

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1067, L.D. 1556, Bill, "An Act to Unify Housing Services"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

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

Whereas, the transfer of duties and bond funds of the Maine Affordable Housing Alliance from the Department of Economic and Community Development to the Maine State Housing Authority requires a deappropriation from the department for fiscal year 1991-92; and

Whereas, only emergency enactment of this legislation will permit a timely fiscal year 1991-92 deappropriation; 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:

Sec. 1. 5 MRSA c. 383, sub-c. III, art. 4, as amended, is repealed.

Sec. 2. 30-A MRSA §4722, sub-§1, ¶T, as amended by PL 1989, c. 581, §7, is further amended to read:

T. Approve or disapprove, in accordance with rules adopted under the Maine Administrative Procedure Act, Title 5, chapter 375, a project which that is multi-family or

2 single-family residential property, when authorized or
required by Title 10, chapter 110, subchapter IV; and

4 **Sec. 3. 30-A MRSA §4722, sub-§1, ¶U**, as enacted by PL 1989, c.
581, §8, is amended to read:

6 U. Consult with the Maine Affordable Housing Alliance,
8 ~~established in Title 5, chapter 383, subchapter VII,~~
Advisory Committee and the Interagency Task Force on
10 Homelessness and Housing Opportunities, as defined in
12 chapter 202, section 5002, ~~subsection 9,~~ with respect to the
implementation of housing programs to make the best use of
14 resources and make the greatest impact on the affordable
housing crisis.

16 **Sec. 4. 30-A MRSA §5002, sub-§1**, as enacted by PL 1989, c.
601, Pt. B, §4, is amended to read:

18 1. **Advisory committee.** "Advisory committee" means the
20 Affordable Housing Alliance Advisory Committee as defined in
~~Title 5, section 13118~~ Title 30-A, section 5045.

22 **Sec. 5. 30-A MRSA §5002, sub-§2**, as amended by PL 1989, c.
24 875, Pt. M, §11 and affected by §13, is further amended to read:

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

- 34 A. Government-assisted housing;
- 36 B. Housing for low-income and moderate-income families;
- 38 C. Manufactured housing;
- 40 D. Multifamily housing; and
- 42 E. Group and foster care facilities.

44 **Sec. 6. 30-A MRSA §5002, sub-§§4 and 5**, as enacted by PL 1989,
c. 601, Pt. B, §4, are repealed.

46 **Sec. 7. 30-A MRSA §5002, sub-§8**, as amended by PL 1989, c.
48 875, Pt. M, §11 and affected by §13, is repealed.

50 **Sec. 8. 30-A MRSA §5003, last ¶**, as enacted by PL 1989, c. 601,
Pt. B, §4, is repealed.

52

2 **Sec. 9. 30-A MRSA §§5004 and 5005**, as enacted by PL 1989, c.
601, Pt. B, §4, are repealed.

4 **Sec. 10. 30-A MRSA §§5006 and 5011**, as enacted by PL 1989, c.
601, Pt. B, §4, are amended to read:

6 **§5006. Coordination and cooperation**

8
10 All state agencies and independent state agencies shall
cooperate with the authority and ~~the department~~ with respect to
12 the implementation of this chapter. Whenever possible, all state
agencies and independent state agencies shall coordinate their
14 resources and activities with those of the ~~department and the~~
state authority to address the affordable housing crisis.

16 **§5011. Administration and implementation**

18 ~~The housing alliance shall be~~ state authority is responsible
19 for providing assistance to municipalities in implementing this
20 subchapter. ~~In administering assistance to municipalities, the~~
21 ~~housing alliance shall consult with the state authority in order~~
22 ~~that the resources of both agencies may be coordinated to produce~~
23 ~~the maximum benefits.~~

24 **Sec. 11. 30-A MRSA §5012, first ¶**, as enacted by PL 1989, c.
26 601, Pt. B, §4, is amended to read:

28 The ~~housing alliance~~ state authority may:

30 **Sec. 12. 30-A MRSA §5012, sub-§5**, as enacted by PL 1989, c.
32 601, Pt. B, §4, is amended to read:

34 5. **Seek legal remedies.** Seek all legal remedies available
to enforce the contract with a municipality. The ~~housing~~
36 ~~alliance~~ state authority may seek an injunction for any act or
failure to act that violates this chapter or a contract entered
into under this chapter.

38 **Sec. 13. 30-A MRSA §5013, first ¶**, as enacted by PL 1989, c.
40 601, Pt. B, §4, is amended to read:

42 In implementing this subchapter, the ~~housing alliance~~ state
43 authority shall:

44 **Sec. 14. 30-A MRSA §5013, sub-§§1, 7 and 9**, as enacted by PL
46 1989, c. 601, Pt. B, §4, are amended to read:

48 1. **Adopt rules.** Adopt rules in accordance with the Maine
Administrative Procedure Act, Title 5, chapter 375 specifying, at
50 a minimum, how money and other resources provided to
municipalities ~~by the alliance~~ may be used;

52

2 7. **Provide technical assistance.** Within the resources of
the department state authority, provide technical assistance and
4 information to municipalities with respect to the development of
affordable housing;

6 9. **Require matching resources.** Require municipalities to
provide matching resources that the alliancee state authority
8 finds feasible; and

10 **Sec. 15. 30-A MRSA §5014**, as enacted by PL 1989, c. 601, Pt.
B, §4, is amended to read:

12 **§5014. Nonlapsing revolving loan fund**

14 In providing loans under this subchapter, the housing
16 alliancee state authority shall establish a nonlapsing revolving
loan fund to which payment of principal and interest and any
18 other money available to the fund shall must be deposited.

20 **Sec. 16. 30-A MRSA §5021, first ¶**, as enacted by PL 1989, c.
601, Pt. B, §4, is amended to read:

22 The authority shall administer a program to be implemented
24 through nonprofit housing corporations to develop affordable
housing. ~~In administering this program, the authority shall~~
26 ~~consult with the housing alliance to coordinate the resources~~
~~provided by the authority with resources that may be available~~
28 ~~through a municipality or the department.~~

30 **Sec. 17. 30-A MRSA §5023, sub-§10**, as enacted by PL 1989, c.
601, Pt. B, §4, is amended to read:

32 10. **Consult with the interagency task force.** Consult with
34 the ~~housing alliance and the~~ interagency task force with respect
to the implementation of this subchapter and the projects to be
36 funded under this subchapter.

38 **Sec. 18. 30-A MRSA §§5031, 5033, 5034, 5036, and 5041**, as enacted
by PL 1989, c. 601, Pt. B, §4, are amended to read:

40 **§5031. Administration and implementation**

42 The state authority and ~~the housing alliance~~ may provide
44 money and other resources to municipalities and nonprofit housing
corporations to acquire or preserve land for affordable housing.
46 ~~The housing alliance shall administer this subchapter with~~
~~respect to municipalities and the state authority shall~~
48 ~~administer this subchapter with respect to nonprofit housing~~
~~corporations and for-profit developers.~~

50 1. **Consultation.** ~~The housing alliance and the state~~
52 ~~authority shall consult in administering this subchapter in order~~

~~to make the best use of resources and maximize their impact. The housing alliance and the state authority shall consult with the interagency task force with respect to the implementation of this subchapter.~~

§5033. Awards of grants and loans

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

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

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

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

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

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

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

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

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

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

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

2. **Selection process.** ~~In selecting municipalities to receive funds from the Municipal Land Acquisition Revolving Fund, the alliance shall include in the selection process, one or more~~

representatives from the staff of the authority, ~~the director of the alliance, in consultation with the commissioner, shall select the municipalities to receive grants or loans from the fund, in selecting nonprofit housing corporations to receive funds from the Maine Affordable Housing Land Trust Fund, the executive director of the authority shall include one or more representatives from the housing alliance in the selection process.~~ The state authority shall select the municipalities to receive grants or loans from the Municipal Land Acquisition Revolving Fund and shall select the nonprofit housing corporations to receive funds from the Maine Affordable Housing Land Trust Fund.

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

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

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

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

§5034. Preservation of land for affordable housing

In regard to the acquisition and preservation of land under this subchapter, the state authority, ~~the housing alliance,~~ municipalities and nonprofit housing corporations may use deed restrictions, trust agreements and any other type of agreement designed to maintain land for affordable housing.

§5036. Municipal Land Acquisition Revolving Fund

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

§5041. Task force created

The Interagency Task Force on Homelessness and Housing Opportunities, established in accordance with Title 5, chapter

379, shall serve as an advisory committee with respect to the administration and implementation of this chapter to the state authority, ~~the department,~~ the Governor and the Legislature.

Sec. 19. 30-A MRSA §5042, sub-§4, as enacted by PL 1989, c. 601, Pt. B, §4, is amended to read:

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

Sec. 20. 30-A MRSA §5044, as enacted by PL 1989, c. 601, Pt. B, §4, is amended to read:

§5044. Duties

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

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

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

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

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

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

Sec. 21. 30-A MRSA §5045 is enacted to read:

§ 5045. Advisory committee established

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2 The Affordable Housing Alliance Advisory Committee shall
3 serve as an advisory group to the state authority with respect to
4 the implementation of chapter 202.

6 1. Membership. The Affordable Housing Alliance Advisory
7 Committee must have broad geographic representation and consist
8 of 15 members representing both the public and private sectors,
9 including housing developers, bankers, real estate professionals
10 and elected or appointed municipal officials appointed as follows.

12 A. Nine members are appointed by the Governor to serve
13 3-year terms, except that 3 of the initial appointees are
14 appointed for terms of 2 years and 3 are appointed for terms
15 of one year. All members serve until their successors are
16 appointed and qualified. Vacancies occurring in positions
17 appointed by the Governor must be filled by appointment by
18 the Governor for the remainder of the terms.

20 B. Five members are appointed jointly by the President of
21 the Senate and the Speaker of the House of Representatives
22 to serve 3-year terms, except that 2 of the initial
23 appointees are appointed for terms of 2 years or less as
24 determined by the appointing authorities. Members appointed
25 by the presiding officers of the Legislature may be
26 reappointed. All members shall serve until their successors
27 are appointed by the presiding officers. Vacancies must be
28 filled by the appointing authorities for the remainder of
29 the terms.

30 C. The Director of the Maine State Housing Authority or the
31 director's designee shall serve on the advisory committee.

32 2. Compensation. Public members are compensated in
33 accordance with the provisions of Title 5, chapter 379.

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

36 4. Duties. The advisory committee shall advise the state
37 authority with respect to the implementation of chapter 202 and
38 the overall development of affordable housing in Maine. The
39 advisory committee shall:

40 A. Make recommendations to the state authority with respect
41 to policies, programs and funding under chapter 202; and

42 B. Review and examine the plan, program, policies, funding
43 and implementation of programs established in chapter 202 to
44 determine their effectiveness.

45 5. Sunset. This section is repealed on October 1, 1992.

2 Sec. 22. 30-A MRSA §§5051, 5052 and 5053, as enacted by PL
1989, c. 601, Pt. B, §4, are amended to read:

4 **§5051. Administration and implementation**

6 ~~The commissioner~~ state authority, in consultation with the
7 ~~executive director of the state authority and the~~ interagency
8 ~~task force, shall administer this subchapter. The department and~~
9 ~~the state authority shall coordinate the resources available to~~
10 ~~each agency~~ to address residential deteriorating areas and to
11 restore these areas to decent, sanitary and safe residential
12 neighborhoods.

14 **§5052. Designation of urban housing zones**

16 The ~~commissioner~~ state authority, in consultation with the
17 ~~state authority and the~~ interagency task force, may establish 4
18 demonstration housing opportunity zones, each comprised of a
19 different municipality or portion of a municipality. These
20 demonstration zones shall serve as a means of determining the
21 effectiveness of zones as a tool stimulating residential
22 revitalization in deteriorating neighborhoods.

24 1. **Standards for zones.** The ~~commissioner, in consultation~~
25 ~~with the~~ state authority, by rules adopted in accordance with the
26 Maine Administrative Procedure Act, Title 5, chapter 375, shall
27 establish standards for the selection of areas to be designated
28 as zones and the provision of assistance to those zones. At a
29 minimum, the ~~commissioner~~ state authority shall apply the
30 following standards.

32 A. The zones must be located in urban areas experiencing
33 significant deterioration in residential neighborhoods.

34 B. All areas wishing to be designated as zones must
35 demonstrate actual or potential local capacity for
36 residential revitalization and the willingness to cooperate
37 with the ~~department~~ state authority.

38 C. The level of general assistance by the State and the
39 municipality, as well as the level of federal assistance to
40 persons in these areas, shall must be considered.

41 D. All municipalities requesting zone designation for areas
42 within the municipality must have a local housing alliance
43 which shall help develop a plan of action to revitalize
44 deteriorating residential dwellings and neighborhoods. The
45 plan shall must address the major problems of these
46 deteriorating areas, including a law enforcement component
47 to significantly reduce crime in these areas.

In applying these standards, the ~~commissioner~~ state authority shall also consider the problem of crime in these areas.

§5053. Powers

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

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

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

3. Withhold or refuse payment of money. Withhold or refuse payment of money for any activity not authorized by the plan, the ~~commissioner~~ state authority or the municipality.

Sec. 23. 30-A MRSA §5054, first ¶, as enacted by PL 1989, c. 601, Pt. B, §4, is amended to read:

§5054. Duties of commissioner

In implementing this subchapter, the ~~commissioner~~ state authority shall:

Sec. 24. 30-A MRSA §5054, sub-§§2, 4 and 5, as enacted by PL 1989, c. 601, Pt. B, §4, are amended to read:

2. Coordinate with municipality. Coordinate the resources of the ~~department~~ state authority with the resources of the ~~state authority and the~~ municipality to address residential housing deterioration;

4. Provide technical assistance. Provide technical assistance to municipalities in developing plans to address residential and neighborhood deterioration. Technical assistance provided under this subsection shall ~~include~~ includes technical assistance provided by state agencies represented on the interagency task force;

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

Sec. 25. 30-A MRSA §5055, first ¶, as enacted by PL 1989, c. 601, Pt. B, §4, is amended to read:

2 The ~~commissioner~~,--the state authority and the interagency
task force shall develop models for the revitalization of
4 deteriorating residential areas in urban areas based on the
results of the study and monitoring of the demonstration zones as
provided in section 5052. The ~~commissioner~~,--the state authority
6 and the interagency task force shall review and evaluate the
plans and programs applied to the demonstration zones and report
8 their findings and recommendations to the Governor and the joint
standing committee of the Legislature having jurisdiction over
10 housing matters by December 30, 1992. This report shall must
include:

12 **Sec. 26. Transition provisions.** The following provisions apply
14 to the reassignment of the duties and responsibilities of the
Department of Economic and Community Development indicated in
16 this Act.

18 1. Notwithstanding the provisions of the Maine Revised
Statutes, Title 5, all accrued expenditures, assets, liabilities,
20 balances or appropriations, allocations, transfers, revenues, the
proceeds of general obligation bonds of the State issued or to be
22 issued pursuant to Private and Special Law 1989, chapter 84 or
other available funds in an account or subdivision of an account
24 supporting the duties and functions of the programs to be
transferred from the Department of Economic and Community
26 Development must be transferred to the Maine State Housing
Authority.

28 2. All existing loan agreements, commitments of program
funds and housing opportunity zone designations currently in
30 effect concerning the programs to be moved from the Department of
Economic and Community Development continue in effect. The Maine
32 State Housing Authority is the successor to all such loan
agreements, commitments of program funds and housing opportunity
34 zone designations concerning the programs to be moved from the
Department of Economic and Community Development subject to the
36 availability of the proceeds of the general obligation bonds
issued or to be issued pursuant to Private and Special Law 1989,
38 chapter 84.

40 3. All records, property and equipment previously belonging
to or allocated for the use of the programs to be moved from the
42 Department of Economic and Community Development transfer with
the programs to the Maine State Housing Authority.

46 4. The repeal and reenactment of the Affordable Housing
Alliance Advisory Committee do not affect the term, tenure or
48 appointment of the current members of the committee.

50 **Sec. 27. Appropriation.** The following funds are appropriated
from the General Fund to carry out the purposes of this Act.

2		1991-92	1992-93
4	ECONOMIC AND COMMUNITY		
6	DEVELOPMENT, DEPARTMENT OF		
8	Office of Community Development		
10	Positions	(-2.0)	(-2.0)
	Personal Services	(\$68,976)	(\$88,108)
	All Other	(69,856)	(65,900)

12 Provides for the
 14 deappropriation of funds from
 16 the abolition of the
 Affordable Housing Alliance,
 18 including the elimination of
 a Development Program Manager
 20 position and a Development
 Project Officer position.

22	DEPARTMENT OF ECONOMIC AND		
	COMMUNITY DEVELOPMENT		
24	TOTAL	<u>(\$138,832)</u>	<u>(\$154,008)</u>

26 **Emergency clause.** In view of the emergency cited in the
 preamble, this Act takes effect when approved.

28 **FISCAL NOTE**

30		1991-92	1992-93
32	APPROPRIATIONS/ALLOCATIONS		
34	General Fund	(\$138,832)	(\$154,008)

36 This bill abolishes the Maine Affordable Housing Alliance
 38 and transfers its duties and bond funds from the Department of
 Economic and Community Development to the Maine State Housing
 40 Authority. General Fund deappropriations from the Department of
 Economic and Community Development of \$138,832 in fiscal year
 42 1991-92 and \$154,008 in fiscal year 1992-93 will result from the
 abolition of the program. Administrative costs associated with
 44 the new bond program can be absorbed by the Maine State Housing
 Authority. The program elimination and bond transfer have also
 46 been proposed in the Governor's adjusted current services budget.'

48 **STATEMENT OF FACT**

50 This amendment abolishes the Maine Affordable Housing
 52 Alliance and transfers its duties and bond funds to the Maine

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2 State Housing Authority. It establishes a date of October 1,
1992 for the termination of the Affordable Housing Alliance
4 Advisory Committee. It also transfers housing opportunity zones
from the Department of Economic and Community Development to the
6 Maine State Housing Authority.

8 This amendment adds an emergency preamble to permit a fiscal
year 1991-92 deappropriation from the Department of Economic and
Community Development and also adds a fiscal note to the bill.

Reported by the Committee on Housing and Economic Development
Reproduced and distributed under the direction of the Clerk of the
House
(6/5/91) (Filing No. H-568)