

SENATE No. 1777

The Commonwealth of Massachusetts

PRESENTED BY:

Brendan P. Crighton

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 relative to neighborhood stabilization and economic development.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Brendan P. Crighton</i>	<i>Third Essex</i>	
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>2/8/2023</i>
<i>John C. Velis</i>	<i>Hampden and Hampshire</i>	<i>11/13/2023</i>

SENATE No. 1777

By Mr. Crighton, a petition (accompanied by bill, Senate, No. 1777) of Brendan P. Crighton and Sal N. DiDomenico for legislation relative to neighborhood stabilization and economic development. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1831 OF 2021-2022.]

The Commonwealth of Massachusetts

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

An Act relative to neighborhood stabilization and economic development.

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. Paragraph (5) of subsection (q) of section 6 of chapter 62 of the General
2 Laws, as appearing in the 2020 Official Edition, is hereby amended by striking out, in lines 898
3 and 904, the figures “\$10,000,000” and inserting in place thereof the figures “\$30,000,000”.

4 SECTION 2. Subsection (5) of section 38BB of chapter 63 of the General Laws, as so
5 appearing, is hereby amended by striking out, in lines 44 and 50, the figures “\$10,000,000” and
6 inserting in place thereof the figures “\$30,000,000”.

7 SECTION 3. Section 3 of chapter 70B of the General Laws, as so appearing, is hereby
8 amended by inserting after the colon, in line 21, the following words:—“neighborhood
9 stabilization,”.

10 SECTION 4. Section 1 of chapter 121A of the General Laws, as so appearing, is hereby
11 amended by replacing the definitions of “decadent area”, “sub-standard area”, and “project” with
12 the below definitions of those terms, and inserting the following additional definitions after the
13 definition of “project”-

14 “Decadent area”, an area, including a spot rehabilitation property, which is detrimental to
15 safety, health, morals, welfare or sound growth of a community because of the existence of a
16 building or buildings which are out of repair, physically deteriorated, unfit for human habitation,
17 or obsolete, or in need of major maintenance or repair, or because much of the real estate in
18 recent years has been sold or taken for non-payment of taxes or upon foreclosure of mortgages,
19 or because a building or buildings have been torn down and not replaced and in which under
20 existing conditions it is improbable that the building or buildings will be replaced, or because of
21 a substantial change in business or economic conditions, or because of inadequate light, air, or
22 open space, or because of excessive land coverage, or because diversity of ownership, irregular
23 lot sizes or obsolete street patterns make it improbable that the area will be redeveloped by the
24 ordinary operations of private enterprise, or by reason of any combination of the foregoing
25 conditions.

26 “Sub-standard area”, an area, including a spot rehabilitation property, upon which there is
27 a dwelling or wherein dwellings predominate which, by reason of dilapidation, overcrowding,
28 faulty arrangement or design, lack of ventilation, light, or sanitation facilities, or any
29 combination of these factors, are detrimental to safety, health, morals, welfare or sound growth
30 of a community.

31 “Project”, any undertaking consisting of the construction in one or more specified
32 blighted open, decadent or sub-standard areas of decent, safe and sanitary residential,
33 commercial, industrial, institutional, recreational or governmental buildings and such
34 appurtenant or incidental facilities as shall be in the public interest, and the operation and
35 maintenance of such buildings and facilities after construction. A “project” may include as
36 incidental thereto any one or more of the following:— (a) acquisition and assembly of the land
37 (and buildings and structures and other improvements thereon, if any) within a blighted open,
38 decadent or sub-standard area or areas; (b) clearance of the land within a blighted open, decadent
39 or sub-standard area or areas; (c) acquisition, assembly and clearance of land, buildings or
40 structures not in themselves blighted, decadent, or sub-standard if their inclusion is necessary for
41 the clearance, redevelopment, reconstruction or rehabilitation of a blighted open, decadent or
42 sub-standard area or areas; and (d) installation, construction, and reconstruction of public and
43 private ways, public utilities and services, and site improvements essential to the preparation of
44 blighted open, decadent or sub-standard area or areas for beneficial development or
45 redevelopment.

46 “Spot Blight Project Sponsor”, a community development corporation certified under
47 chapter 40H; a bona-fide non-profit organization, established under chapter 180 that has, in the
48 determination of the housing board, satisfactory and sufficient experience in the construction or
49 rehabilitation of residential or non-residential buildings, the creation or provision of affordable
50 housing, the restoration of abandoned property, the revitalization and improvement of
51 neighborhoods, or a similar purpose; a redevelopment authority established under chapter 121B;
52 or a partnership of two or more of any of the foregoing; that is approved under this chapter to
53 rehabilitate a spot rehabilitation property.

54 “Spot Rehabilitation Property”, a residential single-family home, a residential building
55 with not more than four separate units, a commercial property under 10,000 square feet with a
56 building or buildings thereon, or any building under 10,000 square feet with a mix of residential
57 and commercial uses that meets the following criteria: (a) the building or buildings on the
58 property have been vacant for the last twelve months, (b) construction has not begun pursuant to
59 a building permit that has been issued to conduct rehabilitation of the building or buildings on
60 the property for the purpose of making the property habitable or useable for commercial
61 purposes, and (c) the municipality has made a determination that the building or buildings are
62 distressed, upon consideration of the following: the building or buildings are out of repair,
63 physically deteriorated, unfit for human habitation, or obsolete, or in need of major maintenance
64 or repair, or because the building has been sold or taken for non-payment of taxes or upon
65 foreclosure of mortgages.

66 “Spot Rehabilitation Project”, any project, the subject of which consists exclusively of
67 spot rehabilitation properties.

68 SECTION 5. Chapter 121A of the General Laws, as so appearing, is hereby further
69 amended by deleting section 7A and inserting in its place the following:-

70 Section 7A. A corporation organized under section three or an insurance company or a
71 group of insurance companies or a savings bank or group of savings banks operating under this
72 chapter or a spot blight project sponsor may purchase or lease from a housing authority,
73 redevelopment authority, municipality or other public body real estate acquired by such
74 authority, municipality or public body for land assembly and redevelopment or urban renewal
75 purposes under chapter one hundred and twenty-one B, upon such terms and conditions,

76 consistent with this chapter, as shall be approved by the housing board and may erect and
77 maintain a project upon the land so acquired. Such corporation shall not be required to offer its
78 stock to the owners of the real estate within the location of the project and such owners have no
79 preferential right to subscribe thereto; but in all other respects the provisions of this chapter shall
80 be applicable to corporations acting thereunder and their projects.

81 SECTION 6. Section 11 of chapter 121A of the General Laws, as so appearing, is hereby
82 further amended by inserting the following paragraph after the third paragraph:-

83 A spot blight project sponsor shall have the power, with the approval of the local
84 municipality, to sell, exchange, give or otherwise transfer in whole or in part the land or interests
85 therein, including air rights, leased or acquired by it under this chapter, with the buildings or
86 other structures thereon, constituting a project or portion hereunder to any entity identified in the
87 foregoing paragraph, or may sell or lease the spot rehabilitation property to any individual or
88 group of individuals intending to use said property for residential use.

89 SECTION 7. Chapter 121A of the General Laws, as so appearing, is hereby further
90 amended by inserting after section 18D the following section:-

91 Section 18E. A spot blight project sponsor may undertake on land owned or to be
92 acquired by it one or more spot rehabilitation projects under this chapter, or acquire spot
93 rehabilitation projects or any severable portion thereof from corporations, individuals or entities
94 authorized to undertake or acquire spot rehabilitation projects under this chapter, and the
95 provisions of this chapter, specifically including the powers granted by sections six A and eleven
96 and the procedures set forth in section eighteen B shall, to the extent applicable, apply to such
97 spot blight project sponsor and such spot rehabilitation projects, excepting the following:

98 (a) The term “corporation” as used in section six A, seven A, section ten, section
99 eleven, section twelve, section thirteen, section fourteen, and section fifteen shall be deemed to
100 mean spot blight project sponsor with respect to spot blight projects.

101 (b) Section three shall not be applicable to such spot blight project sponsor; and
102 provided further, a spot blight project sponsor may undertake more than one spot rehabilitation
103 project.

104 (c) Section five shall not be applicable to a spot blight project; provided, however,
105 that the spot blight project sponsor shall submit an application for the approval of a spot
106 rehabilitation project, in the form required pursuant to section five to the municipality for its
107 approval.

108 (d) So much of section six as relates to the agreement of association shall not be
109 applicable to such spot blight project sponsor. The first, eighth, ninth, and tenth paragraphs of
110 section six shall not be applicable to a spot blight project. The municipality where the spot blight
111 project is located shall have full responsibility for approval of the proposed spot blight project as
112 set forth in the second through seventh paragraphs of section six. The municipality shall transmit
113 its final decision to the housing board for record keeping purposes only.

114 (e) The second paragraph of section six B shall not be applicable to such spot blight
115 project sponsor, except that the planning board at least fourteen days before the day of the
116 hearing shall mail a notice to each owner of land that is within the proposed spot blight project.
117 If service cannot be made, then service shall be made by posting a copy of the notice upon a
118 portion of the property facing a public way, by publication of a copy of the notice in one
119 newspaper of general circulation, and posting on the municipality’s website.

120 (f) Section seven shall not be applicable to such spot blight project sponsor.

121 (g) So much of section eight as provides that “Every such corporation shall be
122 deemed to have been organized to serve a public purpose” shall be construed to mean “Every
123 such project shall be deemed to have been undertaken to serve a public purpose”. The term
124 “housing board” as used in section eight shall be deemed to mean “municipality”.

125 (h) Section nine shall not be applicable to such spot blight project sponsor.

126 (i) The term “shall” as used in the first and third paragraphs of section ten shall be
127 deemed to mean “may” with respect to a spot blight project sponsor. A spot blight project
128 sponsor that elects to forego the tax exemptions provided under section ten shall not be required
129 to comply with the other provisions of that section, and shall not be required to obtain signatures
130 of a majority of the assessors under section six A.

131 (j) So much of section fifteen as relates to reducing the indebtedness of a corporation
132 shall apply only to indebtedness incurred in connection with a spot rehabilitation project. The
133 term “operating and maintenance expenses” shall be deemed to include rehabilitation costs,
134 including any principal and interest on loans used for the project, and costs other than direct
135 rehabilitation costs, as well as a developer’s fee to the spot blight project sponsor, which fee shall
136 not exceed 20% of the combined cost of acquisition and rehabilitation of the spot rehabilitation
137 property.

138 (k) The provisions of sections five, six A, and eleven shall, as modified by this
139 section 18E, apply to a spot rehabilitation project whether said spot rehabilitation project is in
140 Boston, Springfield or another municipality.

141 SECTION 8. Section 2 of chapter 21E of the General Laws, as so appearing, is hereby
142 amended by striking section (f) within the definition of “Owner,” or “Operator”, and inserting in
143 its place the following:

144 (f) A redevelopment authority, redevelopment agency, community development
145 corporation, economic development and industrial corporation, or a spot blight project sponsor
146 pursuant to chapter 121A shall not be deemed an owner or operator if all of the following
147 requirements are met:

148 (1) the redevelopment authority, redevelopment agency, community development
149 corporation, economic development and industrial corporation or spot blight project sponsor has
150 acquired its portion of the site in accordance with the provisions of chapter 40F, chapter 121A,
151 chapter 121B or chapter 121C or any applicable special acts;

152 (2) no act or failure of duty of the redevelopment authority, redevelopment agency,
153 community development corporation, economic development and industrial corporation or spot
154 blight project sponsor or of any employee or agent thereof, caused or contributed to, or
155 exacerbated any release or threat of release of oil or hazardous material at or from the site;

156 (3) the redevelopment authority, redevelopment agency, community development
157 corporation, economic development and industrial corporation or spot blight project sponsor
158 satisfies all of the following conditions:

159 a) notifies the department in compliance with this chapter and regulations
160 promulgated thereto upon obtaining knowledge of a release or threat of release of oil or
161 hazardous material for which notification is required pursuant to this chapter and regulations
162 promulgated pursuant thereto;

163 b) provides reasonable access to the site or portion of the site under its control to
164 employees, agents and contractors of the department for all purposes authorized by this chapter,
165 and to other Persons for the purpose of conducting response actions pursuant to this chapter and
166 regulations promulgated thereto;

167 c) takes reasonable steps (i) to prevent the exposure of people to oil or hazardous
168 material by fencing or otherwise preventing access to the portion of the site under its ownership
169 or possession, and (ii) to contain any further release or threat of release of oil or hazardous
170 material from a structure or container under its ownership or possession;

171 d) if there is an imminent hazard at or from the portion of the site under its control,
172 controls the potential risk to public health, safety, welfare, or the environment at or from the site
173 by taking immediate response actions at the portion of the site under its ownership or possession,
174 in compliance with this chapter and regulations promulgated thereto;

175 e) conducts any response action undertaken at the site in compliance with this
176 chapter and regulations promulgated thereto; and

177 f) acts diligently to sell or otherwise to divest itself of ownership or possession of its
178 portion of the site in accordance with the provisions of chapter 40F, chapter 121A½, chapter
179 121B or chapter 121C, or any applicable special acts. Whether the redevelopment authority,
180 redevelopment agency, community development corporation, economic development and
181 industrial corporation or Project Sponsor is acting or has acted diligently to sell or otherwise to
182 divest itself of ownership or possession of its portion of the site shall be determined by
183 considering the same criteria applicable to secured lenders set forth in subclause (iii) of
184 subparagraph (F) of clause (5) of paragraph (c).

185 (4) if the redevelopment authority, redevelopment agency, community development
186 corporation, economic development and industrial corporation or spot blight project sponsor
187 acquired ownership or possession of a site or portion of a site prior to the effective date of this
188 act, the redevelopment authority, redevelopment agency, community development corporation,
189 economic development and industrial corporation or spot blight project sponsor notifies the
190 department of any releases of oil or hazardous material of which it has knowledge in accordance
191 with section 7 and the regulations promulgated thereunder, and shall meet the requirements in
192 clause (3) of this paragraph relative to such releases within six months of being notified by the
193 department of the requirements in this paragraph.

194 SECTION 9. Chapter 121A of the General Laws, as so appearing, is hereby amended by
195 adding the following sections:

196 Section 20. There shall be a commission to study strategies to improve the quality of the
197 housing stock in weak markets with the goal of making these properties safer, more accessible to
198 residents with disabilities, and more resilient to climate change. The commission's review shall
199 include, but not be limited to---the use of guidance documents to consistently grant relief from
200 building codes in common circumstances where appropriate; provisions to reduce the time and
201 cost associated with obtaining variances in circumstances that are consistent with these guidance
202 documents; dissemination of creative strategies to use new technologies to address common
203 challenges bringing older structures up to code; the deployment of energy efficiency programs,
204 Home Modifications Grants, elevator and sprinkler funds, and other resources to help building
205 rehab projects in weak markets meet health and safety standards.

206 The commission shall consist of: 2 members of the Senate, 1 of whom shall represent a
207 Gateway Municipality as defined in section 3A of chapter 23A of the General Laws and shall
208 serve as co-chair; 2 members of the House of Representatives, 1 of whom shall represent a
209 Gateway Municipality and shall serve as co-chair; 2 members appointed by the governor, 1 of
210 whom shall represent the Massachusetts Association of Community Development Corporations;
211 and 1 of whom shall represent the Rural Policy Advisory Commission; and 6 members appointed
212 by the Secretary of Housing and Economic Development: one of the appointive members shall
213 be an architect licensed to practice in the commonwealth; one of the appointive members shall be
214 a licensed building inspector; one of the appointive members shall be a Gateway Municipality
215 housing director; one of the appointive members shall be a fire official from a Gateway
216 Municipality; 2 of the appointive members shall be selected after consultation with advocacy
217 groups on behalf of persons with disabilities. The commission shall file a report of its findings
218 and recommendations, including, but not limited to, legislative, regulatory, and procedural
219 changes, with the clerks of the senate and house of representatives, the chairs of the joint
220 committee on housing not later than December 31, 2021.

221 SECTION 10. Section 4 of chapter 40V, as so appearing, is hereby amended by inserting
222 the following paragraph:

223 The report shall include, but is not limited to: identification of municipalities with
224 approved HD zones, identification of each housing development project that has received
225 certification, provide information about each project such as: site address, project sponsor,
226 certification level (preliminary, conditional, or final), the range of rents for the residential units,
227 the type of residential units and number of each type of residential unit, the total amount of

228 qualified project expenditures, the tax credit amount issued or reserved, the completion or
229 estimated completion year, and the year the credit was issue.