

**PUBLIC HOUSING REDEVELOPMENT BILL  
SECTION-BY-SECTION SUMMARY**

**Title:** *An Act restoring the Commonwealth’s public housing*

**Number:** [H.1417](#)

**Sponsor:** Representative Kevin Honan

**Prior History:** 02/19/2021: Bill Filed  
03/29/2021: Referred to Joint Committee on Housing  
09/15/2021: Hearing before Joint Committee on Housing

**Summary:** H.1419 will help restore the state’s public housing by allowing local housing authorities (LHAs) to leverage new and additional resources for rehabilitation and redevelopment projects. Specifically, H.1419 exempts public housing redevelopment projects from the filed sub-bid requirements for public construction; allows PILOT agreements LHAs have with municipalities to apply to redevelopment projects; authorizes LHAs to borrow against their capital funds; and allows LHAs to retain the proceeds from the sale of their property.

**SECTION 1: ADDING DEFINITION FOR “CONTROLLED ENTITY”**

Adds a definition for “controlled entity” in Chapter 121B as an entity with the power to own or operate property of a local housing authority (LHA).

**SECTION 2: PUBLIC BIDDING EXEMPTION**

Exempts public housing redevelopment, rehabilitation, and development projects from the public bidding requirements of Chapter 149, including filed sub-bid requirements.<sup>1</sup> This section explicitly does not relieve such projects from prevailing wage requirements.

The filed sub-bid requirements that LHA redevelopment projects are subject to add as much as 20–30% in additional costs compared to similar affordable housing developments not subject to the requirements.

**SECTION 3: CONTINUATION OF PILOT AGREEMENT FOR LHA REDEVELOPMENT PROJECT**

Allows the payment in lieu of taxes (PILOT) agreement that an LHA has with a municipality to apply to a public housing redevelopment project. Clarifies that the PILOT agreement shall not apply to any market-rate unit in a redevelopment project.

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<sup>1</sup> General Contractors on most major public construction projects typically use subcontractors to perform specialized aspects of the work, such as for plumbing or electrical. Chapter 149 requires a “filed sub-bid” process for selecting certain subcontractors.

#### **SECTION 4: BORROWING AGAINST CAPITAL FUNDS**

Allows LHAs, with approval from the Department of Housing and Community Development, to raise additional funds for rehabilitation projects by borrowing against their capital funds.

#### **SECTION 5: RETAINING PROCEEDS FROM SALE OF LHA PROPERTY**

Allows an LHA to retain the proceeds from the sale of its property to support rehabilitation projects.