

HOUSE No. 4445

The Commonwealth of Massachusetts



EXECUTIVE DEPARTMENT
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DEVAL L. PATRICK
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December 20, 2007.

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment House Bill No. 1224, “An Act Relative To The Articles And By-Laws Of Cooperative Housing Corporations.”

This legislation amends G. L. c. 157B to limit the standard for eligibility to become a stockholder in a cooperative housing corporation (“coop”) to financial criteria. Absent this legislation, coops organized under Chapter 157B determine their own eligibility standards so long as they comply with fair housing and anti-discrimination law. It is already illegal for coops “to refuse to rent or lease or sell or negotiate for sale or otherwise to deny or to withhold from any person or group of persons such accommodations because of the race, religious creed, color, national origin, sex, sexual orientation . . .” of the applicant. G.L. c. 151B, §4(6) and (7).

I fully support the bill’s overall purpose to further deter unfair discrimination in housing. Chapter 157B, however, was not enacted until 1983, and many coops in the Commonwealth were organized prior to the coop law. Therefore, this bill is under-inclusive, and it would not apply to many coops.

This bill is also over-inclusive, and I am concerned about potential unintended consequences that this bill might have on those coops organized under Chapter 157B. First, coops provide a valuable affordable housing option and a model of mixed-income housing for the Commonwealth. Many coops accept federal and state vouchers and serve a much lower income band than a conventional condominium. By prohibiting coops from setting eligibility criteria that may be required as a condition of housing subsidy programs, the bill may eliminate the ability of coops to participate in such programs. Also, this bill would also preclude the formation of successful coops serving senior citizen communities.

I, therefore, recommend that House Bill No. 1224 be amended by striking out all after the enacting clause and inserting in place thereof the following text:—

Section 10 of Chapter 157B of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by striking out clause (g) and inserting in place thereof the following clause:—

(g) standards for eligibility to become a stockholder, provided that such standards reasonably relate to:—(i) the capacity to satisfy the stockholder's financial and maintenance obligations with respect to the property; (ii) eligibility requirements for financial subsidy programs; and/or (iii) requirements with respect to elderly living communities; and provided further, that such standards shall not be discriminatory in intent or application and shall comply with Section 4 of Chapter 151B. Notwithstanding any general or special law to the contrary, including Section 2 of this chapter, this subsection shall govern all cooperative housing arrangements formed pursuant to this chapter or otherwise.

Respectfully submitted,



DEVAL L. PATRICK,
Governor.