

**HOUSE . . . . . No. 03672**

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The Commonwealth of Massachusetts

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PRESENTED BY:

***Kevin G. Honan***

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*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 passage of the accompanying bill:

An Act promoting accessible housing for persons with disabilities.

\_\_\_\_\_  
PETITION OF:

NAME:

| DISTRICT/ADDRESS:

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# HOUSE . . . . . No. 03672

By Mr. Honan of Boston, for the committee on Housing, on Senate, No. 608 and House, No. 1557, a Bill promoting accessible housing for persons with disabilities (House, No. 3672). August 15, 2011.

## The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act promoting accessible housing for persons with disabilities.

*Whereas*, the deferred operation of this act would tend to defeat its purpose, which is forthwith to increase accessible affordable housing for people with disabilities, 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 support housing production  
2 and modification for persons with disabilities, elders, homeless individuals and families, and low  
3 and moderate income citizens of the commonwealth, the sums set forth for the several purposes  
4 and subject to the conditions specified in this act, are hereby made available subject to the laws  
5 regulating the disbursement of public funds.

6           7004-0029.. For state financial assistance in the form of loans for the development of  
7 community-based housing for individuals with mental illness and intellectual disabilities;

8 provided, that the loan program shall be administered by the department of housing and  
9 community development, hereinafter referred to in this item as the department, through contracts  
10 with the Massachusetts Development Finance Agency established in chapter 23G of the General  
11 Laws, the Community Economic Development Assistance Corporation established in chapter  
12 40H of the General Laws, operating agencies established pursuant to chapter 121B of the  
13 General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the  
14 acts of 1966; provided further, that those agencies may develop or finance community-based  
15 housing, or may enter into subcontracts with nonprofit organizations established pursuant to  
16 chapter 180 of the General Laws or organizations in which such nonprofit corporations have a  
17 controlling financial or managerial interest or for-profit organizations; provided, however, that  
18 preference for the subcontracts shall be given to nonprofit organizations; provided further, that  
19 the department shall consider a balanced geographic plan for such community-based housing  
20 when issuing the loans; provided further, that the department shall consider development of a  
21 balanced range of housing models by prioritizing funds for integrated housing as defined by the  
22 appropriate housing and service agencies including, but not limited to, the department of housing  
23 and community development, the Massachusetts rehabilitation commission, the department of  
24 mental health and the department of developmental services, in consultation with relevant and  
25 interested clients, their families, advocates and other parties as necessary; provided further, that  
26 loans issued pursuant to this item shall: (1) not exceed 50 per cent of the financing of the total  
27 development costs; (2) be issued only when a contract or agreement for the use of the property  
28 for such housing provides for repayment to the commonwealth at the time of disposition of the  
29 property in an amount equal to the commonwealth's proportional contribution from the Facilities  
30 Consolidation Fund to the cost of the development through payments made by the state agency

31 making the contract; (3) only be issued when a contract or agreement for the use of the property  
32 for the purposes of such housing provides for the recording of a deed restriction in the registry of  
33 deeds or the registry district of the land court of the county in which the real property is located,  
34 for the benefit of the departments, running with the land, that the land be used to provide  
35 community-based housing for eligible individuals as determined by the department of mental  
36 health and the department of developmental services; provided, that the property shall not be  
37 released from such restriction until the balance of the principal and interest for the loan has been  
38 repaid in full or until a mortgage foreclosure deed has been recorded; (4) be issued for a term not  
39 to exceed 30 years during which time repayment may be deferred by the loan issuing authority  
40 unless, at the end of any fiscal year, cash collections from all sources in connection with a  
41 community-based housing project, except for contributions, donations or grant moneys, exceed  
42 105 per cent of cash expenditures on behalf of the project, including debt service, operating  
43 expenses and capital reserves, in which event such excess cash shall be paid to the  
44 commonwealth within 45 days of the end of the fiscal year, payable first to interest due  
45 hereunder and thereafter to principal advanced pursuant to the loan; provided further, that if on  
46 the date the loans become due and payable to the commonwealth an outstanding balance exists,  
47 and if, on such date, the department, in consultation with the executive office of health and  
48 human services, determines that there still exists a need for such housing and that there is  
49 continued funding available for the provision of services to such development, the department  
50 may, by agreement with the owner of the development, extend the loans for such periods, each  
51 period not to exceed 10 years, as the department shall determine; provided, however, that the  
52 project shall remain affordable housing for the duration of the loan term, including any extension  
53 thereof, as set forth in the contract or agreement entered into by the department; and provided

54 further, that in the event the terms of repayment detailed in this item would cause a project  
55 authorized by this item to become ineligible to receive federal funds which would otherwise  
56 assist in the development of that project, the department may waive the terms of repayment  
57 which would cause the project to become ineligible; and (5) have interest rates fixed at a rate, to  
58 be determined by the department, in consultation with the state treasurer; provided further, that  
59 expenditures from this item shall not be made for the purpose of refinancing outstanding  
60 mortgage loans for community-based housing in existence prior to the effective date of this act;  
61 provided further, that community-based housing projects developed pursuant to this item shall  
62 not be refinanced during the term of any loan issued pursuant to this item unless the balance of  
63 the principal and interest for such loan has been repaid in full at the time of such refinancing;  
64 provided further, that the community-based housing projects may be refinanced if the  
65 refinancing would result in a reduction of costs paid by the commonwealth; provided further,  
66 that a refinanced loan shall be due and payable on a date not later than the date on which the  
67 original loan was due and payable, except in accordance with clause (4) when necessary to effect  
68 extraordinary repairs or maintenance which shall be approved by the commissioner of  
69 developmental services or the commissioner of mental health, as the case may be, and the  
70 department; provided further, that the loans shall be provided only for projects conforming to the  
71 provisions of this item; provided further, that the loans shall be issued in accordance with a  
72 facilities consolidation plan prepared by the secretary of health and human services, reviewed  
73 and approved by the department and filed with the secretary for administration and finance and  
74 the house and senate committees on ways and means and the joint committee on housing;  
75 provided further, that no expenditure shall be made from this item without the prior approval of  
76 the secretary for administration and finance; provided further, that the department, the

77 department of mental health and the Community Economic Development Assistance Corporation  
78 may identify appropriate financing mechanisms and guidelines for grants or loans from this item  
79 to promote private development to produce housing, to provide for independent integrated living  
80 opportunities, to write down building and operating costs and to serve households at or below 15  
81 per cent of area median income for the benefit of department of mental health clients; provided  
82 further, that not more than \$10,000,000 may be expended from this item for a pilot program of  
83 community-based housing loans to serve mentally ill homeless individuals in the current or  
84 former care of the department of mental health; provided further, that in implementing the pilot  
85 program, the department shall consider a balanced geographic plan when establishing  
86 community-based residences; provided further, that the housing services made available pursuant  
87 to such loans shall not be construed as a right or an entitlement for any individual or class of  
88 persons to the benefits of the pilot program; provided further, that eligibility for the pilot  
89 program shall be established by regulations promulgated by the department; provided further,  
90 that the department shall promulgate regulations pursuant to chapter 30A of the General Laws  
91 for the implementation, administration and enforcement of this item, consistent with the facilities  
92 consolidation plan prepared by the secretary of health and human services, and after consultation  
93 with the secretary and the commissioner of the division of capital asset management and  
94 maintenance..... \$60,000,000

95           7004-0030.. For state financial assistance in the form of loans for the development and  
96 redevelopment of community-based housing for persons with disabilities who are  
97 institutionalized or at risk of being institutionalized, who are not eligible for housing developed  
98 pursuant to item 7004-0029; provided, that the loan program shall be administered by the  
99 department of housing and community development, hereinafter referred to in this item as the

100 department, through contracts with the Massachusetts Development Finance Agency established  
101 in chapter 23G of the General Laws, the Community Economic Development Assistance  
102 Corporation established in chapter 40H of the General Laws, operating agencies established  
103 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
104 established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or  
105 finance the community-based housing, or may enter into subcontracts with nonprofit  
106 organizations established pursuant to chapter 180 of the General Laws or organizations in which  
107 such nonprofit corporations have a controlling financial or managerial interest or for-profit  
108 organizations; provided, however, that preference for such subcontracts shall be given to  
109 nonprofit organizations; provided further, that the department shall consider a balanced  
110 geographic plan for such community-based housing when issuing the loans; provided further,  
111 that all housing developed with these funds shall be integrated housing as defined by the  
112 appropriate state housing and service agencies including the Massachusetts Rehabilitation  
113 Commission in consultation with relevant and interested clients, their families, advocates, and  
114 other parties as necessary; provided further, that loans issued pursuant to this item shall: (1) not  
115 exceed 50 per cent of the financing of the total development costs; (2) be issued only when a  
116 contract or agreement for the use of the property for the purposes of such housing provides for  
117 repayment to the commonwealth at the time of disposition of the property in an amount equal to  
118 the commonwealth's proportional contribution from community based housing to the cost of the  
119 development through payments made by the state agency making the contract; (3) only be issued  
120 when a contract or agreement for the use of the property for the purposes of such community-  
121 based housing provides for the recording of a deed restriction in the registry of deeds or the  
122 registry district of the land court of the county in which the real property is located, for the

123 benefit of the departments, running with the land, that the land be used to provide community-  
124 based housing for eligible individuals as determined by the Massachusetts rehabilitation  
125 commission or other agency of the executive office of health and human services; provided  
126 further, that the property shall not be released from such restrictions until the balance of the  
127 principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has  
128 been recorded; (4) be issued for a term not to exceed 30 years during which time repayment may  
129 be deferred by the loan issuing authority unless, at the end of any fiscal year, cash collections  
130 from all sources in connection with a community-based housing project, except for contributions,  
131 donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of the project,  
132 including debt service, operating expenses, and capital reserves, in which event such excess cash  
133 shall be paid to the commonwealth within 45 days of the end of the fiscal year, payable first to  
134 interest due hereunder and thereafter to principal advanced pursuant to the loan; provided further,  
135 that if on the date the loans become due and payable to the commonwealth an outstanding  
136 balance exists, and if on that date, the department, in consultation with the executive office of  
137 health and human services, determines that there still exists a need for such housing, the  
138 department may, by agreement with the owner of the development, extend the loans for such  
139 periods, each period not exceed 10 years, as the department shall determine; provided, however,  
140 that the project shall continue to remain affordable housing for the duration of the loan term,  
141 including any extensions thereof, as set forth in the contract or agreement entered into by the  
142 department; and provided further, that in the event the terms of repayment detailed in this item  
143 would cause a project authorized by this item to become ineligible to receive federal funds which  
144 would otherwise assist in the development of that project, that commissioner may waive the  
145 terms of repayment which would cause the project to become ineligible; and (5) have interest



146 rates fixed at a rate, to be determined by the department, in consultation with the state treasurer;  
147 provided further, that expenditures from this item shall not be made for the purpose of  
148 refinancing outstanding mortgage loans for community-based housing in existence before the  
149 effective date of this act; provided further, that community-based housing projects developed  
150 pursuant to this item shall not be refinanced during the term of any loan issued pursuant to this  
151 item unless the balance of the principal and interest for such loan is repaid in full at the time of  
152 such refinancing; provided further, that the community-based housing projects may be  
153 refinanced if the refinancing would result in a reduction of costs paid by the commonwealth;  
154 provided further, that a refinanced loan shall be due and payable not later than the date on which  
155 the original loan was due and payable, except in accordance with clause (4) of this item or when  
156 necessary to effect extraordinary repairs or maintenance which shall be approved by the  
157 commissioner of the Massachusetts rehabilitation commission or other agency of the executive  
158 office of health and human services, as appropriate, and the department; provided further, the  
159 loans shall be provided only for projects conforming to this item; provided further, that the loans  
160 shall be issued in accordance with an enhancing community-based services plan prepared by the  
161 secretary of health and human services, in consultation with the department and filed with the  
162 secretary for administration and finance and the house and senate committees on ways and  
163 means and the joint committee on housing; provided further, that no expenditure shall be made  
164 from this item without the prior approval of the secretary for administration and finance;  
165 provided further, that the department shall promulgate regulations pursuant to chapter 30A of the  
166 General Laws for the implementation, administration and enforcement of this item, consistent  
167 with the enhancing community-based services plan prepared by the secretary of health and

168 human services after consultation with the secretary and the commissioner of capital asset  
169 management and maintenance..... \$30,000,000

170           7004-0036.. For the purpose of state financial assistance in the form of grants or loans  
171 for the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General  
172 Laws; provided, however, that not less than 25 per cent shall be used to fund projects which  
173 preserve and produce housing for families and individuals with incomes of not more than 30 per  
174 cent of the area median income, as defined by the United States Department of Housing and  
175 Urban Development..... \$75,000,000

176           SECTION 2. Section 13A of chapter 22 of the General Laws is hereby amended by  
177 striking out the words “physically handicapped,” “physically handicapped person,” and  
178 “handicapped person” wherever they appear and replacing said words with the following:-  
179 “person with disabilities”.

180           SECTION 3. The Architectural Access Board shall promulgate regulations pursuant to section  
181 13A of chapter 22 of the general laws no later than January 1, 2012 that shall be substantially  
182 equivalent or greater than the Federal Fair Housing Amendments Act of 1988, Section 504 of the  
183 Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, to make applicable  
184 dwelling units readily accessible, usable, and/or adaptable for persons with disabilities.