

**SENATE . . . . . No. 2004**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Katherine M. Clark*

*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 the transfer of certain properties from the Melrose housing authority to the Melrose affordable housing corporation.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

*Katherine M. Clark*

*Fifth Middlesex*

*Thomas M. McGee*

*Third Essex*

**SENATE . . . . . No. 2004**

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By Ms. Clark, a petition (accompanied by bill, Senate, No. 2004) of Katherine M. Clark and Thomas M. McGee for legislation relative to the transfer of certain properties from the Melrose housing authority to the Melrose affordable housing corporation. Housing. [Local Approval Received.]

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Eleven**  
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An Act relative to the transfer of certain properties from the Melrose housing authority to the Melrose affordable housing corporation.

*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. Definitions. Capitalized terms used in this Act have the meanings set  
2 forth below:

3           “Authority” shall mean the Melrose Housing Authority created pursuant to chapter 121B  
4 of the General Laws.

5           “Disposition Properties” shall mean those two parcels located in the City of Melrose  
6 known and numbered as 165 Trenton Street and 499-501 Lebanon Street, respectively, both of  
7 which are currently state-aided community residences owned by the Authority.

8           “Invested Disposition Proceeds” shall mean any of the net sale proceeds received by  
9 MAHC from any sales of the Disposition Properties that are later invested by MAHC in the  
10 acquisition or development of MAHC-owned low and moderate income housing in the City of  
11 Melrose.

12           “MAHC” shall mean the Melrose Affordable Housing Corporation, a non-profit  
13 corporation organized pursuant to chapter 181 of the General Laws.

14           SECTION 2. Notwithstanding chapters 30B and 121B of the General Laws or any other  
15 general or special law to the contrary, and notwithstanding any contract or agreement existing  
16 between the Commonwealth and the Authority, the Authority may transfer fee ownership of the  
17 Disposition Properties to MAHC for one dollar (\$1.00) and such transfer of ownership shall  
18 terminate any restrictions on use or transferability that may encumber any of the Disposition  
19 Properties in any way because of the Authority’s having been the record owner of the  
20 Disposition Properties. Outstanding state housing bond funds of which the proceeds were  
21 invested in the Disposition Properties need not be repaid to the Commonwealth at the time of  
22 transfer to MAHC or at the time of any subsequent sale of either or both of the Disposition  
23 Properties by MAHC so long as the net proceeds from any sales of the Disposition Properties are  
24 used for the purposes described in Section 3 below.

25           SECTION 3. After transfer of the Disposition Properties from the Authority to MAHC,  
26 MAHC shall actively market the Disposition Properties for sale and shall be allowed to sell the  
27 Disposition Properties through one or more sales to any arms-length third party at a sale price to  
28 be approved in writing by the Authority provided that the first \$379,763 of net proceeds  
29 generated by such sales of the Disposition Properties shall be remitted to the Authority which  
30 shall deposit the funds received into an interest-bearing account separate from its current State or  
31 Federal program accounts and use such funds for the repair of its public low-income family  
32 units. No future State funding or subsidy for the Authority shall be reduced in any way on  
33 account of the transfer of the Disposition Properties to MAHC or the funds remitted to the  
34 Authority by MAHC from MAHC’s sale of the Disposition Properties. The net proceeds from

35 any sales by MAHC of the Disposition Properties not remitted to the Authority shall be used by  
36 MAHC to increase the number of low and moderate housing units owned by MAHC within the  
37 City of Melrose. However, MAHC may at any time elect to remit some or all of the remaining  
38 net sale proceeds from any sales of the Disposition Properties back to the Authority which shall  
39 utilize any such additional proceeds in the same manner as described in the first sentence of this  
40 Section 3.

41 SECTION 4. At the time of the transfer of the Disposition Properties to MAHC, the  
42 Authority and MAHC shall enter into a written agreement that requires all net proceeds from any  
43 sales by MAHC of the Disposition Properties not remitted to the Authority to be used only for  
44 the acquisition or development by MAHC of one or more properties as low and moderate income  
45 housing within the City of Melrose. Further, whenever MAHC uses any Invested Disposition  
46 Proceeds to acquire or develop a property, MAHC and the Authority shall enter into a recorded  
47 affordability restriction enforceable by the Authority for each such property acquired or  
48 developed by MAHC with Invested Disposition Proceeds that restricts such property to use for  
49 low and moderate income housing only and that requires repayment to the Authority of the  
50 Invested Disposition Proceeds relating to such property if any of the units in such property fails  
51 to be maintained for occupancy only by low or moderate income families. Also, any state or  
52 federally chartered bank, credit union or lending agency holding a mortgage on any such  
53 property will be entitled, in connection with a foreclosure or deed-in-lieu of foreclosure of such  
54 mortgage, to obtain and record a release from the Authority of the affordability restriction as to  
55 such property by paying to the Authority the amount of Invested Disposition Proceeds that  
56 MAHC has previously invested in such property.

57 SECTION 5. This Act shall take effect upon its passage.