

HOUSE No. 2030

By Mr. Honan of Boston, petition 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

PETITION OF:

Kevin G. Honan	William Lantigua
Lida E. Harkins	J. James Marzilli, Jr.
Robert F. Fennell	John A. Lepper
John P. Fresolo	James B. Eldridge
David B. Sullivan	Willie Mae Allen
Alice Hanlon Peisch	Paul J. Donato
Cleon H. Turner	Mary E. Grant
Martha M. Walz	Geraldine Creedon
Sean Curran	Jeffrey Sánchez
Frank I. Smizik	Thomas P. Kennedy
Anthony J. Verga	David M. Torrissi
Christine E. Canavan	Steven M. Walsh
Peter V. Kocot	Ruth B. Balser
Timothy J. Toomey, Jr.	Alice K. Wolf
Barry R. Finegold	Robert P. Spellane
Douglas W. Petersen	Harriett L. Stanley
Robert M. Koczera	Steven J. D'Amico
James E. Timilty	Antonio F. D. Cabral
Gale D. Candaras	Joyce A. Spiliotis
Michael R. Knapik	Kay Khan
William N. Brownsberger	Byron Rushing
Frank M. Hynes	Barbara A. L'Italien
Denise Provost	Daniel E. Bosley
Mark V. Falzone	Gloria L. Fox
John D. Keenan	Michael F. Rush
Sarah K. Peake	Elizabeth A. Malia
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Carl M. Sciortino, Jr.	Anthony Petruccelli
Colleen M. Garry	Benjamin Swan
Louis L. Kafka	John R. Driscoll

Mary S. Rogeness
 Eugene L. O’Flaherty
 Michael J. Moran
 Rachel Kaprielian

Cheryl A. Coakley-Rivera
 Martin J. Walsh
 Walter F. Timilty
 Ellen Story

In the Year Two Thousand and Seven.

AN ACT FINANCING THE PRODUCTION AND PRESERVATION OF HOUSING FOR
 LOW AND MODERATE INCOME RESIDENTS.

1 *Whereas*, The deferred operation of this act would tend to
 2 defeat its purpose, which is forthwith to authorize the financing of
 3 the production and preservation of housing for low and moderate
 4 income citizens of the commonwealth and to make related
 5 changes in certain laws, therefore it is hereby declared to be an
 6 emergency law, necessary for the immediate preservation of the
 7 public convenience.

*Be it enacted by the Senate and House of Representatives in General
 Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. To provide for a capital outlay program to reha-
 2 bilitate, produce and modernize state-owned public housing devel-
 3 opments; to preserve the affordability and the income mix of
 4 state-assisted multifamily developments; to support home owner-
 5 ship and rental housing opportunities for low and moderate
 6 income citizens of the commonwealth; to stem urban blight
 7 through the implementation of housing stabilization programs; to
 8 support housing production for the elderly, disabled and homeless;
 9 and preservation of housing for the elderly, the homeless, low and
 10 moderate income citizens of the commonwealth, and people with
 11 disabilities; and to promote economic reinvestment through the
 12 funding of infrastructure improvements, the sums set forth in
 13 section 2, for the several purposes and subject to the conditions
 14 specified in this act, are hereby made available from the General
 15 Capital Projects Fund, subject to the laws regulating the disburse-
 16 ment of public funds.

1 SECTION 2.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES.

Office of the Secretary.

- 4000-7997

For a program of loan guarantees or interest subsidies to assist homeowners with blindness or severe physical disabilities in making modifications to their primary residence for the purpose of improved accessibility or to allow such homeowners to live independently in the community; provided, that said secretary shall take all steps necessary to minimize such program's administrative costs; provided further, that such loan guarantees shall be available on the basis of a sliding scale that relates homeowner's income and assets to the cost of home modifications; provided further, that interest subsidies shall be means-tested and may be for 0 interest loans pursuant to income standards developed by said secretary; provided further, that the repayment of any such loans may be delayed until the sale of the principal residence by any such homeowner; provided further, that persons residing in any development covered by section 4 of chapter 151B of the General Laws shall not be eligible for said program unless the owner can show that the modification is an undue financial burden; provided further, that said secretary shall consult with the Massachusetts commission for the blind and the Massachusetts rehabilitation commission in developing the rules, regulations and guidelines for such program; provided further, that nothing herein shall give rise to enforceable legal rights in any party or an enforceable entitlement to services; provided further, that nothing stated herein shall be construed as giving rise to enforceable legal rights or enforceable entitlement to any services; and provided further, that said secretary shall submit quarterly reports to the house and senate committees on ways and means and the joint committee on housing detailing the status of the program herein established.....

50,000,000.
- 4000-8200

For state financial assistance in the form of loans for the development of community-based housing for the mentally ill and mentally retarded; provided, that said loan program shall be administered by the department of housing and community development through contracts with authorities which shall be limited to housing authorities and redevelopment authorities duly organized and existing in accordance with chapter 121B of the General Laws, the Massachusetts Housing Finance Agency, a body politic and corporate entity established by chapter 708 of the acts of 1966, as amended, the Community Economic Development Assistance Corporation, a body politic and corporate entity established by chapter 40H of the General Laws, as amended, and the Massachusetts Development Finance Agency, a body politic and corporate entity established by section 24 of chapter 289 of the acts of 1998; provided, that said loan issuing authorities may develop or finance said community-based housing, or may enter into subcontracts with non-profit organizations established pursuant to chapter 180 of the General Laws or organiza-

tions in which such non-profit corporations have a controlling financial or managerial interest; provided, however, that said department shall take due consideration of a balanced geographic plan for such community-based housing when issuing said loans; provided further, that said department shall take due consideration of development of a balanced range of housing models by prioritizing funds for integrated housing as defined by the appropriate state housing and service agencies including but not limited to; the department of housing and community development, the department of mental health, and the department of mental retardation in consultation with relevant and interested clients, their families, advocates, and other parties as necessary; provided further, that loans issued pursuant to this item shall be subject to the following provisions: (1) said loans shall be limited to not more than 50 per cent of the financing of the total development costs; (2) said loans shall be issued only when any contract or agreement for the use of said property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; (3) said loans shall only be issued when any contract or agreement for the use of said property for the purposes of such community-based housing provides for the recording of a restriction in the registry of deeds or the registry district of the land court of the county in which the affected real property is located, for the benefit of the said departments, running with the land, that the land be used for the purpose of providing community-based housing for eligible individuals as determined by the departments of mental health and mental retardation; provided, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan is repaid in full or until a mortgage foreclosure deed is recorded; (4) said loans shall be issued for a term of up to 30 years during which time repayment may be deferred by the loan issuing authority unless at the end of any fiscal year, cash collections from all sources in connection with a community-based housing project, except for contributions, donations, or grant moneys, exceed 105 per cent of cash expenditures on behalf of said project, including debt service, operating expenses, and capital reserves, in which event such excess cash shall be paid to the commonwealth within 45 days of the end of said fiscal year, payable first to interest due hereunder and thereafter to principal advanced pursuant to said loan, provided, that if on the date said loans become due and payable to the commonwealth an outstanding balance exists, and if, on such date, the department of housing and community development, in consultation with the executive office of health and human services, determines that there still exists a need for such housing and that there is continued funding available for the provision

of services to such development, said department may, by agreement with the owner of the development, extend the loans for such periods, each period not to extend beyond 10 years, as the department determines; provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, as extended, as set forth in the contract or agreement entered into by the department; and provided further, that, in the event that the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds which would otherwise assist in the development of that project, that commissioner may waive the terms of repayment which would cause the project to become ineligible; (5) interest rates for said loans shall be fixed at a rate, to be determined by the director of the department of housing and community development in consultation with the treasurer of the commonwealth; (6) expenditures from this item shall not be made for the purpose of refinancing outstanding mortgage loans for community-based housing in existence prior to the effective date of this act; (7) community-based housing projects developed pursuant to this act shall not be refinanced during the term of any loan issued pursuant to this item unless and until the balance of the principal and interest for such loan is repaid in full at the time of such refinancing; provided, that said community-based housing projects may be refinanced if such financing would result in a reduction of costs paid by the commonwealth; provided further, that any such refinanced loan shall be due and payable on a date no later than the date on which the original loan was due and payable, except in accordance with subsection (4) of this item, or is necessary to effect extraordinary repairs or maintenance to be approved by the commissioners of mental retardation, or mental health, as appropriate, and the director of the department of housing and community development; (8) notwithstanding any other general or special law to the contrary, within 120 days after the expiration of affordability restrictions on housing assisted under this section, the department or its assignee, who is a qualified developer selected pursuant to the terms of this section under the guidelines of the department, shall have an option to purchase any such property at its current appraised value reduced by any remaining obligation of the owner; provided further, that 2 impartial appraisers shall determine, within 60 days after the expiration of said affordability restrictions, the current appraised value in accordance with recognized professional standards; provided further, that 2 professionals in the field of multi-unit residential housing shall select each such appraiser; provided further, that the owner and the department, respectively, shall designate such professionals within 30 days after the expiration of said affordability restrictions; provided further, that if there exists a difference in the valuations provided by the appraisals, the 2 valuations shall be added together and divided by 2 to determine the current appraised value of the property; pro-

vided further, that prior to any sale or transfer or other disposition of any such housing assisted under this section where the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to the terms of this section under the guidelines of the department, a first refusal option to meet a bona fide offer to purchase said property; provided further, that the owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property; provided further, that the department or its assignee shall hold such first refusal option for the first 120 days after receipt of the owner's notice of intent to transfer the property; provided further, that failure to respond to the written notice of the owner's intent to sell, transfer or otherwise dispose of the property within 120 days after the receipt thereof shall constitute a waiver of such right of first refusal by the department; provided further, that no sale, transfer or other disposition of such land shall be consummated unless and until either said first refusal option period shall have expired or the owner shall have been notified in writing by the department or assignee in question that said option will not be exercised; provided further, that such option may be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at such address as may be specified in his notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period; provided further, that if the first refusal option has been assigned to a qualified developer selected pursuant to the terms of this section under guidelines issued by the department, such written notice shall state the name and address of such developer and the terms and conditions of such assignment; provided further, that an affidavit before a notary public that he has so mailed such notice of intent on behalf of a owner shall conclusively establish the manner and time of the giving of such notice and such an affidavit, and such a notice that the option will not be exercised, shall be recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located; provided further, that each notice of intention, notice of exercise of the option and notice that the option will not be exercised shall contain the name of the record owner of the land and description of the premises to be sold or converted adequate for identification thereof and each such affidavit before a notary public shall have attached to it a copy of the notice of intention to which it relates; provided further, that such notices of intention shall be deemed to have been duly mailed to the parties above specified if addressed to them in care of 'the keeper of records' for the party in question; provided further, that upon notifying the owner in writing of its intention to

pursue its first refusal option during such 120-day period, the department or its assignee shall have an additional 120 days, beginning on the date of the termination of the first refusal option period, to purchase the property; provided further, that such time periods may be extended by mutual agreement between the department or its assignee and the owner of the property; provided, however, that any such extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located; provided further, that within a reasonable time after request, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its rights; provided further, that the department or its assignee may purchase or acquire the property only for the purposes of preserving or providing affordable housing; provided further, that such housing shall remain affordable for not less than 40 years; (9) said loans shall be provided only for projects conforming to the provisions of this act; and (10) said loans shall be issued in accordance with a facilities consolidation plan prepared by the secretary of health and human services, reviewed and approved by the director of housing and community development and filed with the secretary for administration and finance and the house and senate committees on ways and means; provided further, that no expenditures shall be made pursuant to this item without the prior approval of the secretary for administration and finance; provided further, that the department of housing and community development, the department of mental health and the Community Economic Development Assistance Corporation may identify appropriate financing mechanisms and guidelines for grants or loans, from this item, to promote private development to produce housing, provide for independent integrated living opportunities, write down building and operating costs, and to serve households at or below 15 per cent of area median income for the benefit of department of mental health clients; provided further, that not more than \$10,000,000 may be expended from this item for a pilot program of community-based housing loans to serve mentally ill homeless individuals in the current or former care of said department of mental health; provided further, that in implementing said pilot program, said department shall take due consideration of a balanced geographic plan when establishing community-based residences; provided further, that said housing services made available pursuant to such loans shall not be construed as a right or an entitlement for any individual or class of persons to the benefits of said pilot program; provided further, that eligibility for said pilot program shall be established by regulations promulgated by the said department; provided further, that the department of housing and community development is hereby authorized and directed to promulgate emergency regulations pursuant to section 2 of chapter 30A of the General Laws for the implementation of this item, consis-

tent with the facilities consolidation plan prepared by the secretary of health and human services and after consultation with said secretary and the commissioner of the division of capital asset management and maintenance

25,000,000.

4000-8201 For state financial assistance in the form of loans for the development and redevelopment of community-based housing for persons with disabilities who are institutionalized or at risk of being institutionalized, who are not eligible for housing developed pursuant to item 4000-8200 of this act; provided, that said loan program shall be administered by the department of housing and community development through contracts with authorities which shall be limited to housing authorities and redevelopment authorities duly organized and existing in accordance with chapter 121B of the General Laws, the Massachusetts Housing Finance Agency, a body politic and corporate entity established by chapter 708 of the acts of 1966, as amended, the Community Economic Development Assistance Corporation, a body politic and corporate entity established by chapter 40H of the General Laws, as amended, and the Massachusetts Development Finance Agency, a body politic and corporate entity established by section 24 of chapter 289 of the acts of 1998; provided, that said loan issuing authorities may develop or finance said community-based housing, or may enter into subcontracts with non-profit organizations established pursuant to chapter 180 of the General Laws or organizations in which such non-profit corporations have a controlling financial or managerial interest; provided, however, that said department shall take due consideration of a balanced geographic plan for such community-based housing when issuing said loans; provided further, that all housing developed with these funds shall be integrated housing as defined by the appropriate state housing and service agencies including, but not limited to, the department of housing and community development, the department of mental health, and the department of mental retardation in consultation with relevant and interested clients, their families, advocates, and other parties as necessary; provided further, that loans issued pursuant to this item shall be subject to the following provisions: (1) said loans shall be limited to not more than 50 per cent of the financing of the total development costs; (2) said loans shall be issued only when any contract or agreement for the use of said property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property an amount equal to the commonwealth's proportional contribution from this item to the cost of the development through payments made by the state agency making the contract; (3) said loans shall only be issued when any contract or agreement for the use of said property for the purposes of such community-based housing provides for the recording of a restriction in the registry of deeds or the registry district of the land court of the county in which the affected real property is located, for the benefit of the said departments, running with the land,

that the land be used for the purpose of providing community-based housing for eligible individuals as determined by the Massachusetts rehabilitation commission or other agency of the executive office of health and human services; provided further, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan is repaid in full or until a mortgage foreclosure deed is recorded; (4) said loans shall be issued for a term of up to 30 years during which time repayment may be deferred by the loan issuing authority unless at the end of any fiscal year, cash collections from all sources in connection with a community-based housing project, except for contributions, donations, or grant moneys, exceed 105 per cent of cash expenditures on behalf of said project, including debt service, operating expenses, and capital reserves, in which event such excess cash shall be paid to the commonwealth within 45 days of the end of said fiscal year, payable first to interest due hereunder and thereafter to principal advanced pursuant to said loan; provided further, that if on the date said loans become due and payable to the commonwealth an outstanding balance exists, and if, on such date, the department of housing and community development, in consultation with the executive office of health and human services, determines that there still exists a need for such housing, said department may, by agreement with the owner of the development, extend the loans for such periods, each period not to extend beyond 10 years, as the department determines; provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, as extended, as set forth in the contract or agreement entered into by the department; and provided further, that, in the event that the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds which would otherwise assist in the development of that project, that commissioner may waive the terms of repayment which would cause the project to become ineligible; (5) interest rates for said loans shall be fixed at a rate, to be determined by the director of the department of housing and community development in consultation with the treasurer of the commonwealth; (6) expenditures from this item shall not be made for the purpose of refinancing outstanding mortgage loans for community-based housing in existence prior to the effective date of this act; (7) community-based housing projects developed pursuant to this act shall not be refinanced during the term of any loan issued pursuant to this item unless and until the balance of the principal and interest for such loan is repaid in full at the time of such refinancing; provided further, that said community-based housing projects may be refinanced if such financing would result in a reduction of costs paid by the commonwealth; provided further, that any such refinanced loan shall be due and payable on a date no later than the date on which the original loan was due and payable, except in accordance with subsection (4) of this

item, or is necessary to effect extraordinary repairs or maintenance to be approved by the commissioners of the Massachusetts rehabilitation commission or other agency of the executive office of health and human services, as appropriate, and the director of the department of housing and community development; (8) notwithstanding any other general or special law to the contrary, within 120 days after the expiration of affordability restrictions on housing assisted under this section, the department or its assignee, who is a qualified developer selected pursuant to the terms of this section under the guidelines of the department, shall have an option to purchase any such property at its current appraised value reduced by any remaining obligation of the owner; provide further, that 2 impartial appraisers shall determine, within 60 days after the expiration of said affordability restrictions, the current appraised value in accordance with recognized professional standards; provided further, that 2 professionals in the field of multi-unit residential housing shall select each such appraiser; provided further, that the owner and the department, respectively, shall designate such professionals within 30 days after the expiration of said affordability restrictions; provided further, that if there exists a difference in the valuations provided by the appraisals, the 2 valuations shall be added together and divided by 2 to determine the current appraised value of the property; provided further, that prior to any sale or transfer or other disposition of any such housing assisted under this section where the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to the terms of this section under the guidelines of the department, a first refusal option to meet a bona fide offer to purchase said property; provided further, that the owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property; provided further, that the department or its assignee shall hold such first refusal option for the first 120 days after receipt of the owner's notice of intent to transfer the property; provided further, that failure to respond to the written notice of the owner's intent to sell, transfer or otherwise dispose of the property within 120 days after the receipt thereof shall constitute a waiver of such right of first refusal by the department; provided further, that no sale, transfer or other disposition of such land shall be consummated unless and until either said first refusal option period shall have expired or the owner shall have been notified in writing by the department or assignee in question that said option will not be exercised; provided further, that such option may be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at such address as may be specified in his notice of intention and recorded with the registry of deeds or the registry district of the land court of

the county in which the affected real property is located, within the option period; provided further, that if the first refusal option has been assigned to a qualified developer selected pursuant to the terms of this section under guidelines issued by the department, such written notice shall state the name and address of such developer and the terms and conditions of such assignment; provided further, that an affidavit before a notary public that he has so mailed such notice of intent on behalf of a owner shall conclusively establish the manner and time of the giving of such notice; and such an affidavit, and such a notice that the option will not be exercised, shall be recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located; provided further, that each notice of intention, notice of exercise of the option and notice that the option will not be exercised shall contain the name of the record owner of the land and description of the premises to be sold or converted adequate for identification thereof and each such affidavit before a notary public shall have attached to it a copy of the notice of intention to which it relates; provided further, that such notices of intention shall be deemed to have been duly mailed to the parties above specified if addressed to them in care of the keeper of records' for the party in question; provided further, that upon notifying the owner in writing of its intention to pursue its first refusal option during such 120-day period, the department or its assignee shall have an additional 120 days, beginning on the date of the termination of the first refusal option period, to purchase the property; provided further, that such time periods may be extended by mutual agreement between the department or its assignee and the owner of the property; provided, however, that any such extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located; provided further, that within a reasonable time after request, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its rights; provided further, that the department or its assignee may purchase or acquire the property only for the purposes of preserving or providing affordable housing; provided further, that such housing shall remain affordable for not less than 40 years; (9) said loans shall be provided only for projects conforming to the provisions of this act; and (10) said loans shall be issued in accordance with an enhancing community-based services plan prepared by the secretary of health and human services, in consultation with the director of housing and community development and filed with the secretary for administration and finance and the house and senate committees on ways and means; provided, that no expenditures shall be made pursuant to this item without the prior approval of the secretary for administration and finance; provided further, that the department of housing and community development is hereby authorized and

directed to promulgate emergency regulations pursuant to section 2 of chapter 30A of the General Laws for the implementation of this item, consistent with the enhancing community-based services plan prepared by the secretary of health and human services and after consultation with said secretary and the commissioner of the division of capital asset management and maintenance..... 25,000,000.

Department of Housing and Community Development.

7004-0021 For the capitalization of the Affordable Housing Trust Fund, established by chapter 121D of the General Laws; provided, that notwithstanding the provisions of section 2 of said chapter 121D setting forth a benefit for households whose incomes are not more than 110 per cent of median income, not less than \$25,000,000 shall be expended from the Affordable Housing Trust Fund to provide for a program of homeownership of Massachusetts educated students for a first-time home purchase by a household whose income at the time of such purchase does not exceed 135 per cent of the area median income, adjusted for family size; provided further, that:— (1) such program will assist such households with \$10,000 toward the cost of first-time homeownership purchase; (2) the purchaser must own and occupy the property as his or her primary residence; (3) such program shall only be available to applicants who have within 10 years prior to the date of application, (i) graduated from an accredited post-secondary school located within Massachusetts, (ii) completed a vocational-technical program approved pursuant to chapter 74 of the General Laws, or (iii) completed an approved apprentice agreement registered with the division of apprentice training pursuant to chapter 23 of the General Laws; and (4) if such home is sold within 5 years, the participant in said program shall repay to the Affordable Housing Trust Fund a prorated amount of such assistance based on the number of years resided in the home and the department of housing and community development may hold a lien on such property and levy on such lien in accordance with guidelines issued by the department 245,000,000.

7004-0022 For the purpose of state financial assistance in the form of grants or loans for the housing stabilization and investment program established pursuant to section 6 of this act and awarded pursuant only to the criteria therein; provided, that this program shall not be subject to the commonwealth development coordinating council created pursuant to section 14 of chapter 26 of the acts of 2003, nor shall it be considered part of the commonwealth capital fund, so called; provided further, that not less than 25 per cent of the amount appropriated in this item shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; and provided further, that if the department

has not been able to meet the spending allowable under the bond cap for this program, at the end of each year following the effective date of this act, the department shall be allowed to award the remaining funds to projects that serve households earning more than 30 per cent of the area median income, as defined by said United States Department of Housing and Urban Development

125,000,000.

7004-7011

For the purposes of state financial assistance in the form of grants for projects undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided, that contracts entered into by the department for such projects may include, but shall not be limited to, projects providing for renovation, remodeling, reconstruction, redevelopment, and hazardous material abatement, including asbestos and lead paint, and for compliance with state codes and laws and for adaptations necessary for compliance with the Americans with Disabilities Act, so called, the provision of day care facilities, learning centers and teen service centers and the adaptation of units for families and persons with disabilities; provided further, that priority shall be given to projects undertaken for the purpose of compliance with state codes and laws or for other purposes related to the health and safety of residents; provided further, that funds may be expended from this item to make such modifications to congregate housing units as may be necessary to increase the occupancy rate of such units; provided further, that the department, in consultation with housing authorities, may establish a program to provide predictable funds to be used flexibly by housing authorities to provide for capital improvements to extend the useful life of state-assisted public housing; and provided further, that not less than 25 per cent of the amount appropriated in this item shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; and provided further that a capital reserve account shall be administered by the department

500,000,000.

7004-XXXX.

For the purposes of state financial assistance in the form of grants for a 5 year demonstration program, administered by the department of housing and community development, to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled public housing that seek to reduce the need for future state modernization funding; provided, that housing authorities with chapter 200, chapter 705, or chapter 667 state-aided housing developments, so called, shall be eligible to participate in said demonstration program; provided further, that said department shall establish a 7 member advisory committee whose members shall include the director of the department or his or her designee, 1 representative selected by Citizens' Housing and Planning Association, 1 representative selected by the Massachusetts Chapter of the National Association of Housing and Redevelopment Officials,

1 representative selected by the Massachusetts Union of Public Housing Tenants, and 3 additional members chosen by said department to provide advice and recommendations to the department regarding regulations to implement said demonstration program; provided further, that grants shall be awarded on a competitive basis; provided further, that the regulations shall require that housing authorities selected demonstrate innovative, replicable solutions to the management, marketing or capital needs of state-aided family and elderly-disabled public housing developments and contribute to the continued viability of the housing as a resource for public housing eligible residents; provided further, that the regulations shall encourage proposals that demonstrate regional collaborations among housing authorities; provided further, that the regulations shall encourage proposals that propose new affordable housing units on municipally owned land, underutilized public housing sites, or other land owned by the housing authority; provided further, that the department may exempt recipients of demonstration grants from requirements in chapter 7 and chapter 121B of the General Laws upon a showing by recipients that such exemptions are necessary to accomplish the effective revitalization of public housing and will not adversely effect public housing residents or applicants of any income who are otherwise eligible; provided further, that the department may provide to recipients of demonstration grants such additional regulatory relief as is required to further the objectives of the demonstration; provided further, that funds shall be made available for technical assistance provided by the Massachusetts Housing Partnership Fund or the Community Economic Development Assistance Corporation to recipients of demonstration grants and for evaluation of the demonstration; provided further, that the department shall promulgate regulations to implement this item within 90 days of the effective date of this act; provided further, that the department shall report to the house and senate committees on ways and means and the joint committee on housing on the progress of the demonstration within 90 days after regulations are promulgated and annually thereafter.....

50,000,000.

7004-7012

For the purpose of state financial assistance in the form of community development action grants to be awarded pursuant to section 57A of chapter 121B of the General Laws; provided, that notwithstanding the provisions of section 57A of chapter 121B, any eligible city or town may designate a community development corporation organized in accordance with the provisions of chapter 40F of the General Laws to act on their behalf; provided, further, that not less than \$2,000,000 of the amount authorized for expenditure in this item shall be used for projects in seriously distressed areas having a significant amount of vacant land or buildings, as defined by the department; provided, further, that the projects funded from this item shall be consistent with the principles of smart growth, so-called, as defined by the department.....

50,000,000.

7004-7013	For the purpose of state financial assistance in the form of grants or loans for the Housing Innovations Fund Program established pursuant to section 5; provided, that not less than 25 percent of the amount appropriated in this item shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 percent of the area median income, as defined by the United States Department of Housing and Urban Development	50,000,000.
7004-7015	For the purpose of state financial assistance in the form of grants or loans for the Capital Improvement and Preservation Fund for expiring use properties established pursuant to section 7	100,000,000.
7004-7016	For the purpose of providing financial support for developing residential housing units within neighborhood commercial areas including, but not limited to, those areas designated as Main Street areas; provided however, that the developments may include projects which have residential units above commercial space and shall be located in areas characterized by a predominance of commercial land uses, a high daytime or business population or a high concentration of daytime traffic and parking; provided further, that the department shall give priority to developments for which municipalities have adopted a housing tax increment financing plan in an urban housing center tax increment financing zone pursuant to section 60 of chapter 40 of the General Laws; provided further, that \$15,000,000 of the amount authorized for expenditure in this item shall be used to fund transit-oriented housing developments in proximity to public transit nodes; provided further, that eligible activities for transit-oriented development shall include planning grants, financing subsidies and environmental assessment; and provided further, that not less than 50 per cent of the beneficiaries of such housing in projects assisted by this item shall be persons whose income is not more than 80 per cent of the area median income as defined by the United States Department of Housing and Urban Development	30,000,000.

1 SECTION 3. To meet the expenditures necessary in carrying
2 out section 2, the state treasurer shall, upon request of the gov-
3 ernor, issue and sell bonds of the commonwealth in an amount to
4 be specified by the governor from time to time but not exceeding,
5 in the aggregate, \$1,250,000,000. All bonds issued by the com-
6 monwealth, as aforesaid, shall be designated on their face,
7 Housing Production, Preservation, Modification and Neighbor-
8 hood Development Loan Act of 2007, and shall be issued for a
9 maximum term of years, not exceeding 20 years, as the governor

10 may recommend to the general court pursuant to Section 3 of
11 Article LXII of the Amendments to the Constitution; provided,
12 however, that all such bonds shall be payable not later than June
13 30, 2032. All interest and payments on account of principal on
14 such obligations shall be payable from the General Fund. Bonds
15 and interest thereon issued under the authority of this section
16 shall, notwithstanding any other provisions of this act, be general
17 obligations of the commonwealth.

1 SECTION 4. The state treasurer may borrow from time to time
2 on the credit of the commonwealth such sums as may be neces-
3 sary for the purpose of meeting payments authorized by section 2
4 and may issue and renew from time to time notes of the common-
5 wealth therefor bearing interest payable at such time and at such
6 rates as shall be fixed by the state treasurer. The notes shall be
7 issued and may be renewed 1 or more times for such terms, not
8 exceeding 1 year, as the governor may recommend to the general
9 court in accordance with Section 3 of Article LXII of the Amend-
10 ments to the Constitution, but the final maturities of such notes,
11 whether original or renewal, shall be not later than June 30, 2013.
12 Notes and interest thereon issued under the authority of this
13 section shall be general obligations of the commonwealth.

1 SECTION 5. The department of housing and community
2 development, may enter into contracts for state financial assis-
3 tance in the form of grants or loans by the commonwealth acting
4 by and through the department; provided, however, that grants
5 made pursuant to this section shall be made only to public or
6 quasi-public agencies; provided further, that the department shall
7 administer the Housing Innovations Fund Program for the purpose
8 of facilitating the creation and retention of alternative forms of
9 rental and ownership housing. Such forms of housing shall
10 include, but not be limited to: single room occupancy units; lim-
11 ited equity cooperative housing; transitional housing for the
12 homeless; battered women's shelters; mutual housing; housing
13 acquired by nonprofit entities pursuant to Title II of the National
14 Emergency Low Income Housing Preservation Act of 1987 and
15 Title VI of the National Affordable Housing Act of 1990;
16 employer assisted housing; lease to purchase housing; housing

17 produced pursuant to a court approved receivership; innovative
18 forms of housing which seek to mitigate the adverse impact on
19 housing affordability in communities with high concentrations of
20 college or university students; provided further, that the projects
21 may include joint projects between municipalities or housing
22 development agencies and institutions of higher education
23 designed to create or preserve affordable units within those areas;
24 and other innovative forms of housing; provided, however, that
25 not less than 50 per cent of the beneficiaries of such housing shall
26 be persons whose income is not more than 80 per cent of the area
27 median income as determined from time to time by the United
28 States Department of Housing and Urban Development and not
29 less than 25 per cent of the beneficiaries of such housing shall be
30 persons whose income is not more than 30 per cent of the area
31 median income as determined from time to time by the United
32 States Department of Housing and Urban Development. The
33 department shall give preference to those projects that provide
34 transitional and permanent housing for homeless individuals and
35 families and disabled persons. Any such loan program shall be
36 administered by the department through contracts with authorities
37 which shall include housing authorities and redevelopment author-
38 ities duly organized and existing in accordance with chapter 121B
39 of the General Laws, and may also include community develop-
40 ment corporations duly organized and existing in accordance with
41 chapter 40F of the General Laws, the Massachusetts Housing
42 Finance Agency, a body politic and corporate entity established by
43 chapter 708 of the acts of 1966, nonprofit agencies certified by the
44 United States Department of Housing and Urban Development as
45 community housing development organizations, the Community
46 Economic Development Assistance Corporation, a body politic
47 and corporate entity established by chapter 40H of the General
48 Laws and the Massachusetts Development Finance Agency, a
49 body politic and corporate entity established by chapter 23G of
50 the General Laws. Said organizations may, pursuant to the terms
51 and conditions of contracts with the department, directly issue
52 loans for the purposes of the program or may enter into subcon-
53 tracts with nonprofit organizations established pursuant to chapter
54 180 of the General Laws for such purposes. Loans issued directly
55 or indirectly by such organizations shall be subject to the review
56 and approval of the department.

57 Loans issued pursuant to this section shall be subject to the
58 following provisions:

59 (1) such loans shall be limited to not more than 50 per cent of
60 the financing of the total development costs; provided, however,
61 that this limitation shall not apply to loans provided for the cre-
62 ation of battered women's shelters which loans may be provided
63 in amounts up to 80 per cent of the financing of total development
64 costs; and provided further, that such loans shall not exceed
65 \$2,500,000 per project;

66 (2) such loans shall only be issued when a contract or agree-
67 ment for the use of the property for the purposes of such housing
68 provides for the recording of a restriction in the registry of deeds
69 or the registry district of the land court in the county in which the
70 affected real property is located, for the benefit of said depart-
71 ment, running with the land, that the land be used for the purpose
72 of providing alternative forms of rental and ownership housing.
73 Such property shall not be released from such restriction until the
74 balance of the principal and interest for any such loan shall be
75 repaid in full or until a mortgage foreclosure deed shall be
76 recorded;

77 (3) such loans shall be issued for a term of up to 30 years
78 during which time repayment may be deferred by the loan issuing
79 authority unless, at the end of a fiscal year, cash collections from
80 all sources in connection with such housing, except for contribu-
81 tions, donations or grant moneys, exceed 105 per cent of cash
82 expenditures on behalf of such housing, including debt service,
83 operating expenses, operating reserves and capital reserves. Such
84 excess cash shall be paid to the commonwealth within 45 days of
85 the end of the fiscal year, payable first to interest due under this
86 section and then to principal advanced pursuant to such loan. If,
87 on the date such loans become due and payable to the common-
88 wealth, an outstanding balance exists, such loans may be extended
89 for such periods, each period not to extend 10 years, as the depart-
90 ment determines, provided that the project continues to remain
91 affordable housing as set forth in the contract or agreement
92 entered into for the duration of the project by the department. In
93 the event that the terms of repayment detailed in this section
94 would cause a project authorized by this section to become ineli-
95 gible to receive federal funds which would otherwise assist in the

96 development of that project, the commissioner may waive the
97 terms of repayment which would cause the project to become inel-
98 ible;

99 (4) interest rates for such loans shall be fixed at rates to be
100 determined by the director of housing and community develop-
101 ment, in consultation with the state treasurer;

102 (5) expenditures from this section shall not be made for the pur-
103 pose of refinancing outstanding mortgage loans for housing in
104 existence prior to the effective date of this act unless such housing
105 had previously received funding pursuant to item 3722-8879 of
106 section 3 of chapter 226 of the acts of 1987 or item 3722-8899 of
107 section 2 of chapter 494 of the acts of 1993;

108 (6) said department shall take due consideration of a balanced
109 geographic plan for such alternative forms of housing when
110 issuing such loans; and

111 (7) housing projects developed pursuant to this act shall not be
112 refinanced during the term of a loan issued pursuant to this section
113 unless the balance of the principal and interest for such loan is
114 repaid in full at the time of such refinancing. Such housing pro-
115 jects may be refinanced if such refinancing would result in a
116 reduction of costs paid by the commonwealth. Any such refi-
117 nanced loan shall be due and payable on a date not later than the
118 date on which the original loan was due and payable, except in
119 accordance with clause (3), or when necessary to effect extraordi-
120 nary repairs or maintenance to be approved by the director of
121 housing and community development.

122 Notwithstanding any other general or special law to the con-
123 trary, within 120 days after the expiration of affordability restric-
124 tions on housing assisted under this section, the department or its
125 assignee, who is a qualified developer selected pursuant to the
126 terms of this section under the guidelines of the department, shall
127 have an option to purchase any such property at its current
128 appraised value reduced by any remaining obligation of the
129 owner. Two impartial appraisers shall determine, within 60 days
130 after the expiration of said affordability restrictions, the current
131 appraised value in accordance with recognized professional stan-
132 dards. Two professionals in the field of multi-unit residential
133 housing shall select each such appraiser. The owner and the
134 department, respectively, shall designate such professionals within

135 30 days after the expiration of said affordability restrictions. If
136 there exists a difference in the valuations provided by the
137 appraisals, the 2 valuations shall be added together and divided by
138 2 to determine the current appraised value of the property.

139 Prior to any sale or transfer or other disposition of any such
140 housing assisted under this section where the department has not
141 previously exercised an option to purchase, an owner shall offer
142 the department or its assignee, who shall be a qualified developer
143 selected pursuant to the terms of this section under the guidelines
144 of the department, a first refusal option to meet a bona fide offer
145 to purchase said property. The owner shall provide to the depart-
146 ment or its assignee written notice by regular and certified mail,
147 return receipt requested, of the owner's intention to sell, transfer
148 or otherwise dispose of the property. The department or its
149 assignee shall hold such first refusal option for the first 120 days
150 after receipt of the owner's notice of intent to transfer the prop-
151 erty. Failure to respond to the written notice of the owner's intent
152 to sell, transfer or otherwise dispose of the property within 120
153 days after the receipt thereof shall constitute a waiver of such
154 right of first refusal by the department.

155 No sale, transfer or other disposition of such land shall be con-
156 summated unless and until either said first refusal option period
157 shall have expired or the owner shall have been notified in writing
158 by the department or assignee in question that said option will not
159 be exercised. Such option may be exercised only by written notice
160 signed by a designated representative of the department or its
161 assignee, mailed to the owner by certified mail at such address as
162 may be specified in his notice of intention and recorded with the
163 registry of deeds or the registry district of the land court of the
164 county in which the affected real property is located, within the
165 option period. If the first refusal option has been assigned to a
166 qualified developer selected pursuant to the terms of this section
167 under guidelines issued by the department, such written notice
168 shall state the name and address of such developer and the terms
169 and conditions of such assignment. An affidavit before a notary
170 public that he has so mailed such notice of intent on behalf of a
171 owner shall conclusively establish the manner and time of the
172 giving of such notice; and such an affidavit, and such a notice that
173 the option will not be exercised, shall be recorded with the reg-

174 istry of deeds or the registry district of the land court of the
175 county in which the affected real property is located. Each notice
176 of intention, notice of exercise of the option and notice that the
177 option will not be exercised shall contain the name of the record
178 owner of the land and description of the premises to be sold or
179 converted adequate for identification thereof; and each such affi-
180 davit before a notary public shall have attached to it a copy of the
181 notice of intention to which it relates. Such notices of intention
182 shall be deemed to have been duly mailed to the parties above
183 specified if addressed to them in care of 'the keeper of records'
184 for the party in question.

185 Upon notifying the owner in writing of its intention to pursue
186 its first refusal option during such 120 day period, the department
187 or its assignee shall have an additional 120 days, beginning on the
188 date of the termination of the first refusal option period, to pur-
189 chase the property. Such time periods may be extended by mutual
190 agreement between the department or its assignee and the owner
191 of the property; provided, however, that any such extension
192 agreed upon shall be recorded in the registry of deeds or the reg-
193 istry district of the land court of the county in which the affected
194 real property is located. Within a reasonable time after request,
195 the owner shall make available to the department or its assignee
196 any information which is reasonably necessary for the department
197 to exercise its rights. The department or its assignee may pur-
198 chase or acquire the property only for the purposes of preserving
199 or providing affordable housing provided, that such housing shall
200 remain affordable for not less than 40 years.

201 The department shall promulgate regulations for the implemen-
202 tation of the housing loan program authorized by this section.

1 SECTION 6. The department of housing and community
2 development may enter into contracts for state financial assistance
3 in the form of grants or loans by the commonwealth acting by and
4 through the department of housing and community development
5 for projects undertaken for the housing stabilization and invest-
6 ment program. The department shall be the sole administrator of
7 the housing stabilization and investment program and shall ensure
8 that funds are distributed in a balanced fashion in urban, sub-
9 urban, and rural areas of the commonwealth with a particular

10 emphasis on the local and regional need for affordable housing for
11 the purpose of undertaking projects to develop and support afford-
12 able housing developments and homeownership affordability,
13 through the acquisition, preservation and rehabilitation of afford-
14 able housing; provided, however, that such program may include
15 assistance for projects to stabilize and promote reinvestment in
16 cities and towns including, but not limited to, acquisition, rehabil-
17 itation and preservation of foreclosed and distressed properties,
18 down payment assistance in the form of matching funds for
19 employer assisted housing programs and any other techniques
20 necessary to achieve such reinvestment; provided further, that not
21 less than \$5,000,000 shall be expended for the production or
22 preservation of housing for people age 60 and over. Assistance
23 provided through such program may be made in a manner which
24 qualifies the assistance as a matching contribution under
25 Section 220 of the HOME Investment Partnership Act Title II of
26 the Cranston-Gonzalez National Affordable Housing Act
27 including, in the case of assistance provided in the form of a loan,
28 a commitment to repay such loan to the commonwealth's HOME
29 Investment Trust Fund established pursuant to Section 92.5000(o)
30 of the regulations of the United States Department of Housing and
31 Urban Development. Loans may be provided to any agency,
32 department, board, commission, authority or instrumentality of the
33 commonwealth or any political subdivision thereof, to housing
34 authorities, nonprofit agencies certified by the United States
35 Department of Housing and Urban Development as community
36 housing development organizations, community development cor-
37 porations and limited equity cooperative housing corporations
38 established pursuant to chapter 157B of the General Laws. Such
39 recipients may enter into subcontracts to carry out the purposes of
40 such contract with other for-profit or not-for-profit organizations.
41 Prior to providing assistance, the department shall find that:—
42 (1) the housing would not, by private enterprise alone and without
43 government assistance, be available to lower income families and
44 individuals; (2) the amount of assistance appears to be the min-
45 imum amount necessary to make the housing development fea-
46 sible; (3) with respect to rental housing, the operations of the
47 owner and its articles of organization and by-laws and any
48 changes to either shall be subject to regulation by the department;

49 and (4) the housing shall remain affordable for its useful life as
50 determined by the department. Such housing shall be considered
51 affordable if, during the first 40 years after assistance is first pro-
52 vided, substantially all of the assisted units shall be rented to or
53 owned by families and individuals whose income at initial occu-
54 pancy is equal to or less than 80 per cent of the median income as
55 determined by the secretary of Housing and Urban Development
56 for the federal housing programs and that thereafter such units
57 shall be rented or sold, subject to such restrictions on appreciation
58 as determined by the department to be reasonable and necessary to
59 maintain long term affordability, to families or individuals at
60 incomes at or below 100 per cent of the median income; provided
61 further, that not less than \$10,000,000 shall be expended to stabi-
62 lize and promote reinvestment, through homeownership, in areas
63 the department has determined to be weak markets as indicated by
64 a high concentration of assisted rental housing or low rate of
65 homeownership or low median family income or low average
66 sales prices or high levels of unpaid property taxes or vacant or
67 abandoned buildings, and after making the finding, the director
68 may waive requirements of this section found to be inconsistent
69 with promoting homeownership in weak markets and take other
70 steps necessary to promote homeownership in the weak market
71 including, but not limited to, reducing the length of required
72 affordability to not less than 10 years and permitting the funded
73 property to be purchased by a household whose income at the time
74 of purchase does not exceed 135% of the area median income,
75 adjusted for family size, or both; however, the purchaser must
76 own and occupy the property as his primary residence.

77 If a property was previously leased or sold to an owner by a
78 city, town or housing authority, prior to any sale or transfer or
79 other disposition of any such housing assisted under this section,
80 said owner shall offer the city, town or housing authority or its
81 assignee, who shall be a qualified developer selected pursuant to
82 the terms of this section under the guidelines of the department of
83 housing and community development, a first refusal option to
84 meet a bona fide offer to purchase said property. The owner shall
85 provide to the city, town or housing authority written notice by
86 regular and certified mail, return receipt requested, of the owner's
87 intention to sell, transfer or otherwise dispose of the property.

88 The city, town or housing authority shall hold such first refusal
89 option for the first 60 days after receipt of the owner's notice of
90 intent to transfer the property. No transfer of the property shall
91 occur during said 60 day option period and failure to respond to
92 the written notice of the owner's intent to sell, transfer or other-
93 wise dispose of the property within 60 days after the receipt
94 thereof shall constitute a waiver of such right of first refusal by
95 such city, town or housing authority. No sale, transfer or other
96 disposition of such land shall be consummated until either said
97 first refusal option period shall have expired or the owner shall
98 have been notified in writing by the city, town or housing
99 authority or assignee in question that said option will not be exer-
100 cised. Such option may be exercised only by written notice
101 signed by a designated representative of the city, town or housing
102 authority or its assignee, mailed to the owner by certified mail at
103 such address as may be specified in his notice of intention and
104 recorded with the registry of deeds or the registry district of the
105 land court of the county or district in which the affected real prop-
106 erty is located, within the option period. If the first refusal option
107 has been assigned to a qualified developer selected pursuant to the
108 terms of this section under guidelines issued by the department,
109 such written notice shall state the name and address of such devel-
110 oper and the terms and conditions of such assignment. An affi-
111 davit before a notary public that the city, town or housing
112 authority or its designated representative has mailed such notice
113 of intent on behalf of an owner shall conclusively establish the
114 manner and time of the giving of such notice; and such affidavit,
115 and such notice that the option will not be exercised shall be
116 recorded with the registry of deeds or the registry district of the
117 land court of the county or district in which the affected real prop-
118 erty is located. Each notice of intention, notice of exercise of the
119 option and notice that the option will not be exercised shall con-
120 tain the name of the record owner of the land and description of
121 the premises to be sold or converted adequate for identification
122 thereof; and each such affidavit before a notary public shall have
123 attached to it a copy of the notice of intention to which it relates.
124 Such notices of intention shall be deemed to have been duly
125 mailed to the parties above specified if addressed to them in care
126 of the keeper of records for the party in question. The city, town

127 or housing authority or its assignee may purchase or acquire the
128 property only for the purposes of preserving or providing afford-
129 able housing, provided that no state funds shall be used for the
130 purchase of such property.

131 If said city, town, or housing authority shall fail to exercise the
132 option within 60 days, an owner shall thereafter offer the depart-
133 ment or its assignee, who shall be a qualified developer selected
134 pursuant to the terms of this section under the guidelines of the
135 department, a first refusal option to meet a bona fide offer to pur-
136 chase said property. The owner shall provide to the department
137 written notice by regular and certified mail, return receipt
138 requested, of the owner's intention to sell, transfer or otherwise
139 dispose of the property. The department or its assignee shall hold
140 such first refusal option for the first 120 days after receipt of the
141 owner's notice of intent to transfer the property, but in no case
142 shall said 120 days commence prior to the termination of said 60
143 day option held by a city, town or housing authority. Failure to
144 respond to the written notice of the owner's intent to sell, transfer
145 or otherwise dispose of the property within 120 days after the
146 receipt thereof shall constitute a waiver of such right of first
147 refusal by the department. No sale, transfer or other disposition of
148 such land shall be consummated until either said first refusal
149 option period shall have expired or the owner shall have been
150 notified in writing by the department or assignee in question that
151 said option will not be exercised. Such option may be exercised
152 only by written notice signed by a designated representative of the
153 department or its assignee, mailed to the owner by certified mail
154 at such address as may be specified in his notice of intention and
155 recorded with the registry of deeds or the registry district of the
156 land court of the county or district in which the affected real prop-
157 erty is located, within the option period. If the first refusal option
158 has been assigned to a qualified developer selected pursuant to the
159 terms of this section under guidelines issued by the department,
160 such written notice shall state the name and address of such devel-
161 oper and the terms and conditions of such assignment. An affi-
162 davit before a notary public that the department or its designated
163 representative has mailed such notice of intent on behalf of an
164 owner shall conclusively establish the manner and time of the
165 giving of such notice; and such affidavit, and such notice that the

166 option will not be exercised shall be recorded with the registry of
167 deeds or the registry district of the land court of the county or dis-
168 trict in which the affected real property is located. Each notice of
169 intention, notice of exercise of the option and notice that the
170 option will not be exercised shall contain the name of the record
171 owner of the land and description of the premises to be sold or
172 converted adequate for identification thereof; and each such affi-
173 davit before a notary public shall have attached to it a copy of the
174 notice of intention to which it relates. Such notices of intention
175 shall be deemed to have been duly mailed to the parties above
176 specified if addressed to them in care of the keeper of records for
177 the party in question.

178 If the property was not previously leased or sold to said owner
179 by a city, town or housing authority, then prior to any sale or
180 transfer or other disposition of any such housing assisted under
181 this section, an owner shall offer the department or its assignee,
182 who shall be a qualified developer selected pursuant to the terms
183 of this section under the guidelines of the department, a first
184 refusal option to meet a bona fide offer to purchase said property.
185 The owner shall provide to the department written notice by reg-
186 ular and certified mail, return receipt requested, of the owner's
187 intention to sell, transfer or otherwise dispose of the property. The
188 department or its assignee shall hold such first refusal option for
189 the first 120 days after receipt of the owner's notice of intent to
190 transfer the property. Failure to respond to the written notice of
191 the owner's intent to sell, transfer or otherwise dispose of the
192 property within 120 days after the receipt thereof shall constitute a
193 waiver of such right of first refusal by the department.

194 Upon notifying the owner in writing of its intention to pursue
195 its first refusal option during such period, the city, town or
196 housing authority or their assignee, or the department or its
197 assignee shall have an additional 120 days, beginning on the date
198 of the termination of the first refusal option period, to purchase
199 the property. Such time periods may be extended by mutual agree-
200 ment between the department or its assignee and the owner of the
201 property; provided, however, that any such extension agreed upon
202 shall be recorded in the registry of deeds or the registry district of
203 the land court of the county or district in which the affected real
204 property is located. Within a reasonable time after request, the

205 owner shall make available to the department of housing and com-
206 munity development or its assignee any information which is rea-
207 sonably necessary for the authority to exercise its rights. The
208 department of housing and community development or its
209 assignee may purchase or acquire the property only for the pur-
210 poses of preserving or providing affordable housing.

211 Funds provided for the Housing Stabilization and Investment
212 Program shall give special attention to the preservation of afford-
213 able housing developments which are or were subject to prepay-
214 ment or payment of a state or federally assisted mortgage or
215 which are receiving project-based rental assistance under section 8
216 of the United States Housing Act of 1937, 42 U.S.C.
217 section 1437f, and such rental assistance is expiring or which have
218 received other project based federal or state subsidies which are
219 terminating or have terminated. Property eligible for assistance
220 shall include housing where the prepayment or payment of a state
221 or federally-assisted mortgage or the expiration of federal low
222 income housing tax credits or other federal or state subsidies
223 would lead or has led to the termination of a use agreement for
224 low income housing or in which a project-based rental assistance
225 contract is expiring or has expired. The department, in consulta-
226 tion with nonprofit organizations, the Massachusetts Housing
227 Finance Agency, the Community Economic Development Assis-
228 tance Corporation and the Massachusetts Housing Partnership
229 Fund shall identify those projects at greatest risk of prepayment,
230 payment, termination of subsidies and use restrictions, or non-
231 renewal of rental assistance. Funding priority shall be based on
232 at-risk criteria to be determined by the department of housing and
233 community development and set forth in regulations promulgated
234 by the department.

235 Funds provided herein may be used for grants to cities and
236 towns to assist with the costs of demolishing certain privately-
237 owned vacant and abandoned buildings that have been found to be
238 uninhabitable and not economically feasible to rehabilitate and
239 which the city or town may demolish pursuant to sections 127A
240 and 127B of chapter 111 of the General Laws or sections 6 to 9,
241 inclusive, of chapter 143 of the General Laws and the regulations
242 promulgated pursuant to each of said chapters or which have been
243 taken by the city or town for taxes. Any such demolition shall be

244 undertaken in accordance with a neighborhood revitalization plan
245 adopted by the city or town after a public hearing and after
246 approval by the department which provides for the rehabilitation
247 and development of housing in the areas in which such demolition
248 is being undertaken. The department of housing and community
249 development shall promulgate regulations for the purpose of
250 implementing this section including, but not limited to, grants to
251 cities and towns for demolition of certain vacant and abandoned
252 buildings and procedures for neighborhood revitalization plans.

253 Notwithstanding the restrictions described in this section, funds
254 provided for the Housing Stabilization and Investment Program
255 shall be used for a revolving rehabilitation loan program to sup-
256 port the revitalization of certain abandoned or severely distressed
257 privately-owned residential housing for which a court appointed,
258 nonprofit receiver has been selected pursuant to chapter 111 of the
259 General Laws. Such program may include activities necessary to
260 make essential repairs and to pay operating expenses necessary to
261 maintain habitability of such housing units in order to prevent
262 abandonment and deterioration of such housing in primarily low
263 and moderate income neighborhoods. Such loans may be adminis-
264 tered by the department of housing and community development
265 through contracts with the Community Economic Development
266 Assistance Corporation, a body politic and corporate entity estab-
267 lished in chapter 40H of the General Laws, and through contracts
268 with the Massachusetts Housing Partnership Fund, an instrumen-
269 tality of the commonwealth established in section 35 of chapter
270 405 of the acts of 1985. The recipients may enter into subcontracts
271 to administer the purposes of such contracts with other for-profit
272 or nonprofit organizations. The department of housing and com-
273 munity development shall promulgate regulations for the purpose
274 of implementing this section.

275 The department shall provide loans to nonprofit developers for
276 the acquisition of property to provide or preserve affordable
277 housing. Such program of loans may be administered by the
278 department of housing and community development through con-
279 tracts with said Community Economic Development Assistance
280 Corporation. Such program may include acquisition, financing
281 and other holding costs, interim management and operating costs
282 and may also be used by said Community Economic Development

283 Assistance Corporation to secure, collateralize or reserve against
284 other financing obtained by said Community Economic Develop-
285 ment Assistance Corporation to support such costs. Not less than
286 50 per cent of the beneficiaries of such housing shall be persons
287 of income not more than 80 per cent of the area median income as
288 determined from time to time by the United States Department of
289 Housing and Urban Development and not less than 25 per cent of
290 the beneficiaries of such housing shall be persons whose income
291 is not more than 30 per cent of the area median income as deter-
292 mined from time to time by the United States Department of
293 Housing and Urban Development.

294 Notwithstanding the restrictions described in this section, funds
295 provided for the Housing Stabilization and Investment Program
296 may be used to support the rehabilitation of owner-occupied 1 to
297 4-family properties and the acquisition and rehabilitation of such
298 properties by persons of low or moderate income. The program
299 may include, but shall not be limited to, direct loans, loan guaran-
300 tees and loan loss reserves; provided, however, that the objective
301 of such program shall include the following: (1) projects shall
302 rely, to the greatest extent possible, on bank financing and other
303 taxable financing to support the costs of such acquisition and
304 rehabilitation; (2) coordinating the delivery of such financing and
305 related rehabilitation services with cities and towns that provide
306 such assistance utilizing federal community development block
307 grants, federal HOME funds, and other resources; (3) expediting
308 and simplifying the process by which home buyers may obtain
309 financial and technical assistance for such acquisitions and reha-
310 bilitation; and (4) ensuring that adequate provisions are in place to
311 assure that rehabilitation is completed in a timely and professional
312 manner and to protect homeowners from excessive acquisition and
313 rehabilitation costs.

314 Notwithstanding the restrictions described in this section, funds
315 provided for the Housing Stabilization and Investment Program
316 may be used for deferred payment second mortgage loans to sup-
317 port the acquisition and rehabilitation or new construction of
318 small multifamily rental properties pursuant to the Permanent
319 PLUS Program to be administered by the department of housing
320 and community development through contracts with the Massa-
321 chusetts Housing Partnership Fund, an instrumentality of the com-

322 monwealth established by section 35 of chapter 405 of the acts of
323 1985. The Massachusetts Housing Partnership Fund shall enter
324 into binding agreements to ensure that at least 20 per cent of the
325 units are affordable to persons whose income is less than 50 per
326 cent of the area median income, at least 40 per cent of the units
327 are affordable to persons whose income is less than 60 per cent of
328 the area median income, or at least 50 per cent of such units are
329 affordable to persons whose income is less than 80 per cent of the
330 area median income, as such incomes are determined from time to
331 time by the United States Department of Housing and Urban
332 Development.

333 Notwithstanding the restrictions described in this section, funds
334 provided for the Housing Stabilization and Investment Program
335 may be used for the purposes of the Soft Second Mortgage pro-
336 gram described in item 3322-8880 of section 2 of chapter 110 of
337 the acts of 1993.

338 Any money received from loan repayments pursuant to this
339 section shall be deposited in the HOME Investment Trust Fund
340 referred to in section 13 of chapter 257 of the acts of 1998 and
341 may be expended by the department solely for the purposes set
342 forth in this section.

1 SECTION 7. The department of housing and community
2 development may enter into contracts for state financial assistance
3 in the form of grants or loans by the commonwealth acting by and
4 through the department of housing and community development
5 for a Capital Improvement and Preservation Fund for the purposes
6 of preserving and improving existing privately-owned, state or
7 federally assisted housing. Property eligible for assistance shall
8 include housing where the prepayment or payment of a state or
9 federally-assisted mortgage or the expiration of federal or state
10 low income housing tax credits or other federal or state subsidies
11 would lead or has led to the termination of a use agreement for
12 low income housing or in which a project-based rental assistance
13 contract is expiring or has expired. In allocating funds pursuant to
14 this section, preference shall be given to nonprofit organizations
15 and housing authorities seeking to purchase an eligible property.
16 The department, in consultation with nonprofit organizations, the
17 Massachusetts Housing Finance Agency, the Community Eco-

18 nomic Development Assistance Corporation and the Massachu-
19 setts Housing Partnership Fund shall identify those projects at
20 greatest risk of prepayment or non-renewal of rental assistance
21 and shall grant preference in allocating funds pursuant to this
22 section to such developments. The department shall enter into
23 binding agreements to ensure that not less than 50 per cent of the
24 units in such housing shall be occupied and affordable to persons
25 of income of 80 per cent or less of the area median income as
26 determined by the United States Department of Housing and
27 Urban Development and that not less than 10 per cent of such
28 affordable units in such housing is available and affordable to
29 households with income of 50 per cent or less of the area median
30 income as determined by said United States Department of
31 Housing and Urban Development or such greater percentage of
32 units as required by the Massachusetts Housing Finance Agency
33 or the United States Department of Housing and Urban Develop-
34 ment regulations. The department may enter into subcontracts
35 with community development corporations, for-profit organiza-
36 tions or nonprofit organizations to carry out the purposes of such
37 grants and loans and shall enter into contracts with the Massachu-
38 setts Housing Finance Agency, the Community Economic Devel-
39 opment Assistance Corporation and the Massachusetts Housing
40 Partnership Fund. A portion of the funds may be allocated in the
41 form of predevelopment grants or loans from the Community Eco-
42 nomic Development Assistance Corporation and the Massachu-
43 setts Housing Partnership Fund to nonprofit purchasers of such
44 housing. Such housing shall remain affordable for not less than
45 40 years or for such longer period, based upon the useful life of
46 the housing as determined by the department, as may be specified
47 in the applicable recorded restriction at the registry of deeds or the
48 registry district of the land court of the county or district in which
49 the affected real property is located.

50 The department shall promulgate regulations for the purpose of
51 implementing this section.

1 SECTION 8. Subsection (b) of section 6I of chapter 62 of the
2 General Laws, as appearing in the 2004 Official Edition, is hereby
3 amended by striking out paragraph (1) and inserting in place
4 thereof the following paragraph:—

5 (1) There shall be a Massachusetts low-income housing tax
6 credit. The department may authorize annually under this section,
7 together with section 31H of chapter 63, the total sum of:
8 (1) \$10,000,000; (2) unused Massachusetts low-income housing
9 tax credits, if any, for the preceding calendar years; and
10 (3) Massachusetts low-income housing tax credits returned to the
11 department by a qualified Massachusetts project.

1 SECTION 9. Subsection (b) of section 31H of chapter 63 of the
2 General Laws, as so appearing, is hereby amended by striking out
3 paragraph (1) and inserting in place thereof the following para-
4 graph:—

5 (1) There shall be a Massachusetts low-income housing tax
6 credit. The department may authorize annually under this section,
7 together with section 6I of chapter 62, the total sum of:
8 (1) \$10,000,000; (2) unused Massachusetts low-income housing
9 tax credits, if any, for the preceding calendar years; and
10 (3) Massachusetts low-income housing tax credits returned to the
11 department by a qualified Massachusetts project.

1 SECTION 10. Section 4 of chapter 708 of the acts of 1966 is
2 hereby amended by striking subsection (i) and inserting in place
3 thereof the following subsection:—

4 (i) Invest any funds held in reserves or sinking funds, or any
5 funds not required for immediate disbursement, in such invest-
6 ments as may be lawful for fiduciaries in the commonwealth; pro-
7 vided, that the greater of 10 percent or \$10,000,000 of any such
8 funds shall be revenue to the commonwealth and shall be paid by
9 the MHFA annually to the state treasurer of the commonwealth for
10 deposit into the General Fund on or before June 30 of each year;
11 provided further, that notwithstanding the provisions of section
12 16A or any other general law to the contrary, the failure of the
13 MHFA to make any such payments shall create a lien in favor of
14 the commonwealth on any property, rights to property, real or per-
15 sonal, held directly or indirectly, or collateral owned or held
16 directly or indirectly by the MHFA in the amount of such funds
17 owed to the commonwealth. The lien imposed by this subsection
18 shall be filed by the treasurer of the commonwealth; (1) with
19 respect to real property or fixtures held directly or indirectly by

20 the MHFA, in the registry of deeds of the county where the prop-
21 erty is situated, and (2) with respect to personal property other
22 than fixtures held either directly or indirectly by the MHFA, in the
23 filing office in which the filing of a financing statement would
24 perfect under Article 9 of chapter 106 of the general laws. The
25 filing of a notice of any such lien or release of any such lien shall
26 be received and registered or recorded without payment of any
27 fee. Upon the filing of such lien, the treasurer of the common-
28 wealth, in addition to other modes of relief, may direct a civil
29 action to be filed in superior court of the commonwealth to
30 enforce such lien of the commonwealth under this subsection with
31 respect to such liability or to subject any property of whatever
32 nature, of the MHFA, or in which the MHFA has any right, title or
33 interest, either direct or indirect, to the payment of such lien.

1 SECTION 11. Section 14 of said chapter 708 of the acts of
2 1966 is hereby amended by inserting after the words “status of
3 reserve” the following words:— payments to the commonwealth,

1 SECTION 12. Beginning March 1, 2008, the director of the
2 department of housing and community development shall submit
3 annually to the house and senate committees on ways and means,
4 the joint committee on housing and the joint committee on
5 bonding, capital expenditures and state assets, a capital plan for
6 fiscal years 2009, 2010, 2011, 2012 and 2013 for capital funds
7 authorized by sections 1 through 7.