An Act the Affordable Homes Act.

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

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

SECTION 1. To provide for a capital outlay program to rehabilitate, produce and modernize state-aided public housing developments; to preserve the affordability and the income mix of state-assisted multifamily developments; to support home ownership and rental housing opportunities for low and moderate income citizens; to stem urban blight through the implementation of housing stabilization programs; to support housing production for the elderly, disabled and homeless; to preserve housing for the elderly, the homeless and low and moderate income citizens and persons with disabilities; to develop facilities for licensed early care and education and out of school time programs; and to promote economic reinvestment through the funding of infrastructure improvements, the sums set forth in sections 2 to 2B, inclusive for the several purposes and subject to the conditions specified in this act, are hereby made available subject to the laws regulating the disbursement of public funds.

SECTION 2.

EXECUTIVE OFFICE OF EDUCATION

Department of Early Education and Care

3000-0411 For the purpose of state financial assistance in the form of grants for the Early Education and Out of School Time Capital Fund for the development of eligible facilities for licensed early care and education and out of school time programs established in section 18

of chapter 15D of the General Laws; provided, that the department of early education and care may contract with quasi-public or non-profit entities to administer the program, including, but not limited to, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws; provided further, that the department may develop or finance eligible facilities, may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit corporations have a controlling financial or managerial interest; provided further, that the department shall consider: (i) a balanced geographic plan for such eligible facilities when issuing the funding commitments; and (ii) funding large group and school age child care centers, as defined by the department; provided further, that the services made available pursuant to such grants shall not be construed as a right or entitlement for any individual or class of persons to the benefits financing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary of administration and finance; and provided further, that eligibility shall be established by regulations promulgated by the department pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item..... $50,000,000

EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES

Office of the Secretary

7004-0069 For a program of loans or grants to assist homeowners or tenants with a household member with blindness or severe disabilities in making modifications to their primary residence for the purpose of improving accessibility or to allow such individuals to live independently in the community or for construction costs to allow for the building of an accessory unit, which shall mean a unit constructed as an additional dwelling unit separate from the primary dwelling unit, for a person with disabilities or an elder needing assistance with

activities of daily living; provided, that not more than 10 per cent shall be used for grants to assist landlords seeking to make modifications for a current or prospective tenant with disabilities, who but for such a grant would be unable to maintain or secure permanent housing; provided further, that the secretary of housing and livable communities and the secretary of health and human services shall take all steps necessary to minimize the program's administrative costs; provided further, that the secretary of health and human services may contract with quasi-public or non-profit entities to administer the program, including, but not limited to, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws; provided further, that the program shall be available pursuant to income eligibility standards approved by the secretary of health and human services; provided further, that the repayment of the loans may be delayed until the sale of the principal residence by the homeowner; provided further, that persons residing in a development covered by section 4 of chapter 151B of the General Laws shall not be eligible for the program unless the owner can show that the modification is an undue financial burden or that the landlord is participating in the grant program to maintain or secure housing for a tenant with disabilities; provided further, that the secretary of health and human services shall consult with the Massachusetts commission for the blind and the Massachusetts rehabilitation commission to develop rules, regulations and guidelines for the program; provided further, that nothing in this item shall give rise to enforceable legal rights in any party or an enforceable entitlement to services; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further,

that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification, and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; and provided further, that the secretary of housing and livable communities shall submit quarterly reports to the house and senate committees on ways and means, the joint committee on bonding, capital expenditures and state assets and the joint committee on housing detailing the status of the program established in this item..... $60,000,000

7004-0070 For state financial assistance in the form of loans for the development of community-based housing or supportive housing for individuals with mental illness and individuals with intellectual disabilities; provided, that the loan program shall be administered by the executive office of housing and livable communities through contracts with 1 or more of the following agencies: the Massachusetts Development Finance Agency established in chapter 23G of the General Laws, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws, operating agencies established pursuant to

chapter 121B of the General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966; provided further, that those agencies may develop or finance community-based housing or supportive housing or may enter into subcontracts with nonprofit organizations, established pursuant to chapter 180 of the General Laws, or organizations in which such nonprofit corporations have a controlling financial or managerial interest or for-profit organizations; provided, however, that preference for the subcontracts shall be given to nonprofit organizations; provided further, that the executive office shall consider a balanced geographic plan for such community-based housing or supportive housing when issuing the loans; provided further, that the executive office shall consider development of a balanced range of housing models by prioritizing funds for integrated housing as defined by the appropriate housing and service agencies, including, but not limited to, the executive office of housing and livable communities, the department of mental health and the department of developmental services, in consultation with relevant and interested clients, clients' families, advocates and other parties as necessary; provided further, that loans issued pursuant to this item shall: (i) not exceed 50 per cent of the financing of the total development costs; (ii) not be issued unless a contract or agreement for the use of the property for such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (iii) of this item; provided, however, that such repayment shall be in an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; provided further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the department of mental health and the department of developmental services, determines that relevant clients

will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or more of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property; (iii) not be issued unless the contract or agreement for the use of the property for the purposes of such housing provides for the recording of a deed restriction in the registry of deeds or the registry district of the land court of the county in which the real property is located, for the benefit of the executive office and the departments, running with the land, that the land shall be used to provide community-based housing or supportive housing for eligible individuals as determined by the department of mental health and the department of developmental services; provided, however, that the property shall not be released from such restriction unless: (A) the balance of the principal and interest for the loan has been repaid in full; (B) a mortgage foreclosure deed has been recorded; or (C) the executive office of housing and livable communities has determined, pursuant to clause (ii) of this item, that repayment to the commonwealth is not required; (iv) be issued for a term not to exceed 30 years, during which time repayment may be deferred by the loan issuing authority; provided, however, that if on the date the loans become due and payable to the commonwealth, an outstanding balance exists and if, on such date, the executive office, in consultation with the executive office of health and human services, determines that there still exists a need for such housing and that there is continued funding available for the provision of services to such development, the executive office may, by agreement with the owner of the development, extend the loans for such periods, each period not to exceed 10 years, as the executive office shall determine; provided further, that the project, whether at the original property, or at an alternative property pursuant to clause (ii) of this item, shall remain affordable housing for the duration of the loan term,

including any extension thereof, as set forth in the contract or agreement entered into by the executive office; provided further, that in the event the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal financial assistance which would otherwise assist in the development of that project, the executive office may waive the terms of repayment which would cause the project to become ineligible; and (v) have interest rates fixed at a rate, to be determined by the executive office, in consultation with the state treasurer; provided further, that the loans shall be provided only for projects conforming to this item; provided further, that the loans shall be issued in accordance with a facilities consolidation plan prepared by the secretary of health and human services, reviewed and approved by the executive office and filed with the secretary of administration and finance, the house and senate committees on ways and means, the joint committee on bonding, capital expenditures and state assets and the joint committee on housing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary of administration and finance; provided further, that the executive office of housing and livable communities, the department of mental health and the Community Economic Development Assistance Corporation may identify appropriate financing mechanisms and guidelines for grants or loans from this item to promote private development to produce housing, to provide for independent integrated living opportunities, to write down building and operating costs and to serve households at or below 15 per cent of the area median income for the benefit of department of mental health clients; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of

housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification, and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; provided further, that not more than $10,000,000 may be expended from this item for a pilot program of community-based housing or supportive housing loans to serve mentally ill homeless individuals in the current or former care of the department of mental health; provided further, that in implementing the pilot program, the executive office shall consider a balanced geographic plan when establishing community-based residences; provided further, that the housing services made available pursuant to such loans shall not be construed as a right or an entitlement for any individual or class of persons to the benefits of the pilot program; provided further, that eligibility for the pilot program shall be established by regulations promulgated by the executive office; and provided further, that the executive office shall promulgate regulations under chapter 30A of the General Laws to implement, administer and enforce this item, consistent with the facilities consolidation plan

prepared by the secretary of health and human services and after consultation with the secretary and the commissioner of capital asset management and maintenance.....$70,000,000

7004-0071 For state financial assistance in the form of loans for the development and redevelopment of community-based housing or supportive housing for persons with disabilities who are institutionalized or at risk of being institutionalized and who are not eligible for housing developed pursuant to item 7004-0070; provided, that the loan program shall be administered by the executive office of housing and livable communities, through contracts with the Massachusetts Development Finance Agency established in chapter 23G of the General Laws, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws, operating agencies established pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or finance community-based housing or supportive housing or may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit corporations have a controlling financial or managerial interest or for-profit organizations; provided, however, that preference for such subcontracts shall be given to nonprofit organizations; provided further, that the executive office shall consider a balanced geographic plan for such community-based housing or supportive housing when issuing the loans; provided further, that all housing developed with these funds shall be integrated housing as defined by the appropriate state housing and service agencies, including, but not limited to, the executive office, the executive office of health and human services and the Massachusetts rehabilitation commission, in consultation with relevant and interested clients, clients' families, advocates and

other parties as necessary; provided further, that loans issued pursuant to this item shall: (i) not exceed 50 per cent of the financing of the total development costs; (ii) not be issued unless a contract or agreement for the use of the property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (iii) of this item; provided, however, that such repayment shall be in an amount equal to the commonwealth's proportional contribution from community-based housing to the cost of the development through payments made by the state agency making the contract; provided further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the Massachusetts rehabilitation commission, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property; (iii) not be issued unless a contract or agreement for the use of the property for the purposes of such community-based housing or supportive housing provides for the recording of a deed restriction in the registry of deeds or the registry district of the land court of the county in which the real property is located, for the benefit of the executive office, running with the land, that the land shall be used to provide community-based housing or supportive housing for eligible individuals as determined by the Massachusetts rehabilitation commission or other agency of the executive office of health and human services; provided, however, that the property shall not be released from such restrictions unless: (A) the balance of the principal and interest for the loan has been repaid in full; (B) a mortgage foreclosure deed has been recorded; or (C) the executive office of housing and livable communities has determined, pursuant to

clause (ii) of this item, that repayment to the commonwealth is not required; (iv) be issued for a term not to exceed 30 years during which time repayment may be deferred by the loan issuing authority; provided, however, that if on the date the loans become due and payable to the commonwealth, an outstanding balance exists and if, on that date, the executive office, in consultation with the executive office of health and human services, determines that there still exists a need for such housing, the executive office may, by agreement with the owner of the development, extend the loans for such periods, each period not to exceed 10 years, as the executive office shall determine; provided further, that the project, whether at the original property or at an alternative property pursuant to clause (ii) of this item, shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the executive office; provided, however, that in the event the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal financial assistance, which would otherwise assist in the development of that project, the executive office may waive the terms of repayment which would cause the project to become ineligible; and (v) have interest rates fixed at a rate, to be determined by the executive office, in consultation with the state treasurer; provided further, the loans shall be provided only for projects conforming to this item; provided further, that the loans shall be issued in accordance with an enhancing community-based services plan prepared by the secretary of health and human services, in consultation with the executive office and filed with the secretary of administration and finance, the house and senate committees on ways and means, the joint committee on bonding, capital expenditures and state assets and the joint committee on housing; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability

standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; provided further, that no expenditure shall be made from this item without the prior approval of the secretary of administration and finance; and provided further, that the executive office shall promulgate regulations pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item, consistent with the enhancing community-based services plan prepared by the secretary of health and human services after consultation with the secretary and the commissioner of capital asset management and maintenance.....$55,000,000

7004-0072 For the capitalization of the Affordable Housing Trust Fund established in section 2 of chapter 121D of the General Laws; provided, that funds expended from this item

shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; provided further, that not more than $50,000,000 of the funds made available in this item may be used to create and maintain opportunities for homeownership for first time homebuyers; provided further, that funds shall be expended to create and enhance access to homeownership in order to foster long-term benefits for housing security, health and economic outcomes and to address a systemic homeownership gap in socially disadvantaged communities and among targeted populations; provided further, that funds may be expended for down payment assistance programs, mortgage insurance programs and mortgage interest subsidy programs administered by the Massachusetts Housing

Finance Agency and the Massachusetts Housing Partnership; and provided further, that funds may be expended to first-time homebuyer counseling and financial literacy programs.....$800,000,000

7004-0073 For state financial assistance in the form of grants or loans for the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of the General Laws and awarded only pursuant to the criteria established in said section 2 of said chapter 121F; provided, that not less than 25 per cent shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that if the executive office of housing and livable communities has not spent the amount authorized under the bond cap for this program, at the end of each calendar year following the effective date of this act, the executive office may award the remaining funds to projects that serve households earning more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible

notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; and provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized.....$425,000,000

7004-0074 For state financial assistance in the form of grants for projects undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided, that contracts entered into by the executive office of housing and livable communities for those projects may include, but shall not be limited to, projects providing for renovation, remodeling, reconstruction, redevelopment and hazardous material abatement, including asbestos and lead paint, and for compliance with state codes and laws and for adaptations necessary for compliance with the federal Americans with Disabilities Act of 1990, the provision of day care facilities, learning centers and teen service centers and the adaptation of units for families and persons with disabilities; provided further, that priority shall be given to projects undertaken for the purpose of compliance with state codes and laws or for other purposes related to the health and safety of residents; provided further, that funds may be expended from this item to make such modifications to congregate housing units as may be necessary to increase the occupancy rate of such units; provided further, that the executive office shall continue to fund a program to provide predictable funds to be used flexibly by housing authorities for capital improvements to extend the useful life of state-assisted public housing; provided further, that not less than 25 per cent of

the funds made available in this item shall be used to fund projects which preserve or produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that not less than $99,000,000 shall be expended by the Boston Housing Authority for the development of replacement public housing and additional new housing on the Faneuil Gardens site owned by the Boston Housing Authority between Faneuil street and North Beacon street, Boston Parcel ID 2202616000, in the city of Boston and the adjacent parcel at the southeast corner of North Beacon street and Goodenough street, Boston Parcel ID 2202627000, in the city of Boston; provided further, that not less than $15,000,000 of the funds made available in this item shall be used to increase accessibility of state-aided public housing for persons with disabilities; provided further, that not more than $150,000,000 of the funds made available in this item may be used to fund projects that include sustainability initiatives to reduce greenhouse gas emissions and make progress towards decarbonization through energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; and provided further, that funds made available in this item shall, to the extent feasible, be used in accordance with the Massachusetts state hazard mitigation and climate adaptation plan.....$2,000,000,000

7004-0075 For state financial assistance in the form of grants for a demonstration program, administered by the executive office of housing and livable communities, to

demonstrate cost effective revitalization methods for state-aided family and elderly-disabled public housing that seek to reduce the need for future state modernization funding; provided, that housing authorities with state-aided housing developments pursuant to chapter 200 of the acts of 1948, chapter 667 of the acts of 1954, chapter 705 of the acts of 1966, chapter 689 of the acts of 1974 or chapter 167 of the acts of 1987 shall be eligible to participate in the demonstration program; provided further, that the executive office may exempt a recipient of demonstration grants from the requirements of chapters 7C and 121B of the General Laws upon a showing by the recipient that such exemptions are necessary to accomplish the effective revitalization of public housing and shall not adversely affect public housing residents or applicants of any income who are otherwise eligible; provided further, that the executive office may provide to recipients of demonstration grants such additional regulatory relief as may be required to further the objectives of the demonstration program; provided further, that funds may be made available for technical assistance provided by the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws or the Massachusetts Housing Partnership Fund established in section 35 of chapter 405 of the acts of 1985 to recipients of demonstration grants and for evaluation of the demonstration; provided further, that the executive office's regulations for the implementation, administration and enforcement of this item shall: (i) require that selected housing authorities demonstrate innovative and replicable solutions to the management, marketing or capital needs of state-aided family and elderly-disabled public housing developments and contribute to the continued viability of the housing as a resource for public housing eligible residents; (ii) encourage proposals that demonstrate regional collaborations among housing authorities; and (iii) encourage proposals for new affordable housing units on municipally-owned land, underutilized public housing sites or

other land owned by the housing authority; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification, and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; and provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized

.....$200,000,000

7004-0076 For state financial assistance in the form of grants or loans for the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General Laws; provided, that not less than 25 per cent of the funds made available in this item shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of

Housing and Urban Development; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification, and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; and provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized….....$200,000,000

7004-0078 For state financial assistance in the form of no interest loans, grants, subsidies, credit enhancements and other financial assistance for innovative, sustainable and green housing initiatives; provided, that entities eligible to receive financial assistance under this item shall include qualified for-profit or non-profit developers, community development corporations, local housing authorities, community action agencies, community-based or

neighborhood-based non-profit housing organizations, other non-profit organizations and for-profit entities, and governmental bodies; provided further, that funds may be used to assist units occupied by and affordable to persons with incomes not more than 110 per cent of the area median income, as defined by the United States Department of Housing and Urban Development with priority given to projects that provide higher and deeper levels of affordability; provided further, that not less than 25 per cent of the occupants of housing in projects assisted by this item shall be persons whose income is not more than 60 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that financial assistance shall be awarded in a manner that promotes geographic, social, racial and economic equity; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification, and

all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; provided further, that financial assistance under this item shall be for the following purposes: (a) to accelerate and support innovative strategies for the production of affordable and mixed-income housing developments and other market transformation activities, including, but not limited to: (i) re-use of commercial space, office space, and underutilized state- or locally-controlled land or assets, including, but not limited to, brownfield or greyfield sites, or other property that the secretary of housing and livable communities has determined is suitable for sustainable residential or mixed-use development; (ii) modular construction, manufactured housing, and other innovative housing models that offer development or operating cost savings, utilize advanced and applied technologies, provide efficiencies to help accelerate production and that incorporate energy efficiency or energy conservation into their design, construction or rehabilitation; (iii) accessory dwelling units and co-housing models; and (iv) other market transformation efforts to be determined by the executive office of housing and livable communities, which may include, but not be limited to, any pilot program or demonstration program that is consistent with the purposes of this item; provided further, that such strategies may include a mixed income social housing pilot program in which a local or regional housing authority or other public or quasi-public entity maintains majority ownership or control of such housing; (b) to accelerate and support the creation of low-income and moderate-income residential housing units and mixed use developments that include both residential housing units and commercial or retail space in close proximity to transit nodes or within neighborhood commercial areas, including, but not limited to, those areas designated as main street areas; provided, that the program shall be

administered to: (i) maximize the amount of affordable residential and mixed-use space in close proximity to transit nodes or within neighborhood commercial areas, resulting in higher density, compact development and pedestrian-friendly, inclusive and connected neighborhoods; (ii) increase mass transit ridership; (iii) decrease traffic congestion and reduce greenhouse gas emissions; and (iv) increase economic opportunity for disadvantaged populations by making it easier for residents of affordable housing to access public transportation, including transportation supporting commutes to employment centers; provided further, that the program may be administered to include projects which have residential units above commercial space located in areas characterized by a predominance of commercial land uses, a high daytime or business population or a high concentration of daytime traffic and parking, provided, that the financial subsidy for the commercial portion of a project shall not exceed the lower of 25 per cent of the total development cost of the commercial portion of the project or $1,000,000; provided further, that the executive office may provide financial support to non-profit and for-profit developers that enter into binding agreements to set aside residential units in existing market-rate, transit-oriented housing, over and above any units required to be set aside under local zoning or approvals, for rent or sale to income-qualified households at affordable rents or sale prices, as applicable; and (c) to accelerate and support the creation and preservation of sustainable and climate resilient affordable multifamily housing; provided, that such financial assistance shall be made to: (i) incorporate efficient, sustainable and climate resilient design practices in affordable residential development to support positive climate mitigation outcomes; (ii) reduce greenhouse gas emissions and reliance on fossil fuels; (iii) increase resiliency of existing housing developments to mitigate impacts of climate change, including flooding and extreme temperatures; and (iv) enhance emergency preparedness, including sustainable means of power

generation to allow for sheltering vulnerable populations in place; provided further, that financial assistance provided pursuant to clause (a) or clause (c) may be administered by the executive office of housing and livable communities through contracts with the Massachusetts Housing Partnership Fund, established in section 35 of chapter 405 of the acts of 1985, or the Massachusetts Housing Finance Agency, established in chapter 708 of the acts of 1966, or both, which may, as the case may be, directly offer financial assistance for the purposes set forth herein or may enter into subcontracts with non-profit organizations, established pursuant to chapter 180 of the General Laws for those purposes; provided further, that financial assistance provided pursuant to clause (b) may be administered by the executive office through contracts with said Massachusetts Housing Partnership Fund; and provided further, that the executive office of housing and livable communities or an administering agency under contract with the executive office may establish additional program requirements through regulations or policy guidelines.....$275,000,000

7004-0080 For the Middle-Income Housing Fund administered by the Massachusetts Housing Finance Agency.....$100,000,000

SECTION 2A.

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Office of the Secretary

1100-2518 For costs associated with planning and studies, the preparation of plans and specifications, demolition, remediation, construction and relocation of utilities, construction and reconstruction of infrastructure, predevelopment, and site preparation; provided, that any funds received by a state agency in connection with projects funded from this item may be retained by the executive office for administration and finance and expended for the purposes of

the project, without further appropriation, in addition to the amounts appropriated in this item; provided further, that where appropriate, the commissioner of capital asset management and maintenance may transfer funds authorized herein in accordance with a delegation of project control and supervision process pursuant to section 5 of chapter 7C of the General Laws or for the capitalization of the surplus real property disposition fund established in section 107; and provided further, that funds from this item shall be distributed in furtherance of affordable housing production goals and availability of sites suitable for construction or expansion of housing opportunities in the commonwealth in consultation with the secretary of housing and livable communities..... $30,000,000

1599-3032 For costs associated with expanding the capacity of the Massachusetts Water Resources Authority to serve new cities and towns identified in expansion feasibility studies conducted by the authority and published in October 2022 pursuant to item 1599-2032 of chapter 102 of the acts of 2021; provided, that the authority shall prioritize expansion opportunities with a focus on increasing housing capacity in the commonwealth and improving drinking water quality for cities and towns with water supplies contaminated by per- and polyfluoroalkyl substances; and provided further, that annually, not later than March 14, the authority shall submit a report to the secretary of the executive office for administration and finance, the secretary of the executive office of housing and livable communities, the house and senate committees on ways and means and the joint committee on housing that shall include: (i) the amount of funds allocated in the current fiscal year's capital improvement program for the purposes contained in this item; (ii) a summary of the authority's outreach efforts, including the cities and towns that are interested in joining the authority's service area; (iii) the timeline and

implementation process of proposed expansions; and (iv) barriers to proposed expansions…….. $1,000,000,000

EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES

Office of the Secretary

7004-0077 For a local capital projects grant program to support and encourage implementation of the housing choice designation for communities that have demonstrated housing production and adoption of housing best practices, including a grant program to assist MBTA communities in complying with the multi-family zoning requirement in section 3A of chapter 40A of the General Laws.....$50,000,000

7004-0079 For the Smart Growth Housing Trust Fund established in section 35AA of chapter 10 of the General Laws..... $20,000,000

7004-0081 For a reserve to support the production of for-sale, below-market housing to expand homeownership opportunities for first-time homebuyers and socially and economically disadvantaged individuals; provided, that grants and loans to developers shall be used to facilitate production of affordable homeownership units for households earning up to 120 per cent of the area median income; provided further, that projects with units restricted to households earning not more than 80 per cent of the area median income shall receive preference; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities

standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification, and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; provided further, that the minimum number of units for qualifying projects under the program shall be 10 units; provided further, that funds in this item shall be distributed in a manner that promotes geographic equity; provided further, that grants may include a requirement for matching funds; provided further, that the executive office of housing and livable communities may enter into such contracts and agreements with the Massachusetts Housing Finance Agency, or such other public agencies and instrumentalities as it may determine, for the administration of such program; and provided further, that not more than 5 per cent of this item shall be used for the reasonable costs of administering the program.....$100,000,000

7004-0082 For grants and technical assistance to be made to municipalities and regional applicants to support planning and locally-driven initiatives related to community development, housing production, workforce training and economic opportunity, childcare and early education initiatives and climate resilience initiatives, including nature-based solutions projects, that incorporate these elements, across the commonwealth within individual

communities, regions or a defined subset of communities therein; provided, that funds may be expended for culturally-competent and multi-lingual technical assistance and training to small businesses; provided further, that preference for funds shall be given to businesses located in low- or moderate-income areas and owned by women, veterans, minorities or immigrants; and provided further, that grants shall be awarded in a manner that promotes geographic equity.....$25,000,000

7004-0083 For the HousingWorks infrastructure program established by section 27½ of chapter 23B of the General Laws.....$175,000,000

7004-0085 For state financial assistance to cities and towns or agencies, boards, commissions, authorities, departments or instrumentalities thereof or community development corporations or non-profit organizations to assist in the revitalization of neighborhoods and communities with properties in blighted or substandard conditions by subsidizing the purchase price, borrowing costs or costs of demolition or renovation projects of up to 50 units of residential rental housing or 1 to 4 units of home ownership residential housing that have been cited for building or sanitary code violations or that are subject to cancellation of commercial property insurance due to substandard property conditions or are otherwise blighted or substandard; provided, that contracts entered into by the executive office of housing and livable communities for those projects may include, but shall not be limited to, projects providing for demolition, renovation, remodeling, reconstruction, redevelopment and hazardous material abatement, including asbestos and lead paint, and for compliance with state codes and laws and for adaptations necessary for compliance with the federal Americans with Disabilities Act of 1990; provided further, that preference shall be given to community development corporations and local non-profit organizations, organizations sponsoring projects that secure private funds

and projects with the greatest impact on community stabilization in weak markets, including, but not limited to, rural communities and communities that have been disproportionately affected by disinvestment, foreclosure and abandonment; provided further, that financial assistance shall be awarded in a manner that promotes geographic, social, racial and economic equity; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification, and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; provided further, that such rehabilitated housing shall remain affordable for such period as shall be established by the executive office through guidance taking into account differences in market conditions and the type of restrictions best suited to promoting community stabilization in

different markets; and provided further, that an amount not to exceed 2 per cent of the amount expended may pay for administrative costs directly attributable to the purposes of this program, including costs of support personnel.....$50,000,000

7004-0092 For grants and technical assistance for municipalities for the conversion of commercial properties into residential housing pursuant to section 103.....$150,000,000

7004-0093 For the Massachusetts Healthy Homes program established in section 34 of chapter 23B of the General Laws, inserted by section 5…….....$50,000,000

7004-0094 For the veterans supported housing initiative program established in section 36 of chapter 23B of the General Laws, inserted by section 5; provided, that the executive office of housing and livable communities shall partner with a qualified non-profit organization, as defined in said section 36 of said chapter 23B, to implement and operate the program; and provided further, that the qualified non-profit organization shall receive not more than $20,000 in a 12-month period for each eligible veteran ……$20,000,000

7004-0095 For grants to support remediation efforts at former state-owned buildings; provided, that grants shall be to support housing development projects on lands and in buildings previously owned by the commonwealth and that require asbestos, lead or hazardous material demolition and remediation; provided further, that not less than $15,000,000 shall be expended for hazardous materials remediation at the former Medfield State Hospital; and provided further, that the secretary of housing and livable communities, in consultation with the department of environmental protection, shall report to the clerks of the house of representatives and the senate and the house and senate committees on ways and means all grants awarded, including the amounts of the grants…….....…$50,000,000

SECTION 2B.

EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES

Office of the Secretary

7004-4784 For the Massachusetts Housing Finance Agency, established by section 3 of chapter 708 of the acts of 1966, to capitalize a permanent, revolving Residential Production Momentum Fund for the purpose of accelerating the development of mixed-income and workforce multifamily housing production projects by providing financial assistance in the form of innovative, low-cost and flexible capital funding, which may be in the form of debt, equity or other instruments, depending on individual underwriting needs of the project; provided, that not less than 20 per cent of the units in a project that receives such financial assistance shall be restricted to households with incomes between 60 per cent and 120 per cent of area median income; provided further, that notwithstanding paragraph (f) of section 5 of said chapter 708, the Agency may in its discretion set the term and prepayment options for any mortgage or other loan or instrument issued to any project receiving such financial assistance based on the individual underwriting needs of the project; provided further, that such financial assistance shall be awarded in a manner that promotes geographic equity; provided further, that funds expended from this item shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided further, that prioritization shall be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the standards set forth in the commonwealth's Opt-in Specialized Energy Code in 225 CMR 22.00 and 23.00 and the Enterprise Green Communities standards shall be the applicable standards for prioritization; provided further, that any project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would

render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to, electric or ground source heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification, and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; and provided further, that not more than $13,000,000 shall be expended for new affordable housing units at the 1234-1240 Soldiers Field Road Project approved by the Boston Redevelopment Authority pursuant to document number 8044 in the city of

Boston…….....$250,000,000

SECTION 3. Subsection (b) of section 1 of chapter 23B of the General Laws, as amended by section 102 of chapter 7 of the acts of 2023, is hereby further amended by inserting after clause (xvii) the following clause:-

(xviii) Develop and implement, not less than once every 5 years, a written comprehensive housing plan for the commonwealth. Such plan shall include, but shall not be limited to, housing supply and demand data, affordability and affordability gaps, identification of housing affordability challenges and needs by region and strategies to address such housing needs.

SECTION 4. Section 27½ of said chapter 23B, inserted by section 117 of said chapter 7, is hereby amended by striking out subsections (a) and (b) and inserting in place thereof the following 2 subsections:-

(a) There shall be in the executive office of housing and livable communities a HousingWorks infrastructure program to: (i) issue infrastructure grants that support housing to municipalities and other public entities for design, construction, building, rehabilitation, repair and other improvements to infrastructure that support the objectives of the secretariat, including, but not limited to, sewers, utility extensions, streets, roads, curb-cuts, parking, water treatment systems, telecommunications systems, transit improvements, public parks and spaces that support planned or proposed housing improvements and pedestrian and bicycle ways; or (ii) assist municipalities to advance projects that support housing development, preservation or rehabilitation. Preference for grants or assistance under this section shall be given to: (A) infrastructure serving locations within 0.5 miles of a transit station or transit route; (B) other eligible locations as defined in section 1A of chapter 40A; (C) multi-family zoning districts that comply with section 3A of said chapter 40A; and (D) projects that support housing in rural and small towns, as defined by the executive office.

(b) A project that uses grants to municipalities for public infrastructure provided by this section shall be procured by a municipality in accordance with chapter 7, section 39M of chapter 30, chapter 30B and chapter 149.

SECTION 5. Said chapter 23B is hereby further amended by adding the following 7 sections:-

Section 31. (a) There shall be within the executive office of housing and livable communities an office of fair housing. The secretary of housing and livable communities shall appoint a director of the office who shall serve at the pleasure of the secretary.

(b) The office shall:

(i) collaborate with state agencies on policies and strategies to: (A) advance the elimination of housing discrimination and increase access to fair housing; (B) overcome patterns of segregation; (C) foster inclusive communities without barriers that restrict access for individuals or groups protected from unlawful practices pursuant to chapter 151B; and (D) support enforcement of and compliance with all fair housing laws, including, but not limited to, said chapter 151B and the federal Fair Housing Act, 42 U.S.C. 3601 et seq.;

(ii) facilitate communication and partnership among state agencies and municipalities to identify the intersections between activities of state agencies, activities of municipalities and fair housing;

(iii) facilitate the development of interagency initiatives to examine and address the social and economic determinants of housing disparities, including, but not limited to: (A) equal access to quality housing; (B) housing affordability; (C) access and proximity to multimodal transportation options, including cost of such transportation; (D) air, water and land usage and quality, including, but not limited to, consideration of environmental justice principles as defined in section 62 of chapter 30; (E) employment and workforce development; (F) access to healthcare; (G) access to and quality of education; and (H) language access; and

(iv) administer the Fair Housing Fund established in section 2EEEEEE of chapter 29.

(c)(1) Not less than every 5 years, the office shall prepare a report evaluating the progress of the commonwealth toward eliminating housing discrimination and increasing access to fair housing. The report shall comply with applicable federal requirements for analysis and reporting. Where possible, the report shall include quantifiable measures and comparative benchmarks and shall detail progress on a regional basis. The office shall hold public hearings in geographically diverse regions of the commonwealth to gather public information on the topics of the report.

(2) Annually, the office shall prepare a supplemental report describing the activities and outcomes of the Fair Housing Fund established in section 2EEEEEE of chapter 29.

(3) Reports pursuant to this subsection shall be filed with the clerks of the house of representatives and senate and the chairs of the joint committee on housing not later than July 1 in the year in which each such report is due. Each report shall be posted publicly on the office's website.

Section 32. (a) As used in this section and section 33, "seasonal communities" shall mean cities or towns characterized by significant seasonal fluctuations in population and employment related to seasonally-based tourism, based on criteria established by the seasonal communities coordinating council.

(b) There shall be a seasonal communities coordinating council established within the executive office of housing and livable communities, which shall consist of the following members: (i) the secretary, or a designee, who shall serve as chairperson; (ii) the secretary of labor and workforce development, or a designee; (iii) 1 member appointed by the secretary; and (iv) 4 members appointed by the governor, 1 of whom shall have expertise in municipal government, 1 of whom shall have expertise in the tourism industry, 1 of whom shall have expertise in the hospitality industry and 1 of whom shall have expertise in housing development and finance; provided, that members appointed by the governor shall reflect each of the following regions of the commonwealth: western, northeastern, southeastern and the Cape and Islands. Each member appointed by the governor shall serve at the pleasure of the governor. The council shall adopt by-laws to govern its affairs.

(c) The seasonal communities coordinating council shall advise and make recommendations to the executive office, including, but not limited to, regulatory

recommendations related to: (i) a process for the executive office to designate cities and towns as seasonal communities; (ii) criteria for the executive office to designate cities and towns as seasonal communities; (iii) policies or programs to serve the distinct needs of seasonal communities, including, but not limited to, access to specialized grant programs or special consideration under certain state grant programs of general application; and (iv) best practices to incentivize the production of affordable year-round housing in seasonal communities.

(d) Annually, not later than July 1, the seasonal communities coordinating council shall submit a report of any recommendations pursuant to subsection (c) to the executive office, the clerks of the house of representatives and the senate and the joint committee on housing.

Section 33. (a) The executive office of housing and livable communities shall designate cities and towns as seasonal communities consistent with the process and recommendations established by the seasonal communities coordinating council pursuant to section 32.

(b) The executive office shall develop a form for applications and determine necessary information to be submitted to municipalities by the owner of a dwelling qualifying for exemption pursuant to clause Fifty-ninth of section 5 of chapter 59.

(c) The executive office shall promulgate regulations or guidance to carry out this section.

Section 34. (a) As used in this section and section 35, the following words shall, unless the context clearly requires otherwise, have the following meanings:

“Eligible applicant”, an owner of residential property in the commonwealth who, as determined by the executive office of housing and livable communities: (i) is an owner-occupant, small landlord or larger landlord; (ii) meets any income eligibility and other requirements of the program established by the executive office; and (iii) owns a property with habitability concerns.

“Existing home repair programs”, financial assistance administered by governmental, quasi-governmental and nonprofit organizations, or the contractors and assignees of such entities, that provide services to repair residential housing, including, but not limited to, mixed-use projects that include residential housing.

“Habitability concerns”, home repairs that are required to ensure residential units are: (i) fit for human habitation; (ii) free from defective conditions and health and safety hazards, including, but not limited to, asbestos, mold, pests and lead; and (iii) free of conditions preventing installation of measures to improve energy or water efficiency, utilize renewable energy or lower utility costs.

“Larger landlord”, an individual who has title to more than 1 residential unit and who does not meet the definition of owner-occupant or small landlord.

“Low-income owner-occupant”, an owner-occupant with a household income of not more than 80 per cent of the area median income.

“Moderate-income owner-occupant”, an owner-occupant with a household income of at least 80 per cent but not more than 135 per cent of the area median income.

“Other eligible owner-occupant”, an owner-occupant who does not meet the definition of a low-income owner-occupant or moderate-income owner-occupant and leases at least 1 other residential unit in the building.

“Owner-occupant”, an individual who has title to a residential building with at least 1 and not more than 3 units and who resides in at least 1 of the units as their principal residence.

“Small landlord”, an individual who has title to a building with more than 3 residential units, but does not live in the building for at least 6 months of any year, and has financial interest in not more than 3 buildings or not more than 15 residential units.

(b) The executive office shall establish a Massachusetts healthy homes program and make reasonable efforts to coordinate with other governmental, quasi-governmental and nonprofit organizations administering programs that create a healthier environment for residents, including, but not limited to, rehabilitating existing housing or making homes lead-safe. The executive office may contract with other governmental, quasi-governmental and nonprofit organizations to administer 1 or more of these programs to address habitability concerns.

(c)(1) The executive office may make grants or loans available to eligible applicants to ensure owner-occupied and rental units are free of habitability concerns.

(2) Assistance in the form of grants and loans shall be provided to eligible applicants consistent with the following requirements to ensure owner-occupied and rental units are free of habitability concerns:

(i) For low-income owner-occupants, the assistance shall be provided as a grant.

(ii) For moderate-income owner-occupants, the assistance shall be provided as a 0 per cent interest deferred payment loan with no repayment due until sale or refinancing of the property. If the moderate-income owner-occupant continues to own the property for 3 years after receiving the loan, the loan shall be forgiven.

(iii) For small landlords and other eligible owner-occupants, but not including larger landlords, the assistance shall be provided as a 0 per cent interest deferred payment loan with no repayment due until sale or refinancing of the property. Small landlords or other eligible owner-occupants, but not including larger landlords, may apply for loan forgiveness after 3 years following receipt of the loan. The executive office shall forgive the loan if the executive office determines that the small landlord or other eligible owner-occupant, but not including larger landlords, has: (A) owned the property without interruption after having received the loan; (B)

addressed all habitability concerns in a timely fashion; (C) not evicted tenants, other than for cause; and (D) kept rent increases to not more than 5 per cent per year in each of the past 3 years.

(iv) For larger landlords, the assistance shall be provided as a below-market-rate loan with an interest rate and repayment terms determined by the executive office. The executive office shall provide the below-market-rate loan only to a larger landlord who executes an agreement with the executive office that, for a term of 3 years, requires the landlord who owns such property to: (A) maintain ownership of the property without interruption after having received the loan; (B) address all habitability concerns in a timely fashion; (C) not evict tenants, other than for cause; and (D) keep rent increases to not more than 5 per cent per year for each of the 3 years. If a larger landlord does not comply with the requirements of the loan, the executive office may require immediate repayment of the assistance.

(d) The executive office, and any entity administering the Massachusetts healthy homes program on the executive office's behalf, shall administer the Massachusetts healthy homes program consistent with guidelines and forms established by the executive office. The executive office, and any other administering entity, shall strive to, in its administration of the program, provide grants and loans to address habitability concerns and shall: (i) augment funds from other home repair programs; (ii) increase retention in workforce development programs associated with home repairs; (iii) provide technical assistance to address habitability concerns; and (iv) support outreach, including, but not limited to, minimizing cultural, linguistic or other barriers and maximizing access to program resources.

(e)(1) Grants or loans from the Massachusetts healthy homes program shall not exceed $50,000 per unit, unless the executive office waives this limit upon a determination of the

necessity of such waiver; provided, that the average amount of assistance shall not exceed $50,000 per unit.

(2) Not less than 50 per cent of any funds from the Massachusetts healthy homes program shall be made to owners of buildings located in a gateway municipality as defined in section 3A of chapter 23A.

(f) Annually, not later than June 30, the executive office shall report on the Massachusetts healthy homes program to the clerks of the house of representatives and the senate, the joint committee on housing and the house and senate committees on ways and means. The report shall include: (i) the number of projects completed through the Massachusetts healthy homes program addressing habitability concerns; (ii) the locations of projects completed through the Massachusetts healthy homes program throughout the commonwealth; (iii) the total amount of grants or loans authorized; (iv) the number of projects using existing home repair programs; and (v) the breakdown of landlord owned properties and owner-occupied properties with habitability concerns addressed through the Massachusetts healthy homes program. The executive office shall make the report publicly available on its website.

(g) The executive office shall promulgate guidance or regulations necessary to carry out this section.

Section 35. (a) There shall be within the executive office of housing and livable communities a Massachusetts healthy homes program fund. The fund shall be credited with: (i) revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; (ii) interest earned on such revenue; and (iii) funds from public and private sources and other gifts, grants and donations to support the habitability concerns, including, but not limited to, funds from governmental, quasi-governmental, nonprofit

organizations, for-profit organizations and individuals; provided, that any funds received from private organizations and individuals shall be made without conditions and without recourse. Amounts credited to the fund shall not be subject to further appropriation and any money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

(b) The executive office shall administer the fund consistent with the requirements of the Massachusetts healthy homes program established in section 34.

(c) Annually, not later than June 30, the executive office shall report on all expenditures from the Massachusetts healthy homes program fund to the clerks of the house of representatives and the senate, the joint committee on housing and the house and senate committees on ways and means. The executive office shall make the report publicly available on its website.

Section 36. (a) As used in this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Homeless", a veteran: (i) who is undomiciled and unable to secure permanent and stable housing without special assistance, including, but not limited to, a veteran who is inappropriately housed in an institutional facility and can safely live in the community where services are provided; (ii) in a transitional housing facility without permanent domicile; (iii) in the community, released or discharged after incarceration and who is without permanent and stable housing; or (iv) who is in danger of becoming homeless due to circumstances and criteria established by the secretary, in consultation with the secretary of veterans' services.

"Qualified nonprofit organization", a private nonprofit organization: (i) with demonstrated success in developing or operating transitional and permanent housing programs for veterans; and (ii) that is committed to ending veteran homelessness.

(b) The secretary of housing and livable communities, in consultation with the secretary of veterans' services, shall establish a veterans supportive housing program to assist qualified nonprofit organizations to develop and preserve supportive housing for eligible veterans. The qualified nonprofit organization shall provide wrap around services to meet the needs of eligible veterans.

(c) Eligibility for supportive housing shall include:

(i) veterans and their families, or individual veterans, who are homeless and have an unmet housing need as determined by the secretary; and

(ii) veterans who have 1 or more disabilities or other life challenges, including, but not limited to: (A) serious mental illness; (B) substance use disorder; (C) living with HIV or AIDS, or another chronic condition or affliction; (D) being a victim or survivor of domestic violence; and (E) post-traumatic stress disorder.

(d)(1) The secretary may contract with a qualified nonprofit organization to establish veterans supportive housing pursuant to subsection (b) for a term of not more than 5 years and may renew a contract with a qualified nonprofit organization for like terms in accordance with the procedures established by the secretary, in consultation with the secretary of veterans' services, for the development and preservation of supportive housing for veterans.

(2) The secretary may award up to $20,000 per eligible veteran pursuant to subsection (c) in a calendar year to a qualified nonprofit organization that enters into a contract pursuant to paragraph (1).

(3) The qualified nonprofit organization shall secure funding for the development and preservation of any supportive housing project within 2 years from the date of the award. The

secretary shall establish procedures for the repayment of funds by qualified nonprofit organizations that fail to secure funding within the 2-year period.

(e) The secretary, in consultation with the secretary of veterans' services, shall promulgate rules or regulations for the administration of the veterans supportive housing program.

Section 37. (a) As used in this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Development cost", an expenditure directly related to the construction or substantial rehabilitation of a qualified conversion project, including, but not limited to, the cost of site assessment and remediation of hazardous materials; provided, however, that development cost shall not include the purchase of the property.

"Executive office", the executive office of housing and livable communities.

"Market rate residential unit", a residential unit priced consistently with prevailing rents or sale prices in the municipality as determined by the executive office.

"Qualified conversion project", the rehabilitation of a commercial property, including, but not limited to, commercial centers, office parks and commercial buildings located on main streets or downtown municipal areas, for primary multi-unit residential use or mixed-use, which may include retail or other commercial uses, that: (i) contains not less than 2 residential units; provided, however, that the project may be a mixed-use development that includes commercial uses in addition to residential units if the building is primarily residential; (ii) contains at least 80 per cent market rate residential units upon completion of the rehabilitation, to be sold or leased; (iii) prior to conversion, such building was nonresidential real property, as defined in section 168 of the Internal Revenue Code, all or a portion of which was leased, or available for lease, to

office tenants; and (iv) such building was initially placed in service at least 5 years before the beginning of the conversion.

“Sponsors”, as defined in section 25 of chapter 23B.

“Substantial rehabilitation” or “substantially rehabilitated”, the necessary major redevelopment, repair and renovation of a property, including, but not limited to, site assessment and remediation of hazardous materials, but excluding the purchase of the property, as determined by the executive office.

(b) The executive office shall establish a program for qualified conversion projects, which shall be administered by the executive office. The purpose of the program shall be to assist in the conversion of commercial properties into residential properties.

(c)(1) The executive office may certify 1 or more housing development projects as a qualified conversion project: (i) upon timely receipt of a project proposal requesting the designation as a qualified conversion project from a sponsor; provided, that a project proposal shall be submitted in a form and with information as determined by the executive office, and shall be supported by independently verifiable information and signed under the penalties of perjury; and (ii) if the executive office determines that the project, together with any municipal resources committed to the project, shall have a reasonable chance of increasing residential growth, diversity of housing supply, supporting economic development and promoting neighborhood stabilization as advanced in the proposal as a qualified conversion project.

(2) Prior to construction, the executive office shall certify that the proposed project meets the definition of a qualified conversion project and the requirements pursuant to paragraph (1).

(3) The executive office shall evaluate and either grant or deny certification of the designation as a qualified conversion project to any project proposal not later than 90 days from

the date of its receipt of a complete project proposal. Approval of a project due to the executive office's failure to act within 90 days shall not constitute approval by the executive office of any tax incentives provided under chapters 62 or 63.

(4) The executive office may impose a fee for the processing of applications for the certification of any project under this section.

(5) Prior to construction, the executive office shall certify that all or a portion of the qualified conversion project costs are for construction or substantial rehabilitation and shall identify the development costs.

(d) The executive office shall review each pending certified qualified conversion project, not yet completed, not less than once every 2 years.

(e) The executive office shall review each certified qualified conversion project upon completion and certify that the project is consistent with the requirements of this section, including the development cost and qualified conversion project requirements.

(f)(1) The executive office may revoke certification of a project if the executive office determines, after an independent investigation, that: (i) representations made by the sponsor in its project proposal are materially different from the conduct of the sponsor subsequent to the certification and such difference frustrates the public purposes that the certification was intended to advance; or (ii) the project no longer meets the criteria of this section.

(2) Upon revocation, the commonwealth may bring a cause of action against the sponsor for the value of any economic benefit received by the sponsor prior to or subsequent to such revocation.

(3) A revocation shall take effect on the first day of the tax year in which the executive office determines that a material breach commenced.

(g) There shall be established a tax incentive program for certified qualified conversion projects. After certification by the executive office upon the completion of the project, pursuant to subsection (e), the executive office, in consultation with the commissioner of revenue, may award a tax credit available under subsection (ee) of section 6 of chapter 62 or section 38OO of chapter 63 of not more than 10 per cent of the development cost allocable to total units in a project, as determined by the executive office, to the sponsor of a qualified conversion project. The amount of the credit awarded shall be based on the following factors: (i) the need for residential development and diversity of housing supply in the municipality; (ii) the extent to which the certified qualified conversion project will encourage residential development, expansion of diversity of housing supply, support neighborhood stabilization and promote economic development in the zone; and (iii) the percentage of market rate residential units contained in the certified qualified conversion project. The executive office may limit a credit available to a certified qualified conversion project under subsection (ee) of section 6 of chapter 62 and section 38OO of chapter 63 to a dollar amount or in any other manner deemed appropriate by the executive office.

(h) Annually, not later than December 1, the executive office shall file a report detailing its findings of the review of all certified qualified conversion projects evaluated in the prior fiscal year, including projects evaluated prior to construction, while the project is pending and upon completion, to the commissioner of revenue, the joint committee on revenue and the joint committee on housing. The report shall include, but shall not be limited to: (i) a list of qualified conversion projects that received certification; (ii) information about each qualified conversion project, including the site address, project sponsor, range of rents of the residential units, type of residential units, number of each type of residential unit, number of affordable rental units for

persons whose income is not more than 60 per cent of the area median income and the number of affordable owner-occupied units for persons whose income is not more than 80 per cent of the area median income; and (iii) the total amount of development costs for which a tax credit was issued or reserved pursuant to subsection (ee) of section 6 of chapter 62 or section 38OO of chapter 63 for each certified qualified conversion project the year the credit was issued and the completion or estimated completion year of the certified qualified conversion projects.

(i) The executive office shall promulgate guidance or regulations for the administration of this section.

SECTION 6. Chapter 29 of the General Laws is hereby amended by inserting after section 2DDDDDD, inserted by section 17 of chapter 28 of the acts of 2023, the following section:-

Section 2EEEEEE. (a) There shall be established and set up on the books of the commonwealth a separate fund known as the Fair Housing Fund. There shall be credited to the fund: (i) revenue from appropriations or other funds authorized by the general court and specifically designated for the fund; (ii) any gifts, grants or private contributions; (iii) any interest on the fund's assets; and (iv) any other sources. Amounts credited to the fund shall be expended without further appropriation. Any balance in the fund at the close of a fiscal year shall be available for expenditure in subsequent fiscal years and shall not be transferred to any other fund or revert to the General Fund; provided, that the comptroller shall report the amount remaining in the fund at the end of each fiscal year to the house and senate committees on ways and means.

(b) The fund shall be administered by the office of fair housing established in section 31 of chapter 23B and funds shall be expended for the purpose of eliminating housing

discrimination. Activities eligible for assistance from the fund shall include, but shall not be limited to: (i) private enforcement initiatives; (ii) education and outreach initiatives; (iii) fair housing testing; (iv) lending discrimination; (v) affirmatively furthering fair housing; and (vi) special projects.

(c) Grantees eligible for assistance shall include, but shall not be limited to, fair housing assistance programs and fair housing initiative programs, as defined by the United States Department of Housing and Urban Development, any private, non-profit agency or any state-funded public housing authority.

SECTION 7. Section 1A of chapter 40A of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by striking out the definition "Accessory dwelling unit" and inserting in place thereof the following definition:-

"Accessory dwelling unit", a self-contained housing unit, inclusive of sleeping, cooking and sanitary facilities on the same lot as a principal dwelling, subject to otherwise applicable dimensional and parking requirements, that: (i) maintains a separate entrance, either directly from the outside or through an entry hall or corridor shared with the principal dwelling sufficient to meet the requirements of the state building code for safe egress; (ii) is not larger in gross floor area than 1/2 the gross floor area of the principal dwelling or 900 square feet, whichever is smaller; and (iii) is subject to such additional restrictions as may be imposed by a municipality, including, but not limited to, additional size restrictions and restrictions or prohibitions on short-term rental, as defined in section 1 of chapter 64G; provided, however, that no municipality shall unreasonably restrict the creation or rental of an accessory dwelling unit that is not a short-term rental.

SECTION 8. Section 3 of said chapter 40A, as so appearing, is hereby amended by adding the following paragraph:-

No zoning ordinance or by-law shall prohibit, unreasonably restrict or require a special permit or other discretionary zoning approval for the use of land or structures for an accessory dwelling unit, or the rental thereof, in a single-family residential zoning district; provided, that the use of land or structures for an accessory dwelling unit under this paragraph may be subject to reasonable regulations, including, but not limited to, 310 CMR 15.000 et seq., if applicable, site plan review, regulations concerning dimensional setbacks and the bulk and height of structures and may be subject to restrictions and prohibitions on short-term rental, as defined in section 1 of chapter 64G. The use of land or structures for an accessory dwelling unit under this paragraph shall not require owner occupancy of either the accessory dwelling unit or the principal dwelling; provided, that not more than 1 additional parking space shall be required for an accessory dwelling unit; and provided further, that no additional parking space shall be required for an accessory dwelling located not more than 0.5 miles from a commuter rail station, subway station, ferry terminal or bus station. The executive office of housing and livable communities may issue guidelines or promulgate regulations to administer this paragraph.

SECTION 9. Section 3A of said chapter 40A is hereby amended by striking out the words “section 27”, as appearing in section 152 of chapter 7 of the acts of 2023, and inserting in place thereof the following words:- section 27½.

SECTION 10. Section 5 of said chapter 40A is hereby amended by striking out, in lines 97 to 100, inclusive, as appearing in the 2022 Official Edition, the words “(c) accessory dwelling units in a detached structure on the same lot; or (d) a diminution in the amount of parking required for residential or mixed-use development pursuant to section 9” and inserting in place

thereof the following words:- or (c) a diminution in the amount of parking required for residential or mixed-use development pursuant to section 9.

SECTION 11. Section 9 of chapter 40H of the General Laws, as so appearing, is hereby amended by striking out, in line 1, the words “section 16G” and inserting in place thereof the following words:- section 16G½.

SECTION 12. Said section 9 of said chapter 40H, as so appearing, is hereby further amended by striking out, in line 2, the words “and section 56 of chapter 23A”.

SECTION 13. Section 5 of chapter 59 of the General Laws, as so appearing, is hereby amended by adding the following clause:-

Fifty-ninth. A city or town designated by the executive office of housing and livable communities as a seasonal community pursuant to sections 32 and 33 of chapter 23B may, by vote of its town meeting, town council or city council, and with the approval of the mayor where required by law, exempt from property taxation a dwelling unit that is rented annually for a term of not less than 1 year and is occupied year round, in an amount not to exceed 150 per cent of the fair market rent as established by the United States Department of Housing and Urban Development for the applicable metropolitan statistical area. The owner of a dwelling qualifying for the exemption under this clause shall submit to the municipality or its agent documentation necessary to confirm the eligibility of the rental. The amount of the exemption shall be determined by the municipality; provided, however, that the amount shall not exceed an amount equal to the tax otherwise owed on the property based on the assessed value of the property, including accessory dwelling units, multiplied by the square feet of the living space of all dwelling units on the property that qualify under this clause, divided by the total square feet of

structures on the property. This clause shall take effect in a city or town upon its acceptance by the city or town.

SECTION 14. Section 6 of chapter 62 of the General Laws, as most recently amended by section 5 of chapter 88 of the acts of 2024, is hereby further amended by adding the following subsection:-

(ee)(1) As used in this subsection, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Development cost", as defined in section 37 of chapter 23B.

"Executive office", the executive office of housing and livable communities, established pursuant to chapter 23B.

"Qualified conversion project", as defined in section 37 of chapter 23B.

"Sponsors", as defined in section 25 of chapter 23B.

(2) A credit shall be allowed against the tax liability imposed by this chapter, to the extent authorized by the executive office, in consultation with the commissioner, for a qualified conversion project that has been completed and certified by the executive office pursuant to section 37 of chapter 23B. The credit shall be equal to an amount not more than 10 per cent of the qualified conversion project development costs. The credit shall be allowed for the taxable year in which the executive office provides the commissioner written notification of completion of the certified qualified conversion project. For any certified qualified conversion project, development costs applicable to this credit shall be treated for purposes of this subsection as made on the date that the executive office provides the commissioner written notification of completion of the certified qualified conversion project and any data related to the development costs.

(3) A taxpayer eligible for the credit may, with prior notice to the commissioner, transfer the credit, in whole or in part, to any individual or entity with tax labilities under this chapter or chapter 63, and the transferee shall be entitled to apply the credit against the tax liability with the same effect as if the transferee had incurred the development costs itself. Any amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the transferee, buyer or assignee in subsequent taxable years from which a certificate is initially issued by the executive office; provided, however, that in no event shall the transferee apply the credit to the tax due for any taxable year beginning more than 10 years after the taxable year in which the executive office provides the commissioner written notification of completion of the certified qualified conversion project.

(4) If the credit allowable for any taxable year exceeds the taxpayer's tax liability for that tax year, the taxpayer may carry forward and apply in any subsequent taxable year, the portion, as reduced from year to year, of the credit which exceed the tax for the taxable year; provided, however, that in no event shall the taxpayer apply the credit to the tax due for any taxable year beginning more than 10 years after the taxable year in which the executive office provides the commissioner written notification of completion of the certified qualified conversion project.

(5) The commissioner may, as of the effective date of a revocation pursuant to subsection (f) of section 37 of chapter 23B, disallow any credits allowed under this section.

(6) The commissioner, in consultation with the executive office, may adopt regulations necessary to carry out this subsection, including regulations to recapture the value of any tax credits allowed under this subsection.

SECTION 15. Section 6M of said chapter 62, as appearing in the 2022 Official Edition, is hereby amended by striking out, in lines 226 and 227, the words "$12,000,000 in each of taxable

years 2023 to 2025, inclusive" and inserting in place thereof the following words:- $15,000,000 in taxable years beginning on or after January 1, 2025.

SECTION 16. Said chapter 62 is hereby further amended by inserting after section 6N the following section:-

Section 6O. (a) For the purposes of this section, unless the context clearly requires otherwise, the following words shall have the following meanings:

"Affordability period", the 10-year period that commences on the date of the initial sale of a single-family dwelling constructed as part of a qualified homeownership development project.

"Affordability restriction", a restriction in form and substance approved by the director and the secretary, imposing resale restrictions on a single-family dwelling constructed as part of a qualified homeownership development project during the affordability period.

"Commissioner", the commissioner of revenue.

"Credit amount", the amount computed by the director pursuant to subsection (d) before issuing an eligibility certificate.

"Credit award amount", the amount determined by the director and stipulated in the notice sent pursuant to paragraph (2) of subsection (c).

"Director", the executive director of the Massachusetts Housing Finance Agency, established pursuant to chapter 708 of the acts of 1966.

"Eligibility certificate", a certificate issued to a sponsor pursuant to subsection (d).

"Eligible location", a geographic area in which a qualified homeownership development project may be located, based on criteria established in the qualified homeownership allocation plan.

"Maximum credit amount", the amount equal to 35 per cent of the lesser of: (i) the total qualified project expenditures calculated on a per single-family dwelling basis; or (ii) 80 per cent of the area median new single-family dwelling sales price, subject to such further limitations as may be established under the qualified homeownership credit allocation plan.

"Project development team", the group of entities that develops, constructs, reports, appraises, finances and services the associated properties of a qualified homeownership development project in partnership with the project development owner.

"Qualified buyer", an individual that is a first-time homebuyer with an annual income not exceeding 120 per cent of the area median income, as determined by the United States Department of Housing and Urban Development, for the location in which the single-family dwelling being purchased is located, and who satisfies any additional qualifications established by the director under the qualified homeownership credit allocation plan.

"Qualified homeownership credit allocation plan", a plan adopted by the director with the approval of the secretary establishing: (i) criteria and metrics under which homeownership development projects shall be assessed for qualification and the geographic areas in which qualified homeownership development projects may be located; (ii) criteria for approving and ranking applications for credits; (iii) a methodology to determine applicable median new single-family dwelling sales prices for the area in which the project is located; (iv) mechanisms to maintain affordability of each single-family dwelling that is created as part of a qualified homeownership development project and restricted for sale to qualified buyers, throughout the affordability period; (v) criteria to be used in determining qualification as a qualified buyer; (vi) criteria governing the purchase, ownership and sale of completed qualified homeownership

development project single-family dwellings; and (vii) the manner of determining qualified project expenditures.

"Qualified homeownership development project", a project to develop for sale single-family dwellings in the commonwealth that satisfies any qualifications established by the director with the approval of the secretary in the qualified homeownership credit allocation plan; provided, that the proposed project shall: (i) involve the new construction of not less than 10 single-family dwellings; (ii) be located in an eligible location; and (iii) result in not less than 20 per cent of the single-family dwellings being sold to qualified buyers, subject to an affordability restriction in accordance with the qualified homeownership credit allocation plan.

"Qualified project expenditure", an expenditure directly related to the construction of a qualified homeownership development project, including, but not limited to, the cost of acquiring land, site assessment and remediation of hazardous materials and as further provided in the qualified homeownership credit allocation plan; provided, however, that: (i) the director has certified that the proposed project meets the definition of a qualified homeownership development project; (ii) prior to construction, the director has certified that all or a portion of the project costs are for new construction; and (iii) after the construction of the project has been completed, the director has certified that the project has been completed in compliance with this section and the requirements and conditions of any prior certifications.

"Secretary", the secretary of housing and livable communities.

"Single-family dwelling", (i) a residential property containing not more than 4 residential units; provided, that all units shall comprise a single property, to be sold to and owned by a single homeowner; or (ii) a condominium unit in a professionally managed condominium development.

“Sponsor”, a sponsor, as defined in section 25 of chapter 23B, of a qualified homeownership development project or owner of a qualified homeownership development project.

“Taxpayer”, a taxpayer subject to the income tax under this chapter.

(b)(1) There shall be a Massachusetts homeownership tax credit. The director, in consultation with the secretary, may authorize annually under this section and section 38PP of chapter 63 a total sum not exceeding: (i) $10,000,000; (ii) the amount, if any, not authorized in the preceding taxable year; and (iii) any Massachusetts homeownership tax credits returned to the director by a sponsor.

(2) A taxpayer may be allowed a nonrefundable tax credit with respect to a qualified homeownership development project under this section equal to the credit amount listed on the eligibility certificate pursuant to subsection (d). If the credit allowable for any taxable year is unused by the taxpayer or exceeds the taxpayer’s tax liability under this chapter for the taxable year, the taxpayer may carry forward and apply in any subsequent taxable year, the portion, as reduced from year to year, of the credit which exceeds the tax for the taxable year; provided, however, that in no event shall the taxpayer apply the credit to the tax due for any taxable year beginning after the affordability period.

(3) To be eligible to receive a credit pursuant to this section, a sponsor shall submit an application to the director on a form and in a manner prescribed by the director, in consultation with the secretary; provided, that said application shall include, but shall not be limited to: (i) the name and address of the sponsor; (ii) the names and addresses of all members of the project development team; (iii) an estimate of the total qualified project expenditures; and (iv) any other

information as the director, in consultation with the secretary, may require pursuant to the qualified homeownership credit allocation plan.

(c)(1) The director, in consultation with the secretary, shall competitively evaluate and approve applications and award tax credits under this section for a qualified homeownership development project in accordance with the qualified homeownership credit allocation plan. The director, in consultation with the secretary, shall determine the credit amount awarded for each qualified homeownership development project, which shall not exceed the maximum credit amount.

(2) The director shall send written notice of the tax credit award to the sponsor of a qualified homeownership development project. The notice shall stipulate that receipt of the tax credit is contingent upon the sale of all single-family dwellings that are required to be sold to qualified buyers and issuance of an eligibility certificate.

(d)(1) Upon completion of a qualified homeownership development project for which a tax credit was awarded under this section and the sale of all single-family dwellings that are required to be sold to qualified buyers, the sponsor shall provide the director a final qualified project expenditures certification for approval. Immediately after approving the final cost certification, the director shall compute the credit amount and issue an eligibility certificate to the project development owner. The credit amount, which shall be stated on the certificate, shall equal the credit award amount stated in the notice issued under paragraph (2) of subsection (c), subject to any reduction or increase as the result of the approval of the final qualified project expenditures certification; provided, that such amount shall not exceed the maximum credit amount.

(2) Each eligibility certificate shall state the credit amount, the years that comprise the affordability period, the name, address and taxpayer identification number of the sponsor and all members of the project development team, the date the certificate is issued, a unique identifying number and any additional information the director, in consultation with the secretary and the commissioner, may require. The director shall certify a copy of each eligibility certificate to the secretary and the commissioner.

(e)(1) The sponsor shall maintain ownership of a qualified homeownership development project and all single-family dwellings that are required to be sold to qualified buyers until such dwellings are sold to qualified buyers.

(2) The qualified buyer of a single-family dwelling constructed as part of a qualified homeownership development project for which a tax credit was issued under this section shall occupy such single-family dwelling as the qualified buyer's primary residence during the affordability period; provided, that a qualified buyer of a single-family dwelling that includes more than 1 residential unit need only occupy a single residential unit within the single-family dwelling as the qualified buyer's primary residence during the affordability period and may lease any additional units to third-party lessees.

(3) If a single-family dwelling constructed as part of a qualified homeownership development project is sold during the affordability period, the seller shall transfer to the director an amount equal to 90 per cent of the gain from such resale, reduced by 10 per cent for each year of the affordability period which ends before the date of such sale, subject to such additional criteria as may be established under the qualified homeownership credit allocation plan. The director shall use any amount received pursuant to a repayment under this paragraph for the purpose of providing financial assistance to first-time homebuyers and offsetting the costs of

administering this section. The director may place a lien on each single-family dwelling constructed as part of a qualified homeownership development project for an amount it deems necessary to ensure potential repayment pursuant to this paragraph.

(4) During the affordability period, a qualified buyer of a single-family dwelling that includes more than 1 residential unit shall not separate the ownership of individual residential units within the single-family dwelling.

(f)(1) All or any portion of a tax credit issued in accordance with this section may be transferred, sold or assigned to any individual or entity and the transferee shall be entitled to claim the credit pursuant to paragraph (2) of subsection (b) with the same effect as if the transferee had incurred the qualified project expenditures itself.

(2) A sponsor or transferee desiring to make a transfer, sale or assignment as described in paragraph (1) shall submit to the commissioner a statement that describes the amount of the tax credit for which such transfer, sale or assignment of the tax credit is eligible. The sponsor shall provide to the commissioner appropriate information for proper allocation of the tax credit.

(3) If the recapture of a tax credit is required pursuant to subsection (g), any statement submitted to the commissioner pursuant to paragraph (2) shall include the proportion of the tax credit required to be recaptured, the identity of each transferee subject to recapture and the amount of the tax credit previously transferred to such transferee.

(g) The director, in consultation with the secretary, shall determine whether a sponsor or qualified homeownership development project: (i) does not qualify for the credit; (ii) ceases to qualify for the credit; or (iii) did not qualify for the credit at the time the credit was claimed. Notwithstanding the time limitations on assessments pursuant to chapter 62C, the commissioner shall determine the taxpayer or taxpayers that claimed the credit, the tax against which the credit

was claimed and the amount to be recaptured and shall make an assessment against the taxpayer or taxpayers for the amount to be recaptured under this section.

(h) The director may assess application, processing and reporting fees to cover the cost of administering this section.

(i) The credit under this section shall be attributed on a pro rata basis to the owners, partners or members of the legal entity entitled to the credit under this section and shall be allowed as a credit against the tax due under this chapter from such owners, partners or members in a manner determined by the commissioner.

(j) The secretary, in consultation with the commissioner and director, shall adopt any rules and promulgate any regulations necessary to administer this section.

SECTION 17. Subsection (b) of section 6O of said chapter 62, inserted by section 16, is hereby amended by striking out paragraph (1) and inserting in place thereof the following paragraph:-

(1) There shall be a Massachusetts homeownership tax credit. The director, in consultation with the secretary, may authorize annually under this section and section 38PP of chapter 63 a total sum not exceeding: (i) the amount, if any, not authorized in the preceding taxable year; and (ii) any Massachusetts homeownership tax credits returned to the director by a sponsor.

SECTION 18. Section 38EE of chapter 63 of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by striking out, in lines 213 and 214, the words "$12,000,000 in each of taxable years 2023 to 2025, inclusive" and inserting in place thereof the following words:- $15,000,000 in taxable years beginning on or after January 1, 2025.

SECTION 19. Said chapter 63 is hereby further amended by inserting after section 38NN, inserted by section 7 of chapter 88 of the acts of 2024, the following 2 sections:-

Section 38OO. (a) As used in this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Development cost", as defined in section 37 of chapter 23B.

"Executive office", the executive office of housing and livable communities, established pursuant to chapter 23B.

"Qualified conversion project", as defined in section 37 of chapter 23B.

"Sponsors", as defined in section 25 of chapter 23B.

(b) A credit shall be allowed against the tax liability imposed by this chapter, to the extent authorized by the executive office, in consultation with the commissioner, for a qualified conversion project that has been completed and certified by the executive office pursuant to section 37 of chapter 23B. The credit shall be equal to an amount not more than 10 per cent of the qualified conversion project development costs. The credit shall be allowed for the taxable year in which the executive office provides the commissioner written notification of completion of the certified qualified conversion project. For any certified qualified conversion project, development costs applicable to this credit shall be treated for purposes of this section as made on the date that the executive office provides the commissioner written notification of completion of the certified qualified conversion project and any data related to the development costs.

(c) A taxpayer eligible for the credit may, with prior notice to the commissioner, transfer the credit, in whole or in part, to any individual or entity with tax labilities under this chapter or chapter 62, and the transferee shall be entitled to apply the credit against the tax with the same

effect as if the transferee had incurred the development costs itself. If the sponsor of the certified housing development qualified conversion project is a partnership or a limited liability company taxed as a partnership, the credit, if transferred, must be transferred by the partnership or the limited liability company. If the credit allowed to a partnership, a limited liability company taxed as a partnership or multiple owners of property are not transferred they shall be passed through to the persons designated as partners, members or owners, respectively, pro rata or pursuant to an executed agreement among the persons designated as partners, members or owners documenting an alternative distribution method without regard to their sharing of other tax or economic attributes of the entity. Credits passed through to individual partners and members shall not be transferable. Any amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the transferee, buyer or assignee subsequent taxable years from which a certificate is initially issued by the executive office; provided, however, that in no event shall the transferee apply the credit to the tax due for any taxable year beginning more than 10 years after the taxable year in which the executive office provides the commissioner written notification of completion of the certified qualified conversion project.

(d) If the credit allowable for any taxable year exceeds the taxpayer's tax liability for that tax year, the taxpayer may carry forward and apply in any subsequent taxable year, the portion, as reduced from year to year, of the credit which exceed the tax for the taxable year; provided, however, that in no event shall the taxpayer apply the credit to the tax due for any taxable year beginning more than 10 years after the taxable year in which the executive office provides the commissioner written notification of completion of the certified qualified conversion project.

(e) The commissioner of revenue may, as of the effective date of a revocation pursuant to subsection (f) of section 37 of chapter 23B, disallow any credits allowed under this section.

(f) The commissioner, in consultation with the executive office, may adopt regulations necessary to carry out this section, including regulations to recapture the value of any tax credits allowed under this section.

Section 38PP. (a) For the purposes of this section, unless the context clearly requires otherwise, the following words shall have the following meanings:

"Affordability period", the 10-year period that commences on the date of the initial sale of a single-family dwelling constructed as part of a qualified homeownership development project.

"Affordability restriction", a restriction in form and substance approved by the director and the secretary, imposing resale restrictions on a single-family dwelling constructed as part of a qualified homeownership development project during the affordability period.

"Commissioner", the commissioner of revenue.

"Credit amount", the amount computed by the director pursuant to subsection (d) before issuing an eligibility certificate.

"Credit award amount", the amount determined by the director and stipulated in the notice sent pursuant to paragraph (2) of subsection (c).

"Director", the executive director of the Massachusetts Housing Finance Agency, established pursuant to chapter 708 of the acts of 1966.

"Eligibility certificate", a certificate issued to a sponsor pursuant to subsection (d).

"Eligible location", a geographic area in which a qualified homeownership development project may be located, based on criteria established in the qualified homeownership allocation plan.

"Maximum credit amount", the amount equal to 35 per cent of the lesser of: (i) the total qualified project expenditures calculated on a per single-family dwelling basis; or (ii) 80 per cent of the area median new single-family dwelling sales price, subject to such further limitations as may be established under the qualified homeownership credit allocation plan.

"Project development team", the group of entities that develops, constructs, reports, appraises, finances and services the associated properties of a qualified homeownership development project in partnership with the project development owner.

"Qualified buyer", an individual that is a first-time homebuyer with an annual income not exceeding 120 per cent of the area median income, as determined by the United States Department of Housing and Urban Development, for the location in which the single-family dwelling being purchased is located, and who satisfies any additional qualifications established by the director under the qualified homeownership credit allocation plan.

"Qualified homeownership credit allocation plan", a plan adopted by the director with the approval of the secretary, establishing: (i) criteria and metrics under which homeownership development projects shall be assessed for qualification and the geographic areas in which qualified homeownership development projects may be located; (ii) criteria for approving and ranking applications for credits; (iii) a methodology to determine applicable median new single-family dwelling sales prices for the area in which the project is located; (iv) mechanisms to maintain affordability of each single-family dwelling that is created as part of a qualified homeownership development project and restricted for sale to qualified buyers, throughout the affordability period; (v) criteria to be used in determining qualification as a qualified buyer; (vi) criteria governing the purchase, ownership and sale of completed qualified homeownership

development project single-family dwellings; and (vii) the manner of determining qualified project expenditures.

"Qualified homeownership development project", a project to develop for sale single-family dwellings in the commonwealth that satisfies any qualifications established by the director with the approval of the secretary in the qualified homeownership credit allocation plan; provided, that the proposed project shall: (i) involve the new construction of not less than 10 single-family dwellings; (ii) be located in an eligible location; and (iii) result in not less than 20 per cent of the single-family dwellings being sold to qualified buyers, subject to an affordability restriction in accordance with the qualified homeownership credit allocation plan.

"Qualified project expenditure", an expenditure directly related to the construction of a qualified homeownership development project, including, but not limited to, the cost of acquiring land, site assessment and remediation of hazardous materials and as further provided in the qualified homeownership credit allocation plan; provided, however, that: (i) the director has certified that the proposed project meets the definition of a qualified homeownership development project; (ii) prior to construction, the director has certified that all or a portion of the project costs are for new construction; and (iii) after the construction of the project has been completed, the director has certified that the project has been completed in compliance with this section and the requirements and conditions of any prior certifications.

"Secretary", the secretary of housing and livable communities.

"Single-family dwelling", (i) a residential property containing not more than 4 residential units; provided, that all units shall comprise a single property, to be sold to and owned by a single homeowner; or (ii) a condominium unit in a professionally managed condominium development.

“Sponsor”, a sponsor, as defined in section 25 of chapter 23B, of a qualified homeownership development project or owner of a qualified homeownership development project.

“Taxpayer”, a taxpayer subject to the income tax under this chapter.

(b)(1) There shall be a Massachusetts homeownership tax credit. The director, in consultation with the secretary, may authorize annually under this section and section 6O of chapter 62 a total sum not exceeding: (i) $10,000,000; (ii) the amount, if any, not authorized in the preceding taxable year; and (iii) any Massachusetts homeownership tax credits returned to the director by a sponsor.

(2) A taxpayer may be allowed a nonrefundable tax credit with respect to a qualified homeownership development project under this section equal to the credit amount listed on the eligibility certificate pursuant to subsection (d). If the credit allowable for any taxable year is unused by the taxpayer or exceeds the taxpayer’s tax liability under this chapter for the taxable year, the taxpayer may carry forward and apply in any subsequent taxable year, the portion, as reduced from year to year, of the credit which exceeds the tax for the taxable year; provided, however, that in no event shall the taxpayer apply the credit to the tax due for any taxable year beginning after the affordability period.

(3) To be eligible to receive a credit pursuant to this section, a sponsor shall submit an application to the director on a form and in a manner prescribed by the director, in consultation with the secretary; provided, that said application shall include, but shall not be limited to: (i) the name and address of the sponsor; (ii) the names and addresses of all members of the project development team; (iii) an estimate of the total qualified project expenditures; and (iv) any other

information as the director, in consultation with the secretary, may require pursuant to the qualified homeownership credit allocation plan.

(c)(1) The director, in consultation with the secretary, shall competitively evaluate and approve applications and award tax credits under this section for a qualified homeownership development project in accordance with the qualified homeownership credit allocation plan. The director, in consultation with the secretary, shall determine the credit amount awarded for each qualified homeownership development project, which shall not exceed the maximum credit amount.

(2) The director shall send written notice of the tax credit award to the sponsor of a qualified homeownership development project. The notice shall stipulate that receipt of the tax credit is contingent upon the sale of all single-family dwellings that are required to be sold to qualified buyers and issuance of an eligibility certificate.

(d)(1) Upon completion of a qualified homeownership development project for which a tax credit was awarded under this section and the sale of all single-family dwellings that are required to be sold to qualified buyers, the sponsor shall provide the director a final qualified project expenditures certification for approval. Immediately after approving the final cost certification, the director shall compute the credit amount and issue an eligibility certificate to the project development owner. The credit amount, which shall be stated on the certificate, shall equal the credit award amount stated in the notice issued under paragraph (2) of subsection (c), subject to any reduction or increase as the result of the approval of the final qualified project expenditures certification; provided, that such amount shall not exceed the maximum credit amount.

(2) Each eligibility certificate shall state the credit amount, the years that comprise the affordability period, the name, address and taxpayer identification number of the sponsor and all members of the project development team, the date the certificate is issued, a unique identifying number and any additional information the director, in consultation with the secretary and the commissioner, may require. The director shall certify a copy of each eligibility certificate to the secretary and the commissioner.

(e)(1) The sponsor shall maintain ownership of a qualified homeownership development project and all single-family dwellings that are required to be sold to qualified buyers until such dwellings are sold to qualified buyers.

(2) The qualified buyer of a single-family dwelling constructed as part of a qualified homeownership development project for which a tax credit was issued under this section shall occupy such single-family dwelling as the qualified buyer's primary residence during the affordability period; provided, that a qualified buyer of a single-family dwelling that includes more than 1 residential unit need only occupy a single residential unit within the single-family dwelling as the qualified buyer's primary residence during the affordability period and may lease any additional units to third-party lessees.

(3) If a single-family dwelling constructed as part of a qualified homeownership development project is sold during the affordability period, the seller shall transfer to the director an amount equal to 90 per cent of the gain from such resale, reduced by 10 per cent for each year of the affordability period which ends before the date of such sale, subject to such additional criteria as may be established under the qualified homeownership credit allocation plan. The director shall use any amount received pursuant to a repayment under this paragraph for the purpose of providing financial assistance to first-time homebuyers and offsetting the costs of

administering this section. The director may place a lien on each single-family dwelling constructed as part of a qualified homeownership development project for an amount it deems necessary to ensure potential repayment pursuant to this paragraph.

(4) During the affordability period, a qualified buyer of a single-family dwelling that includes more than 1 residential unit shall not separate the ownership of individual residential units within the single-family dwelling.

(f)(1) All or any portion of a tax credit issued in accordance with this section may be transferred, sold or assigned to any individual or entity and the transferee shall be entitled to claim the credit pursuant to paragraph (2) of subsection (b) with the same effect as if the transferee had incurred the qualified project expenditures itself.

(2) A sponsor or transferee desiring to make a transfer, sale or assignment as described in paragraph (1) shall submit to the commissioner a statement that describes the amount of the tax credit for which such transfer, sale or assignment of the tax credit is eligible. The sponsor shall provide to the commissioner appropriate information for proper allocation of the tax credit.

(3) If the recapture of a tax credit is required pursuant to subsection (g), any statement submitted to the commissioner pursuant to paragraph (2) shall include the proportion of the tax credit required to be recaptured, the identity of each transferee subject to recapture and the amount of the tax credit previously transferred to such transferee.

(g) The director, in consultation with the secretary, shall determine whether a sponsor or qualified homeownership development project: (i) does not qualify for the credit; (ii) ceases to qualify for the credit; or (iii) did not qualify for the credit at the time the credit was claimed. Notwithstanding the time limitations on assessments pursuant to chapter 62C, the commissioner shall determine the taxpayer or taxpayers that claimed the credit, the tax against which the credit

was claimed and the amount to be recaptured and shall make an assessment against the taxpayer or taxpayers for the amount to be recaptured under this section.

(h) The director may assess application, processing and reporting fees to cover the cost of administering this section.

(i) The credit under this section shall be attributed on a pro rata basis to the owners, partners or members of the legal entity entitled to the credit under this section and shall be allowed as a credit against the tax due under this chapter from such owners, partners or members in a manner determined by the commissioner.

(j) The secretary, in consultation with the commissioner and director, shall adopt any rules and promulgate any regulations necessary to administer this section.

SECTION 20. Subsection (b) of section 38PP of said chapter 63, inserted by section 19, is hereby amended by striking out paragraph (1) and inserting in place thereof the following paragraph:-

(1) There shall be a Massachusetts homeownership tax credit. The director, in consultation with the secretary, may authorize annually under this section and section 6O of chapter 62 a total sum not exceeding: (i) the amount, if any, not authorized in the preceding taxable year; and (ii) any Massachusetts homeownership tax credits returned to the director by a sponsor.

SECTION 21. Section 127I of chapter 111 of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by adding the following paragraph:-

Notwithstanding the fourth paragraph, following the appointment of a receiver for a vacant residential property, the court, upon motion by the receiver with notice to the owner, mortgagee and all interested parties, may allow the sale of the property to a nonprofit entity for

fair market value in its then current condition. Any such sale shall be conditioned upon the court finding that the nonprofit agrees to correct all outstanding state sanitary code violations and rehabilitate the property for sale to a first-time homebuyer whose income is not more than 120 per cent of the area median income as determined by the United States Department of Housing and Urban Development; provided, that a nonprofit entity shall demonstrate to the court adequate expertise and resources necessary to rehabilitate the property and correct outstanding state sanitary code violations. Any such motion filed by a receiver pursuant to this paragraph shall be heard by the court not less than 30 days following the filing date, during which period the owner, mortgagee and any other interested parties may join a motion for leave to correct all outstanding state sanitary code violations at the property. Upon a finding by the court that the owner, mortgagee or other interested party has the intention and ability to correct all outstanding state sanitary code violations, the court shall stay the hearing on the receiver's motion for a reasonable period of time to allow the owner, mortgagee or other interested party to correct such outstanding sanitary code violations.

SECTION 22. Section 11 of chapter 121B of the General Laws, as so appearing, is hereby amended by striking out paragraphs (n) and (o) and inserting in place thereof the following 3 paragraphs:-

(n) To join or cooperate with 1 or more other operating agencies in the exercise, either jointly or otherwise, of any of their powers for the purpose of financing, including the issuance of bonds, notes or other obligations and the giving of security therefor, planning, undertaking, owning, constructing, operating or contracting with respect to any project or projects authorized by this chapter located within the area within which 1 or more of such authorities are authorized to exercise their powers; and for such purpose to prescribe and authorize, by resolution, any

operating agency so joining and cooperating with it to act in its behalf in the exercise of any of such powers;

(o) To lease energy saving systems that replace non-renewable fuels with renewable energy such as solar powered systems; and

(p) To secure, with the approval of the department, in consultation with the executive office for administration and finance, indebtedness incurred for the preservation, modernization and maintenance of 1 or more of its low rent housing developments assisted under section 32 or 34 by a pledge of a portion of capital funds awarded to it for improvements to be carried out pursuant to a capital improvement plan, approved by the department and in accordance with department regulations governing capital projects. The department, in consultation with the executive office for administration and finance, shall promulgate regulations to establish limitations on the percentage of awarded capital funds that may be pledged to secure indebtedness, describe permitted terms for borrowing and repayment and establish criteria for operating agencies permitted to incur indebtedness secured by a pledge of capital funds. Any pledge of future year capital funds pursuant to this section shall be subject to the availability of funds under the department's capital spending plan. All financing documents related to future year capital fund amounts shall include a statement that the credit of the commonwealth is not pledged and that the pledging of funds shall be subject to the availability of funds under the department's capital spending plan.

SECTION 23. Section 26C of said chapter 121B, as amended by section 256 of chapter 7 of the acts of 2023, is hereby further amended by striking out the words "provided, however, that the capital assistance team shall provide services to the housing authority without requiring payment for the services by the housing authority" and inserting in place thereof the following

words:- provided, however, that the capital assistance team shall provide services to a housing authority with 500 or fewer state-aided units without requiring payment for services by the housing authority; and provided further, that the capital assistance team may require payment for services provided to a housing authority with more than 500 state-aided units and for additional services not covered by this section and approved by the department.

SECTION 24. Said section 26C of said chapter 121B, as so amended, is hereby further amended by striking out subsection (e) and inserting in place thereof the following subsection:-

(e) There shall be a capital assistance advisory board consisting of 7 members. Each capital assistance team shall appoint 2 members to the advisory board and the department shall appoint 1 member, who shall have at least 5 years of experience as the manager of not less than 200 units of privately owned housing. Only members of participating housing authorities in the region shall be eligible for appointment to the advisory board. The advisory board shall meet on an annual basis with the capital assistance team directors, host housing authority directors and the secretary of housing and livable communities, or a designee, and shall discuss issues of program performance and coordination.

SECTION 25. The first paragraph of section 29 of said chapter 121B, as appearing in the 2022 Official Edition, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- The members of a housing authority shall biennially, or more frequently as required by the department, and at a time to be determined by the department, file with the department a written report for its preceding fiscal years since its last previously filed written report.

SECTION 26. Said first paragraph of said section 29 of said chapter 121B, as so appearing, is hereby further amended by adding the following sentence:- Notwithstanding the

foregoing, nothing in this section shall exempt a housing authority from submitting an annual plan pursuant to section 28A and this section.

SECTION 27. Section 34 of said chapter 121B, as so appearing, is hereby amended by adding the following paragraph:-

Notwithstanding any general or special law to the contrary, the tenants of a state-aided or federally-aided public housing project transferred or conveyed pursuant to the fourteenth paragraph shall maintain all rights pursuant to federal, state and local subsidy programs originally applicable to the project, including tenant contribution, lease terms, eviction, right to return, grievance, resident participation, preference in hiring and privacy rights, except as may be required to secure financing necessary for the feasibility of the project or to meet associated programmatic eligibility requirements after notice to affected tenants with an opportunity to comment. The redevelopment of such public housing project shall not be the basis for: (i) termination of assistance or eviction of any tenant; (ii) reduction of assistance or eviction of any tenant; or (iii) re-screening any existing tenant; provided, that no existing tenant shall be considered a new admission for any purpose, including, but not limited to, compliance with any income targeting requirements. Any such project shall have at least the same number of low rent housing units as the number of low rent housing units in the existing project. The requirements of this paragraph shall be implemented through contracts, use agreements, regulations or other means, as determined by the department. Any contracts, use agreements, regulations or other means shall be in compliance with all local, state and federal subsidy programs applicable and shall delineate: (i) the roles of the housing authority and other agencies in monitoring and enforcing compliance, including tracking temporary and permanent displacement; (ii) how the housing authority shall rehouse tenants so there shall be no displacement from affordable

housing programs operated by the housing authority; and (iii) how tenants shall be provided with technical assistance to facilitate meaningful input related to the redevelopment of the proposed project. The benefits of any contracts, use agreements, regulations or other means shall inure to any tenant who occupied a unit within the project at the time of the transfer or conveyance of the project. Protections relating to tenant contribution, lease terms, eviction, grievance, resident participation, preference in hiring and privacy rights, except as may be required to secure financing necessary for the feasibility of the project or to meet associated programmatic eligibility requirements, shall inure to both present or future tenants or applicants of the project, who shall have the right to enforce the same as third-party beneficiaries. Nothing in this section shall create a separate or new administrative process of appeal or review for any grievance governed by the lease of any tenant. Tenants shall have an opportunity for comment on a project proposed under the fourteenth paragraph and an opportunity for public comment to be organized by the owners, controlled entities, designated private entities or public housing authorities responsible for such projects with adequate notice.

SECTION 28. The third sentence of subsection (b) of section 3 of chapter 121E of the General Laws, as so appearing, is hereby amended by striking out clause (3) and inserting in place thereof the following clause:-

(3) issued only if a contract or agreement for the use of the property for housing purposes provides for the recording of a restriction in the registry of deeds or the registry district of the land court in the county in which the affected real property is located, for the benefit of the department, running with the land, that the land be used for providing alternative forms of rental and ownership housing; provided, that the property shall not be released from the restriction until: (i) the balance of the principal and interest for the loan has been repaid in full; (ii) a

mortgage foreclosure deed has been recorded; or (iii) there has been a disposition of the property; provided, that the department determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property;.

SECTION 29. Said section 3 of said chapter 121E, as so appearing, is hereby further amended by striking out, in lines 41 to 44, inclusive, the words “, provided that the project continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the department” and inserting in place thereof the following words:- ; provided, that the project, whether at the original property, or at an alternative property pursuant to clause (3), continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the department.

SECTION 30. Section 2 of chapter 121F of the General Laws, as so appearing, is hereby amended by striking out subsection (a) and inserting in place thereof the following subsection:-

(a) There shall be within the department a separate fund to be known as the Housing Stabilization and Investment Trust Fund. The department shall administer the fund and shall ensure that funds are distributed among urban, suburban and rural areas with a particular emphasis on the development of alternative forms of housing and local and regional needs. Such funds shall be used for the purpose of undertaking projects to develop and support affordable housing developments and homeownership affordability through the acquisition, preservation, new construction and rehabilitation of affordable housing, including, but not limited to, the preservation and improvement of existing privately-owned and state or federally-assisted

housing. Uses of the fund may include: (i) assistance for projects to stabilize and promote reinvestment in cities and towns, including, but not limited to, preserving and improving existing privately-owned and state or federally-assisted housing and any other techniques necessary to achieve reinvestment; provided, that funds may be expended for energy audits and housing modifications to achieve energy efficiency and conservation; and (ii) assistance for housing where the expiration of federal or state low-income housing tax credits or other federal or state subsidies would lead or has led to the termination of a use agreement for low-income housing or in which a project-based rental assistance contract is expiring or has expired. The fund shall be an expendable trust fund and shall not be subject to appropriation.

SECTION 31. Said section 2 of said chapter 121F, as so appearing, is hereby further amended by striking out, in line 28, the words “nonprofit or for-profit organizations” and inserting in place thereof the following words:- eligible entities pursuant to subsection (a) of section 3.

SECTION 32. Said section 2 of said chapter 121F, as so appearing, is hereby further amended by striking out, in lines 35 to 38, inclusive, the words “or the Community Economic Development Assistance Corporation established in chapter 40H to provide assistance from the fund for projects owned or sponsored by nonprofit organizations” and inserting in place thereof the following words:- to provide assistance from the fund.

SECTION 33. Section 3 of said chapter 121F, as so appearing, is hereby amended by striking out subsections (a) and (b) and inserting in place thereof the following 2 subsections:-

(a) The fund shall finance low and no-interest loans, grants, subsidies, credit enhancements and other financial assistance for rental and ownership housing; provided, that any assistance provided shall be the minimum amount necessary to make a project feasible; provided

further, that loans, grants, subsidies, credit enhancements and other financial assistance pursuant to this chapter may be provided to qualified for-profit or non-profit developers, community development corporations, local housing authorities, community action agencies, community-based or neighborhood-based non-profit housing organizations, other non-profit organizations and for-profit entities and governmental bodies; provided further, that recipients may enter into subcontracts to administer the contracts with other for-profit or nonprofit organizations; provided further, that loans, grants, subsidies, credit enhancements and other financial assistance pursuant to this chapter may be provided for the acquisition of property to provide or preserve affordable housing; provided further, that the loan program may be administered by the department through contracts with the Massachusetts Housing Partnership Fund established in section 35 of chapter 405 of the acts of 1985; provided further, that the program may include acquisition, financing and other holding costs, interim management costs and operating costs and may be used by the Massachusetts Housing Partnership Fund to secure, collateralize or reserve against other financing obtained by the Massachusetts Housing Partnership Fund to support such costs; and provided further, that not less than 75 per cent of the beneficiaries of the housing shall be persons whose income is not more than 60 per cent of the area median income and not less than 13 per cent of the beneficiaries of the housing shall be persons whose income is not more than 30 per cent of the area median income.

(b)(1) Activities eligible for assistance from the fund shall include, but shall not be limited to: (i) projects to develop and support affordable housing developments and homeownership affordability through the acquisition, preservation, new construction and rehabilitation of affordable housing; and (ii) the preservation of affordable housing developments that: (A) are currently, or were previously, subject to prepayment or payment of a state or

federally-assisted mortgage; (B) are receiving project-based rental assistance under section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f, and the rental assistance is expiring; or (C) have received other project-based federal or state subsidies which are terminating or have terminated.

(2) Property eligible for assistance shall include, but shall not be limited to, housing where the prepayment or payment of a state or federally-assisted mortgage or the expiration of federal low income housing tax credits or other federal or state subsidies would lead or has led to the termination of a use agreement for low income housing or in which a project-based rental assistance contract is expiring or has expired; provided, that a property eligible for assistance that has been acquired for the purpose of preserving or improving the property shall not lose eligibility due to actions by the purchaser to renew or extend state or federal contracts or subsidies.

(3) The department, in consultation with nonprofit organizations, the Community Economic Development Assistance Corporation, the Massachusetts Housing Finance Agency and the Massachusetts Housing Partnership Fund, shall identify projects at greatest risk of prepayment, payment, termination of subsidies and use restrictions or nonrenewal of rental assistance. Funding priority shall be based on at-risk criteria to be determined by the department and set forth in regulations promulgated by the department.

SECTION 34. Said section 3 of said chapter 121F, as so appearing, is hereby further amended by striking out subsection (d) and inserting in place thereof the following subsection:-

(d) Prior to providing assistance, the department shall determine that: (i) the housing would not, by private enterprise alone and without government assistance, be available to lower income families and individuals; and (ii) the amount of assistance is the minimum amount

necessary to make the housing development feasible. The department shall require, as a condition of receiving assistance, that: (A) the housing remain affordable for its useful life as determined by the department; and (B) with respect to rental housing, the operations of the owner and its articles of organization and by-laws, and any changes to the articles of organization and by-laws, shall be subject to regulation by the department.

SECTION 35. Section 5 of said chapter 121F, as so appearing, is hereby amended by striking out, in lines 2 to 5, inclusive, the words “including, but not limited to, regulations relative to grants to cities and towns for the demolition of certain vacant and abandoned buildings and procedures for neighborhood revitalization plans”.

SECTION 36. The General Laws are hereby amended by inserting after chapter 121G the following chapter:-

CHAPTER 121H

SUPPORTIVE HOUSING POOL FUND

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

“Chronically homeless”, a person who has been homeless for at least 1 year or has been repeatedly homeless.

“Executive office”, the executive office of housing and livable communities.

“Fund”, the Supportive Housing Pool Fund established in section 2.

“Permanent supportive housing”, rental housing that includes supportive services for individuals and families who may be homeless or chronically homeless, individuals and families with behavioral health needs or substance addiction needs, survivors of domestic violence,

survivors of human trafficking, survivors of sexual violence, individuals and families at risk of entering or transitioning out of the foster care system, youth and young adults, seniors and veterans or other individuals with similar needs, as determined by the executive office.

Section 2. (a) There shall be a Supportive Housing Pool Fund to support the production of permanent supportive housing. The fund shall be administered by the executive office directly or through contracts with 1 or more of the following administering agencies: (i) the Community Economic Development Assistance Corporation, established in chapter 40H; (ii) the Massachusetts Housing Partnership Fund, established in section 35 of chapter 405 of the acts of 1985; or (iii) the Massachusetts Housing Finance Agency, established in chapter 708 of the acts of 1966; provided, that an administering agency may directly offer financial assistance for the purposes pursuant to this section or may enter into subcontracts with non-profit organizations established pursuant to chapter 180 for those purposes; and provided further, that the administering agency may establish additional program requirements through regulations or policy guidelines.

(b) There shall be credited to the fund: (i) revenue from appropriations or other money authorized by the general court and specifically designated for the fund; (ii) any gifts, grants, private contributions, repayment of loans, fees and charges imposed relative to the making of loans, grants, subsidies, credit enhancements and other financial assistance; (iii) any investment income earned on the fund's assets; and (iv) any other sources. Money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

Section 3. Funds expended pursuant to this chapter shall be in the form of grants, loans or other financial assistance to projects and organizations that shall provide stable housing options and supportive services to residents of permanent supportive housing, which may include, but

shall not be limited to, staffing, case management, service coordination or other tenancy-related services provided by a project sponsor or through a third party, or other services or activities that the executive office has determined are essential to the day-to-day operation of permanent supportive housing.

Section 4. The executive office may promulgate regulations for the implementation, administration and enforcement of this chapter and may, in consultation with the executive office of health and human services, the executive office of elder affairs, the department of children and families and the office for victim assistance, issue guidelines for the fund.

SECTION 37. Section 1 of chapter 188 of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by striking out, in lines 15, 21, 25, 41 and 47, each time it appears, the figure "$500,000" and inserting in place thereof, in each instance, the following figure:- $1,000,000.

SECTION 38. Section 3 of chapter 708 of the acts of 1966, as amended by section 43 of chapter 204 of the acts of 1996, is hereby further amended by striking out, in the first sentence, the words "department of housing and community development" and inserting in place thereof the following words:- executive office of housing and livable communities.

SECTION 39. The first paragraph of said section 3 of said chapter 708, as most recently amended by sections 43 and 44 of said chapter 204, is hereby further amended by striking out the third sentence and inserting in place thereof the following sentence:- Any law to the contrary notwithstanding the MHFA shall not be subject to the provisions of chapter 30A, sections 24 through 28, inclusive, of chapter 93, chapter 255E or chapter 255F of the General Laws.

SECTION 40. The first sentence of the second paragraph of said section 3 of said chapter 708, as amended, is hereby further amended by striking out the words "director of housing and

community development” and inserting in place thereof the following words:- secretary of housing and livable communities.

SECTION 41. Paragraph (b) of section 8 of said chapter 708, is hereby amended by striking out the sixth sentence, as most recently amended by chapter 34 of the acts of 2003, and inserting in place thereof the following sentence:- The aggregate principal amount of notes and bonds of the MHFA issued to make mortgage loans pursuant to section 5 and to make or purchase loans pursuant to section 5A, outstanding at any 1 time, shall not exceed the sum of $10,800,000,000.

SECTION 42. Paragraph (a) of section 35 of chapter 405 of the acts of 1985 is hereby further amended by striking out the words “department of housing and community development”, as appearing in section 47 of chapter 204 of the acts of 1996, and inserting in place thereof the following words:- executive office of housing and livable communities.

SECTION 43. Said paragraph (a) of said section 35 of said chapter 405 is hereby further amended by striking out the words “communities and development”, as appearing in section 36 of chapter 102 of the acts of 1990, and inserting in place thereof the following words:- housing and livable communities.

SECTION 44. Section 2 of chapter 52 of the acts of 1993 is hereby amended by striking out item 4000-8200, most recently amended by sections 15 to 18, inclusive, of chapter 244 of the acts of 2002, and inserting in place thereof the following item:-

4000-8200 For state financial assistance to implement the recommendations of the special commission in the form of loans for the development of community-based housing for individuals with mental health or intellectual or developmental disabilities; provided, that said loan program shall be administered by the executive office of housing and livable communities

through contracts with authorities which shall be limited to housing authorities and redevelopment authorities duly organized and existing in accordance with chapter 121B of the General Laws, community development corporations duly organized and existing in accordance with chapter 40F of the General Laws, the Massachusetts Housing Finance Agency, a body politic and corporate entity established by chapter 708 of the acts of 1966, as amended, the Massachusetts community economic development assistance corporation (CEDAC), a body politic and corporate entity established by chapter 40H of the General Laws, and the Massachusetts Government Land Bank, a body politic and corporate entity established by chapter 212 of the acts of 1975; provided, that said loan issuing authorities may develop or finance said community-based housing, or may enter into subcontracts with non-profit organizations established pursuant to chapter 180 of the General Laws or organizations in which such non-profit corporations have a controlling financial or managerial interest; provided, however, that said department shall take due consideration of a balanced geographic plan for such community-based housing when issuing said loans; provided further, that loans issued pursuant to this item shall be subject to the following provisions: (1) said loans shall be limited to not more than 50 per cent of the financing of the total development costs; (2) said loans shall only be issued for a community-based housing project contingent on the title to said real property reverting to the commonwealth when said loan becomes due and payable except as provided by section 3; (3) said loans shall only be issued when any contract or agreement for the use of said property for the purposes of such community-based housing provides for the recording of a restriction in the registry of deeds or the registry district of the land court of the county in which the affected real property is located, for the benefit of the said departments, running with the land, that the land be used for the purpose of providing community-based housing for eligible

individuals as determined by the departments of mental health; provided, that the property shall not be released from such restrictions unless: (i) the balance of the principal and interest for the loan has been repaid in full; (ii) a mortgage foreclosure deed has been recorded; or (iii) there has been a disposition of the property; provided, that the executive office of housing and livable communities, in consultation with the department of mental health and the department of developmental services, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property; (4) said loans shall be issued for a term of up to 30 years during which time repayment may be deferred by the loan issuing authority unless at the end of any fiscal year, cash collections from all sources in connection with a community-based housing project, except for contributions, donations, or grant monies, exceed 105 per cent of cash expenditures on behalf of said project, including debt service, operating expenses, and capital reserves, in which event such excess cash shall be paid to the commonwealth within 45 days of the end of said fiscal year, payable first to interest due hereunder and thereafter to principal advanced pursuant to said loan; provided, that if on the date said loans become due and payable to the commonwealth an outstanding balance exists and if, on such date, the executive office of housing and livable communities in consultation with the executive office of health and human services, determines that there still exists a need for such housing and that there is continued funding available for the provision of services to such development, said executive office may, by agreement with the owner of the development, extend the loans for such periods, each period not to extend beyond 10 years, as the executive office determines; provided, however, that the project, whether at the original property, or at an

alternative property pursuant to clause (3), shall remain affordable housing for the duration of the loan term, as extended, as set forth in the contract or agreement entered into by the executive office; and provided, further, that, in the event that the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds which would otherwise assist in the development of that project, the secretary may waive the terms of repayment which would cause the project to become ineligible; (5) interest rates for said loans shall be fixed at a rate, to be determined by the secretary for housing and livable communities in consultation with the treasurer of the commonwealth, that shall be equal to the rate anticipated to be that paid by the commonwealth for bonds issued pursuant to section 8 of this act; which financing shall not exceed terms of 30 years; (6) said loans shall be provided only for projects conforming to the provisions of this act; and (7) said loans shall be issued in accordance with a facilities consolidation plan prepared by the secretary of health and human services, reviewed and approved by the secretary of housing and livable communities and filed with the secretary for administration and finance and the house and senate committees on ways and means; provided, that no expenditures shall be made pursuant to this item without the prior approval of the secretary for administration and finance; provided further, that not more than $10,000,000 shall be expended from this item for a pilot program of community-based housing loans to serve mentally-ill homeless individuals in the current or former care of said department of mental health; provided further, that in implementing said pilot program, said executive office shall take due consideration of a balanced geographic plan when establishing community-based residences; provided further, that said housing services made available pursuant to such loans shall not be construed as a right or an entitlement for any individual or class of persons to the benefits of said pilot program; and provided further, that eligibility for said pilot program shall be established by

regulations promulgated by said executive office. The executive office of housing and livable communities is hereby authorized and directed to promulgate emergency regulations pursuant to section 2 of chapter 30A of the General Laws for the implementation of the community-based housing loan program and the mentally ill homeless pilot loan program authorized by this item, consistent with the facilities consolidation plan prepared by the secretary of health and human services and after consultation with said secretary and the commissioner of the division of capital asset management and maintenance.…….$50,000,000

SECTION 45. Clause (2) of item 3722-8899 of section 2 of chapter 494 of the acts of 1993 is hereby amended by striking out the words "provided, that said property shall not be released from such restriction unless and until the balance of the principal and interest for said loan is repaid in full or unless and until a mortgage foreclosure deed is recorded" and inserting in place thereof the following words:- provided, that said property shall not be released from such restriction unless and until: (i) the balance of the principal and interest for said loan has been repaid in full; (ii) a mortgage foreclosure deed has been recorded; or (iii) there has been a disposition of the property; provided, further that the executive office of housing and livable communities shall determine that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property shall be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property.

SECTION 46. Clause (4) of said item 3722-8899 of said section 2 of said chapter 494 is hereby amended by striking out the words "provided, that the project continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the department" and inserting in place thereof the following words:- provided, that

that the project, whether at the original property, or at an alternative property pursuant to clause (2), continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the executive office.

SECTION 47. Said item 3722-8899 of said section 2 of said chapter 494 is hereby further amended by striking out clauses (6) to (8), inclusive, and inserting in place thereof the following clause:- and (6) the executive office shall take due consideration of a balanced geographic plan for such alternative forms of housing when issuing said loans;.

SECTION 48. The first paragraph of section 16 of chapter 179 of the acts of 1995 is hereby amended by striking out the words “in the form of mobile vouchers” and inserting in place thereof the following words:- in the form of either mobile vouchers or project-based vouchers.

SECTION 49. The second paragraph of section 12 of chapter 257 of the acts of 1998, as amended by section 52 of chapter 235 of the acts of 2000, is hereby further amended by striking out clause (2) and inserting in place thereof the following clause:-

(2) such loans shall only be issued when a contract or agreement for the use of the property for the purposes of such housing provides for the recording of a restriction in the registry of deeds or the registry district of the land court in the county in which the affected real property is located, for the benefit of the executive office of housing and livable communities, running with the land, that the land be used for the purpose of providing alternative forms of rental and ownership housing. Such property shall not be released from such restriction until: (i) the balance of the principal and interest for any such loan has been repaid in full; (ii) a mortgage foreclosure deed has been recorded; or (iii) there has been a disposition of the property; provided, that the executive office shall determine that relevant clients will be better served at an

alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property;.

SECTION 50. Clause (3) of said section 12 of said chapter 257 , as so amended, is hereby further amended by striking out the words “, provided that the project continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the department” and inserting in place thereof the following words:- ; provided, that the project, whether at the original property, or at an alternative property pursuant to clause (2), continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the executive office.

SECTION 51. Said section 12 of said chapter 257, as so amended, is hereby further amended by striking out clauses (5) to (7), inclusive, and inserting in place thereof the following clause:- and (5) said executive office shall take due consideration of a balanced geographic plan for such alternative forms of housing when issuing such loans.

SECTION 52. The second paragraph of section 5 of chapter 244 of the acts of 2002 is hereby amended by striking out clause (2) and inserting in place thereof the following clause:-

(2) such loans shall only be issued when a contract or agreement for the use of the property for the purposes of such housing provides for the recording of a restriction in the registry of deeds or the registry district of the land court in the county in which the affected real property is located, for the benefit of the executive office of housing and livable communities, running with the land, that the land be used for the purpose of providing alternative forms of rental and ownership housing. Such property shall not be released from such restriction until: (i)

the balance of the principal and interest for any such loan has been repaid in full; (ii) a mortgage foreclosure deed has been recorded; or (iii) there has been a disposition of the property; provided, that the executive office shall determine that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property;.

SECTION 53. Said second paragraph of said section 5 of said chapter 244 is hereby further amended by striking out, in clause (3), the words "provided that the project continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the department" and inserting in place thereof the following words:- ; provided, that the project, whether at the original property, or at an alternative property pursuant to clause (2), continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the executive office.

SECTION 54. Said second paragraph of said section 5 of said chapter 244 is hereby further amended by striking out clauses (5) to (7), inclusive, and inserting in place thereof the following clause:- and (5) said executive office shall take due consideration of a balanced geographic plan for such alternative forms of housing when issuing such loans.

SECTION 55. Item 4000-8200 of section 2E of chapter 290 of the acts of 2004, as amended by section 20 of chapter 6 of the acts of 2005, is hereby further amended by striking out clause (2) and inserting in place thereof the following clause:-

(2) said loans shall be issued only when any contract or agreement for the use of said property for the purposes of such housing provides for repayment to the commonwealth at the

time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (3); provided, however, that such repayment shall be an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; provided, further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the department of mental health and the department of developmental services, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property;.

SECTION 56. Clause (3) of said item 4000-8200 of said section 2E of said chapter 290, as so amended, is hereby amended by striking out the words "provided, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan is repaid in full or until a mortgage foreclosure deed is recorded" and inserting in place thereof the following words:- provided, that the property shall not be released from such restrictions unless: (i) the balance of the principal and interest for the loan has been repaid in full; (ii) a mortgage foreclosure deed has been recorded; or (iii) the executive office of housing and livable communities has determined, pursuant to clause (2), that repayment to the commonwealth is not required.

SECTION 57. Clause (4) of said item 4000-8200 of said section 2E of said chapter 290, as so amended, is hereby amended by striking out the words "provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, as extended, as set forth in the contract or agreement entered into by the department" and inserting in place thereof

the following words:- provided, however, that the project, whether at the original property, or at an alternative property pursuant to clause (3), shall continue to remain affordable housing for the duration of the loan term, as extended, as set forth in the contract or agreement entered into by the executive office.

SECTION 58. Said item 4000-8200 of said section 2E of said chapter 290, as so amended, is hereby further amended by striking out clauses (6) and (7).

SECTION 59. Said item 4000-8200 of said section 2E of said chapter 290, as so amended, is hereby further amended by striking out the figure "(8)" and inserting in place thereof the following figure:- (6).

SECTION 60. Said item 4000-8200 of said section 2E of said chapter 290, as so amended, is hereby further amended by striking out the figure "(9)" and inserting in place thereof the following figure:- (7).

SECTION 61. Said item 4000-8200 of said section 2E of said chapter 290, as so amended, is hereby further amended by striking out the figure "(10)" and inserting in place thereof the following figure:- (8).

SECTION 62. Item 4000-8201 of said section 2E of said chapter 290 is hereby amended by striking out clause (2) and inserting in place thereof the following clause:-

(2) said loans shall be issued only when any contract or agreement for the use of said property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (3); provided, however, that such repayment shall be an amount equal to the commonwealth's proportional contribution from this item to the cost of the development through payments made by the state agency making the contract; provided, further,

that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the Massachusetts rehabilitation commission, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property.

SECTION 63. Clause (3) of said item 4000-8201 of said section 2E of said chapter 290 is hereby amended by striking out the words "provided further, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan is repaid in full or until a mortgage foreclosure deed is recorded" and inserting in place thereof the following words:- provided further, that the property shall not be released from such restrictions unless: (A) the balance of the principal and interest for the loan has been repaid in full; (B) a mortgage foreclosure deed has been recorded; or (C) the executive office of housing and livable communities has determined, pursuant to clause (2), that repayment to the commonwealth is not required.

SECTION 64. Clause (4) of said item 4000-8201 of said section 2E of said chapter 290 is hereby amended by striking out the words "provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, as extended, as set forth in the contract or agreement entered into by the department" and inserting in place thereof the following words:- provided, however, that the project, whether at the original property, or at an alternative property pursuant to clause (2), shall continue to remain affordable housing for the duration of the loan term, as extended, as set forth in the contract or agreement entered into by the executive office.

SECTION 65. Said item 4000-8201 of said section 2E of said chapter 290 is hereby further amended by striking out clauses (6) and (7).

SECTION 66. Said item 4000-8201 of said section 2E of said chapter 290 is hereby further amended by striking out the figure “(8)” and inserting in place thereof the following figure:- (6).

SECTION 67. Said item 4000-8201 of said section 2E of said chapter 290 is hereby further amended by striking out the figure “(9)” and inserting in place thereof the following figure:- (7).

SECTION 68. Said item 4000-8201 of said section 2E of said chapter 290 is hereby further amended by striking out the figure “(10)” and inserting in place thereof the following figure:- (8).

SECTION 69. Item 7004-7013 of said section 2E of said chapter 290, as amended by section 21 of chapter 6 of the acts of 2005, is hereby further amended by inserting after the figure “2002” the following words:- , as amended.

SECTION 70. Section 5 of chapter 293 of the acts of 2006is hereby amended by inserting after the definition of “Economic development project” the following definition:-

“Eligible housing increment”, a new residential unit that may either be a single-family house or 1 dwelling unit in a building or development containing 2 or more dwelling units, which dwelling units may be rental units or units in a condominium or cooperative, or a combination of any of the foregoing, and that is created as part of an economic development project and pursuant to an infrastructure development assistance agreement approved by the secretary under this act.

SECTION 71. Said section 5 of said chapter 293 is hereby further amended by striking out the definition of "New revenue" and inserting in place thereof the following definition:-

"New revenue", revenue derived from a commercial or residential component of an economic development project by the creation of any eligible new jobs or eligible housing increments or by new economic activity that would otherwise not have taken place in the commonwealth on said commercial component or on, or as a result of, said residential component, as each may be more fully defined by any rules, regulations or guidelines promulgated by the secretary or the commissioner.

SECTION 72. The definition of "New state tax revenues" in said section 5 of said chapter 293 is hereby amended by inserting after the word "components" the following words:- or on account of the residential components.

SECTION 73. Said section 5 of said chapter 293, is hereby further amended by inserting after the definition of "Public infrastructure improvements" the following definition:-

"Residential component", any component of an economic development project comprising 1 or more eligible housing increments, as more fully described in, or determined in accordance with, a certified economic development project.

SECTION 74. Clause (iv) of subsection (a) of section 7 of said chapter 293 is hereby amended by inserting after the words "each commercial" the following words:- or residential.

SECTION 75. Said clause (iv) of said subsection (a) of said section 7 of said chapter 293 is hereby further amended by inserting after the words "all commercial" the following words:- and residential.

SECTION 76. Clause (i) of subsection (c) of said section 7 of said chapter 293 is hereby amended by inserting after the word "commercial" the following words:- and residential.

SECTION 77. Subsection (e) of said section 7 of said chapter 293, inserted by section 7 of chapter 129 of the acts of 2008, is hereby amended by inserting after the word “met” the following words:- , and with respect to projects which include a residential component, shall give priority to projects within any MBTA community as defined in section 1A of chapter 40A of the General Laws; provided, that such MBTA community is in compliance with the requirements of section 3A of said chapter 40A.

SECTION 78. Subsection (a) of section 10 of said chapter 293, as amended by section 10 of said chapter 129, is hereby further amended by inserting after the words “the commercial” the following words:- or residential.

SECTION 79. Said subsection (a) of said section 10 of said chapter 293, as so amended, is hereby further amended by inserting after the words “each commercial”, each time they appear, the following words:- or residential.

SECTION 80. Subsection (b) of said section 10 of said chapter 293, as amended by section 11 of said chapter 129, is hereby further amended by inserting after the word “commercial”, each time it appears, the following words:- or residential.

SECTION 81. Subsection (c) of said section 10 of said chapter 293 is hereby amended by inserting after the words “commercial components”, each time they appear, the following words:- or residential components.

SECTION 82. Item 7004-0029 of section 2 of chapter 119 of the acts of 2008 is hereby amended by striking out clause (2) and inserting in place thereof the following clause:-

(2) be issued only when a contract or agreement for the use of the property for such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (3);

provided, however, that such repayment shall be in an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; provided, further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the department of mental health and the department of developmental services, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property.

SECTION 83. Clause (3) of said item 7004-0029 of said section 2 of said chapter 119 is hereby amended by striking out the words "provided, that the property shall not be released from such restriction until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded" and inserting in place thereof the following words:- provided, that the property shall not be released from such restriction unless: (i) the balance of the principal and interest for the loan has been repaid in full; (ii) a mortgage foreclosure deed has been recorded; or (iii) the executive office of housing and livable communities has determined, pursuant to clause (2), that repayment to the commonwealth is not required.

SECTION 84. Clause (4) of said item 7004-0029 of said section 2 of said chapter 119 is hereby amended by striking out the words "provided, however, that the project shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the department" and inserting in place thereof the following words:- provided, however, that the project, whether at the original property, or at an

alternative property pursuant to clause (3), shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the executive office.

SECTION 85. Clause (5) of said item 7004-0029 of said section 2 of said chapter 119 is hereby amended by striking out the following words:- provided further, that expenditures from this item shall not be made for the purpose of refinancing outstanding mortgage loans for community-based housing in existence prior to the effective date of this act; provided further, that community-based housing projects developed pursuant to this item shall not be refinanced during the term of any loan issued pursuant to this item unless the balance of the principal and interest for such loan has been repaid in full at the time of such refinancing; provided further, that the community-based housing projects may be refinanced if the refinancing would result in a reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall be due and payable on a date not later than the date on which the original loan was due and payable, except in accordance with clause (4) when necessary to effect extraordinary repairs or maintenance which shall be approved by the commissioner of mental retardation or the commissioner of mental health, as the case may be, and the department;.

SECTION 86. Item 7004-0030 of said section 2 of said chapter 119 is hereby amended by striking out clause (2) and inserting in place thereof the following clause:-

(2) be issued only when a contract or agreement for the use of the property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (3); provided, however, that such repayment shall be in an amount equal to the commonwealth’s proportional contribution from community-based housing to the cost of the

development through payments made by the state agency making the contract; provided, further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the Massachusetts rehabilitation commission, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property;.

SECTION 87. Clause (3) of said item 7004-0030 of said section 2 of said chapter 119 is hereby amended by striking out the words "provided further, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded" and inserting in place thereof the following words:- provided further, that the property shall not be released from such restrictions unless: (A) the balance of the principal and interest for the loan has been repaid in full; (B) a mortgage foreclosure deed has been recorded; or (C) the executive office of housing and livable communities has determined, pursuant to clause (2), that repayment to the commonwealth is not required.

SECTION 88. Clause (4) of said item 7004-0030 of said section 2 of said chapter 119 is hereby amended by striking out the words "provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the department" and inserting place thereof the following words:- provided, however, that the project, whether at the original property, or at an alternative property pursuant to clause (2), shall continue to remain affordable housing for the

duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the executive office.

SECTION 89. Said item 7004-0030 of said section 2 of said chapter 119 is hereby further amended by striking out clause (5) and inserting in place thereof the following clause:-

(5) have interest rates fixed at a rate, to be determined by the executive office, in consultation with the state treasurer; provided, that the loans shall be issued in accordance with an enhancing community-based services plan prepared by the secretary of health and human services, in consultation with the executive office and filed with the secretary for administration and finance and the house and senate committees on ways and means and the joint committee on housing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary for administration and finance; provided further, that the executive office shall promulgate regulations pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item, consistent with the enhancing community-based services plan prepared by the secretary of health and human services after consultation with the secretary and the commissioner of capital asset management and maintenance.

SECTION 90. Sections 30, 36 and 98 of chapter 238 of the acts of 2012 are hereby repealed.

SECTION 91. Item 7004-0040 of section 2 of chapter 129 of the acts of 2013 is hereby amended by striking out clause (ii) and inserting in place thereof the following clause:-

(ii) be issued only when a contract or agreement for the use of the property for such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (iii);

provided, however, that such repayment shall be in an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; provided, further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the department of mental health and the department of developmental services, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property;.

SECTION 92. Clause (iii) of said item 7004-0040 of said section 2 of said chapter 129 is hereby amended by striking out the words "provided, however, that the property shall not be released from such restriction until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded" and inserting in place thereof the following words:- provided, however, that the property shall not be released from such restriction unless: (A) the balance of the principal and interest for the loan has been repaid in full; (B) a mortgage foreclosure deed has been recorded; or (C) the executive office of housing and livable communities has determined, pursuant to clause (ii), that repayment to the commonwealth is not required.

SECTION 93. Clause (iv) of said item 7004-0040 of said section 2 of said chapter 129 is hereby amended by striking out, in clause (iv), the words "provided further, that the project shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the department" and inserting in place thereof the following words:- provided further, that the project, whether at the original property,

or at an alternative property pursuant to clause (iii), shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the executive office.

SECTION 94. Item 7004-0041 of said section 2 of said chapter 129 is hereby amended by striking out clause (ii) and inserting in place thereof the following clause:-

(ii) be issued only when a contract or agreement for the use of the property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (iii); provided, however, that such repayment shall be in an amount equal to the commonwealth's proportional contribution from community-based housing to the cost of the development through payments made by the state agency making the contract; provided, further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the Massachusetts rehabilitation commission, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property;.

SECTION 95. Clause (iii) of said item 7004-0041 of said section 2 of said chapter 129 is hereby amended by striking out the words "provided, however, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded" and inserting in place thereof the following words:- provided however, that the property shall not be released from such restrictions unless: (A) the balance of the principal and interest for the loan has been repaid in

full; (B) a mortgage foreclosure deed has been recorded; or (C) the executive office of housing and livable communities has determined, pursuant to clause (ii), that repayment to the commonwealth is not required.

SECTION 96. Clause (iv) of said item 7004-0041 of said section 2 of said chapter 129 is hereby amended by striking out the words "provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the department" and inserting place thereof the following words:- provided, however, that the project, whether at the original property, or at an alternative property pursuant to clause (ii), shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the executive office.

SECTION 97. Item 7004-0050 of section 2 of chapter 99 of the acts of 2018 is hereby amended by striking out clause (ii) and inserting in place thereof the following clause:-

(ii) not be issued unless a contract or agreement for the use of the property for such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (iii); provided, however, that such repayment shall be in an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; provided, further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the department of mental health and the department of developmental services, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the

housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property.

SECTION 98. Said item 7004-0050 of said section 2 of said chapter 99 is hereby further amended by striking out the words "until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded" and inserting in place thereof the following words:- unless: (A) the balance of the principal and interest for the loan has been repaid in full; (B) a mortgage foreclosure deed has been recorded; or (C) the executive office of housing and livable communities has determined, pursuant to clause (ii) of this item, that repayment to the commonwealth is not required.

SECTION 99. Said item 7004-0050 of said section 2 of said chapter 99 is hereby further amended by striking out the words "shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the department" and inserting in place thereof the following words:-, whether at the original property, or at an alternative property pursuant to clause (iii), shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the executive office.

SECTION 100. Item 7004-0051 of said section 2 of said chapter 99 is hereby amended by striking out clause (ii) and inserting in place thereof the following clause:-

(ii) not be issued unless a contract or agreement for the use of the property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property if such property will no longer be subject to a recorded deed restriction pursuant to clause (iii); provided, however, that such repayment shall be in an amount equal to the commonwealth's proportional contribution from community-based housing to the cost of the

development through payments made by the state agency making the contract; provided, further, that such repayment shall not be required if the executive office of housing and livable communities, in consultation with the Massachusetts rehabilitation commission, determines that relevant clients will be better served at an alternative property and the proceeds from the disposition of the property will be used, to the extent necessary for replacement of the housing at the property, for 1 or both of the following purposes: (A) to acquire such alternative property; or (B) to rehabilitate such alternative property;.

SECTION 101. Said item 7004-0051 of said section 2 of said chapter 99 is hereby further amended by striking out the words "until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded" and inserting in place thereof the following words:- unless: (A) the balance of the principal and interest for the loan has been repaid in full; (B) a mortgage foreclosure deed has been recorded; or (C) the executive office of housing and livable communities has determined, pursuant to clause (ii), that repayment to the commonwealth is not required.

SECTION 102. Said item 7004-0051 of said section 2 of said chapter 99 is hereby further amended by striking out the words "shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the department" and inserting place thereof the following words:-, whether at the original property, or at an alternative property pursuant to clause (ii), shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the executive office.

SECTION 103. (a) For the purposes of this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

“Development cost”, an expenditure directly related to the construction or substantial rehabilitation of a municipal conversion project, including the cost of site assessment and remediation of hazardous materials, but excluding the purchase of the property.

“Executive office”, the executive office of housing and livable communities.

“Substantial rehabilitation”, the necessary major redevelopment, repair and renovation of a property, including, but not limited to, site assessment and remediation of hazardous materials, but excluding the purchase of the property, as determined by the executive office.

(b) The executive office shall establish a municipal conversion project competitive grant program for municipalities to apply for grants to assist with the development costs of converting commercial property into residential housing, including, but not limited to, commercial buildings located on main streets or in downtown municipal areas, commercial centers and office parks.

(c)(1) A municipality may apply to the executive office for funds for the development costs of capital projects to convert commercial properties.

(2) The executive office shall determine the criteria for the award of grants to municipalities pursuant to subsection (b), including, but not limited to, criteria for: (i) the substantial rehabilitation to convert a building for primary multi-unit residential use; (ii) the amount of market rate units, upon completion of the conversion, to be sold or leased; and (iii) additional factors to be considered, including, but not limited to: (A) proximity to transportation and transit; and (B) parking, if applicable.

(3) The executive office shall review applications from a municipality for a grant for the development costs of municipal conversion projects, on a form prescribed by the executive office.

(d) The executive office shall promulgate rules or regulations for administering the grant program, including, but not limited to, regulations pertaining to: (i) criteria pursuant to paragraph (2) of subsection (c); (ii) the amounts of each award of funds to a municipality; (iii) the use of funds for conversion projects; (iv) the eligibility of developers to conduct such projects; and (v) the revocation of a grant for an uncompleted project.

(e) Annually, not later than December 1, the executive office shall report to the clerks of the house of representatives and the senate, the house and senate committees on ways and means, the joint committee on housing and the joint committee on bonding, capital expenditures and state assets on amounts awarded to municipalities for qualified projects pursuant to subsection (b), delineated by municipality and including for each qualified project, the total grant amount, a description of the project and the status of the project.

SECTION 104. Notwithstanding any general or special law, or any rule or regulation to the contrary, the architectural access board, established pursuant to section 13A of chapter 22 of the General Laws, shall determine the value of any multiple dwelling, as defined in 521 CMR 5.00, that is owned, constructed or renovated by a housing authority, as defined in section 1 of chapter 121B of the General Laws, by a replacement cost that is determined by and reflected in the executive office of housing and livable communities' Capital Planning System survey and database for state-funded public housing. For such buildings that are not included in the survey and database, the replacement cost shall be calculated by the executive office based on the replacement cost for comparable facilities that are included in the survey and database. The executive office shall supplement the survey and database on file with the architectural access board for any such building by preparing and filing documentation identifying the replacement cost for the building and the method by which it was calculated.

SECTION 105. (a) As used in this section and sections 106 and 107, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Affordable housing purposes", development of multi-family housing, of which either: (i) not less than 25 per cent shall be affordable to households with incomes at or below 80 per cent of the area median income, adjusted for household size; or (ii) not less than 20 per cent shall be affordable to households with incomes at or below 50 per cent of the area median income, adjusted for household size; provided, that affordable housing purposes may include subsequent conveyance by a public agency, other than a state agency, with a restriction for affordable housing purposes.

"Commissioner", the commissioner of capital asset management and maintenance.

"Housing purposes", development of housing for use as the primary residence of the occupant, including, but not limited to, market rate housing, affordable housing and public housing; provided, that housing purposes may include subsequent conveyance by a public agency, other than a state agency, with a restriction for housing purposes; and provided further, that housing purposes shall include affordable housing purposes.

"Public agency", as defined in section 1 of chapter 7C of the General Laws; provided, that "public agency" shall include the Massachusetts Department of Transportation, the Massachusetts Bay Transportation Authority and the University of Massachusetts Building Authority; provided, however, that public agency shall not include cities, towns or counties, or any boards, committees, commissions or other instrumentalities thereof; and provided further, that public agency shall not include any agency that is a state agency.

"Public institution of higher education", as set forth in section 5 of chapter 15A of the General Laws.

“Real property”, as defined in said section 1 of said chapter 7C.

“Real property of the commonwealth”, real property of a state agency consistent with chapter 7C.

“Real property of a public agency”, as defined in section 32 of chapter 7C.

“Secretary”, the secretary of administration and finance.

“State agency”, as defined in said section 1 of said chapter 7C; provided, however, that state agency shall not include counties.

“Surplus real property”, (i) real property of the commonwealth that has been determined by the commissioner: (A) to be surplus to the current and foreseeable needs of the commonwealth pursuant to clause (i) of paragraph (2) of subsection (b); or (B) to be surplus to the current and foreseeable needs of any state agency pursuant to section 33 or 34 of said chapter 7C; or (ii) real property of a public agency determined by the commissioner to be surplus to the current and foreseeable needs of the public agency, as determined by the public agency; provided, however, that surplus real property shall not include property subject to Article XCVII of the Amendments to the Constitution of the Commonwealth.

(b)(1) Notwithstanding sections 32 to 37, inclusive, of chapter 7C of the General Laws, or any other general or special law to the contrary, the commissioner may sell, lease for a term not to exceed 99 years, transfer or otherwise dispose of surplus real property of the commonwealth or surplus real property of a public agency for housing purposes.

(2)(i) The commissioner may, in consultation with the secretary and the secretary of housing and livable communities, determine that real property of the commonwealth is surplus real property and shall be disposed of for housing purposes; provided, that prior to determining that the real property is surplus real property, the commissioner shall provide a suitable written

notice and inquiry to the state agency with care and control of the real property, with a date certain required for any response. If no written response is timely received from the state agency specifying a current or foreseeable need for the real property, the commissioner shall declare such real property as surplus real property and dispose of such real property for housing purposes. If a written response is timely received from the state agency specifying a current or foreseeable need for the real property, the commissioner shall, in consultation with the secretary, the secretary of housing and livable communities and such state agency, determine whether the real property shall be declared surplus real property and disposed of for housing purposes.

(ii) Notwithstanding sections 32 to 37, inclusive, of chapter 7C of the General Laws, or any other general or special law to the contrary, if real property of the commonwealth is determined to be surplus to the current needs, but not to the foreseeable needs, of any state agency, the commissioner shall take such necessary action to ensure that any disposition of the real property is temporary and maintains the commissioner's ability to make such real property available to a state agency, as needed.

(iii) Notwithstanding sections 32 to 37, inclusive, of chapter 7C of the General Laws, or any other general or special law to the contrary, the commissioner may, in consultation with the secretary and the secretary of housing and livable communities, make real property of the commonwealth that has been determined to be surplus to the current needs, but not the foreseeable needs, of any state agency available for a period of time not to extend beyond the foreseeable need of any state agency for housing and related purposes to municipalities, public agencies and non-profit organizations for nominal consideration.

(3) The chancellor or president of any public institution of higher education may, with the approval of the commissioner of higher education, determine that property of any public

institution of higher education is surplus to the current and foreseeable needs of such institution and the commissioner may dispose of such property for housing purposes without approval by the institution's board of trustees.

(4)(i) The Governor may identify parcels of land owned or controlled by a public agency, and any buildings or improvements thereon, as potentially surplus real property by submitting a written notice to the public agency. Within 30 days of receipt of the notice, the public agency shall determine whether such real property is surplus to its current and foreseeable needs. If the public agency determines that the real property is not surplus to its current and foreseeable needs, such public agency shall respond in writing not later than 30 days after receipt of a request by the governor, specifying the reason for its determination.

(ii) The commissioner may, in consultation with the secretary and the secretary of housing and livable communities, enter into agreements with a public agency to dispose of surplus real property of the public agency for housing purposes; provided, that the commissioner shall not be required to determine if the real property of the public agency is surplus to the current and foreseeable needs of the commonwealth and shall not be required to provide written notice and inquiry to any public agency.

(c) Notwithstanding sections 32 to 37, inclusive, of chapter 7C of the General Laws, or any other general or special law to the contrary, the commissioner may amend a use restriction held by the commonwealth for general municipal purposes or any other purpose, except those purposes subject to Article XCVII of the Amendments to the Constitution of the Commonwealth, to include housing purposes.

(d)(1) Notwithstanding sections 32 to 37, inclusive, of chapter 7C of the General Laws, or any other general or special law to the contrary, if the commissioner, in consultation with the

secretary and the secretary of housing and livable communities, determines that real property is surplus real property pursuant to clause (i) of paragraph (2) of subsection (b) or the commissioner enters into an agreement with a public agency pursuant to clause (ii) of paragraph (4) of subsection (b), the commissioner shall: (i) provide written notice, for each city or town in which the property is located, to the city manager in the case of a city under Plan E form of government, the mayor and city council in the case of all other cities, the chair of the board of selectmen or the select board in the case of a town, the county commissioners, the chair of the zoning board of appeals, the chair of the planning board, the regional planning agency and the members of the general court representing the city or town in which the property is located; provided, that such notice shall include a statement that the proposed reuse of the property is for housing purposes, with a date certain for any response that shall be not less than 30 days from the date of such notice; (ii) following the date certain set forth in such notice, declare said real property available for disposition and identify all reuse restrictions, including, but not limited to, a restriction for housing purposes; and (iii) ensure that any deed, lease or other disposition agreement shall set forth all reuse restrictions, including, but not limited to, a restriction for housing purposes, provide for effective remedies on behalf of the commonwealth and provide, in the event of a failure to comply with the reuse restrictions by the grantee, lessee or other recipient, that title or such lesser interest as may have been conveyed, may revert to the commonwealth. The commissioner shall, in identifying reuse restrictions for such property, consider in good faith any comments presented by local officials and members of the general court representing each city or town in which the property is located.

(2) The commissioner shall, in consultation with the secretary of housing and livable communities, dispose of surplus real property: (i) by utilizing appropriate competitive processes

and procedures; or (ii) through a sales-partnership agreement with the municipality wherein said real property is located; provided, that the sales-partnership agreement shall require the municipality to utilize appropriate competitive processes and procedures; provided, further, that the sales-partnership agreement may require the municipality to conduct said competitive processes and select a developer prior to disposition of the real property; provided, further, that the commissioner may transfer the real property directly to the selected developer pursuant to the sale-partnership agreement; and provided, further, that the sales-partnership agreement may provide for payment to the municipality in an amount not to exceed 50 per cent of the net sales price paid to the commonwealth, as determined by the commissioner. A competitive process pursuant to clause (i) may include, but shall not be limited to, absolute auction, sealed bids and requests for price and development proposals. The commissioner may accept any consideration for surplus real property disposed of pursuant to this section deemed appropriate by the commissioner and the secretary of housing and livable communities. The commissioner shall prioritize disposition of surplus real property for affordable housing purposes.

(3) Not less than 30 days before the date of an auction or the date on which bids or proposals or other offers to purchase or lease surplus real property are due, the commissioner shall place a notice in the central register published by the state secretary pursuant to section 20A of chapter 9 of the General Laws stating the availability of such property, the nature of the competitive process and other information deemed relevant, including the time and location of the auction, the submission of bids or proposals and the opening thereof. The commissioner shall not be required to place said notice if the property is conveyed: (i) to a municipality or developer selected by a municipality in accordance with paragraph (2); or (ii) for nominal consideration in accordance with clause (ii) of paragraph (2) of subsection (e).

(4) All surplus real property shall be conveyed with a restriction for housing purposes. The deed or other instrument conveying the surplus real property shall provide that said real property shall be used solely for housing purposes.

(5) The commissioner shall place a notice in the central register identifying the municipality, public agency, individual or firm selected as party to such real property transaction, along with the amount of such transaction. If the commissioner accepts an amount below the value calculated pursuant to paragraph (1) of subsection (e), the commissioner shall include the justification therefore, specifying the difference between the calculated value and the price received.

(e)(1) The commissioner shall establish the value of surplus real property using customarily accepted appraisal methodologies. The value shall be calculated both for: (i) the highest and best use of the property as may be encumbered; and (ii) subject to uses, restrictions and encumbrances defined by the commissioner. In no instance in which the commonwealth retains responsibility for maintaining the property shall the terms provide for payment of less than the annual maintenance costs.

(2)(i) Notwithstanding paragraph (1), the commissioner may, in consultation with the secretary and the secretary of housing and livable communities, dispose of surplus real property for nominal consideration; provided, that the surplus real property shall be conveyed with a restriction for affordable housing purposes. The deed or other instrument conveying the surplus real property shall provide that said property shall be used solely for affordable housing purposes and may include a reversionary clause that stipulates that if the parcel ceases at any time to be used for affordable housing purposes, title and the parcel shall, at the election of the commonwealth, revert to the commonwealth.

(ii) Notwithstanding any time limit established pursuant to section 7 of chapter 184A of the General Laws, or any general or special law to the contrary, the reversionary clause may be enforceable.

(iii) The commissioner may, in consultation with the secretary and the secretary of housing and livable communities, amend a use restriction held by the commonwealth to include housing purposes.

(f) Notwithstanding sections 32 to 37, inclusive, of chapter 7C of the General Laws, or any other general or special law to the contrary, the commissioner may, in consultation with the secretary, the secretary of housing and livable communities and the state agency with care and control of the real property, transfer care and control of real property between state agencies for housing purposes.

(g)(1) No agreement for the sale, lease, transfer or other disposition of surplus real property and no deed, executed by or on behalf of the commonwealth, shall be valid unless such agreement or deed contains the following certification, signed by the commissioner:

"The undersigned certifies under penalties of perjury that I have fully complied with requirements of law related to any real property described."

(2) No agreement for the sale, lease, transfer or other disposition of surplus real property shall be valid unless the purchaser or lessee has executed and filed with the commissioner the statement required by section 38 of chapter 7C of the General Laws.

(h) The grantee or lessee of any surplus real property shall be responsible for all costs relating to the conveyance, including, but not limited to, appraisals, surveys, plans, recordings and any other expenses, as shall be deemed necessary by the commissioner.

(i) The commissioner shall deposit the proceeds from any disposition of real property pursuant to this section into the surplus real property disposition fund established in section 107.

(j) The commissioner may, in consultation with the secretary of housing and livable communities, promulgate regulations to implement this section.

SECTION 106. (a) Notwithstanding chapter 40A of the General Laws, or any other general or special law, or any local zoning ordinance or by-law or any municipal ordinance or by-law to the contrary, a city or town shall permit the residential use of real property conveyed by the commissioner pursuant to section 105 for housing purposes as of right, as defined in section 1A of said chapter 40A, notwithstanding any use limitations otherwise applicable in the zoning district in which the real property is located, including, but not limited to, commercial, mixed-use development or industrial uses; provided, however, that the city or town may impose reasonable regulations concerning the bulk and height of structures and determining yard sizes, lot area, setbacks, open space and building coverage requirements; provided, further, that the city or town may require site plan review; and provided, further, that the city or town shall permit no fewer than 4 units of housing per acre.

(b) Real property conveyed by the commissioner pursuant to section 105 shall include, but shall not be limited to, the amendment of use restrictions held by the commonwealth to allow for the use of such real property for housing purposes.

(c) The secretary of housing and livable communities may promulgate regulations to implement this section.

SECTION 107. (a) There is hereby established a surplus real property disposition fund for the proceeds from property dispositions pursuant to section 105, to be administered by the secretary of administration and finance.

(b) The fund shall be credited with: (i) the proceeds realized from the disposition of surplus real property and the amendment of use restrictions pursuant to section 105; (ii) any appropriation, grant, gift or other contribution made to the fund; and (iii) any interest earned on money in the fund. Amounts credited to the fund shall not be subject to further appropriation and money remaining in the fund at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in the subsequent fiscal year.

(c) Amounts credited to the fund may be: (i) transferred by the secretary to the state agency that had care and control of the land conveyed pursuant to section 105 if the real property was conveyed for fair market value consideration in an amount equal to the net proceeds of the disposition; (ii) transferred by the secretary to the state agency that had care and control of the real property conveyed pursuant to section 105 if the real property was conveyed for consideration less than fair market value in an amount equal to $10,000 per unit of housing permitted by the city or town in which the real property is located or the net proceeds of the disposition, whichever is greater; (iii) transferred by the secretary to a municipality in accordance with a sales partnership agreement pursuant to section 105; or (iv) expended for costs associated with the disposition of real property pursuant to section 105, including, but not limited to, demolition, site preparation and environmental remediation; provided, that all money transferred to a state agency pursuant to clauses (i) and (ii) shall be expended by the agency for capital facility projects, as defined in section 1 of chapter 7C of the General Laws; and provided, further, that all net proceeds from the disposition of surplus real property of a public agency other than a state agency, as determined by the commissioner of capital asset management and maintenance, shall be transferred to such public agency.

SECTION 108. (a) Notwithstanding any general or special law to the contrary, not later than 120 days after the expiration of affordability restrictions on housing units assisted under items 7004-0070 and 7004-0071 of section 2, the executive office of housing and livable communities or its assignee, who shall be a qualified developer selected pursuant to the terms of said items 7004-0700 and 7004-0071 under the guidelines of the executive office, shall have an option to purchase any such housing units at their current appraised value, reduced by any remaining obligation of the owner, upon the expiration of the affordability restrictions. The executive office or its assignee shall only purchase or acquire such housing units to preserve or provide affordable housing. The executive office or its assignee shall hold such purchase option for the first 120 days after the expiration of the affordability restrictions. Failure to exercise the purchase option within 120 days after the expiration of the affordability restriction shall constitute a waiver of the purchase option by the executive office or its assignee.

(b) Not later than 30 days after the expiration of an affordability restriction pursuant to subsection (a), the owner and the executive office shall each designate a professional in the field of multi-unit residential housing. Each professional shall select an impartial appraiser. Not later than 60 days after the expiration of the affordability restriction, the 2 impartial appraisers shall determine the current appraised value in accordance with recognized professional standards. If there is a difference in the valuations, the valuations shall be added together and divided by 2 to determine the current appraised value of the units.

(c) No sale, transfer or other disposition of the property shall be completed until either the purchase option period has expired or the owner has been notified, in writing, by the executive office or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the executive office or its assignee, sent to

the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the purchase option has been assigned to a qualified developer selected pursuant to said items 7004-0070 and 7004-7071 of said section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment.

(d) Before any sale, transfer or other disposition of property for which the executive office has not previously exercised an option to purchase, an owner shall offer the executive office or its assignee, who shall be a qualified developer selected pursuant to said items 7004-0070 and 7004-0071 of said section 2, a first refusal option to meet a bona fide offer to purchase the units. The owner shall provide to the executive office or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property. The executive office or its assignee shall hold the first refusal option for the first 120 days after receipt of the owner's written notice of intent to transfer the property. Failure to respond to the written notice of intent to sell, transfer or otherwise dispose of the property within the 120-day period shall constitute a waiver of the right of first refusal by the executive office. No sale, transfer or other disposition of the property shall be completed until either the first refusal option period has expired or the owner has been notified in writing by the executive office or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the executive office or its assignee, sent to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the first refusal option has

been assigned to a qualified developer selected pursuant to said items 7004-0070 and 7004-0071 of said section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment.

(e) An affidavit before a notary public that the notice of intent was mailed on behalf of an owner shall conclusively establish the manner and time of the giving of notice to sell, transfer or otherwise dispose of the property. The affidavit and notice that the option shall not be exercised shall be recorded with the registry of deeds or the registry district of the land court in the county in which the affected real property is located. Each notice of intention, notice of exercise of the purchase option or first refusal option and notice that the purchase option or first refusal option shall not be exercised shall contain the name of the recorded owner of the property and a reasonable description of the property to be sold or converted. Each affidavit signed before a notary public shall have attached to it a copy of the notice of intention to which it relates. The notices of intention shall be mailed to the relevant parties in the care of the keeper of the records for the party in question. Upon notifying the owner in writing of its intention to exercise its purchase option or first refusal option during the 120-day period, the executive office or its assignee shall have an additional 120 days, beginning on the date the purchase option period or first refusal option period expires, to purchase the units. The time periods may be extended by mutual agreement between the executive office or its assignee and the owner of the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Within a reasonable time after requesting an extension, the owner shall make available to the executive office or its assignee any information that is reasonably necessary for the executive office to exercise its option.

SECTION 109. Notwithstanding any general or special law to the contrary, a private entity engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or redevelopment project receiving funds pursuant to this act shall properly classify individuals employed on the project and shall comply with all laws concerning workers' compensation insurance coverage, unemployment insurance, social security taxes and income taxes with respect to all such employees. All construction contractors engaged by a private entity on any such project shall furnish documentation to the appointing authority showing that all employees employed on the project have hospitalization and medical benefits that meet the minimum requirements of the commonwealth health insurance connector established in chapter 176Q of the General Laws.

SECTION 110. Notwithstanding any general or special law to the contrary, the unexpended and unencumbered balances of the bond-funded authorizations in the following accounts shall cease to be available for expenditure 180 days after the effective date of this act: 3000-0410, 7002-8032, 7004-0049, 7004-0050, 7004-0051, 7004-0052, 7004-0053, 7004-0055, 7004-0056, 7004-0057, 7004-0058, 7004-0059, 7004-0060, 7004-0061, 7004-0062, 7004-0064, 7004-0065, 7004-0066, 7004-0067, 7004-8016, 7004-8026.

SECTION 111. To meet the expenditures necessary in carrying out sections 2 and 2A, inclusive, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $5,955,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face, The Affordable Homes Act of 2024, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution; provided, however,

that all such bonds shall be payable not later than June 30, 2059. All interest and payments on account of principal on such obligations shall be payable from the General Fund. Bonds and interest thereon issued under the authority of this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by the executive office of housing and livable communities for administrative costs directly attributable to the purposes of this act, including costs of clerical and support personnel. The secretary of housing and livable communities shall file an annual spending plan detailing, by subsidiary, all personnel costs and any administrative costs charged to expenditures made pursuant to this act with the fiscal affairs division within the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on bonding, capital expenditures and state assets and the joint committee on housing.

SECTION 112. To meet the expenditures necessary in carrying out section 2B, the state treasurer shall, upon request of the governor, shall issue and sell bonds in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $250,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face The Affordable Homes Act of 2024, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court pursuant to section 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall be payable not later than June 30, 2059. All interest and payments on account of principal on such obligations shall be payable from the General Fund. Bonds and interest thereon issued under the authority of this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth. An amount not to exceed 2 per cent of the authorizations may

be expended by the executive office of housing and livable communities for administrative costs directly attributable to the purposes of this act, including costs of clerical and support personnel. The secretary of housing and livable communities shall file an annual spending plan with the fiscal affairs division, the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and states assets and the joint committee on housing which details, by subsidiary, all personnel costs and any administrative costs charged to expenditures made pursuant to this act.

SECTION 113. The seasonal communities coordinating council, established in section 32 of chapter 23B of the General Laws, inserted by section 5, shall submit an initial report to the executive office of housing and livable communities and the joint committee on housing not later than 180 days following appointment of its members.

SECTION 114. Not later than 90 days after the effective date of this act, the secretary of housing and livable communities, in consultation with the secretary of veterans' services, shall promulgate rules or regulations pursuant to subsection (e) of section 36 of chapter 23B of the General Laws, inserted by section 5.

SECTION 115. The executive office of housing and livable communities shall report on all expenditures from the Massachusetts healthy homes program established pursuant to section 34 of chapter 23B of the General Laws, inserted by section 5, and the Massachusetts healthy homes program fund established pursuant to section 35 of said chapter 23B, inserted by section 5, to the clerks of the house of representatives and the senate, the joint committee on housing and the house and senate committees on ways and means not later than 18 months after the effective date of this act. The report shall include: (i) the number of projects completed through the Massachusetts healthy homes program addressing habitability concerns; (ii) the locations

throughout the commonwealth; (iii) the total amount of grants or loans authorized; (iv) the number of projects using existing home repair programs; and (v) the breakdown of landlord-owned properties and owner-occupied properties. The executive office shall make the report publicly available on its website.

SECTION 116. Not later than 180 days after the effective date of this act, the executive office of housing and livable communities shall promulgate guidance or regulations pursuant to subsection (g) of section 34 of chapter 23B of the General Laws, as inserted by section 5.

SECTION 117. Section 37 of chapter 23B of the General Laws, inserted by section 5, subsection (ee) of section 6 of chapter 62 of the General Laws, inserted by section 14, sections 15, 16, and 18 and sections 38OO and 38PP of chapter 63 of the General Laws, inserted by section 19, shall take effect for tax years beginning on or after January 1, 2025.

SECTION 118. Section 37 of chapter 23B of the General Laws, inserted by section 5, subsection (ee) of section 6 of chapter 62 of the General Laws, inserted by section 14, and section 38OO of chapter 63 of the General Laws, inserted by section 19 are hereby repealed.

SECTION 119. Section 103 is hereby repealed.

SECTION 120. Section 105 is hereby repealed.

SECTION 121. Sections 8 and 10 shall take effect 180 days after the effective date of this act.

SECTION 122. Sections 17, 20, 118 and 119 shall take effect on January 1, 2030.

SECTION 123. Section 120 shall take effect on June 30, 2030; provided, however, that the commissioner of capital asset management and maintenance may complete any transaction for which agreements have been signed and delivered on or before June 30, 2030.