

# **HOUSE . . . . . No. 3925**

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, September 25, 2017.

The committee on Housing to whom were referred the message from His Excellency the Governor recommending legislation relative to financing the production and preservation of housing for low and moderate income residents (House, No. 3653) and the joint petition (accompanied by bill, House, No. 675) of Kevin G. Honan and others relative to financing the production and preservation of housing for low and moderate income residents, reports recommending that the accompanying bill (House, No. 3925) ought to pass.

For the committee,

KEVIN G. HONAN.

**HOUSE . . . . . No. 3925**

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

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

*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-aided public housing developments; to preserve the affordability and the income  
3 mix of state-assisted multifamily developments; to support home ownership and rental housing  
4 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; to develop facilities for licensed early care and  
8 education and out of school time programs; and to promote economic reinvestment through the  
9 funding of infrastructure improvements, the sums set forth in section 2, for the several purposes  
10 and subject to the conditions specified in this act, are hereby made available subject to the laws  
11 regulating the disbursement of public funds.

12           SECTION 2.

13 DEPARTMENT OF EARLY EDUCATION AND CARE

14 3000-XXXX. For the purpose of state financial assistance in the form of grants for the  
15 Early Education and Out of School Time Capital Fund for the development of eligible facilities  
16 for licensed early care and education and out of school time programs established in section 18  
17 of chapter 15D of the General Laws; provided, that the department of early education and care  
18 may contract with 1 or more quasi-public or non-profit entities to administer the program,  
19 including, but not limited to, the Community Economic Development Assistance Corporation  
20 established in chapter 40H of the General Laws; provided, further, that the department may  
21 develop or finance eligible facilities, may enter into subcontracts with nonprofit organizations  
22 established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit  
23 corporations have a controlling financial or managerial interest; provided, further, that the  
24 department shall consider: (i) a balanced geographic plan for such eligible facilities when issuing  
25 the funding commitments; and (ii) funding large group and school age child care centers, as  
26 defined by the department of early education and care; provided, further, that the services made  
27 available pursuant to such grants shall not be construed as a right or entitlement for any  
28 individual or class of persons to the benefits financing; provided, further, that no expenditure  
29 shall be made from this item without the prior approval of the secretary of administration and  
30 finance; and provided, further, that eligibility shall be established by regulations promulgated by  
31 the department pursuant to chapter 30A for the General Laws for the implementation,  
32 administration and enforcement of this item..... \$45,000,000

33 EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

34 Office of the Secretary.

35           7004-0049. For a program of loans or grants to assist homeowners or tenants with a  
36 household member with blindness or severe disabilities in making modifications to their primary  
37 residence for the purpose of improved accessibility or to allow those individuals to live  
38 independently in the community or for construction costs to allow for the creation of an  
39 accessory unit, defined as an additional dwelling unit separate from the primary dwelling unit,  
40 for a person with disabilities or an elder needing assistance with activities of daily living;  
41 provided, that not more than 10 per cent shall be used for grants to assist landlords seeking to  
42 make modifications for a current or prospective tenant with disabilities, who but for this grant  
43 would be unable to maintain or secure permanent housing; provided, further, that the secretary  
44 shall take all steps necessary to minimize the program's administrative costs; provided, further,  
45 that the program shall be available pursuant to income eligibility standards approved by the  
46 secretary; provided, further, that the repayment of the loans may be delayed until the sale of the  
47 principal residence by the homeowner; provided, further, that persons residing in a development  
48 covered by section 4 of chapter 151B of the General Laws shall not be eligible for the program  
49 unless the owner can show that the modification is an undue financial burden or that the landlord  
50 is participating in the grant program to maintain or secure housing for a tenant with disabilities;  
51 provided, further, that the secretary shall consult with the Massachusetts commission for the  
52 blind and the Massachusetts rehabilitation commission in developing the rules, regulations and  
53 guidelines for the program; provided, further, that nothing in this item shall give rise to  
54 enforceable legal rights in any party or an enforceable entitlement to services; and provided,  
55 further, that the secretary shall submit quarterly reports to the house and senate committees on  
56 ways and means, the house and senate committees on bonding, capital expenditures and state

57 assets and the joint committee on housing detailing the status of the program established in this  
58 item..... \$ 60,000,000

59 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

60 Department of Housing and Community Development.

61 7004-0050. For state financial assistance in the form of loans for the development of  
62 community-based housing or supportive housing for individuals with mental illness and  
63 individuals with intellectual disabilities; provided, that the loan program shall be administered by  
64 the department of housing and community development, referred to in this item as the  
65 department, through contracts with the Massachusetts Development Finance Agency established  
66 by chapter 23G of the General Laws, the Community Economic Development Assistance  
67 Corporation established by chapter 40H of the General Laws, operating agencies established  
68 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
69 established by chapter 708 of the acts of 1966; provided, further, that those agencies may  
70 develop or finance community-based housing or supportive housing or may enter into  
71 subcontracts with nonprofit organizations, established pursuant to chapter 180 of the General  
72 Laws, or organizations in which such nonprofit corporations have a controlling financial or  
73 managerial interest or for-profit organizations; provided, however, that preference for the  
74 subcontracts shall be given to nonprofit organizations; provided, further, that the department  
75 shall consider a balanced geographic plan for such community-based housing or supportive  
76 housing when issuing the loans; provided, further, that the department shall consider  
77 development of a balanced range of housing models by prioritizing funds for integrated housing  
78 as defined by the appropriate housing and service agencies including, but not limited to, the

79 department of housing and community development, the Massachusetts rehabilitation  
80 commission, the department of mental health and the department of developmental services, in  
81 consultation with relevant and interested clients, clients' families, advocates and other parties as  
82 necessary; provided, further, that loans issued pursuant to this item shall: (i) not exceed 50 per  
83 cent of the financing of the total development costs; (ii) not be issued unless a contract or  
84 agreement for the use of the property for such housing provides for repayment to the  
85 commonwealth at the time of disposition of the property in an amount equal to the  
86 commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of  
87 the development through payments made by the state agency making the contract; (iii) not be  
88 issued unless contract or agreement for the use of the property for the purposes of such housing  
89 provides for the recording of a deed restriction in the registry of deeds or the registry district of  
90 the land court of the county in which the real property is located, for the benefit of the  
91 departments, running with the land, that the land be used to provide community-based housing or  
92 supportive housing for eligible individuals as determined by the department of mental health and  
93 the department of developmental services; provided, however, that the property shall not be  
94 released from such restriction until the balance of the principal and interest for the loan has been  
95 repaid in full or until a mortgage foreclosure deed has been recorded; (iv) be issued for a term  
96 not to exceed 30 years, during which time repayment may be deferred by the loan issuing  
97 authority; provided, however, that if on the date the loans become due and payable to the  
98 commonwealth, an outstanding balance exists and if, on such date, the department, in  
99 consultation with the executive office of health and human services, determines that there still  
100 exists a need for such housing and that there is continued funding available for the provision of  
101 services to such development, the department may, by agreement with the owner of the

102 development, extend the loans for such periods, each period not to exceed 10 years, as the  
103 department shall determine; provided, further, that the project shall remain affordable housing  
104 for the duration of the loan term, including any extension thereof, as set forth in the contract or  
105 agreement entered into by the department; provided, further, that in the event the terms of  
106 repayment detailed in this item would cause a project authorized by this item to become  
107 ineligible to receive federal funds which would otherwise assist in the development of that  
108 project, the department may waive the terms of repayment which would cause the project to  
109 become ineligible; and (v) have interest rates fixed at a rate, to be determined by the department,  
110 in consultation with the state treasurer; provided, further, that the loans shall be provided only for  
111 projects conforming to this item; provided, further, that the loans shall be issued in accordance  
112 with a facilities consolidation plan prepared by the secretary of health and human services,  
113 reviewed and approved by the department and filed with the secretary of administration and  
114 finance, the house and senate committees on ways and means, the house and senate committees  
115 on bonding, capital expenditures and state assets and the joint committee on housing; provided,  
116 further, that no expenditure shall be made from this item without the prior approval of the  
117 secretary of administration and finance; provided, further, that the department, the department of  
118 mental health and the Community Economic Development Assistance Corporation may identify  
119 appropriate financing mechanisms and guidelines for grants or loans from this item to promote  
120 private development to produce housing, to provide for independent integrated living  
121 opportunities, to write down building and operating costs and to serve households at or below 15  
122 per cent of area median income for the benefit of department of mental health clients; provided,  
123 further, that not more than \$10,000,000 may be expended from this item for a pilot program of  
124 community-based housing or supportive housing loans to serve mentally ill homeless individuals

125 in the current or former care of the department of mental health; provided, further, that in  
126 implementing the pilot program, the department shall consider a balanced geographic plan when  
127 establishing community-based residences; provided, further, that the housing services made  
128 available pursuant to such loans shall not be construed as a right or an entitlement for any  
129 individual or class of persons to the benefits of the pilot program; provided, further, that  
130 eligibility for the pilot program shall be established by regulations promulgated by the  
131 department; and provided, further, that the department shall promulgate regulations pursuant to  
132 chapter 30A of the General Laws for the implementation, administration and enforcement of this  
133 item, consistent with the facilities consolidation plan prepared by the secretary of health and  
134 human services and after consultation with the secretary and the commissioner of the division of  
135 capital asset management and maintenance..... \$ 65,000,000

136 7004-0051. For state financial assistance in the form of loans for the development and  
137 redevelopment of community-based housing or supportive housing for persons with disabilities  
138 who are institutionalized or at risk of being institutionalized and who are not eligible for housing  
139 developed pursuant to item 7004-0050; provided, that the loan program shall be administered by  
140 the department of housing and community development, referred to in this item as the  
141 department, through contracts with the Massachusetts Development Finance Agency established  
142 by chapter 23G of the General Laws, the Community Economic Development Assistance  
143 Corporation established by chapter 40H of the General Laws, operating agencies established  
144 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
145 established by chapter 708 of the acts of 1966; provided, further, that the agencies may develop  
146 or finance the community-based housing or supportive housing or may enter into subcontracts  
147 with nonprofit organizations established pursuant to chapter 180 of the General Laws or



148 organizations in which such nonprofit corporations have a controlling financial or managerial  
149 interest or for-profit organizations; provided, however, that preference for such subcontracts  
150 shall be given to nonprofit organizations; provided, further, that the department shall consider a  
151 balanced geographic plan for such community-based housing or supportive housing when  
152 issuing the loans; provided, further, that all housing developed with these funds shall be  
153 integrated housing as defined by the appropriate state housing and service agencies including,  
154 but not limited to, the department, the executive office of health and human services and the  
155 Massachusetts rehabilitation commission in consultation with relevant and interested clients,  
156 clients' families, advocates and other parties as necessary; provided, further, that loans issued  
157 pursuant to this item shall: (i) not exceed 50 per cent of the financing of the total development  
158 costs; (ii) not be issued unless a contract or agreement for the use of the property for the  
159 purposes of such housing provides for repayment to the commonwealth at the time of disposition  
160 of the property in an amount equal to the commonwealth's proportional contribution from  
161 community based housing to the cost of the development through payments made by the state  
162 agency making the contract; (iii) not be issued unless a contract or agreement for the use of the  
163 property for the purposes of such community-based housing or supportive housing provides for  
164 the recording of a deed restriction in the registry of deeds or the registry district of the land court  
165 of the county in which the real property is located, for the benefit of the departments, running  
166 with the land, that the land be used to provide community-based housing or supportive housing  
167 for eligible individuals as determined by the Massachusetts rehabilitation commission or other  
168 agency of the executive office of health and human services; provided, however, that the  
169 property shall not be released from such restrictions until the balance of the principal and interest  
170 for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded; (iv)

171 be issued for a term not to exceed 30 years during which time repayment may be deferred by the  
172 loan issuing authority; provided, however, that if on the date the loans become due and payable  
173 to the commonwealth, an outstanding balance exists and if, on that date, the department, in  
174 consultation with the executive office of health and human services, determines that there still  
175 exists a need for such housing, the department may, by agreement with the owner of the  
176 development, extend the loans for such periods, each period not to exceed 10 years, as the  
177 department shall determine; provided, however, that the project shall continue to remain  
178 affordable housing for the duration of the loan term, including any extensions thereof, as set  
179 forth in the contract or agreement entered into by the department; provided, however, that in the  
180 event the terms of repayment detailed in this item would cause a project authorized by this item  
181 to become ineligible to receive federal funds which would otherwise assist in the development of  
182 that project, that department may waive the terms of repayment which would cause the project to  
183 become ineligible; and (v) have interest rates fixed at a rate, to be determined by the department,  
184 in consultation with the state treasurer; provided, further, the loans shall be provided only for  
185 projects conforming to this item; provided, further, that the loans shall be issued in accordance  
186 with an enhancing community-based services plan prepared by the secretary of health and human  
187 services, in consultation with the department and filed with the secretary of administration and  
188 finance and the house and senate committees on ways and means, the house and senate  
189 committees on bonding, capital expenditures and state assets and the joint committee on housing;  
190 provided, further, that no expenditure shall be made from this item without the prior approval of  
191 the secretary of administration and finance; and provided, further, that the department shall  
192 promulgate regulations pursuant to chapter 30A of the General Laws for the implementation,  
193 administration and enforcement of this item, consistent with the enhancing community-based

194 services plan prepared by the secretary of health and human services after consultation with the  
195 secretary and the commissioner of capital asset management and  
196 maintenance..... \$ 55,000,000

197 7004-0052. For the capitalization of the Affordable Housing Trust Fund, established in  
198 section 2 of chapter 121D of the General Laws..... \$ 400,000,000

199 7004-0053.. For the purpose of state financial assistance in the form of grants or loans for  
200 the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of  
201 the General Laws and awarded only pursuant to the criteria established in said section 2 of said  
202 chapter 121F; provided, that not less than 25 per cent shall be used to fund projects which  
203 preserve and produce housing for families and individuals with incomes of not more than 30 per  
204 cent of the area median income, as defined by the United States Department of Housing and  
205 Urban Development; provided, further, that if the department of housing and community  
206 development has not spent the amount authorized under the bond cap for this program, at the end  
207 of each year following the effective date of this act, the department may award the remaining  
208 funds to projects that serve households earning more than 30 per cent of the area median income,  
209 as defined by the United States Department of Housing and Urban Development; provided,  
210 further, that not less than \$5,000,000 shall be expended for the production or preservation of  
211 housing for people age 60 and over; provided, further, that the department may expend an  
212 amount not to exceed \$10,000,000 to stabilize and promote reinvestment, through  
213 homeownership, in areas the department has determined to be weak markets as indicated by a  
214 high concentration of assisted rental housing, low rate of homeownership, low median family  
215 income, low average sales prices, high levels of unpaid property taxes or vacant or abandoned  
216 buildings, by waiving the requirements of this item and said chapter 121F, and by subsidizing the

217 purchase price, borrowing costs or costs of renovation or new construction of 1 to 6 unit  
218 residential buildings for a person who shall own the property and occupy any portion of the  
219 property as the person's primary residence for at least 5 years from the date of purchase;  
220 provided, further, that if more than 5 years, but less than 10 years, from the date the owner takes  
221 ownership of the property, the owner sells any of the owner's interest in the property, the new  
222 owner shall so occupy 1 unit in the property for a period equal to the difference between 10 years  
223 and the amount of time the first owner occupied the property as the owner's primary residence;  
224 provided, further, that if the owner fails to so occupy a unit on the property or ceases to be the  
225 owner of the property as required by this section, the department shall recoup the value of any  
226 subsidy provided to the owner; and provided, further, that 10 years after the owner takes  
227 possession of the property pursuant to this item, all restrictions on the property created by this  
228 item shall be void..... \$ 150,000,000

229 7004-0054. 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 federal Americans with Disabilities Act of 1990, the provision of day care facilities,  
236 learning centers and teen service centers and the adaptation of units for families and persons with  
237 disabilities; provided, further, that priority shall be given to projects undertaken for the purpose  
238 of compliance with state codes and laws or for other purposes related to the health and safety of  
239 residents; provided, further, that funds may be expended from this item to make such

240 modifications to congregate housing units as may be necessary to increase the occupancy rate of  
241 those units; provided, further, that the department shall continue to fund a program to provide  
242 predictable funds to be used flexibly by housing authorities for capital improvements to extend  
243 the useful life of state-assisted public housing; and provided, further, that not less than 25 per  
244 cent of the funds made available in this item shall be used to fund projects which preserve or  
245 produce housing for families and individuals with incomes of not more than 30 per cent of the  
246 area median income, as defined by the United States Department of Housing and Urban  
247 Development..... \$ 600,000,000

248           7004-0055. For the purpose of state financial assistance in the form of grants for a 5 year  
249 demonstration program, administered by the department of housing and community development  
250 to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled  
251 public housing that seek to reduce the need for future state modernization funding; provided, that  
252 housing authorities with state-aided housing developments pursuant to chapter 200 of the acts of  
253 1948, chapter 667 of the acts of 1954, chapter 705 of the acts of 1966, chapter 689 of the acts of  
254 1974 or chapter 167 of the acts of 1987 shall be eligible to participate in the demonstration  
255 program; provided, further, that the department shall establish a 7-member advisory committee,  
256 to consist of the director of the department or a designee, 1 member selected by Citizens'  
257 Housing and Planning Association, Inc., 1 member selected by the Massachusetts chapter of the  
258 National Association of Housing and Redevelopment Officials, 1 member selected by the  
259 Massachusetts Union of Public Housing Tenants, Inc. and 3 additional members chosen by the  
260 department to provide advice and recommendations to the department regarding the program;  
261 provided, further, that the department may exempt a recipient of demonstration grants from the  
262 requirements of chapter 7C of the General Laws and chapter 121B of the General Laws upon a

263 showing by the recipient that such exemptions are necessary to accomplish the effective  
264 revitalization of public housing and will not adversely affect public housing residents or  
265 applicants of any income who are otherwise eligible; provided, further, that the department may  
266 provide to recipients of demonstration grants such additional regulatory relief as is required to  
267 further the objectives of the demonstration program; provided, further, that funds shall be made  
268 available for technical assistance provided by the Community Economic Development  
269 Assistance Corporation established by chapter 40H of the General Laws or the Massachusetts  
270 Housing Partnership Fund established pursuant to section 35 of chapter 405 of the acts of 1985 to  
271 recipients of demonstration grants and for evaluation of the demonstration; provided, further, that  
272 the department's regulations for the implementation, administration and enforcement of this  
273 shall: (i) require that housing authorities selected demonstrate innovative and replicable solutions  
274 to the management, marketing or capital needs of state-aided family and elderly-disabled public  
275 housing developments and contribute to the continued viability of the housing as a resource for  
276 public housing eligible residents; (ii) encourage proposals that demonstrate regional  
277 collaborations among housing authorities; and (iii) encourage proposals that propose new  
278 affordable housing units on municipally-owned land, underutilized public housing sites or other  
279 land owned by the housing authority; and provided, further, that the department shall report to  
280 the house and senate committees on ways and means, the house and senate committees on  
281 bonding, capital expenditures and state assets and the joint committee on housing on the progress  
282 of the demonstration program annually..... \$50,000,000

283           7004-0056. For the purpose of state financial assistance in the form of grants or loans for  
284 the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General  
285 Laws; provided, that not less than 25 per cent of the funds made available in this item shall be

286 used to fund projects which preserve and produce housing for families and individuals with  
287 incomes of not more than 30 per cent of the area median income, as defined by the United States  
288 Department of Housing and Urban Development..... \$  
289 100,000,000

290 7004-0057. For the purpose of state financial assistance in the form of grants or loans for  
291 the Capital Improvement and Preservation Trust Fund established in section 2 of chapter 121G of  
292 the General Laws for expiring use properties..... \$ 125,000,000

293 7004-0058. For the purpose of providing financial support for developing residential  
294 housing units and mixed use developments that include both residential housing units and  
295 commercial or retail space and are located within neighborhood commercial areas including, but  
296 not limited to, those areas designated as main street areas by providing necessary financial  
297 assistance to the commercial components of these projects; provided, that the developments may  
298 include projects which have residential units above commercial space and shall be located in  
299 areas characterized by a predominance of commercial land uses, a high daytime or business  
300 population or a high concentration of daytime traffic and parking; provided, further, that the  
301 financial subsidy for the commercial portion of a project shall not exceed 25 per cent of the total  
302 development cost of the commercial portion of the project or \$1,000,000, whichever is smaller;  
303 provided, further, that \$15,000,000 shall be used to fund transit-oriented housing developments  
304 in proximity to public transit nodes; provided, further, that eligible activities for transit-oriented  
305 development shall include, without limitation, planning grants, financing subsidies and  
306 environmental assessment; and provided, further, that not less than 50 per cent of the  
307 beneficiaries of housing in projects assisted by this item shall be persons whose income is not

308 more than 80 per cent of the area median income, as defined by the United States Department of  
309 Housing and Urban Development.... \$50,000,000

310 SECTION 3. Section 18 of chapter 15D of the General Laws, as appearing in the 2016  
311 Official Edition, is hereby amended by striking out, in line 6, the figure “25” and inserting in  
312 place thereof the following figure:- 50.

313 SECTION 4. Said section 18 of said chapter 15D, as so appearing, is hereby further  
314 amended by inserting after the word “interest”, in lines 16 and 17, the following words:- and is,  
315 at the time of initial application, currently providing early care and education or out of school  
316 time care for low-income families who are eligible for public subsidy.

317 SECTION 5. Section 6 of chapter 62 of the General Laws, as so appearing, is hereby  
318 amended by striking out, in line 281, the figure “2018” and inserting in place thereof the  
319 following figure:- 2023.

320 SECTION 6. Said section 6 of said chapter 62, as so appearing, is hereby further  
321 amended by striking out, in line 287, the words “2019, for any property it owns or leases” and  
322 inserting in place thereof the following words:- 2024, for any property it owns, operates, or  
323 leases.

324 SECTION 7. Said section 6 of said chapter 62, as so appearing, is hereby further  
325 amended by striking out, in line 297, the figure “40.00” and inserting in place thereof the  
326 following figure:- 40.0000.

327 SECTION 8. Said section 6 of said chapter 62, as so appearing, is hereby further  
328 amended by inserting after the word “limitation” , in lines 297 and 298, the following:- , or



329 which includes such an activity and use limitation recorded on or after June 20, 2014 in the case  
330 of a development in which at least 20 per cent of the residential units are restricted to occupancy  
331 by households earning 120 per cent or less of area median income. Such costs may include net  
332 response and removal costs incurred by such taxpayer or nonprofit organization before it owned,  
333 operated, or leased the subject property.

334 SECTION 9. Section 6I of said chapter 62, as so appearing, is hereby amended by  
335 inserting after the word “project”, in line 73, the following words:- ; and (iv) \$5,000,000 to  
336 preserve and improve existing state or federally-assisted housing.

337 SECTION 10. Said section 6I of said chapter 62, as so appearing, is hereby further  
338 amended by striking out, in lines 112 to 115, inclusive, the words “; provided, further, that no  
339 credit shall be authorized related to a project that receives state financial assistance authorized  
340 under section 7A of chapter 244 of the acts of 2002.”

341 SECTION 11. Subsection (c) of section 6M of said chapter 62, added by section 29 of  
342 chapter 238 of the acts of 2012, is hereby amended by striking out paragraph (4) and inserting in  
343 place thereof the following paragraph:-

344 (4) no community partner shall receive a community investment tax credit allocation of  
345 less than \$50,000 or more than 2 1/2 per cent of the total credits available in any 1 taxable year;  
346 provided, however, that the department may waive this cap if it determines that it would be  
347 unable to otherwise fully allocate the credits available during that calendar year to eligible  
348 community partners; provided , however, that no community partner shall receive a subsequent  
349 allocation unless the department has determined that it has made satisfactory progress toward  
350 utilizing any prior allocation.

351 SECTION 12. Subsection (e) of said section 6M of said chapter 62, as so appearing, is  
352 hereby amended by striking out the first sentence.

353 SECTION 13. Subsection (i) of said section 6M of said chapter 62, as so appearing, is  
354 hereby amended by striking out the second sentence and inserting in place thereof the following  
355 sentence:- The total value of the tax credits authorized pursuant to this section, together with  
356 section 38EE of chapter 63, shall not exceed \$3,000,000 in taxable year 2014, \$6,000,000 in  
357 each of taxable years 2015 to 2018, inclusive, \$8,000,000 in each of taxable years 2019 and  
358 2020, \$10,000,000 in each of taxable years 2021 and 2022 and \$12,000,000 in each of taxable  
359 years 2023 to 2025, inclusive.

360 SECTION 14. Section 31H of chapter 63 of the General Laws, as appearing in the 2016  
361 Official Edition, is hereby amended by inserting after the word “project”, in line 74, the  
362 following words:- ; and (iv) \$5,000,000 to preserve and improve existing state or federally-  
363 assisted housing.

364 SECTION 15. Said section 31H of said chapter 63, as so appearing, is hereby further  
365 amended by striking out in lines 114 to 117, inclusive, the words “; provided, further, that no  
366 credit shall be authorized related to a project that receives state financial assistance authorized  
367 under section 7A of chapter 244 of the acts of 2002.”

368 SECTION 16. Section 38Q of said chapter 63, as so appearing, is hereby amended by  
369 striking out, in line 3, the figure “2018” and inserting in place thereof the following figure:-  
370 2023.

371 SECTION 17. Said 38Q of said chapter 63, as so appearing, is hereby further amended by  
372 striking out, in line 9, the words “2019, for any property it owns or leases” and inserting in place  
373 thereof the following words:- 2024, for any property it owns, operates, or leases.

374 SECTION 18. Said section 38Q of said chapter 63, as so appearing, is hereby further  
375 amended by striking out, in line 17, the figure “40.00” and inserting in place thereof the  
376 following figure:- 40.0000.

377 SECTION 19. Said section 38Q of said chapter 63, as so appearing, is hereby further  
378 amended by inserting, in line 18, after the word “limitation” the following words:-

379 , or which includes such an activity and use limitation recorded on or after June 20, 2014  
380 in the case of a development in which at least 20 per cent of the residential units are restricted to  
381 occupancy by households earning 120 per cent or less of area median income. Such costs may  
382 include net response and removal costs incurred by such corporation before such corporation  
383 owned, operated, or leased the subject property.

384 SECTION 20. Subsection (c) of section 38EE of said chapter 63, as so appearing, is  
385 hereby amended by striking out clause (4) and inserting in place thereof the following clause:-

386 (4) no community partner shall receive a community investment tax credit allocation of  
387 less than \$50,000 or more than 2 1/2 per cent of the total credits available in any 1 taxable year;  
388 provided, however, that the department may waive this cap if it determines that it would be  
389 unable to otherwise fully allocate the credits available during that calendar year to eligible  
390 community partners; provided, however, that no community partner shall receive a subsequent  
391 allocation unless the department has determined that it has made satisfactory progress toward  
392 utilizing any prior allocation;

393 SECTION 21. Subsection (e) of said section 38EE of said chapter 63, as so appearing, is  
394 hereby amended by striking out the first sentence.

395 SECTION 22. Subsection (i) of said section 38EE of said chapter 63, as so appearing, is  
396 hereby amended by striking out the second sentence and inserting in place thereof the following  
397 sentence:- The total value of the tax credits authorized pursuant to this section, together with  
398 section 6M of chapter 62, shall not exceed \$3,000,000 in taxable year 2014, \$6,000,000 in each  
399 of taxable years 2015 to 2018, inclusive, \$8,000,000 in each of taxable years 2019 and 2020,  
400 \$10,000,000 in each of taxable years 2021 and 2022 and \$12,000,000 in each of taxable years  
401 2023 to 2025, inclusive.

402 SECTION 23. Subsection (a) of section 2 of chapter 121G of the General Laws, as so  
403 appearing , is hereby amended by adding the following sentence:- An eligible property that has  
404 been acquired for the purpose of preserving or improving the property shall not lose eligibility  
405 due to actions by the purchaser to renew or extend state or federal contracts or subsidies.

406 SECTION 24. Section 4 of chapter 708 of the acts of 1966, as most recently amended by  
407 section6 of chapter 239 of the acts of 1998, is hereby further amended by adding the following  
408 subsection:-

409 (aa) Take any and all actions necessary and appropriate, directly or through an affiliate or  
410 subsidiary entity, (i) to provide contract administration services in or for any state of the United  
411 States of America or the District of Columbia, in connection with any multifamily rental subsidy  
412 program of the U.S. Department of Housing and Urban Development; (ii) to provide loan  
413 servicing services with respect to 1- to 4-family residential mortgage loans secured by mortgages  
414 on real property located in any state of the United States of America or the District of Columbia,

415 provided the MHFA shall not enter into any agreement for such loan servicing unless the  
416 majority of loans to be serviced are mortgage loans secured by mortgages on real property  
417 located within the commonwealth; and (iii) to provide any loan servicing, master servicing,  
418 mortgage insurance and other commercial services and products related to residential mortgage  
419 loans in partnership with a governmental or quasi-governmental agency in any state or the  
420 District of Columbia; in each case unless and to the extent prohibited by the laws of any such  
421 state or the District of Columbia.

422 SECTION 25. Sections 12, 16 and 100 of chapter 142 of the acts of 2011 are hereby  
423 repealed.

424 SECTION 26. Section 98 of chapter 238 of the acts of 2012 is hereby amended by  
425 striking out the figure “2019” and inserting in place thereof the following figure:- 2025.

426 SECTION 27. Chapter 287 of the acts of 2014 is hereby amended by inserting after  
427 section 124 the following section:-

428 SECTION 124A. Sections 46, 48, 61, and 63 shall take effect on January 1, 2024.

429 SECTION 28. Section 125 of said chapter 287 is hereby amended by striking out the  
430 words “46, 48, 56A, 61, 63 and 124” and inserting in place thereof the following words:- 56A  
431 and 124.

432 SECTION 29. Notwithstanding any general or special law to the contrary, the secretary  
433 of housing and economic development and the secretary of administration and finance shall  
434 jointly submit a report on the progress of all projects and expenditures related to the funds  
435 available in this act or any outstanding authorizations from a prior authorization act for housing

436 projects that were undertaken by the executive office of housing and economic development or  
437 any of its constituent agencies to the house and senate committees on ways and means, the house  
438 and senate committees on bonding, capital expenditures and state assets and the joint committee  
439 on housing. This report shall include, but not be limited to: the address, the nature of the work  
440 and scope of work of each project funded in this act; the total amount allocated for each project  
441 broken down by fiscal year in which the allocation occurred and the total estimated cost of each  
442 project; the amount expended for the planning and design of each project up to the time the  
443 report is filed; the amount expended on construction of each project up to the time the report is  
444 filed; the total amount currently expended on each project; a schedule of life cycle standards for  
445 each completed project; the original estimated completion date of each project; the current  
446 anticipated completion date of each project; and, if the project has been de-authorized, the reason  
447 for and date of de-authorization. The information required in this report shall be current as of 30  
448 days before the submission of the report and the report shall be submitted bi-annually for 6 years  
449 after the effective date of this act.

450 SECTION 30. Notwithstanding any general or special law to the contrary, to meet the  
451 expenditures necessary in carrying out section 2, the state treasurer shall, upon receipt of a  
452 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified  
453 by the governor from time to time but not exceeding, in the aggregate, \$1,700,000,000. All  
454 bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Housing  
455 Production, Preservation, Modification and Neighborhood Development Loan Act of 2018, and  
456 shall be issued for a maximum term of years, not exceeding 30 years, as the governor may  
457 recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the  
458 Constitution; provided, however, that all such bonds shall be payable not later than June 30,

459 2053. All interest and payments on account of principal on such obligations shall be payable  
460 from the General Fund. Bonds and interest thereon issued under the authority of this section  
461 shall, notwithstanding any other provision of this act, be general obligations of the  
462 commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by  
463 the department of housing and community development for administrative costs directly  
464 attributable to the purposes of this act, including costs of clerical and support personnel. The  
465 director of the department of housing and community development shall file an annual spending  
466 plan with the fiscal affairs division, the house and senate committees on ways and means, the  
467 house and senate committees on bonding, capital expenditures and states assets and the joint  
468 committee on housing which details, by subsidiary, all personnel costs and any administrative  
469 costs charged to expenditures made pursuant to this act.

470 SECTION 31. Notwithstanding any general or special law to the contrary, within 120  
471 days after the expiration of affordability restrictions on housing units assisted under items 7004-  
472 0050 and 7004-0051 in section 2, the department of housing and community development or its  
473 assignee, who shall be a qualified developer selected pursuant to the terms of said items 7004-  
474 0050 and 7004-0051 under the guidelines of the department, shall have an option to purchase any  
475 such housing units at their current appraised value, reduced by any remaining obligation of the  
476 owner, upon the expiration of the affordability restrictions. The department or its assignee shall  
477 only purchase or acquire such housing units to preserve or provide affordable housing. The  
478 department or its assignee shall hold such purchase option for the first 120 days after the  
479 expiration of the affordability restrictions. Failure to exercise the purchase option within 120  
480 days after the expiration of the affordability restriction shall constitute a waiver of the purchase  
481 option by the department or its assignee. Within 30 days after the expiration of an affordability

482 restriction, the owner and the department shall each designate a professional in the field of multi-  
483 unit residential housing. Each professional shall select an impartial appraiser. Within 60 days  
484 after the expiration of the affordability restriction, the 2 impartial appraisers shall determine the  
485 current appraised value in accordance with recognized professional standards. If there is a  
486 difference in the valuations, the valuations shall be added together and divided by 2 to determine  
487 the current appraised value of the units. No sale, transfer or other disposition of the property shall  
488 be completed until either the purchase option period expires or the owner has been notified, in  
489 writing, by the department or its assignee that the option will not be exercised. The option shall  
490 be exercised only by written notice signed by a designated representative of the department or its  
491 assignee, mailed to the owner by certified mail at the address specified in the notice of intention  
492 and recorded with the registry of deeds or the registry district of the land court of the county in  
493 which the affected real property is located, within the option period. If the purchase option has  
494 been assigned to a qualified developer selected pursuant to said items 7004-0050 and 7004-0051,  
495 the written notice shall state the name and address of the developer and the terms and conditions  
496 of the assignment.

497         Before any sale or transfer or other disposition of housing that the department has not  
498 previously exercised an option to purchase, an owner shall offer the department or its assignee,  
499 who shall be a qualified developer selected pursuant to said items 7004-0050 and 7004-0051, a  
500 first refusal option to meet a bona fide offer to purchase the units. The owner shall provide to the  
501 department or its assignee written notice by regular and certified mail, return receipt requested,  
502 of the owner's intention to sell, transfer or otherwise dispose of the property. The department or  
503 its assignee shall hold the first refusal option for the first 120 days after receipt of the owner's  
504 written notice of intent to transfer the property. Failure to respond to the written notice of intent



505 to sell, transfer or otherwise dispose of the property within the 120 day period shall constitute a  
506 waiver of the right of first refusal by the department. No sale, transfer or other disposition of the  
507 property shall be completed until either this first refusal option period has expired or the owner  
508 has been notified in writing by the department or its assignee that the option will not be  
509 exercised. The option shall be exercised only by written notice signed by a designated  
510 representative of the department or its assignee, mailed to the owner by certified mail at the  
511 address specified in the notice of intention and recorded with the registry of deeds or the registry  
512 district of the land court of the county in which the affected real property is located, within the  
513 option period. If the first refusal option has been assigned to a qualified developer selected  
514 pursuant to said items 7004-0050 and 7004-0051, the written notice shall state the name and  
515 address of the developer and the terms and conditions of the assignment.

516 An affidavit before a notary public that the notice of intent was mailed on behalf of an  
517 owner shall conclusively establish the manner and time of the giving of notice to sell, transfer or  
518 otherwise dispose of the property. The affidavit and notice that the option shall not be exercised  
519 shall be recorded with the registry of deeds or the registry district of the land court of the county  
520 in which the affected real property is located. Each notice of intention, notice of exercise of the  
521 purchase option or first refusal option and notice that the purchase option or first refusal option  
522 shall not be exercised shall contain the name of the recorded owner of the property and a  
523 reasonable description of the premises to be sold or converted. Each affidavit signed before a  
524 notary public shall have attached to it a copy of the notice of intention to which it relates. The  
525 notices of intention shall be mailed to the relevant parties in the care of the keeper of records for  
526 the party in question. Upon notifying the owner in writing of its intention to exercise its purchase  
527 option or first refusal option during the 120 day period, the department or its assignee shall have

528 an additional 120 days, beginning on the date the purchase option period or first refusal option  
529 period expires, to purchase the units. Those time periods may be extended by mutual agreement  
530 between the department or its assignee and the owner of the property. Any extension agreed  
531 upon shall be recorded in the registry of deeds or the registry district of the land court of the  
532 county in which the affected real property is located. Within a reasonable time after requesting  
533 an extension, the owner shall make available to the department or its assignee any information  
534 that is reasonably necessary for the department to exercise its option.

535           SECTION 32. Notwithstanding any general or special law to the contrary, not later than  
536 July 1, 2018, and annually thereafter, the director of housing and community development shall  
537 submit to the secretary of administration and finance, the house and senate committees on ways  
538 and means, the joint committee on housing and the house and senate committees on bonding,  
539 capital expenditures and state assets a capital plan for fiscal years 2019 to 2023, inclusive, for the  
540 capital funds authorized in section 2.

541           SECTION 33. Notwithstanding any general or special law to the contrary, a private entity  
542 engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or  
543 redevelopment project receiving funds pursuant to this act shall properly classify individuals  
544 employed on the project and shall comply with all laws concerning workers' compensation  
545 insurance coverage, unemployment insurance, social security taxes and income taxes with  
546 respect to all such employees. All construction contractors engaged by an entity on any such  
547 project shall furnish documentation to the appointing authority showing that all employees  
548 employed on the project have hospitalization and medical benefits that meet the minimum  
549 requirements of the connector established in chapter 176Q of the General Laws.

550 SECTION 34. Notwithstanding any general or special law to the contrary, the  
551 unexpended and unencumbered balances of the bond-funded authorizations in the following  
552 accounts shall cease to be available for expenditure 90 days after the effective date of this act:  
553 3000-0400, 7004-0039, 7004-0040, 7004-0041, 7004-0042, 7004-0043, 7004-0044, 7004-0045,  
554 7004-0046, 7004-0047, 7004-0048.

555 SECTION 35. Sections 9, 10, 14 and 15 shall be effective for tax years beginning on or  
556 after January 1, 2018.