

HOUSE No. 227

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral

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 relative to neighborhood stabilization and economic development.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>1/20/2023</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>1/26/2023</i>
<i>Christopher Hendricks</i>	<i>11th Bristol</i>	<i>1/26/2023</i>
<i>Carol A. Doherty</i>	<i>3rd Bristol</i>	<i>1/30/2023</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>	<i>2/1/2023</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>2/1/2023</i>
<i>Carole A. Fiola</i>	<i>6th Bristol</i>	<i>2/7/2023</i>

HOUSE No. 227

By Representative Cabral of New Bedford, a petition (accompanied by bill, House, No. 227) of Antonio F. D. Cabral and others relative to neighborhood stabilization and economic development. Community Development and Small Businesses.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to neighborhood stabilization and economic development.

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 3 of chapter 70B of the General Laws, as appearing in the 2020
2 Official Edition, is hereby amended by inserting after the colon, in line 21, the following words:
3 “neighborhood stabilization,”.

4 SECTION 2. Section 1 of chapter 121A, as so appearing, is hereby amended by replacing
5 the definitions of “decadent area”, “sub-standard area”, and “project” with the below definitions
6 of those terms, and inserting the following additional definitions after the definition of “project”-

7 “Decadent area”, an area, including a spot rehabilitation property, which is detrimental to
8 safety, health, morals, welfare or sound growth of a community because of the existence of a
9 building or buildings which are out of repair, physically deteriorated, unfit for human habitation,
10 or obsolete, or in need of major maintenance or repair, or because much of the real estate in
11 recent years has been sold or taken for non-payment of taxes or upon foreclosure of mortgages,
12 or because a building or buildings have been torn down and not replaced and in which under

13 existing conditions it is improbable that the building or buildings will be replaced, or because of
14 a substantial change in business or economic conditions, or because of inadequate light, air, or
15 open space, or because of excessive land coverage, or because diversity of ownership, irregular
16 lot sizes or obsolete street patterns make it improbable that the area will be redeveloped by the
17 ordinary operations of private enterprise, or by reason of any combination of the foregoing
18 conditions.

19 “Sub-standard area”, an area, including a spot rehabilitation property, upon which there is
20 a dwelling or wherein dwellings predominate which, by reason of dilapidation, overcrowding,
21 faulty arrangement or design, lack of ventilation, light, or sanitation facilities, or any
22 combination of these factors, are detrimental to safety, health, morals, welfare or sound growth
23 of a community.

24 “Project”, any undertaking consisting of the construction in one or more specified
25 blighted open, decadent or sub-standard areas of decent, safe and sanitary residential,
26 commercial, industrial, institutional, recreational or governmental buildings and such
27 appurtenant or incidental facilities as shall be in the public interest, and the operation and
28 maintenance of such buildings and facilities after construction. A “project” may include as
29 incidental thereto any one or more of the following:— (a) acquisition and assembly of the land
30 (and buildings and structures and other improvements thereon, if any) within a blighted open,
31 decadent or sub-standard area or areas; (b) clearance of the land within a blighted open, decadent
32 or sub-standard area or areas; (c) acquisition, assembly and clearance of land, buildings or
33 structures not in themselves blighted, decadent, or sub-standard if their inclusion is necessary for
34 the clearance, redevelopment, reconstruction or rehabilitation of a blighted open, decadent or
35 sub-standard area or areas; and (d) installation, construction, and reconstruction of public and

36 private ways, public utilities and services, and site improvements essential to the preparation of
37 blighted open, decadent or sub-standard area or areas for beneficial development or
38 redevelopment.

39 “Spot Blight Project Sponsor”, a community development corporation certified under
40 chapter 40H; a bona-fide non-profit organization, established under chapter 180 that has, in the
41 determination of the housing board, satisfactory and sufficient experience in the construction or
42 rehabilitation of residential or non-residential buildings, the creation or provision of affordable
43 housing, the restoration of abandoned property, the revitalization and improvement of
44 neighborhoods, or a similar purpose; a redevelopment authority established under chapter 121B;
45 or a partnership of two or more of any of the foregoing; that is approved under this chapter to
46 rehabilitate a spot rehabilitation property.

47 “Spot Rehabilitation Property”, a residential single-family home, a residential building
48 with not more than four separate units, a commercial property under 10,000 square feet with a
49 building or buildings thereon, or any building under 10,000 square feet with a mix of residential
50 and commercial uses that meets the following criteria: (a) the building or buildings on the
51 property have been vacant for the last twelve months, (b) construction has not begun pursuant to
52 a building permit that has been issued to conduct rehabilitation of the building or buildings on
53 the property for the purpose of making the property habitable or useable for commercial
54 purposes, and (c) the municipality has made a determination that the building or buildings are
55 distressed, upon consideration of the following: the building or buildings are out of repair,
56 physically deteriorated, unfit for human habitation, or obsolete, or in need of major maintenance
57 or repair, or because the building has been sold or taken for non-payment of taxes or upon
58 foreclosure of mortgages.

59 “Spot Rehabilitation Project”, any project, the subject of which consists exclusively of
60 spot rehabilitation properties.

61 SECTION 3. Chapter 121A of the General Laws, as so appearing, is hereby further
62 amended by deleting section 7A and inserting in its place the following:

63 Section 7A. A corporation organized under section three or an insurance company or a
64 group of insurance companies or a savings bank or group of savings banks operating under this
65 chapter or a spot blight project sponsor may purchase or lease from a housing authority,
66 redevelopment authority, municipality or other public body real estate acquired by such
67 authority, municipality or public body for land assembly and redevelopment or urban renewal
68 purposes under chapter one hundred and twenty-one B, upon such terms and conditions,
69 consistent with this chapter, as shall be approved by the housing board and may erect and
70 maintain a project upon the land so acquired. Such corporation shall not be required to offer its
71 stock to the owners of the real estate within the location of the project and such owners have no
72 preferential right to subscribe thereto; but in all other respects the provisions of this chapter shall
73 be applicable to corporations acting thereunder and their projects.

74 SECTION 4. Section 11 of chapter 121A, as so appearing, is hereby further amended by
75 inserting the following paragraph after the third paragraph:

76 A spot blight project sponsor shall have the power, with the approval of the local
77 municipality, to sell, exchange, give or otherwise transfer in whole or in part the land or interests
78 therein, including air rights, leased or acquired by it under this chapter, with the buildings or
79 other structures thereon, constituting a project or portion hereunder to any entity identified in the

80 foregoing paragraph, or may sell or lease the spot rehabilitation property to any individual or
81 group of individuals intending to use said property for residential use.

82 SECTION 5. Chapter 121A of the General Laws, as so appearing, is hereby further
83 amended by inserting after section 18D the following section:

84 Section 18E. A spot blight project sponsor may undertake on land owned or to be
85 acquired by it one or more spot rehabilitation projects under this chapter, or acquire spot
86 rehabilitation projects or any severable portion thereof from corporations, individuals or entities
87 authorized to undertake or acquire spot rehabilitation projects under this chapter, and the
88 provisions of this chapter, specifically including the powers granted by sections six A and eleven
89 and the procedures set forth in section eighteen B shall, to the extent applicable, apply to such
90 spot blight project sponsor and such spot rehabilitation projects, excepting the following:

91 (a) The term “corporation” as used in section six A, seven A, section ten, section eleven,
92 section twelve, section thirteen, section fourteen, and section fifteen shall be deemed to mean
93 spot blight project sponsor with respect to spot blight projects.

94 (b) Section three shall not be applicable to such spot blight project sponsor; and provided
95 further, a spot blight project sponsor may undertake more than one spot rehabilitation project.

96 (c) Section five shall not be applicable to a spot blight project; provided, however, that
97 the spot blight project sponsor shall submit an application for the approval of a spot
98 rehabilitation project, in the form required pursuant to section five to the municipality for its
99 approval.

100 (d) So much of section six as relates to the agreement of association shall not be
101 applicable to such spot blight project sponsor. The first, eighth, ninth, and tenth paragraphs of
102 section six shall not be applicable to a spot blight project. The municipality where the spot blight
103 project is located shall have full responsibility for approval of the proposed spot blight project as
104 set forth in the second through seventh paragraphs of section six. The municipality shall transmit
105 its final decision to the housing board for record keeping purposes only.

106 (e) The second paragraph of section six B shall not be applicable to such spot blight
107 project sponsor, except that the planning board at least fourteen days before the day of the
108 hearing shall mail a notice to each owner of land that is within the proposed spot blight project.
109 If service cannot be made, then service shall be made by posting a copy of the notice upon a
110 portion of the property facing a public way, by publication of a copy of the notice in one
111 newspaper of general circulation, and posting on the municipality's website.

112 (f) Section seven shall not be applicable to such spot blight project sponsor.

113 (g) So much of section eight as provides that "Every such corporation shall be deemed to
114 have been organized to serve a public purpose" shall be construed to mean "Every such project
115 shall be deemed to have been undertaken to serve a public purpose". The term "housing board"
116 as used in section eight shall be deemed to mean "municipality".

117 (h) Section nine shall not be applicable to such spot blight project sponsor.

118 (i) The term "shall" as used in the first and third paragraphs of section ten shall be
119 deemed to mean "may" with respect to a spot blight project sponsor. A spot blight project
120 sponsor that elects to forego the tax exemptions provided under section ten shall not be required

121 to comply with the other provisions of that section, and shall not be required to obtain signatures
122 of a majority of the assessors under section six A.

123 (j) So much of section fifteen as relates to reducing the indebtedness of a corporation
124 shall apply only to indebtedness incurred in connection with a spot rehabilitation project. The
125 term “operating and maintenance expenses” shall be deemed to include rehabilitation costs,
126 including any principal and interest on loans used for the project, and costs other than direct
127 rehabilitation costs, as well as a developer’s fee to the spot blight project sponsor, which fee shall
128 not exceed 20% of the combined cost of acquisition and rehabilitation of the spot rehabilitation
129 property.

130 (k) The provisions of sections five, six A, and eleven shall, as modified by this section
131 18E, apply to a spot rehabilitation project whether said spot rehabilitation project is in Boston,
132 Springfield or another municipality.

133 SECTION 6. Section 2 of chapter 21E, as so appearing, is hereby amended by striking
134 section (f) within the definition of “Owner,” or “Operator”, and inserting in its place the
135 following:

136 (f) A redevelopment authority, redevelopment agency, community development
137 corporation, economic development and industrial corporation, or a spot blight project sponsor
138 pursuant to chapter 121A shall not be deemed an owner or operator if all of the following
139 requirements are met:

140 (1) the redevelopment authority, redevelopment agency, community development
141 corporation, economic development and industrial corporation or spot blight project sponsor has

142 acquired its portion of the site in accordance with the provisions of chapter 40F, chapter 121A,
143 chapter 121B or chapter 121C or any applicable special acts;

144 (2) no act or failure of duty of the redevelopment authority, redevelopment agency,
145 community development corporation, economic development and industrial corporation or spot
146 blight project sponsor or of any employee or agent thereof, caused or contributed to, or
147 exacerbated any release or threat of release of oil or hazardous material at or from the site;

148 (3) the redevelopment authority, redevelopment agency, community development
149 corporation, economic development and industrial corporation or spot blight project sponsor
150 satisfies all of the following conditions:

151 a) notifies the department in compliance with this chapter and regulations promulgated
152 thereto upon obtaining knowledge of a release or threat of release of oil or hazardous material for
153 which notification is required pursuant to this chapter and regulations promulgated pursuant
154 thereto;

155 b) provides reasonable access to the site or portion of the site under its control to
156 employees, agents and contractors of the department for all purposes authorized by this chapter,
157 and to other Persons for the purpose of conducting response actions pursuant to this chapter and
158 regulations promulgated thereto;

159 c) takes reasonable steps (i) to prevent the exposure of people to oil or hazardous material
160 by fencing or otherwise preventing access to the portion of the site under its ownership or
161 possession, and (ii) to contain any further release or threat of release of oil or hazardous material
162 from a structure or container under its ownership or possession;

163 d) if there is an imminent hazard at or from the portion of the site under its control,
164 controls the potential risk to public health, safety, welfare, or the environment at or from the site
165 by taking immediate response actions at the portion of the site under its ownership or possession,
166 in compliance with this chapter and regulations promulgated thereto;

167 e) conducts any response action undertaken at the site in compliance with this chapter and
168 regulations promulgated thereto; and

169 f) acts diligently to sell or otherwise to divest itself of ownership or possession of its
170 portion of the site in accordance with the provisions of chapter 40F, chapter 121A½, chapter
171 121B or chapter 121C, or any applicable special acts. Whether the redevelopment authority,
172 redevelopment agency, community development corporation, economic development and
173 industrial corporation or Project Sponsor is acting or has acted diligently to sell or otherwise to
174 divest itself of ownership or possession of its portion of the site shall be determined by
175 considering the same criteria applicable to secured lenders set forth in subclause (iii) of
176 subparagraph (F) of clause (5) of paragraph (c).

177 (4) if the redevelopment authority, redevelopment agency, community development
178 corporation, economic development and industrial corporation or spot blight project sponsor
179 acquired ownership or possession of a site or portion of a site prior to the effective date of this
180 act, the redevelopment authority, redevelopment agency, community development corporation,
181 economic development and industrial corporation or spot blight project sponsor notifies the
182 department of any releases of oil or hazardous material of which it has knowledge in accordance
183 with section 7 and the regulations promulgated thereunder, and shall meet the requirements in

184 clause (3) of this paragraph relative to such releases within six months of being notified by the
185 department of the requirements in this paragraph.

186 SECTION 7. Chapter 121A of the General Laws, as so appearing, is hereby amended by
187 adding the following section:

188 Section 20. There shall be a commission to study strategies to improve the quality of the
189 housing stock in weak markets with the goal of making these properties safer, more accessible to
190 residents with disabilities, and more resilient to climate change. The commission's review shall
191 include, but not be limited to---the use of guidance documents to consistently grant relief from
192 building codes in common circumstances where appropriate; provisions to reduce the time and
193 cost associated with obtaining variances in circumstances that are consistent with these guidance
194 documents; dissemination of creative strategies to use new technologies to address common
195 challenges bringing older structures up to code; the deployment of energy efficiency programs,
196 Home Modifications Grants, elevator and sprinkler funds, and other resources to help building
197 rehab projects in weak markets meet health and safety standards.

198 The commission shall consist of: 2 members of the Senate, 1 of whom shall represent a
199 Gateway Municipality as defined in section 3A of chapter 23A of the General Laws and shall
200 serve as co-chair; 2 members of the House of Representatives, 1 of whom shall represent a
201 Gateway Municipality and shall serve as co-chair; 2 members appointed by the governor, 1 of
202 whom shall represent the Massachusetts Association of Community Development Corporations;
203 and 1 of whom shall represent the Rural Policy Advisory Commission; and 6 members appointed
204 by the Secretary of Housing and Economic Development: one of the appointive members shall
205 be an architect licensed to practice in the commonwealth; one of the appointive members shall be

206 a licensed building inspector; one of the appointive members shall be a Gateway Municipality
207 housing director; one of the appointive members shall be a fire official from a Gateway
208 Municipality; 2 of the appointive members shall be selected after consultation with advocacy
209 groups on behalf of persons with disabilities. The commission shall file a report of its findings
210 and recommendations, including, but not limited to, legislative, regulatory, and procedural
211 changes, with the clerks of the senate and house of representatives, the chairs of the joint
212 committee on housing not later than December 31, 2024.