

SECTION-BY-SECTION SUMMARY PUBLIC HOUSING PROVISIONS OF 2020 ECONOMIC DEVELOPMENT BILL (H.4529)

Section	Description	Ref
135	Adds definition of “capital funds”—funds advanced by DHCD to housing authorities who are financing capital improvements through a bond.	C.121B §1
136	Adds references to additional sections in definition of “clearance project” because of changes to those sections later in this bill.	C.121B §1
140	Replaces definitions of “relocation payments,” “relocation project,” and “substandard area.” Relocation payments and substandard area appear to be modernized with no substantive changes. Relocation project has been replaced with “replacement units” (low rent housing units) and is specifically written to account for conversion of public housing into mixed income housing.	C.121B §1
142	Changes DHCD review of housing authority contracts with executive directors. Authority to review covers contract where “relevant to state payments” (not just for housing authorities that operate “state-aided housing). DHCD required to strike or require modification of any contract over \$100,000/year that does not conform to state guidelines (under existing law, DHCD may strike/modify).	C.121B §7A
143	Adds paragraph authorizing housing authority, with DHCD approval, to secure debt incurred for preservation/modernization/maintenance by pledging part of capital funds awarded under DHCD-approved capital improvement plan. DHCD shall issue regulations regulating use of this security.	C.121B §11
144	Adds paragraph relating to sale of buildings by housing authority to another entity for the purpose of rehab/repair/development/redevelopment of multifamily housing that will contain replacement units. The replacement units (i.e., income-restricted) and their associated common area/land to be exempt from taxation, betterments or special assessments. Private entity to pay its pro rata share.	C.121B §16
145	Adds “or other disposition” to “sale” in section on housing authority powers.	C.121B §26

146	Replaces 4 paragraphs in section on housing authority powers. These paragraphs are in subsection (k) relate to the findings DHCD must make triggering use of urban renewal powers. Briefly: 1) need for substantial modernization, 2) approval of proposed project and relocation plan, which (if certain conditions met) could include reduction in replacement units, 3) approval of sale or other disposition, which (if justified) could be below market, and 4) determination that funds available and developer best qualified to develop, own and operate the new project. <i>**[Please see the end of this document for the changes this section makes to ch. 121B, section 26]</i>	C.121B §26
147	Adds paragraph to section on housing authority powers (and within subsection k) on DHCD approval of contract between housing authority and entity, including land use restrictions with respect to replacement units.	C.121B §26
148-150	Three minor changes to conform to amendments on housing authority powers.	C.121B §26
151	Changes subsection (p), which relates to instances in which a housing authority seeks to demolish public housing units without matching replacement units. The change seems to relate to chapter 705 (family housing) units; instead of measuring vacancy on whether they were vacant on 11/1/2012, they need to have been vacant for 2 years for reasons DHCD determines is not the authority's fault.	C.121B §26
152	Adds new subsection (q) to housing authority powers. Prior to soliciting proposals for developer, housing authority not required to determine value, but prior to disposition must determine value and (if below market) must explain decision. Also not required to specify all of property restrictions, other than minimum number of income-restricted units.	C.121B §26
153	Adds new paragraph providing that housing authorities that do not own, lease or manage any housing project eligible to receive capital or operating assistance are not subject to DHCD oversight and not required to participate in its programs.	C.121B §29
154	Replaces paragraph on how proceeds from sale are to be distributed. Instead of net proceeds going back to state and municipality, they are either to be retained by the housing authority for preservation/modernization/maintenance of its housing, or (if none) to DHCD for state-aided housing.	C.121B §34
155	Replaces paragraph on disposition of land when housing authority determines, with DHCD approval, that land no longer required for public housing. Instead of net proceeds going to housing authority bond sinking fund, the state or muni, it will be applied in accordance with this section.	C.121B §34

156	Repeals 3 sections relating to rental assistance programs by housing authorities (42-44) and one authorizing authorities to lease units to provide replacement housing.	C.121B §42-44A
157-160	Modernizes section by removing “morals,” “the treatment of juvenile delinquency” and “evils,” and adding “conduct of business by nonprofit entities.”	C.121B §45
170	Repeals section on redevelopment authority taking over project initiated by housing authority.	C.121B §51

Changes that Section 146 of Economic Development Bill makes to M.G.L. ch. 121B, section 26(k):

(k) To undertake as a separate project the demolition, clearance, preparation for sale, including the payment of relocation costs for occupants of such existing housing projects, and sale or other disposition of any of all of any existing housing project or part thereof assisted by the commonwealth, pursuant to section thirty-four, notwithstanding the provisions of clause (d) or section thirty-four, provided, that the department shall first have:

(1) found that all or a substantial portion of such existing housing project or part thereof ~~no longer provides~~ requires such substantial modernization or rehabilitation to continue to provide decent, safe and sanitary housing, ~~as determined by the department of public health or the office of public safety and inspections of the division of professional licensure, and that,~~ in the judgment of the department, ~~such project~~ the required substantial modernization or part thereof ~~rehabilitation~~ cannot feasibly be ~~operated or renovated~~ executed by the housing authority pursuant to the provisions of this chapter;

(2) approved the proposed project, including a relocation plan for occupants of the existing project and a plan to make housing available on the land where the existing project is situated, ~~at least twenty five per cent of~~ in which the number of replacement units of which shall be restricted as low rent housing for occupancy by low income persons or families shall be the same as the number of low rent housing units in the existing housing project or part thereof that is subject to demolition or disposition, unless the department determines that (A) a shortage of low-rent housing no longer exists in the applicable city or town, or (B) the reduction in the number of units is necessary to increase the number of units that are accessible for persons with disabilities, which project may include plans to use a portion of such land for market-rate housing or for a public purpose ancillary to such development and approved by the department;

(3) approved the sale or other disposition and the terms thereof, ~~if the land is to be sold,~~ which shall be at ~~the fair market a~~ value ~~for the proposed reuse, as determined through procedures customarily accepted by MHFA and approved by the appraising profession as valid, unless the department, and in accordance with the cooperation agreement referred to~~ determines that a below; ~~market disposition would be in the public interest in order to support the continued occupancy of dwelling units in the new development by families of low income;~~

(4) determined that the availability of funds to the housing authority for such project is conditioned upon the occurrence of the initial mortgage loan closing for the development of new or rehabilitated housing on the land where the existing project is situated; and the ~~execution of~~ housing authority has selected, through a cooperation agreement ~~qualifications-based competitive procurement process approved~~ by the ~~MHFA and the~~ department ~~which shall establish a procedure for selection of,~~ a developer best qualified to develop, own and operate the new or

rehabilitated housing on the existing land, ~~for providing~~ to provide for such development of the new housing within a reasonable time in accordance with ~~MHFA~~ department-approved contracts, and ~~for assuring~~ to assure continued occupancy of ~~at least twenty five per cent~~ the required number of ~~the dwelling replacement~~ units in the new development by families of low income; in accordance with the requirements of this chapter.