

SENATE No. 881**The Commonwealth of Massachusetts**

PRESENTED BY:

John F. Keenan

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 creating the Massachusetts healthy homes program.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>John F. Keenan</i>	<i>Norfolk and Plymouth</i>	
<i>Jacob R. Oliveira</i>	<i>Hampden, Hampshire and Worcester</i>	<i>2/1/2023</i>
<i>John C. Velis</i>	<i>Hampden and Hampshire</i>	<i>2/7/2023</i>
<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>	<i>2/9/2023</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>2/16/2023</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>2/20/2023</i>
<i>Adam Gomez</i>	<i>Hampden</i>	<i>2/22/2023</i>
<i>Manny Cruz</i>	<i>7th Essex</i>	<i>2/24/2023</i>
<i>Nick Collins</i>	<i>First Suffolk</i>	<i>2/28/2023</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>3/8/2023</i>
<i>Patrick M. O'Connor</i>	<i>First Plymouth and Norfolk</i>	<i>3/8/2023</i>
<i>John J. Cronin</i>	<i>Worcester and Middlesex</i>	<i>3/9/2023</i>
<i>Michael F. Rush</i>	<i>Norfolk and Suffolk</i>	<i>3/9/2023</i>
<i>Michael D. Brady</i>	<i>Second Plymouth and Norfolk</i>	<i>3/13/2023</i>
<i>James K. Hawkins</i>	<i>2nd Bristol</i>	<i>3/29/2023</i>
<i>Lydia Edwards</i>	<i>Third Suffolk</i>	<i>6/14/2023</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>6/28/2023</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Worcester and Middlesex</i>	<i>7/8/2023</i>

SENATE No. 881

By Mr. Keenan, a petition (accompanied by bill, Senate, No. 881) of John F. Keenan, Jacob R. Oliveira, John C. Velis, Joanne M. Comerford and other members of the Senate for legislation relative to create the Massachusetts healthy homes program. Housing.

The Commonwealth of Massachusetts

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

An Act creating the Massachusetts healthy homes program.

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: Notwithstanding any general or special law or any rule or regulation to the
2 contrary, chapter 23B of the General Laws is hereby amended by inserting after section 30 the
3 following new section:-

4 Section 31(a). As used in this section, the following words shall have the following
5 meanings unless the context clearly requires otherwise:-

6 “Eligible Applicant”, an owner of residential property in Massachusetts who, in the sole
7 determination of the department, (1) is (a) an owner-occupant, (b) small landlord, or (c) larger
8 landlord; (2) meets any income eligibility and other requirements of the program; and (3) owns a
9 property with habitability concerns.

10 “Existing Home Repair Programs”, financial assistance administered by governmental,
11 quasi-governmental, and nonprofit organizations, or the contractors and assignees of such

entities, that provide services to repair residential housing, including mixed-use projects that include residential housing.

“Habitability Concerns”, home repairs that are required to ensure residential units are (1) fit for human habitation; (2) free from defective conditions and health and safety hazards, including, but not limited to, asbestos, mold, pests, and lead; and (3) free of conditions preventing installation of measures to improve energy or water efficiency, utilize renewable energy, or lower utility costs.

“Owner-Occupant”, an individual who has title to a one-to-three unit residential building who resides in at least one of the units as the principal residence of the individual.

“Low-Income Owner-Occupant”, an Owner-Occupant with a household income of no more than eighty percent of area median income.

“Moderate-Income Owner-Occupant”, an Owner-Occupant with a household income of at least eighty percent of area median income but no more than one hundred thirty five percent of area median income.

“Other Eligible Owner-Occupant”, an Owner-Occupant who (1) meets the definition of neither a low-income owner-occupant nor a moderate-income owner-occupant; and (2) leases at least one other residential unit in the building.

“Small Landlord”, an individual who has title to a building (1) with more than three residential units or (2) but does not live in that building for at least six months of any year; and (3) has financial interest in neither more than three buildings nor more than fifteen residential units.

“Larger Landlord”, an individual who has title to more than one residential unit who meets the definition of neither an owner-occupant nor a small landlord.

Section 31(b). The department shall make reasonable efforts to coordinate with other governmental, quasi-governmental, and nonprofit organizations administering programs that create a healthier environment for residents by means including, but not limited to, rehabilitating existing housing or making homes lead-safe. The department may contract with other governmental, quasi-governmental, and nonprofit organizations to administer one or more of these programs on its behalf.

Section 31(c). The department shall establish the Massachusetts healthy homes program fund, which may receive funds from governmental, quasi-governmental, nonprofit organizations, for-profit organizations and individuals, provided that any funds received from private organizations and individuals are made without conditions and without recourse. All appropriations from the commonwealth, interest income on Massachusetts healthy homes program fund receipts and repayments shall remain in the Massachusetts healthy homes program fund and not revert to the commonwealth. The department shall make distributions from the Massachusetts healthy homes program fund to one or more eligible applicants.

The department, and entities administering the Massachusetts healthy homes program fund on the department’s behalf, may make grants or loans from the fund to eligible applicants to ensure owner-occupied and rental units are free of habitability concerns.

For low-income owner-occupants, the assistance shall be provided as a grant.

For moderate-income owner-occupants, the assistance shall be provided as a zero percent deferred payment loan with no repayment due until sale or refinancing of the property. If the

moderate-income owner-occupant continues to own the property for three years after receiving the loan, then the loan shall be forgiven.

For other eligible owner-occupants and small landlords, the assistance shall be provided as a zero percent deferred payment loan with no repayment until sale or refinancing of the property. An other eligible owner-occupant or a small landlord may apply for loan forgiveness once three years have passed following receipt of the loan. The department shall forgive the loan if the department determines that the other eligible owner-occupant or the small landlord has (1) owned the property without interruption after having received the loan; (2) addressed all habitability concerns in a timely fashion; (3) not evicted tenants, other than for cause; and (4) kept rent increases to no more than five percent per year in each of the past three years.

For larger landlords, the assistance shall be provided as a below-market-rate loan with interest rate and repayment term determined by the department. The department shall provide said below-market-rate loan only to a larger landlord who executes an agreement with the department that, for a term of three years, requires the landlord who owns such property to: (1) maintain ownership of the property without interruption after having received the loan; (2) address all habitability concerns in a timely fashion; (3) not evict tenants, other than for cause; and (4) keep rent increases to no more than five percent per year for each of the three years. If a larger landlord does not comply with the requirements of the loan, then the department may require immediate repayment of the assistance.

The department, and entities administering the Massachusetts healthy homes program fund on the department's behalf, shall administer the Massachusetts healthy homes program fund under program guidelines established by the department and using program forms established by

77 the department. The department, and any other such administering entities, shall strive to, in its
78 administration of the program, make funds available to address habitability concerns and (1)
79 augment funds from other home repair programs; (2) increase retention in workforce
80 development programs associated with home repairs; (3) provide technical assistance to address
81 habitability concerns; and (4) support outreach, including, but not limited to, minimizing
82 cultural, linguistic or other barriers and maximizing access to program resources. The department
83 may use funds from the Massachusetts healthy homes program fund for said activities.

84 Grants or loans from the Massachusetts healthy homes program fund shall not exceed
85 \$50,000 per unit, unless the department waives this limit upon a determination of the necessity of
86 such waiver, provided that the average amount of assistance does not exceed \$50,000 per unit.

87 At least fifty percent of the funds shall be made to owners of buildings located in a
88 gateway municipality as defined in section 3A of chapter 23A.

89 Section 31(d). The department shall promulgate guidance or regulations to enforce the
90 provisions of this act no later than 180 days after the effective date of the act. The department
91 shall report on all expenditures from the Massachusetts healthy homes program fund to the clerks
92 of the senate and the house of representatives, the joint committee on housing and the senate and
93 house committees on ways and means not later than eighteen months after the promulgation of
94 this act and annually thereafter. The department shall also make the report publicly available on
95 the website of the executive office of housing.