The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court (2021-2022)

SENATE, February 22, 2022.

The committee on State Administration and Regulatory Oversight, to whom was referred the petition (accompanied by bill, Senate, No. 2014) of Harriette L. Chandler, Tommy Vitolo, Kay Khan, Lindsay N. Sabadosa and others for legislation to spark the modernization of state heating systems, reports the accompanying bill (Senate, No. 2708).

For the committee, Marc R. Pacheco

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An Act building environmental justice and energy efficiency with jobs.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 SECTION 1. As used in this act, the following words shall, unless the context clearly
- 2 requires otherwise, have the following meanings:
- 3 "Cumulative adjusted gross household income", the cumulative adjusted gross income of
- 4 every person in a single household, as reflected on federal income tax returns of the most recent
- 5 year.
- 6 "EJSCREEN", the environmental justice mapping tool, developed by the United States
- 7 Environmental Protection Agency.
- 8 "Environmental justice population", a neighborhood that meets 1 or more of the
- 9 following criteria: (i) the annual median household income is not more than 65 per cent of the
- statewide annual median household income; (ii) minorities comprise 40 per cent or more of the
- population; (iii) 25 per cent or more of households lack English language proficiency; or (iv)
- minorities comprise 25 per cent or more of the population and the annual median household
- income of the municipality in which the neighborhood is located does not exceed 150 per cent of

the statewide annual median household income; provided, however, that for a neighborhood that does not meet said criteria, but a geographic portion of that neighborhood meets at least 1 criterion, the secretary may designate that geographic portion as an environmental justice population upon the petition of at least 10 residents of the geographic portion of that neighborhood meeting any such criteria; provided further, that the secretary may determine that a neighborhood, including any geographic portion thereof, shall not be designated an environmental justice population upon finding that: (A) the annual median household income of that neighborhood is greater than 125 per cent of the statewide median household income; (B) a majority of persons age 25 and older in that neighborhood have a college education; (C) the neighborhood does not bear an unfair burden of environmental pollution; and (D) the neighborhood has more than limited access to natural resources, including open spaces and water resources, playgrounds and other constructed outdoor recreational facilities and venues.

"Gut rehabilitation", the general replacement of the interior of a building that is sufficiently extensive, in the judgment of the Undersecretary of the Department of Housing and Community Development, it is appropriate to reconstruct portions of the building to make it more accessible to people with physical disabilities.

"Home", a unit of housing that is either a single family housing unit or a housing unit within a multifamily housing complex.

"Housing emissions audit", an inspection designed to determine (1) whether there are preexisting environmental hazards in a single family housing unit or multifamily housing complex; (2) if there are preexisting environmental hazards, how much it would cost to complete a preexisting environmental hazard remediation project on that housing unit; (3) the specific

renovations, additions, installations, and modifications that would have to be made in order to complete a housing emissions renovation on the housing unit; and (4) how much that housing emissions renovation would cost.

"Housing emissions renovation", a renovation of a single family housing unit or multifamily housing complex designed to reduce housing-related greenhouse gas emissions, including, but not limited to, improving heat insulation, electrifying the heating system, installing solar panels or other forms of distributed generation, and installing energy efficient appliances.

"Housing-related emissions", greenhouse gas emissions caused by (1) heating a housing unit; or (2) supplying electricity to a housing unit.

"Multifamily housing complex", a building, or connected series of buildings, owned by the same owner, with multiple separate housing units.

"Preexisting environmental hazard remediation project", a project to remove a preexisting environmental hazard from a single family housing unit or multifamily housing complex such that the building in question can receive a housing emissions renovation without endangering the building's occupants.

"Preexisting environmental hazard", a state or condition of a single family housing unit or multifamily housing complex that would render a housing emissions renovation unsafe, including, but not limited to, by (1) exposing the occupants of the building to asbestos, vermiculite, animal feces, or any other dangerous substance contained in the building; or (2) compromising the structural integrity of the building.

- "Project Labor Agreement", a pre-negotiated, pre-hire collective bargaining agreement
- 57 which governs all working conditions and standards related to employment on a specific project.
- 58 "Secretary", the Secretary of the Executive Office of Energy and Environmental Affairs.
- 59 "Single family housing unit", a single family residence.
- "Task Force", the Building Justice with Jobs Task Force.

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- "Undersecretary", the Undersecretary of the Department of Housing and Community
 Development.
- SECTION 2. (a) The General Court hereby establishes the Building Justice with Jobs
 Task Force.
 - (b) The purpose of the Building Justice with Jobs Task Force is to develop the Building Justice with Jobs Plan, using the processes and requirements described in section 3.
- 67 (c) The Building Justice with Jobs Task Force shall be composed of twelve members: (1) 68 the Undersecretary of the Department of Housing and Community Development, or a designee; 69 (2) the Commissioner of the Department of Energy Resources, or a designee; (3) one individual 70 chosen by the Low Income Energy Affordability Network; (4) one individual chosen by the 71 Income-Eligible Best Practices Committee of the Massachusetts Energy Efficiency Advisory 72 Council; (5) one individual chosen by the Massachusetts Housing Finance Agency; (6) one 73 individual chosen by the Greater Boston Labor Council; (7) one individual, appointed by the 74 Governor, from a nonprofit organization with expertise in community organizing, affordable 75 housing issues, and labor issues; (8) one individual, appointed by the Governor, from a nonprofit 76 organization with expertise in housing displacement prevention and tenant rights; (9) one

individual, appointed by the Governor, from a nonprofit organization with expertise in urban environmental issues and public health; (10) one individual, appointed by the Governor, from a nonprofit organization with expertise in rural environmental issues and public health (11) one individual, appointed by the Governor, from a nonprofit organization with expertise in environmental justice; (12) one individual, appointed by the Governor, from a nonprofit organization with expertise in issues related to building accessibility for people with disabilities.

- (d) The Undersecretary of the Department of Housing and Community Development, or their designee, shall serve as the chairperson of the Task Force.
- (e) The Commissioner of the Department of Energy Resources, or their designee, shall serve as the vice-chairperson of the Task Force.
- (f) The Task Force shall make decisions according to a majority voting procedure in which all twelve members may cast a single vote. In the case of a tie vote, the chairperson of the Task Force shall be empowered to break the tie by casting a deciding vote.
- (g) A full and complete transcript of each meeting of the Task Force shall be made publicly available.
- SECTION 3. (a) Immediately after the enactment of this section, the Task Force shall begin developing the Building Justice with Jobs Plan. The Building Justice with Jobs Plan shall be finalized and published no later than 6 months after the enactment of this section.
- (b) The Building Justice with Jobs Plan must achieve the following emissions reductions goals: (1) reduce annual statewide housing-related emissions by 50% by 2030, compared to

statewide housing-related emissions in 2019; and (2) completely eliminate statewide housing-related emissions by 2040.

- (c) The Building Justice with Jobs Plan must ensure that no fewer than 1,000,000 homes in Massachusetts receive housing emissions renovations that are performed, required, or subsidized by the Massachusetts state government in the 10 years immediately following the enactment of this section.
- (d) The Building Justice with Jobs Plan may achieve the goals set forth in this section by expanding and amending existing state programs, or by creating new programs, or some combination of those two possibilities. The Building Justice with Jobs Plan must be designed to coincide efficiently and effectively with other governmental and non-governmental programs to reduce housing-related emissions, avoiding duplicative work whenever feasible.
- (e) The Building Justice with Jobs Plan must include a detailed description of (1) the renovations, installations, and retrofits that different types of homes may be eligible to receive as part of a housing emissions renovation, including, but not limited to, heat insulation renovations, heating system electrification, distributed generation installation, and energy efficient appliance installation; (2) the system used to determine which homes will receive housing emissions renovations; (3) the order in which those homes will receive housing emissions renovations; (4) the labor standards which will apply to workers involved in completing housing emissions renovations, provided such labor standards are consistent with Section 7; (5) a detailed, comprehensive program for how to train new workers to complete housing emissions audits, environmental hazard remediation projects, and housing emissions renovations, in order to eliminate the labor shortages in the relevant professions as quickly as possible; (6) how the

Building Justice with Jobs Plan will meet the emissions reduction goals outlined in subsection (b) of this section; and (7) how the Building Justice with Jobs Plan will meet the requirement set forth in subsection (c) of this section.

- (f) The Building Justice with Jobs Plan must, at all times, prioritize retrofitting homes located in Census Tracts with a lower median household income than the statewide median household income, over homes located in Census Tracts with a median household income that is equal to or greater than the statewide median household income. The Building Justice with Jobs Plan must specify how many homes located in Census Tracts with a lower median household income than the statewide median household income will receive housing emissions renovations during each year of the program.
- (g) The Building Justice with Jobs Plan must, at all times, prioritize retrofitting homes located within environmental justice populations over homes that are not located within environmental justice populations. The Building Justice with Jobs Plan must specify how many homes in environmental justice populations will receive housing emissions renovations during each year of the program.
- (h) The Building Justice with Jobs Plan shall include a detailed program for advertising the availability of housing emissions audits, preexisting environmental hazard remediation projects, and housing emissions renovations and jobs to complete those audits, projects, and renovations. This program shall focus on environmental justice populations and Census Tracts with a median household income that is below the statewide median household income.
- (i) The Building Justice with Jobs Plan shall include programs and rules designed to make residential buildings accessible for persons with physical disabilities when those buildings

are undergoing a gut rehabilitation as part of a preexisting environmental hazard remediation project, or a housing emissions renovation, or both.

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- (i) The Building Justice with Jobs Plan shall include instructions to the appropriate administrative agencies to adopt regulations mandating minimum energy efficiency, energy performance, or related energy standards for rental properties where the tenants pay for electric or gas utility service or deliverable heating fuels, including but not limited to (1) specifying the minimum required energy standards for windows and for wall and attic insulation, such as minimum R-value standards; (2) ensuring that windows and doors are weather tight; (3) specifying the minimum required energy standards for heating and hot water systems; (4) ensuring that energy losses are reduced through energy efficiency measures including, but not limited to, air sealing of window sills and ducts; and (5) such other energy standards as the Task Force deems appropriate to increase tenant comfort, health and safety, and to increase energy efficiency. The Task Force may vary these energy standards by building size, age, type of construction, and other characteristics, as it deems appropriate. These regulations shall apply and be enforceable as soon as is feasible. To the extent that a rental property owner accesses all available subsidies and financial incentives available under the Building Justice with Jobs Plan, the owner shall not be required to expend more than \$5,000 per year to comply with these energy standards, and shall be excused from further compliance during that year if the \$5,000 expenditure cap is reached.
- (k) The Building Justice with Jobs Plan shall include a system for determining the subsidies and financial incentives available for the owners and tenants of multifamily housing complexes in which some of the tenants qualify for the subsidies and financial incentives described in Section 6, and some of the tenants do not qualify for those subsidies or financial

incentives. The system developed by the Task Force shall, to the greatest extent feasible, maximize benefits to tenants who are eligible for subsidies or financial incentives described in Section 6.

- (1) The Task Force shall continue meeting after the Building Justice with Jobs Plan is completed, in order to monitor the implementation of the Building Justice with Jobs Plan. The Task Force may revise the Building Justice with Jobs Plan when, in the judgment of the chairperson, such revisions are appropriate.
- (m) The Task Force shall allow for a period of no less than 30 days in which the public may submit written comments on various parts of the Building Justice with Jobs Plan. The Task Force shall revise the Building Justice with Jobs Plan based on those comments, as the Task Force deems appropriate.
- SECTION 4. (a) If the Building Justice with Jobs Plan creates new state programs to complete housing emissions audits, preexisting environmental hazard remediation projects, and housing emissions renovations, the Building Justice with Jobs Plan shall vest the responsibility and authority to implement and oversee those programs with the Department of Housing and Community Development. The Building Justice with Jobs Plan may vest the responsibility and authority to implement and oversee new state programs in a different administrative agency if the chairperson determines that doing so would be appropriate.
- (b) All administrative agencies, including, but not limited to, the Department of Housing and Community Development, shall be required to comply with any and all relevant instructions and requirements within the Building Justice with Jobs Plan.

(c) The Department of Housing and Community Development shall develop programs and regulations to protect tenants of homes or buildings which received either a preexisting environmental hazard remediation project, or a housing emissions renovation, or both. These regulations shall include, but shall not be limited to, a regulation ensuring that the rental fee for a home or building which received either a preexisting environmental hazard remediation project, or a housing emissions renovation, or both, shall not be increased for a period of at least 6 months and no more than 7 years. The precise time period shall be based upon the cost and complexity of the preexisting environmental hazard remediation project or the housing emissions renovation applied to the home or building which the tenant is renting.

SECTION 5. (a) No single family housing unit or multifamily housing complex may receive a housing emissions renovation without first receiving a housing emissions audit. The Department of Housing and Community Development shall have the authority to create exemptions for this requirement when such exemptions are appropriate, in the judgment of the Undersecretary.

- (b) No single family housing unit or multifamily housing complex which has a preexisting environmental hazard, as determined by a housing emissions audit, may receive a housing emissions renovation without first receiving a preexisting environmental hazard remediation project.
- SECTION 6. (a) When providing a housing emissions renovation for a home located within an environmental justice population, the Department of Housing and Community Development shall finance the complete cost of (1) the housing emissions audit; (2) all

preexisting environmental hazard remediation projects, if there are one or more preexisting environmental hazards; and (3) the housing emissions renovation.

- (b) When providing a housing emissions renovation for a home that is not located within an environmental justice population but is located within a census tract with a median household income that is lower than the statewide median household income, the Department of Housing and Community Development shall (1) pay the entire cost of the housing emissions audit; (2) pay the entire cost of all preexisting environmental hazard remediation projects, if there are one or more preexisting environmental hazards; and (3) offer a financial subsidy for half of the cost of the housing emissions renovation, and offer a 10-year, zero-interest loan sufficient to finance half of the cost of the housing emissions renovation.
- (c) When providing a housing emissions renovation for a home that is owned or leased by a household with exactly 1 member which has a cumulative gross adjusted household income that is below 40% of the statewide median household income, the Department of Housing and Community Development shall finance the complete cost of (1) the housing emissions audit; (2) all environmental hazard remediation projects, if there are one or more preexisting environmental hazards; and (3) the housing emissions renovation.
- (d) When providing a housing emissions renovation for a home that is owned or leased by a household with exactly 2 members which has a cumulative gross adjusted household income that is below 60% of the statewide median household income, the Department of Housing and Community Development shall finance the complete cost of (1) the housing emissions audit; (2) all environmental hazard remediation projects, if there are one or more preexisting environmental hazards; and (3) the housing emissions renovation.

(e) When providing a housing emissions renovation for a home that is owned or leased by a household with 3 or more members which has a cumulative gross adjusted household income that is below 70% of the statewide median household income, the Department of Housing and Community Development shall finance the complete cost of (1) the housing emissions audit; (2) all environmental hazard remediation projects, if there are one or more preexisting environmental hazards; and (3) the housing emissions renovation.

(f) The Department of Housing and Community Development may offer additional financial incentives and subsidies for housing emissions audits, environmental hazard remediation projects, and housing emissions renovations, when appropriate.

SECTION 7. (a) In every case in which a housing emissions renovation is performed using funds that are derived, in whole or in part, from either the Department of Housing and Community Development, the Massachusetts General Court, or any other body of the Massachusetts state government, the corporation, firm, partnership, agency, organization, or other body performing the housing emissions renovation shall enter into a Project Labor Agreement with the appropriate labor organization or labor organizations before beginning any renovations. These Project Labor Agreements must include (1) a mutually agreeable, lawful, and uniform grievance and arbitration procedure for the resolution of work-related disputes involving housing emissions renovations; (2) mutually agreeable, lawful work rules, working conditions, and working schedules for housing emissions renovations; (3) mutually agreeable, lawful terms regarding the benefits provided for workers working on housing emissions renovations; (4) mutually agreeable, lawful terms regarding the use of apprenticeship programs and preapprenticeship programs on housing emissions renovations; (5) mutually agreeable, lawful goals or requirements to promote workforce diversity for housing emissions renovations.

including, but not limited to, with regard to race and gender; and (6) mutually agreeable, lawful goals or requirements to hire local residents who live near the work site for housing emissions renovations. The terms of each Project Labor Agreement shall be made publicly available on the website of the Department of Housing and Community Development.

- (b) The Department of Housing and Community Development shall ensure that all workers involved in performing housing emissions renovations shall receive health insurance; dental insurance; workers' compensation insurance; at least 1 paid sick day off of work for every 20 days in which they work more than 5 hours; at least 1 cumulative hour of paid break time every day, for each day in which they work at least 5 hours; and at least 14 days of paid vacation time each year. These requirements shall apply to all workers involved in performing housing emissions renovations, including employees, contractors, and subcontractors.
- (c) The Department of Housing and Community Development shall ensure that all workers involved in performing housing emissions renovations shall receive an hourly wage that is not less than the product of 0.0005 multiplied by 115 percent of the statewide per capita income, as calculated by the US Census Bureau. These requirements shall apply to all workers involved in performing housing emissions renovations, including employees, contractors, and subcontractors.
- (d) When hiring employees, hiring contractors, awarding contracts, designing Project

 Labor Agreements, promulgating rules and regulations, and enforcing rules and regulations, the

 Department of Housing and Community Development shall maximize, to the greatest extent

 feasible, lawful, and appropriate, racial and gender equity within the hiring and promotion

 processes.

(e) Contractors, subcontractors, firms, corporations, partnerships, and all other entities performing housing emissions renovations which are funded, in whole or in part, by the Department of Housing and Community Development or by the General Court of Massachusetts, shall, at all times, promote workforce diversity among their employees, to the greatest extent feasible, lawful and appropriate, including with regard to race and gender. If the Undersecretary of the Department of Housing and Community Development determines that a contractor, subcontractor, firm, corporation, partnership, or other entity is not making good faith efforts to promote and achieve workforce diversity, the Undersecretary must prohibit that entity from receiving funding from the Department of Housing and Community Development to complete housing emissions audits, preexisting environmental hazard remediation projects, or housing emissions renovations.

SECTION 8. (a) No later than one year after the enactment of this section, the

Department of Housing and Community Development shall complete an audit of (1) all of the
affordable housing units under the jurisdiction of the Department of Housing and Community

Development; and (2) all of the affordable housing units that are overseen by the Department of
Housing and Community Development.

The purposes of this housing audit shall be to (1) assess the condition of affordable housing units under the jurisdiction of, or overseen by, the Department of Housing and Community Development; (2) determine how those affordable housing units could be improved through housing emissions renovations and preexisting environmental hazard remediation projects; and (3) to make recommendations to the Energy Efficiency Advisory Council regarding how to increase participation among affordable housing residents in energy efficiency programs.

SECTION 9. (a) No later than the sixtieth day of each fiscal quarter of the state of Massachusetts, the Task Force shall publish a detailed report documenting all of the expenditures made by any administrative agency or other government institution in furtherance of the Building Justice with Jobs Plan. This report shall include a detailed description of (1) the number of homes or buildings that received preexisting environmental hazard remediation projects in the previous fiscal quarter; (2) the number of homes or buildings that received housing emissions renovations in the previous fiscal quarter; (3) how much each preexisting environmental hazard remediation project and each housing emissions renovation cost in the previous fiscal quarter; (4) the number of new workers who were trained, in the previous fiscal quarter, to address labor shortages in professions needed for completing preexisting environmental hazard remediation projects or housing emissions renovations; and (5) the kinds of training programs those workers went through in the previous fiscal quarter.

(b) No later than the thirtieth day of each fiscal quarter of the state of Massachusetts, the Task Force shall publish projections for (1) how many preexisting environmental hazard remediation projects will be completed in the current quarter; (2) how many housing emissions renovations will be completed in the current quarter; and (3) how many new workers will be trained in the current quarter in professions needed for completing preexisting environmental hazard remediation projects or housing emissions renovations.

SECTION 10. (a) Subject to appropriation, there shall be established at the Massachusetts Clean Energy Technology Center a program to fund the Building Justice with Jobs Plan. The Massachusetts Clean Energy Technology Center shall conduct a study to (1) determine the quantity of money required to fully fund the Building Justice with Jobs Plan; and (2) identify potential sources of funding for the Building Justice with Jobs Plan including, but not limited to,

federal funding and financial savings from increased energy efficiency. Pursuant to the findings of this study and subject to funding availability, the Massachusetts Clean Energy Technology Center shall establish programs and entities designed to provide funding for the Building Justice with Jobs Plan. These programs and entities may include, but are not limited to, (1) a "Green Bank" to provide capital investments for the Building Justice with Jobs Plan, and (2) a program designed to use financial savings derived from increased energy efficiency to finance the Building Justice with Jobs Plan.

- (b) In order to establish or implement programs designed to finance the Building Justice with Jobs Plan, the Department of Housing and Community Development, the Executive Office of Energy and Environmental Affairs, and the Massachusetts Clean Energy Technology Center may enter contracts or partner with outside entities, including, but not limited to, green banks and climate banks.
- (c) Notwithstanding any general or special law, the Department of Housing and Community Development, the Executive Office of Energy and Environmental Affairs, and the Massachusetts Clean Energy Technology Center are authorized and required to seek out federal funding from any reasonable available source to fund the Building Justice with Jobs Plan, including but not limited to, any federal infrastructure funding and any federal housing funding.
- (d) The Task Force shall make all reasonable efforts to design the Building Justice with Jobs Plan in such a way as to maximize the availability of federal funding for the implementation of the plan.
- SECTION 11. (a) If any provision of this chapter is held invalid, the remainder of this chapter shall not be affected thereby.

(b) If the application of any provision of this chapter to any person or circumstance is held invalid, the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 12. Any undertaking by a Federal, State, County, Municipal, or quasi-Governmental public agency for the planning, acquisition, design, construction, demolition, installation, repair or maintenance of a structure shall comply with the requirement of the specialized stretch energy code, as defined by Section 31 of Chapter 8 of the Acts of 2021.

SECTION 13. Section 6 of said chapter 25A of the General Laws, as so appearing, is hereby amended by inserting, after subsection 14, the following subsection:-

(15) develop and incorporate into the state building code, in consultation with the board of building regulations and standards, requirements for preparing a structure for the future installation of electric appliances or equipment sufficient to replace appliances or equipment that consume fuel oil or fuel gas where doing so is likely to avoid costly future retrofits, preparing the building for future potential installation of solar panels where doing so is likely to avoid costly retrofits, and preparing the building for future installation of electric vehicle charging infrastructure where doing so is likely to avoid costly retrofits; and ensuring that the on-site electrical infrastructure including but not limited to circuit breakers and electrical infrastructure providing power to the building can accommodate future installation of electric appliances, solar panels, and electric vehicle charging infrastructure where doing so is likely to avoid costly retrofits.