

# HOUSE . . . . . No. 4108

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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

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

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

Office of the Secretary.

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

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

## EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

Department of Housing and Community Development.

7004-0050. For state financial assistance in the form of loans for the development of  
community-based housing or supportive housing for individuals with mental illness and  
individuals with intellectual disabilities; provided, that the loan program shall be administered by  
the department of housing and community development, referred to in this item as the  
department, through contracts with the Massachusetts Development Finance Agency established  
by chapter 23G of the General Laws, the Community Economic Development Assistance  
Corporation established by chapter 40H of the General Laws, operating agencies established  
pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
established by chapter 708 of the acts of 1966; provided, further, that those agencies may  
develop or finance community-based housing or supportive housing or may enter into  
subcontracts with nonprofit organizations, established pursuant to chapter 180 of the General  
Laws, or organizations in which such nonprofit corporations have a controlling financial or  
managerial interest or for-profit organizations; provided, however, that preference for the  
subcontracts shall be given to nonprofit organizations; provided, further, that the department  
shall consider a balanced geographic plan for such community-based housing or supportive  
housing when issuing the loans; provided, further, that the department shall consider  
development of a balanced range of housing models by prioritizing funds for integrated housing  
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 shall expend  
212 \$20,000,000 to stabilize and promote reinvestment, through homeownership, in areas the  
213 department has determined to be weak markets as indicated by a high concentration of assisted  
214 rental housing, low rate of homeownership, low median family income, low average sales prices,  
215 high levels of unpaid property taxes or vacant or abandoned buildings, (1) by waiving the  
216 requirements of this item and said chapter 121F, (2) by subsidizing the purchase price, borrowing

217 costs or costs of renovation or new construction of 1 to 6 unit residential buildings for a person  
218 who shall own the property and occupy any portion of the property as the person's primary  
219 residence for at least 5 years from the date of purchase; provided, that \$10,000,000 may be  
220 expended to subsidize the purchase price, borrowing costs or costs of renovation or new  
221 construction of single residential buildings, in accordance with this item; provided, further, that if  
222 more than 5 years, but less than 10 years, from the date the owner takes ownership of the  
223 property, the owner sells any of the owner's interest in the property, the new owner shall so  
224 occupy 1 unit in the property for a period equal to the difference between 10 years and the  
225 amount of time the first owner occupied the property as the owner's primary residence; provided,  
226 further, that if the owner fails to so occupy a unit on the property or ceases to be the owner of the  
227 property as required by this section, the department shall recoup the value of any subsidy  
228 provided to the owner; and provided, further, that 10 years after the owner takes possession of  
229 the property pursuant to this item, all restrictions on the property created by this item shall be  
230 void; and (3) by subsidizing the purchase price, borrowing costs or costs of renovation or new  
231 construction of 1 to 6 unit residential buildings and units of a condominium, as defined in section  
232 1 of chapter 183A of the General Laws, located in weak markets areas, including gateway  
233 municipalities, as defined in section 3A of chapter 23A of the General Laws, for a person (i) who  
234 owes "qualified educational loan" indebtedness, as defined in section 19A of chapter 15A of the  
235 General Laws; and (ii) who shall own the property and occupy any portion of the property as the  
236 person's primary residence for at least 5 years from the date of purchase; provided, that 5 years  
237 after the owner takes possession of the property pursuant to this item, all restrictions on the  
238 property created by this item shall be void; and provided further, that such person shall not

239 receive said funds if the person is delinquent on any qualified educational loan  
240 payment..... \$ 160,000,000

241       7004-0054. For the purpose of state financial assistance in the form of grants for projects  
242 undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided,  
243 that contracts entered into by the department of housing and community development for those  
244 projects may include, but shall not be limited to, projects providing for renovation, remodeling,  
245 reconstruction, redevelopment and hazardous material abatement, including asbestos and lead  
246 paint, and for compliance with state codes and laws and for adaptations necessary for compliance  
247 with the federal Americans with Disabilities Act of 1990, the provision of day care facilities,  
248 learning centers and teen service centers and the adaptation of units for families and persons with  
249 disabilities; provided, further, that priority shall be given to projects undertaken for the purpose  
250 of compliance with state codes and laws or for other purposes related to the health and safety of  
251 residents; provided, further, that funds may be expended from this item to make such  
252 modifications to congregate housing units as may be necessary to increase the occupancy rate of  
253 those units; provided, further, that the department shall continue to fund a program to provide  
254 predictable funds to be used flexibly by housing authorities for capital improvements to extend  
255 the useful life of state-assisted public housing; and provided, further, that not less than 25 per  
256 cent of the funds made available in this item shall be used to fund projects which preserve or  
257 produce housing for families and individuals with incomes of not more than 30 per cent of the  
258 area median income, as defined by the United States Department of Housing and Urban  
259 Development..... \$ 600,000,000

260       7004-0055. For the purpose of state financial assistance in the form of grants for a 5 year  
261 demonstration program, administered by the department of housing and community development

262 to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled  
263 public housing that seek to reduce the need for future state modernization funding; provided, that  
264 housing authorities with state-aided housing developments pursuant to chapter 200 of the acts of  
265 1948, chapter 667 of the acts of 1954, chapter 705 of the acts of 1966, chapter 689 of the acts of  
266 1974 or chapter 167 of the acts of 1987 shall be eligible to participate in the demonstration  
267 program; provided, further, that the department shall establish a 7-member advisory committee,  
268 to consist of the director of the department or a designee, 1 member selected by Citizens'  
269 Housing and Planning Association, Inc., 1 member selected by the Massachusetts chapter of the  
270 National Association of Housing and Redevelopment Officials, 1 member selected by the  
271 Massachusetts Union of Public Housing Tenants, Inc. and 3 additional members chosen by the  
272 department to provide advice and recommendations to the department regarding the program;  
273 provided, further, that the department may exempt a recipient of demonstration grants from the  
274 requirements of chapter 7C of the General Laws and chapter 121B of the General Laws upon a  
275 showing by the recipient that such exemptions are necessary to accomplish the effective  
276 revitalization of public housing and will not adversely affect public housing residents or  
277 applicants of any income who are otherwise eligible; provided, further, that the department may  
278 provide to recipients of demonstration grants such additional regulatory relief as is required to  
279 further the objectives of the demonstration program; provided, further, that funds shall be made  
280 available for technical assistance provided by the Community Economic Development  
281 Assistance Corporation established by chapter 40H of the General Laws or the Massachusetts  
282 Housing Partnership Fund established pursuant to section 35 of chapter 405 of the acts of 1985 to  
283 recipients of demonstration grants and for evaluation of the demonstration; provided, further, that  
284 the department's regulations for the implementation, administration and enforcement of this

285 shall: (i) require that housing authorities selected demonstrate innovative and replicable solutions  
286 to the management, marketing or capital needs of state-aided family and elderly-disabled public  
287 housing developments and contribute to the continued viability of the housing as a resource for  
288 public housing eligible residents; (ii) encourage proposals that demonstrate regional  
289 collaborations among housing authorities; and (iii) encourage proposals that propose new  
290 affordable housing units on municipally-owned land, underutilized public housing sites or other  
291 land owned by the housing authority; and provided, further, that the department shall report to  
292 the house and senate committees on ways and means, the house and senate committees on  
293 bonding, capital expenditures and state assets and the joint committee on housing on the progress  
294 of the demonstration program annually..... \$50,000,000

295       7004-0056. For the purpose of state financial assistance in the form of grants or loans for  
296 the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General  
297 Laws; provided, that not less than 25 per cent of the funds made available in this item shall be  
298 used to fund projects which preserve and produce housing for families and individuals with  
299 incomes of not more than 30 per cent of the area median income, as defined by the United States  
300 Department of Housing and Urban Development..... \$  
301 100,000,000

302       7004-0057. For the purpose of state financial assistance in the form of grants or loans for  
303 the Capital Improvement and Preservation Trust Fund established in section 2 of chapter 121G of  
304 the General Laws for expiring use properties..... \$ 125,000,000

305       7004-0058. For the purpose of providing financial support for developing residential  
306 housing units and mixed use developments that include both residential housing units and

commercial or retail space and are located within neighborhood commercial areas including, but not limited to, those areas designated as main street areas by providing necessary financial assistance to the commercial components of these projects; provided, that the developments may include projects which have residential units above commercial space and shall be located in areas characterized by a predominance of commercial land uses, a high daytime or business population or a high concentration of daytime traffic and parking; provided, further, that the financial subsidy for the commercial portion of a project shall not exceed 25 per cent of the total development cost of the commercial portion of the project or \$1,000,000, whichever is smaller; provided, further, that \$15,000,000 shall be used to fund transit-oriented housing developments in proximity to public transit nodes; provided, further, that eligible activities for transit-oriented development shall include, without limitation, planning grants, financing subsidies and environmental assessment; and provided, further, that not less than 50 per cent of the beneficiaries of housing in projects assisted by this item shall be persons whose income is not more than 80 per cent of the area median income, as defined by the United States Department of Housing and Urban Development.... \$50,000,000

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

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

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

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

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

SECTION 8. Said section 6 of said chapter 62, as so appearing, is hereby further amended by inserting after the word “limitation” , in lines 297 and 298, the following:- , or which includes such an activity and use limitation recorded on or after June 20, 2014 in the case of a development in which at least 20 per cent of the residential units are restricted to occupancy by households earning 120 per cent or less of area median income. Such costs may include net response and removal costs incurred by such taxpayer or nonprofit organization before it owned, operated, or leased the subject property.

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

SECTION 10. Said section 6I of said chapter 62, as so appearing, is hereby further amended by striking out, in lines 112 to 115, inclusive, the words “; provided, further, that no



credit shall be authorized related to a project that receives state financial assistance authorized under section 7A of chapter 244 of the acts of 2002.”

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

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

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

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

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

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

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

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

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

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

, or which includes such an activity and use limitation recorded on or after June 20, 2014 in the case of a development in which at least 20 per cent of the residential units are restricted to

occupancy by households earning 120 per cent or less of area median income. Such costs may include net response and removal costs incurred by such corporation before such corporation owned, operated, or leased the subject property.

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

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

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

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

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

SECTION 24. Section 4 of chapter 708 of the acts of 1966, as most recently amended by section 6 of chapter 239 of the acts of 1998, is hereby further amended by adding the following subsection:-

(aa) Take any and all actions necessary and appropriate, directly or through an affiliate or subsidiary entity, (i) to provide contract administration services in or for any state of the United States of America or the District of Columbia, in connection with any multifamily rental subsidy program of the U.S. Department of Housing and Urban Development; (ii) to provide loan servicing services with respect to 1- to 4-family residential mortgage loans secured by mortgages on real property located in any state of the United States of America or the District of Columbia, provided the MHFA shall not enter into any agreement for such loan servicing unless the majority of loans to be serviced are mortgage loans secured by mortgages on real property located within the commonwealth; and (iii) to provide any loan servicing, master servicing, mortgage insurance and other commercial services and products related to residential mortgage loans in partnership with a governmental or quasi-governmental agency in any state or the District of Columbia; in each case unless and to the extent prohibited by the laws of any such state or the District of Columbia.

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

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

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

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

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

SECTION 29. Notwithstanding any general or special law to the contrary, the secretary of housing and economic development and the secretary of administration and finance shall jointly submit a report on the progress of all projects and expenditures related to the funds available in this act or any outstanding authorizations from a prior authorization act for housing projects that were undertaken by the executive office of housing and economic development or any of its constituent agencies to the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on housing. This report shall include, but not be limited to: the address, the nature of the work and scope of work of each project funded in this act; the total amount allocated for each project broken down by fiscal year in which the allocation occurred and the total estimated cost of each project; the amount expended for the planning and design of each project up to the time the report is filed; the amount expended on construction of each project up to the time the report is filed; the total amount currently expended on each project; a schedule of life cycle standards for each completed project; the original estimated completion date of each project; the current

458 anticipated completion date of each project; and, if the project has been de-authorized, the reason  
459 for and date of de-authorization. The information required in this report shall be current as of 30  
460 days before the submission of the report and the report shall be submitted bi-annually for 6 years  
461 after the effective date of this act.

462         SECTION 30. Notwithstanding any general or special law to the contrary, to meet the  
463 expenditures necessary in carrying out section 2, the state treasurer shall, upon receipt of a  
464 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified  
465 by the governor from time to time but not exceeding, in the aggregate, \$1,710,000,000. All  
466 bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Housing  
467 Production, Preservation, Modification and Neighborhood Development Loan Act of 2018, and  
468 shall be issued for a maximum term of years, not exceeding 30 years, as the governor may  
469 recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the  
470 Constitution; provided, however, that all such bonds shall be payable not later than June 30,  
471 2053. All interest and payments on account of principal on such obligations shall be payable  
472 from the General Fund. Bonds and interest thereon issued under the authority of this section  
473 shall, notwithstanding any other provision of this act, be general obligations of the  
474 commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by  
475 the department of housing and community development for administrative costs directly  
476 attributable to the purposes of this act, including costs of clerical and support personnel. The  
477 director of the department of housing and community development shall file an annual spending  
478 plan with the fiscal affairs division, the house and senate committees on ways and means, the  
479 house and senate committees on bonding, capital expenditures and states assets and the joint

committee on housing which details, by subsidiary, all personnel costs and any administrative costs charged to expenditures made pursuant to this act.

SECTION 31. Notwithstanding any general or special law to the contrary, within 120 days after the expiration of affordability restrictions on housing units assisted under items 7004-0050 and 7004-0051 in section 2, the department of housing and community development or its assignee, who shall be a qualified developer selected pursuant to the terms of said items 7004-0050 and 7004-0051 under the guidelines of the department, shall have an option to purchase any such housing units at their current appraised value, reduced by any remaining obligation of the owner, upon the expiration of the affordability restrictions. The department or its assignee shall only purchase or acquire such housing units to preserve or provide affordable housing. The department or its assignee shall hold such purchase option for the first 120 days after the expiration of the affordability restrictions. Failure to exercise the purchase option within 120 days after the expiration of the affordability restriction shall constitute a waiver of the purchase option by the department or its assignee. Within 30 days after the expiration of an affordability restriction, the owner and the department shall each designate a professional in the field of multi-unit residential housing. Each professional shall select an impartial appraiser. Within 60 days after the expiration of the affordability restriction, the 2 impartial appraisers shall determine the current appraised value in accordance with recognized professional standards. If there is a difference in the valuations, the valuations shall be added together and divided by 2 to determine the current appraised value of the units. No sale, transfer or other disposition of the property shall be completed until either the purchase option period expires or the owner has been notified, in writing, by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its

assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the purchase option has been assigned to a qualified developer selected pursuant to said items 7004-0050 and 7004-0051, the written notice shall state the name and address of the developer and the terms and conditions of the assignment.

Before any sale or transfer or other disposition of housing that the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to said items 7004-0050 and 7004-0051, a first refusal option to meet a bona fide offer to purchase the units. The owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property. The department or its assignee shall hold the first refusal option for the first 120 days after receipt of the owner's written notice of intent to transfer the property. Failure to respond to the written notice of intent to sell, transfer or otherwise dispose of the property within the 120 day period shall constitute a waiver of the right of first refusal by the department. No sale, transfer or other disposition of the property shall be completed until either this first refusal option period has expired or the owner has been notified in writing by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the first refusal option has been assigned to a qualified developer selected



pursuant to said items 7004-0050 and 7004-0051, the written notice shall state the name and address of the developer and the terms and conditions of the assignment.

An affidavit before a notary public that the notice of intent was mailed on behalf of an owner shall conclusively establish the manner and time of the giving of notice to sell, transfer or otherwise dispose of the property. The affidavit and notice that the option shall not be exercised shall be recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Each notice of intention, notice of exercise of the purchase option or first refusal option and notice that the purchase option or first refusal option shall not be exercised shall contain the name of the recorded owner of the property and a reasonable description of the premises to be sold or converted. Each affidavit signed before a notary public shall have attached to it a copy of the notice of intention to which it relates. The notices of intention shall be mailed to the relevant parties in the care of the keeper of records for the party in question. Upon notifying the owner in writing of its intention to exercise its purchase option or first refusal option during the 120 day period, the department or its assignee shall have an additional 120 days, beginning on the date the purchase option period or first refusal option period expires, to purchase the units. Those time periods may be extended by mutual agreement between the department or its assignee and the owner of the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Within a reasonable time after requesting an extension, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its option.

SECTION 32. Notwithstanding any general or special law to the contrary, not later than July 1, 2018, and annually thereafter, the director of housing and community development shall

549 submit to the secretary of administration and finance, the house and senate committees on ways  
550 and means, the joint committee on housing and the house and senate committees on bonding,  
551 capital expenditures and state assets a capital plan for fiscal years 2019 to 2023, inclusive, for the  
552 capital funds authorized in section 2.

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

562         SECTION 34. Notwithstanding any general or special law to the contrary, the  
563 unexpended and unencumbered balances of the bond-funded authorizations in the following  
564 accounts shall cease to be available for expenditure 90 days after the effective date of this act:  
565 3000-0400, 7004-0039, 7004-0040, 7004-0041, 7004-0042, 7004-0043, 7004-0044, 7004-0045,  
566 7004-0046, 7004-0047, 7004-0048.

567         SECTION 34A. Section 3 of chapter 121D of the General laws, as appearing in the 2016  
568 Official Edition, is hereby amended by adding the following subsection:- “(f) Funds provided for  
569 the fund may be used to write down interest rates and related costs for a program for first-time  
570 homebuyers with eligible student debt, defined in this section as a person who owes ‘qualified

educational loan' indebtedness, as defined in section 19A of chapter 15A of the General Laws, of property located in areas the department of housing and community development has determined to be weak markets as indicated by a high concentration of assisted rental housing, a low rate of homeownership, low median family income, low average sales prices, high levels of unpaid property taxes or vacant or abandoned buildings, including gateway municipalities, as defined in section 3A of chapter 23A of the General Laws, administered by the Massachusetts Housing Partnership Fund Board. Such person shall not receive said funds if the person is delinquent on any qualified educational loan payment.

SECTION 34B. Subsection (b) of section 3 of chapter 121F, as so appearing, is hereby further amended by adding the following clause:- (8) notwithstanding the restrictions in this chapter, to write down interest rates and related costs for a program for first-time homebuyers with eligible student debt, defined in this subsection as a person who owes 'qualified educational loan' indebtedness, as defined in section 19A of chapter 15A of the General Laws, of property located in property located in areas the department of housing and community development has determined to be weak markets as indicated by a high concentration of assisted rental housing, a low rate of homeownership, low median family income, low average sales prices, high levels of unpaid property taxes or vacant or abandoned buildings, including gateway municipalities, as defined in section 3A of chapter 23A of the General Laws. Such person shall not receive said funds if the person is delinquent on any qualified educational loan payment.

SECTION 34C. Section 13 of chapter 30A of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by striking out, in lines 42-81, inclusive, the fourth paragraph.

593           SECTION 34D. Section 61 of chapter 112 of the General Laws, as appearing in the 2016  
594   Official Edition, is hereby amended by striking out, in lines 82-123, inclusive, the fifth  
595   paragraph.

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