

SENATE No. 872

The Commonwealth of Massachusetts

PRESENTED BY:

Brendan P. Crighton

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act leveraging additional resources for local housing authorities.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Brendan P. Crighton</i>	<i>Third Essex</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>2/26/2021</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>3/29/2021</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>4/8/2021</i>

SENATE No. 872

By Mr. Crighton, a petition (accompanied by bill, Senate, No. 872) of Brendan P. Crighton, Jason M. Lewis, James B. Eldridge and Sal N. DiDomenico for legislation to leverage additional resources for local housing authorities. Housing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 785 OF 2019-2020.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act leveraging additional resources for local housing authorities.

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. Section 11 of said chapter 121B, as so appearing, is hereby amended by
2 adding the following paragraph:-

3 “Notwithstanding any general or special law to the contrary, a housing authority, with the
4 approval of the department, shall have the power to secure indebtedness incurred for the
5 preservation, modernization and maintenance of one or more of its low-rent housing
6 developments assisted under section 32 or section 34 of chapter 121B by a pledge of a portion of
7 capital funds awarded to it for improvements to be carried out pursuant to a department-approved
8 capital improvement plan in accordance with department regulations governing capital projects.

9 The department shall promulgate regulations establishing limitations on the percentage of
10 awarded capital funds that may be pledged to secure indebtedness, describing permitted terms for

11 borrowing and repayment, and establishing criteria for housing authorities that will be permitted
12 to incur indebtedness secured by a pledge of capital funds. Any pledge of future year capital
13 funds under this section is subject to the availability of funds under the department’s capital
14 spending plan as approved by the governor for that year. All financing documents related to
15 future year capital fund amounts must include a statement that the pledging of funds is subject to
16 the availability of funds under the department’s capital spending plan as approved by the
17 governor.”.

18 SECTION 2. Section 34 of said chapter 121B, as so appearing, is hereby amended by
19 striking out the fifth paragraph and inserting in place thereof the following paragraph:-

20 “The proceeds of any sale or other disposition of such project in excess of the total of all
21 obligations of the housing authority with respect to such project shall, after the payment of all
22 bonds issued by the housing authority to finance the cost of such project and payment of the
23 costs of the sale or disposition, be retained by the housing authority for the preservation,
24 modernization and maintenance of its public housing assisted under this chapter as approved by
25 the department, or where the housing authority has no public housing assisted under this chapter,
26 such proceeds shall be paid to the department to fund capital improvements for the preservation,
27 modernization and maintenance of state-aided public housing.”.

28 SECTION 3. Said section 34 of said chapter 121B, as so appearing, is hereby further
29 amended by striking out the tenth paragraph and inserting in place thereof the following
30 paragraph:-

31 “Whenever a housing authority shall determine that land acquired by it under clause (d)
32 of section 11 for the purpose of this section is in excess of or no longer required for such

33 purposes it may, upon approval by the department, sell or otherwise dispose of such land by deed
34 or instrument approved as to form by the attorney general. If the housing authority is disposing
35 of such land for purposes of housing development, it may do so in accordance with section 26 of
36 this chapter. So long as any bonds issued by a housing authority to finance the cost of a project
37 under this section or section 35 and guaranteed by the commonwealth are outstanding, funds
38 received from a disposition of land as provided in this chapter shall be applied in accordance
39 with the fourth paragraph of this section. After the payment of all bonds issued by the housing
40 authority to finance the cost of such project, funds received shall be applied in accordance with
41 the fifth paragraph of this section.”.

42 SECTION 4. Section 16 of said chapter 121B, as so appearing, is hereby amended by
43 adding the following paragraph:-

44 “Notwithstanding any provision to the contrary in this chapter or in any other general or
45 special law relative to the tax status of real property, buildings or other structures owned by a
46 housing authority, a controlled affiliate, or another private entity, including without limitation a
47 for-profit or charitable corporation, general or limited partnership, or limited liability company,
48 that contain or will contain replacement units as defined in section 1, shall be exempt from
49 taxation, betterments and special assessments to the extent such buildings or structures are
50 restricted for use as replacement units, including associated common areas and associated land.
51 If replacement units and associated common areas constitute only a portion of such resulting
52 buildings or structures, the exemption shall be prorated based on the ratio which the square
53 footage of replacement units bears to the square footage of all other residential or commercial
54 units within the buildings or structures. The housing authority, controlled affiliate or other
55 private entity shall pay (a) with respect to the exempt portion of the buildings or structures and

56 land, a payment in lieu of taxes consistent with the valuation or other formula generally
57 applicable under this section to the housing authority's real estate in the city or town in which
58 such real estate is located, or as otherwise previously agreed upon between the city or town and
59 the housing authority as the method for computing the payments to be made in lieu of taxes, and
60 using the ratio described above; and (b) with respect to the non-exempt portion of the buildings
61 or structures and land, real estate taxes in accordance with chapter 59 of the General Laws based
62 on the fair cash value of the non-exempt portion of the buildings or structures and non-exempt
63 portion of the land using the ratio described above.”.