An Act financing the production and preservation of housing for low and moderate income residents.

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-owned 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 people with disabilities; and to promote economic reinvestment through the funding of infrastructure improvements, the sums set forth in section 2, 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 HEALTH AND HUMAN SERVICES

Office of the Secretary.

7004-0028. For a program of loan guarantees or interest subsidies to assist homeowners with blindness or severe disabilities in making modifications to their primary residence for the purpose of improved accessibility or to allow those homeowners to live independently in the
provided, that the secretary shall take all steps necessary to minimize the program’s administrative costs; provided further, that the loan guarantees shall be available on the basis of a sliding scale that relates the homeowner’s income and assets to the cost of home modifications; provided further, that interest subsidies shall be means-tested and may be for 0 per cent pursuant to income standards developed by the secretary; 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; provided further, that the secretary shall consult with the Massachusetts commission for the blind and the Massachusetts rehabilitation commission in developing the rules, regulations and guidelines for the program; provided further, that nothing herein shall give rise to enforceable legal rights in any party or an enforceable entitlement to services; and provided further, that the secretary shall submit quarterly reports to the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on housing detailing the status of the program established herein............................ $55,000,000

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

Department of Housing and Community Development.

7004-0029.. 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 department of housing and community development, hereinafter referred to in this item as the department, 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 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 department shall consider a balanced geographic plan for such community-based housing or supportive housing when issuing the loans; provided further, that the department 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 department of housing and community development, the Massachusetts rehabilitation commission, the department of mental health and the department of developmental services, in consultation with relevant and interested clients, their families, advocates and other parties as necessary; provided further, that loans
issued pursuant to this item shall: (1) not exceed 50 per cent of the financing of the total
development costs; (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 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; (3) 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 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 departments, running with the land, that the land 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, 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; (4) be
issued for a term not to exceed 30 years during which time repayment may be deferred by the
loan issuing authority; provided further, that if on the date the loans become due and payable to
the commonwealth an outstanding balance exists, and if, on such date, the department, 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 department may, by agreement with the owner of the
development, extend the loans for such periods, each period not to exceed 10 years, as the
department shall determine; 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 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 funds which would otherwise assist in the development of that
project, the department may waive the terms of repayment which would cause the project to
become ineligible; and (5) have interest rates fixed at a rate, to be determined by the department,
in consultation with the state treasurer; provided further, that the loans shall be provided only for
projects conforming to the provisions of 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 department and filed with the secretary of administration
and finance, the house and senate committees on ways and means, the house and senate
committees 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 for administration and finance; provided further, that the department, 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 area median income for the benefit of department of mental health clients; provided
96 further, that not more than $10,000,000 may be expended from this item for a pilot program of
97 community-based housing or supportive housing loans to serve mentally ill homeless individuals
98 in the current or former care of the department of mental health; provided further, that in
99 implementing the pilot program, the department shall consider a balanced geographic plan when
100 establishing community-based residences; provided further, that the housing services made
101 available pursuant to such loans shall not be construed as a right or an entitlement for any
102 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
103 department; provided further, that the department shall promulgate regulations pursuant to
104 chapter 30A of the General Laws for the implementation, administration and enforcement of this
105 item, consistent with the facilities consolidation plan prepared by the secretary of health and
106 human services, and after consultation with the secretary and the commissioner of the division of
107 capital asset management and maintenance......................... $47,000,000

109 7004-0030. For state financial assistance in the form of loans for the development and
110 redevelopment of community-based housing or supportive housing for persons with disabilities
111 who are institutionalized or at risk of being institutionalized, who are not eligible for housing
112 developed pursuant to item 7004-0029; provided, that the loan program shall be administered by
113 the department of housing and community development, hereinafter referred to in this item as the
114 department, through contracts with the Massachusetts Development Finance Agency established
115 in chapter 23G of the General Laws, the Community Economic Development Assistance
116 Corporation established in chapter 40H of the General Laws, operating agencies established
117 pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency
118 established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or
119 finance the community-based housing or supportive housing, or may enter into subcontracts with
120 nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations
121 in which such nonprofit corporations have a controlling financial or managerial interest or for-
122 profit organizations; provided, however, that preference for such subcontracts shall be given to
123 nonprofit organizations; provided further, that the department shall consider a balanced
124 geographic plan for such community-based housing or supportive housing when issuing the
125 loans; provided further, that all housing developed with these funds shall be integrated housing
126 as defined by the appropriate state housing and service agencies including, but not limited to, the
127 department, the executive office of health and human services and the Massachusetts
128 rehabilitation commission in consultation with relevant and interested clients, their families,
129 advocates, and other parties as necessary; provided further, that loans issued pursuant to this item
130 shall: (1) not exceed 50 per cent of the financing of the total development costs; (2) be issued
131 only when a contract or agreement for the use of the property for the purposes of such housing
132 provides for repayment to the commonwealth at the time of disposition of the property in an
133 amount equal to the commonwealth’s proportional contribution from community based housing
134 to the cost of the development through payments made by the state agency making the contract;
135 (3) only be issued when 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 departments, running with the land, that the land 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 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; (4) be issued for a term not to exceed 30 years during which time repayment may be deferred by the loan issuing authority; provided further, that if on the date the loans become due and payable to the commonwealth an outstanding balance exists, and if on that date, the department, in consultation with the executive office of health and human services, determines that there still exists a need for such housing, the department may, by agreement with the owner of the development, extend the loans for such periods, each period not exceed 10 years, as the department shall determine; 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 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 funds which would otherwise assist in the development of that project, that commissioner may waive the terms of repayment which would cause the project to become ineligible; and (5) have interest rates fixed at a rate, to be determined by the department, 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 department and filed with the secretary for administration and finance and the house and senate committees on ways and means, the house and senate committees 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 for administration and finance; provided further, that the department 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........................................... $38,000,000

7004-0031. For the capitalization of the Affordable Housing Trust Fund, established in section 2 of chapter 121D of the General Laws..... $305,000,000

7004-0032. For the purpose of 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 therein; 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 department of housing and community development has not been able to meet the spending authorized under the bond cap for this program, at the end of each year following the effective date of this act, the department 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 not less than $5,000,000 shall be expended for the production or preservation of housing for people age 60 and over; and provided further, that the department shall expend not less than $10,000,000 to stabilize and promote reinvestment, through homeownership, in areas the department has determined to be weak markets as indicated by a high concentration of assisted rental housing, a low rate of homeownership, low median family income, low average sales prices, high levels of unpaid property taxes or vacant or abandoned buildings, by waiving the requirements of this item and said chapter 121F, and by subsidizing the purchase price, borrowing costs or costs of renovation of 2 to 6 unit residential buildings for a person who shall own the property and occupy any portion of the property as the person’s primary residence for at least 5 years from the date of purchase; provided further, that if more than 5 years, but less than 10 years, from the date of the owner’s taking ownership of the property, the owner sells any of the owner’s interest in the property, the new owner shall so occupy 1 unit in the property for a period equal to the difference between 10 years and the amount of time the first owner occupied the property as the owner’s primary residence; provided further, that if the owner fails to so occupy a unit on the property or ceases to be the owner of the property as required by this section, the department shall recoup the value of any subsidy provided to the owner; and, provided further, that 10 years after the owner’s having taken possession of the property pursuant to this item, all restrictions on the property created by this item shall be void.

For the purpose of 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 department of housing and community development 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 Americans with Disabilities Act, 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 those units; provided further, that the department 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 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 ........................................... $500,000,000

7004-0034.. For the purpose of state financial assistance in the form of grants for a 5 year
demonstration program, administered by the department of housing and community development
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
further, that housing authorities with state-aided housing developments pursuant to chapter 200
of the acts of 1948, chapter 667 of the acts of 1954 or chapter 705 of the acts of 1966 shall be
eligible to participate in demonstration program; provided further, that the department shall
establish a 7-member advisory committee, to consist of the director of the department or his
designee, 1 member selected by Citizens’ Housing and Planning Association, 1 member selected
by the Massachusetts Chapter of the National Association of Housing and Redevelopment
Officials, 1 member selected by the Massachusetts Union of Public Housing Tenants and 3
additional members chosen by the department to provide advice and recommendations to the
department regarding regulations to implement the demonstration program; provided further, that
the department may exempt a recipient of demonstration grants from the requirements of chapter
7 and chapter 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 will not adversely
affect public housing residents or applicants of any income who are otherwise eligible; provided
further, that the department may provide to recipients of demonstration grants such additional
regulatory relief as is required to further the objectives of the demonstration program; provided
further, that funds shall 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 pursuant to 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 department shall promulgate regulations for the implementation,
administration and enforcement of this item within 90 days after the effective date of this act;
provided, however, that the regulations shall: (i) require that housing authorities selected
demonstrate innovative, 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 that propose new affordable housing units on municipally-owned land,
derutilized public housing sites or other land owned by the housing authority; and provided
further, that the department shall report to the house and senate committees on ways and means,
the house and senate committees on bonding, capital expenditures and state assets and the joint
committee on housing on the progress of the demonstration program within 90 days after
promulgation of the regulations and annually thereafter......... $50,000,000
7004-0035.. For the purpose of 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, however, 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........... $80,000,000

7004-0036.. For the purpose of state financial assistance in the form of grants or loans for the Capital Improvement and Preservation Trust Fund for expiring use properties established in section 2 of chapter 121G of the General Laws.............. $100,000,000

7004-0037.. For the purpose of providing financial support for developing residential housing units and mixed use developments that include both residential housing units and commercial or retail space and are located within neighborhood commercial areas including, but not limited to, those areas designated as Main street areas by providing necessary financial assistance to the commercial components of these projects; provided, however, that the developments may include projects which have residential units above commercial space and shall be 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 further that the financial subsidy for the commercial portion of a project shall not exceed 25% of the total development cost of the commercial portion of the project or $1 million, whichever is smaller; provided further, that $15,000,000 shall be used to fund transit-oriented housing developments in proximity to public transit nodes; provided further, that eligible activities for transit-oriented development shall include, without limitation, planning grants, financing subsidies and environmental assessment; and provided further, that not less than 50 per cent of the beneficiaries of housing in projects assisted by this item shall be persons whose income is not more than 80 per cent of the area median income as defined by the United States Department of Housing and Urban Development,..... $45,000,000

7004-0038.. For the purpose of state financial assistance in the form of grants or loans 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 3 of chapter 121H of the General Laws; provided, that the grant or loan program shall be administered by the department through contracts with the Community Economic Development Assistance Corporation established in Chapter 40H of the General Laws, provided further that the agency may develop or finance eligible facilities, 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; provided further that the department shall: (1) consider a balanced geographic plan for such eligible facilities when issuing the funding commitments; and (2) consider funding large group and school age child care centers as defined by the department of early education and care; provided further that the services made available pursuant to such loans or grants shall not be
SECTION 3. The General Laws are hereby amended by inserting after chapter 121G the following chapter:-

CHAPTER 121H

Early Education and Out of School Time Capital Fund

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

“Department”, the department of housing and community development.

“EEC”, the department of early education and care.

“Eligible project”, the acquisition, design, construction, repair, renovation, rehab or other capital improvement or deferred maintenance of an eligible facility.

“Eligible facility”, a building, structure or site that is, or will be, owned, leased, or otherwise used by 1 or more Eligible Organizations and licensed by EEC. At least 25 per cent of the slots in the facility shall serve low income families who are eligible for public subsidy. Leased facilities shall have a lease term that is consistent with the scale of the capital investment, but under no circumstances should the lease term be less than fifteen years. Municipally owned buildings are eligible provided that there is dedicated single purpose space for licensed early education or out of school time programs.

“Eligible organization”, a non-profit corporation that is exempt from income taxation pursuant to chapter 180 of the organizations in which such nonprofit corporations have a controlling financial or managerial interest.

“Grant”, a direct grant of capital funds to an applicant for payment of the costs of an eligible project.

“Loan”, a direct loan of capital funds to an applicant to finance a portion of the cost of an eligible project.

Section 2. Each recipient of a loan or grant from the Early Education and Out of School Time Capital Fund established in section 3 shall be an eligible project that demonstrates: (i) need for such a project; (ii) project benefits to low-income children and the effected community; (iii)
financial need for assistance in the form of such a loan or grant; and (iv) local support for the project.

Section 3. There shall be within the department a separate fund to be known as the Early Education and Out of School Time Capital Fund. The department shall administer the fund for the purpose of making grants or loans for the development of eligible facilities for licensed early care and education and out of school time programs.

SECTION 4. Section 3 of chapter 121D of the General laws, as appearing in the 2010 Official Edition, is hereby amended by adding the following subsection:-

(e) Funds provided for the fund may be used to write down interest rates and related costs for a program for low- and moderate-income first-time homebuyers administered by the Massachusetts Housing Partnership Fund Board.

SECTION 5. Section 1 of chapter 121E of the General Laws, as so appearing, is hereby amended by striking out, in lines 3 and 4, the words “housing for the homeless; battered women’s shelters”, and inserting in place thereof the following words:– or permanent housing for the homeless; shelters for victims of domestic abuse.

SECTION 6. Subsection (b) of section 3 of said chapter 121E, as so appearing, is hereby amended by striking out clause (2).

SECTION 7. Said section 3 of said chapter 121E, as so appearing, is hereby further amended by striking out, in lines 42 to 49, inclusive, the words “unless, at the end of a fiscal year, cash collections from all sources in connection with the housing, except for contributions, donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of the housing, including debt service, operating expenses, operating revenues and capital reserves; provided further, that any excess cash shall be paid to the commonwealth within 45 days after the end of the fiscal year, payable first to interest due under this section and then to principal advanced pursuant to the loan”.

SECTION 8. Said subsection (b) of section 3 of said chapter 121E, as so appearing, is hereby further amended by striking out, in lines 63 to 71, inclusive, the words “; and (7) for projects developed pursuant to this chapter not refinanced during the term of a loan issued pursuant to this chapter unless the balance of the principal and interest for the prior loan is repaid in full at the time of the refinancing; provided, however, that 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 not later than the date on which the prior loan was due and payable, except in accordance with clause (4) or when necessary to effect extraordinary repairs or maintenance to be approved by the department.”
SECTION 9. Section 3 of chapter 121F of the General Laws, as so appearing, is hereby amended by inserting after the word “preservation”, in line 37, the following words:- , new construction.

SECTION 10. Said Section 3 of chapter 121F, as so appearing, is hereby amended by inserting after the figure “(6)”, in line 87, the following words:- notwithstanding the restrictions in this chapter.

SECTION 11. Subsection (b) of said section 3 of said chapter 121F, as so appearing, is hereby further amended by striking out clause (7) and inserting in place thereof the following clause:- (7) notwithstanding the restrictions in this chapter, to write down interest rates and related costs for a program for low- and moderate-income first-time homebuyers administered by the Massachusetts Housing Partnership Fund Board.

SECTION 12. Section 100 of chapter 142 of the acts of 2011 is hereby amended by striking out the figure “2015” and inserting in place thereof the following figure:- 2020.

SECTION 13. Notwithstanding any general or special law to the contrary, the secretary of housing and economic development and the secretary for administration and finance shall jointly submit a report on the progress of all projects and expenditures related to the funds available in this act or any outstanding authorizations from prior authorization act for housing projects, and undertaken by the executive office of housing and economic development or any of its constituent agencies to the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on housing. This report shall include, but not be limited to: the address, the nature of the work and scope of work of each project funded in this act, the total amount allocated for each project broken down by fiscal year in which the allocation occurred, the total estimated cost of each project, the amount expended for the planning and design of each project up to the time the report is filed, the amount expended on construction of each project up to the time the report is filed, the total amount currently expended on each project, a schedule of life cycle standards for each completed project, the original estimated completion date of each project, the current anticipated completion date of each project and, if the project has been de-authorized, the reason for and date of de-authorization. The information required in this report shall be current as of 30 days before the submission of the report and the report shall be submitted bi-annually for 6 years after the effective date of this act.

SECTION 14. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary in carrying out section 2, the state treasurer shall, upon receipt of a request by 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, $1,400,000,000. All bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Housing Production, Preservation, Modification and Neighborhood Development Loan Act of 2013, 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, 2048. 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 department of housing and community development for administrative costs directly attributable to the purposes of this act, including costs of clerical and support personnel. The director of the department of housing and community development 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 15. Notwithstanding any general or special law to the contrary, within 120 days after the expiration of affordability restrictions on housing units assisted under items 7004-0029 and 7004-0030 of section 2, the department of housing and community development or its assignee, who is a qualified developer selected pursuant to the terms of said items 7004-0029 and 7004-0030 of said section 2 under the guidelines of the department, 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 department or its assignee may purchase or acquire such housing units only for the purposes of preserving or providing affordable housing. The department 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 department or its assignee. Two impartial appraisers shall determine, within 60 days after the expiration of the affordability restrictions, the current appraised value in accordance with recognized professional standards. Two professionals in the field of multi-unit residential housing shall each select an appraiser. The owner and the department, respectively, shall each designate a professional within 30 days after the expiration of these affordability restrictions. 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. No sale, transfer or other disposition of the property shall be consummated until either the purchase option period shall have expired or the owner shall have been notified, in writing, by the department 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 department or its assignee, mailed to the owner by certified mail at 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 7004-0029 and 7004-0030 of
section 2, the written notice shall state the name and address of the developer and the terms and
conditions of the assignment. Before any sale or transfer or other disposition of the housing
where the department has not previously exercised an option to purchase, an owner shall offer
the department or its assignee, who shall be a qualified developer selected pursuant to this
section, a first refusal option to meet a bona fide offer to purchase the units. The owner shall
provide to the department 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 department 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 department. No sale, transfer or
other disposition of the property shall be consummated until either this first refusal option period
shall have expired or the owner shall have been notified in writing by the department 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 department or its assignee, mailed 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 7004-0029 and 7004-0030 of section 2, the
written notice shall state the name and address of the developer and the terms and conditions of
the assignment. 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 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 of 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 record owner of the property and a reasonable description of the premises to be sold
or converted of and 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 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 department 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.
Those time periods may be extended by mutual agreement between the department 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 department or its assignee any information that is reasonably necessary for the
department to exercise its options.
SECTION 16. Notwithstanding any general or special law to the contrary, not later than July 1, 2013, and annually thereafter, the director of housing and community development shall submit to the secretary of administration and finance, the house and senate committees on ways and means, the joint committee on housing and the the house and senate committees on bonding, capital expenditures and state assets a capital plan for fiscal years 2014 to 2018, inclusive, for capital funds authorized in section 2.

SECTION 17. 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 an 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 connector board established in chapter 176Q of the General Laws.