

HOUSE No. 1127

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

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.

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.