

By Mr. Blanchette of Lawrence, petition of Kevin P. Blanchette relative to rents paid by low and moderate income tenants in housing financed by the Massachusetts Housing Finance Agency. Housing and Urban Development.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Five.

AN ACT TO ESTABLISH A PROGRAM TO MAINTAIN AFFORDABILITY OF RENTS FOR LOW AND MODERATE INCOME TENANTS IN MHFA HOUSING.

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

1 Section 6 of Chapter 708 of the Acts of 1966, as most recently
2 amended by Section 6 of Chapter 789 of the Acts of 1981, is hereby
3 amended by inserting after subsection (C) the following section:
4 (D) MHFA shall establish a program whereby the MHFA shall
5 make assistance payments available to mortgagors on behalf of
6 tenants who are low or moderate income, as defined in Section 1 of
7 this Act, and who without the benefit of such assistance payments
8 would pay more than 40 percent of monthly income for rent. The
9 assistance payments shall be utilized to reduce low and moderate
10 income tenants' rents so that such tenants shall not be required to
11 pay rent that exceeds 40 percent of monthly income, except that if
12 sufficient funds are not available, the assistance payments shall be
13 utilized according to the following priority: first to reduce to 60%
14 of monthly income the rent of all tenants paying more than 60%;
15 second to reduce to 55% of monthly income the rent of all tenants
16 paying more than 55%; third to reduce to 50% of monthly income
17 the rent of all tenants paying more than 50%; fourth to reduce to
18 45% of monthly income the rent of all tenants paying more than
19 45%. For the purpose of this subsection, "rent" shall include the
20 cost to the tenant of reasonable quantities of utilities determined in

21 accordance with a schedule of allowances for the development,
22 where such utilities are purchased separately by the tenant. For the
23 purposes of this subsection "monthly income" shall mean one-
24 twelfth of the following: the household's annual gross income less
25 an allowance of \$600 for each dependent (other than the spouse).
26 MHFA may, if funds are available, use MHFA's unrestricted fund
27 balance or other sources for this program.