

Accompanying the first recommendation of the Department of Community Affairs (House, No. 40). Urban Affairs.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Three.

### AN ACT TO ESTABLISH A HOUSING DEVELOPMENT FUND.

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

1 Chapter 23B of the General Laws is hereby amended by  
2 inserting after section 23 the following section: —  
3 *Section 24.* The Department may assist housing development  
4 by expending such monies as may be appropriated for such  
5 purposes, including without limitation the provision of services  
6 and the making of non-interest bearing advances to housing  
7 authorities organized under the provisions of Chapter 121B of  
8 the General Laws to enable them to construct low rent housing  
9 projects as defined in Chapter 121B provided the department  
10 shall, pursuant to regulations made by it, make the following  
11 findings: (1) there is a reasonable anticipation that financing  
12 arrangements satisfying the requirements of Chapter 121B will be  
13 obtained for said project, and; (2) the project site is suitable, the  
14 need for housing of the type proposed in the area to be served is  
15 demonstrated, and the likelihood that the project will provide  
16 low-income housing is great. The proceeds of such advances may  
17 be used only to defray the development costs of such project  
18 incurred prior to initial advance funds in accordance with the  
19 provisions of said Chapter 121B. Such costs include, but are not  
20 limited to, (a) payments for options to purchase properties on  
21 the proposed housing project site, deposits on contracts of  
22 purchase, or with prior approval, payments for the purchase of  
23 such properties; (b) legal and organizational expenses including  
24 payment of attorney's fees, project manager and clerical staff

25 salaries, office rent and other incidental studies; advances for  
26 planning, engineering and architectural work; (c) expenses for  
27 tenant surveys and market analysis; (d) necessary application and  
28 other fees, and; (e) such other expenses incurred by the authority  
29 as the Department may deem appropriate to effectuate the  
30 purposes of this section. The Department is authorized to forgive  
31 such advances in the case of proposed projects that fail to be  
32 completed, provided it finds that the authority made a good faith  
33 effort to achieve the project. The Department shall create and  
34 establish a "Housing Development Fund" which shall consist of  
35 any monies appropriated to it for the purposes of implementing  
36 the provisions of this section, and any other monies which may  
37 be made available to the Department for the purposes of this  
38 section from any other source or sources. Monies expended to  
39 effectuate the provisions of this section shall be expended from  
40 the Housing Development Fund.