

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1867

H.P. 1197

House of Representatives, May 2, 2023

An Act to Establish the Community Housing and Rural Development Authority

Reference to the Committee on Innovation, Development, Economic Advancement and Business suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative LOOKNER of Portland.
Cosponsored by Senator VITELLI of Sagadahoc and
Representatives: BELL of Yarmouth, GATTINE of Westbrook, GOLEK of Harpswell,
JAUCH of Topsham, KESSLER of South Portland, MILLETT of Cape Elizabeth, RANA of
Bangor, SACHS of Freeport.

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

2 **Sec. 1. 1 MRSA §1008, sub-§5**, as enacted by IB 1995, c. 1, §6, is amended to
3 read:

4 **5. Maine Clean Election Act and Maine Clean Election Fund.** To administer and
5 ensure the effective implementation of the Maine Clean Election Act and the Maine Clean
6 Election Fund according to Title 21-A, chapter 14; ~~and~~

7 **Sec. 2. 1 MRSA §1008, sub-§6**, as amended by PL 2005, c. 301, §1, is further
8 amended to read:

9 **6. Enhanced monitoring.** To provide for enhanced monitoring and enforcement of
10 election practices and the electronic submission of reports and computerized tracking of
11 campaign, election and lobbying information under the commission's jurisdiction; and

12 **Sec. 3. 1 MRSA §1008, sub-§7** is enacted to read:

13 **7. Community Housing and Rural Development Authority.** To review any
14 economic interest statements provided by board members or employees of the Community
15 Housing and Rural Development Authority established under Title 30-A, chapter 204-A
16 and to submit comments on the economic interest statements to the board. The commission
17 shall adopt rules to implement this subsection. Rules adopted pursuant to this subsection
18 are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

19 **Sec. 4. 5 MRSA §1524** is enacted to read:

20 **§1524. Private use of state-owned real property; community housing development;**
21 **legislative approval required**

22 The sale or transfer of state-owned real property for private use requires the approval
23 of the Legislature. When the State considers selling or transferring state-owned real
24 property for private use, it shall conduct a feasibility study, including studying the housing
25 needs in the State, to consider whether the property should be sold or transferred to the
26 Community Housing and Rural Development Authority established under Title 30-A,
27 chapter 204-A. The State shall submit the feasibility study to the joint standing committee
28 of the Legislature having jurisdiction over housing matters.

29 **Sec. 5. 5 MRSA §12004-G, sub-§14-K** is enacted to read:

30 **14-K.**

31 <u>Housing</u>	<u>Community Housing and Rural</u>	<u>Compensation</u>	<u>30-A MRSA</u>
32	<u>Development Authority board</u>	<u>determined under</u>	<u>c. 204-A</u>
33		<u>30-A MRSA</u>	
34		<u>§5180 and</u>	
35		<u>Expenses</u>	

36 **Sec. 6. 30-A MRSA c. 204-A** is enacted to read:

37 **CHAPTER 204-A**

38 **COMMUNITY HOUSING AND RURAL DEVELOPMENT AUTHORITY**

1 SUBCHAPTER 1

2 AUTHORITY ESTABLISHED

3 **§5171. Definitions**

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

6 **1. Area median income.** "Area median income" means income adjusted for family
7 size that is determined using the federal standards generally accepted on October 15, 2023
8 and comparable to standards of the United States Department of Housing and Urban
9 Development in existence on October 15, 2023.

10 **2. Authority.** "Authority" means the Community Housing and Rural Development
11 Authority established in section 5172.

12 **3. Board.** "Board" means the board that governs the authority pursuant to section
13 5173.

14 **4. Community housing development.** "Community housing development" means a
15 building that is used by the authority for mixed-income, permanently affordable public
16 residential housing.

17 **5. Constituency.** "Constituency" means the Constituency of the Community Housing
18 and Rural Development Authority established in section 5191.

19 **6. Extremely low income.** "Extremely low income" means income that is less than
20 30% of the area median income.

21 **7. Fund.** "Fund" means the Revolving Community Housing Fund established in
22 section 5195.

23 **8. Low income.** "Low income" means income that is between 50% and 80% of the
24 area median income.

25 **9. Moderate income.** "Moderate income" means income that is between 80% and
26 120% of the area median income.

27 **10. Very low income.** "Very low income" means income that is between 30% and
28 50% of the area median income.

29 **§5172. Establishment; purposes**

30 The Community Housing and Rural Development Authority is established within the
31 Maine Redevelopment Land Bank Authority, as established in Title 5, section 12004-G,
32 subsection 7-G, for the purposes of developing, owning, leasing and maintaining
33 community housing developments in this State.

34 **§5173. Governance; board**

35 The authority is created as a body corporate and politic and a public instrumentality of
36 the State and is governed by the board in accordance with this subchapter.

37 **§5174. Board members; appointment**

1 **1. Appointments.** The board consists of members appointed in accordance with this
2 subsection.

3 A. The Governor shall appoint 3 members with expertise in public housing finance,
4 urban planning and nonprofit housing development.

5 B. The Maine State Housing Authority shall appoint:

6 (1) One member who has experienced housing insecurity;

7 (2) One member who has experienced forcible entry and detainer on financial
8 grounds;

9 (3) One member who is a member of a tenant's union;

10 (4) One member with extremely low income;

11 (5) Two members with very low income;

12 (6) Two members with low income;

13 (7) Two members with moderate income; and

14 (8) One member who is a leader from a community organization that provides
15 housing to marginalized communities.

16 This paragraph is repealed July 1, 2027.

17 C. The constituency shall appoint 7 members who are tenants of a community housing
18 development.

19 This paragraph takes effect July 2, 2027.

20 D. The board shall appoint one member following a public call for self-nominations.

21 This paragraph takes effect July 2, 2027.

22 E. The Maine Labor Relations Board, as established in Title 5, section 12004-B,
23 subsection 2, shall appoint one member of a labor union.

24 F. The Efficiency Maine Trust Board, as established in Title 5, section 12004-G,
25 subsection 10-C, shall appoint one member with expertise in energy-efficient housing
26 development.

27 **§5175. Terms; vacancies; removal**

28 Board members serve 4-year terms. Board members serve until their successors are
29 appointed and take office. Vacancies must be filled in the same manner as the original
30 appointments, except that any person appointed to fill a vacancy serves for the remainder
31 of the unexpired term of the vacancy. Board members may not serve for more than 8
32 consecutive years on the board. The Governor may remove a board member upon a
33 showing that the board member had unexcused absences from 3 or more consecutive
34 meetings or 2/3 of the scheduled meetings in a 6-month period.

35 **§5176. Chairs; officers**

36 The board shall elect a chair, a vice-chair, a secretary and a treasurer from among the
37 board members. Each officer serves a one-year term in that office and is eligible for
38 reelection.

39 **§5177. Meetings; quorum**

1 The board shall meet at least once per month and at other times at the call of the chair.
2 The board shall review balance sheets and monthly statements of income and expenses that
3 compare budgeted expenditures to actual expenditures. A majority of the board constitutes
4 a quorum. Meetings of the board are public proceedings as provided by Title 1, chapter
5 13, subchapter 1.

6 **§5178. Election of subcommittees**

7 The board may elect subcommittees of no fewer than 3 members and no more than 6
8 members, which, between meetings of the board, may transact business of the board as the
9 board authorizes.

10 **§5179. Bylaws**

11 The board shall adopt bylaws for the governance of its affairs consistent with this
12 chapter.

13 **§5180. Compensation**

14 The authority shall pay board members representing tenants, community organizations
15 and union interests for the members' time conducting board business. The board may
16 decide to pay other board members for their time.

17 **§5181. Powers and duties; restrictions**

18 **1. Powers and duties.** The authority shall:

19 A. Except as provided in subsection 2, possess all of the powers a corporation has under
20 Title 13;

21 B. Develop, own, lease and maintain community housing developments, in accordance
22 with the requirements of section 5182, that serve a mix of household income ranges,
23 including households with extremely low income, very low income, low income and
24 moderate income, and a mix of household sizes;

25 C. Manage any source of funds, including local, state, federal or private funds, or real
26 property;

27 D. Request of the State that any real property that is unused, underused or surplus be
28 made available to the authority for a community housing development;

29 E. Propose amendments to the laws governing the authority to the Legislature;

30 F. Report no later than January 1st annually to the joint standing committee of the
31 Legislature having jurisdiction over housing matters on the activities of the authority;

32 G. Explore unit ownership options for tenants;

33 H. Hire employees;

34 I. Issue bonds and capitalize the fund; and

35 J. Perform other functions necessary or useful for carrying out any of its powers or
36 duties.

37 **2. Restrictions.** Notwithstanding any provision of this chapter to the contrary, the
38 authority may not:

39 A. Issue shares of stock or pay dividends;

- 1 B. Make loans;
- 2 C. Merge with another entity; or
- 3 D. Transfer a community housing development to another entity unless the
- 4 development continues to be subject to the requirements in section 5182.

5 **§5182. Requirements for community housing developments**

6 This section governs the requirements for a community housing development.

7 **1. Ownership requirements.** A community housing development:

- 8 A. Must be owned by a majority ownership interest by the authority;
- 9 B. Must be protected from being sold or transferred to a private entity or a public-
- 10 private partnership; and
- 11 C. May be purchased by the tenants of the community housing development on a
- 12 cooperative basis when the community housing development is paid off and there is
- 13 unanimous agreement between the authority and the governance council of the
- 14 development formed pursuant to section 5192. For purposes of this paragraph,
- 15 "cooperative basis" has the same meaning as in Title 13, section 1501, subsection 2.

16 **2. Community housing development requirements.** The authority shall require that

17 a community housing development meet the energy efficiency and labor standards for

18 projects funded by the Maine State Housing Authority.

19 **§5183. Audit**

20 The authority shall submit to an audit by the State Auditor at any time the State Auditor

21 determines is necessary to ensure that the purposes of the authority are reasonably

22 accomplished and to correct a deficiency. The authority shall make available for

23 examination by the State Auditor all of its financial records. The State Auditor may not

24 supervise the daily operations of the authority. The board may engage an independent

25 auditor as it determines necessary.

26 **§5184. Dissolution**

27 The authority shall adopt rules regarding its dissolution.

28 **§5185. Liability**

29 **1. Insurance.** The authority shall maintain liability insurance in an amount sufficient

30 to cover potential claims for bodily injuries, death, disabilities or property damage related

31 to its projects and activities. The authority shall maintain liability insurance in an amount

32 determined by the board to be adequate to protect board members and employees of the

33 authority.

34 **2. Bond.** All members of the board and any employees of the authority with the

35 responsibility of handling finances of the authority must be bonded in an amount

36 determined by the board to be adequate. The authority shall pay for the premiums for the

37 bond. The authority shall identify these members or employees and the amounts of their

38 bonds in its annual report required pursuant to section 5181, subsection 1, paragraph F.

39 **3. Limitation.** A person does not have any right of action against the State relating to

40 the activities of the authority. All liabilities must be satisfied from the assets and properties

41 of the authority.

