

SENATE No. 2175

The Commonwealth of Massachusetts

PRESENTED BY:

Marc R. Pacheco

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to empower residential housing property upgrades, homeowner savings, and a robust workforce.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Marc R. Pacheco</i>	<i>Third Bristol and Plymouth</i>	
<i>Carol A. Doherty</i>	<i>3rd Bristol</i>	<i>3/27/2023</i>

SENATE No. 2175

By Mr. Pacheco, a petition (accompanied by bill, Senate, No. 2175) of Marc R. Pacheco for legislation to empower residential housing property upgrades, homeowner savings, and a robust workforce. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act to empower residential housing property upgrades, homeowner savings, and a robust workforce.

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
10 statewide annual median household income; (ii) minorities comprise 40 per cent or more of the
11 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, air sealing, upgraded windows, doors, and cladding systems, electrifying the heating system, installing solar panels or other forms of distributed generation, and replacing fossil fuel burning appliances for heating, hot water, and cooking with 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”, preexisting barriers that render a housing emissions renovation hazardous to the health and safety of the residents, or would require repair to allow the housing emissions renovations to proceed safely and effectively. These barriers include, but

are not limited to, presence of dangerous mold, infestations, or other conditions that would be made more hazardous by the housing emission renovations; inadequate wiring systems unable to support electrification, and inadequate structural integrity that would compromise the effectiveness and or safety of the housing emission renovations.

“Secretary”, the Secretary of the Executive Office of Energy and Environmental Affairs.

“Single family housing unit”, a single-family residence.

“Task Force”, the Buidi.

“Undersecretary”, the Undersecretary of the Department of Housing and Community Development.

SECTION 2. (a) The Massachusetts Clean Energy Technology Center shall establish a Residential Energy Efficiency and Electrification Initiative.

(b) The purpose of the Residential Energy Efficiency and Electrification Task Force is to develop the Efficiency & Electrification Plan, using the processes and requirements described in section 3.

(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 fifteen 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) The Residential Energy Efficiency and Electrification Initiative must ensure that no fewer than 1,000,000 homes in districts served by investor-owned utilities and municipal lighting plants 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.

() The Residential Energy Efficiency and Electrification Initiative 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 Residential Energy Efficiency and Electrification Initiative Plan must be designed to coincide efficiently and effectively with other governmental and non-governmental programs, including Mass Save and Municipal Lighting Plant programs, to reduce housing-related emissions, avoiding duplicative work whenever feasible.

(f) The Residential Energy Efficiency and Electrification Initiative Plan shall prioritize the retrofitting of homes located in census tracts with a lower median income than the statewide median income through the higher incentives available to income-qualified residents and through special marketing campaigns that work with and utilize the expertise of community-based organizations with membership in these census tracts. The Residential Energy Efficiency and

Electrification Initiative Plan shall include a plan to offer appropriate housing emission renovation plans to every building in these priority census tracts during the 10-year course of the plan, and shall report annually on the number of emission renovation plans offered and the number of plans implemented in whole or in part.

(g) The Residential Energy Efficiency and Electrification Initiative shall, at all times, prioritize retrofitting homes located within environmental justice populations over homes that are not located within environmental justice populations.

(h) The Residential Energy Efficiency and Electrification Initiative shall include recommendations 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;

(i) The Residential Energy Efficiency and Electrification Initiative 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 Residential Energy Efficiency and

Electrification Initiative shall, to the greatest extent feasible, maximize benefits to tenants who are eligible for subsidies or financial incentives described in Section 6.

SECTION 4. (a) If the Residential Energy Efficiency and Electrification Initiative creates new state programs to complete housing emissions audits, preexisting environmental hazard remediation projects, and housing emissions renovations, the Residential Energy Efficiency and Electrification Initiative shall vest the responsibility and authority to implement and oversee those programs with the Department of Housing and Community Development.

(b) 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, 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) 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 8. (a) The comptroller shall, on January 1, 2023, transfer \$1,000,000,000 from the federal COVID-19 response fund established in section 2JJJJ of chapter 29 of the General Laws to the Clean Energy Investment Fund.

(b) Through the Clean Energy Investment Fund, the center shall make expenditures pursuant to the following criteria: (1) not less than \$350,000,000 shall be allocated for the purposes of funding energy efficiency initiatives designed to reduce greenhouse gas emissions associated with providing heat and electricity to structures in the built environment through implementation measures including, but not limited to, energy efficiency retrofits and electric heat conversion in residential buildings in furtherance of the Residential Energy Efficiency and Electrification Initiative, (2) not less than \$250,000,000 shall be allocated for the purposes of establishing a financial institution or mechanism including, but not limited to, a “green bank” responsible for facilitating clean energy investments including, but not limited to, energy saving performance contracts, on-bill financing, and loan-loss reserves, and (3) not less than \$150,000,000 for supporting clean energy infrastructure including, but not limited to, port infrastructure and development related to supporting the clean energy industry in the commonwealth.

(C) The remainder of the resources transferred to the Clean Energy Investment Fund from section 2JJJJ of chapter 29 of the General Laws may be utilized for the following purposes: (1) advancing clean energy research and technologies to commonwealth-based investors, entrepreneurs and institutions that are involved in the clean energy industry; (2) providing workforce development and technical training programs for public higher education and vocational-technical education institutions; (3) developing a regional strategy for regional employment boards to support the development of the clean energy industry; provided, however, that regional employment boards shall publish their findings as an addendum to their workforce development blueprints; (4) matching funds to secure future federal funding to support the clean energy industry and clean energy research in the commonwealth; (5) supporting research and development in the clean energy industry, including, but not limited to, the interrelationship between clean energy infrastructure and existing natural habitats, ecosystems and dependent species; (6) supporting improved outcomes from the development of clean energy resources; (7) supporting the long-term coexistence and sustainability of the fishing and clean energy industries; and (8) providing for the necessary and reasonable administrative and personnel costs of the center or of the executive office of energy and environmental affairs related to administering the fund.

(d) The center shall, in furtherance of the Residential Energy Efficiency and Electrification Initiative and the establishment of decarbonization initiatives designed to reduce greenhouse gas emissions, have the explicit authority to solicit private and nonprofit investments to supplement the Clean Energy Investment Fund and initiatives established pursuant to the Clean Energy Investment Fund including, but not limited to, loan loss reserve and energy savings performance contracts. In furtherance of the Residential Energy Efficiency and Electrification

Initiative or the establishment of initiatives designed to reduce greenhouse gas emissions, the Department of Housing and Community Development, the Executive Office of Energy and Environmental Affairs, and the Massachusetts Clean Energy Technology Center shall also have the authority to enter contracts or partner with outside entities, including, but not limited to, green banks and climate banks initiated by the center.

(e) 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 shall seek out federal funding from any reasonable available source to supplement the Clean Energy Investment Fund in furtherance of the Residential Energy Efficiency and Electrification Initiative, including but not limited to, any infrastructure funding, housing funding, tax credits, and loan programs.

(f) Residential Energy Efficiency and Electrification Initiative shall maximize the availability of federal funding.

SECTION 11. 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

248 electrical infrastructure including but not limited to circuit breakers and electrical infrastructure
249 providing power to the building can accommodate future installation of electric appliances, solar
250 panels, and electric vehicle charging infrastructure where doing so is likely to avoid costly
251 retrofits.