

Senate, No. 2591



**The Commonwealth of Massachusetts**

IN THE YEAR OF TWO THOUSAND AND SEVEN

1           SECTION XX. Section 53A of chapter 29 of the General Laws, as appearing in the  
2 2006 Official Edition, is hereby amended by inserting after the first sentence the  
3 following 2 sentences:- In addition to, and without compliance with, the foregoing, the  
4 state treasurer may, upon request of the governor, issue and sell refunding bonds of the  
5 commonwealth in an amount to be specified by the governor from time to time for the  
6 purpose of substituting fixed-rate bonds for variable-rate bonds or 1form of variable-rate  
7 bonds for another. The proceeds of any refunding bonds authorized by this section may  
8 also be used to purchase bonds in lieu of paying such bonds at maturity or redemption,  
9 through a tender offer or otherwise, whereupon the state treasurer may declare the  
10 purchased bonds to be paid in full.

11           SECTION 1. To provide for a capital outlay program to rehabilitate, produce and  
12 modernize state-owned public housing developments; to preserve the affordability and  
13 the income mix of state-assisted multifamily developments; to support home ownership  
14 and rental housing opportunities for low and moderate income citizens; to stem urban  
15 blight through the implementation of housing stabilization programs; to support housing  
16 production for the elderly, disabled and homeless; to preserve housing for the elderly, the  
17 homeless and low and moderate income citizens and people with disabilities; and to  
18 promote economic reinvestment through the funding of infrastructure improvements, the

19 sums set forth in section 2, for the several purposes and subject to the conditions  
20 specified in this act, are hereby made available subject to the laws regulating the  
21 disbursement of public funds.

22 SECTION 2.

23 EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

24 *Office of the Secretary.*

25 4000-7997 For a program of loan guarantees or interest  
26 subsidies to assist homeowners with blindness or  
27 severe disabilities in making modifications to  
28 their primary residence for the purpose of  
29 improved accessibility or to allow those  
30 homeowners to live independently in the community;  
31 provided, that the secretary shall take all steps  
32 necessary to minimize the program's administrative  
33 costs; provided further, that the loan guarantees  
34 shall be available on the basis of a sliding scale  
35 that relates the homeowner's income and assets to  
36 the cost of home modifications; provided further,  
37 that interest subsidies shall be means-tested and  
38 may be for 0 per cent pursuant to income standards  
39 developed by the secretary; provided further, that  
40 the repayment of the loans may be delayed until  
41 the sale of the principal residence by the  
42 homeowner; provided further, that persons residing  
43 in a development covered by section 4 of chapter  
44 151B of the General Laws shall not be eligible for  
45 the program unless the owner can show that the  
46 modification is an undue financial burden;  
47 provided further, that the secretary shall consult  
48 with the Massachusetts commission for the blind  
49 and the Massachusetts rehabilitation commission in

50 developing the rules, regulations and guidelines  
51 for the program; provided further, that nothing  
52 herein shall give rise to enforceable legal rights  
53 in any party or an enforceable entitlement to  
54 services; and provided further, that the secretary  
55 shall submit quarterly reports to the house and  
56 senate committees on ways and means and the joint  
57 committee on housing detailing the status of the  
58 program established herein.....\$50,000,000

59 4000-8300 For state financial assistance in the form of  
60 loans for the development of community-based  
61 housing for the mentally ill and mentally  
62 retarded; provided, that the loan program shall be  
63 administered by the department of housing and  
64 community development through contracts with  
65 housing authorities and redevelopment authorities  
66 duly organized and existing in accordance with  
67 chapter 121B of the General Laws, the  
68 Massachusetts Housing Finance Agency established  
69 in chapter 708 of the acts of 1966, the Community  
70 Economic Development Assistance Corporation  
71 established in chapter 40H of the General Laws and  
72 the Massachusetts Development Finance Agency  
73 established in chapter 23G of the General Laws;  
74 provided, that the loan-issuing authorities may  
75 develop or finance the community-based housing, or  
76 may enter into subcontracts with non-profit  
77 organizations established pursuant to chapter 180  
78 of the General Laws or organizations in which the  
79 nonprofit organizations have a controlling  
80 financial or managerial interest; provided  
81 further, that the department shall consider a

82 balanced geographic plan for the community-based  
83 housing when issuing the loans; provided further,  
84 that the department shall consider development of  
85 a balanced range of housing models by prioritizing  
86 funds for integrated housing as defined by the  
87 appropriate state housing and service agencies  
88 including, but not limited to, the department of  
89 housing and community development, the  
90 Massachusetts rehabilitation commission, the  
91 department of mental health and the department of  
92 mental retardation, in consultation with relevant  
93 and interested clients, their families, advocates  
94 and other parties as necessary; provided further,  
95 that loans issued pursuant to this item shall: (1)  
96 not exceed 50 per cent of the financing of the  
97 total development costs; (2) be issued only when a  
98 contract or agreement for the use of the property  
99 for the purposes of such housing provides for  
100 repayment to the commonwealth at the time of  
101 disposition of the property in an amount equal to  
102 the commonwealth's proportional contribution from  
103 the Facilities Consolidation Fund to the cost of  
104 the development through payments made by the state  
105 agency making the contract; (3) only be issued  
106 when a contract or agreement for the use of the  
107 property for community-based housing provides for  
108 the recording of a restriction in the registry of  
109 deeds or the registry district of the land court  
110 of the county in which the affected real property  
111 is located, for the benefit of the the  
112 departments, running with the land, that the land  
113 shall be used to provide community-based housing

114 for eligible individuals as determined by the  
115 department of mental health and the department of  
116 mental retardation; provided, however, that the  
117 property shall not be released from the  
118 restriction until the balance of the principal and  
119 interest for the loan has been repaid in full or  
120 until a mortgage foreclosure deed has been  
121 recorded; (4) be issued for a term of up to 20  
122 years during which time repayment may be deferred  
123 by the loan-issuing authority unless at the end of  
124 a fiscal year, cash collections from all sources  
125 in connection with a community-based housing  
126 project, except for contributions, donations or  
127 grant moneys, exceed 105 per cent of cash  
128 expenditures on behalf of the project, including  
129 debt service, operating expenses and capital  
130 reserves, in which event the excess cash shall be  
131 paid to the commonwealth within 45 days of the end  
132 of the fiscal year, payable first to interest due  
133 hereunder and thereafter to principal advanced  
134 pursuant to the loan; provided further, that if on  
135 the date the loans become due and payable to the  
136 commonwealth an outstanding balance exists, and  
137 if, on that date, the department of housing and  
138 community development, in consultation with the  
139 executive office of health and human services,  
140 determines that there still exists a need for such  
141 housing and that there is continued funding  
142 available for the provision of services to the  
143 development, the department may, by agreement with  
144 the owner of the development, extend the loan for  
145 such periods, each period not to extend 10 years,

146 as the department determines; provided, however,  
147 that the project shall remain affordable housing  
148 for the duration of the loan term, as extended, as  
149 set forth in the contract or agreement entered  
150 into by the department; and provided further, that  
151 in the event that the terms of repayment detailed  
152 in this item would cause a project authorized by  
153 this item to become ineligible to receive federal  
154 funds which would otherwise assist in the  
155 development of that project, the commissioner may  
156 waive the terms of repayment which would cause the  
157 project to become ineligible; (5) have interest  
158 rates which shall be fixed at a rate, to be  
159 determined by the director of housing and  
160 community development, in consultation with the  
161 state treasurer; provided further, that  
162 expenditures from this item shall not be made for  
163 refinancing outstanding mortgage loans for  
164 community-based housing in existence before the  
165 effective date of this act; provided further, that  
166 community-based housing projects developed  
167 pursuant to this act shall not be refinanced  
168 during the term of a loan issued pursuant to this  
169 item until the balance of the principal and  
170 interest for the loan is repaid in full at the  
171 time of the refinancing; provided further, that  
172 the community-based housing projects may be  
173 refinanced if the financing would result in a  
174 reduction of costs paid by the commonwealth;  
175 provided further, that a refinanced loan shall be  
176 due and payable not later than the date on which  
177 the original loan was due and payable, except in

178 accordance with clause (4) or when necessary to  
179 effect extraordinary repairs or maintenance which  
180 shall be approved by the commissioner of mental  
181 retardation or the commissioner of mental health,  
182 as appropriate, and the director of housing and  
183 community development; (6) be provided only for  
184 projects conforming to this act; and (7) be issued  
185 in accordance with a facilities consolidation plan  
186 prepared by the secretary of health and human  
187 services, reviewed and approved by the director of  
188 housing and community development and filed with  
189 the secretary of administration and finance and  
190 the house and senate committees on ways and means;  
191 provided further, that no expenditures shall be  
192 made from this item without the prior approval of  
193 the secretary for administration and finance;  
194 provided further, that the department of housing  
195 and community development, the department of  
196 mental health and the Community Economic  
197 Development Assistance Corporation may identify  
198 appropriate financing mechanisms and guidelines  
199 for grants or loans from this item to promote  
200 private development to produce housing, to provide  
201 for independent integrated living opportunities,  
202 to write down building and operating costs and to  
203 serve households at or below 15 per cent of area  
204 median income for the benefit of department of  
205 mental health clients; provided further, that not  
206 more than \$10,000,000 shall be expended from this  
207 item for a program of community-based housing  
208 loans to serve mentally ill homeless individuals  
209 in the current or former care of the department of

210 mental health; provided further, that the  
211 department shall expend not more than \$50,000,000  
212 to establish an integrated housing program for the  
213 loan-issuing authorities to enter into  
214 subcontracts with for-profit organizations for the  
215 development of integrated housing as defined by  
216 the appropriate state housing and service agencies  
217 including, but not limited to, the department, the  
218 department of mental health and the department of  
219 mental retardation, in consultation with relevant  
220 and interested clients, their families, advocates  
221 and other parties as necessary to provide  
222 accessible, affordable and integrated  
223 housing is an integral component of  
224 independence for people with disabilities;  
225 provided, however, that the integrated housing  
226 program shall promote housing units that meet the  
227 housing needs of elders and people with  
228 disabilities for independent housing integrated  
229 into the community; provided further, that the  
230 loan-issuing authorities shall prioritize projects  
231 that enable individuals with disabilities to  
232 interact with nondisabled persons to the fullest  
233 extent possible; provided further, that in  
234 implementing the programs, the department shall  
235 consider a balanced geographic plan when  
236 establishing community-based residences; provided  
237 further, that housing services made available  
238 pursuant to the loans shall not be construed as a  
239 right or an entitlement for an individual or class  
240 of persons to the benefits of an integrated  
241 housing program; provided further, that

242 eligibility for the integrated housing programs  
243 shall be established by regulations promulgated by  
244 the department; provided further, that the  
245 department of housing and community development  
246 shall promulgate regulations pursuant to section 2  
247 of chapter 30A of the General Laws for the  
248 implementation of this item after consultation  
249 with the secretary and the commissioner of capital  
250 asset management and maintenance; provided  
251 further, all projects funded by integrated housing  
252 programs, whether developed, managed or funded by  
253 or through a government entity, quasi-governmental  
254 entity, nonprofit organization or a private  
255 developer shall be subject to public procurement  
256 and bidding laws and all documents relating to  
257 those projects shall be public records; provided  
258 further, that notwithstanding any general or  
259 special law to the contrary, within 120 days after  
260 the expiration of affordability restrictions on  
261 housing assisted under this item, the department  
262 of housing and community development or its  
263 assignee, who is a qualified developer selected  
264 pursuant to this item shall have an option to  
265 purchase that housing at its current appraised  
266 value, reduced by any remaining obligation of the  
267 owner upon the expiration of the affordability  
268 restrictions; provided further, that the  
269 department or its assignee may purchase or acquire  
270 that housing only for the purposes of preserving  
271 or providing affordable housing; provided further,  
272 that the department or its assignee shall hold the  
273 purchase option for the first 120 days after the

274 expiration of the affordability restrictions;  
275 provided further, that failure to exercise the  
276 purchase option within 120 days after the  
277 expiration of the affordability restriction shall  
278 constitute a waiver of the purchase option by the  
279 department or its assignee; provided further, that  
280 2 impartial appraisers shall determine, within 60  
281 days after the expiration of the affordability  
282 restrictions, the current appraised value in  
283 accordance with recognized professional standards;  
284 provided further, that 2 professionals in the  
285 field of multi-unit residential housing shall each  
286 select an appraiser; provided further, that the  
287 owner and the department, respectively, shall each  
288 designate a professional within 30 days after the  
289 expiration of the affordability restrictions;  
290 provided further, that if there is a difference in  
291 the valuations provided by the appraisals, then  
292 the valuations shall be added together and divided  
293 by 2 to determine the current appraised value of  
294 the property; provided further, that no sale,  
295 transfer or other disposition of the property  
296 shall be consummated until either the purchase  
297 option period shall have expired or the owner  
298 shall have been notified in writing by the  
299 department or assignee in question that the option  
300 will not be exercised; provided further, that this  
301 option shall be exercised only by written notice  
302 signed by a designated representative of the  
303 department or its assignee, mailed to the owner by  
304 certified mail at the address specified in the  
305 notice of intention and recorded in the registry

306 of deeds or the registry district of the land  
307 court of the county in which the affected real  
308 property is located, within the option period;  
309 provided further, that if the purchase option has  
310 been assigned to a qualified developer selected  
311 pursuant to this item, the written notice shall  
312 state the name and address of the developer and  
313 the terms and conditions of the assignment;  
314 provided further, that before a sale, transfer or  
315 other disposition of such housing where the  
316 department has not previously exercised an option  
317 to purchase, an owner shall offer the department  
318 or its assignee, who shall be a qualified  
319 developer selected pursuant to this section, a  
320 first refusal option to meet a bona fide offer to  
321 purchase the property; provided further, that the  
322 owner shall provide to the department or its  
323 assignee written notice by regular and certified  
324 mail, return receipt requested, of the owner's  
325 intention to sell, transfer or otherwise dispose  
326 of the property; provided further, that the  
327 department or its assignee shall hold the first  
328 refusal option for the first 120 days after  
329 receipt of the owner's notice of intent to  
330 transfer the property; provided further, that  
331 failure to respond to the written notice of the  
332 owner's intent to sell, transfer or otherwise  
333 dispose of the property within 120 days after the  
334 receipt thereof shall constitute a waiver of the  
335 first refusal option by the department; provided  
336 further, that no sale, transfer or other  
337 disposition of the property shall be consummated

338           until either the first refusal option period shall  
339           have expired or the owner shall have been notified  
340           in writing by the department or its assignee in  
341           question that the option will not be exercised;  
342           provided further, that this option shall be  
343           exercised only by written notice signed by a  
344           designated representative of the department or its  
345           assignee, mailed to the owner by certified mail at  
346           the address specified in the notice of intention  
347           and recorded in the registry of deeds or the  
348           registry district of the land court of the county  
349           in which the affected real property is located,  
350           within the option period; provided further, that  
351           if the first refusal option has been assigned to a  
352           qualified developer selected pursuant to this  
353           item, the written notice shall state the name and  
354           address of the developer and the terms and  
355           conditions of the assignment; provided further,  
356           that an affidavit before a notary public that the  
357           notice of intent was mailed on behalf of an owner  
358           shall conclusively establish the manner and time  
359           of the giving of the notice and affidavit and a  
360           notice that the option will not be exercised,  
361           shall be recorded in the registry of deeds or the  
362           registry district of the land court of the county  
363           in which the affected real property is located;  
364           provided, further, that each notice of intention,  
365           notice of exercise of the purchase option or first  
366           refusal option and notice that the purchase option  
367           or first refusal option will not be exercised  
368           shall contain the name of the record owner of the  
369           property and a reasonable description of the

370 premises to be sold or converted and each  
371 affidavit, signed before a notary public, shall  
372 have attached to it a copy of the notice of  
373 intention to which it relates; provided further,  
374 that the notices of intention shall be mailed to  
375 the relevant parties in care of the keeper of  
376 records for the party in question; provided  
377 further, that upon notifying the owner in writing  
378 of its intention to exercise its purchase option  
379 or first refusal option during this 120-day  
380 period, the department or its assignee shall have  
381 an additional 120 days, beginning on the date the  
382 purchase option period or first refusal option  
383 period expires, to purchase the property; provided  
384 further, that the time periods may be extended by  
385 mutual agreement between the department or its  
386 assignee and the owner of the property; provided  
387 further, that any extension agreed upon shall be  
388 recorded in the registry of deeds or the registry  
389 district of the land court of the county in which  
390 the affected real property is located; and  
391 provided further, that within a reasonable time  
392 after requesting an extension, the owner shall  
393 make available to the department or its assignee  
394 any information that is reasonably necessary for  
395 the department to exercise its  
396 options.....\$75,000,000.

397 4000-8301 For state financial assistance in the form of  
398 loans for the development and redevelopment of  
399 community-based housing for persons with  
400 disabilities who are institutionalized or at risk  
401 of being institutionalized and who are not

402 eligible for housing developed pursuant to item  
403 4000-8200; provided, that the loan program shall  
404 be administered by the department of housing and  
405 community development through contracts with  
406 housing authorities and redevelopment authorities  
407 duly organized and existing in accordance with  
408 chapter 121B of the General Laws, the  
409 Massachusetts Housing Finance Agency established  
410 in chapter 708 of the acts of 1966, the Community  
411 Economic Development Assistance Corporation,  
412 established in chapter 40H of the General Laws,  
413 and the Massachusetts Development Finance Agency  
414 established in chapter 23G of the General Laws;  
415 provided further, that the department shall  
416 promote integrated housing units that meet the  
417 housing needs of elders and people with  
418 disabilities who are institutionalized or at risk  
419 of institutionalization for independent housing  
420 integrated into the community; provided further,  
421 that the loan-issuing authorities shall prioritize  
422 projects that enable individuals with disabilities  
423 to interact with nondisabled persons to the  
424 fullest extent possible; provided further, that  
425 the loan-issuing authorities may develop or  
426 finance community-based housing, or may enter into  
427 subcontracts with nonprofit organizations  
428 established pursuant to chapter 180 of the General  
429 Laws or organizations in which the nonprofit  
430 organizations have a controlling financial or  
431 managerial interest; provided further, that the  
432 department shall consider a balanced geographic  
433 plan for such community-based housing when issuing

434 the loans; provided further, that all housing  
435 developed with these funds shall be integrated  
436 housing as defined by the appropriate state  
437 housing and service agencies including, but not  
438 limited to, the department of housing and  
439 community development, the department of mental  
440 health and the department of mental retardation,  
441 in consultation with relevant and interested  
442 clients, their families, advocates and other  
443 parties as necessary; provided further, that loans  
444 issued pursuant to this item shall: (1) be limited  
445 to not more than 50 per cent of the financing of  
446 the total development costs; (2) be issued only  
447 when a contract or agreement for the use of the  
448 property for the purposes of such housing provides  
449 for repayment to the commonwealth at the time of  
450 disposition of the property in an amount equal to  
451 the commonwealth's proportional contribution from  
452 this item to the cost of the development through  
453 payments made by the state agency making the  
454 contract; (3) only be issued when a contract or  
455 agreement for the use of the property for  
456 community-based housing provides for the recording  
457 of a restriction in the registry of deeds or the  
458 registry district of the land court of the county  
459 in which the affected real property is located,  
460 for the benefit of the the departments, running  
461 with the land, that the land shall be used to  
462 provide community-based housing for eligible  
463 individuals as determined by the Massachusetts  
464 rehabilitation commission or other agency of the  
465 executive office of health and human services;

466 provided, however, that the property shall not be  
467 released from the restrictions until the balance  
468 of the principal and interest for the loan has  
469 been repaid in full or until a mortgage  
470 foreclosure deed has been recorded; (4) be issued  
471 for a term of up to 20 years during which time  
472 repayment may be deferred by the loan-issuing  
473 authority unless, at the end of any fiscal year,  
474 cash collections from all sources in connection  
475 with a community-based housing project, except for  
476 contributions, donations or grant moneys, exceed  
477 105 per cent of cash expenditures on behalf of the  
478 project, including debt service, operating  
479 expenses and capital reserves, in which event  
480 excess cash shall be paid to the commonwealth  
481 within 45 days after the end of the fiscal year,  
482 payable first to interest due hereunder and  
483 thereafter to principal advanced pursuant to the  
484 loan; provided further, that if on the date the  
485 loan becomes due and payable to the commonwealth  
486 an outstanding balance exists, and if, on that  
487 date, the department of housing and community  
488 development, in consultation with the executive  
489 office of health and human services, determines  
490 that there still exists a need for such housing,  
491 the department may, by agreement with the owner of  
492 the development, extend the loan for such periods,  
493 each period not to exceed 10 years, as the  
494 department determines; provided, however, that the  
495 project shall remain affordable housing for the  
496 duration of the loan term, as extended, as set  
497 forth in the contract or agreement entered into by

498 the department; and provided further, that in the  
499 event that the terms of repayment detailed in this  
500 item would cause a project authorized by this item  
501 to become ineligible to receive federal funds  
502 which would otherwise assist in the development of  
503 that project, the commissioner may waive the terms  
504 of repayment which would cause the project to  
505 become ineligible; (5) have interest rates for the  
506 loans which shall be fixed at a rate to be  
507 determined by the director of housing and  
508 community development in consultation with the  
509 state treasurer; provided, however, that  
510 expenditures from this item shall not be made for  
511 the purpose of refinancing outstanding mortgage  
512 loans for community-based housing in existence  
513 before the effective date of this act; provided  
514 further, that community-based housing projects  
515 developed pursuant to this act shall not be  
516 refinanced during the term of any loan issued  
517 pursuant to this item unless and until the balance  
518 of the principal and interest for the loan is  
519 repaid in full at the time of the refinancing;  
520 provided further, that the community-based housing  
521 projects may be refinanced if the financing would  
522 result in a reduction of costs paid by the  
523 commonwealth; provided further, that any such  
524 refinanced loan shall be due and payable not later  
525 than the date on which the original loan was due  
526 and payable, except in accordance with clause (4)  
527 or when necessary to effect extraordinary repairs  
528 or maintenance which shall be approved by the  
529 commissioner of the Massachusetts rehabilitation

530 commission or other agency of the executive office  
531 of health and human services, as appropriate, and  
532 the director of housing and community development;  
533 (6) be provided only for projects conforming to  
534 this act; and (7) be issued in accordance with an  
535 enhancing community-based services plan prepared  
536 by the secretary of health and human services, in  
537 consultation with the director of housing and  
538 community development, and filed with the  
539 secretary for administration and finance and the  
540 house and senate committees on ways and means;  
541 provided, that no expenditures shall be made from  
542 this item without the prior approval of the  
543 secretary for administration and finance; provided  
544 further, that the department may expend not more  
545 than \$50,000,000 to establish a program for the  
546 loan-issuing authorities to enter into  
547 subcontracts with for-profit organizations for the  
548 development of integrated housing as defined by  
549 the appropriate state housing and service  
550 agencies, in consultation with relevant and  
551 interested clients, their families, advocates and  
552 other parties as necessary; provided further, that  
553 in implementing this program, the department shall  
554 consider a balanced geographic plan when  
555 establishing community-based residences; provided  
556 further, that any housing services made available  
557 pursuant to such loans shall not be construed as a  
558 right or an entitlement for an individual or class  
559 of persons to the benefits of any program;  
560 provided further, that eligibility for the  
561 programs shall be established by regulations

562 promulgated by the department in consultation with  
563 the secretary for administration and finance;  
564 provided further, that the department of housing  
565 and community development shall promulgate  
566 regulations pursuant to section 2 of chapter 30A  
567 of the General Laws for the implementation of this  
568 item after consultation with said secretary and  
569 the commissioner of capital asset management and  
570 maintenance; provided further, that all projects  
571 funded by integrated housing programs, whether  
572 developed, managed or funded by or through a  
573 government entity, quasi-governmental entity,  
574 nonprofit organization or private developer shall  
575 be subject to all public procurement and bidding  
576 laws and all documents relating to those projects  
577 shall be public records; provided further, that  
578 notwithstanding any general or special law to the  
579 contrary, within 120 days after the expiration of  
580 affordability restrictions on housing assisted  
581 under this item, the department or its assignee,  
582 who is a qualified developer selected pursuant to  
583 this item shall have an option to purchase that  
584 property at its current appraised value, reduced  
585 by any remaining obligation of the owner upon the  
586 expiration of the affordability restrictions;  
587 provided further, that the department or its  
588 assignee may purchase or acquire that housing only  
589 for the purposes of preserving or providing  
590 affordable housing; provided further, that the  
591 department of housing and community development or  
592 its assignee shall hold the purchase option for  
593 the first 120 days after the expiration of the

594 affordability restrictions; provided further, that  
595 failure to exercise the purchase option within 120  
596 days after the expiration of the affordability  
597 restriction shall constitute a waiver of the  
598 purchase option by the department or its assignee;  
599 provided further, that 2 impartial appraisers  
600 shall determine, within 60 days after the  
601 expiration of the affordability restrictions, the  
602 current appraised value in accordance with  
603 recognized professional standards; provided  
604 further, that 2 professionals in the field of  
605 multi-unit residential housing shall each select  
606 an appraiser; provided further, that the owner and  
607 the department, respectively, shall each designate  
608 a professional within 30 days after the expiration  
609 of the affordability restrictions; provided  
610 further, that if there is a difference in the  
611 valuations provided by the appraisals, the  
612 valuations shall be added together and divided by  
613 2 to determine the current appraised value of the  
614 property; provided further, that no sale, transfer  
615 or other disposition of the property shall be  
616 consummated until either the purchase option  
617 period shall have expired or the owner shall have  
618 been notified in writing by the department or its  
619 assignee in question that the option will not be  
620 exercised; provided further, that this option  
621 shall be exercised only by written notice signed  
622 by a designated representative of the department  
623 or its assignee, mailed to the owner by certified  
624 mail at the address specified in the notice of  
625 intention and recorded in the registry of deeds or

626 the registry district of the land court of the  
627 county in which the affected real property is  
628 located, within the option period; provided  
629 further, that if the purchase option has been  
630 assigned to a qualified developer selected  
631 pursuant to this item, the written notice shall  
632 state the name and address of the developer and  
633 the terms and conditions of the assignment;  
634 provided further, that before a sale, transfer or  
635 other disposition of such housing where the  
636 department has not previously exercised an option  
637 to purchase, an owner shall offer the department  
638 or its assignee, who shall be a qualified  
639 developer selected pursuant to this item, a first  
640 refusal option to meet a bona fide offer to  
641 purchase the property; provided further, that the  
642 owner shall provide to the department or its  
643 assignee written notice by regular and certified  
644 mail, return receipt requested, of the owner's  
645 intention to sell, transfer or otherwise dispose  
646 of the property; provided further, that the  
647 department or its assignee shall hold the first  
648 refusal option for the first 120 days after  
649 receipt of the owner's written notice of intent to  
650 transfer the property; provided further, that  
651 failure to respond to the written notice of the  
652 owner's intent to sell, transfer or otherwise  
653 dispose of the property within 120 days after the  
654 receipt thereof shall constitute a waiver of the  
655 first refusal option by the department; provided  
656 further, that no sale, transfer or other  
657 disposition of the property shall be consummated

658           until either the first refusal option period shall  
659           have expired or the owner shall have been notified  
660           in writing by the department or its assignee that  
661           the option will not be exercised; provided  
662           further, that this option shall be exercised only  
663           by written notice signed by a designated  
664           representative of the department or its assignee,  
665           mailed to the owner by certified mail at the  
666           address specified in the notice of intention and  
667           recorded in the registry of deeds or the registry  
668           district of the land court of the county in which  
669           the affected real property is located, within the  
670           option period; provided further, that if the first  
671           refusal option has been assigned to a qualified  
672           developer selected pursuant to this item, the  
673           written notice shall state the name and address of  
674           the developer and the terms and conditions of the  
675           assignment; provided further, that an affidavit  
676           before a notary public that the notice of intent  
677           was mailed on behalf of an owner shall  
678           conclusively establish the manner and time of the  
679           giving of notice and affidavit and a notice that  
680           the option will not be exercised, shall be  
681           recorded in the registry of deeds or the registry  
682           district of the land court of the county in which  
683           the affected real property is located; provided  
684           further, that each notice of intention, notice of  
685           exercise of the purchase option or first refusal  
686           option and notice that the purchase option or  
687           first refusal option will not be exercised shall  
688           contain the name of the record owner of the  
689           property and a reasonable description of the

690 premises to be sold or converted and each  
691 affidavit, signed before a notary public, shall  
692 have attached to it a copy of the notice of  
693 intention to which it relates; provided further,  
694 that the notices of intention shall be mailed to  
695 the relevant parties in care of the keeper of  
696 records for the party in question; provided  
697 further, that upon notifying the owner in writing  
698 of its intention to exercise its purchase option  
699 or first refusal option during the 120-day period,  
700 the department or its assignee shall have an  
701 additional 120 days, beginning on the date the  
702 purchase option period or first refusal option  
703 period expires, to purchase the property; provided  
704 further, that the time periods may be extended by  
705 mutual agreement between the department or its  
706 assignee and the owner of the property; provided  
707 further, that any extension agreed upon shall be  
708 recorded in the registry of deeds or the registry  
709 district of the land court of the county in which  
710 the affected real property is located; and  
711 provided further, that within a reasonable time  
712 after requesting an extension, the owner shall  
713 make available to the department or its assignee  
714 any information that is reasonably necessary for  
715 the department to exercise its options.....  
716 \$75,000,000.  
717 *Department of Housing and Community Development.*  
718 7004-0030 For the capitalization of the Affordable Housing  
719 Trust Fund, established in section 2 chapter 121D  
720 of the General Laws.....\$220,000,000

721 7004-0031 For the purpose of state financial assistance in  
722 the form of grants or loans for the Housing  
723 Stabilization and Investment Trust Fund  
724 established in section 2 of chapter 121F of the  
725 General Laws and awarded only pursuant to the  
726 criteria established therein; provided, that not  
727 less than 25 per cent shall be used to fund  
728 projects which preserve and produce housing for  
729 families and individuals with incomes of not more  
730 than 30 per cent of the area median income, as  
731 defined by the United States Department of Housing  
732 and Urban Development; provided further, that if  
733 the department of housing and community  
734 development has not been able to meet the spending  
735 authorized under the bond cap for this program, at  
736 the end of each year following the effective date  
737 of this act, the department may award the  
738 remaining funds to projects that serve households  
739 earning more than 30 per cent of the area median  
740 income, as defined by said United States  
741 Department of Housing and Urban Development;  
742 provided further, that not less than \$5,000,000  
743 shall be expended for the production or  
744 preservation of housing for people age 60 and  
745 over; provided further, that not less than  
746 \$3,000,000 shall be expended for projects which  
747 preserve, produce and provide housing for veterans  
748 who have served in the armed forces of the United  
749 States in active service in a combat zone as part  
750 of Operation Enduring Freedom or Operation Iraqi  
751 Freedom and who were discharged or released under  
752 honorable conditions; provided however, that the

753 domicile of an applicant shall have been in the  
754 commonwealth for a period of not less than 6  
755 months before the time of entry into active  
756 service;and provided further, that not less than  
757 \$10,000,000 shall be expended to stabilize and  
758 promote reinvestment, through homeownership, in  
759 areas the department has determined to be weak  
760 markets as indicated by a high concentration of  
761 assisted rental housing or a low rate of  
762 homeownership or low median family income or low  
763 average sales prices or high levels of unpaid  
764 property taxes or vacant or abandoned buildings  
765 and, after making the finding, the department may  
766 waive the requirements of this section and said  
767 chapter 121F which are found to be inconsistent  
768 with promoting homeownership in weak markets and  
769 take other steps necessary to promote  
770 homeownership in the weak market including, but  
771 not limited to, reducing the length of required  
772 affordability to not less than 10 years and  
773 permitting the funded property to be purchased by  
774 a household whose income at the time of purchase  
775 does not exceed 135 per cent of the area median  
776 income, adjusted for family size, or both;  
777 provided however, that the purchaser shall own and  
778 occupy the property as his primary residence.....\$125,000,000

779 7004-0032 For the purpose of state financial assistance in  
780 the form of grants for projects undertaken  
781 pursuant to clause (j) of section 26 of chapter  
782 121B of the General Laws; provided, that contracts  
783 entered into by the department of housing and  
784 community development for those projects may

785 include, but shall not be limited to, projects  
786 providing for renovation, remodeling,  
787 reconstruction, redevelopment and hazardous  
788 material abatement, including asbestos and lead  
789 paint, and for compliance with state codes and  
790 laws and for adaptations necessary for compliance  
791 with the Americans with Disabilities Act, the  
792 provision of day care facilities, learning centers  
793 and teen service centers and the adaptation of  
794 units for families and persons with disabilities;  
795 provided further, that priority shall be given to  
796 projects undertaken for the purpose of compliance  
797 with state codes and laws or for other purposes  
798 related to the health and safety of residents;  
799 provided further, that funds may be expended from  
800 this item to make such modifications to congregate  
801 housing units as may be necessary to increase the  
802 occupancy rate of those units; provided further,  
803 that the department, in consultation with housing  
804 authorities, may establish a program to provide  
805 predictable funds to be used flexibly by housing  
806 authorities for capital improvements to extend the  
807 useful life of state-assisted public housing;  
808 provided further, that not less than 25 per cent  
809 shall be used to fund projects which preserve  
810 produce housing for families and individuals with  
811 incomes of not more than 30 per cent of the area  
812 median income, as defined by the United States  
813 Department of Housing and Urban Development; and  
814 provided further, that a capital reserve account  
815 shall be administered by the department.....\$500,000,000

816 7004-0033 For the purpose of state financial assistance in  
817 the form of grants for a 5 year demonstration  
818 program, administered by the department of housing  
819 and community development to demonstrate cost  
820 effective revitalization methods for state-aided  
821 family and elderly-disabled public housing that  
822 seek to reduce the need for future state  
823 modernization funding; provided further, that  
824 housing authorities with state-aided housing  
825 developments pursuant to chapter 200 of the acts  
826 of 1948, chapter 667 of the acts of 1954 or  
827 chapter 705 of the acts of 1966 shall be eligible  
828 to participate in demonstration program; provided  
829 further, that the department shall establish a 7-  
830 member advisory committee, to consist of the  
831 director of the department or his designee, 1  
832 member selected by Citizens' Housing and Planning  
833 Association, 1 member selected by the  
834 Massachusetts Chapter of the National Association  
835 of Housing and Redevelopment Officials, 1 member  
836 selected by the Massachusetts Union of Public  
837 Housing Tenants and 3 additional members chosen by  
838 the department to provide advice and  
839 recommendations to the department regarding  
840 regulations to implement the demonstration  
841 program; provided further, that grants shall be  
842 awarded on a competitive basis; provided further,  
843 that the department may exempt a recipient of  
844 demonstration grants from the requirements of  
845 chapter 7 and chapter 121B of the General Laws  
846 upon a showing by the recipient that such  
847 exemptions are necessary to accomplish the

848 effective revitalization of public housing and  
849 will not adversely affect public housing residents  
850 or applicants of any income who are otherwise  
851 eligible; provided further, that the department  
852 may provide to recipients of demonstration grants  
853 such additional regulatory relief as is required  
854 to further the objectives of the demonstration  
855 program; provided further, that funds shall be  
856 made available for technical assistance provided  
857 by the Community Economic Development Assistance  
858 Corporation established in chapter 40H of the  
859 General Laws or the Massachusetts Housing  
860 Partnership Fund established pursuant to section  
861 35 of chapter 405 of the acts of 1985 to  
862 recipients of demonstration grants and for  
863 evaluation of the demonstration; provided further,  
864 that the department shall promulgate regulations  
865 for the implementation, administration and  
866 enforcement of this item within 90 days after the  
867 effective date of this act; provided, however,  
868 that the regulations shall: (i) require that  
869 housing authorities selected demonstrate  
870 innovative, replicable solutions to the  
871 management, marketing or capital needs of state-  
872 aided family and elderly-disabled public housing  
873 developments and contribute to the continued  
874 viability of the housing as a resource for public  
875 housing eligible residents; (ii) encourage  
876 proposals that demonstrate regional collaborations  
877 among housing authorities; and (iii) encourage  
878 proposals that propose new affordable housing  
879 units on municipally-owned land, underutilized

880 public housing sites or other land owned by the  
881 housing authority; and provided further, that the  
882 department shall report to the house and senate  
883 committees on ways and means and the joint  
884 committee on housing on the progress of the  
885 demonstration program within 90 days after  
886 promulgation of the regulations and annually  
887 thereafter.....\$50,000,000

888 7004-0034 For the purpose of state financial assistance in  
889 the form of community development action grants to  
890 be awarded pursuant to section 57A of chapter 121B  
891 of the General Laws; provided, however, that  
892 notwithstanding said section 57A of said chapter  
893 121B, any eligible city or town may designate a  
894 community development corporation organized  
895 pursuant to chapter 40F of the General Laws to act  
896 on its behalf; provided further, that not less  
897 than \$2,000,000 shall be used for projects in  
898 seriously distressed areas having a significant  
899 amount of vacant land or buildings, as defined by  
900 the department of housing and community  
901 development; and provided further, that projects  
902 funded from this item shall be consistent with the  
903 principles of smart growth, as defined by the  
904 department.....\$55,000,000

905 7004-0035 For the purpose of state financial assistance in  
906 the form of grants or loans for the Housing  
907 Innovations Trust Fund established in section 2 of  
908 chapter 121E of the General Laws; provided,  
909 however, that not less than 25 per cent shall be  
910 used to fund projects which preserve and produce  
911 housing for families and individuals with incomes

912 of not more than 30 per cent of the area median  
913 income, as defined by the United States Department  
914 of Housing and Urban Development.....\$75,000,000  
915 7004-0036 For the purpose of state financial assistance in  
916 the form of grants or loans for the Capital  
917 Improvement and Preservation Trust Fund for  
918 expiring use properties established in section 2  
919 of chapter 121G of the General Laws.....\$100,000,000  
920 7004-0037 For the purpose of providing financial support for  
921 developing residential housing units within  
922 neighborhood commercial areas including, but not  
923 limited to, those areas designated as Main street  
924 areas; provided, however, that the developments  
925 may include projects which have residential units  
926 above commercial space and shall be located in  
927 areas characterized by a predominance of  
928 commercial land uses, a high daytime or business  
929 population or a high concentration of daytime  
930 traffic and parking; provided further, that the  
931 department of housing and community development  
932 shall give priority to developments for which  
933 municipalities have adopted a housing tax  
934 increment financing plan in an urban center  
935 housing zone pursuant to section 60 of chapter 40  
936 of the General Laws; provided further, that  
937 \$15,000,000 shall be used to fund transit-oriented  
938 housing developments in proximity to public  
939 transit modes; provided further, that eligible  
940 activities for transit-oriented development shall  
941 include, without limitation, planning grants,  
942 financing subsidies and environmental assessment;  
943 and provided further, that not less than 50 per

944 cent of the beneficiaries of housing in projects  
945 assisted by this item shall be persons whose  
946 income is not more than 80 per cent of the area  
947 median income as defined by the United States  
948 Department of Housing and Urban Development.....\$30,000,000

949

950 SECTION XX. Subsection (b) of section 6I of chapter 62 of the General Laws, as  
951 appearing in the 2006 Official Edition, is hereby amended by striking out paragraph (1)  
952 and inserting in place thereof the following paragraph:-

953 (1) There shall be a Massachusetts low-income housing tax credit. The department  
954 may authorize annually under this section, together with section 31H of chapter 63, the  
955 total sum of: (i) \$10,000,000; (ii) unused Massachusetts low-income housing tax credits,  
956 if any, for the preceding calendar years; and (iii) any Massachusetts low-income housing  
957 tax credits returned to the department by a qualified Massachusetts project.

958

959 SECTION XX. Subsection (b) of section 31H of chapter 63 of the General Laws,  
960 as so appearing, is hereby amended by striking out paragraph (1) and inserting in place  
961 thereof the following paragraph:-

962 (1) There shall be a Massachusetts low-income housing tax credit. The  
963 department may authorize annually under this section, together with section 6I of chapter  
964 62, the total sum of: (i) \$10,000,000; (ii) unused Massachusetts low-income housing tax  
965 credits, if any, for the preceding calendar years; and (iii) any Massachusetts low-income  
966 housing tax credits returned to the department by a qualified Massachusetts project.

967

968 SECTION 5. The General Laws are hereby amended by inserting after chapter  
969 121D the following 3 chapters:-

970

**CHAPTER 121E**

971

*HOUSING INNOVATIONS TRUST FUND*

972 Section 1. As used in this chapter the following words shall have the following  
973 meanings, unless the context clearly requires otherwise:-

974 “Alternative forms of rental and ownership housing,” shall include, but not be  
975 limited to: single room occupancy units; limited equity cooperative housing;  
976 transitional housing for the homeless; battered women's shelters; mutual housing;  
977 housing acquired by nonprofit entities pursuant to Title II of the National Emergency  
978 Low Income Housing Preservation Act of 1987 and Title VI of the National Affordable  
979 Housing Act of 1990; employer assisted housing; lease-to-purchase housing; housing  
980 produced pursuant to a court-approved receivership; innovative forms of housing which  
981 seek to mitigate the adverse impact on housing affordability in communities with high  
982 concentrations of college or university students; joint projects between municipalities or  
983 housing development agencies and institutions of higher education designed to produce  
984 or preserve affordable units within those areas; and other innovative forms of housing.

985 “Area median income”, income as determined by the United States Department of  
986 Housing and Urban Development.

987 “Authorities”, the Massachusetts Development Finance Agency established in  
988 chapter 23G, community development corporations established pursuant to chapter 40F,  
989 the Community Economic Development Assistance Corporation established in chapter  
990 40H, operating agencies established pursuant to chapter 121B, the Massachusetts

991 Housing Finance Agency, established in chapter 708 of the acts of 1966 and nonprofit  
992 agencies certified by the United States Department of Housing and Urban Development  
993 as community housing development organizations.

994 “Department”, the department of housing and community development.

995 “Fund”, the Housing Innovations Trust Fund established in section 2.

996 Section 2. (a) There shall be within the department a separate fund  
997 to be known as the Housing Innovations Trust Fund. The department shall  
998 administer the fund for the purpose of making grants and loans to public or quasi-  
999 public entities to facilitate the production and retention of alternative forms of rental and  
1000 ownership housing; provided, however, that 25 per cent of the beneficiaries of the fund  
1001 shall be persons whose income shall not exceed 30 per cent of the area median income  
1002 and 50 per cent of the beneficiaries of the fund shall be persons whose income not exceed  
1003 80 per cent of the area median income. The department shall give preference to those  
1004 projects that provide transitional or permanent housing for homeless individuals and  
1005 families and disabled persons. The fund shall be an expendable trust fund and  
1006 shall not be subject to appropriation.

1007 (b) There shall be credited to the fund revenue from  
1008 appropriations or other monies authorized by the general court and  
1009 specifically designated for the fund and any gifts, grants, private  
1010 contributions, repayment of loans, fees and charges imposed relative to the  
1011 making of loans, grants, subsidies, credit enhancements and other financial  
1012 assistance, investment income earned on the fund's assets and any other  
1013 sources. Money remaining in the fund at the end of a fiscal year shall  
1014 not revert to the General Fund.

1015 (c) The department shall provide assistance from the fund using  
1016 only the criteria established in this chapter for projects owned or

1017 sponsored by authorities including but not limited to, projects that  
1018 involve complex multiple-source financing or the preservation of  
1019 existing affordable housing; provided, however, that no assistance shall  
1020 be authorized unless the sponsor thereof is current on all existing  
1021 mortgage obligations with the commonwealth or any political subdivision  
1022 thereof. The department shall enter into agreements with the Community  
1023 Economic Development Assistance Corporation to provide assistance from  
1024 the fund for projects owned or sponsored by authorities.

1025 Section 3. (a) The fund shall finance low and no interest loans,  
1026 grants, subsidies, credit enhancements and other financial assistance  
1027 for alternative forms of rental and ownership housing; provided, however, that  
1028 assistance shall be the minimum amount necessary to make a project  
1029 feasible. Activities eligible for assistance from the fund shall  
1030 include, but not be limited to: (1) capital grants and deferred payment  
1031 loans for new construction, rehabilitation or acquisition of alternative  
1032 forms of rental and ownership housing units; (2) capital grants and deferred  
1033 payment loans for new construction, rehabilitation or acquisition of  
1034 alternative forms of rental and ownership housing for homeless families and  
1035 individuals; (3) mortgage insurance guarantees and other credit  
1036 enhancements for alternative forms of rental and ownership housing; (4) projects  
1037 making alternative forms of rental and ownership housing more accessible to  
1038 senior citizens and persons with disabilities; (5) matching funds for  
1039 municipalities that sponsor alternative forms of rental and ownership housing  
1040 initiatives; and (6) matching funds for employer-based programs to assist  
1041 employees in meeting their rental and homeownership housing costs.

1042 (b) A loan program established pursuant to subsection (a) shall be administered  
1043 by the department through contracts with authorities. The authorities may, pursuant to  
1044 the terms and conditions of contracts with the department, directly issue loans for the

1045 purposes of the program or may enter into subcontracts with nonprofit organizations  
1046 established pursuant to chapter 180 for those purposes. Loans issued directly or  
1047 indirectly by those organizations shall be: (1) subject to the review and approval of the  
1048 department; (2) limited to not more than 50 per cent of the financing of the total  
1049 development costs; provided, however, that this limitation shall not apply to loans  
1050 provided for the establishment of battered women's shelters which loans may be provided  
1051 in amounts up to 80 per cent of the financing of total development costs; and provided  
1052 further, that those loans shall not exceed \$2,500,000 per project; (3) issued only if a  
1053 contract or agreement for the use of the property for housing purposes provides for the  
1054 recording of a restriction in the registry of deeds or the registry district of the land court  
1055 in the county in which the affected real property is located, for the benefit of the  
1056 department, running with the land, that the land be used for providing alternative forms of  
1057 rental and ownership housing; provided further, that the property shall not be released  
1058 from the restriction until the balance of the principal and interest for the loan shall be  
1059 repaid in full or until a mortgage foreclosure deed shall be recorded; (4) issued for a term  
1060 of up to 30 years during which time repayment may be deferred by the loan issuing  
1061 authority unless, at the end of a fiscal year, cash collections from all sources in  
1062 connection with the housing, except for contributions, donations or grant moneys, exceed  
1063 105 per cent of cash expenditures on behalf of the housing, including debt service,  
1064 operating expenses, operating reserves and capital reserves; provided further, that any  
1065 excess cash shall be paid to the commonwealth within 45 days after the end of the fiscal  
1066 year, payable first to interest due under this section and then to principal advanced  
1067 pursuant to the loan; provided further, that if on the date the loans become due and

1068 payable to the commonwealth an outstanding balance exists, the loans may be extended  
1069 for periods of not more than 10 years, as the department determines, provided that the  
1070 project continues to remain affordable housing as set forth in the contract or agreement  
1071 entered into for the duration of the project by the department; and provided further, that  
1072 in the event that the terms of repayment detailed in this section would cause a project  
1073 authorized by this chapter to become ineligible to receive federal funds which would  
1074 otherwise assist in the development of that project, the department may waive the terms  
1075 of repayment which would cause the project to become ineligible; (5) subject interest  
1076 rates as fixed by the department, in consultation with the state treasurer; (6) issued once  
1077 the department considers a balanced geographic plan for any alternative forms of  
1078 housing; and (7) for projects developed pursuant to this chapter not refinanced during the  
1079 term of a loan issued pursuant to this chapter unless the balance of the principal and  
1080 interest for the prior loan is repaid in full at the time of the refinancing; provided,  
1081 however, that housing projects may be refinanced if the refinancing would result in a  
1082 reduction of costs paid by the commonwealth; provided further, that a refinanced loan  
1083 shall be due and payable not later than the date on which the prior loan was due and  
1084 payable, except in accordance with clause (4) or when necessary to effect extraordinary  
1085 repairs or maintenance to be approved by the department.

1086       Section 4. For 120 days after the expiration of affordability restrictions on  
1087 housing assisted under this chapter, the department or its assignee, who is a qualified  
1088 developer selected pursuant to the terms of this section under the guidelines of the  
1089 department, shall have an option to purchase that property at its current appraised value,  
1090 less any remaining obligations of the owner upon the expiration of the affordability

1091 restrictions. The department or its assignee may purchase or acquire the housing only for  
1092 the purposes of preserving or providing affordable housing. Failure to exercise the  
1093 purchase option within the 120-day period shall constitute a waiver of the purchase  
1094 option by the department or its assignee. Two impartial appraisers shall determine,  
1095 within 60 days after the expiration of the affordability restrictions, the current appraised  
1096 value in accordance with recognized professional standards. Two professionals in the  
1097 field of multi-unit residential housing shall each select an appraiser. The owner and the  
1098 department, respectively, shall each designate a professional within 30 days after the  
1099 expiration of the affordability restrictions. If there is a difference in the valuations, the  
1100 valuations shall be added together and divided by 2 to determine the current appraised  
1101 value of the property. No sale, transfer or other disposition of the property shall be  
1102 consummated until either the purchase option period shall have expired or the owner  
1103 shall have been notified, in writing, by the department or its assignee that the option will  
1104 not be exercised. The option shall be exercised only by written notice signed by a  
1105 designated representative of the department or its assignee, mailed to the owner by  
1106 certified mail at the address specified in the notice of intention and recorded with the  
1107 registry of deeds or the registry district of the land court of the county in which the  
1108 affected real property is located, within the option period. If the purchase option has  
1109 been assigned to a qualified developer selected pursuant to this section, the written notice  
1110 shall state the name and address of the developer and the terms and conditions of the  
1111 assignment. Before any sale or transfer or other disposition of the housing where the  
1112 department has not previously exercised an option to purchase, an owner shall offer the  
1113 department or its assignee, who shall be a qualified developer selected pursuant to this

1114 section, a first refusal option to meet a bona fide offer to purchase the property. The  
1115 owner shall provide to the department or its assignee written notice by regular and  
1116 certified mail, return receipt requested, of the owner's intention to sell, transfer or  
1117 otherwise dispose of the property. The department or its assignee shall hold the first  
1118 refusal option for the first 120 days after receipt of the owner's written notice of intent to  
1119 transfer the property. Failure to respond to the written notice of intent to sell, transfer or  
1120 otherwise dispose of the property within the 120-day period after the receipt thereof shall  
1121 constitute a waiver of the first refusal option by the department. No sale, transfer or other  
1122 disposition of the property shall be consummated until either the first refusal option  
1123 period shall have expired or the owner shall have been notified in writing by the  
1124 department or its assignee that the option will not be exercised. The option shall be  
1125 exercised only by written notice signed by a designated representative of the department  
1126 or its assignee, mailed to the owner by certified mail at the address specified in the notice  
1127 of intention and recorded with the registry of deeds or the registry district of the land  
1128 court of the county in which the affected real property is located, within the option  
1129 period. If the first refusal option has been assigned to a qualified developer selected  
1130 pursuant to this section, the written notice shall state the name and address of the  
1131 developer and the terms and conditions of the assignment. An affidavit before a notary  
1132 public that the notice of intent was mailed on behalf of an owner shall conclusively  
1133 establish the manner and time of the giving of notice the affidavit and notice that the  
1134 option will not be exercised shall be recorded in the registry of deeds or the registry  
1135 district of the land court of the county in which the affected real property is located. Each  
1136 notice of intention, notice of exercise of the purchase option or first refusal option and

1137 notice that the purchase option or first refusal option will not be exercised shall contain  
1138 the name of the record owner of the property and a reasonable description of the premises  
1139 to be sold or converted and each affidavit, signed before a notary public, shall have  
1140 attached to it a copy of the notice of intention to which it relates. The notices of intention  
1141 shall be mailed to the relevant parties, in the care of the keeper of records for the party in  
1142 question. Upon notifying the owner in writing of its intention to exercise its purchase  
1143 option or first refusal option during the 120-day period, the department or its assignee  
1144 shall have an additional 120 days, beginning on the date the purchase option period or  
1145 first refusal option period expires, to purchase the property. Those time periods may be  
1146 extended by mutual agreement between the department or its assignee and the owner of  
1147 the property. Any extension agreed upon shall be recorded in the registry of deeds or the  
1148 registry district of the land court of the county in which the affected real property is  
1149 located. Within a reasonable time after requesting an extension, the owner shall make  
1150 available to the department or its assignee any information that is reasonably necessary  
1151 for the department to exercise its options.

1152         Section 5. The department shall promulgate regulations for the implementation,  
1153 administration and enforcement of this chapter.

1154         Section 6. The department shall annually file a report with the house and senate  
1155 committees on ways and means, the joint committee on housing and the joint committee  
1156 on bonding, capital expenditures and state assets detailing all expenditures from  
1157 the fund including, but not limited to, the recipient of the funds, the  
1158 cost of administration and the number of units constructed, acquired and  
1159 rehabilitated.

1160

## CHAPTER 121F

1161

*HOUSING STABILIZATION AND INVESTMENT TRUST FUND*

1162

Section 1. As used in this chapter the following words shall have the following

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meanings unless the context clearly requires otherwise:-

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“Area median income”, income as determined, from time to time, by the United

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States Department of Housing and Urban Development.

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“Department”, the department of housing and community development.

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“Fund”, the Housing Stabilization and Investment Trust Fund established in section

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2.

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Section 2. (a) There shall be within the department a separate fund to

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be known as the Housing Stabilization and Investment Trust Fund. The department

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shall administer the fund and shall ensure that funds are distributed among urban,

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suburban and rural areas with a particular emphasis on the local and regional needs for

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the purpose of undertaking projects to develop and support affordable housing

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developments and homeownership affordability, through the acquisition, preservation and

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rehabilitation of affordable housing. The program may include assistance for projects to

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stabilize and promote reinvestment in cities and towns including, but not limited to,

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acquisition, rehabilitation and preservation of foreclosed and distressed properties and

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any other techniques necessary to achieve reinvestment, provided, however, that funds

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may be expended for energy audits and housing modifications to achieve energy

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efficiency and conservation. The fund shall be an expendable trust fund and

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shall not be subject to appropriation.

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(b) There shall be credited to the fund, revenue from

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appropriations or other monies authorized by the general court and

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specifically designated for the fund and any gifts, grants, private

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contributions, repayment of loans, fees and charges imposed relative to the

1186 making of loans, grants, subsidies, credit enhancements and other financial  
1187 assistance, investment income earned on the fund's assets and any other  
1188 sources. Money remaining in the fund at the end of a fiscal year shall  
1189 not revert to the General Fund.

1190 (c) The department shall provide assistance from the fund using  
1191 only the criteria established in this chapter for projects owned or  
1192 sponsored by nonprofit or for-profit organizations including, but not  
1193 limited to, projects that involve complex multiple-source financing or  
1194 the preservation of existing affordable housing; provided, however, that  
1195 no assistance shall be authorized unless the sponsor thereof is current  
1196 on all existing mortgage obligations with the commonwealth or any  
1197 political subdivision thereof. The department shall enter into  
1198 agreements with the Community Economic Development Assistance  
1199 Corporation established in chapter 40H to provided assistance from the  
1200 fund for projects owned or sponsored by nonprofit organizations.

1201 Section 3. (a) The fund shall finance low and no interest loans,  
1202 grants, subsidies, credit enhancements and other financial assistance  
1203 for alternative forms of rental and ownership housing; provided, however, that  
1204 assistance shall be the minimum amount necessary to make a project  
1205 feasible. The fund shall be used for: (1) a revolving rehabilitation loan program to  
1206 support the revitalization of certain abandoned or severely distressed privately-owned  
1207 residential housing for which a court appointed, nonprofit receiver has been selected  
1208 pursuant to chapter 111; provided, however, that the program may include activities  
1209 necessary to make essential repairs and to pay operating expenses necessary to maintain  
1210 habitability of the housing units in order to prevent abandonment and deterioration of the  
1211 housing in primarily low and moderate income neighborhoods; provided further, that the  
1212 loans may be administered by the department through contracts with the Community  
1213 Economic Development Assistance Corporation established in chapter 40H and through

1214 contracts with the Massachusetts Housing Partnership Fund established in section 35 of  
1215 chapter 405 of the acts of 1985; and provided further, that recipients may enter into  
1216 subcontracts to administer the contracts with other for-profit or nonprofit organizations;  
1217 and (2) loans to nonprofit developers for the acquisition of property to provide or  
1218 preserve affordable housing; provided, however, that loan program may be administered  
1219 by the department through contracts with the Community Economic Development  
1220 Assistance Corporation; provided further, that the program may include acquisition,  
1221 financing and other holding costs, interim management costs and operating costs and may  
1222 also be used by the Community Economic Development Assistance Corporation to  
1223 secure, collateralize or reserve against other financing obtained by the Community  
1224 Economic Development Assistance Corporation to support those costs; provided further,  
1225 that not less than 50 per cent of the beneficiaries of the housing shall be persons whose  
1226 income is not more than 80 per cent of the area median income and not less than 25 per  
1227 cent of the beneficiaries of the housing shall be persons whose income is not more than  
1228 30 per cent of that area median income.

1229 (b) Activities eligible for assistance from the fund shall include,  
1230 but not be limited to: (1) projects to develop and support affordable housing  
1231 developments and homeownership affordability, through the acquisition, preservation and  
1232 rehabilitation of affordable housing; (2) projects to stabilize and promote reinvestment in  
1233 cities and towns including, but not limited to, acquisition, rehabilitation and preservation  
1234 of foreclosed and distressed properties and any other techniques necessary to achieve  
1235 reinvestment; (3) the preservation of affordable housing developments which are or were  
1236 subject to prepayment or payment of a state or federally-assisted mortgage or which are

1237 receiving project-based rental assistance under section 8 of the United States Housing Act  
1238 of 1937, 42 U.S.C. section 1437f, and the rental assistance is expiring or which have  
1239 received other project-based federal or state subsidies which are terminating or have  
1240 terminated; provided, however, that property eligible for assistance shall include housing  
1241 where the prepayment or payment of a state or federally-assisted mortgage or the  
1242 expiration of federal low income housing tax credits or other federal or state subsidies  
1243 would lead or has led to the termination of a use agreement for low income housing or in  
1244 which a project-based rental assistance contract is expiring or has expired; provided  
1245 further, that the department, in consultation with nonprofit organizations, the Community  
1246 Economic Development Assistance Corporation, the Massachusetts Housing Finance  
1247 Agency and the Massachusetts Housing Partnership Fund shall identify those projects at  
1248 greatest risk of prepayment, payment, termination of subsidies and use restrictions, or  
1249 nonrenewal of rental assistance; provided further, that funding priority shall be based on  
1250 at-risk criteria to be determined by the department and set forth in regulations  
1251 promulgated by the department; (4) for grants to cities and towns to assist with the costs  
1252 of demolishing certain privately-owned vacant and abandoned buildings that have been  
1253 found to be uninhabitable and not economically feasible to rehabilitate and which the city  
1254 or town may demolish pursuant to sections 127A and 127B of chapter 111 or sections 6  
1255 to 9, inclusive, of chapter 143 and the regulations promulgated thereunder or which have  
1256 been taken by the city or town for taxes; and provided further, that any such demolition  
1257 shall be undertaken in accordance with a neighborhood revitalization plan adopted by the  
1258 city or town after a public hearing and after approval by the department which provides  
1259 for the rehabilitation and development of housing in the areas in which the demolition is

1260 being undertaken; (5) to support the rehabilitation of owner-occupied 1 to 4-family  
1261 dwellings and the acquisition and rehabilitation of those properties by persons of low or  
1262 moderate income; provided, however, that the program may include, but shall not be  
1263 limited to, direct loans, loan guarantees and loan loss reserves; provided further, that the  
1264 objective of the program shall include the following: (a) projects shall rely, to the greatest  
1265 extent possible, on bank financing and other taxable financing to support the costs of  
1266 such acquisition and rehabilitation; (b) coordinating the delivery of such financing and  
1267 related rehabilitation services with cities and towns that provide such assistance utilizing  
1268 federal community development block grants, federal HOME funds and other resources;  
1269 (c) expediting and simplifying the process by which home buyers may obtain financial  
1270 and technical assistance for acquisitions and rehabilitation; and (d) ensuring that adequate  
1271 provisions are in place to assure that rehabilitation is completed in a timely and  
1272 professional manner and to protect homeowners from excessive acquisition and  
1273 rehabilitation costs; (6) for deferred payment second mortgage loans to support the  
1274 acquisition and rehabilitation or new construction of small multifamily rental properties  
1275 pursuant to the Permanent PLUS Program to be administered by the department through  
1276 contracts with the Massachusetts Housing Partnership Fund; provided, however, that the  
1277 Massachusetts Housing Partnership Fund shall enter into agreements to ensure that: (i) at  
1278 least 20 per cent of the units shall be affordable to persons whose income is less than 50  
1279 per cent of the area median income; (ii) at least 40 per cent of the units are affordable to  
1280 persons whose income is less than 60 per cent of the area median income; or (iii) at least  
1281 50 per cent of the units are affordable to persons whose income is less than 80 per cent of

1282 the area median income; and (7) homeownership opportunity program in item 3322-8880  
1283 of section 2 of chapter 110 of the acts of 1993.

1284 (c) Assistance provided through the program may be made in a manner which  
1285 qualifies the assistance as a matching contribution under Section 220 of the HOME  
1286 Investment Partnership Act Title II of the Cranston-Gonzalez National Affordable  
1287 Housing Act including, in the case of assistance provided in the form of a loan, a  
1288 commitment to repay the loan to the commonwealth's HOME Investment Trust Fund  
1289 established pursuant to Section 92.5000(o) of the regulations of the United States  
1290 Department of Housing and Urban Development.

1291 (d) Loans pursuant to this chapter may be provided to an agency, department,  
1292 board, commission, authority or instrumentality of the commonwealth or any political  
1293 subdivision thereof, to housing authorities, nonprofit agencies certified by the United  
1294 States Department of Housing and Urban Development as community housing  
1295 development organizations, community development corporations and limited equity  
1296 cooperative housing corporations established pursuant to chapter 157B of the General  
1297 Laws. The recipients may enter into subcontracts to carry out the purposes of the  
1298 contract with other for-profit or nonprofit organizations. Prior to providing assistance,  
1299 the department shall find that: (1) the housing would not, by private enterprise alone and  
1300 without government assistance, be available to lower income families and individuals; (2)  
1301 the amount of assistance appears to be the minimum amount necessary to make the  
1302 housing development feasible; (3) with respect to rental housing, the operations of the  
1303 owner and its articles of organization and by-laws and any changes to either shall be  
1304 subject to regulation by the department; and (4) the housing shall remain affordable for

1305 its useful life as determined by the department. The housing shall be considered  
1306 affordable if, during the first 40 years after assistance is first provided, or for such longer  
1307 period, based upon the useful life of the housing as determined by the department  
1308 substantially all of the assisted units shall be rented to or owned by families and  
1309 individuals whose income at initial occupancy is not more than 80 per cent of the area  
1310 median income for the federal housing programs and that thereafter the units shall be  
1311 rented or sold, subject to such restrictions on appreciation as determined by the  
1312 department to be reasonable and necessary to maintain long-term affordability, to  
1313 families or individuals at incomes at or below 100 per cent of the area median income.

1314       Section 4. For 120 days after the expiration of affordability restrictions on  
1315 housing assisted under this section, the department or its assignee, who is a qualified  
1316 developer selected pursuant to the terms of this section under the guidelines of the  
1317 department, shall have an option to purchase that property at its current appraised value,  
1318 less any remaining obligations of the owner upon the expiration of the affordability  
1319 restrictions. The department or its assignee may purchase or acquire the housing only for  
1320 the purposes of preserving or providing affordable housing. Failure to exercise the  
1321 purchase option within the 120-day period shall constitute a waiver of the purchase  
1322 option by the department or its assignee. Two impartial appraisers shall determine,  
1323 within 60 days after the expiration of the affordability restrictions, the current appraised  
1324 value in accordance with recognized professional standards. Two professionals in the  
1325 field of multi-unit residential housing shall each select an appraiser. The owner and the  
1326 department, respectively, shall each designate a professional within 30 days after the  
1327 expiration of the affordability restrictions. If there is a difference in the valuations, the

1328 valuations shall be added together and divided by 2 to determine the current appraised  
1329 value of the property. No sale, transfer or other disposition of the property shall be  
1330 consummated until either the purchase option period shall have expired or the owner  
1331 shall have been notified, in writing, by the department or its assignee that the option will  
1332 not be exercised. The option shall be exercised only by written notice signed by a  
1333 designated representative of the department or its assignee, mailed to the owner by  
1334 certified mail at the address specified in the notice of intention and recorded with the  
1335 registry of deeds or the registry district of the land court of the county in which the  
1336 affected real property is located, within the option period. If the purchase option has  
1337 been assigned to a qualified developer selected pursuant to this section, the written notice  
1338 shall state the name and address of the developer and the terms and conditions of the  
1339 assignment. Before any sale or transfer or other disposition of the housing where the  
1340 department has not previously exercised an option to purchase, an owner shall offer the  
1341 department or its assignee, who shall be a qualified developer selected pursuant to this  
1342 section, a first refusal option to meet a bona fide offer to purchase the property. The  
1343 owner shall provide to the department or its assignee written notice by regular and  
1344 certified mail, return receipt requested, of the owner's intention to sell, transfer or  
1345 otherwise dispose of the property. The department or its assignee shall hold such the  
1346 refusal option for the first 120 days after receipt of the owner's written notice of intent to  
1347 transfer the property. Failure to respond to the written notice of intent to sell, transfer or  
1348 otherwise dispose of the property within the 120-day period after the receipt thereof shall  
1349 constitute a waiver of first refusal option by the department. No sale, transfer or other  
1350 disposition of the property shall be consummated until either the first refusal option

1351 period shall have expired or the owner shall have been notified in writing by the  
1352 department or its assignee that the option will not be exercised. The option shall be  
1353 exercised only by written notice signed by a designated representative of the department  
1354 or its assignee, mailed to the owner by certified mail at the address specified in the notice  
1355 of intention and recorded with the registry of deeds or the registry district of the land  
1356 court of the county in which the affected real property is located, within the option  
1357 period. If the first refusal option has been assigned to a qualified developer selected  
1358 pursuant to this section, the written notice shall state the name and address of the  
1359 developer and the terms and conditions of the assignment. An affidavit before a notary  
1360 public that the notice of intent was mailed on behalf of the owner shall conclusively  
1361 establish the manner and time of the giving of notice the affidavit and notice that the  
1362 option shall not be exercised shall be recorded with the registry of deeds or the registry  
1363 district of the land court of the county in which the affected real property is located. Each  
1364 notice of intention, notice of exercise of the purchase option or first refusal option and  
1365 notice that the purchase option or first refusal option shall not be exercised shall contain  
1366 the name of the record owner of the property and as reasonable description of the  
1367 premises to be sold or converted and each affidavit, signed before a notary public, shall  
1368 have attached to it a copy of the notice of intention to which it relates. The notices of  
1369 intention shall be mailed to the relevant parties in the care of the keeper of records for the  
1370 party in question. Upon notifying the owner in writing of its intention to exercise its  
1371 purchase option or first refusal option during the 120-day period, the department or its  
1372 assignee shall have an additional 120 days, beginning on the date the purchase option  
1373 period or first refusal option period expires, to purchase the property. Those time periods

1374 may be extended by mutual agreement between the department or its assignee and the  
1375 owner of the property. Any extension agreed upon shall be recorded in the registry of  
1376 deeds or the registry district of the land court of the county in which the affected real  
1377 property is located. Within a reasonable time after requesting an extension, the owner  
1378 shall make available to the department or its assignee any information that is reasonably  
1379 necessary for the department to exercise its options.

1380 Section 5. The department shall promulgate regulations for the implementation,  
1381 administration and enforcement of this chapter including, but not limited to, regulations  
1382 relative to grants to cities and towns for the demolition of certain vacant and abandoned  
1383 buildings and procedures for neighborhood revitalization plans.

1384 Section 6. The department shall annually file a report with the house and senate  
1385 committees on ways and means, the joint committee on housing and the joint committee  
1386 on bonding, capital expenditures and state assets detailing all expenditures from  
1387 the fund including, but not limited to, the recipient of the funds, the  
1388 cost of administration and the number of units constructed, acquired and  
1389 rehabilitated.

1390 **CHAPTER 121G**

1391 *CAPITAL IMPROVEMENT AND PRESERVATION TRUST FUND*

1392 Section 1. As used in this chapter the following words shall have the following  
1393 meanings unless the context clearly requires otherwise:-

1394 “Area median income”, income as determined by the United States Department of  
1395 Housing and Urban Development.

1396 “Department”, the department of housing and community development.

1397 “Fund”, the Capital Improvement and Preservation Trust Fund established  
1398 in section 2.

1399           Section 2. (a) There shall be within the department a separate fund to  
1400 be known as the Capital Improvement and Preservation Trust Fund. The  
1401 department shall administer the fund for the purpose of preserving and  
1402 improving existing privately-owned, state or federally-assisted housing. Property eligible  
1403 for assistance shall include housing where the prepayment or payment of a state or  
1404 federally-assisted mortgage or the expiration of federal or state low-income housing tax  
1405 credits or other federal or state subsidies would lead or has led to the termination of a use  
1406 agreement for low-income housing or in which a project-based rental assistance contract  
1407 is expiring or has expired. Preference for the loans or grants from the fund shall be given  
1408 to nonprofit organizations and housing authorities seeking to purchase eligible property.  
1409 The fund shall be an expendable trust fund and shall not be subject to  
1410 appropriation.

1411           (b) There shall be credited to the fund, revenue from  
1412 appropriations or other monies authorized by the general court and  
1413 specifically designated for the fund and any gifts, grants, private  
1414 contributions, repayment of loans, fees and charges imposed relative to the  
1415 making of loans or grants, subsidies, credit enhancements and other financial  
1416 assistance, investment income earned on the fund's assets and any other  
1417 sources. Money remaining in the fund at the end of a fiscal year shall  
1418 not revert to the General Fund.

1419           (c) The department shall provide assistance from the fund using  
1420 only the criteria established in this chapter for projects owned or  
1421 sponsored by nonprofit or for-profit organizations including, but not  
1422 limited to, projects that involve complex multiple-source financing or  
1423 the preservation of existing affordable housing; provided, however, that  
1424 no assistance shall be authorized unless the sponsor thereof is current  
1425 on all existing mortgage obligations with the commonwealth or any  
1426 political subdivision thereof. The department shall enter into

1427 agreements with the Community Economic Development Assistance  
1428 Corporation established in chapter 40H to provide assistance from the  
1429 fund for projects owned or sponsored by nonprofit organizations.

1430 Section 3. The department, in consultation with nonprofit organizations, the  
1431 Community Economic Development Assistance Corporation established in chapter 40H,  
1432 the Massachusetts housing finance agency established in chapter 708 of the acts of 1966  
1433 and the Massachusetts Housing Partnership Fund established in section 35 of chapter 405  
1434 of the acts of 1985 shall identify those projects at greatest risk of prepayment or  
1435 nonrenewal of rental assistance and shall grant preference in allocating funds pursuant to  
1436 this chapter to those projects. The department shall enter into agreements to ensure that  
1437 not less than 50 per cent of the units in such housing shall be occupied and affordable to  
1438 persons of income of 80 per cent or less of the area median income and that not less than  
1439 10 per cent of such affordable units is available and affordable to households with  
1440 income of 50 per cent or less of the area median income or such greater percentage of  
1441 units as required by the Massachusetts Housing Finance Agency or the United States  
1442 Department of Housing and Urban Development regulations. The department may enter  
1443 into subcontracts with community development corporations, for-profit organizations or  
1444 nonprofit organizations to carry out the purposes of the grants and loans and shall enter  
1445 into contracts with the Community Economic Development Assistance Corporation, the  
1446 Massachusetts Housing Finance agency and the Massachusetts Housing Partnership  
1447 Fund. A portion of the funds may be allocated in the form of predevelopment grants or  
1448 loans from the Community Economic Development Assistance Corporation and the  
1449 Massachusetts Housing Partnership Fund to nonprofit purchasers of the housing. The  
1450 housing shall remain affordable for not less than 40 years or for such longer period, based

1451 upon the useful life of the housing as determined by the department, as may be specified  
1452 in the applicable recorded restriction at the registry of deeds or the registry district of the  
1453 land court of the county in which the affected real property is located.

1454 Section 4. The department shall promulgate regulations for the implementation,  
1455 administration and enforcement of this chapter.

1456 Section 5. The department shall annually file a report with the house and senate  
1457 committees on ways and means, the joint committee on housing and the joint committee  
1458 on bonding, capital expenditures and state assets detailing all expenditures from  
1459 the fund, including, but not limited to, the recipient of the funds, the  
1460 cost of administration, and the number of units constructed, acquired  
1461 and rehabilitated.

1462

1463 SECTION 5A. The second sentence of subsection (a) of section 11 of chapter 27  
1464 of the acts of 2007 is hereby amended by adding the following words:- or unless he  
1465 determines, in his sole discretion, that doing so is advisable to substitute fixed-rate bonds  
1466 for variable-rate bonds or 1 form of variable-rate bonds for another.

1467 SECTION 5B. The second sentence of subsection (c) of said section 11 of  
1468 chapter 27 is hereby amended by adding the following words:- , if any.

1469 SECTION 5C. Notwithstanding any general or special law to the contrary, the  
1470 secretary of housing and economic development and the secretary for administration and  
1471 finance shall jointly submit a report on the progress of all projects and expenditures  
1472 related to the funds available in this act, or any outstanding authorizations from prior  
1473 authorization bills for housing projects, and undertaken by the executive office of  
1474 housing and economic development or any of its constituent agencies to the house and

1475 senate committees on ways and means, the joint committee on bonding, capital  
1476 expenditures and state assets and the joint committee on housing. This report shall  
1477 include, but not be limited to: the address, the nature of the work and scope of work of  
1478 each project funded in this act, the total amount allocated for each project broken down  
1479 by fiscal year in which the allocation occurred, the total estimated cost of each project,  
1480 the amount expended for the planning and design of each project up to the time the report  
1481 is filed, the amount expended on construction of each project up to the time the report is  
1482 filed, the total amount currently expended on each project, the estimated lifetime  
1483 maintenance schedule and cost of each project, the original estimated completion date of  
1484 each project, the current anticipated completion date of each project and, if the project  
1485 has been de-authorized, the reason for and date of de-authorization. The report shall be  
1486 submitted bi-annually for 6 years after the effective date of this act.

1487         SECTION 6. Notwithstanding any general or special law to the contrary, to meet  
1488 the expenditures necessary in carrying out section 2, the state treasurer shall, upon  
1489 receipt of a request by the governor, issue and sell bonds of the commonwealth in an  
1490 amount to be specified by the governor from time to time but not exceeding, in the  
1491 aggregate, \$1,355,000,000. All bonds issued by the commonwealth, as aforesaid, shall  
1492 be designated on their face, Housing Production, Preservation, Modification and  
1493 Neighborhood Development Loan Act of 2008, and shall be issued for a maximum term  
1494 of years, not exceeding 30 years, as the governor may recommend to the general court  
1495 pursuant to Section 3 of Article LXII of the Amendments to the Constitution; provided,  
1496 however, that all such bonds shall be payable not later than June 30, 2043. All interest  
1497 and payments on account of principal on such obligations shall be payable from the

1498 General Fund. Bonds and interest thereon issued under the authority of this section shall,  
1499 notwithstanding any other provision of this act, be general obligations of the  
1500 commonwealth. An amount not to exceed 2 per cent of the authorizations may be  
1501 expended by the department of housing and community development for administrative  
1502 costs directly attributable to the purposes of this act, including costs of clerical and  
1503 support personnel. The director of the department of housing and community  
1504 development shall file an annual spending plan with the fiscal affairs division, the house  
1505 and senate committees on ways and means, the joint committee on bonding, capital  
1506 expenditures and states assets and the joint committee on housing which details, by  
1507 subsidiary, all personnel costs and any administrative costs charged to expenditures made  
1508 pursuant to this act.

1509 SECTION 6A. A private entity engaged in a construction, development,  
1510 renovation, remodeling, reconstruction, rehabilitation or redevelopment project consisting  
1511 of at least 75 housing units or at least \$25,000,000 in total construction, development,  
1512 renovation, remodeling, reconstruction, rehabilitation or redevelopment costs for projects  
1513 receiving funds pursuant to this act shall pay to individuals employed on the project the  
1514 current prevailing wage in accordance with sections 26 to 27F, inclusive, of chapter 149  
1515 of the General Laws, proof of which shall be furnished to the department of housing and  
1516 community development in the form of an affidavit signed by the owner of the private  
1517 entity contracted to perform the work or by the agent of the owner. The affidavit shall be  
1518 a public record and available for inspection by an interested party by the filing of a  
1519 written request to the department of housing and community development for inspection  
1520 and copying.

1521 A private entity engaged in a construction, development, renovation, remodeling,  
1522 reconstruction, rehabilitation or redevelopment project receiving funds pursuant to this  
1523 act shall properly individuals employed on the project as employees rather than  
1524 independent contractors and shall comply with all laws relative to workers' compensation  
1525 insurance coverage, unemployment insurance, social security taxes and income taxes  
1526 with respect to those employees.

1527 SECTION 7. Notwithstanding any general or special law to the contrary, within  
1528 120 days after the expiration of affordability restrictions on housing assisted under items  
1529 4000-8300 and 4000-8301 of section 2, the department of housing and community  
1530 development or its assignee, who is a qualified developer selected pursuant to the terms  
1531 of said items 4000-8300 and 4000-8301 of said section 2 under the guidelines of the  
1532 department, shall have an option to purchase any such housing at its current appraised  
1533 value reduced by any remaining obligation of the owner upon the expiration of the  
1534 affordability restrictions. The department or its assignee may purchase or acquire such  
1535 housing only for the purposes of preserving or providing affordable housing. The  
1536 department or its assignee shall hold such purchase option for the first 120 days after the  
1537 expiration of the affordability restrictions. Failure to exercise the purchase option within  
1538 120 days after the expiration of the affordability restriction shall constitute a waiver of  
1539 the purchase option by the department or its assignee. Two impartial appraisers shall  
1540 determine, within 60 days after the expiration of the affordability restrictions, the current  
1541 appraised value in accordance with recognized professional standards. Two professionals  
1542 in the field of multi-unit residential housing shall each select an appraiser. The owner  
1543 and the department, respectively, shall each designate a professional within 30 days after

1544 the expiration of these affordability restrictions. If there is a difference in the valuations,  
1545 the valuations shall be added together and divided by 2 to determine the current appraised  
1546 value of the property. No sale, transfer or other disposition of the property shall be  
1547 consummated until either the purchase option period shall have expired or the owner  
1548 shall have been notified, in writing, by the department or its assignee that the option will  
1549 not be exercised. The option shall be exercised only by written notice signed by a  
1550 designated representative of the department or its assignee, mailed to the owner by  
1551 certified mail at address specified in the notice of intention and recorded with the registry  
1552 of deeds or the registry district of the land court of the county in which the affected real  
1553 property is located, within the option period. If the purchase option has been assigned to  
1554 a qualified developer selected pursuant to said items 4000-8300 and 4000-8301 of section  
1555 2, the written notice shall state the name and address of the developer and the terms and  
1556 conditions of the assignment. Before any sale or transfer or other disposition of the  
1557 housing where the department has not previously exercised an option to purchase, an  
1558 owner shall offer the department or its assignee, who shall be a qualified developer  
1559 selected pursuant to this section, a first refusal option to meet a bona fide offer to  
1560 purchase the property. The owner shall provide to the department or its assignee written  
1561 notice by regular and certified mail, return receipt requested, of the owner's intention to  
1562 sell, transfer or otherwise dispose of the property. The department or its assignee shall  
1563 hold the first refusal option for the first 120 days after receipt of the owner's written  
1564 notice of intent to transfer the property. Failure to respond to the written notice of intent  
1565 to sell, transfer or otherwise dispose of the property within the 120-day period shall  
1566 constitute a waiver of the right of first refusal by the department. No sale, transfer or

1567 other disposition of the property shall be consummated until either this first refusal option  
1568 period shall have expired or the owner shall have been notified in writing by the  
1569 department or its assignee that the option will not be exercised. The option shall be  
1570 exercised only by written notice signed by a designated representative of the department  
1571 or its assignee, mailed to the owner by certified mail at the address specified in the notice  
1572 of intention and recorded with the registry of deeds or the registry district of the land  
1573 court of the county in which the affected real property is located, within the option  
1574 period. If the first refusal option has been assigned to a qualified developer selected  
1575 pursuant to said items 4000-8300 and 4000-8301 of section 2, the written notice shall  
1576 state the name and address of the developer and the terms and conditions of the  
1577 assignment. An affidavit before a notary public that the notice of intent was mailed on  
1578 behalf of an owner shall conclusively establish the manner and time of the giving of  
1579 notice the affidavit and notice that the option shall not be exercised shall be recorded with  
1580 the registry of deeds or the registry district of the land court of the county in which the  
1581 affected real property is located. Each notice of intention, notice of exercise of the  
1582 purchase option or first refusal option and notice that the purchase option or first refusal  
1583 option shall not be exercised shall contain the name of the record owner of the property  
1584 and a reasonable description of the premises to be sold or converted of and each affidavit  
1585 signed before a notary public, shall have attached to it a copy of the notice of intention to  
1586 which it relates. The notices of intention shall be mailed to the relevant parties, in the  
1587 care of the keeper of records for the party in question. Upon notifying the owner in  
1588 writing of its intention to exercise its purchase option or first refusal option during the  
1589 120-day period, the department or its assignee shall have an additional 120 days,

1590 beginning on the date the purchase option period or first refusal option period expires, to  
1591 purchase the property. Those time periods may be extended by mutual agreement  
1592 between the department or its assignee and the owner of the property. Any extension  
1593 agreed upon shall be recorded in the registry of deeds or the registry district of the land  
1594 court of the county in which the affected real property is located. Within a reasonable  
1595 time after requesting an extension, the owner shall make available to the department or its  
1596 assignee any information that is reasonably necessary for the department to exercise its  
1597 options.

1598 SECTION 8. Notwithstanding any general or special law to the contrary, not later  
1599 than July 1, 2008, and annually thereafter, the director of housing and community  
1600 development shall submit to the secretary of administration and finance, the house and  
1601 senate committees on ways and means, the joint committee on housing and the joint  
1602 committee on bonding, capital expenditures and state assets a capital plan for fiscal years  
1603 2009 to 2013, inclusive, for capital funds authorized in section 2.

1604 SECTION 9. Notwithstanding any general or special law to the contrary, the unexpended  
1605 and unencumbered balances of the bond-funded authorizations in the following accounts  
1606 shall cease to be available for expenditure 90 days after the effective date of this act:  
1607 3722-8865, 3722-8871, 3722-8872, 3722-8873, 3722-8875, 3722-8891, 3722-8892,  
1608 3722-8896, 4000-7998, 4000-8200, 4000-8201, 4000-8202, 7004-0021, 7004-0022,  
1609 7004-6666, 7004-7011, 7004-7012, 7004-7013, 7004-7014, 7004-7015, 7004-7016,  
1610 7004-7018, 7004-8984, 7004-8985.