

# MAINE STATE LEGISLATURE

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Date: 2/15/24 MAJORITY

(Filing No. H-751)

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**HOUSING**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1197, L.D. 1867, "An Act to Establish the Community Housing and Rural Development Authority"

Amend the bill by striking out the title and substituting the following:

**'An Act to Establish the Community Housing Production Program'**

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

**'Sec. 1. 30-A MRSA c. 201, sub-c. 3-D is enacted to read:**

**SUBCHAPTER 3-D**

**COMMUNITY HOUSING PRODUCTION**

**§4768. Definitions**

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

**1. Fund.** "Fund" means the Community Housing Production Fund established in section 4769.

**2. Program.** "Program" means the Community Housing Production Program established in section 4770.

**3. State authority.** "State authority" means the Maine State Housing Authority.

**§4769. Community Housing Production Fund**

**1. Establishment.** The Community Housing Production Fund is established under the jurisdiction of the Maine State Housing Authority.

**2. Sources of fund.** The following must be paid into the fund:

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

**COMMITTEE AMENDMENT**

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1           B. Subject to any pledge, contract or other obligation, all interest, dividends or other  
2           income from investment of the fund; and

3           C. Any other money, including federal money, deposited in the fund to implement the  
4           provisions of this subchapter.

5           3. Application of fund. The state authority may use money in the fund for purposes  
6           authorized by this subchapter. Money in the fund may be deposited with the state authority  
7           to the credit of the fund or may be invested as provided by law. The following may be used  
8           to pay the administrative costs of the program:

9           A. No more than 10% of the money in the fund; and

10          B. Any earnings on money in the fund.

11          4. Accounts within fund. The state authority may divide money in the fund into  
12          separate accounts determined necessary or convenient for carrying out this subchapter.

13          5. Nonlapsing fund. The fund is a nonlapsing fund. All money in the fund must be  
14          continuously applied by the state authority to carry out this subchapter.

15          **§4770. Community Housing Production Program**

16          The Community Housing Production Program is established for the purpose of  
17          providing grants for the production of mixed-income rental housing.

18          1. Operation. The state authority shall administer the program. The program may be  
19          operated in conjunction with other programs of the state authority to achieve the purpose  
20          of this subchapter.

21          2. Uses of fund. Money in the fund may be used to meet the purposes of the program  
22          in the form of grants to developers incorporated as nonprofit organizations, housing  
23          cooperatives, municipalities or other public entities for the production of mixed-income  
24          rental housing for individuals with incomes up to 120% of the area median income as  
25          determined by the United States Department of Housing and Urban Development. The  
26          state authority may establish limits from time to time on the amount of grants to applicants  
27          to maintain a minimum balance in the fund.

28          3. Provisions governing grants. The program must be administered pursuant to this  
29          section and give priority to projects that commit to maintain housing affordable to  
30          individuals with low income as described in this subsection.

31          A. The state authority, by routine technical rules adopted in accordance with the Maine  
32          Administrative Procedure Act, shall establish criteria for the awarding of grants to  
33          qualified applicants.

34          B. Grants may be provided only when:

35                 (1) The percentage of units to be developed as part of a project that are affordable  
36                 to individuals with an income of 60% or less of the area median income as  
37                 determined by the United States Department of Housing and Urban Development  
38                 is 20% or more; and

39                 (2) The percentage of units to be developed as part of a project that are affordable  
40                 to individuals with an income of 30% or less of the area median income as  
41                 determined by the United States Department of Housing and Urban Development  
42                 is 10% or more.





# 131st MAINE LEGISLATURE

LD 1867

LR 1054(02)

## An Act to Establish the Community Housing and Rural Development Authority

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-751)

Committee: Housing

Fiscal Note Required: Yes

### Fiscal Note

|                                   | FY 2023-24 | FY 2024-25    | Projections<br>FY 2025-26 | Projections<br>FY 2026-27 |
|-----------------------------------|------------|---------------|---------------------------|---------------------------|
| <b>Net Cost (Savings)</b>         |            |               |                           |                           |
| General Fund                      | \$0        | \$100,000,000 | \$0                       | \$0                       |
| <b>Appropriations/Allocations</b> |            |               |                           |                           |
| General Fund                      | \$0        | \$100,000,000 | \$0                       | \$0                       |

#### Fiscal Detail and Notes

This bill includes one-time General Fund appropriations totaling \$100,000,000 in fiscal year 2024-25 to the Maine State Housing Authority (MSHA) to support the production of mixed income housing and existing home ownership assistance programs. Of that amount, \$75,000,000 is appropriated on a one-time basis to a newly established Community Housing Production Fund program for grants to non-profit developers, cooperatives and public entities for the production of mixed income housing and \$25,000,000 is appropriated on a one-time basis to the Housing Authority - State program to support existing home ownership assistance programs. According to MSHA, it will be able to implement the requirements of this legislation within existing budgeted resources and will not need to utilize a percentage of the monies in the Community Housing Production Fund program to support its administrative costs.