

**HOUSE . . . . . No. 1127**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Kevin G. Honan***

*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 financing the production and preservation of housing for low and moderate income residents.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Kevin G. Honan</i>	<i>17th Suffolk</i>	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>1/22/2013</i>
<i>Gloria L. Fox</i>	<i>7th Suffolk</i>	<i>1/25/2013</i>
<i>Denise Andrews</i>	<i>2nd Franklin</i>	<i>1/29/2013</i>
<i>Cory Atkins</i>	<i>14th Middlesex</i>	<i>1/29/2013</i>
<i>Ruth B. Balsler</i>	<i>12th Middlesex</i>	
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>	<i>1/30/2013</i>
<i>John J. Binienda</i>	<i>17th Worcester</i>	<i>1/31/2013</i>
<i>Michael D. Brady</i>	<i>9th Plymouth</i>	<i>1/30/2013</i>
<i>Paul Brodeur</i>	<i>32nd Middlesex</i>	<i>1/31/2013</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>	<i>1/18/2013</i>
<i>Harriette L. Chandler</i>	<i>First Worcester</i>	<i>1/18/2013</i>
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>	<i>1/31/2013</i>
<i>Cheryl A. Coakley-Rivera</i>	<i>10th Hampden</i>	<i>1/31/2013</i>
<i>Thomas P. Conroy</i>	<i>13th Middlesex</i>	<i>1/30/2013</i>
<i>Edward F. Copping</i>	<i>10th Suffolk</i>	<i>2/1/2013</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>2/1/2013</i>

<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>1/24/2013</i>
<i>Stephen L. DiNatale</i>	<i>3rd Worcester</i>	
<i>Paul J. Donato</i>	<i>35th Middlesex</i>	<i>1/18/2013</i>
<i>Kenneth J. Donnelly</i>	<i>Fourth Middlesex</i>	<i>2/1/2013</i>
<i>Benjamin B. Downing</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>	<i>1/30/2013</i>
<i>Lori A. Ehrlich</i>	<i>8th Essex</i>	<i>1/30/2013</i>
<i>Christopher G. Fallon</i>	<i>33rd Middlesex</i>	<i>1/28/2013</i>
<i>Robert F. Fennell</i>	<i>10th Essex</i>	<i>2/1/2013</i>
<i>John V. Fernandes</i>	<i>10th Worcester</i>	<i>1/31/2013</i>
<i>Michael J. Finn</i>	<i>6th Hampden</i>	<i>1/22/2013</i>
<i>Jennifer L. Flanagan</i>	<i>Worcester and Middlesex</i>	<i>1/31/2013</i>
<i>Linda Dorcena Forry</i>	<i>12th Suffolk</i>	<i>2/1/2013</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>1/30/2013</i>
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>	<i>2/1/2013</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>	<i>1/30/2013</i>
<i>Bradford Hill</i>	<i>4th Essex</i>	<i>1/31/2013</i>
<i>Donald Humason</i>		<i>1/31/2013</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>	<i>1/31/2013</i>
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>	<i>1/28/2013</i>
<i>Jay R. Kaufman</i>	<i>15th Middlesex</i>	<i>1/29/2013</i>
<i>John D. Keenan</i>	<i>7th Essex</i>	<i>1/31/2013</i>
<i>Thomas P. Kennedy</i>	<i>Second Plymouth and Bristol</i>	<i>2/1/2013</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>1/29/2013</i>
<i>Michael R. Knapik</i>	<i>Second Hampden and Hampshire</i>	<i>1/31/2013</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>	<i>1/21/2013</i>
<i>Robert M. Koczera</i>	<i>11th Bristol</i>	<i>1/28/2013</i>
<i>Stephen Kulik</i>	<i>1st Franklin</i>	<i>1/30/2013</i>
<i>John J. Lawn, Jr.</i>	<i>10th Middlesex</i>	<i>1/29/2013</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>	<i>1/29/2013</i>
<i>Brian R. Mannel</i>	<i>2nd Barnstable</i>	<i>2/1/2013</i>
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	<i>1/29/2013</i>
<i>Paul McMurtry</i>	<i>11th Norfolk</i>	<i>1/28/2013</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>1/30/2013</i>
<i>Frank A. Moran</i>	<i>17th Essex</i>	<i>1/31/2013</i>
<i>Rhonda Nyman</i>	<i>5th Plymouth</i>	<i>2/1/2013</i>
<i>Marc R. Pacheco</i>	<i>First Plymouth and Bristol</i>	<i>2/1/2013</i>
<i>Sarah K. Peake</i>	<i>4th Barnstable</i>	

<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>1/30/2013</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>	<i>1/30/2013</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>1/31/2013</i>
<i>Dennis A. Rosa</i>	<i>4th Worcester</i>	<i>1/30/2013</i>
<i>Byron Rushing</i>	<i>9th Suffolk</i>	<i>2/1/2013</i>
<i>Jeffrey Sánchez</i>	<i>15th Suffolk</i>	<i>1/29/2013</i>
<i>Tom Sannicandro</i>	<i>7th Middlesex</i>	<i>1/30/2013</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>	<i>2/1/2013</i>
<i>John W. Scibak</i>	<i>2nd Hampshire</i>	<i>1/30/2013</i>
<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>	<i>1/31/2013</i>
<i>Frank I. Smizik</i>	<i>15th Norfolk</i>	
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>1/29/2013</i>
<i>Ellen Story</i>	<i>3rd Hampshire</i>	<i>1/31/2013</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>	<i>1/30/2013</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>	<i>2/1/2013</i>
<i>Timothy J. Toomey, Jr.</i>	<i>26th Middlesex</i>	<i>1/31/2013</i>
<i>Cleon H. Turner</i>	<i>1st Barnstable</i>	<i>1/25/2013</i>
<i>Aaron Vega</i>	<i>5th Hampden</i>	<i>1/31/2013</i>
<i>Joseph F. Wagner</i>	<i>8th Hampden</i>	<i>2/1/2013</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>	<i>2/1/2013</i>
<i>Martin J. Walsh</i>	<i>13th Suffolk</i>	<i>2/1/2013</i>
<i>Steven M. Walsh</i>	<i>11th Essex</i>	<i>1/29/2013</i>
<i>Martha M. Walz</i>	<i>8th Suffolk</i>	<i>1/29/2013</i>
<i>James T. Welch</i>	<i>Hampden</i>	<i>1/31/2013</i>
<i>Daniel A. Wolf</i>	<i>Cape and Islands</i>	<i>2/1/2013</i>

**HOUSE . . . . . No. 1127**

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By Mr. Honan of Boston, a petition (accompanied by bill, House, No. 1127) of Kevin G. Honan and others for legislation to provide financing for the production and preservation of housing for low and moderate income residents. Housing.

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**The Commonwealth of Massachusetts**

—————  
**In the Year Two Thousand Thirteen**  
—————

An Act financing the production and preservation of housing for low and moderate income residents.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to authorize forthwith the financing of the production and preservation of housing for low and moderate income citizens of the commonwealth and to make related changes in certain laws, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*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. To provide for a capital outlay program to rehabilitate, produce and  
2 modernize state-owned public housing developments; to preserve the affordability and the  
3 income mix of state-assisted multifamily developments; to support home ownership and rental  
4 housing opportunities for low and moderate income citizens; to stem urban blight through the  
5 implementation of housing stabilization programs; to support housing production for the elderly,  
6 disabled and homeless; to preserve housing for the elderly, the homeless and low and moderate  
7 income citizens and people with disabilities; and to promote economic reinvestment through the  
8 funding of infrastructure improvements, the sums set forth in section 2, for the several purposes  
9 and subject to the conditions specified in this act, are hereby made available subject to the laws  
10 regulating the disbursement of public funds.

11           SECTION 2.

12           EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

13           Office of the Secretary.

14           7004-0028.. For a program of loan guarantees or interest subsidies to assist homeowners  
15 with blindness or severe disabilities in making modifications to their primary residence for the  
16 purpose of improved accessibility or to allow those homeowners to live independently in the  
17 community; provided, that the secretary shall take all steps necessary to minimize the program’s  
18 administrative costs; provided further, that the loan guarantees shall be available on the basis of a  
19 sliding scale that relates the homeowner’s income and assets to the cost of home modifications;  
20 provided further, that interest subsidies shall be means-tested and may be for 0 per cent pursuant  
21 to income standards developed by the secretary; provided further, that the repayment of the loans  
22 may be delayed until the sale of the principal residence by the homeowner; provided further, that  
23 persons residing in a development covered by section 4 of chapter 151B of the General Laws  
24 shall not be eligible for the program unless the owner can show that the modification is an undue  
25 financial burden; provided further, that the secretary shall consult with the Massachusetts  
26 commission for the blind and the Massachusetts rehabilitation commission in developing the  
27 rules, regulations and guidelines for the program; provided further, that nothing herein shall give  
28 rise to enforceable legal rights in any party or an enforceable entitlement to services; and  
29 provided further, that the secretary shall submit quarterly reports to the house and senate  
30 committees on ways and means and the joint committee on housing detailing the status of the  
31 program established herein..... \$50,000,000

32           7004-0029.. For state financial assistance in the form of loans for the development of  
33 community-based housing or supportive housing for the mentally ill and mentally retarded;  
34 provided, that the loan program shall be administered by the department of housing and  
35 community development, hereinafter referred to in this item as the department, through contracts  
36 with the Massachusetts Development Finance Agency established in chapter 23G of the General  
37 Laws, the Community Economic Development Assistance Corporation established in chapter  
38 40H of the General Laws, operating agencies established pursuant to chapter 121B of the  
39 General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the  
40 acts of 1966; provided further, that those agencies may develop or finance community-based  
41 housing or supportive housing, or may enter into subcontracts with nonprofit organizations  
42 established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit  
43 corporations have a controlling financial or managerial interest or for-profit organizations;  
44 provided, however, that preference for the subcontracts shall be given to nonprofit organizations;  
45 provided further, that the department shall consider a balanced geographic plan for such  
46 community-based housing or supportive housing when issuing the loans; provided further, that  
47 the department shall consider development of a balanced range of housing models by prioritizing  
48 funds for integrated housing as defined by the appropriate housing and service agencies  
49 including, but not limited to, the department of housing and community development, the  
50 Massachusetts rehabilitation commission, the department of mental health and the department of  
51 developmental services, in consultation with relevant and interested clients, their families,  
52 advocates and other parties as necessary; provided further, that loans issued pursuant to this item  
53 shall: (1) not exceed 50 per cent of the financing of the total development costs; (2) be issued

54 only when a contract or agreement for the use of the property for such housing provides for  
55 repayment to the commonwealth at the time of disposition of the property in an amount equal to  
56 the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost  
57 of the development through payments made by the state agency making the contract; (3) only be  
58 issued when a contract or agreement for the use of the property for the purposes of such housing  
59 provides for the recording of a deed restriction in the registry of deeds or the registry district of  
60 the land court of the county in which the real property is located, for the benefit of the  
61 departments, running with the land, that the land be used to provide community-based housing or  
62 supportive housing for eligible individuals as determined by the department of mental health and  
63 the department of developmental services; provided, that the property shall not be released from  
64 such restriction until the balance of the principal and interest for the loan has been repaid in full  
65 or until a mortgage foreclosure deed has been recorded; (4) be issued for a term not to exceed 30  
66 years during which time repayment may be deferred by the loan issuing authority unless, at the  
67 end of any fiscal year, cash collections from all sources in connection with a community-based  
68 housing project or supportive housing project, except for contributions, donations or grant  
69 moneys, exceed 105 per cent of cash expenditures on behalf of the project, including debt  
70 service, operating expenses and capital reserves, in which event such excess cash shall be paid to  
71 the commonwealth within 45 days of the end of the fiscal year, payable first to interest due  
72 hereunder and thereafter to principal advanced pursuant to the loan; provided further, that if on  
73 the date the loans become due and payable to the commonwealth an outstanding balance exists,  
74 and if, on such date, the department, in consultation with the executive office of health and  
75 human services, determines that there still exists a need for such housing and that there is  
76 continued funding available for the provision of services to such development, the department  
77 may, by agreement with the owner of the development, extend the loans for such periods, each  
78 period not to exceed 10 years, as the department shall determine; provided, however, that the  
79 project shall remain affordable housing for the duration of the loan term, including any extension  
80 thereof, as set forth in the contract or agreement entered into by the department; and provided  
81 further, that in the event the terms of repayment detailed in this item would cause a project  
82 authorized by this item to become ineligible to receive federal funds which would otherwise  
83 assist in the development of that project, the department may waive the terms of repayment  
84 which would cause the project to become ineligible; and (5) have interest rates fixed at a rate, to  
85 be determined by the department, in consultation with the state treasurer; provided further, that  
86 expenditures from this item shall not be made for the purpose of refinancing outstanding  
87 mortgage loans for community-based housing or supportive housing in existence prior to the  
88 effective date of this act; provided further, that community-based housing projects or supportive  
89 housing projects developed pursuant to this item shall not be refinanced during the term of any  
90 loan issued pursuant to this item unless the balance of the principal and interest for such loan has  
91 been repaid in full at the time of such refinancing; provided further, that the community-based  
92 housing projects or supportive housing projects may be refinanced if the refinancing would result  
93 in a reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall

94 be due and payable on a date not later than the date on which the original loan was due and  
95 payable, except in accordance with clause (4) when necessary to effect extraordinary repairs or  
96 maintenance which shall be approved by the commissioner of mental retardation or the  
97 commissioner of mental health, as the case may be, and the department; provided further, that the  
98 loans shall be provided only for projects conforming to the provisions of this item; provided  
99 further, that the loans shall be issued in accordance with a facilities consolidation plan prepared  
100 by the secretary of health and human services, reviewed and approved by the department and  
101 filed with the secretary for administration and finance and the house and senate committees on  
102 ways and means and the joint committee on housing; provided further, that no expenditure shall  
103 be made from this item without the prior approval of the secretary for administration and  
104 finance; provided further, that the department, the department of mental health and the  
105 Community Economic Development Assistance Corporation may identify appropriate financing  
106 mechanisms and guidelines for grants or loans from this item to promote private development to  
107 produce housing, to provide for independent integrated living opportunities, to write down  
108 building and operating costs and to serve households at or below 15 per cent of area median  
109 income for the benefit of department of mental health clients; provided further, that not more  
110 than \$10,000,000 may be expended from this item for a pilot program of community-based  
111 housing or supportive housing loans to serve mentally ill homeless individuals in the current or  
112 former care of the department of mental health; provided further, that in implementing the pilot  
113 program, the department shall consider a balanced geographic plan when establishing  
114 community-based residences; provided further, that the housing services made available pursuant  
115 to such loans shall not be construed as a right or an entitlement for any individual or class of  
116 persons to the benefits of the pilot program; provided further, that eligibility for the pilot  
117 program shall be established by regulations promulgated by the department; provided further,  
118 that the department shall promulgate regulations pursuant to chapter 30A of the General Laws  
119 for the implementation, administration and enforcement of this item, consistent with the facilities  
120 consolidation plan prepared by the secretary of health and human services, and after consultation  
121 with the secretary and the commissioner of the division of capital asset management and  
122 maintenance..... \$42,000,000

123 7004-0030.. For state financial assistance in the form of loans for the development and  
124 redevelopment of community-based housing or supportive housing for persons with disabilities  
125 who are institutionalized or at risk of being institutionalized, who are not eligible for housing  
126 developed pursuant to item 7004-0029; provided, that the loan program shall be administered by  
127 the department of housing and community development, hereinafter referred to in this item as the  
128 department, through contracts with the Massachusetts Development Finance Agency established  
129 in chapter 23G of the General Laws, the Community Economic Development Assistance  
130 Corporation established in chapter 40H of the General Laws, operating agencies established  
131 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
132 established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or  
133 finance the community-based housing or supportive housing, or may enter into subcontracts with

134 nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations  
135 in which such nonprofit corporations have a controlling financial or managerial interest or for-  
136 profit organizations; provided, however, that preference for such subcontracts shall be given to  
137 nonprofit organizations; provided further, that the department shall consider a balanced  
138 geographic plan for such community-based housing or supportive housing when issuing the  
139 loans; provided further, that all housing developed with these funds shall be integrated housing  
140 as defined by the appropriate state housing and service agencies including, but not limited to, the  
141 department, the department of mental health, and the department of developmental services in  
142 consultation with relevant and interested clients, their families, advocates, and other parties as  
143 necessary; provided further, that loans issued pursuant to this item shall: (1) not exceed 50 per  
144 cent of the financing of the total development costs; (2) be issued only when a contract or  
145 agreement for the use of the property for the purposes of such housing provides for repayment to  
146 the commonwealth at the time of disposition of the property in an amount equal to the  
147 commonwealth's proportional contribution from community based housing to the cost of the  
148 development through payments made by the state agency making the contract; (3) only be issued  
149 when a contract or agreement for the use of the property for the purposes of such community-  
150 based housing or supportive housing provides for the recording of a deed restriction in the  
151 registry of deeds or the registry district of the land court of the county in which the real property  
152 is located, for the benefit of the departments, running with the land, that the land be used to  
153 provide community-based housing or supportive housing for eligible individuals as determined  
154 by the Massachusetts rehabilitation commission or other agency of the executive office of health  
155 and human services; provided further, that the property shall not be released from such  
156 restrictions until the balance of the principal and interest for the loan has been repaid in full or  
157 until a mortgage foreclosure deed has been recorded; (4) be issued for a term not to exceed 30  
158 years during which time repayment may be deferred by the loan issuing authority unless, at the  
159 end of any fiscal year, cash collections from all sources in connection with a community-based  
160 housing project or supportive housing project, except for contributions, donations or grant  
161 moneys, exceed 105 per cent of cash expenditures on behalf of the project, including debt  
162 service, operating expenses, and capital reserves, in which event such excess cash shall be paid  
163 to the commonwealth within 45 days of the end of the fiscal year, payable first to interest due  
164 hereunder and thereafter to principal advanced pursuant to the loan; provided further, that if on  
165 the date the loans become due and payable to the commonwealth an outstanding balance exists,  
166 and if on that date, the department, in consultation with the executive office of health and human  
167 services, determines that there still exists a need for such housing, the department may, by  
168 agreement with the owner of the development, extend the loans for such periods, each period not  
169 exceed 10 years, as the department shall determine; provided, however, that the project shall  
170 continue to remain affordable housing for the duration of the loan term, including any extensions  
171 thereof, as set forth in the contract or agreement entered into by the department; and provided  
172 further, that in the event the terms of repayment detailed in this item would cause a project  
173 authorized by this item to become ineligible to receive federal funds which would otherwise



174 assist in the development of that project, that commissioner may waive the terms of repayment  
175 which would cause the project to become ineligible; and (5) have interest rates fixed at a rate, to  
176 be determined by the department, in consultation with the state treasurer; provided further, that  
177 expenditures from this item shall not be made for the purpose of refinancing outstanding  
178 mortgage loans for community-based housing or supportive housing in existence before the  
179 effective date of this act; provided further, that community-based housing projects or supportive  
180 housing projects developed pursuant to this item shall not be refinanced during the term of any  
181 loan issued pursuant to this item unless the balance of the principal and interest for such loan is  
182 repaid in full at the time of such refinancing; provided further, that the community-based housing  
183 projects or supportive housing projects may be refinanced if the refinancing would result in a  
184 reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall be  
185 due and payable not later than the date on which the original loan was due and payable, except in  
186 accordance with clause (4) of this item or when necessary to effect extraordinary repairs or  
187 maintenance which shall be approved by the commissioner of the Massachusetts rehabilitation  
188 commission or other agency of the executive office of health and human services, as appropriate,  
189 and the department; provided further, the loans shall be provided only for projects conforming to  
190 this item; provided further, that the loans shall be issued in accordance with an enhancing  
191 community-based services plan prepared by the secretary of health and human services, in  
192 consultation with the department and filed with the secretary for administration and finance and  
193 the house and senate committees on ways and means and the joint committee on housing;  
194 provided further, that no expenditure shall be made from this item without the prior approval of  
195 the secretary for administration and finance; provided further, that the department shall  
196 promulgate regulations pursuant to chapter 30A of the General Laws for the implementation,  
197 administration and enforcement of this item, consistent with the enhancing community-based  
198 services plan prepared by the secretary of health and human services after consultation with the  
199 secretary and the commissioner of capital asset management and  
200 maintenance..... \$33,000,000

201 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

202 Department of Housing and Community Development.

203 7004-0031.. For the capitalization of the Affordable Housing Trust Fund, established in  
204 section 2 of chapter 121D of the General Laws..... \$320,000,000

205 7004-0032.. For the purpose of state financial assistance in the form of grants or loans for  
206 the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of  
207 the General Laws and awarded only pursuant to the criteria established therein; provided, that  
208 not less than 25 per cent shall be used to fund projects which preserve and produce housing for  
209 families and individuals with incomes of not more than 30 per cent of the area median income, as  
210 defined by the United States Department of Housing and Urban Development; provided further,  
211 that if the department of housing and community development has not been able to meet the

212 spending authorized under the bond cap for this program, at the end of each year following the  
213 effective date of this act, the department may award the remaining funds to projects that serve  
214 households earning more than 30 per cent of the area median income, as defined by the United  
215 States Department of Housing and Urban Development; provided further, that not less than  
216 \$5,000,000 shall be expended for the production or preservation of housing for people age 60  
217 and over; and provided further, that not less than \$10,000,000 shall be expended to stabilize and  
218 promote reinvestment, through homeownership, in areas the department has determined to be  
219 weak markets as indicated by a high concentration of assisted rental housing or a low rate of  
220 homeownership or low median family income or low average sales prices or high levels of  
221 unpaid property taxes or vacant or abandoned buildings and, after making the finding, the  
222 department may waive the requirements of this section and said chapter 121F which are found to  
223 be inconsistent with promoting homeownership in weak markets and take other steps necessary  
224 to promote homeownership in the weak market including, but not limited to, reducing the length  
225 of required affordability to not less than 10 years and permitting the funded property to be  
226 purchased by a household whose income at the time of purchase does not exceed 135 per cent of  
227 the area median income, adjusted for family size, or both; provided however, that the purchaser  
228 shall own and occupy the property as his primary residence..... \$135,000,000

229 7004-0033.. For the purpose of state financial assistance in the form of grants for projects  
230 undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided,  
231 that contracts entered into by the department of housing and community development for those  
232 projects may include, but shall not be limited to, projects providing for renovation, remodeling,  
233 reconstruction, redevelopment and hazardous material abatement, including asbestos and lead  
234 paint, and for compliance with state codes and laws and for adaptations necessary for compliance  
235 with the Americans with Disabilities Act, the provision of day care facilities, learning centers  
236 and teen service centers and the adaptation of units for families and persons with disabilities;  
237 provided further, that priority shall be given to projects undertaken for the purpose of compliance  
238 with state codes and laws or for other purposes related to the health and safety of residents;  
239 provided further, that funds may be expended from this item to make such modifications to  
240 congregate housing units as may be necessary to increase the occupancy rate of those units;  
241 provided further, that the department, in consultation with housing authorities, may establish a  
242 program to provide predictable funds to be used flexibly by housing authorities for capital  
243 improvements to extend the useful life of state-assisted public housing; provided further, that not  
244 less than 25 per cent shall be used to fund projects which preserve or produce housing for  
245 families and individuals with incomes of not more than 30 per cent of the area median income, as  
246 defined by the United States Department of Housing and Urban Development; and provided  
247 further, that a capital reserve account shall be administered by the  
248 department..... \$500,000,000

249 7004-0034.. For the purpose of state financial assistance in the form of grants for a 5 year  
250 demonstration program, administered by the department of housing and community development

251 to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled  
252 public housing that seek to reduce the need for future state modernization funding; provided  
253 further, that housing authorities with state-aided housing developments pursuant to chapter 200  
254 of the acts of 1948, chapter 667 of the acts of 1954 or chapter 705 of the acts of 1966 shall be  
255 eligible to participate in demonstration program; provided further, that the department shall  
256 establish a 7-member advisory committee, to consist of the director of the department or his  
257 designee, 1 member selected by Citizens' Housing and Planning Association, 1 member selected  
258 by the Massachusetts Chapter of the National Association of Housing and Redevelopment  
259 Officials, 1 member selected by the Massachusetts Union of Public Housing Tenants and 3  
260 additional members chosen by the department to provide advice and recommendations to the  
261 department regarding regulations to implement the demonstration program; provided further, that  
262 grants shall be awarded on a competitive basis; provided further, that the department may  
263 exempt a recipient of demonstration grants from the requirements of chapter 7 and chapter 121B  
264 of the General Laws upon a showing by the recipient that such exemptions are necessary to  
265 accomplish the effective revitalization of public housing and will not adversely affect public  
266 housing residents or applicants of any income who are otherwise eligible; provided further, that  
267 the department may provide to recipients of demonstration grants such additional regulatory  
268 relief as is required to further the objectives of the demonstration program; provided further, that  
269 funds shall be made available for technical assistance provided by the Community Economic  
270 Development Assistance Corporation established in chapter 40H of the General Laws or the  
271 Massachusetts Housing Partnership Fund established pursuant to section 35 of chapter 405 of the  
272 acts of 1985 to recipients of demonstration grants and for evaluation of the demonstration;  
273 provided further, that the department shall promulgate regulations for the implementation,  
274 administration and enforcement of this item within 90 days after the effective date of this act;  
275 provided, however, that the regulations shall: (i) require that housing authorities selected  
276 demonstrate innovative, replicable solutions to the management, marketing or capital needs of  
277 state-aided family and elderly-disabled public housing developments and contribute to the  
278 continued viability of the housing as a resource for public housing eligible residents; (ii)  
279 encourage proposals that demonstrate regional collaborations among housing authorities; and  
280 (iii) encourage proposals that propose new affordable housing units on municipally-owned land,  
281 underutilized public housing sites or other land owned by the housing authority; and provided  
282 further, that the department shall report to the house and senate committees on ways and means  
283 and the joint committee on housing on the progress of the demonstration program within 90 days  
284 after promulgation of the regulations and annually thereafter..... \$50,000,000

285           7004-0035.. For the purpose of state financial assistance in the form of grants or loans for  
286 the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General  
287 Laws; provided, however, that not less than 25 per cent shall be used to fund projects which  
288 preserve and produce housing for families and individuals with incomes of not more than 30 per  
289 cent of the area median income, as defined by the United States Department of Housing and  
290 Urban Development..... \$80,000,000

291           7004-0036.. For the purpose of state financial assistance in the form of grants or loans for  
292 the Capital Improvement and Preservation Trust Fund for expiring use properties established in  
293 section 2 of chapter 121G of the General Laws..... \$100,000,000

294           7004-0037.. For the purpose of providing financial support for developing residential  
295 housing units and mixed use developments that include both residential housing units and  
296 commercial or retail space and are located within neighborhood commercial areas including, but  
297 not limited to, those areas designated as Main street areas by providing necessary financial  
298 assistance to the commercial components of these projects; provided, however, that the  
299 developments may include projects which have residential units above commercial space and  
300 shall be located in areas characterized by a predominance of commercial land uses, a high  
301 daytime or business population or a high concentration of daytime traffic and parking; provided  
302 further that the financial subsidy for the commercial portion of a project shall not exceed 25% of  
303 the total development cost of the commercial portion of the project or \$1 million, whichever is  
304 smaller, ; provided, further, that \$15,000,000 shall be used to fund transit-oriented housing  
305 developments in proximity to public transit nodes; provided further, that eligible activities for  
306 transit-oriented development shall include, without limitation, planning grants, financing  
307 subsidies and environmental assessment; and provided further, that not less than 50 per cent of  
308 the beneficiaries of housing in projects assisted by this item shall be persons whose income is not  
309 more than 80 per cent of the area median income as defined by the United States Department of  
310 Housing and Urban Development,.... \$45,000,000

311           7004-0038.. For the purpose of state financial assistance in the form of grants or loans for  
312 the Early Education and Out of School Time Capital Fund for the development of eligible  
313 facilities for licensed early care and education and out of school time programs established in  
314 section 3 of chapter 121H of the General Laws; provided, that the grant or loan program shall be  
315 administered by the department through contracts with the Community Economic Development  
316 Assistance Corporation established in Chapter 40H of the General Laws, provided further that  
317 the agency may develop or finance eligible facilities, or may enter into subcontracts with  
318 nonprofit organizations established pursuant to Chapter 180 of the General Laws , or  
319 organizations in which such nonprofit corporations have a controlling financial or managerial  
320 interest; provided further that the department shall: (1) consider a balanced geographic plan for  
321 such eligible facilities when issuing the funding commitments; (2) that the department shall  
322 consider funding large group and school age child care centers as defined by the department of  
323 early education and care ; (3) that the services made available pursuant to such loans or grants  
324 shall not be construed as a right or entitlement for any individual or class of persons to the  
325 benefits financing; provided further that no expenditure shall be made from this item without the  
326 prior approval of the secretary for administration and finance; provided further that eligibility  
327 shall be established by regulations promulgated by the department; pursuant to chapter 30A for  
328 the General Laws for the implementation, administration and enforcement of this  
329 item..... \$45,000,000

330 SECTION 3. Subsection (b) of section 6I of chapter 62 of the General Laws, as so  
331 appearing, is hereby amended by striking out paragraph (1) and inserting in place thereof the  
332 following paragraph:-

333 (1) There shall be a Massachusetts low-income housing tax credit. The department may  
334 authorize annually under this section together with section 31H of chapter 63 the total sum of: (i)  
335 \$20,000,000; (ii) unused Massachusetts low-income housing tax credits, if any, for the preceding  
336 calendar years; and (iii) Massachusetts low-income housing tax credits returned to the  
337 department by a qualified Massachusetts project.

338 SECTION 4. Subsection (b) of section 31H of chapter 63 of the General Laws, as so  
339 appearing, is hereby amended by striking out paragraph (1) and inserting in place thereof the  
340 following paragraph:-

341 (1) There shall be a Massachusetts low-income housing tax credit. The department may  
342 authorize annually under this section together with section 6I of chapter 62 the total sum of: (i)  
343 \$20,000,000; (ii) unused Massachusetts low-income housing tax credits, if any, for the preceding  
344 calendar years; and (iii) any Massachusetts low-income housing tax credits returned to the  
345 department by a qualified Massachusetts project.

346 SECTION 5. The General Laws are hereby amended by inserting after chapter 121G the  
347 following chapter:-

348 CHAPTER 121H

349 Early Education and Out of School Time Capital Fund

350 Section 1. As used in this chapter the following words shall unless the context clearly  
351 requires otherwise, have the following meanings:

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

353 “EEC”, the Department of Early Education and Care.

354 “Eligible project”, the acquisition, design, construction, repair, renovation, rehab, or other  
355 capital improvement or deferred maintenance of an eligible facility.

356 “Eligible facility”, a building, structure or site that is, or will be, owned, leased, or  
357 otherwise used by 1 or more Eligible Organization(s) and licensed by EEC. At least 25% of the  
358 slots in the facility shall serve low income families who are eligible for public subsidy. Leased  
359 facilities shall have a lease term that is consistent with the scale of the capital investment, but  
360 under no circumstances should the lease term be less than fifteen years. Municipally owned  
361 buildings are eligible provided that there is dedicated single purpose space for licensed early  
362 education or out of school time programs.

363 “Eligible organization”, a non-profit corporation that is exempt from income taxation  
364 pursuant to chapter 180 of the organizations in which such nonprofit corporations have a  
365 controlling financial or managerial interest.

366 “Grant”, a direct grant of capital funds to an applicant for payment of the costs of an  
367 eligible project.

368 “Loan”, a direct loan of capital funds to an applicant to finance a portion of the cost of an  
369 eligible project.

370 Section 2. Each recipient of a loan or grant from the Early Education and Out of School  
371 Time Capital Fund established in section 3 shall be an eligible project that demonstrates: (i) need  
372 for such a project; (ii) project benefits to low-income children and the effected community; (iii)  
373 financial need for assistance in the form of such a loan or grant; and (iv) local support for the  
374 project.

375 Section 3. There shall be within the department a separate fund to be known as the Early  
376 Education and Out of School Time Capital Fund. The department shall administer the fund for  
377 the purpose of making grants or loans for the development of eligible facilities for licensed early  
378 care and education and out of school time programs.

379 SECTION 6. Notwithstanding any general or special law to the contrary, the secretary of  
380 housing and economic development and the secretary for administration and finance shall jointly  
381 submit a report on the progress of all projects and expenditures related to the funds available in  
382 this act or any outstanding authorizations from prior authorization act for housing projects, and  
383 undertaken by the executive office of housing and economic development or any of its  
384 constituent agencies to the house and senate committees on ways and means, the joint committee  
385 on bonding, capital expenditures and state assets and the joint committee on housing. This report  
386 shall include, but not be limited to: the address, the nature of the work and scope of work of each  
387 project funded in this act, the total amount allocated for each project broken down by fiscal year  
388 in which the allocation occurred, the total estimated cost of each project, the amount expended  
389 for the planning and design of each project up to the time the report is filed, the amount  
390 expended on construction of each project up to the time the report is filed, the total amount  
391 currently expended on each project, a schedule of life cycle standards for each completed project,  
392 the original estimated completion date of each project, the current anticipated completion date of  
393 each project and, if the project has been de-authorized, the reason for and date of de-  
394 authorization. The information required in this report shall be current as of 30 days before the  
395 submission of the report and the report shall be submitted bi-annually for 6 years after the  
396 effective date of this act.

397 SECTION 7. Notwithstanding any general or special law to the contrary, to meet the  
398 expenditures necessary in carrying out section 2, the state treasurer shall, upon receipt of a  
399 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified

400 by the governor from time to time but not exceeding, in the aggregate, \$1,400,000,000. All  
401 bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Housing  
402 Production, Preservation, Modification and Neighborhood Development Loan Act of 2014, and  
403 shall be issued for a maximum term of years, not exceeding 30 years, as the governor may  
404 recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the  
405 Constitution; provided, however, that all such bonds shall be payable not later than June 30,  
406 2049. All interest and payments on account of principal on such obligations shall be payable  
407 from the General Fund. Bonds and interest thereon issued under the authority of this section  
408 shall, notwithstanding any other provision of this act, be general obligations of the  
409 commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by  
410 the department of housing and community development for administrative costs directly  
411 attributable to the purposes of this act, including costs of clerical and support personnel. The  
412 director of the department of housing and community development shall file an annual spending  
413 plan with the fiscal affairs division, the house and senate committees on ways and means, the  
414 joint committee on bonding, capital expenditures and states assets and the joint committee on  
415 housing which details, by subsidiary, all personnel costs and any administrative costs charged to  
416 expenditures made pursuant to this act.

417           SECTION 8. Notwithstanding any general or special law to the contrary, within 120 days  
418 after the expiration of affordability restrictions on housing assisted under items 7004-0029 and  
419 7004-0030 of section 2, the department of housing and community development or its assignee,  
420 who is a qualified developer selected pursuant to the terms of said items 7004-0029 and 7004-  
421 0030 of said section 2 under the guidelines of the department, shall have an option to purchase  
422 any such housing at its current appraised value reduced by any remaining obligation of the owner  
423 upon the expiration of the affordability restrictions. The department or its assignee may purchase  
424 or acquire such housing only for the purposes of preserving or providing affordable housing. The  
425 department or its assignee shall hold such purchase option for the first 120 days after the  
426 expiration of the affordability restrictions. Failure to exercise the purchase option within 120  
427 days after the expiration of the affordability restriction shall constitute a waiver of the purchase  
428 option by the department or its assignee. Two impartial appraisers shall determine, within 60  
429 days after the expiration of the affordability restrictions, the current appraised value in  
430 accordance with recognized professional standards. Two professionals in the field of multi-unit  
431 residential housing shall each select an appraiser. The owner and the department, respectively,  
432 shall each designate a professional within 30 days after the expiration of these affordability  
433 restrictions. If there is a difference in the valuations, the valuations shall be added together and  
434 divided by 2 to determine the current appraised value of the property. No sale, transfer or other  
435 disposition of the property shall be consummated until either the purchase option period shall  
436 have expired or the owner shall have been notified, in writing, by the department or its assignee  
437 that the option will not be exercised. The option shall be exercised only by written notice signed  
438 by a designated representative of the department or its assignee, mailed to the owner by certified  
439 mail at address specified in the notice of intention and recorded with the registry of deeds or the

440 registry district of the land court of the county in which the affected real property is located,  
441 within the option period. If the purchase option has been assigned to a qualified developer  
442 selected pursuant to said items 7004-0029 and 7004-0030 of section 2, the written notice shall  
443 state the name and address of the developer and the terms and conditions of the assignment.  
444 Before any sale or transfer or other disposition of the housing where the department has not  
445 previously exercised an option to purchase, an owner shall offer the department or its assignee,  
446 who shall be a qualified developer selected pursuant to this section, a first refusal option to meet  
447 a bona fide offer to purchase the property. The owner shall provide to the department or its  
448 assignee written notice by regular and certified mail, return receipt requested, of the owner's  
449 intention to sell, transfer or otherwise dispose of the property. The department or its assignee  
450 shall hold the first refusal option for the first 120 days after receipt of the owner's written notice  
451 of intent to transfer the property. Failure to respond to the written notice of intent to sell, transfer  
452 or otherwise dispose of the property within the 120-day period shall constitute a waiver of the  
453 right of first refusal by the department. No sale, transfer or other disposition of the property shall  
454 be consummated until either this first refusal option period shall have expired or the owner shall  
455 have been notified in writing by the department or its assignee that the option will not be  
456 exercised. The option shall be exercised only by written notice signed by a designated  
457 representative of the department or its assignee, mailed to the owner by certified mail at the  
458 address specified in the notice of intention and recorded with the registry of deeds or the registry  
459 district of the land court of the county in which the affected real property is located, within the  
460 option period. If the first refusal option has been assigned to a qualified developer selected  
461 pursuant to said items 7004-0029 and 7004-0030 of section 2, the written notice shall state the  
462 name and address of the developer and the terms and conditions of the assignment. An affidavit  
463 before a notary public that the notice of intent was mailed on behalf of an owner shall  
464 conclusively establish the manner and time of the giving of notice the affidavit and notice that  
465 the option shall not be exercised shall be recorded with the registry of deeds or the registry  
466 district of the land court of the county in which the affected real property is located. Each notice  
467 of intention, notice of exercise of the purchase option or first refusal option and notice that the  
468 purchase option or first refusal option shall not be exercised shall contain the name of the record  
469 owner of the property and a reasonable description of the premises to be sold or converted of and  
470 each affidavit signed before a notary public, shall have attached to it a copy of the notice of  
471 intention to which it relates. The notices of intention shall be mailed to the relevant parties, in the  
472 care of the keeper of records for the party in question. Upon notifying the owner in writing of its  
473 intention to exercise its purchase option or first refusal option during the 120-day period, the  
474 department or its assignee shall have an additional 120 days, beginning on the date the purchase  
475 option period or first refusal option period expires, to purchase the property. Those time periods  
476 may be extended by mutual agreement between the department or its assignee and the owner of  
477 the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry  
478 district of the land court of the county in which the affected real property is located. Within a  
479 reasonable time after requesting an extension, the owner shall make available to the department



480 or its assignee any information that is reasonably necessary for the department to exercise its  
481 options.

482 SECTION 9. Notwithstanding any general or special law to the contrary, not later than  
483 July 1, 2014, and annually thereafter, the director of housing and community development shall  
484 submit to the secretary of administration and finance, the house and senate committees on ways  
485 and means, the joint committee on housing and the joint committee on bonding, capital  
486 expenditures and state assets a capital plan for fiscal years 2015 to 2019, inclusive, for capital  
487 funds authorized in section 2.

488 SECTION 10. Notwithstanding any general or special law to the contrary, a private entity  
489 engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or  
490 redevelopment project receiving funds pursuant to this act shall properly classify individuals  
491 employed on the project and shall comply with all laws concerning workers' compensation  
492 insurance coverage, unemployment insurance, social security taxes and income taxes with  
493 respect to all such employees. All construction contractors engaged by an entity on any such  
494 project shall furnish documentation to the appointing authority showing that all employees  
495 employed on the project have hospitalization and medical benefits that meet the minimum  
496 requirements of the connector board established in chapter 176Q of the General Laws.