

HOUSE . . . . . No. 2400

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The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, April 26, 1949.

The committee on Mercantile Affairs, to whom was referred so much of the Governor's Address (Senate, No. 1) as relates to extending the period of financing the housing program of nineteen hundred and forty-eight and subsidy provided therefor and reducing the rate of repayment for the purpose of making available new housing to veterans of low income (pages 12, 13, 14 and 15), report (in part) the accompanying bill (House, No. 2400).

For the committee,

JAMES A. BURKE.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Nine.

AN ACT RELATIVE TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE COMMONWEALTH TO HOUSING AUTHORITIES IN ORDER TO ALLEVIATE THE HOUSING SHORTAGE FOR VETERANS.

1    *Whereas*, The deferred operation of this act would  
2 tend to defeat its purpose, which is to provide housing  
3 for veterans of World War II, therefore this act is  
4 hereby declared to be an emergency law, necessary  
5 for the immediate preservation of the public con-  
6 venience.

*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 1. Section 26NN of chapter 121 of the  
2 General Laws, as appearing in section 3 of chapter  
3 200 of the acts of 1948, is hereby amended by insert-  
4 ing after the first sentence of the first paragraph the  
5 following sentence:— The guarantee by the com-  
6 monwealth of the notes and/or bonds of a housing  
7 authority shall be executed on each note and/or bond  
8 by the chairman of the state housing board.

1    SECTION 2. Said section 26NN of said chapter  
2 121, as so appearing, is hereby further amended by  
3 striking out the first paragraph of subdivision (a) and  
4 inserting in place thereof the following:—

5 A housing authority may sell temporary notes  
6 and/or bonds to finance a project; provided that  
7 the total amount outstanding at any one time, ex-  
8 clusive of any notes and/or bonds which may be  
9 issued for refunding purposes shall not be in excess  
10 of the cost of the project as approved by the board.  
11 Any such notes or bonds may be refunded through  
12 the sale of similar notes or bonds, but in no event  
13 for a term more than forty years after completion of  
14 the project, as determined by the board.

1 SECTION 3. Said section 26NN of said chapter  
2 121, as so appearing, is hereby further amended by  
3 striking out, in line 7 of the third paragraph of said  
4 subdivision (a), the word "three" and inserting in  
5 place thereof the words:—two and one half,—so  
6 that said third paragraph will read as follows:—No  
7 housing authority shall sell or offer for sale any such  
8 notes or bonds without receiving from the board ap-  
9 proval of the amount, the term, the time of sale, the  
10 amortization schedule, and any other conditions of  
11 sale which the board may deem relevant in connection  
12 with the sale of such notes or bonds. The average  
13 annual rate of the amortization of bonds issued to  
14 finance a project shall be not less than two and one  
15 half per cent of the principal amount of such bonds.

1 SECTION 4. Said section 26NN of said chapter  
2 121, as so appearing, is hereby further amended by  
3 inserting before the word "bonds" in line 7 and in  
4 line 8 of the second paragraph of subdivision (b), in  
5 each instance, the words:—notes and/or,—and by  
6 striking out, in lines 9 and 10 of said second para-  
7 graph, the word "twenty-five" and inserting in  
8 place thereof the word:—forty,—so that said

9 second paragraph will read as follows:— Each such  
10 contract shall contain a provision that the annual  
11 contributions shall be used for the payment of interest  
12 on, and principal of, notes and/or bonds of the housing  
13 authority. The annual contributions for any one  
14 project shall be payable in an amount not exceeding  
15 two and one half per cent of the cost of the project,  
16 as determined by the board, and for the fixed period  
17 during which the notes and/or bonds issued to finance  
18 the cost of the project or any refunding notes and/or  
19 bonds remain outstanding, but in no event for more  
20 than forty years after the completion of the project,  
21 as determined by the board. Each such contract  
22 shall provide that whenever in any year the receipts  
23 of a housing authority in connection with a project  
24 exceed its expenditures for that project, including  
25 debt service, payments in lieu of taxes, administra-  
26 tion, establishment of reserves, and other costs, as  
27 determined by the board, an amount equal to such  
28 excess, or, in the case of projects under section twenty-  
29 six OO, an amount equal to such portion of the excess  
30 as the board shall prescribe, shall be applied, or set  
31 aside for application, to purposes which shall effect  
32 a reduction in the amount of subsequent annual con-  
33 tributions. The full faith and credit of the common-  
34 wealth is hereby pledged to the payment of all annual  
35 contributions contracted for by the commonwealth.  
36 The Veterans' Services Fund, established by chapter  
37 six hundred and eight of the acts of nineteen hundred  
38 and forty-six, shall be used in the first instance, sub-  
39 ject to appropriation, to meet the payments of the  
40 annual contributions by the commonwealth to housing  
41 authorities pursuant to contracts for state financial  
42 assistance under this section and section twenty-six  
43 OO for such period or periods.