

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

## FIRST SPECIAL SESSION - 1989

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Legislative Document

No. 1809

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S.P. 688

In Senate, August 21, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Secretary of the Senate on August 18, 1989. Referred to the Committee on State and Local Government and 1,400 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by President PRAY of Penobscot.

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STATE OF MAINE

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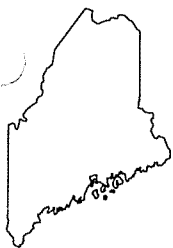
IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-NINE

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An Act Relating to Various Commissions, Task Forces and Committees.

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(EMERGENCY)



Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, several bills establishing and affecting study commissions, task forces and committees were enacted in the last legislative session; and

Whereas, unless these bills are effectuated immediately, the duties imposed on the study commissions, task forces and committees will not be completed before their reporting dates; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

PART A

Sec. 1. 5 MRSA §12004-I, sub-§42-A is enacted to read:

<u>42-A. Human</u>	<u>Advisory Com-</u>	<u>Expenses Only</u>	<u>22 MRSA</u>
<u>Services</u>	<u>mittee on Home</u>		<u>§2150-A</u>
	<u>Health</u>		

Sec. 2. 22 MRSA §2150-A is enacted to read:

§2150-A. Advisory Committee on Home Health

1. Committee established and charged. In order to promote the availability and accessibility of home health services, to monitor the policy of the Bureau of Medical Services in regard to home health services and to advise the Bureau of Medical Services on provisions of the Medicaid program which affect the development and maintenance of effective home health services, there is established, in accordance with Title 5, section 12004-I, the Advisory Committee on Home Health.

2. Committee membership. The committee shall consist of the following 9 members who shall be appointed within 30 days of the effective date of this section.

A. One Senator to be appointed by the President of the Senate;

B. Two members of the House of Representatives to be appointed by the Speaker of the House of Representatives; and

2           C. Six members to be appointed by the Commissioner of Human  
3           Services as follows:

4           (1) One member to represent the Maine Committee on  
5           Aging;

6           (2) One member to represent a home care alliance;

7           (3) Two members to represent home care consumers; and

8           (4) Two members to represent home care provider  
9           agencies which are Medicaid providers.

10           The terms of office of the appointed members shall be 2 years.  
11           Upon expiration of a member's term, the member shall serve until  
12           that member is reappointed or until a successor is appointed. A  
13           member may be removed for cause, which shall include excessive  
14           absences from meetings of the advisory committee. The committee  
15           shall determine what constitutes excessive absence.

16           3. Committee meetings. The advisory committee shall be  
17           convened at the request of the chair or any 2 members of the  
18           committee.

19           4. Committee actions. Five members of the advisory  
20           committee shall constitute a quorum. No action may be taken by  
21           the advisory committee except by a vote of a majority of those  
22           present and voting.

23           5. Committee compensation. Members of the advisory  
24           committee shall serve without compensation, but shall be entitled  
25           to expenses in accordance with Title 5, chapter 379.

26           6. Committee scope. The advisory committee shall consult  
27           with and advise the Commissioner of Human Services and the  
28           Director of the Bureau of Medical Services on matters relating to  
29           improving home health services in the State.

30           7. Chair. The committee shall choose a chair from among  
31           its members.

32           8. Report. The committee shall submit a report of its  
33           activities by January 1st, annually, to the Governor and to the  
34           joint standing committee of the Legislature having jurisdiction  
35           over human resource matters.

36           9. Sunset. This section is repealed February 1, 1992.

37           Sec. 3. PL 1989, c. 496 is repealed.

2 PART B

4 Sec. 1. 5 MRSA §12004-I, sub-§6-A is enacted to read:

6 6-A. Economic Affordable Housing Expenses Only 5 MRSA  
7 Development Alliance Advisory for Public §13118  
8 Committee Members

10 Sec. 2. 5 MRSA §12004-L, sub-§5 is enacted to read:

12 5. Interagency Task Force Expenses Only for 30-A MRSA  
13 on Homelessness and Housing Members Appointed by §5041  
14 Opportunities the Presiding Officers  
15 of the Legislature

18 Sec. 3. 5 MRSA c. 383, sub-c. VII is enacted to read:

20 SUBCHAPTER VII

22 MAINE AFFORDABLE HOUSING ALLIANCE

24 §13116. Maine Affordable Housing Alliance established

26 There is established within the department the Maine  
27 Affordable Housing Alliance, known in this subchapter as "the  
28 housing alliance." The housing alliance shall assist  
29 municipalities in developing affordable housing under Title 30-A,  
30 chapter 202.

32 The commissioner shall appoint a director of the Maine  
33 Affordable Housing Alliance and provide staff for the housing  
34 alliance.

36 §13117. Coordination

38 The housing alliance, in implementing Title 30-A, chapter  
39 202, shall consult with the Maine State Housing Authority and the  
40 Interagency Task Force on Homelessness and Housing Opportunities,  
41 as established in chapter 202, in order to make the best use of  
42 resources and to create the greatest impact on the affordable  
43 housing crisis.

44 §13118. Advisory committee created

46 The Affordable Housing Alliance Advisory Committee shall  
47 serve as an advisory group to the commissioner with respect to  
48 the implementation of Title 30-A, chapter 202.

50 1. Membership. The Affordable Housing Alliance Advisory  
51 Committee shall have broad geographic representation and consist

2 of 15 members representing both the public and private sectors,  
3 including housing developers, bankers, real estate professionals  
4 and elected or appointed municipal officials to be appointed as  
5 follows.

6 A. Nine members shall be appointed by the Governor to serve  
7 3-year terms, except that 3 of the initial appointees shall  
8 be appointed for terms of 2 years, and 3 shall be appointed  
9 for terms of one year. All members shall serve until their  
10 successors are appointed and qualified. Vacancies occurring  
11 in positions appointed by the Governor shall be filled by  
12 appointment by the Governor for the remainder of the term.

13 B. Five members shall be appointed jointly by the President  
14 of the Senate and the Speaker of the House of  
15 Representatives to serve 3-year terms, except that 2 of the  
16 initial appointees shall be appointed for terms of 2 years  
17 or less as determined by the appointing authorities.  
18 Members appointed by the presiding officers of the  
19 Legislature may be reappointed. All members shall serve  
20 until their successors are appointed by the presiding  
21 officers. Vacancies shall be filled by the appointing  
22 authorities for the remainder of the terms.

23 C. The Director of the Maine State Housing Authority, or  
24 the director's designee, shall serve on the committee.

25 2. Compensation. Public members shall be compensated in  
26 accordance with the provisions of chapter 379.

27 3. Chair. The advisory committee shall elect a chair from  
28 among its members to serve a term of 2 years.

29 4. Duties. The advisory committee shall advise the  
30 commissioner and the director of the housing alliance with  
31 respect to the implementation of Title 30-A, chapter 202 and the  
32 overall development of affordable housing in Maine. The advisory  
33 committee shall:

34 A. Assist the housing alliance with respect to the  
35 development of the affordable housing plan under Title 30-A,  
36 chapter 202, subchapter I;

37 B. Make recommendations to the commissioner and the  
38 director of the housing alliance with respect to policies,  
39 programs and funding under Title 30-A, chapter 202; and

40 C. Review and examine the plan, program, policies, funding  
41 and implementation of the housing alliance program to  
42 determine its effectiveness.

43 **Sec. 4. 30-A MRSA c. 202 is enacted to read:**

2 CHAPTER 202

4 AFFORDABLE HOUSING PARTNERSHIP

6 §5001. Title

8 This chapter shall be known and may be cited as the  
10 "Affordable Housing Partnership Act of 1989."

12 SUBCHAPTER I

14 ADMINISTRATION AND IMPLEMENTATION

16 §5002. Definitions

18 As used in this chapter, unless the context otherwise  
18 indicates, the following terms have the following meanings.

20 1. Advisory committee. "Advisory committee" means the  
22 Affordable Housing Alliance Advisory Committee as defined in  
22 Title 5, section 13118.

24 2. Affordable housing. "Affordable housing" means decent,  
26 safe and sanitary dwellings, apartments or other living  
26 accommodations for low-income and moderate-income households.  
28 The Department of Economic and Community Development in  
28 consultation with the Maine State Housing Authority shall define  
30 "affordable housing" by rule. Affordable housing includes, but  
30 is not limited to:

32 A. Government-assisted housing;

34 B. Housing for low-income and moderate-income families;

36 C. Manufactured housing;

38 D. Multifamily housing; and

40 E. Group and foster care facilities.

42 3. Authority or state authority. "Authority" or "state  
44 authority" means the Maine State Housing Authority.

46 4. Commissioner. "Commissioner" means the Commissioner of  
46 Economic and Community Development.

48 5. Department. "Department" means the Department of  
50 Economic and Community Development.

52 6. Homeless. "Homeless" means:

2 A. A person or family that lacks, or is in imminent danger  
3 of losing legal access to, a fixed, regular and adequate  
4 nighttime residence; or

5 B. A person or family that has a primary nighttime  
6 residence that is:

7 (1) A supervised publicly or privately operated  
8 shelter designed to provide temporary living  
9 accommodations, including, but not limited to, welfare  
10 hotels, congregate shelters and transitional housing  
11 for persons with mental illness or substance abuse  
12 problems;

13 (2) An institution that provides a temporary residence  
14 for individuals intended to be institutionalized; or

15 (3) A public or private place not designed for, or  
16 ordinarily used as, a regular sleeping accommodation  
17 for human beings.

18 7. Homestead land trust. "Homestead land trust" means a  
19 nonprofit housing corporation that is organized to hold in trust  
20 land and interests in land for affordable housing and leases land  
21 or interests in land to lower income households for affordable  
22 housing.

23 8. Housing alliance or alliance. "Housing alliance" or  
24 "alliance" means the Maine Affordable Housing Alliance within the  
25 department.

26 9. Interagency task force. "Interagency task force" means  
27 the Interagency Task Force on Homelessness and Housing  
28 Opportunities.

29 10. Land trust. "Land trust" means land or interests in  
30 land, the title of which is held by a nonprofit housing  
31 corporation or a municipality to provide affordable housing for  
32 Maine citizens.

33 11. Lower income households. "Lower income households"  
34 means low-income and very low-income households as defined by the  
35 United States Department of Housing and Urban Development under  
36 the United States Housing Act of 1937, Public Law 412, 50 Stat.  
37 888, Section 8, as amended.

38 12. Moderate income households. "Moderate income  
39 households" means households in which gross income does not  
40 exceed 150% of the median income of the county or metropolitan  
41 statistical area in which the household is located.



2 13. Nonprofit housing corporation. "Nonprofit housing  
3 corporation" means a nonprofit corporation organized in this  
4 State under Title 13-B which qualifies for this tax exemption  
5 under the United States Code, Title 26, Section 501(c). In  
6 addition, for the purposes of this chapter, the nonprofit  
7 corporation must have as one of its purposes the construction,  
8 rehabilitation, ownership or operation of housing.

10 **§5003. Findings and purpose**

12 There is a substantial deficiency of decent, sanitary and  
13 safe housing available at affordable costs to lower income and  
14 moderate-income households in Maine which has a detrimental  
15 impact upon the State and all Maine citizens. As a result of  
16 significant increases in land costs, the substantial reduction in  
17 the role of the Federal Government in housing and a significant  
18 increase in the working poor population of Maine, the lack of  
19 affordable housing for lower income and moderate-income  
20 households threatens the health, safety and welfare of Maine  
21 citizens.

22 Affordable housing solutions are possible when there is  
23 concerted action among state agencies which is coordinated with  
24 local and federal resources. Municipalities, which may make a  
25 positive or a negative impact on the cost and production of  
26 housing through local policies and regulations, need to be  
27 included in the solutions to the affordable housing crisis.

28 Nonprofit housing developers are a key resource in meeting  
29 affordable housing production needs. Homestead land trusts are a  
30 key resource in keeping land affordable and available for  
31 affordable housing.

32 The Maine State Housing Authority is best able to provide  
33 resources, technical assistance and support to both profit and  
34 nonprofit housing producers. The department is best able to  
35 provide resources, technical assistance and support to Maine's  
36 municipalities, especially in areas such as planning, zoning,  
37 infrastructure development and similar activities necessary for  
38 the development of affordable housing.

40 **§5004. Administration and implementation**

42 With respect to the administration and implementation of  
43 this chapter, the state authority and the housing alliance shall  
44 consult on a regular basis to make the best use of the resources  
45 available, to avoid unnecessary duplication of services and  
46 activities, to target resources in a manner that will produce the  
47 most impact and to leverage the most additional resources  
48 possible to address the affordable housing crisis. The state  
49 authority shall consult with the interagency task force, and the  
50 authority shall consult with the interagency task force, and the

2 housing alliance shall consult with the advisory committee on a  
3 regular basis for the purposes set forth in this chapter.

4 1. Plan. The department and the housing authority, jointly  
5 and in consultation with the interagency task force and the  
6 advisory committee, shall develop a plan for the development of  
7 affordable housing for lower and moderate-income households in  
8 Maine. This plan shall include, but is not limited to:

10 A. Long-term and short-term goals and objectives for  
11 developing affordable housing in Maine;

12 B. Provisions defining the process by which the efforts and  
13 resources of state agencies will be coordinated with the  
14 efforts and resources of municipalities and the private  
15 sector to address the affordable housing crisis;

16 C. The criteria essential for the awarding of grants,  
17 making loans and providing technical and other forms of  
18 assistance and support to municipalities, nonprofit housing  
19 corporations and for-profit housing developers under this  
20 chapter; and

21 D. Proposed rules to be adopted by each agency to implement  
22 this chapter.

23 2. Integrated housing. In developing, rehabilitating or  
24 reconstructing affordable housing under this chapter, state  
25 agencies, municipalities and nonprofit housing corporations shall  
26 strive to establish neighborhoods and housing projects comprised  
27 of households with different levels of income. The creation of  
28 housing exclusively for households of one income level is to be  
29 avoided, except that housing exclusively for one income level may  
30 be developed if funding sources permit only one income level.

31 3. Permitted activity. Nothing in this chapter may be  
32 construed to prohibit the development of affordable housing which  
33 includes commercial development as a component of the affordable  
34 housing plan or project.

35 **§5005. Report to the Governor and Legislature**

36 At least 45 days before adopting rules and implementing the  
37 plan under this chapter, the housing alliance and the state  
38 authority shall submit a copy of the plan and proposed rules of  
39 each agency for the implementation of the plan and this chapter  
40 to the Governor and the joint standing committee of the  
41 Legislature having jurisdiction over housing and economic  
42 development matters for review and comment.

43 **§5006. Coordination and cooperation**

2 All state agencies and independent state agencies shall  
3 cooperate with the authority and the department with respect to  
4 the implementation of this chapter. Whenever possible, all state  
5 agencies and independent state agencies shall coordinate their  
6 resources and activities with those of the department and the  
7 state authority to address the affordable housing crisis.

8  
9  
10 **SUBCHAPTER II**

11 **ASSISTANCE TO MUNICIPALITIES**

12 **§5011. Administration and implementation**

13  
14 The housing alliance shall be responsible for providing  
15 assistance to municipalities. In administering assistance to  
16 municipalities, the housing alliance shall consult with the state  
17 authority in order that the resources of both agencies may be  
18 coordinated to produce the maximum benefits.

19 **§5012. Powers**

20  
21 The housing alliance may:

22  
23 1. Award grants and loans. Award grants and loans to  
24 municipalities for the development of affordable housing;

25  
26 2. Approve or disapprove funding requests. Approve or  
27 disapprove any request for funding under this subchapter and  
28 subchapter IV;

29  
30 3. Amend or alter proposal. Amend or alter a proposal for  
31 funding under this subchapter to make the project consistent with  
32 this chapter;

33  
34 4. Investigate projects. Investigate projects, including  
35 books and records, to determine whether the municipality or the  
36 project is complying with this chapter; and

37  
38 5. Seek legal remedies. Seek all legal remedies available  
39 to enforce the contract with a municipality. The housing  
40 alliance may seek an injunction for any act or failure to act  
41 that violates this chapter or a contract entered into under this  
42 chapter.

43 **§5013. Duties**

44  
45 In implementing this subchapter, the housing alliance shall:

46  
47 1. Adopt rules. Adopt rules in accordance with the Maine  
48 Administrative Procedure Act, Title 5, chapter 375 specifying, at

2 a minimum, how money and other resources provided to  
3 municipalities by the alliance may be used;

4 2. Prepare guidelines. Prepare guidelines for determining  
5 the eligibility of projects proposed by municipalities for  
6 funding under this subchapter and subchapter IV;

8 3. Review proposals. Review proposals of municipalities  
9 for funding under this subchapter and subchapter IV;

10 4. Require municipal strategy. Require the municipality to  
11 develop a strategy or plan designed to use other resources  
12 available in the municipality, including private sector resources;

13 5. Require formation of local housing alliances. Require  
14 municipalities to create municipal housing alliances to implement  
15 affordable housing programs;

16 6. Identify resources and gaps in delivery services.  
17 Identify resources and gaps in delivery services with respect to  
18 Maine's homeless;

19 7. Provide technical assistance. Within the resources of  
20 the department, provide technical assistance and information to  
21 municipalities with respect to the development of affordable  
22 housing;

23 8. Coordinate housing activities with comprehensive land  
24 use planning. Coordinate municipal housing proposals under this  
25 subchapter with comprehensive land use planning provisions of  
26 chapter 187;

27 9. Require matching resources. Require municipalities to  
28 provide matching resources that the alliance finds feasible; and

29 10. Strive to create integrated neighborhoods. Strive to  
30 create integrated neighborhoods comprised of persons with  
31 different levels of income.

32 **§5014. Nonlapsing revolving loan fund**

33 In providing loans under this subchapter, the housing  
34 alliance shall establish a nonlapsing revolving loan fund to  
35 which payment of principal and interest and any other money  
36 available to the fund shall be deposited.

37 **SUBCHAPTER III**

38 **NONPROFIT HOUSING CORPORATIONS AND AFFORDABLE HOUSING**

39 **§5021. Program administration**

2 The authority shall administer a program to be implemented  
3 through nonprofit housing corporations to develop affordable  
4 housing. In administering this program, the authority shall  
5 consult with the housing alliance to coordinate the resources  
6 provided by the authority with resources that may be available  
7 through a municipality or the department.

8 The affordable housing program under this subchapter is  
9 established to provide affordable rental and purchased housing to  
10 lower and moderate-income households, to provide transitional  
11 housing for homeless people and persons with special needs, to  
12 provide shelters for the homeless and to provide homestead land  
13 trusts for lower income households.

14 **§5022. Office of Nonprofit Housing**

15 The state authority shall establish the Office of Nonprofit  
16 Housing within the authority. The executive director shall  
17 appoint a director and provide staff for the office.

18 The office shall monitor and assist nonprofit housing  
19 corporations under this subchapter and any other programs  
20 involving nonprofit corporations under the state authority. The  
21 office shall oversee the activities of the nonprofit housing  
22 corporations as provided in this subchapter.

23 **§5023. Powers**

24 In developing and implementing this program, the state  
25 authority may:

26 1. Propose projects for funding. Propose to nonprofit  
27 housing corporations projects for funding which the authority has  
28 determined effectively address the affordable housing problems in  
29 the area served by the corporation;

30 2. Provide planning assistance. Assist nonprofit housing  
31 corporations in planning projects and developing proposals to  
32 meet the affordable housing needs of the areas served by these  
33 corporations. In assisting these corporations, the authority  
34 shall:

35 A. Seek to leverage funds from various sources in the  
36 public and private sectors, including in-kind assistance  
37 which may be matched with funds provided by the authority to  
38 these corporations; and

39 B. Seek to coordinate assistance provided by the authority  
40 with assistance that may be available from other public and  
41 private sector agencies and organizations;

2 3. Prepare training and education programs. Prepare  
3 training and education programs, including workshops, for  
4 nonprofit community development corporations with respect to  
5 affordable housing;

6 4. Use applicable funds. Use any applicable funds  
7 available to the authority to finance programs;

8  
9  
10 5. Provide for funding of nonprofit corporations. Provide  
11 for the funding of nonprofit housing corporations to develop  
12 rental and purchased housing for the homeless and for lower and  
13 moderate-income households.

14 Funds provided to nonprofit housing corporations may be used for,  
15 but are not limited to:

16  
17 A. Administrative and development costs, including  
18 consultants' fees, overhead and other similar costs  
19 associated with the development, construction, acquisition,  
20 or ownership of affordable housing under section 4852,  
21 subsection 2;

22 B. Purchase of land and buildings;

23  
24 C. Construction, reconstruction, rehabilitation or  
25 renovation of facilities;

26  
27 D. Purchase of equipment and supplies;

28  
29 E. Rental subsidies;

30  
31 F. The development, operation and maintenance of shelters  
32 for the homeless;

33  
34 G. The development, operation and maintenance of  
35 transitional housing for the homeless and for persons with  
36 special needs;

37  
38 H. Payment of service fees of professionals such as  
39 attorneys, geologists, architects, engineers and others for  
40 agreements and professional services necessary to develop  
41 affordable housing; and

42  
43 I. Other uses considered necessary to carry out the  
44 purposes of this chapter;

45  
46  
47 6. Approve and disapprove funding requests. Approve or  
48 disapprove any application or request for funding under this  
49 subchapter;

50

2 7. Amend or alter proposals. Amend or alter a proposal for  
4 funding under this subchapter to make the project consistent with  
6 this chapter;

8 8. Investigate projects. Investigate projects, including  
10 books and records, to determine whether the nonprofit corporation  
12 or the project is complying with this chapter;

14 9. Seek legal remedies. Seek all legal remedies available  
16 to enforce a contract with a nonprofit housing corporation; and

18 10. Consult with the housing alliance and interagency task  
20 force. Consult with the housing alliance and the interagency  
22 task force with respect to the implementation of this subchapter  
24 and the projects to be funded under this subchapter.

#### 26 §5024. Duties

28 In providing money and other resources to nonprofit housing  
30 corporations, the state authority shall:

32 1. Identify locations of corporations. Identify the  
34 locations of nonprofit housing corporations in this State and the  
36 areas and populations served by these corporations;

38 2. Prepare guidelines. Prepare guidelines for determining  
40 the eligibility of projects proposed by nonprofit housing  
42 corporations for funding;

44 3. Review proposals. Review proposals of nonprofit housing  
46 corporations under this chapter; and

48 4. Adopt rules. Adopt rules in accordance with the Maine  
50 Administrative Procedure Act, Title 5, chapter 375 to implement  
52 this subchapter. At a minimum, the rules shall specify how money  
and other resources provided to nonprofit housing corporations  
may be used.

#### 54 §5025. Eligibility requirements

56 To be eligible to use money made available by the state  
58 authority to a nonprofit corporation for the purpose of this  
60 chapter, a nonprofit housing corporation must:

62 1. Develop a plan. Develop a plan with long-term and  
64 short-term goals for developing and providing low-income housing  
66 in the region that the nonprofit corporation serves;

68 2. Inventory programs and resources. Inventory housing  
70 programs and agencies in the area served by the nonprofit  
72 corporation, including resources for the homeless;

2 3. Prepare plan of coordination. Prepare for each project  
4 funding request a plan for the coordination of housing programs,  
services and resources in the area served by the nonprofit  
corporation for that specific project;

6 4. Prepare information. Prepare information for each  
8 project funding request as requested by the authority. At a  
minimum, a nonprofit housing corporation, before receiving any  
10 money to develop affordable housing, shall provide the authority  
with the following:

12 A. The number and development costs of units to be  
14 developed;

16 B. The cost of each unit to the buyer or renter;

18 C. The size of each housing unit;

20 D. The availability and cost of existing housing in the  
area; and

22 E. Household income in the area served by the proposed  
24 project;

26 5. Report to the authority. Report annually to the  
28 authority with respect to the activities, accomplishments and  
problems of each corporation. A nonprofit housing corporation  
shall also provide a copy of its annual report to the authority;

30 6. Comply with rules of the authority. Comply with the  
32 rules of the authority with respect to the use of any money  
provided by the authority to nonprofit housing corporations with  
34 respect to record-keeping and accounting, reporting, reserve fund  
and other requirements that the authority considers necessary;

36 7. Publish annual report. Publish a detailed annual report  
38 of its activities including income and expenditures for the most  
recent fiscal year completed. The annual report is a public  
40 record; and

42 8. Contract for independent annual audit. Contract for an  
44 independent annual audit of its books and records as required by  
the authority.

#### 46 SUBCHAPTER IV

#### 48 LAND ACQUISITION PROGRAM

#### 50 §5031. Administration and implementation

52 The state authority and the housing alliance may provide  
money and other resources to municipalities and nonprofit housing



2 corporations to acquire or preserve land for affordable housing.  
3 The housing alliance shall administer this subchapter with  
4 respect to municipalities and the state authority shall  
5 administer this subchapter with respect to nonprofit housing  
6 corporations and for-profit developers.

7 1. Coordination and consultation. The housing alliance and  
8 the state authority shall consult in administering this  
9 subchapter in order to make the best use of resources and  
10 maximize their impact. The housing alliance and the state  
11 authority shall consult with the interagency task force with  
12 respect to the implementation of this subchapter.

13 **§5032. Use of money**

14 Money provided to municipalities under this subchapter shall  
15 be in the form of low-interest loans. Money provided to  
16 nonprofit housing corporations may be in the form of grants,  
17 low-interest loans or no-interest loans. Funds available under  
18 this subchapter shall be used to acquire or preserve land for  
19 affordable housing for the homeless and lower and moderate-income  
20 households. Funds may be used to make minor capital improvements  
21 to land acquired under this chapter to facilitate its use for  
22 housing.

23 **§5033. Awards of grants and loans**

24 1. Criteria. In providing grants, loans and other  
25 resources to municipalities and nonprofit housing corporations  
26 under this section, the state authority and the housing alliance  
27 shall consult and develop criteria for the award of grants, loans  
28 and other resources. In developing the criteria, the authority  
29 and the alliance shall consider:

30 A. The extent of the affordable housing crisis in the  
31 municipality or area in which land will be acquired or  
32 preserved for affordable housing;

33 B. The degree of impact that the grant or loan will have on  
34 the affordable housing problem;

35 C. The size of the lower income population in the area to  
36 be served;

37 D. The demonstrated interest and the ability of the  
38 municipality or nonprofit housing corporation to address the  
39 affordable housing crisis;

40 E. The degree to which the grant or loan will serve very  
41 low-income households;

2 F. The degree to which the grant or loan will increase the  
economic activity of the eventual residents of the housing;

4 G. The degree to which the nonprofit housing corporation  
provides for significant representation on its board of  
6 directors for both residents and community residents;

8 H. The degree to which the project will have significant  
self-help or volunteer labor in the development of the  
10 housing;

12 I. The degree to which the grants and loans will assure the  
long-term affordability of the housing by use of the  
14 homestead land trust or other techniques; and

16 J. Any other criteria that the authority and the alliance  
consider necessary.

18 2. Selection process. In selecting municipalities to  
20 receive funds from the Municipal Land Acquisition Revolving Fund,  
the alliance shall include in the selection process, one or more  
22 representatives from the staff of the authority. The director of  
the alliance, in consultation with the commissioner, shall select  
24 the municipalities to receive grants or loans from the fund. In  
selecting nonprofit housing corporations to receive funds from  
26 the Maine Affordable Housing Land Trust Fund, the executive  
director of the authority shall include one or more  
28 representatives from the housing alliance in the selection  
process.

30 3. Priorities. In selecting municipalities and nonprofit  
32 housing corporations to receive funds under this section, the  
selections shall be based on priorities developed by the housing  
34 alliance and the state authority. In developing these  
priorities, the alliance and the authority shall consider:

36 A. The degree of activity of housing alliances in each  
38 municipality or region in addressing the affordable housing  
crisis;

40 B. The availability of other resources in the municipality  
42 or region that can be coordinated with funds and resources  
provided by the housing alliance or the state authority; and

44 C. Any other priorities considered important by the housing  
46 alliance or the state authority.

48 **§5034. Preservation of land for affordable housing**

50 In regard to the acquisition and preservation of land under  
52 this subchapter, the state authority, the housing alliance,  
municipalities and nonprofit housing corporations may use deed

2 restrictions, trust agreements and any other type of agreement  
3 designed to maintain land for affordable housing.

4 **§5035. Maine Affordable Housing Land Trust Fund**

6 1. Creation of fund. There is created and established  
7 under the jurisdiction and control of the state authority the  
8 Maine Affordable Housing Land Trust Fund. As used in this  
9 section, the term "fund" means the Maine Affordable Housing Land  
10 Trust Fund.

12 2. Sources of fund. There shall be paid into the fund:

14 A. All money appropriated from the General Fund for  
15 inclusion in the fund;

16 B. All proceeds from the issuance of bonds on behalf of the  
17 State for inclusion in the fund;

18 C. All interest, dividends and pecuniary gains from  
19 investment of money of the fund;

20 D. All proceeds from the sale of land purchased with money  
21 from the fund; and

22 E. Any other money available to the state authority and  
23 directed by the state authority to be paid into the fund.

24 3. Application of fund. The state authority shall apply  
25 money in the fund to finance the acquisition of land or interests  
26 in land in accordance with this chapter and chapter 201,  
27 subchapters III-A and XI, and to finance minor capital  
28 improvements on acquired lands.

29 4. Accounts within fund. The state authority may divide  
30 the fund into any separate accounts as it determines necessary to  
31 accomplish the purposes of this section.

32 5. Revolving fund. The fund shall be a revolving fund.  
33 All money in the fund shall be continuously applied by the state  
34 authority to carry out this section.

35 **§5036. Municipal Land Acquisition Revolving Fund**

36 The Municipal Land Acquisition Revolving Fund is established  
37 as a nonlapsing revolving fund to provide low-interest loans to  
38 municipalities for the acquisition or development of land for  
39 affordable housing. The fund shall be administered by the  
40 housing alliance. The alliance shall deposit in this fund all  
41 payments of principal and interest on loans made from the fund.

52 **SUBCHAPTER V**



2                   (4) One member to represent municipalities; and

4                   (5) One member to represent low-income people.

6           2. Term of office. Members appointed jointly by the  
7 President of the Senate and the Speaker of the House of  
8 Representatives shall serve 3-year terms, except that 3 of the  
9 initial appointees shall be appointed for terms of 2 years or  
10 less as determined by the appointing authorities. Members  
11 appointed by the presiding officers of the Legislature may be  
12 reappointed.

14           A. Members shall serve until their successors are appointed  
15 and qualified.

16           B. Vacancies occurring in positions appointed by the  
17 presiding officers of the Legislature shall be filled by the  
18 appointing authorities for the remainder of the term.

20           3. Compensation. Members appointed by the presiding  
21 officers of the Legislature shall be compensated in accordance  
22 with the provisions of Title 5, chapter 379, upon application to  
23 the Executive Director of the Legislative Council.

26           4. Staff. The authority and the department shall provide  
27 staff support to the interagency task force. State agencies  
28 represented on the task force shall also provide assistance when  
29 requested.

30           **§5043. Chair**

32           The interagency task force shall elect a chair from among  
33 its members to serve a term of 2 years.

36           **§5044. Duties**

38           The interagency task force shall advise the housing alliance  
39 and the state authority with respect to the implementation of  
40 this chapter and the development of affordable housing. The task  
41 force shall:

42           1. Assist in the development of affordable housing plan.  
43 Assist the housing alliance and the state authority with the  
44 development of the affordable housing plan under subchapter I;

46           2. Make recommendations. Make recommendations to the  
47 housing alliance, the state authority, the Governor and the  
48 Legislature with respect to policies, programs and funding under  
49 this chapter;

2 3. Review programs and policies. Review and examine the  
3 plan, programs, policies and funding to determine their  
4 effectiveness. The task force shall provide the findings of its  
5 review to the persons and organizations set forth in subsection 2;

6 4. Serve as coordinator of information. Serve as a  
7 coordinator of information and communication among state agencies  
8 and among the state, municipal and private sectors with respect  
9 to this chapter; and

10 5. Assistance to homeless. In cooperation with the housing  
11 alliance and the state authority, identify the resources  
12 available to the homeless and persons with special needs,  
13 identify the gaps in delivery services to this population and  
14 make recommendations concerning the policies and programs serving  
15 this population.

## 18 SUBCHAPTER VI

### 20 HOUSING OPPORTUNITY ZONES

#### 22 §5051. Administration and implementation

24 The commissioner, in consultation with the executive  
25 director of the state authority and the interagency task force,  
26 shall administer this subchapter. The department and the state  
27 authority shall coordinate the resources available to each agency  
28 to address residential deteriorating areas and to restore these  
29 areas to decent, sanitary and safe residential neighborhoods.

#### 30 §5052. Designation of urban housing zones

32 The commissioner, in consultation with the state authority  
33 and the interagency task force, may establish 4 demonstration  
34 housing opportunity zones, each comprised of a different  
35 municipality or portion of a municipality. These demonstration  
36 zones shall serve as a means of determining the effectiveness of  
37 zones as a tool stimulating residential revitalization in  
38 deteriorating neighborhoods.

40 1. Standards for zones. The commissioner, in consultation  
41 with the state authority, by rules adopted in accordance with the  
42 Maine Administrative Procedure Act, Title 5, chapter 375, shall  
43 establish standards for the selection of areas to be designated  
44 as zones and the provision of assistance to those zones. At a  
45 minimum, the commissioner shall apply the following standards.

48 A. The zones must be located in urban areas experiencing  
49 significant deterioration in residential neighborhoods.

50 B. All areas wishing to be designated as zones must  
51 demonstrate actual or potential local capacity for  
52

2       residential revitalization and the willingness to cooperate  
3       with the department.

4       C. The level of general assistance by the State and the  
5       municipality, as well as the level of federal assistance to  
6       persons in these areas, shall be considered.

8       D. All municipalities requesting zone designation for areas  
9       within the municipality must have a local housing alliance  
10       which shall help develop a plan of action to revitalize  
11       deteriorating residential dwellings and neighborhoods. The  
12       plan shall address the major problems of these deteriorating  
13       areas, including a law enforcement component to  
14       significantly reduce crime in these areas.

16       In applying these standards, the commissioner shall also consider  
17       the problem of crime in these areas.

#### 18       **§5053. Powers**

20       The commissioner, in consultation with the state authority  
21       and the interagency task force, may:

24       1. Approve or deny applications. Approve or deny  
25       applications for assistance;

26       2. Alter or amend comprehensive plans. Alter or amend any  
27       comprehensive plan to be applied to revitalization of housing  
28       opportunity zones;

30       3. Withhold or refuse payment of money. Withhold or refuse  
31       payment of money for any activity not authorized by the plan, the  
32       commissioner or the municipality.

#### 34       **§5054. Duties of commissioner**

36       In implementing this subchapter, the commissioner shall:

38       1. Work with interagency task force. Work with the  
39       interagency task force and the Commissioner of Public Safety to  
40       coordinate the resources of state agencies to be applied to the  
41       zones including, but not limited to:

44       A. Job training programs;

46       B. Educational and vocational training;

48       C. Child care assistance; and

50       D. Crime prevention programs;

2           **2. Coordinate with state authority and municipality.**  
3           Coordinate the resources of the department with the resources of  
4           the state authority and the municipality to address residential  
5           housing deterioration;

6           **3. Prepare information and notify municipalities.** Prepare  
7           information about the program, including applications for  
8           designations as zones, and notify municipalities;

10           **4. Provide technical assistance.** Provide technical  
11           assistance to municipalities in developing plans to address  
12           residential and neighborhood deterioration. Technical assistance  
13           provided under this subsection shall include technical assistance  
14           provided by state agencies represented on the interagency task  
15           force;

16           **5. Analyze problems and causes of problems that create**  
17           **residential blight.** In implementing this subsection, the  
18           commissioner, the interagency task force and the state authority  
19           shall monitor the 4 demonstration zones and develop findings and  
20           recommendations concerning neighborhood deterioration and  
21           revitalization; and

22           **6. Establish priorities for direct financial assistance.**  
23           Establish priorities for direct financial assistance which may  
24           include, but are not limited to:

25           **A. Financial assistance to owner-occupied rental and**  
26           **single-family homes for the restoration of dwelling units;**

27           **B. Financial assistance to shelters for the homeless;**

28           **C. Financial assistance for the removal of structures**  
29           **beyond rehabilitation; and**

30           **D. Financial assistance for the creation of recreational**  
31           **and park areas.**

32           **§5055. Models for urban housing revitalization; evaluation**

33           The commissioner, the state authority and the interagency  
34           task force shall develop models for the revitalization of  
35           deteriorating residential areas in urban areas based on the  
36           results of the study and monitoring of the demonstration zones as  
37           provided in section 5052. The commissioner, the state authority  
38           and the interagency task force shall review and evaluate the  
39           plans and programs applied to the demonstration zones and report  
40           their findings and recommendations to the Governor and the joint  
41           standing committee of the Legislature having jurisdiction over  
42           housing matters by December 30, 1992. This report shall include:



2     1. Strategy. The strategy applied in each zone to  
3     revitalize housing and neighborhoods;

4     2. Number of buildings and units. The number of buildings  
5     and units of affordable housing developed, or rehabilitated in  
6     each zone;

8     3. Causes of blight and deterioration. The major causes of  
9     urban blight and deterioration in each zone and the programs  
10    applied to these causes; and

12    4. Effectiveness of assistance and programs. The  
13    effectiveness of the assistance and programs provided in each  
14    zone, including, but not limited to, job training and educational  
15    programs, and law enforcement and crime prevention programs.

16    **§5056. Integrated housing**

18    In revitalizing urban housing zones, state agencies,  
20    municipalities and nonprofit housing corporations shall strive to  
21    establish integrated neighborhoods comprised of households of  
22    different income levels.

24    **Sec. 3. PL 1989, c. 581, §§1, 2, 3 and 19 are repealed.**

26                                   **PART C**

28    **Sec. 1. Examination of mediation of disputes between mobile home**  
29    **park operators and tenants.** The Commission on Manufactured  
30    Housing, created by Private and Special Law 1987, chapter 139,  
31    shall, in addition to the duties of the commission prescribed by  
32    prior law, specifically examine issues regarding mediation of  
33    disputes between mobile home park operators and tenants. Among  
34    the issues the commission shall examine are: the types of  
35    disputes for which mediation should be required; the types of  
36    disputes for which mediation should be optional; who should  
37    provide mediation services; the relationship of mediation to the  
38    parties' abilities to seek judicial remedies; the implementation  
39    of disputed changes in the agreement between a park operator and  
40    tenants pending completion of mandatory mediation; and any other  
41    issues regarding the desirability, feasibility and efficacy of  
42    requiring mediation of some or all of the disputes between mobile  
43    home park operators and tenants. The commission may consult with  
44    the Court Mediation Service and the Manufactured Housing Board.

46    **Sec. 2. Reporting date.** The commission shall include in its  
47    final, written report to the Second Regular Session of the 114th  
48    Legislature its findings and recommendations regarding mediation  
49    of disputes between mobile home park operators and tenants.

50    **Sec. 3. P&SL 1989, c. 40 is repealed.**

2           **Emergency clause.** In view of the emergency cited in the  
preamble, this Act shall take effect when approved, except that  
4 Part B, section 4, the Maine Revised Statutes, Title 30-A,  
chapter 202, subchapters I to IV and subchapter VI shall take  
6 effect September 30, 1989.

8  
10                                   **STATEMENT OF FACT**

12           This bill makes certain laws enacted in the last legislative  
session emergencies so that the duties prescribed by the laws may  
14 be completed before the reporting deadlines.