. Affordable housing

24 Any comprehensive plan developed pursuant to this
25 subchapter shall provide for the development of
26 affordable housing for low-income and moderate-income
27 households. A municipality may cooperate with
28 neighboring municipalities to develop a regional
29 comprehensive plan in lieu of a municipal plan. Any
30 comprehensive plan developed under this subchapter
31 shall include municipal or regional strategies to
32 effectively reduce the cost of housing or provide for
33 the construction of affordable housing, including
34 zoning measures, use of municipally owned land and
35 other similar measures.

36 1. Housing. Notwithstanding any other provision
37 of law, the Maine State Housing Authority and
38 municipal housing authorities may provide technical
39 assistance to municipalities with respect to housing
40 components of comprehensive plans developed pursuant
41 to this subchapter.

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1 strategies to reduce the cost of housing to residents;

2 2. Provides that the Maine State Housing
3 Authority, municipal housing authorities,
4 municipalities and the Department of Economic and
5 Community Development cooperate in the coordination of
6 resources and programs and the development of housing
7 for low-income and moderate-income households;

8 3. Requires legislative approval of the transfer
9 of surplus state property to the state trust for use
10 for affordable housing;

11 4. Provides that the State, municipalities and
12 other political subdivisions report to the Bureau of
13 Public Improvements with respect to lands and
14 buildings that are suitable for the construction,
15 reconstruction or rehabilitation of affordable housing
16 for low-income and moderate-income households. The
17 Maine State Housing Authority will adopt rules
18 establishing standards by which lands and buildings
19 can be determined suitable for affordable housing;

20 5. Provides that the Maine State Housing
21 Authority may provide technical assistance to
22 municipalities with respect to housing matters; and

23 6. Provides a \$3,000,000 appropriation from the
24 General Fund to the Housing Mortgage Insurance Fund of
25 the Maine State Housing Authority in order to provide
26 mortgage insurance to persons who can qualify for
27 mortgage loans but who cannot qualify for mortgage
28 insurance because of significantly increased
29 restrictions applied by mortgage insurance companies.
30 Many people who can qualify for private bank loans and
31 Maine State Housing Authority loans cannot obtain
32 mortgage insurance. The mortgage insurance companies,
33 seriously affected by the condition of the oil
34 industry in Louisiana, Texas, Oklahoma and other
35 states, as well as other factors, have adopted
36 substantial restrictions that hurt Maine citizens who
37 are not in the same situation as residents in the oil
38 states.

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