

# SENATE . . . . . No. 1100

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## The Commonwealth of Massachusetts

PRESENTED BY:

*Anthony W. Petruccelli*

*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 providing for a workforce housing financial plan.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Anthony W. Petruccelli</i>	<i>First Suffolk and Middlesex</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>
<i>Linda Dorcena Forry</i>	<i>First Suffolk</i>
<i>Michael F. Rush</i>	<i>Norfolk and Suffolk</i>

# SENATE . . . . . No. 1100

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By Mr. Petruccelli, a petition (accompanied by bill, Senate, No. 1100) of Anthony W. Petruccelli, Daniel J. Ryan, Linda Dorcena Forry and Michael F. Rush for legislation to provide for a workforce housing financial plan. Municipalities and Regional Government.

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## The Commonwealth of Massachusetts

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In the One Hundred and Eighty-Ninth General Court  
(2015-2016)  
\_\_\_\_\_

An Act providing for a workforce housing financial plan.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter 40 of the General Laws is hereby amended by inserting after section 60A the  
2 following section:--

3 SECTION 1. Section 60B. (a) Notwithstanding any general or special law to the contrary,  
4 a city or town, by vote of its town meeting, town council or city council, with the approval of the  
5 mayor where required by law, on its own behalf or in conjunction with one or more cities or  
6 towns, may adopt and implement a workforce housing special tax assessment plan, referred to as  
7 a WH-STA plan, intended to encourage and facilitate the increased development of middle  
8 income housing, and do any and all things necessary thereto; provided, however, that any such  
9 WH-STA plan shall:

10 (1) designate 1 or more areas of such city or town as a workforce housing special tax  
11 assessment zone, referred to as a WH-STA zone, subject to regulations adopted by the city or  
12 town, pursuant to subsection (c) of this section, as presenting exceptional opportunities for

increased development of middle income housing. Any WH-STA plan adopted by more than 1 city or town shall designate WH-STA zones consisting of contiguous areas of such cities or towns;

(2) describe in detail all construction and construction-related activity contemplated for such WH-STA zone as of the date of adoption of the WH-STA plan; provided that the WH-STA plan shall include the types of residential developments which are projected to occur within such WH-STA zone, with documentary evidence of the level of commitment therefor, including but not limited to architectural plans and specifications as required by regulations promulgated pursuant to subsection (c);

(3) authorize special tax assessment exemptions from property taxes, under subsection Fifty-eighth of section 5 of chapter 59, for a specified term not to exceed 5 years, for any parcel of real property which is located in a WH-STA zone and for which an agreement has been executed with the owner of the real property under paragraph 4. The WH-STA plan may exempt owners of parcels of real estate from up to 100 per cent of property taxes during 2 years of construction and set forth in an agreement executed pursuant to paragraph 4. The WH-STA plan may also exempt such owners from property taxes during a 3 year stabilization period following construction, provided that the exemption will be up to 75 per cent of property taxes during a first year of stabilization, up to 50 per cent of property taxes during a second year of stabilization, and up to 25 per cent of property taxes during a third year of stabilization;

(4) include executed agreements between such city or town and each owner of a parcel of real property which is located in such WH-STA zone, provided that such agreements shall include, but not be limited to, the following:

(i) all material representations of the parties which served as the basis for the descriptions contained in the WH-STA plan in accordance with the provisions of paragraph 2 of this subsection, and which served as a basis for the granting of a WH-STA exemption;

(ii) any terms deemed appropriate by the city or town relative to compliance with the WH-STA agreement including, but not limited to, what shall constitute a default by the property owner and what remedies shall be allowed between the parties for any such defaults, including an early termination of the agreement;

(iii) provisions governing maximum rental prices that may be charged by the developer in order to create middle income workforce housing, as set forth in the regulations adopted by the city or town pursuant to subsection (c) of this section;

(iv) a detailed recitation of all other benefits and responsibilities inuring to and assumed by the parties to such agreement; and

(v) a provision that such agreement shall be binding upon subsequent owners of such parcel of real property.

(5) delegate the authority to execute agreements in accordance with paragraph 4 to the board of assessors of the city or town, and to the board, agency or officer of the city or town responsible for housing.

(b) A city or town may at any time revoke its designation of a WH-STA zone and, as a consequence of such revocation, shall immediately cease the execution of any additional agreements pursuant to paragraph 4 of subsection (a). Such revocation shall not affect agreements relative to property tax exemptions pursuant to said paragraph 4 of subsection (a)

which were executed prior thereto. The board of assessors of the city or town and the board, agency or officer of the city or town responsible for housing, authorized pursuant to paragraph 5 of subsection (a) to execute agreements, shall retain a copy of each such agreement, together with a list of the parcels included therein.

(c) Upon the adoption of a WH-STA plan, a city or town shall promulgate regulations governing the implementation of such plans in the city or town. Such regulations shall establish eligibility requirements for developers to enter into a WH-STA agreement pursuant to subsection (a)(4). Such regulations shall establish, among other things: (1) a procedure for developers to apply to the city or town for a WH-STA agreement; (2) a minimum number of new residential units to be constructed in order for an owner of a parcel of real estate to be eligible to enter into a WH-STA agreement; (3) the maximum rental prices that may be charged by the developer for the constructed residential units throughout the duration of a WH-STA agreement; (4) other eligibility criteria that will facilitate and encourage the construction of workforce housing in a manner appropriate to the particular city or town.

(d) The owner of property subject to a WH-STA agreement shall certify to the city or town the rental prices of the residential units designated in the WH-STA agreement. Such certification shall be provided to the city or town on the date of initial occupancy and on an annual basis thereafter throughout the duration of the executed WH-STA agreement. If the owner fails to provide such certification, or otherwise fails to comply with the WH-STA agreement, or if the city or town determines that the owner is unlikely to come into compliance with the affordability requirements set forth in the agreement, the city or town may place a lien on the property in the amount of the real estate tax exemptions granted pursuant to the WH-STA agreement for any year in which the owner is not in compliance with this subsection. Any such

lien shall be recorded in the registry of deeds or the registry district of the land court wherein the land lies;

(e) a WH-STA plan adopted pursuant to subsection (a) shall expire 3 years after its adoption unless such plan is renewed by the city or town by vote of its town meeting, town council or city council, with the approval of the mayor where required by law.

SECTION 2. Section 5 of chapter 59 of the General Laws as appearing in the 2012 Official Edition is hereby amended by adding the following paragraph:--

Fifty-eighth. Taxes on the value of a parcel of real property which is included within an executed agreement under section 60B of chapter 40 shall be assessed only on that portion of the value of the property that is not exempt under that section. This exemption shall be for a term not longer than the period specified in the executed agreement entered into pursuant to said section 60B of chapter 40. The amount of the exemption under this clause for a parcel of real property shall be the exemption percentage adopted under said section 60B of chapter 40, multiplied by the actual assessed valuation of the parcel