

760 CMR 12.00: URBAN RENEWAL REGULATIONS

Section

- 12.01: Applicability and Definitions
- 12.02: Urban Renewal Plans
- 12.03: Plan Changes
- 12.04: Land Acquisition
- 12.05: Land Disposition
- 12.06: Reports
- 12.07: Waiver

12.01: Applicability and Definitions

760 CMR 12.00 applies to all applications for approval of Urban Renewal Plans, and all on-going projects.

Plan approvals, conditions and waivers in effect as of April 20, 2018 shall remain in effect.

760 CMR 12.00 governs planning and program activities for both Urban Renewal projects and Urban Revitalization and Development projects.

Unless otherwise specified, the definitions in M.G.L. c. 121B, § 1 shall be applicable to 760 CMR 12.00.

12.02: Urban Renewal Plans

The Department of Housing and Community Development (Department) is charged with the responsibility for the review and decision on an application for approval of an Urban Renewal Plan. If the Department makes the findings set out in M.G.L. c. 121B, § 48, it shall approve the Plan.

Each application shall contain the following:

- (1) An executive summary, outlining the urban renewal agency's reasons for developing the Plan, what it hopes to accomplish and how it will accomplish it.
- (2) Characteristics. Plans or maps (the Department will accept assessor's maps or other similar types of maps) of the project area and the immediately surrounding area, showing:
 - (a) Boundaries of the project area;
 - (b) Existing property lines and the footprint of buildings, existing and proposed;
 - (c) Existing uses, and the current zoning;
 - (d) Proposed land uses, public improvements and other activities;
 - (e) All thoroughfares, public rights of way and easements, existing and proposed;
 - (f) Parcels to be acquired;
 - (g) Lots to be created for disposition;
 - (h) Buildings to be demolished;
 - (i) Buildings to be rehabilitated;
 - (j) Buildings to be constructed.
- (3) Eligibility. Data and other descriptive material which demonstrates that the project area is a blighted open area, a decadent area, and/or a substandard area within the definitions set out in M.G.L. c. 121B, § 1. The data and other descriptive material shall also show:
 - (a) Where clearance is proposed, a showing that buildings are functionally obsolete, structurally substandard or not reasonably capable of being rehabilitated for productive use, and a showing that the extent of clearance proposed is justified and necessary, with particular attention paid to justifying the acquisition of individual parcels of basically sound property;
 - (b) Where spot clearance is proposed, a showing that the clearance is necessary in order to achieve the objectives of the Plan;
 - (c) Where rehabilitation is proposed, a showing that:
 1. it is economically feasible to rehabilitate the properties in the project area;
 2. the existing street and land use pattern can be adapted to the objectives of the Plan; and
 3. the area has desirable qualities and other evidence of vitality establishing a likelihood that rehabilitation activities will restore the area over the long-term.

12.02: continued

- (d) The Urban Renewal Plan is based upon a local survey and conforms to any existing planning documents covering the urban renewal area as a whole including, but not limited to, a comprehensive plan for the locality.
- (4) Objectives. A statement of the objectives of the Plan including:
- (a) Specification and explanation of all proposed redevelopment (in any project area the reuse of which will be predominantly residential, an objective shall be the provision of housing units for low or moderate income persons);
 - (b) A detailed estimate of how many jobs will be retained, how many created, and how many eliminated as a result of the proposed renewal and redevelopment; and
 - (c) The specific provisions which exist or which will be established to control densities, land coverage, land uses, setbacks, offstreet parking and loading and building height and bulk, and design guidelines, if appropriate.
- (5) Acquisitions. The Plan must specify which parcels are to be acquired and justify why those parcels need to be acquired to achieve the objectives of the Plan, and which parcels need not be acquired.
- (6) Relocation. A relocation plan conforming to all applicable requirements appearing in federal law, M.G.L. c. 79A, and the regulations and guidelines thereunder.
- (7) Site Preparation. Specification of all proposed site preparation, including land protection and measures to address environmental, topographic, subsoil or flood problems. Any special site preparation or land protection problems shall be identified.
- (8) Public Improvements. Specification of any public improvements, a description of their general design and an explanation of how the improvements will help achieve the objectives of the Plan.
- (9) Disposition. The Plan must specify the disposition proposed for each parcel and identity of any known redeveloper.
- (10) Redeveloper's Obligation. Specification of the obligations which have been imposed or will be imposed upon redevelopers for construction of improvements within a reasonable time and in conformity with the Plan. If specific or general commitments for redevelopment exist, specification of the commitments in all pertinent detail, including copies of any contracts, plans, or proposals.
- (11) Time Frame. Describe proposed time lines for completing redevelopment. All Urban Renewal Plans must have a specified end date.
- (12) Financial Plan. A project *proforma*/budget which shall include cost estimates for:
- (a) Site preparation;
 - (b) All proposed public improvements;
 - (c) Relocation expenses;
 - (d) Planning, legal, financing and administrative costs;
 - (e) Acquisitions (which can be based on assessor's data);
 - (f) An estimate of the amount and source(s) of project revenues.
- (13) Citizen Participation. A report on citizen participation describing citizen participation in the planning process and a plan for continuing citizen participation during the project execution. Showing meaningful citizen participation is necessary for approval of the Plan.
- (14) Requisite Municipal Approvals. Evidence of a public hearing and the requisite municipal approvals specified in M.G.L. c. 121B, § 48, and an opinion of counsel to the urban renewal agency certifying that the proposed Urban Renewal Plan was adopted in accordance with M.G.L. c. 121B, § 48 and is in compliance with applicable laws.

12.02: continued

- (15) Massachusetts Environmental Policy Act (MEPA). The Plan must indicate:
- (a) if review of the Plan under MEPA and implementing regulations is complete; and
 - (b) if review of any known redevelopment project under MEPA and implementing regulations is complete and/or MEPA has issued a Phase 1 waiver with respect to such project(s). If so, include copies of the MEPA approvals in the Urban Renewal Plan. If not, DHCD's approval will be issued conditional upon completion of MEPA review.

12.03: Plan Changes

The urban renewal agency shall submit all proposed minor and major plan changes to the Department for approval, except as specified in 760 CMR 12.03(1). The application for a plan change shall include a detailed description of the change, and the purpose and effect of the plan change on project activities.

(1) A minor plan change is a plan change that does not significantly affect any of the basic elements (acquisitions, characteristics, objectives, public improvements, redeveloper's obligations or disposition) of a previously approved Urban Renewal Plan as described in 760 CMR 12.02(2), (4), (5), (8), (9) and (10). An application for a minor plan change shall include a resolution of the urban renewal agency adopting the plan change. If deemed necessary for its decision, the Department may require additional local approvals or information.

Urban renewal agencies need not seek DHCD approval for the following minor plan changes:

- (a) Granting or receiving easements for utilities;
- (b) Confirmatory takings for the purpose of title clearing;
- (c) Tax foreclosures;
- (d) Conveying non-buildable lots of less than 5,000 square feet to owners of adjacent parcels;
- (e) Acquiring an interest in property made available through a discontinuance of a public way;
- (f) Transfer of a property interest to or from another public entity.

(2) A major plan change is a significant change in any of the basic elements (acquisitions, characteristics, objectives, public improvements, redeveloper's obligations or disposition) of a previously approved Urban Renewal Plan, as described in 760 CMR 12.02(2), (4), (5), (8), (9) and (10). For example, major plan changes shall include, changing the boundaries of the plan area, changing the allowable uses within the plan area, and changing the designation of parcels from "not to be acquired" to "to be acquired". The request for a major plan change shall be accompanied by evidence of public outreach, a public hearing, a Planning Board determination that the proposed change is in conformance with the general plan for the community as a whole, and City Council or Town Selectmen approval. If deemed necessary for its decision, the Department may require additional local approvals or information.

12.04: Land Acquisition

(1) Appraisals. Two independent appraisals must be submitted for Department approval prior to the acquisition of any parcel, including parcels acquired by eminent domain, by negotiated sale, or through any other means, except as set out in 760 CMR 12.04(3). If deemed necessary, the Department may request an additional appraisal. The urban renewal agency's determination of the proposed acquisition price shall be based on review of the appraisals. The acquisition price shall not be less than the lowest appraisal, nor more than the highest appraisal.

(2) Negotiations and Condemnation. The urban renewal agency may negotiate for the purchase of one or more parcels after the Urban Renewal Plan has been approved by the Department. Negotiations may be performed by a member of the urban renewal agency staff experienced in real estate matters or by a licensed broker under contract. The negotiated acquisition price shall be approved by the Department. Approval by the Department of the acquisition price for a parcel shall constitute the Department's concurrence in the institution of condemnation proceedings, provided that the urban renewal agency shall have made every reasonable effort to acquire the property through purchase. All condemnation proceedings shall be authorized by the urban renewal agency's governing body and shall be carried out in accordance with M.G.L. c. 79.

12.04: continued

(3) Donations, Transfers from Another Public Entity, Tax Takings, Public Auction. Property acquired through donation from either a public or private entity, through a transfer from another public entity, through a tax foreclosure or through a public auction does not require an appraisal. However, prior to disposing of the property in accordance with 760 CMR 12.05, urban renewal agencies must obtain disposition appraisals.

12.05: Land Disposition

(1) Each parcel to be sold or otherwise disposed of by the urban renewal agency shall have an independent disposition appraisal. If deemed necessary, the Department may require an additional disposition appraisal. In cases where the cost of the appraisal will exceed the estimated value of the parcel, the Department may waive the disposition appraisal. Prior to disposition of any parcel, the urban renewal agency shall file or record the Urban Renewal Plan or an appropriate declaration of restrictions with the appropriate registry of deeds or division of the land court.

The urban renewal agency shall determine the disposition price for each parcel as follows:

- (a) The disposition price shall be no less than the fair market value of the land for the use specified in the Urban Renewal Plan, as determined by the disposition appraisal;
- (b) The disposition appraisal shall reflect both the advantages created by the project and the requirements and limitations on land uses to be imposed on the redeveloper by the Urban Renewal Plan;
- (c) Disposition of project land may be made by long-term lease. The urban renewal agency shall obtain an opinion from licensed appraiser(s) of the fair market value of the parcel to be leased, the then current rate of rent at which similar long-term land leases are made, and an acceptable annual rent for the property to be leased;
- (d) In instances where the urban renewal agency has demonstrated that a significant public purpose will be served by disposing of the parcel at less than the fair market value, the Department may approve such a disposition at less than fair market value.

(2) With its request for disposition approval, the urban renewal agency shall submit to the Department the following:

- (a) Identification of the proposed redeveloper.
- (b) Evidence that the urban renewal agency has determined the redeveloper possesses significant qualifications and financial resources to acquire and develop the land in accordance with the Urban Renewal Plan. The urban renewal agency shall not enter into a land disposition agreement until this determination has been made.
- (c) The land disposition agreement (LDA) is an instrument describing the terms of such sale or lease. The LDA for each parcel shall insure that the redeveloper conforms to and carries out the requirements of the Urban Renewal Plan and that the interests of the project are safeguarded. The time permitted for the performance of each obligation of the redeveloper shall be specified.

(3) The Department must approve the disposition price and the LDA.

(4) Members of the governing body of the urban renewal agency or municipality and employees of the urban renewal agency or municipality, who, acting in their official capacity, exercise or may exercise responsibility concerning the project, are ineligible to be redevelopers.

(5) The Department may waive disposition requirements under 760 CMR 12.05 if the transfer of property is between the urban renewal agency and the municipality.

12.06: Reports

Each urban renewal agency shall keep an accurate account of all its activities, receipts and expenditures in connection with the planning and execution of urban renewal projects and shall annually in the month of January make a report of such activities, receipts and expenditures to the Department and the mayor of the city or to the selectmen of the town within which such authority is organized. In cases where the urban renewal agency cannot conveniently submit the annual report in January, the Department will permit an urban renewal agency to submit the report in a different month, with prior Department approval.

(a) The urban renewal agency shall comply with all requests of the Department for any other reports, audits of accounts, and records of the project, and other assurances that the project is being executed on schedule and in accordance with the approved Urban Renewal Plan.

(b) Retention of Project Records. All project records shall be maintained and kept for a period of seven years following project completion or three years following the date of final resolution of all legal claims, whichever occurs later. All such records shall be available for inspection by the Department.

12.07: Waiver

The Director of the Department of Housing and Community Development may waive any provision of 760 CMR 12.00 under the following circumstances:

(1) A catastrophic event, such as a fire, flood, or other similar event, causing severe hardship to the municipality; or

(2) There is severe economic hardship in the municipality (such as may result from loss of a major employer), an unemployment rate consistently in excess of the state average, or a high concentration of low and moderate income population; and

(3) There is evidence that granting a waiver will produce exceptional public benefit not otherwise available.

The request for a waiver must be submitted in writing to the Urban Renewal Program Specialist of the Department of Housing and Community Development, 100 Cambridge Street, Suite 300, Boston, MA 02114. Communities shall submit detailed evidence to support their claims of hardship and public benefit.

In the event of such a waiver, the Department shall prepare a statement of facts upon which such a waiver is based. No waiver shall be made if it conflicts with any mandatory provision of any statute.

REGULATORY AUTHORITY

760 CMR 12.00: M.G.L. c. 121B, § 45 through 57; M.G.L. c. 23B.