

HOUSE No. 675

The Commonwealth of Massachusetts

PRESENTED BY:

Kevin G. Honan and Linda Dorcena Forry

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 financing the production and preservation of housing for low and moderate income residents.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: |
|--------------------------------|-------------------------------------|
| <i>Kevin G. Honan</i> | <i>17th Suffolk</i> |
| <i>Linda Dorcena Forry</i> | <i>First Suffolk</i> |
| <i>Brian M. Ashe</i> | <i>2nd Hampden</i> |
| <i>Christine P. Barber</i> | <i>34th Middlesex</i> |
| <i>Michael J. Barrett</i> | <i>Third Middlesex</i> |
| <i>Jennifer E. Benson</i> | <i>37th Middlesex</i> |
| <i>William N. Brownsberger</i> | <i>Second Suffolk and Middlesex</i> |
| <i>Antonio F. D. Cabral</i> | <i>13th Bristol</i> |
| <i>Daniel Cahill</i> | <i>10th Essex</i> |
| <i>Evandro C. Carvalho</i> | <i>5th Suffolk</i> |
| <i>Gerard Cassidy</i> | <i>9th Plymouth</i> |
| <i>Nick Collins</i> | <i>4th Suffolk</i> |
| <i>Mike Connolly</i> | <i>26th Middlesex</i> |
| <i>Daniel Cullinane</i> | <i>12th Suffolk</i> |
| <i>Julian Cyr</i> | <i>Cape and Islands</i> |
| <i>Marjorie C. Decker</i> | <i>25th Middlesex</i> |
| <i>David F. DeCoste</i> | <i>5th Plymouth</i> |

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|----------------------------------|-----------------------------------|
| <i>Sal N. DiDomenico</i> | <i>Middlesex and Suffolk</i> |
| <i>Diana DiZoglio</i> | <i>14th Essex</i> |
| <i>Daniel M. Donahue</i> | <i>16th Worcester</i> |
| <i>Michelle M. DuBois</i> | <i>10th Plymouth</i> |
| <i>James B. Eldridge</i> | <i>Middlesex and Worcester</i> |
| <i>Jennifer L. Flanagan</i> | <i>Worcester and Middlesex</i> |
| <i>Sean Garballey</i> | <i>23rd Middlesex</i> |
| <i>Colleen M. Garry</i> | <i>36th Middlesex</i> |
| <i>Kenneth I. Gordon</i> | <i>21st Middlesex</i> |
| <i>Danielle W. Gregoire</i> | <i>4th Middlesex</i> |
| <i>Jonathan Hecht</i> | <i>29th Middlesex</i> |
| <i>Paul R. Heroux</i> | <i>2nd Bristol</i> |
| <i>Natalie Higgins</i> | <i>4th Worcester</i> |
| <i>Louis L. Kafka</i> | <i>8th Norfolk</i> |
| <i>Jay R. Kaufman</i> | <i>15th Middlesex</i> |
| <i>Mary S. Keefe</i> | <i>15th Worcester</i> |
| <i>Peter V. Kocot</i> | <i>1st Hampshire</i> |
| <i>John J. Lawn, Jr.</i> | <i>10th Middlesex</i> |
| <i>Jack Lewis</i> | <i>7th Middlesex</i> |
| <i>David Paul Linsky</i> | <i>5th Middlesex</i> |
| <i>Barbara A. L'Italien</i> | <i>Second Essex and Middlesex</i> |
| <i>Jay D. Livingstone</i> | <i>8th Suffolk</i> |
| <i>Joan B. Lovely</i> | <i>Second Essex</i> |
| <i>Adrian Madaro</i> | <i>1st Suffolk</i> |
| <i>Elizabeth A. Malia</i> | <i>11th Suffolk</i> |
| <i>Juana Matias</i> | <i>16th Essex</i> |
| <i>Joseph W. McGonagle, Jr.</i> | <i>28th Middlesex</i> |
| <i>Paul McMurtry</i> | <i>11th Norfolk</i> |
| <i>James R. Miceli</i> | <i>19th Middlesex</i> |
| <i>Michael O. Moore</i> | <i>Second Worcester</i> |
| <i>Frank A. Moran</i> | <i>17th Essex</i> |
| <i>James J. O'Day</i> | <i>14th Worcester</i> |
| <i>Sarah K. Peake</i> | <i>4th Barnstable</i> |
| <i>William Smitty Pignatelli</i> | <i>4th Berkshire</i> |
| <i>Denise Provost</i> | <i>27th Middlesex</i> |
| <i>David M. Rogers</i> | <i>24th Middlesex</i> |
| <i>Jeffrey Sánchez</i> | <i>15th Suffolk</i> |
| <i>Angelo M. Scaccia</i> | <i>14th Suffolk</i> |
| <i>Thomas M. Stanley</i> | <i>9th Middlesex</i> |

| | |
|------------------------|-----------------------|
| <i>Jose F. Tosado</i> | <i>9th Hampden</i> |
| <i>Paul Tucker</i> | <i>7th Essex</i> |
| <i>Steven Ultrino</i> | <i>33rd Middlesex</i> |
| <i>Chris Walsh</i> | <i>6th Middlesex</i> |
| <i>Thomas P. Walsh</i> | <i>12th Essex</i> |
| <i>Bud Williams</i> | <i>11th Hampden</i> |

HOUSE No. 675

By Representative Honan of Boston and Senator Forry, a joint petition (accompanied by bill, House, No. 675) of Kevin G. Honan and others relative to financing the production and preservation of housing for low and moderate income residents. Housing.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act financing the production and preservation of housing for low and moderate income residents.

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; to develop facilities for licensed early care and
8 education and out of school time programs; and to promote economic reinvestment through the
9 funding of infrastructure improvements, the sums set forth in section 2, for the several purposes
10 and subject to the conditions specified in this act, are hereby made available subject to the laws
11 regulating the disbursement of public funds.

12 SECTION 2.

13 DEPARTMENT OF EARLY EDUCATION AND CARE

14 3000-0400.. For the purpose of state financial assistance in the form of grants for the
15 Early Education and Out of School Time Capital Fund for the development of eligible facilities
16 for licensed early care and education and out of school time programs established in section 18
17 of chapter 15D of the General Laws; provided, that the department of early education and care
18 may contract with 1 or more quasi-public or non-profit entities to administer the program,
19 including, but not limited to, the Community Economic Development Assistance Corporation
20 established in chapter 40H of the General Laws; provided further, that the department may
21 develop or finance eligible facilities, may enter into subcontracts with nonprofit organizations
22 established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit
23 corporations have a controlling financial or managerial interest; provided further, that the
24 department shall consider: (i) a balanced geographic plan for such eligible facilities when issuing
25 the funding commitments; and (ii) funding large group and school age child care centers, as
26 defined by the department of early education and care; provided further, that the services made
27 available pursuant to such grants shall not be construed as a right or entitlement for any
28 individual or class of persons to the benefits financing; provided further, that no expenditure
29 shall be made from this item without the prior approval of the secretary of administration and
30 finance; and provided further, that eligibility shall be established by regulations promulgated by
31 the department pursuant to chapter 30A for the General Laws for the implementation,
32 administration and enforcement of this item..... \$45,000,000

33 EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

34 Office of the Secretary.

35 7004-0049.. For a program of loans or grants to assist homeowners, or tenants, with a
36 household member with blindness or severe disabilities in making modifications to their primary
37 residence for the purpose of improved accessibility or to allow those individuals to live
38 independently in the community or for construction costs to allow for the creation of an
39 accessory unit, defined as an additional dwelling unit separate from the primary dwelling unit,
40 for a person with disabilities or an elder needing assistance with activities of daily living;
41 provided up to 10% shall be used for grants to assist landlords seeking to make modifications for
42 a current or prospective tenant with disabilities who but for hit grant would be unable to maintain
43 or secure permanent housing; provided, that the secretary shall take all steps necessary to
44 minimize the program's administrative costs; provided further that the program shall be available
45 pursuant to income eligibility standards approved by the secretary; ; provided further, that
46 interest subsidies shall be means-tested and may be for 0 per cent pursuant to income standards
47 developed by the secretary; provided further, that the repayment of the loans may be delayed
48 until the sale of the principal residence by the homeowner; provided further, that persons
49 residing in a development covered by section 4 of chapter 151B of the General Laws shall not be
50 eligible for the program unless the owner can show that the modification is an undue financial
51 burden, or the landlord is participating in the grant program to maintain or secure housing for a
52 tenant with disabilities; provided further, that the secretary shall consult with the Massachusetts
53 commission for the blind and the Massachusetts rehabilitation commission in developing the
54 rules, regulations and guidelines for the program; provided further, that nothing in this item shall
55 give rise to enforceable legal rights in any party or an enforceable entitlement to services; and
56 provided further, that the secretary shall submit quarterly reports to the house and senate
57 committees on ways and means, the house and senate committees on bonding, capital

58 expenditures and state assets and the joint committee on housing detailing the status of the
59 program established in this item..... \$ 60,000,000

60 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

61 Department of Housing and Community Development.

62 7004-0050.. For state financial assistance in the form of loans for the development of
63 community-based housing or supportive housing for individuals with mental illness and
64 individuals with intellectual disabilities; provided, that the loan program shall be administered by
65 the department of housing and community development, referred to in this item as the
66 department, through contracts with the Massachusetts Development Finance Agency established
67 in chapter 23G of the General Laws, the Community Economic Development Assistance
68 Corporation established in chapter 40H of the General Laws, operating agencies established
69 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency
70 established in chapter 708 of the acts of 1966; provided further, that those agencies may develop
71 or finance community-based housing or supportive housing or may enter into subcontracts with
72 nonprofit organizations, established pursuant to chapter 180 of the General Laws, or
73 organizations in which such nonprofit corporations have a controlling financial or managerial
74 interest or for-profit organizations; provided, however, that preference for the subcontracts shall
75 be given to nonprofit organizations; provided further, that the department shall consider a
76 balanced geographic plan for such community-based housing or supportive housing when
77 issuing the loans; provided further, that the department shall consider development of a balanced
78 range of housing models by prioritizing funds for integrated housing as defined by the
79 appropriate housing and service agencies including, but not limited to, the department of housing

80 and community development, the Massachusetts rehabilitation commission, the department of
81 mental health and the department of developmental services, in consultation with relevant and
82 interested clients, clients' families, advocates and other parties as necessary; provided further,
83 that loans issued pursuant to this item shall: (i) not exceed 50 per cent of the financing of the
84 total development costs; (ii) be issued only when a contract or agreement for the use of the
85 property for such housing provides for repayment to the commonwealth at the time of disposition
86 of the property in an amount equal to the commonwealth's proportional contribution from the
87 Facilities Consolidation Fund to the cost of the development through payments made by the state
88 agency making the contract; (iii) only be issued when a contract or agreement for the use of the
89 property for the purposes of such housing provides for the recording of a deed restriction in the
90 registry of deeds or the registry district of the land court of the county in which the real property
91 is located, for the benefit of the departments, running with the land, that the land be used to
92 provide community-based housing or supportive housing for eligible individuals as determined
93 by the department of mental health and the department of developmental services; provided,
94 however, that the property shall not be released from such restriction until the balance of the
95 principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has
96 been recorded; (iv) be issued for a term not to exceed 30 years, during which time repayment
97 may be deferred by the loan issuing authority; provided, however, that if on the date the loans
98 become due and payable to the commonwealth, an outstanding balance exists and if, on such
99 date, the department, in consultation with the executive office of health and human services,
100 determines that there still exists a need for such housing and that there is continued funding
101 available for the provision of services to such development, the department may, by agreement
102 with the owner of the development, extend the loans for such periods, each period not to exceed

103 10 years, as the department shall determine; provided further, that the project shall remain
104 affordable housing for the duration of the loan term, including any extension thereof, as set forth
105 in the contract or agreement entered into by the department; provided further, that in the event
106 the terms of repayment detailed in this item would cause a project authorized by this item to
107 become ineligible to receive federal funds which would otherwise assist in the development of
108 that project, the department may waive the terms of repayment which would cause the project to
109 become ineligible; and (v) have interest rates fixed at a rate, to be determined by the department,
110 in consultation with the state treasurer; provided further, that the loans shall be provided only for
111 projects conforming to this item; provided further, that the loans shall be issued in accordance
112 with a facilities consolidation plan prepared by the secretary of health and human services,
113 reviewed and approved by the department and filed with the secretary of administration and
114 finance, the house and senate committees on ways and means, the house and senate committees
115 on bonding, capital expenditures and state assets and the joint committee on housing; provided
116 further, that no expenditure shall be made from this item without the prior approval of the
117 secretary of administration and finance; provided further, that the department, the department of
118 mental health and the Community Economic Development Assistance Corporation may identify
119 appropriate financing mechanisms and guidelines for grants or loans from this item to promote
120 private development to produce housing, to provide for independent integrated living
121 opportunities, to write down building and operating costs and to serve households at or below 15
122 per cent of area median income for the benefit of department of mental health clients; provided
123 further, that not more than \$10,000,000 may be expended from this item for a pilot program of
124 community-based housing or supportive housing loans to serve mentally ill homeless individuals
125 in the current or former care of the department of mental health; provided further, that in

126 implementing the pilot program, the department shall consider a balanced geographic plan when
127 establishing community-based residences; provided further, that the housing services made
128 available pursuant to such loans shall not be construed as a right or an entitlement for any
129 individual or class of persons to the benefits of the pilot program; provided further, that
130 eligibility for the pilot program shall be established by regulations promulgated by the
131 department; and provided further, that the department shall promulgate regulations pursuant to
132 chapter 30A of the General Laws for the implementation, administration and enforcement of this
133 item, consistent with the facilities consolidation plan prepared by the secretary of health and
134 human services and after consultation with the secretary and the commissioner of the division of
135 capital asset management and maintenance..... \$ 65,000,000

136 7004-0051.. For state financial assistance in the form of loans for the development and
137 redevelopment of community-based housing or supportive housing for persons with disabilities
138 who are institutionalized or at risk of being institutionalized and who are not eligible for housing
139 developed pursuant to item 7004-0050; provided, that the loan program shall be administered by
140 the department of housing and community development, referred to in this item as the
141 department, through contracts with the Massachusetts Development Finance Agency established
142 in chapter 23G of the General Laws, the Community Economic Development Assistance
143 Corporation established in chapter 40H of the General Laws, operating agencies established
144 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency
145 established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or
146 finance the community-based housing or supportive housing or may enter into subcontracts with
147 nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations
148 in which such nonprofit corporations have a controlling financial or managerial interest or for-

149 profit organizations; provided, however, that preference for such subcontracts shall be given to
150 nonprofit organizations; provided further, that the department shall consider a balanced
151 geographic plan for such community-based housing or supportive housing when issuing the
152 loans; provided further, that all housing developed with these funds shall be integrated housing
153 as defined by the appropriate state housing and service agencies including, but not limited to, the
154 department, the executive office of health and human services and the Massachusetts
155 rehabilitation commission in consultation with relevant and interested clients, clients' families,
156 advocates and other parties as necessary; provided further, that loans issued pursuant to this item
157 shall: (i) not exceed 50 per cent of the financing of the total development costs; (ii) be issued
158 only when a contract or agreement for the use of the property for the purposes of such housing
159 provides for repayment to the commonwealth at the time of disposition of the property in an
160 amount equal to the commonwealth's proportional contribution from community based housing
161 to the cost of the development through payments made by the state agency making the contract;
162 (iii) only be issued when a contract or agreement for the use of the property for the purposes of
163 such community-based housing or supportive housing provides for the recording of a deed
164 restriction in the registry of deeds or the registry district of the land court of the county in which
165 the real property is located, for the benefit of the departments, running with the land, that the
166 land be used to provide community-based housing or supportive housing for eligible individuals
167 as determined by the Massachusetts rehabilitation commission or other agency of the executive
168 office of health and human services; provided, however, that the property shall not be released
169 from such restrictions until the balance of the principal and interest for the loan has been repaid
170 in full or until a mortgage foreclosure deed has been recorded; (iv) be issued for a term not to
171 exceed 30 years during which time repayment may be deferred by the loan issuing authority;

172 provided, however, that if on the date the loans become due and payable to the commonwealth,
173 an outstanding balance exists and if, on that date, the department, in consultation with the
174 executive office of health and human services, determines that there still exists a need for such
175 housing, the department may, by agreement with the owner of the development, extend the loans
176 for such periods, each period not to exceed 10 years, as the department shall determine;
177 provided, however, that the project shall continue to remain affordable housing for the duration
178 of the loan term, including any extensions thereof, as set forth in the contract or agreement
179 entered into by the department; provided, however, that in the event the terms of repayment
180 detailed in this item would cause a project authorized by this item to become ineligible to receive
181 federal funds which would otherwise assist in the development of that project, that department
182 may waive the terms of repayment which would cause the project to become ineligible; and (v)
183 have interest rates fixed at a rate, to be determined by the department, in consultation with the
184 state treasurer; provided further, the loans shall be provided only for projects conforming to this
185 item; provided further, that the loans shall be issued in accordance with an enhancing
186 community-based services plan prepared by the secretary of health and human services, in
187 consultation with the department and filed with the secretary of administration and finance and
188 the house and senate committees on ways and means, the house and senate committees on
189 bonding, capital expenditures and state assets and the joint committee on housing; provided
190 further, that no expenditure shall be made from this item without the prior approval of the
191 secretary of administration and finance; and provided further, that the department shall
192 promulgate regulations pursuant to chapter 30A of the General Laws for the implementation,
193 administration and enforcement of this item, consistent with the enhancing community-based
194 services plan prepared by the secretary of health and human services after consultation with the

195 secretary and the commissioner of capital asset management and
196 maintenance..... \$ 55,000,000

197 7004-0052.. For the capitalization of the Affordable Housing Trust Fund, established in
198 section 2 of chapter 121D of the General Laws..... \$ 400,000,000

199 7004-0053.. For the purpose of state financial assistance in the form of grants or loans for
200 the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of
201 the General Laws and awarded only pursuant to the criteria established in said section 2 of said
202 chapter 121F; provided, that not less than 25 per cent shall be used to fund projects which
203 preserve and produce housing for families and individuals with incomes of not more than 30 per
204 cent of the area median income, as defined by the United States Department of Housing and
205 Urban Development; provided further, that if the department of housing and community
206 development has not spent the amount authorized under the bond cap for this program, at the end
207 of each year following the effective date of this act, the department may award the remaining
208 funds to projects that serve households earning more than 30 per cent of the area median income,
209 as defined by the United States Department of Housing and Urban Development; provided
210 further, that not less than \$5,000,000 shall be expended for the production or preservation of
211 housing for people age 60 and over; provided further, that the department may expend an amount
212 not to exceed \$10,000,000 to stabilize and promote reinvestment, through homeownership, in
213 areas the department has determined to be weak markets as indicated by a high concentration of
214 assisted rental housing, a low rate of homeownership, low median family income, low average
215 sales prices, high levels of unpaid property taxes or vacant or abandoned buildings, by waiving
216 the requirements of this item and said chapter 121F, and by subsidizing the purchase price,
217 borrowing costs or costs of renovation or new construction of 1 to 6 unit residential buildings for

218 a person who shall own the property and occupy any portion of the property as the person's
219 primary residence for at least 5 years from the date of purchase; provided further, that if more
220 than 5 years, but less than 10 years, from the date the owner takes ownership of the property, the
221 owner sells any of the owner's interest in the property, the new owner shall so occupy 1 unit in
222 the property for a period equal to the difference between 10 years and the amount of time the
223 first owner occupied the property as the owner's primary residence; provided further, that if the
224 owner fails to so occupy a unit on the property or ceases to be the owner of the property as
225 required by this section, the department shall recoup the value of any subsidy provided to the
226 owner; and provided further, that 10 years after the owner takes possession of the property
227 pursuant to this item, all restrictions on the property created by this item shall be void.....
228 \$ 150,000,000

229 7004-0054.. For the purpose of state financial assistance in the form of grants for projects
230 undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided,
231 that contracts entered into by the department of housing and community development for those
232 projects may include, but shall not be limited to, projects providing for renovation, remodeling,
233 reconstruction, redevelopment and hazardous material abatement, including asbestos and lead
234 paint, and for compliance with state codes and laws and for adaptations necessary for compliance
235 with the Americans with Disabilities Act, the provision of day care facilities, learning centers
236 and teen service centers and the adaptation of units for families and persons with disabilities;
237 provided further, that priority shall be given to projects undertaken for the purpose of compliance
238 with state codes and laws or for other purposes related to the health and safety of residents;
239 provided further, that funds may be expended from this item to make such modifications to
240 congregate housing units as may be necessary to increase the occupancy rate of those units;

241 provided further, that the department shall continue to fund a program to provide predictable
242 funds to be used flexibly by housing authorities for capital improvements to extend the useful
243 life of state-assisted public housing; and provided further, that not less than 25 per cent of the
244 funds made available in this item shall be used to fund projects which preserve or produce
245 housing for families and individuals with incomes of not more than 30 per cent of the area
246 median income, as defined by the United States Department of Housing and Urban
247 Development..... \$ 600,000,000

248 7004-0055.. For the purpose of state financial assistance in the form of grants for a 5 year
249 demonstration program, administered by the department of housing and community development
250 to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled
251 public housing that seek to reduce the need for future state modernization funding; provided, that
252 housing authorities with state-aided housing developments pursuant to chapter 200 of the acts of
253 1948, chapter 667 of the acts of 1954 or chapter 705 of the acts of 1966 shall be eligible to
254 participate in the demonstration program; provided further, that the department shall establish a
255 7-member advisory committee, to consist of the director of the department or a designee, 1
256 member selected by Citizens' Housing and Planning Association, 1 member selected by the
257 Massachusetts chapter of the National Association of Housing and Redevelopment Officials, 1
258 member selected by the Massachusetts Union of Public Housing Tenants and 3 additional
259 members chosen by the department to provide advice and recommendations to the department
260 regarding regulations to implement the demonstration program; provided further, that the
261 department may exempt a recipient of demonstration grants from the requirements of chapter 7
262 of the General Laws and chapter 121B of the General Laws upon a showing by the recipient that
263 such exemptions are necessary to accomplish the effective revitalization of public housing and

264 will not adversely affect public housing residents or applicants of any income who are otherwise
265 eligible; provided further, that the department may provide to recipients of demonstration grants
266 such additional regulatory relief as is required to further the objectives of the demonstration
267 program; provided further, that funds shall be made available for technical assistance provided
268 by the Community Economic Development Assistance Corporation established in chapter 40H
269 of the General Laws or the Massachusetts Housing Partnership Fund established pursuant to
270 section 35 of chapter 405 of the acts of 1985 to recipients of demonstration grants and for
271 evaluation of the demonstration; provided further, that the department shall promulgate
272 regulations for the implementation, administration and enforcement of this item within 90 days
273 after the effective date of this act; provided, however, that the regulations shall: (i) require that
274 housing authorities selected demonstrate innovative and replicable solutions to the management,
275 marketing or capital needs of state-aided family and elderly-disabled public housing
276 developments and contribute to the continued viability of the housing as a resource for public
277 housing eligible residents; (ii) encourage proposals that demonstrate regional collaborations
278 among housing authorities; and (iii) encourage proposals that propose new affordable housing
279 units on municipally-owned land, underutilized public housing sites or other land owned by the
280 housing authority; and provided further, that the department shall report to the house and senate
281 committees on ways and means, the house and senate committees on bonding, capital
282 expenditures and state assets and the joint committee on housing on the progress of the
283 demonstration program within 90 days after promulgation of the regulations and annually
284 thereafter..... \$50,000,000

285 7004-0056.. For the purpose of state financial assistance in the form of grants or loans for
286 the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General

287 Laws; provided, that not less than 25 per cent of the funds made available in this item shall be
288 used to fund projects which preserve and produce housing for families and individuals with
289 incomes of not more than 30 per cent of the area median income, as defined by the United States
290 Department of Housing and Urban Development..... \$
291 100,000,000

292 7004-0057.. For the purpose of state financial assistance in the form of grants or loans for
293 the Capital Improvement and Preservation Trust Fund for expiring use properties established in
294 section 2 of chapter 121G of the General Laws..... \$ 125,000,000

295 7004-0058.. For the purpose of providing financial support for developing residential
296 housing units and mixed use developments that include both residential housing units and
297 commercial or retail space and are located within neighborhood commercial areas including, but
298 not limited to, those areas designated as main street areas by providing necessary financial
299 assistance to the commercial components of these projects; provided, that the developments may
300 include projects which have residential units above commercial space and shall be located in
301 areas characterized by a predominance of commercial land uses, a high daytime or business
302 population or a high concentration of daytime traffic and parking; provided further, that the
303 financial subsidy for the commercial portion of a project shall not exceed 25 per cent of the total
304 development cost of the commercial portion of the project or \$1,000,000, whichever is smaller;
305 provided further, that \$15,000,000 shall be used to fund transit-oriented housing developments in
306 proximity to public transit nodes; provided further, that eligible activities for transit-oriented
307 development shall include, without limitation, planning grants, financing subsidies and
308 environmental assessment; and provided further, that not less than 50 per cent of the
309 beneficiaries of housing in projects assisted by this item shall be persons whose income is not

310 more than 80 per cent of the area median income, as defined by the United States Department of
311 Housing and Urban Development.... \$50,000,000

312 SECTION 3. Subsection (a) of section 18 of chapter 15D of the General Laws, as
313 appearing in the 2016 Official Edition, is hereby amended by striking out, in line 6, the figure
314 “25” and inserting in place thereof the following figure:- 50.

315 SECTION 4. Said subsection (a) of said section 18 of said chapter 15D, as so appearing,
316 is hereby further amended by inserting after the word “interest”, in line 17, the following words:-

317 and is, at the time of initial application, currently providing early care and education or
318 out of school time care for low income families who are eligible for public subsidy.

319 SECTION 5. Paragraph (1) of subsection (b) of section 6I of chapter 62 of the General
320 Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out lines 57-60,
321 and inserting in place thereof the following:-

322 \$20,000,000; (ii) \$5,000,000 for use in preserving and improving existing state or
323 federally-assisted housing; (iii) unused Massachusetts low-income housing tax credits, if any, for
324 the preceding calendar years; and (iv) Massachusetts low-income housing tax credits returned to
325 the department by a qualified Massachusetts project.

326 SECTION 6. Paragraph (1) of subsection (b) of section 31H of chapter 63 of the General
327 Laws, as so appearing, is hereby amended by striking out lines 58-61, and inserting in place
328 thereof the following:-

329 \$20,000,000; (ii) \$5,000,000 for use in preserving and improving existing state or
330 federally-assisted housing; (iii) unused Massachusetts low-income housing tax credits, if any, for

331 the preceding calendar years; and (iv) Massachusetts low-income housing tax credits returned to
332 the department by a qualified Massachusetts project.

333 SECTION 7. Subsection (a) of section 2 of chapter 121G of the General Laws, as
334 appearing in the 2016 Official Edition, is hereby amended by adding after the last sentence the
335 following sentence:-

336 An eligible property that has been acquired for the purpose of preserving or improving
337 the property will not lose eligibility due to actions by the purchaser to renew or extend state or
338 federal contracts or subsidies.

339 SECTION 8. Section 100 of said chapter 142 of the acts of 2011 is hereby further
340 amended by striking out the figure “2015” and inserting in place thereof the following figure:-
341 2025.

342 SECTION 9. Notwithstanding any general or special law to the contrary, the secretary of
343 housing and economic development and the secretary of administration and finance shall jointly
344 submit a report on the progress of all projects and expenditures related to the funds available in
345 this act or any outstanding authorizations from a prior authorization act for housing projects that
346 were undertaken by the executive office of housing and economic development or any of its
347 constituent agencies to the house and senate committees on ways and means, the house and
348 senate committees on bonding, capital expenditures and state assets and the joint committee on
349 housing. This report shall include, but not be limited to: the address, the nature of the work and
350 scope of work of each project funded in this act; the total amount allocated for each project
351 broken down by fiscal year in which the allocation occurred and the total estimated cost of each
352 project; the amount expended for the planning and design of each project up to the time the

353 report is filed; the amount expended on construction of each project up to the time the report is
354 filed; the total amount currently expended on each project; a schedule of life cycle standards for
355 each completed project; the original estimated completion date of each project; the current
356 anticipated completion date of each project; and, if the project has been de-authorized, the reason
357 for and date of de-authorization. The information required in this report shall be current as of 30
358 days before the submission of the report and the report shall be submitted bi-annually for 6 years
359 after the effective date of this act.

360 SECTION 10. Notwithstanding any general or special law to the contrary, to meet the
361 expenditures necessary in carrying out section 2, the state treasurer shall, upon receipt of a
362 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
363 by the governor from time to time but not exceeding, in the aggregate, \$1,700,000,000. All
364 bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Housing
365 Production, Preservation, Modification and Neighborhood Development Loan Act of 2018, and
366 shall be issued for a maximum term of years, not exceeding 30 years, as the governor may
367 recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the
368 Constitution; provided, however, that all such bonds shall be payable not later than June 30,
369 2050. All interest and payments on account of principal on such obligations shall be payable
370 from the General Fund. Bonds and interest thereon issued under the authority of this section
371 shall, notwithstanding any other provision of this act, be general obligations of the
372 commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by
373 the department of housing and community development for administrative costs directly
374 attributable to the purposes of this act, including costs of clerical and support personnel. The
375 director of the department of housing and community development shall file an annual spending

376 plan with the fiscal affairs division, the house and senate committees on ways and means, the
377 house and senate committees on bonding, capital expenditures and states assets and the joint
378 committee on housing which details, by subsidiary, all personnel costs and any administrative
379 costs charged to expenditures made pursuant to this act.

380 SECTION 11. Notwithstanding any general or special law to the contrary, within 120
381 days after the expiration of affordability restrictions on housing units assisted under items 7004-
382 0050 and 7004-0054 in section 2, the department of housing and community development or its
383 assignee, who shall be a qualified developer selected pursuant to the terms of said items 7004-
384 0050 and 7004-0051 of said section 2 under the guidelines of the department, shall have an
385 option to purchase any such housing units at their current appraised value, reduced by any
386 remaining obligation of the owner, upon the expiration of the affordability restrictions. The
387 department or its assignee shall only purchase or acquire such housing units to preserve or
388 provide affordable housing. The department or its assignee shall hold such purchase option for
389 the first 120 days after the expiration of the affordability restrictions. Failure to exercise the
390 purchase option within 120 days after the expiration of the affordability restriction shall
391 constitute a waiver of the purchase option by the department or its assignee. Within 30 days after
392 the expiration of an affordability restriction, the owner and the department shall each designate a
393 professional in the field of multi-unit residential housing. Each of those professionals shall select
394 an impartial appraiser. Within 60 days after the expiration of the affordability restriction, the 2
395 impartial appraisers shall determine the current appraised value in accordance with recognized
396 professional standards. If there is a difference in the valuations, the valuations shall be added
397 together and divided by 2 to determine the current appraised value of the units. No sale, transfer
398 or other disposition of the property shall be completed until either the purchase option period

399 expires or the owner has been notified, in writing, by the department or its assignee that the
400 option will not be exercised. The option shall be exercised only by written notice signed by a
401 designated representative of the department or its assignee, mailed to the owner by certified mail
402 at the address specified in the notice of intention and recorded with the registry of deeds or the
403 registry district of the land court of the county in which the affected real property is located,
404 within the option period. If the purchase option has been assigned to a qualified developer
405 selected pursuant to said items 7004-0050 and 7004-0051 in said section 2, the written notice
406 shall state the name and address of the developer and the terms and conditions of the assignment.

407 Before any sale or transfer or other disposition of housing that the department has not
408 previously exercised an option to purchase, an owner shall offer the department or its assignee,
409 who shall be a qualified developer selected pursuant to said items 7004-0050 and 7004-0051 of
410 said section 2, a first refusal option to meet a bona fide offer to purchase the units. The owner
411 shall provide to the department or its assignee written notice by regular and certified mail, return
412 receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property.
413 The department or its assignee shall hold the first refusal option for the first 120 days after
414 receipt of the owner's written notice of intent to transfer the property. Failure to respond to the
415 written notice of intent to sell, transfer or otherwise dispose of the property within the 120 day
416 period shall constitute a waiver of the right of first refusal by the department. No sale, transfer or
417 other disposition of the property shall be completed until either this first refusal option period has
418 expired or the owner has been notified in writing by the department or its assignee that the option
419 will not be exercised. The option shall be exercised only by written notice signed by a designated
420 representative of the department or its assignee, mailed to the owner by certified mail at the
421 address specified in the notice of intention and recorded with the registry of deeds or the registry

422 district of the land court of the county in which the affected real property is located, within the
423 option period. If the first refusal option has been assigned to a qualified developer selected
424 pursuant to said items 7004-0050 and 7004-0051 in said section 2, the written notice shall state
425 the name and address of the developer and the terms and conditions of the assignment.

426 An affidavit before a notary public that the notice of intent was mailed on behalf of an
427 owner shall conclusively establish the manner and time of the giving of notice to sell, transfer or
428 otherwise dispose of the property. The affidavit and notice that the option shall not be exercised
429 shall be recorded with the registry of deeds or the registry district of the land court of the county
430 in which the affected real property is located. Each notice of intention, notice of exercise of the
431 purchase option or first refusal option and notice that the purchase option or first refusal option
432 shall not be exercised shall contain the name of the recorded owner of the property and a
433 reasonable description of the premises to be sold or converted. Each affidavit signed before a
434 notary public shall have attached to it a copy of the notice of intention to which it relates. The
435 notices of intention shall be mailed to the relevant parties in the care of the keeper of records for
436 the party in question. Upon notifying the owner in writing of its intention to exercise its purchase
437 option or first refusal option during the 120 day period, the department or its assignee shall have
438 an additional 120 days, beginning on the date the purchase option period or first refusal option
439 period expires, to purchase the units. Those time periods may be extended by mutual agreement
440 between the department or its assignee and the owner of the property. Any extension agreed
441 upon shall be recorded in the registry of deeds or the registry district of the land court of the
442 county in which the affected real property is located. Within a reasonable time after requesting
443 an extension, the owner shall make available to the department or its assignee any information
444 that is reasonably necessary for the department to exercise its option.

445 SECTION 12. Notwithstanding any general or special law to the contrary, not later than
446 July 1, 2018, and annually thereafter, the director of housing and community development shall
447 submit to the secretary of administration and finance, the house and senate committees on ways
448 and means, the joint committee on housing and the house and senate committees on bonding,
449 capital expenditures and state assets a capital plan for fiscal years 2019 to 2023, inclusive, for the
450 capital funds authorized in section 2.

451 SECTION 13. Notwithstanding any general or special law to the contrary, a private entity
452 engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or
453 redevelopment project receiving funds pursuant to this act shall properly classify individuals
454 employed on the project and shall comply with all laws concerning workers' compensation
455 insurance coverage, unemployment insurance, social security taxes and income taxes with
456 respect to all such employees. All construction contractors engaged by an entity on any such
457 project shall furnish documentation to the appointing authority showing that all employees
458 employed on the project have hospitalization and medical benefits that meet the minimum
459 requirements of the connector established in chapter 176Q of the General Laws.

460 SECTION 14. Notwithstanding any general or special law to the contrary, the
461 unexpended and unencumbered balances of the bond-funded authorizations in the following
462 accounts shall cease to be available for expenditure 90 days after the effective date of this act:
463 3000-0400, 7004-0039, 7004-0040, 7004-0041, 7004-0042, 7004-0043, 7004-0044, 7004-0045,
464 7004-0046 7004-0048, 7004-0047.