

Comparison of Economic Development Bills

House Bill (H.5034)
&
Senate Bill (S.3030)



House Bill – ARPA & Surplus Spending

Homeownership Equity	Reserve for affordable housing and homeownership equity. Directs funds to be expended for creating and enhancing access to homeownership in socially disadvantaged communities.	\$100,000,000
Equitable Developer's Fund	Reserve for equitable developers' financing program. Projects must be in a Gateway City, qualified census tract, or community disproportionately impacted by COVID. The developer/sponsor must be controlled by someone who has been socially or economically disadvantaged or disproportionately impacted by COVID, to be defined by MassHousing. To be administered by MassHousing and/or MassDevelopment	\$75,000,000

Senate Bill – ARPA & Surplus Spending

<p>Affordable Housing Reserve</p>	<p>Reserve to be managed by MassHousing to support the following:</p> <ul style="list-style-type: none">• \$100 million for Commonwealth Builder Program to support production of affordable homeownership opportunities in socially disadvantaged communities• \$150 million for workforce housing to create housing for incomes from 60-120% of the Area Median Income (AMI)• \$150 million for the state’s Affordable Housing Trust Fund for creating housing with a particular focus on very low- and extremely low-income households	<p>\$400,000,000</p>
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House & Senate Bill – Capital Authorizations

MassWorks	\$400,000,000
Redevelopment of Blighted Properties	\$50,000,000
Technical Assistance for Planning	\$5,000,000
Community Based Housing	\$32,100,000
Housing Stabilization Fund	\$73,100,000
Public Housing Redevelopment Demonstration Program	\$19,300,000
Housing Innovations Fund	\$29,500,000
Housing at Transit Nodes	\$11,700,000
Public Housing Capital	\$95,200,000
Climate Resilient Housing	\$1,000,000
40R Smart Growth Trust Fund	\$6,900,000

Housing Development Incentive Program (HDIP)

Both House & Seante Bills triple the annual HDIP authorization from \$10 million to \$30 million:

Only the House Bill also provides a one-time infusion of \$57 million in FY2023

Senate Bill – Housing Related Items Added by Amendment

Accessory Dwelling Units	Allows ADUs to be built by-right in every municipality	
Eviction Record Sealing	<p>Allows certain eviction records to be sealed. Specifically, provides that:</p> <ul style="list-style-type: none"> •Tenants facing a no-fault eviction or who satisfy their judgments can seal their records after the conclusion of the case. •A court may, at its discretion, process such petitions administratively without a hearing and the petition shall be on a form furnished by the trial court •Sealed records are available to parties •Tenant screening companies cannot report a sealed case 	
STASH Program	Funding for Massachusetts Affordable Housing Alliance’s STASH program to serve first generation homebuyers	\$3,500,000
Permanent Supportive Housing for Human Trafficking Survivors	Funding for supportive housing for survivors of human trafficking	\$4,000,000
Acquisition of Small Properties	Acquisition funds for 1–8 unit properties to create affordable housing; funded through the Housing Stabilization Trust Fund	\$11,180,000
Fair Housing Study	Funding to support a fair housing study to help eradicate racial discrimination in housing to be managed through CHAPA	\$100,000

House & Senate Bill – Public Housing Reforms

Filed Sub-Bid Exemption	Exempts public housing redevelopment projects from ch. 149 filed sub-bid requirements but does not relieve such redevelopment from prevailing wage requirements
Borrowing Against Capital Funds	Allows LHAs to borrow against their capital funds in order to leverage more resources for rehabilitation projects
Long Term Lease & Disposition	Clarifies that an LHA's power to undertake the disposition of property includes a disposition by a means other than sale (e.g., long-term lease)
Findings for Disposition	Revises the findings that DHCD must make to approve a sale or disposition of a public housing project to create greater opportunity for redevelopment of existing public housing, while adding a requirement for one-for-one replacement

House & Senate Bill – Public Housing Reforms

Procuring Redevelopment Partners	Adds provisions permitting LHAs to procure developer partners for redevelopment projects through a competitive, qualifications-based procurement process that will allow the disposition of property to the selected developer without having to go through a separate land disposition process.
Retaining Proceeds	Allows LHAs to retain the proceeds of the sale of any housing authority land for the purpose of rehabilitating other LHA property
Findings for Disposition	Revises the findings that DHCD must make to approve a sale or disposition of a public housing project to create greater opportunity for redevelopment of existing public housing, while adding a requirement for one-for-one replacement
Conditions for Redevelopment	Requires, as a condition of sale or disposition of an existing housing project, that the redevelopment partner enter into a binding land use restriction, requiring compliance with public housing restrictions with respect to replacement units in perpetuity, except in limited circumstances for projects utilizing federal low income housing tax credits.

House & Senate Bills – Brownfields Redevelopment Fund Changes

- Removes definition of “economically distressed areas” to allow grants to be made to projects not tied to the Massachusetts Oil and Hazardous Material Release Prevention and Response Act
- Adjusts definition of “priority projects” to allow eligibility for projects that will receive substantial funds from the municipality even if those financial funds have not yet been received by the project
- Increases max award from \$500,000 to \$750,000 for projects to conduct environmental cleanup
- Increases max award from \$100,000 to \$250,000 for projects to conduct environmental site assessments
- Allows grant applicant’s required 20% contribution to the project to be not only cash support but also in-kind services or other non-cash contribution
- Expands list of entities eligible for grants to add non-profit entities in connection with a project that has demonstrable public benefit
- Adds a preference for awards to be made to projects within 1 mile of an environmental justice population

House & Senate Bills – Changes to 40R Starter Home Zoning Districts

- Creates Chapter 40Y for Starter Home Zoning Districts & removes them from Ch. 40R
- Districts no longer need to be in eligible locations as defined by 40R
- Districts no longer needs to be at least 3 contiguous acres
- Districts will still be eligible for zoning incentive payments and \$3,000 production bonus payments from the 40R Smart Growth Trust Fund
- DHCD may revoke approval of district and any incentive payment if no building permit is issued for any starter homes in the district within 5 years. This is an increase from the 3 year time period 40R currently allows
- Districts may be enacted by a simple majority vote
- At least 50% of starter homes in a district must contain 3+ bedrooms and districts may not impose any age or other occupancy restrictions
- For any proposed development of 12+ starter homes, at least 10% of starter homes must be affordable for households at or below 110% AMI. 40R currently requires that at least 20% of units be affordable to those at 100% AMI, with the option for municipalities to exempt projects with 12 or fewer units from these affordability requirements

House Bill – Updated Adaptability Standards

Require the following projects to have **all** units be **adaptable**, regardless of when the building was constructed:

- Any **vacant residential building** undergoing a **gut rehabilitation**; or
- Any **non-residential (commercial) building** undergoing a gut rehabilitation as part of a change in use into multifamily housing

“Gut Rehabilitation” defined as the general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls.

House Bill – Updated Accessibility Standards

Requires any residential building when constructed to have **5% of units** in buildings **with 20+ units** to be **accessible**

Directs the **Architectural Access Board** to issue **rules and regulations** with design standards and procedures to implement the **adaptability and accessibility standards** through.

House & Senate Bill – Miscellaneous

Rental Deduction	Increases the rent deduction cap from \$3,000 to \$4,000
Brownfields Tax Credit Extension	Extends the Brownfields Tax Credit program through 2028
Senior Circuit Breaker Tax	Increases the maximum senior circuit breaker tax from \$750 to \$1,755. Those 65+ are allowed a credit equal to the amount by which the real estate tax payment exceeds 10% of the taxpayer's total income.