

COMMITTEE ON HOUSING ~ BILL SUMMARY

Bill Number: H.1478

Name: An Act advancing the Massachusetts social housing program

Sponsor(s): Representative Mike Connolly (26th Middlesex)

Hearing Date: June 25, 2025

Prior History: Refile; 2023-24: Bill reported favorably by committee and referred to the committee on Bonding, Capital Expenditures and State Assets

Reporting Deadline: August 22, 2025

Similar Matters: Line Item 7004-0078 of the Affordable Home Act (2024) establishes a social housing pilot program within the Sustainable and Green Housing Initiatives.

CURRENT LAW: *M.G.L. c. 708, Acts of 1966 — Establishes the Massachusetts Housing Finance Agency*

PROPOSED CHANGE(S):

SECTION 1: Establishes the goal of set funds established in section 2 to be used for mixed income social housing.

SECTION 2: Would provide \$100,000,000 for costs associated with facilitating the further development of mixed-income social housing to be administered by Massachusetts Housing Finance Authority.

SECTION 3: This section amends the Massachusetts Housing Finance Agency to establish within the MHFA a revolving fund, the Social Housing Production Revolving Loan Fund, for the purpose of facilitating the further development of mixed income social housing.

The MHFA would provide financial assistance to local and regional housing authorities for the further development of mixed income social housing. Housing developments financed under this section shall remain in public ownership, which is defined as at least majority ownership or control by a local or regional housing authority or other public or quasi-public entity, or in social ownership, which is defined as at least majority ownership or control by tenants or mission-driven nonprofits, such as cooperatives or community land trusts.

The MHFA shall provide for and administer revolving loans, bridge loans and other credit instruments from payments from loans disbursed from the Fund and any other monies, deposited into the Fund by the

commonwealth and local and regional housing authorities, including any direct funding or loan repayments pursuant to the Social Housing Pilot Program authorized in line 7004-0078 of Chapter 150 of the Acts of 2024.

The MHFA may use monies and payments from loans disbursed from the fund, deposited into the fund by the commonwealth or local and regional housing authorities for the purposes of debt service, administration of this section and costs for increased development capacity within local and regional housing authorities.

The MHFA may provide additional financing, though, priority shall be given to developments that do not use Low Income Housing Tax Credit equity and tax-exempt volume cap.

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

Below market rental units set at the elected levels shall remain restricted at elected levels for not less than 99 years.

Developments financed by the MHFA pursuant to this section shall, pursuant to regulations adopted by the MHFA, adopt rent stabilization guidelines.

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

Developments financed by the MHFA pursuant to this section shall allow for community control; for the purposes of this subsection, “community control” shall mean that said developments are developed, owned, managed, and operated in a way that is accountable to residents, the community, and the public; provided further, that residents of said developments shall have a direct role in the management and decision-making relative to their buildings, including through recognition of tenant unions or tenant councils.

SECTION 4: The commonwealth shall issue a bond or bonds in an amount of \$100,000,000 to capitalize the Social Housing Production Revolving Loan Fund established in section 13C of chapter 708 of the acts of 1966.

SECTION 5: Notwithstanding any general or special law to the contrary, the Executive Office of Housing and Livable Communities may designate an alternate state agency or state authority, as those terms are defined in section 1 of chapter 29 of the General Laws, to administer the Social Housing Production Revolving Loan Fund

SECTION 6: This section grants the state treasurer the authority, upon request of the governor, to issue and sell bonds of the Commonwealth in an amount, in the aggregate of \$100,000,000. All such bonds

issued by the Commonwealth shall be designated Massachusetts Social Housing Program Act of 2025, and would be issued for a maximum term of years, not exceeding 30 years, as recommended by the governor to the general court. The bonds shall be payable not later than June 30, 2060.

SECTION 7: This section allows the MHFA to enter into partnerships with other quasi-governmental agencies; mission-driven nonprofits; housing cooperatives; and community land trusts for the purposes of facilitating or assisting with the production of mixed-income social housing.