

# HOUSE . . . . . No. 3491

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## The Commonwealth of Massachusetts

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In the Year Two Thousand Thirteen  
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An Act financing the production and preservation of housing for low and moderate income residents.

*Whereas*, the deferred operation of this act would tend to defeat its purpose, which is to authorize forthwith the financing of the production and preservation of housing for low and moderate income citizens of the commonwealth and to make related changes in certain laws, 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 a capital outlay program to rehabilitate, produce and  
2 modernize state-owned public housing developments; to preserve the affordability and the  
3 income mix of state-assisted multifamily developments; to support home ownership and rental  
4 housing opportunities for low and moderate income citizens; to stem urban blight through the  
5 implementation of housing stabilization programs; to support housing production for the elderly,  
6 disabled and homeless; to preserve housing for the elderly, the homeless and low and moderate  
7 income citizens and people with disabilities; and to promote economic reinvestment through the  
8 funding of infrastructure improvements, the sums set forth in section 2, for the several purposes  
9 and subject to the conditions specified in this act, are hereby made available subject to the laws  
10 regulating the disbursement of public funds.

11 SECTION 2.

12 EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

13 Office of the Secretary.

14 7004-0028.. For a program of loan guarantees or interest subsidies to assist homeowners  
15 with blindness or severe disabilities in making modifications to their primary residence for the  
16 purpose of improved accessibility or to allow those homeowners to live independently in the  
17 community; provided, that the secretary shall take all steps necessary to minimize the program's  
18 administrative costs; provided further, that the loan guarantees shall be available on the basis of a  
19 sliding scale that relates the homeowner's income and assets to the cost of home modifications;  
20 provided further, that interest subsidies shall be means-tested and may be for 0 per cent pursuant  
21 to income standards developed by the secretary; provided further, that the repayment of the loans  
22 may be delayed until the sale of the principal residence by the homeowner; provided further, that  
23 persons residing in a development covered by section 4 of chapter 151B of the General Laws  
24 shall not be eligible for the program unless the owner can show that the modification is an undue  
25 financial burden; provided further, that the secretary shall consult with the Massachusetts  
26 commission for the blind and the Massachusetts rehabilitation commission in developing the  
27 rules, regulations and guidelines for the program; provided further, that nothing herein shall give  
28 rise to enforceable legal rights in any party or an enforceable entitlement to services; and  
29 provided further, that the secretary shall submit quarterly reports to the house and senate  
30 committees on ways and means, the house and senate committees on bonding, capital  
31 expenditures and state assets and the joint committee on housing detailing the status of the  
32 program established herein..... \$55,000,000

33 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

34 Department of Housing and Community Development.

35 7004-0029.. For state financial assistance in the form of loans for the development of  
36 community-based housing or supportive housing for individuals with mental illness and  
37 individuals with intellectual disabilities; provided, that the loan program shall be administered by  
38 the department of housing and community development, hereinafter referred to in this item as the  
39 department, through contracts with the Massachusetts Development Finance Agency established  
40 in chapter 23G of the General Laws, the Community Economic Development Assistance  
41 Corporation established in chapter 40H of the General Laws, operating agencies established  
42 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
43 established in chapter 708 of the acts of 1966; provided further, that those agencies may develop  
44 or finance community-based housing or supportive housing, or may enter into subcontracts with  
45 nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations  
46 in which such nonprofit corporations have a controlling financial or managerial interest or for-  
47 profit organizations; provided, however, that preference for the subcontracts shall be given to  
48 nonprofit organizations; provided further, that the department shall consider a balanced  
49 geographic plan for such community-based housing or supportive housing when issuing the  
50 loans; provided further, that the department shall consider development of a balanced range of  
51 housing models by prioritizing funds for integrated housing as defined by the appropriate  
52 housing and service agencies including, but not limited to, the department of housing and  
53 community development, the Massachusetts rehabilitation commission, the department of mental  
54 health and the department of developmental services, in consultation with relevant and interested  
55 clients, their families, advocates and other parties as necessary; provided further, that loans

56 issued pursuant to this item shall: (1) not exceed 50 per cent of the financing of the total  
57 development costs; (2) be issued only when a contract or agreement for the use of the property  
58 for such housing provides for repayment to the commonwealth at the time of disposition of the  
59 property in an amount equal to the commonwealth's proportional contribution from the Facilities  
60 Consolidation Fund to the cost of the development through payments made by the state agency  
61 making the contract; (3) only be issued when a contract or agreement for the use of the property  
62 for the purposes of such housing provides for the recording of a deed restriction in the registry of  
63 deeds or the registry district of the land court of the county in which the real property is located,  
64 for the benefit of the departments, running with the land, that the land be used to provide  
65 community-based housing or supportive housing for eligible individuals as determined by the  
66 department of mental health and the department of developmental services; provided, that the  
67 property shall not be released from such restriction until the balance of the principal and interest  
68 for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded; (4) be  
69 issued for a term not to exceed 30 years during which time repayment may be deferred by the  
70 loan issuing authority; provided further, that if on the date the loans become due and payable to  
71 the commonwealth an outstanding balance exists, and if, on such date, the department, in  
72 consultation with the executive office of health and human services, determines that there still  
73 exists a need for such housing and that there is continued funding available for the provision of  
74 services to such development, the department may, by agreement with the owner of the  
75 development, extend the loans for such periods, each period not to exceed 10 years, as the  
76 department shall determine; provided, however, that the project shall remain affordable housing  
77 for the duration of the loan term, including any extension thereof, as set forth in the contract or  
78 agreement entered into by the department; and provided further, that in the event the terms of

79 repayment detailed in this item would cause a project authorized by this item to become  
80 ineligible to receive federal funds which would otherwise assist in the development of that  
81 project, the department may waive the terms of repayment which would cause the project to  
82 become ineligible; and (5) have interest rates fixed at a rate, to be determined by the department,  
83 in consultation with the state treasurer; provided further, that the loans shall be provided only for  
84 projects conforming to the provisions of this item; provided further, that the loans shall be issued  
85 in accordance with a facilities consolidation plan prepared by the secretary of health and human  
86 services, reviewed and approved by the department and filed with the secretary of administration  
87 and finance, the house and senate committees on ways and means, the house and senate  
88 committees on bonding, capital expenditures and state assets and the joint committee on housing;  
89 provided further, that no expenditure shall be made from this item without the prior approval of  
90 the secretary for administration and finance; provided further, that the department, the  
91 department of mental health and the Community Economic Development Assistance Corporation  
92 may identify appropriate financing mechanisms and guidelines for grants or loans from this item  
93 to promote private development to produce housing, to provide for independent integrated living  
94 opportunities, to write down building and operating costs and to serve households at or below 15  
95 per cent of area median income for the benefit of department of mental health clients; provided  
96 further, that not more than \$10,000,000 may be expended from this item for a pilot program of  
97 community-based housing or supportive housing loans to serve mentally ill homeless individuals  
98 in the current or former care of the department of mental health; provided further, that in  
99 implementing the pilot program, the department shall consider a balanced geographic plan when  
100 establishing community-based residences; provided further, that the housing services made  
101 available pursuant to such loans shall not be construed as a right or an entitlement for any

102 individual or class of persons to the benefits of the pilot program; provided further, that  
103 eligibility for the pilot program shall be established by regulations promulgated by the  
104 department; provided further, that the department shall promulgate regulations pursuant to  
105 chapter 30A of the General Laws for the implementation, administration and enforcement of this  
106 item, consistent with the facilities consolidation plan prepared by the secretary of health and  
107 human services, and after consultation with the secretary and the commissioner of the division of  
108 capital asset management and maintenance..... \$47,000,000

109           7004-0030.. For state financial assistance in the form of loans for the development and  
110 redevelopment of community-based housing or supportive housing for persons with disabilities  
111 who are institutionalized or at risk of being institutionalized, who are not eligible for housing  
112 developed pursuant to item 7004-0029; provided, that the loan program shall be administered by  
113 the department of housing and community development, hereinafter referred to in this item as the  
114 department, through contracts with the Massachusetts Development Finance Agency established  
115 in chapter 23G of the General Laws, the Community Economic Development Assistance  
116 Corporation established in chapter 40H of the General Laws, operating agencies established  
117 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
118 established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or  
119 finance the community-based housing or supportive housing, or may enter into subcontracts with  
120 nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations  
121 in which such nonprofit corporations have a controlling financial or managerial interest or for-  
122 profit organizations; provided, however, that preference for such subcontracts shall be given to  
123 nonprofit organizations; provided further, that the department shall consider a balanced  
124 geographic plan for such community-based housing or supportive housing when issuing the

125 loans; provided further, that all housing developed with these funds shall be integrated housing  
126 as defined by the appropriate state housing and service agencies including, but not limited to, the  
127 department, the executive office of health and human services and the Massachusetts  
128 rehabilitation commission in consultation with relevant and interested clients, their families,  
129 advocates, and other parties as necessary; provided further, that loans issued pursuant to this item  
130 shall: (1) not exceed 50 per cent of the financing of the total development costs; (2) be issued  
131 only when a contract or agreement for the use of the property for the purposes of such housing  
132 provides for repayment to the commonwealth at the time of disposition of the property in an  
133 amount equal to the commonwealth's proportional contribution from community based housing  
134 to the cost of the development through payments made by the state agency making the contract;  
135 (3) only be issued when a contract or agreement for the use of the property for the purposes of  
136 such community-based housing or supportive housing provides for the recording of a deed  
137 restriction in the registry of deeds or the registry district of the land court of the county in which  
138 the real property is located, for the benefit of the departments, running with the land, that the  
139 land be used to provide community-based housing or supportive housing for eligible individuals  
140 as determined by the Massachusetts rehabilitation commission or other agency of the executive  
141 office of health and human services; provided further, that the property shall not be released from  
142 such restrictions until the balance of the principal and interest for the loan has been repaid in full  
143 or until a mortgage foreclosure deed has been recorded; (4) be issued for a term not to exceed 30  
144 years during which time repayment may be deferred by the loan issuing authority; provided  
145 further, that if on the date the loans become due and payable to the commonwealth an  
146 outstanding balance exists, and if on that date, the department, in consultation with the executive  
147 office of health and human services, determines that there still exists a need for such housing, the

148 department may, by agreement with the owner of the development, extend the loans for such  
149 periods, each period not exceed 10 years, as the department shall determine; provided, however,  
150 that the project shall continue to remain affordable housing for the duration of the loan term,  
151 including any extensions thereof, as set forth in the contract or agreement entered into by the  
152 department; and provided further, that in the event the terms of repayment detailed in this item  
153 would cause a project authorized by this item to become ineligible to receive federal funds which  
154 would otherwise assist in the development of that project, that commissioner may waive the  
155 terms of repayment which would cause the project to become ineligible; and (5) have interest  
156 rates fixed at a rate, to be determined by the department, in consultation with the state treasurer;  
157 provided further, the loans shall be provided only for projects conforming to this item; provided  
158 further, that the loans shall be issued in accordance with an enhancing community-based services  
159 plan prepared by the secretary of health and human services, in consultation with the department  
160 and filed with the secretary for administration and finance and the house and senate committees  
161 on ways and means, the house and senate committees on bonding, capital expenditures and state  
162 assets and the joint committee on housing; provided further, that no expenditure shall be made  
163 from this item without the prior approval of the secretary for administration and finance;  
164 provided further, that the department shall promulgate regulations pursuant to chapter 30A of the  
165 General Laws for the implementation, administration and enforcement of this item, consistent  
166 with the enhancing community-based services plan prepared by the secretary of health and  
167 human services after consultation with the secretary and the commissioner of capital asset  
168 management and maintenance..... \$38,000,000

169           7004-0031.. For the capitalization of the Affordable Housing Trust Fund, established in  
170 section 2 of chapter 121D of the General Laws..... \$305,000,000



171           7004-0032.. For the purpose of state financial assistance in the form of grants or loans for  
172 the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of  
173 the General Laws and awarded only pursuant to the criteria established therein; provided, that  
174 not less than 25 per cent shall be used to fund projects which preserve and produce housing for  
175 families and individuals with incomes of not more than 30 per cent of the area median income, as  
176 defined by the United States Department of Housing and Urban Development; provided further,  
177 that if the department of housing and community development has not been able to meet the  
178 spending authorized under the bond cap for this program, at the end of each year following the  
179 effective date of this act, the department may award the remaining funds to projects that serve  
180 households earning more than 30 per cent of the area median income, as defined by the United  
181 States Department of Housing and Urban Development; provided further, that not less than  
182 \$5,000,000 shall be expended for the production or preservation of housing for people age 60  
183 and over; and provided further, that the Department shall expend not less than \$10,000,000 to  
184 stabilize and promote reinvestment, through homeownership, in areas the department has  
185 determined to be weak markets as indicated by a high concentration of assisted rental housing or  
186 a low rate of homeownership or low median family income or low average sales prices or high  
187 levels of unpaid property taxes or vacant or abandoned buildings, by waiving the requirements of  
188 this section and said chapter 121F and by subsidizing the purchase price, borrowing costs and/or  
189 costs of renovation of two to six unit residential buildings for a person who shall own the  
190 property and occupy any portion of the property as his primary residence for at least five years  
191 from the date of purchase; further, if, more than five years but less than ten years from the date  
192 of the owner's taking ownership of the property, the owner sells any of his interest in the  
193 property, the new owner shall so occupy one unit in the property for a period equal to the

194 difference between ten years and the amount of time the first owner occupied the property as his  
195 primary residence; further, if the owner fails to so occupy a unit on the property or ceases to be  
196 the owner of the property as required by this section, the department shall recoup the value of  
197 any subsidy provided to the owner; further, ten years after the owner's having taken possession  
198 of the property pursuant to this section, all restrictions on the property created by this section  
199 shall be void..... \$135,000,000.

200           7004-0033.. For the purpose of state financial assistance in the form of grants for projects  
201 undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided,  
202 that contracts entered into by the department of housing and community development for those  
203 projects may include, but shall not be limited to, projects providing for renovation, remodeling,  
204 reconstruction, redevelopment and hazardous material abatement, including asbestos and lead  
205 paint, and for compliance with state codes and laws and for adaptations necessary for compliance  
206 with the Americans with Disabilities Act, the provision of day care facilities, learning centers  
207 and teen service centers and the adaptation of units for families and persons with disabilities;  
208 provided further, that priority shall be given to projects undertaken for the purpose of compliance  
209 with state codes and laws or for other purposes related to the health and safety of residents;  
210 provided further, that funds may be expended from this item to make such modifications to  
211 congregate housing units as may be necessary to increase the occupancy rate of those units;  
212 provided further, that the department shall continue to fund a program to provide predictable  
213 funds to be used flexibly by housing authorities for capital improvements to extend the useful  
214 life of state-assisted public housing; provided further, that not less than 25 per cent shall be used  
215 to fund projects which preserve or produce housing for families and individuals with incomes of

216 not more than 30 per cent of the area median income, as defined by the United States Department  
217 of Housing and Urban Development ..... \$500,000,000

218           7004-0034.. For the purpose of state financial assistance in the form of grants for a 5 year  
219 demonstration program, administered by the department of housing and community development  
220 to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled  
221 public housing that seek to reduce the need for future state modernization funding; provided  
222 further, that housing authorities with state-aided housing developments pursuant to chapter 200  
223 of the acts of 1948, chapter 667 of the acts of 1954 or chapter 705 of the acts of 1966 shall be  
224 eligible to participate in demonstration program; provided further, that the department shall  
225 establish a 7-member advisory committee, to consist of the director of the department or his  
226 designee, 1 member selected by Citizens' Housing and Planning Association, 1 member selected  
227 by the Massachusetts Chapter of the National Association of Housing and Redevelopment  
228 Officials, 1 member selected by the Massachusetts Union of Public Housing Tenants and 3  
229 additional members chosen by the department to provide advice and recommendations to the  
230 department regarding regulations to implement the demonstration program; provided further, that  
231 the department may exempt a recipient of demonstration grants from the requirements of chapter  
232 7 and chapter 121B of the General Laws upon a showing by the recipient that such exemptions  
233 are necessary to accomplish the effective revitalization of public housing and will not adversely  
234 affect public housing residents or applicants of any income who are otherwise eligible; provided  
235 further, that the department may provide to recipients of demonstration grants such additional  
236 regulatory relief as is required to further the objectives of the demonstration program; provided  
237 further, that funds shall be made available for technical assistance provided by the Community  
238 Economic Development Assistance Corporation established in chapter 40H of the General Laws

239 or the Massachusetts Housing Partnership Fund established pursuant to section 35 of chapter 405  
240 of the acts of 1985 to recipients of demonstration grants and for evaluation of the demonstration;  
241 provided further, that the department shall promulgate regulations for the implementation,  
242 administration and enforcement of this item within 90 days after the effective date of this act;  
243 provided, however, that the regulations shall: (i) require that housing authorities selected  
244 demonstrate innovative, replicable solutions to the management, marketing or capital needs of  
245 state-aided family and elderly-disabled public housing developments and contribute to the  
246 continued viability of the housing as a resource for public housing eligible residents; (ii)  
247 encourage proposals that demonstrate regional collaborations among housing authorities; and  
248 (iii) encourage proposals that propose new affordable housing units on municipally-owned land,  
249 underutilized public housing sites or other land owned by the housing authority; and provided  
250 further, that the department shall report to the house and senate committees on ways and means,  
251 the house and senate committees on bonding, capital expenditures and state assets and the joint  
252 committee on housing on the progress of the demonstration program within 90 days after  
253 promulgation of the regulations and annually thereafter..... \$50,000,000

254           7004-0035.. For the purpose of state financial assistance in the form of grants or loans for  
255 the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General  
256 Laws; provided, however, that not less than 25 per cent shall be used to fund projects which  
257 preserve and produce housing for families and individuals with incomes of not more than 30 per  
258 cent of the area median income, as defined by the United States Department of Housing and  
259 Urban Development..... \$80,000,000

260           7004-0036.. For the purpose of state financial assistance in the form of grants or loans for  
261 the Capital Improvement and Preservation Trust Fund for expiring use properties established in  
262 section 2 of chapter 121G of the General Laws..... \$100,000,000

263           7004-0037.. For the purpose of providing financial support for developing residential  
264 housing units and mixed use developments that include both residential housing units and  
265 commercial or retail space and are located within neighborhood commercial areas including, but  
266 not limited to, those areas designated as Main street areas by providing necessary financial  
267 assistance to the commercial components of these projects; provided, however, that the  
268 developments may include projects which have residential units above commercial space and  
269 shall be located in areas characterized by a predominance of commercial land uses, a high  
270 daytime or business population or a high concentration of daytime traffic and parking; provided  
271 further that the financial subsidy for the commercial portion of a project shall not exceed 25% of  
272 the total development cost of the commercial portion of the project or \$1 million, whichever is  
273 smaller, ; provided further, that \$15,000,000 shall be used to fund transit-oriented housing  
274 developments in proximity to public transit nodes; provided further, that eligible activities for  
275 transit-oriented development shall include, without limitation, planning grants, financing  
276 subsidies and environmental assessment; and provided further, that not less than 50 per cent of  
277 the beneficiaries of housing in projects assisted by this item shall be persons whose income is not  
278 more than 80 per cent of the area median income as defined by the United States Department of  
279 Housing and Urban Development,.... \$45,000,000

280           7004-0038.. For the purpose of state financial assistance in the form of grants or loans for  
281 the Early Education and Out of School Time Capital Fund for the development of eligible  
282 facilities for licensed early care and education and out of school time programs established in

283 section 3 of chapter 121H of the General Laws; provided, that the grant or loan program shall be  
284 administered by the department through contracts with the Community Economic Development  
285 Assistance Corporation established in Chapter 40H of the General Laws, provided further that  
286 the agency may develop or finance eligible facilities, or may enter into subcontracts with  
287 nonprofit organizations established pursuant to Chapter 180 of the General Laws , or  
288 organizations in which such nonprofit corporations have a controlling financial or managerial  
289 interest; provided further that the department shall: (1) consider a balanced geographic plan for  
290 such eligible facilities when issuing the funding commitments; and (2) consider funding large  
291 group and school age child care centers as defined by the department of early education and care;  
292 provided further that the services made available pursuant to such loans or grants shall not be  
293 construed as a right or entitlement for any individual or class of persons to the benefits financing;  
294 provided further that no expenditure shall be made from this item without the prior approval of  
295 the secretary for administration and finance; provided further that eligibility shall be established  
296 by regulations promulgated by the department; pursuant to chapter 30A for the General Laws for  
297 the implementation, administration and enforcement of this item..... \$45,000,000

298 SECTION 3. The General Laws are hereby amended by inserting after chapter 121G the  
299 following chapter:-

300 CHAPTER 121H

301 Early Education and Out of School Time Capital Fund

302 Section 1. As used in this chapter the following words shall unless the context clearly  
303 requires otherwise, have the following meanings:

304 “Department”, the Department of Housing and Community Development.

305 “EEC”, the Department of Early Education and Care.

306 “Eligible project”, the acquisition, design, construction, repair, renovation, rehab, or other  
307 capital improvement or deferred maintenance of an eligible facility.

308 “Eligible facility”, a building, structure or site that is, or will be, owned, leased, or  
309 otherwise used by 1 or more Eligible Organization(s) and licensed by EEC. At least 25% of the  
310 slots in the facility shall serve low income families who are eligible for public subsidy. Leased  
311 facilities shall have a lease term that is consistent with the scale of the capital investment, but  
312 under no circumstances should the lease term be less than fifteen years. Municipally owned  
313 buildings are eligible provided that there is dedicated single purpose space for licensed early  
314 education or out of school time programs.

315 “Eligible organization”, a non-profit corporation that is exempt from income taxation  
316 pursuant to chapter 180 of the organizations in which such nonprofit corporations have a  
317 controlling financial or managerial interest.

318 “Grant”, a direct grant of capital funds to an applicant for payment of the costs of an  
319 eligible project.

320 “Loan”, a direct loan of capital funds to an applicant to finance a portion of the cost of an  
321 eligible project.

322 Section 2. Each recipient of a loan or grant from the Early Education and Out of School  
323 Time Capital Fund established in section 3 shall be an eligible project that demonstrates: (i) need  
324 for such a project; (ii) project benefits to low-income children and the effected community; (iii)

325 financial need for assistance in the form of such a loan or grant; and (iv) local support for the  
326 project.

327           Section 3. There shall be within the department a separate fund to be known as the Early  
328 Education and Out of School Time Capital Fund. The department shall administer the fund for  
329 the purpose of making grants or loans for the development of eligible facilities for licensed early  
330 care and education and out of school time programs.

331           SECTION 4. Section 3 of chapter 121D of the General laws, as appearing in the 2010  
332 Official Edition, is hereby amended by adding the following subsection: -

333           (e) Funds provided for the fund may be used to write down interest rates and related costs  
334 for a program for low- and moderate-income first-time homebuyers administered by the  
335 Massachusetts Housing Partnership Fund Board.

336           SECTION 5. Section 1 of chapter 121E of the General Laws, as so appearing, is hereby  
337 amended by striking out, in lines 3 and 4, the words “housing for the homeless; battered  
338 women’s shelters”, and inserting in place thereof the following words:- or permanent housing for  
339 the homeless; shelters for victims of domestic abuse.

340           SECTION 6. Subsection (b) of section 3 of said chapter 121E, as so appearing, is hereby  
341 amended by striking out clause (2).

342           SECTION 7. Said section 3 of said chapter 121E, as so appearing, is hereby further  
343 amended by striking out, in lines 42 to 49, inclusive, the words “unless, at the end of a fiscal  
344 year, cash collections from all sources in connection with the housing, except for contributions,  
345 donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of the housing,



346 including debt service, operating expenses, operating revenues and capital reserves; provided  
347 further, that any excess cash shall be paid to the commonwealth within 45 days after the end of  
348 the fiscal year, payable first to interest due under this section and then to principal advanced  
349 pursuant to the loan”.

350 SECTION 8. Said subsection (b) of section 3 of said chapter 121E, as so appearing, is  
351 hereby further amended by striking out, in lines 63 to 71, inclusive, the words “; and (7) for  
352 projects developed pursuant to this chapter not refinanced during the term of a loan issued  
353 pursuant to this chapter unless the balance of the principal and interest for the prior loan is repaid  
354 in full at the time of the refinancing; provided, however, that housing projects may be refinanced  
355 if the refinancing would result in a reduction of costs paid by the commonwealth; provided  
356 further, that a refinanced loan shall be due and payable not later than the date on which the prior  
357 loan was due and payable, except in accordance with clause (4) or when necessary to effect  
358 extraordinary repairs or maintenance to be approved by the department.”

359 SECTION 9. Section 3 of chapter 121F of the General Laws, as so appearing, is hereby  
360 amended by inserting after the word “preservation”, in line 37, the following words:- , new  
361 construction.

362 SECTION 10. Said Section 3 of chapter 121F, as so appearing, is hereby amended by  
363 inserting after the figure “(6)”, in line 87, the following words:- notwithstanding the restrictions  
364 in this chapter.

365 SECTION 11. Subsection (b) of said section 3 of said chapter 121F, as so appearing, is  
366 hereby further amended by striking out clause (7) and inserting in place thereof the following  
367 clause:- (7) notwithstanding the restrictions in this chapter, to write down interest rates and

368 related costs for a program for low- and moderate-income first-time homebuyers administered by  
369 the Massachusetts Housing Partnership Fund Board.

370 SECTION 12. Section 100 of chapter 142 of the acts of 2011 is hereby amended by  
371 striking out the figure “2015” and inserting in place thereof the following figure:- 2020.

372 SECTION 13. Notwithstanding any general or special law to the contrary, the secretary  
373 of housing and economic development and the secretary for administration and finance shall  
374 jointly submit a report on the progress of all projects and expenditures related to the funds  
375 available in this act or any outstanding authorizations from prior authorization act for housing  
376 projects, and undertaken by the executive office of housing and economic development or any of  
377 its constituent agencies to the house and senate committees on ways and means, the house and  
378 senate committees on bonding, capital expenditures and state assets and the joint committee on  
379 housing. This report shall include, but not be limited to: the address, the nature of the work and  
380 scope of work of each project funded in this act, the total amount allocated for each project  
381 broken down by fiscal year in which the allocation occurred, the total estimated cost of each  
382 project, the amount expended for the planning and design of each project up to the time the  
383 report is filed, the amount expended on construction of each project up to the time the report is  
384 filed, the total amount currently expended on each project, a schedule of life cycle standards for  
385 each completed project, the original estimated completion date of each project, the current  
386 anticipated completion date of each project and, if the project has been de-authorized, the reason  
387 for and date of de-authorization. The information required in this report shall be current as of 30  
388 days before the submission of the report and the report shall be submitted bi-annually for 6 years  
389 after the effective date of this act.

390 SECTION 14. Notwithstanding any general or special law to the contrary, to meet the  
391 expenditures necessary in carrying out section 2, the state treasurer shall, upon receipt of a  
392 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified  
393 by the governor from time to time but not exceeding, in the aggregate, \$1,400,000,000. All  
394 bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Housing  
395 Production, Preservation, Modification and Neighborhood Development Loan Act of 2013, and  
396 shall be issued for a maximum term of years, not exceeding 30 years, as the governor may  
397 recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the  
398 Constitution; provided, however, that all such bonds shall be payable not later than June 30,  
399 2048. All interest and payments on account of principal on such obligations shall be payable  
400 from the General Fund. Bonds and interest thereon issued under the authority of this section  
401 shall, notwithstanding any other provision of this act, be general obligations of the  
402 commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by  
403 the department of housing and community development for administrative costs directly  
404 attributable to the purposes of this act, including costs of clerical and support personnel. The  
405 director of the department of housing and community development shall file an annual spending  
406 plan with the fiscal affairs division, the house and senate committees on ways and means, the  
407 house and senate committees on bonding, capital expenditures and states assets and the joint  
408 committee on housing which details, by subsidiary, all personnel costs and any administrative  
409 costs charged to expenditures made pursuant to this act.

410 SECTION 15. Notwithstanding any general or special law to the contrary, within 120  
411 days after the expiration of affordability restrictions on housing units assisted under items 7004-  
412 0029 and 7004-0030 of section 2, the department of housing and community development or its

413 assignee, who is a qualified developer selected pursuant to the terms of said items 7004-0029 and  
414 7004-0030 of said section 2 under the guidelines of the department, shall have an option to  
415 purchase any such housing units at their current appraised value reduced by any remaining  
416 obligation of the owner upon the expiration of the affordability restrictions. The department or its  
417 assignee may purchase or acquire such housing units only for the purposes of preserving or  
418 providing affordable housing. The department or its assignee shall hold such purchase option for  
419 the first 120 days after the expiration of the affordability restrictions. Failure to exercise the  
420 purchase option within 120 days after the expiration of the affordability restriction shall  
421 constitute a waiver of the purchase option by the department or its assignee. Two impartial  
422 appraisers shall determine, within 60 days after the expiration of the affordability restrictions, the  
423 current appraised value in accordance with recognized professional standards. Two professionals  
424 in the field of multi-unit residential housing shall each select an appraiser. The owner and the  
425 department, respectively, shall each designate a professional within 30 days after the expiration  
426 of these affordability restrictions. If there is a difference in the valuations, the valuations shall be  
427 added together and divided by 2 to determine the current appraised value of the units. No sale,  
428 transfer or other disposition of the property shall be consummated until either the purchase  
429 option period shall have expired or the owner shall have been notified, in writing, by the  
430 department or its assignee that the option will not be exercised. The option shall be exercised  
431 only by written notice signed by a designated representative of the department or its assignee,  
432 mailed to the owner by certified mail at address specified in the notice of intention and recorded  
433 with the registry of deeds or the registry district of the land court of the county in which the  
434 affected real property is located, within the option period. If the purchase option has been  
435 assigned to a qualified developer selected pursuant to said items 7004-0029 and 7004-0030 of

436 section 2, the written notice shall state the name and address of the developer and the terms and  
437 conditions of the assignment. Before any sale or transfer or other disposition of the housing  
438 where the department has not previously exercised an option to purchase, an owner shall offer  
439 the department or its assignee, who shall be a qualified developer selected pursuant to this  
440 section, a first refusal option to meet a bona fide offer to purchase the units.. The owner shall  
441 provide to the department or its assignee written notice by regular and certified mail, return  
442 receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property.  
443 The department or its assignee shall hold the first refusal option for the first 120 days after  
444 receipt of the owner's written notice of intent to transfer the property. Failure to respond to the  
445 written notice of intent to sell, transfer or otherwise dispose of the property within the 120-day  
446 period shall constitute a waiver of the right of first refusal by the department. No sale, transfer or  
447 other disposition of the property shall be consummated until either this first refusal option period  
448 shall have expired or the owner shall have been notified in writing by the department or its  
449 assignee that the option will not be exercised. The option shall be exercised only by written  
450 notice signed by a designated representative of the department or its assignee, mailed to the  
451 owner by certified mail at the address specified in the notice of intention and recorded with the  
452 registry of deeds or the registry district of the land court of the county in which the affected real  
453 property is located, within the option period. If the first refusal option has been assigned to a  
454 qualified developer selected pursuant to said items 7004-0029 and 7004-0030 of section 2, the  
455 written notice shall state the name and address of the developer and the terms and conditions of  
456 the assignment. An affidavit before a notary public that the notice of intent was mailed on behalf  
457 of an owner shall conclusively establish the manner and time of the giving of notice the affidavit  
458 and notice that the option shall not be exercised shall be recorded with the registry of deeds or

459 the registry district of the land court of the county in which the affected real property is located.  
460 Each notice of intention, notice of exercise of the purchase option or first refusal option and  
461 notice that the purchase option or first refusal option shall not be exercised shall contain the  
462 name of the record owner of the property and a reasonable description of the premises to be sold  
463 or converted of and each affidavit signed before a notary public, shall have attached to it a copy  
464 of the notice of intention to which it relates. The notices of intention shall be mailed to the  
465 relevant parties, in the care of the keeper of records for the party in question. Upon notifying the  
466 owner in writing of its intention to exercise its purchase option or first refusal option during the  
467 120-day period, the department or its assignee shall have an additional 120 days, beginning on  
468 the date the purchase option period or first refusal option period expires, to purchase the units.  
469 Those time periods may be extended by mutual agreement between the department or its  
470 assignee and the owner of the property. Any extension agreed upon shall be recorded in the  
471 registry of deeds or the registry district of the land court of the county in which the affected real  
472 property is located. Within a reasonable time after requesting an extension, the owner shall make  
473 available to the department or its assignee any information that is reasonably necessary for the  
474 department to exercise its options.

475           SECTION 16. Notwithstanding any general or special law to the contrary, not later than  
476 July 1, 2013, and annually thereafter, the director of housing and community development shall  
477 submit to the secretary of administration and finance, the house and senate committees on ways  
478 and means, the joint committee on housing and the the house and senate committees on bonding,  
479 capital expenditures and state assets a capital plan for fiscal years 2014 to 2018, inclusive, for  
480 capital funds authorized in section 2.

481           SECTION 17. Notwithstanding any general or special law to the contrary, a private entity  
482 engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or  
483 redevelopment project receiving funds pursuant to this act shall properly classify individuals  
484 employed on the project and shall comply with all laws concerning workers' compensation  
485 insurance coverage, unemployment insurance, social security taxes and income taxes with  
486 respect to all such employees. All construction contractors engaged by an entity on any such  
487 project shall furnish documentation to the appointing authority showing that all employees  
488 employed on the project have hospitalization and medical benefits that meet the minimum  
489 requirements of the connector board established in chapter 176Q of the General Laws.