

# SENATE . . . . . No. 2317

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The committee on Bonding, Capital Expenditures and State Assets, to whom was referred the House Bill financing the production and preservation of housing for low and moderate income residents (House, No. 4134); reports, recommending that the same ought to pass with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 2317. [Authorized Bond capacity: \$1.7 Billion]

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## The Commonwealth of Massachusetts

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In the One Hundred and Ninetieth General Court  
(2017-2018)  
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1           SECTION 1. To provide for a capital outlay program to rehabilitate, produce and  
2 modernize state-aided public housing developments; to preserve the affordability and the income  
3 mix of state-assisted multifamily developments; to support home ownership and rental housing  
4 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           3000-0410. 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 HOUSING AND ECONOMIC DEVELOPMENT

34           Department of Housing and Community Development

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, that not more than 10 per cent shall be used for grants to assist landlords seeking to  
42 make modifications for a current or prospective tenant with disabilities, who but for this grant  
43 would be unable to maintain or secure permanent housing; provided further, that the secretary  
44 shall take all steps necessary to minimize the program's administrative costs; provided further,  
45 that the program shall be available pursuant to income eligibility standards approved by the  
46 secretary; provided further, that the repayment of the loans may be delayed until the sale of the  
47 principal residence by the homeowner; provided further, that persons residing in a development  
48 covered by section 4 of chapter 151B of the General Laws shall not be eligible for the program  
49 unless the owner can show that the modification is an undue financial burden or that the landlord  
50 is participating in the grant program to maintain or secure housing for a tenant with disabilities;  
51 provided further, that the secretary shall consult with the Massachusetts commission for the blind  
52 and the Massachusetts rehabilitation commission in developing the rules, regulations and  
53 guidelines for the program; provided further, that nothing in this item shall give rise to  
54 enforceable legal rights in any party or an enforceable entitlement to services; and provided  
55 further, that the secretary shall submit quarterly reports to the house and senate committees on  
56 ways and means, the house and senate committees on bonding, capital expenditures and state

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

59           7004-0050. For state financial assistance in the form of loans for the development of  
60 community-based housing or supportive housing for individuals with mental illness and  
61 individuals with intellectual disabilities; provided, that the loan program shall be administered by  
62 the department of housing and community development, referred to in this item as the  
63 department, through contracts with the Massachusetts Development Finance Agency established  
64 by chapter 23G of the General Laws, the Community Economic Development Assistance  
65 Corporation established by chapter 40H of the General Laws, operating agencies established  
66 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
67 established by chapter 708 of the acts of 1966; provided further, that those agencies may develop  
68 or finance community-based housing or supportive housing or may enter into subcontracts with  
69 nonprofit organizations, established pursuant to chapter 180 of the General Laws, or  
70 organizations in which such nonprofit corporations have a controlling financial or managerial  
71 interest or for-profit organizations; provided, however, that preference for the subcontracts shall  
72 be given to nonprofit organizations; provided further, that the department shall consider a  
73 balanced geographic plan for such community-based housing or supportive housing when  
74 issuing the loans; provided further, that the department shall consider development of a balanced  
75 range of housing models by prioritizing funds for integrated housing as defined by the  
76 appropriate housing and service agencies including, but not limited to, the department of housing  
77 and community development, the Massachusetts rehabilitation commission, the department of  
78 mental health and the department of developmental services, in consultation with relevant and  
79 interested clients, clients’ families, advocates and other parties as necessary; provided further,

80 that loans issued pursuant to this item shall: (i) not exceed 50 per cent of the financing of the  
81 total development costs; (ii) not be issued unless a contract or agreement for the use of the  
82 property for such housing provides for repayment to the commonwealth at the time of disposition  
83 of the property in an amount equal to the commonwealth's proportional contribution from the  
84 Facilities Consolidation Fund to the cost of the development through payments made by the state  
85 agency making the contract; (iii) not be issued unless contract or agreement for the use of the  
86 property for the purposes of such housing provides for the recording of a deed restriction in the  
87 registry of deeds or the registry district of the land court of the county in which the real property  
88 is located, for the benefit of the departments, running with the land, that the land be used to  
89 provide community-based housing or supportive housing for eligible individuals as determined  
90 by the department of mental health and the department of developmental services; provided,  
91 however, that the property shall not be released from such restriction until the balance of the  
92 principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has  
93 been recorded; (iv) be issued for a term not to exceed 30 years, during which time repayment  
94 may be deferred by the loan issuing authority; provided, however, that if on the date the loans  
95 become due and payable to the commonwealth, an outstanding balance exists and if, on such  
96 date, the department, in consultation with the executive office of health and human services,  
97 determines that there still exists a need for such housing and that there is continued funding  
98 available for the provision of services to such development, the department may, by agreement  
99 with the owner of the development, extend the loans for such periods, each period not to exceed  
100 10 years, as the department shall determine; provided further, that the project shall remain  
101 affordable housing for the duration of the loan term, including any extension thereof, as set forth  
102 in the contract or agreement entered into by the department; provided further, that in the event

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

126 individual or class of persons to the benefits of the pilot program; provided further, that  
127 eligibility for the pilot program shall be established by regulations promulgated by the  
128 department; and provided further, that the department shall promulgate regulations pursuant to  
129 chapter 30A of the General Laws for the implementation, administration and enforcement of this  
130 item, consistent with the facilities consolidation plan prepared by the secretary of health and  
131 human services and after consultation with the secretary and the commissioner of the division of  
132 capital asset management and maintenance..... \$65,000,000

133           7004-0051. For state financial assistance in the form of loans for the development and  
134 redevelopment of community-based housing or supportive housing for persons with disabilities  
135 who are institutionalized or at risk of being institutionalized and who are not eligible for housing  
136 developed pursuant to item 7004-0050; provided, that the loan program shall be administered by  
137 the department of housing and community development, referred to in this item as the  
138 department, through contracts with the Massachusetts Development Finance Agency established  
139 by chapter 23G of the General Laws, the Community Economic Development Assistance  
140 Corporation established by chapter 40H of the General Laws, operating agencies established  
141 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency  
142 established by chapter 708 of the acts of 1966; provided further, that the agencies may develop  
143 or finance the community-based housing or supportive housing or may enter into subcontracts  
144 with nonprofit organizations established pursuant to chapter 180 of the General Laws or  
145 organizations in which such nonprofit corporations have a controlling financial or managerial  
146 interest or for-profit organizations; provided, however, that preference for such subcontracts  
147 shall be given to nonprofit organizations; provided further, that the department shall consider a  
148 balanced geographic plan for such community-based housing or supportive housing when

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



172 exists a need for such housing, the department may, by agreement with the owner of the  
173 development, extend the loans for such periods, each period not to exceed 10 years, as the  
174 department shall determine; provided, however, that the project shall continue to remain  
175 affordable housing for the duration of the loan term, including any extensions thereof, as set  
176 forth in the contract or agreement entered into by the department; provided, however, that in the  
177 event the terms of repayment detailed in this item would cause a project authorized by this item  
178 to become ineligible to receive federal funds, which would otherwise assist in the development  
179 of that project, that department may waive the terms of repayment which would cause the project  
180 to become ineligible; and (v) have interest rates fixed at a rate, to be determined by the  
181 department, in consultation with the state treasurer; provided further, the loans shall be provided  
182 only for projects conforming to this item; provided further, that the loans shall be issued in  
183 accordance with an enhancing community-based services plan prepared by the secretary of  
184 health and human services, in consultation with the department and filed with the secretary of  
185 administration and finance and the house and senate committees on ways and means, the house  
186 and senate committees on bonding, capital expenditures and state assets and the joint committee  
187 on housing; provided further, that no expenditure shall be made from this item without the prior  
188 approval of the secretary of administration and finance; and provided further, that the department  
189 shall promulgate regulations pursuant to chapter 30A of the General Laws for the  
190 implementation, administration and enforcement of this item, consistent with the enhancing  
191 community-based services plan prepared by the secretary of health and human services after  
192 consultation with the secretary and the commissioner of capital asset management and  
193 maintenance..... \$55,000,000

194           7004-0052. For the capitalization of the Affordable Housing Trust Fund, established in  
195 section 2 of chapter 121D of the General Laws..... \$400,000,000

196           7004-0053. For the purpose of state financial assistance in the form of grants or loans for  
197 the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of  
198 the General Laws and awarded only pursuant to the criteria established in said section 2 of said  
199 chapter 121F; provided, that not less than 25 per cent shall be used to fund projects which  
200 preserve and produce housing for families and individuals with incomes of not more than 30 per  
201 cent of the area median income, as defined by the United States Department of Housing and  
202 Urban Development; provided further, that if the department of housing and community  
203 development has not spent the amount authorized under the bond cap for this program, at the end  
204 of each year following the effective date of this act, the department may award the remaining  
205 funds to projects that serve households earning more than 30 per cent of the area median income,  
206 as defined by the United States Department of Housing and Urban Development; provided  
207 further, that not less than \$5,000,000 shall be expended for the production or preservation of  
208 housing for people age 60 and over; provided further, that the department may expend an amount  
209 not to exceed \$10,000,000 to stabilize and promote reinvestment, through homeownership, in  
210 areas the department has determined to be weak markets as indicated by a high concentration of  
211 assisted rental housing, low rate of homeownership, low median family income, low average  
212 sales prices, high levels of unpaid property taxes or vacant or abandoned buildings, by waiving  
213 the requirements of this item and said chapter 121F, and by subsidizing the purchase price,  
214 borrowing costs or costs of renovation or new construction of 1 to 6 unit residential buildings for  
215 a person who shall own the property and occupy any portion of the property as the person's  
216 primary residence for at least 5 years from the date of purchase; provided further, that if more

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

226 7004-0054. For the purpose of state financial assistance in the form of grants for projects  
227 undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided,  
228 that contracts entered into by the department of housing and community development for those  
229 projects may include, but shall not be limited to, projects providing for renovation, remodeling,  
230 reconstruction, redevelopment and hazardous material abatement, including asbestos and lead  
231 paint, and for compliance with state codes and laws and for adaptations necessary for compliance  
232 with the federal Americans with Disabilities Act of 1990, the provision of day care facilities,  
233 learning centers and teen service centers and the adaptation of units for families and persons with  
234 disabilities; provided further, that priority shall be given to projects undertaken for the purpose of  
235 compliance with state codes and laws or for other purposes related to the health and safety of  
236 residents; provided further, that funds may be expended from this item to make such  
237 modifications to congregate housing units as may be necessary to increase the occupancy rate of  
238 those units; provided further, that the department shall continue to fund a program to provide  
239 predictable funds to be used flexibly by housing authorities for capital improvements to extend

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

245 7004-0055. For the purpose of state financial assistance in the form of grants for a 5 year  
246 demonstration program, administered by the department of housing and community development  
247 to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled  
248 public housing that seek to reduce the need for future state modernization funding; provided, that  
249 housing authorities with state-aided housing developments pursuant to chapter 200 of the acts of  
250 1948, chapter 667 of the acts of 1954, chapter 705 of the acts of 1966, chapter 689 of the acts of  
251 1974 or chapter 167 of the acts of 1987 shall be eligible to participate in the demonstration  
252 program; provided further, that the department shall establish a 7-member advisory committee,  
253 to consist of the director of the department or a designee, 1 member selected by Citizens'  
254 Housing and Planning Association, Inc., 1 member selected by the Massachusetts chapter of the  
255 National Association of Housing and Redevelopment Officials, 1 member selected by the  
256 Massachusetts Union of Public Housing Tenants, Inc. and 3 additional members chosen by the  
257 department to provide advice and recommendations to the department regarding the program;  
258 provided further, that the department may exempt a recipient of demonstration grants from the  
259 requirements of chapter 7C of the General Laws and chapter 121B of the General Laws upon a  
260 showing by the recipient that such exemptions are necessary to accomplish the effective  
261 revitalization of public housing and will not adversely affect public housing residents or  
262 applicants of any income who are otherwise eligible; provided further, that the department may

263 provide to recipients of demonstration grants such additional regulatory relief as is required to  
264 further the objectives of the demonstration program; provided further, that funds shall be made  
265 available for technical assistance provided by the Community Economic Development  
266 Assistance Corporation established by chapter 40H of the General Laws or the Massachusetts  
267 Housing Partnership Fund established pursuant to section 35 of chapter 405 of the acts of 1985 to  
268 recipients of demonstration grants and for evaluation of the demonstration; provided further, that  
269 the department's regulations for the implementation, administration and enforcement of this  
270 shall: (i) require that housing authorities selected demonstrate innovative and replicable solutions  
271 to the management, marketing or capital needs of state-aided family and elderly-disabled public  
272 housing developments and contribute to the continued viability of the housing as a resource for  
273 public housing eligible residents; (ii) encourage proposals that demonstrate regional  
274 collaborations among housing authorities; and (iii) encourage proposals that propose new  
275 affordable housing units on municipally-owned land, underutilized public housing sites or other  
276 land owned by the housing authority; and provided further, that the department shall report to the  
277 house and senate committees on ways and means, the house and senate committees on bonding,  
278 capital expenditures and state assets and the joint committee on housing on the progress of the  
279 demonstration program annually..... \$50,000,000

280 7004-0056. For the purpose of state financial assistance in the form of grants or loans for  
281 the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General  
282 Laws; provided, that not less than 25 per cent of the funds made available in this item shall be  
283 used to fund projects which preserve and produce housing for families and individuals with  
284 incomes of not more than 30 per cent of the area median income, as defined by the United States  
285 Department of Housing and Urban Development; and provided further, that the department may

286 expend \$10,000,000 or more from this item for the production and preservation of housing for  
287 people in recovery from substance addiction..... \$100,000,000

288           7004-0057. For the purpose of state financial assistance in the form of grants or loans for  
289 the Capital Improvement and Preservation Trust Fund established in section 2 of chapter 121G of  
290 the General Laws for expiring use properties..... \$125,000,000

291           7004-0058. For the purpose of providing financial support for developing residential  
292 housing units and mixed use developments that include both residential housing units and  
293 commercial or retail space and are located within neighborhood commercial areas including, but  
294 not limited to, those areas designated as main street areas by providing necessary financial  
295 assistance to the commercial components of these projects; provided, that the developments may  
296 include projects which have residential units above commercial space and shall be located in  
297 areas characterized by a predominance of commercial land uses, a high daytime or business  
298 population or a high concentration of daytime traffic and parking; provided further, that the  
299 financial subsidy for the commercial portion of a project shall not exceed 25 per cent of the total  
300 development cost of the commercial portion of the project or \$1,000,000, whichever is smaller;  
301 provided further, that \$15,000,000 shall be used to fund transit-oriented housing developments in  
302 proximity to public transit nodes; provided further, that eligible activities for transit-oriented  
303 development shall include, without limitation, planning grants, financing subsidies and  
304 environmental assessment; and provided further, that not less than 50 per cent of the  
305 beneficiaries of housing in projects assisted by this item shall be persons whose income is not  
306 more than 80 per cent of the area median income, as defined by the United States Department of  
307 Housing and Urban Development..... \$50,000,000

308 SECTION 3. Section 18 of chapter 15D of the General Laws, as appearing in the 2016  
309 Official Edition, is hereby amended by striking out, in line 6, the figure “25” and inserting in  
310 place thereof the following figure:- 50.

311 SECTION 4. Said section 18 of said chapter 15D, as so appearing, is hereby further  
312 amended by inserting after the word “interest”, in lines 16 and 17, the following words:- and is,  
313 at the time of initial application, currently providing early care and education or out of school  
314 time care for low-income families who are eligible for public subsidy.

315 SECTION 5. Section 6 of chapter 62 of the General Laws, as so appearing, is hereby  
316 amended by striking out, in line 281, the figure “2018” and inserting in place thereof the  
317 following figure:- 2023.

318 SECTION 6. Said section 6 of said chapter 62, as so appearing, is hereby further  
319 amended by striking out, in line 287, the figure “2019” and inserting in place thereof the  
320 following figure:- 2024.

321 SECTION 7. Said section 6 of said chapter 62, as so appearing, is hereby further  
322 amended by striking out, in line 297, the figure “40.00” and inserting in place thereof the  
323 following figure:- 40.0000.

324 SECTION 8. Said section 6 of said chapter 62, as so appearing, is hereby further  
325 amended by inserting after the word “limitation”, in lines 297 and 298, the following:- , or which  
326 includes such an activity and use limitation recorded on or after June 20, 2014 in the case of a  
327 development in which at least 20 per cent of the residential units are restricted to occupancy by  
328 households earning 120 per cent or less of area median income. Such costs may include net

329 response and removal costs incurred by such taxpayer or nonprofit organization before it owned,  
330 operated, or leased the subject property.

331 SECTION 9. Section 6I of said chapter 62, as so appearing, is hereby amended by  
332 inserting after the word “project”, in line 73, the following words:- ; and (iv) \$5,000,000 to  
333 preserve and improve existing state or federally-assisted housing.

334 SECTION 10. Said Section 6I of said chapter 62, as so appearing, is hereby further  
335 amended by striking out, in lines 112 to 115, inclusive, the words “; provided further, that no  
336 credit shall be authorized related to a project that receives state financial assistance authorized  
337 under section 7A of chapter 244 of the acts of 2002.”

338 SECTION 11. Subsection (c) of section 6M of said chapter 62, as appearing in section  
339 29 of chapter 238 of the acts of 2012, is hereby amended by striking out paragraph (4) and  
340 inserting in place thereof the following paragraph:-

341 (4) no community partner shall receive a community investment tax credit allocation of  
342 less than \$50,000 or more than 2 1/2 per cent of the total credits available in any 1 taxable year;  
343 provided, however, that the department may waive this cap if it determines that it would be  
344 unable to otherwise fully allocate the credits available during that calendar year to eligible  
345 community partners; provided, however, that no community partner shall receive a subsequent  
346 allocation unless the department has determined that it has made satisfactory progress toward  
347 utilizing any prior allocation.

348 SECTION 12. Subsection (e) of said section 6M of said chapter 62, as added by said  
349 section 29 of said chapter 238, is hereby amended by striking out the first sentence.



350 SECTION 13. Subsection (i) of said section 6M of said chapter 62, as added by said  
351 section 29 of said chapter 238, is hereby amended by striking out the second sentence and  
352 inserting in place thereof the following sentence:- The total value of the tax credits authorized  
353 pursuant to this section, together with section 38EE of chapter 63, shall not exceed \$3,000,000 in  
354 taxable year 2014, \$6,000,000 in each of taxable years 2015 to 2018, inclusive, \$8,000,000 in  
355 each of taxable years 2019 and 2020, \$10,000,000 in each of taxable years 2021 and 2022 and  
356 \$12,000,000 in each of taxable years 2023 to 2025, inclusive.

357 SECTION 14. Section 31H of chapter 63 of the General Laws, as appearing in the 2016  
358 Official Edition, is hereby amended by inserting after the word “project”, in line 74, the  
359 following words:- ; and (iv) \$5,000,000 to preserve and improve existing state or federally-  
360 assisted housing.

361 SECTION 15. Said Section 31H of said chapter 63 of the General Laws, as so appearing,  
362 is hereby amended by striking out, in lines 114 to 117, inclusive, the words “; provided further,  
363 that no credit shall be authorized related to a project that receives state financial assistance  
364 authorized under section 7A of chapter 244 of the acts of 2002”.

365 SECTION 16. Section 38Q of said chapter 63, as so appearing, is hereby amended by  
366 striking out, in line 3, the figure “2018” and inserting in place thereof the following figure:-  
367 2023.

368 SECTION 17. Said section 38Q of said chapter 63, as so appearing, is hereby further  
369 amended by striking out, in line 9, the figure “2019” and inserting in place thereof the following  
370 figure:- 2024.

371 SECTION 18. Said section 38Q of said chapter 63, as so appearing, is hereby further  
372 amended by striking out, in line 17, the figure “40.00” and inserting in place thereof the  
373 following figure:- 40.0000.

374 SECTION 19. Said section 38Q of said chapter 63, as so appearing, is hereby further  
375 amended by inserting, in line 18, after the word “limitation” the following words:- , or which  
376 includes such an activity and use limitation recorded on or after June 20, 2014 in the case of a  
377 development in which at least 20 per cent of the residential units are restricted to occupancy by  
378 households earning 120 per cent or less of area median income. Such costs may include net  
379 response and removal costs incurred by such corporation before such corporation owned,  
380 operated, or leased the subject property.

381 SECTION 20. Subsection (c) of section 38EE of said chapter 63, as so appearing, is  
382 hereby amended by striking out clause (4) and inserting in place thereof the following clause:-

383 (4) no community partner shall receive a community investment tax credit allocation of  
384 less than \$50,000 or more than 2 1/2 per cent of the total credits available in any 1 taxable year;  
385 provided, however, that the department may waive this cap if it determines that it would be  
386 unable to otherwise fully allocate the credits available during that calendar year to eligible  
387 community partners; provided, however, that no community partner shall receive a subsequent  
388 allocation unless the department has determined that it has made satisfactory progress toward  
389 utilizing any prior allocation;

390 SECTION 21. Subsection (e) of said section 38EE of said chapter 63, as so appearing, is  
391 hereby amended by striking out the first sentence.

392 SECTION 22. Subsection (i) of said section 38EE of said chapter 63, as so appearing, is  
393 hereby amended by striking out the second sentence and inserting in place thereof the following  
394 sentence:- The total value of the tax credits authorized pursuant to this section, together with  
395 section 6M of chapter 62, shall not exceed \$3,000,000 in taxable year 2014, \$6,000,000 in each  
396 of taxable years 2015 to 2018, inclusive, \$8,000,000 in each of taxable years 2019 and 2020,  
397 \$10,000,000 in each of taxable years 2021 and 2022 and \$12,000,000 in each of taxable years  
398 2023 to 2025, inclusive.

399 SECTION 23. Subsection (a) of section 2 of chapter 121G of the General Laws, as so  
400 appearing, is hereby amended by adding the following sentence:- An eligible property that has  
401 been acquired for the purpose of preserving or improving the property shall not lose eligibility  
402 due to actions by the purchaser to renew or extend state or federal contracts or subsidies.

403 SECTION 24. Section 4 of chapter 708 of the acts of 1966, as most recently amended by  
404 section 6 of chapter 239 of the acts of 1998, is hereby further amended by adding the following  
405 subsection:-

406 (aa) Take any and all actions necessary and appropriate, directly or through an affiliate or  
407 subsidiary entity, (i) to provide contract administration services in or for any state of the United  
408 States of America or the District of Columbia, in connection with any multifamily rental subsidy  
409 program of the U.S. Department of Housing and Urban Development; (ii) to provide loan  
410 servicing services with respect to 1- to 4-family residential mortgage loans secured by mortgages  
411 on real property located in any state of the United States of America or the District of Columbia,  
412 provided the MHFA shall not enter into any agreement for such loan servicing unless the  
413 majority of loans to be serviced are mortgage loans secured by mortgages on real property

414 located within the commonwealth; and (iii) to provide any loan servicing, master servicing,  
415 mortgage insurance and other commercial services and products related to residential mortgage  
416 loans in partnership with a governmental or quasi-governmental agency in any state or the  
417 District of Columbia; in each case unless and to the extent prohibited by the laws of any such  
418 state or the District of Columbia.

419 SECTION 25. Section 100 of chapter 142 of the acts of 2011, is hereby further amended  
420 by striking out the figure “2020”, inserted by section 14 of chapter 129 of the acts of 2013, and  
421 inserting in place thereof the following figure:- 2025.

422 SECTION 26. Section 98 of chapter 238 of the acts of 2012 is hereby amended by  
423 striking out the figure “2019” and inserting in place thereof the following figure:- 2025.

424 SECTION 27. Chapter 287 of the acts of 2014 is hereby amended by inserting after  
425 section 124 the following section:-

426 SECTION 124A. Sections 46, 48, 61, and 63 shall take effect on January 1, 2024.

427 SECTION 28. Section 125 of said chapter 287 is hereby amended by striking out the  
428 words “46, 48, 56A, 61, 63 and”.

429 SECTION 29. Notwithstanding any general or special law to the contrary, the secretary  
430 of housing and economic development and the secretary of administration and finance shall  
431 jointly submit a report on the progress of all projects and expenditures related to the funds  
432 available in this act or any outstanding authorizations from a prior authorization act for housing  
433 projects that were undertaken by the executive office of housing and economic development or  
434 any of its constituent agencies to the house and senate committees on ways and means, the house

435 and senate committees on bonding, capital expenditures and state assets and the joint committee  
436 on housing. This report shall include, but not be limited to: the address, the nature of the work  
437 and scope of work of each project funded in this act; the total amount allocated for each project  
438 broken down by fiscal year in which the allocation occurred and the total estimated cost of each  
439 project; the amount expended for the planning and design of each project up to the time the  
440 report is filed; the amount expended on construction of each project up to the time the report is  
441 filed; the total amount currently expended on each project; a schedule of life cycle standards for  
442 each completed project; the original estimated completion date of each project; the current  
443 anticipated completion date of each project; and, if the project has been de-authorized, the reason  
444 for and date of de-authorization. The information required in this report shall be current as of 30  
445 days before the submission of the report and the report shall be submitted bi-annually for 6 years  
446 after the effective date of this act.

447 SECTION 30. To meet the expenditures necessary in carrying out section 2, the state  
448 treasurer shall, upon receipt of a request by the governor, issue and sell bonds of the  
449 commonwealth in an amount to be specified by the governor from time to time but not  
450 exceeding, in the aggregate, \$1,700,000,000. All bonds issued by the commonwealth, as  
451 aforesaid, shall be designated on their face, Housing Production, Preservation, Modification and  
452 Neighborhood Development Loan Act of 2018, and shall be issued for a maximum term of years,  
453 not exceeding 30 years, as the governor may recommend to the general court pursuant to Section  
454 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds  
455 shall be payable not later than June 30, 2053. All interest and payments on account of principal  
456 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued  
457 under the authority of this section shall, notwithstanding any other provision of this act, be

458 general obligations of the commonwealth. An amount not to exceed 2 per cent of the  
459 authorizations may be expended by the department of housing and community development for  
460 administrative costs directly attributable to the purposes of this act, including costs of clerical  
461 and support personnel. The director of the department of housing and community development  
462 shall file an annual spending plan with the fiscal affairs division, the house and senate  
463 committees on ways and means, the house and senate committees on bonding, capital  
464 expenditures and states assets and the joint committee on housing which details, by subsidiary,  
465 all personnel costs and any administrative costs charged to expenditures made pursuant to this  
466 act.

467           SECTION 31. Notwithstanding any general or special law to the contrary, within 120  
468 days after the expiration of affordability restrictions on housing units assisted under items 7004-  
469 0050 and 7004-0051 in section 2, the department of housing and community development or its  
470 assignee, who shall be a qualified developer selected pursuant to the terms of said items 7004-  
471 0050 and 7004-0051 under the guidelines of the department, shall have an option to purchase any  
472 such housing units at their current appraised value, reduced by any remaining obligation of the  
473 owner, upon the expiration of the affordability restrictions. The department or its assignee shall  
474 only purchase or acquire such housing units to preserve or provide affordable housing. The  
475 department or its assignee shall hold such purchase option for the first 120 days after the  
476 expiration of the affordability restrictions. Failure to exercise the purchase option within 120  
477 days after the expiration of the affordability restriction shall constitute a waiver of the purchase  
478 option by the department or its assignee. Within 30 days after the expiration of an affordability  
479 restriction, the owner and the department shall each designate a professional in the field of multi-  
480 unit residential housing. Each professional shall select an impartial appraiser. Within 60 days

481 after the expiration of the affordability restriction, the 2 impartial appraisers shall determine the  
482 current appraised value in accordance with recognized professional standards. If there is a  
483 difference in the valuations, the valuations shall be added together and divided by 2 to determine  
484 the current appraised value of the units. No sale, transfer or other disposition of the property shall  
485 be completed until either the purchase option period expires or the owner has been notified, in  
486 writing, by the department or its assignee that the option will not be exercised. The option shall  
487 be exercised only by written notice signed by a designated representative of the department or its  
488 assignee, mailed to the owner by certified mail at the address specified in the notice of intention  
489 and recorded with the registry of deeds or the registry district of the land court of the county in  
490 which the affected real property is located, within the option period. If the purchase option has  
491 been assigned to a qualified developer selected pursuant to said items 7004-0050 and 7004-0051,  
492 the written notice shall state the name and address of the developer and the terms and conditions  
493 of the assignment.

494 Before any sale or transfer or other disposition of housing that the department has not  
495 previously exercised an option to purchase, an owner shall offer the department or its assignee,  
496 who shall be a qualified developer selected pursuant to said items 7004-0050 and 7004-0051, a  
497 first refusal option to meet a bona fide offer to purchase the units. The owner shall provide to the  
498 department or its assignee written notice by regular and certified mail, return receipt requested,  
499 of the owner's intention to sell, transfer or otherwise dispose of the property. The department or  
500 its assignee shall hold the first refusal option for the first 120 days after receipt of the owner's  
501 written notice of intent to transfer the property. Failure to respond to the written notice of intent  
502 to sell, transfer or otherwise dispose of the property within the 120 day period shall constitute a  
503 waiver of the right of first refusal by the department. No sale, transfer or other disposition of the

504 property shall be completed until either this first refusal option period has expired or the owner  
505 has been notified in writing by the department or its assignee that the option will not be  
506 exercised. The option shall be exercised only by written notice signed by a designated  
507 representative of the department or its assignee, mailed to the owner by certified mail at the  
508 address specified in the notice of intention and recorded with the registry of deeds or the registry  
509 district of the land court of the county in which the affected real property is located, within the  
510 option period. If the first refusal option has been assigned to a qualified developer selected  
511 pursuant to said items 7004-0050 and 7004-0051, the written notice shall state the name and  
512 address of the developer and the terms and conditions of the assignment.

513         An affidavit before a notary public that the notice of intent was mailed on behalf of an  
514 owner shall conclusively establish the manner and time of the giving of notice to sell, transfer or  
515 otherwise dispose of the property. The affidavit and notice that the option shall not be exercised  
516 shall be recorded with the registry of deeds or the registry district of the land court of the county  
517 in which the affected real property is located. Each notice of intention, notice of exercise of the  
518 purchase option or first refusal option and notice that the purchase option or first refusal option  
519 shall not be exercised shall contain the name of the recorded owner of the property and a  
520 reasonable description of the premises to be sold or converted. Each affidavit signed before a  
521 notary public shall have attached to it a copy of the notice of intention to which it relates. The  
522 notices of intention shall be mailed to the relevant parties in the care of the keeper of records for  
523 the party in question. Upon notifying the owner in writing of its intention to exercise its purchase  
524 option or first refusal option during the 120 day period, the department or its assignee shall have  
525 an additional 120 days, beginning on the date the purchase option period or first refusal option  
526 period expires, to purchase the units. Those time periods may be extended by mutual agreement



527 between the department or its assignee and the owner of the property. Any extension agreed  
528 upon shall be recorded in the registry of deeds or the registry district of the land court of the  
529 county in which the affected real property is located. Within a reasonable time after requesting  
530 an extension, the owner shall make available to the department or its assignee any information  
531 that is reasonably necessary for the department to exercise its option.

532 SECTION 32. Notwithstanding any general or special law to the contrary, not later than  
533 July 1, 2018, and annually thereafter, the director of housing and community development shall  
534 submit to the secretary of administration and finance, the house and senate committees on ways  
535 and means, the joint committee on housing and the house and senate committees on bonding,  
536 capital expenditures and state assets a capital plan for fiscal years 2019 to 2023, inclusive, for the  
537 capital funds authorized in section 2.

538 SECTION 33. Notwithstanding any general or special law to the contrary, a private entity  
539 engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or  
540 redevelopment project receiving funds pursuant to this act shall properly classify individuals  
541 employed on the project and shall comply with all laws concerning workers' compensation  
542 insurance coverage, unemployment insurance, social security taxes and income taxes with  
543 respect to all such employees. All construction contractors engaged by an entity on any such  
544 project shall furnish documentation to the appointing authority showing that all employees  
545 employed on the project have hospitalization and medical benefits that meet the minimum  
546 requirements of the connector established in chapter 176Q of the General Laws.

547 SECTION 34. Notwithstanding any general or special law to the contrary, the  
548 unexpended and unencumbered balances of the bond-funded authorizations in the following

549 accounts shall cease to be available for expenditure 180 days after the effective date of this act:  
550 3000-0400, 7004-0039, 7004-0040, 7004-0041, 7004-0042, 7004-0043, 7004-0044, 7004-0045,  
551 7004-0046, 7004-0047, 7004-0048.

552 SECTION 35. Notwithstanding any general or special law to the contrary, the bonds that  
553 the state treasurer may issue pursuant to section 2 of this act shall be issued for terms not to  
554 exceed 30 years. All such bonds shall be payable not later than June 30, 2053, as recommended  
555 by the governor in a message to the general court dated April 24, 2017, under section 3 of Article  
556 LXII of the Amendments to the Constitution.

557 SECTION 36. Sections 9, 10, 14 and 15 shall be effective for tax years beginning on or  
558 after January 1, 2018.