

**HOUSE . . . . . No. 3873**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Mike Connolly*

*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 establishing the Massachusetts social housing program.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>1/19/2023</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>1/20/2023</i>

# HOUSE . . . . . No. 3873

By Representative Connolly of Cambridge, a petition (accompanied by bill, House, No. 3873) of Mike Connolly and Lindsay N. Sabadosa relative to the development of mixed income social housing to be administered by the Massachusetts Housing Finance Authority. Housing.

## The Commonwealth of Massachusetts

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

An Act establishing the Massachusetts social housing program.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to authorize forthwith the development of mixed income social housing, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*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 the purpose of facilitating the development of mixed income  
2 social housing, the sums set forth in section 2 for the several purposes and subject to the  
3 conditions specified in this act are hereby made available, subject to the laws regulating the  
4 disbursement of public funds.

5 SECTION 2.

6 EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES

7 7004-XXXX For costs associated with facilitating the development of mixed income  
8 social housing to be administered by the Massachusetts Housing Finance Authority or other  
9 designee as provided for in this

10 act.....  
11 .....\$100,000,000

12 SECTION 3. Chapter 708 of the acts of 1966 is hereby amended by inserting after section  
13 13B the following section:-

14 Section 13C. (a) There is hereby established within the MHFA a revolving fund, herein  
15 referred to as the Social Housing Production Revolving Loan Fund, for the purpose of  
16 facilitating the development of mixed income social housing. The Fund shall consist of amounts  
17 credited to the Fund in accordance with this section.

18 (b)(1) The MHFA shall, pursuant to regulations adopted by it, provide financial  
19 assistance to local and regional housing authorities for the development of mixed income social  
20 housing. Housing developments financed under this section shall remain in public ownership,  
21 which is defined as at least majority ownership or control or ownership by a local or regional  
22 housing authority.

23 (2) (A) The MHFA shall provide for and administer revolving loans, bridge loans and  
24 other credit instruments from payments from loans disbursed from the Fund and any other  
25 monies, deposited into the Fund by the commonwealth and local and regional housing  
26 authorities.

27 (B) The MHFA may use monies and payments from loans disbursed from the Fund,  
28 deposited into the Fund by the commonwealth or local and regional housing authorities for the  
29 purposes of debt service, administration of this section and costs for increased development  
30 capacity within local and regional housing authorities.

31 (3) Upon lease-up of a development financed under this section, the MHFA may provide  
32 additional financing pursuant to this act; provided, however, that priority shall be given to  
33 developments that do not use Low Income Housing Tax Credit equity and tax-exempt volume  
34 cap.

35 (c)(1) The MHFA shall make the following rental determinations for each housing  
36 development financed by MHFA: (i) market rate rental units in the development; and (ii) below  
37 market rate rental units that meet or exceed federal Title 42 affordable set-asides of no less than  
38 20 per cent at 50 per cent of the area median income or no less than 40 per cent at 60 per cent of  
39 area median income for the statistical area in which the development is to be constructed.

40 (2) Below market rental units set at the elected levels pursuant to paragraph (1) shall  
41 remain restricted at elected levels for not less than 99 years.

42 (3) Developments financed by the MHFA pursuant to this section shall, pursuant to  
43 regulations adopted by the MHFA, adopt rent stabilization guidelines.

44 (4) Developments financed by the MHFA pursuant to this section shall target net zero  
45 energy performance standards and shall not include any new gas hookups.

46 SECTION 4. The commonwealth shall issue a bond or bonds in an amount of  
47 \$100,000,000 to initially capitalize the Social Housing Production Revolving Loan Fund  
48 established in section 13C of chapter 708 of the acts of 1966. Any such bond sale shall be for  
49 taxable bonds. Upon receipt of any bond proceeds the treasurer shall deposit said funds into the  
50 Social Housing Production Revolving Loan Fund established in section 13C of chapter 708 of  
51 the acts of 1966

52 SECTION 5. Notwithstanding any general or special law to the contrary, the Executive  
53 Office of Housing and Livable Communities may designate an alternate state agency or state  
54 authority, as those terms are defined in section 1 of chapter 29 of the General Laws, to  
55 administer the Social Housing Production Revolving Loan Fund and the social housing program  
56 pursuant to section 13C of chapter 708 of the acts of 1966. The executive office may promulgate  
57 regulations to implement this section.

58 SECTION 6. To meet the expenditures necessary in carrying out item 7004-XXXX of  
59 section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the  
60 commonwealth in an amount, in the aggregate of \$100,000,000. All such bonds issued by the  
61 commonwealth shall be designated on their face, Massachusetts Social Housing Program Act of  
62 2023, and shall be issued for a maximum term of years, not exceeding 30 years, as recommended  
63 by the governor to the general court pursuant to section 3 of Article LXII of the Amendments to  
64 the Constitution. The bonds shall be payable not later than June 30, 2058. All interest and  
65 payments on account of principal on these obligations shall be payable from the General Fund.  
66 Bonds issued under this section and interest thereon shall be general obligations of the  
67 commonwealth.

68 SECTION 7. Notwithstanding any general or special law to the contrary, MHFA may  
69 enter into partnerships with (1) other quasi-governmental agencies; (ii) non-profits; and (iii)  
70 community land trusts for the purposes of facilitating or assisting with the production of mixed-  
71 income social housing and the purposes of this act.

72 SECTION 8. (a) Notwithstanding any general or special law to the contrary, any project  
73 of construction and development activity pursuant to this act shall be deemed to be a public work

74 under section 26 of chapter 149 of the General Laws and shall be subject to all laws, rules and  
75 regulations related to the payment of wages at rates set by the director of the department of labor  
76 standards pursuant to said chapter 149.

77 (b) Notwithstanding any general or special law to the contrary, any contract for  
78 construction, reconstruction, installation, demolition, maintenance or repair of any building for  
79 the purposes of development of social housing pursuant to this act shall be subject to public  
80 procurement and bidding laws, including section 44A to section 44J, inclusive, of chapter 149 of  
81 the General Laws.