By Mr. Harold, a petition (accompanied by bill, Senate, No. 502) of Paul D. Harold, Michael LoPresti, Jr., Lois G. Pines and Frederick E. Berry for legislation relative to publicly subsidized housing rents. Housing and Urban Development.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT RELATIVE TO PUBLICLY SUBSIDIZED HOUSING RENTS.

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 32 of chapter 121B of the General Laws, as most recently amended by section thirty-seven of chapter 6 of the Acts of 1991, is hereby further amended by striking out the first paragraph and inserting in place thereof the following paragraph:

Upon the completion or acquisition of a housing project by a housing authority, it shall be maintained and operated by such authority. It is hereby declared to be the policy of this commonwealth that each housing authority shall manage and operate decent, safe and sanitary dwelling accommodations at the lowest possible cost, and that no housing authority shall manage and operate any such project for profit. To this end an authority shall fix the rentals for dwelling units in its projects so that no tenant is required to pay more than twenty-five percent of his income for the combined cost of rent payments to the housing authority and for reasonable consumption of necessary energy and utility services. In order to carry out the purposes of the preceding sentence, the department shall promulgate regulations governing utility allowances that shall be provided to all tenants who pay for energy and utilities, including gas, electricity, water, heating oil, and any fuel used for space heating. Utility allowances shall vary by bedroom size, type of energy or utility service,
geographic location of the unit, building type and any special
needs of particular tenants. In calculating utility allowances, the
department shall use current prices as charged by vendors
operating in the commonwealth and shall allow for reasonable
consumption reflecting usage by the average family living in
dwellings of comparable size and design. All utility allowances
shall be updated no less than annually. Nothing in this paragraph
shall be interpreted to allow or require tenants to pay for such
energy or utility services, except as otherwise authorized by law.
Any deficiency in the budget of a housing authority caused by
such reduced rental shall be paid by the commonwealth to the
housing authority in an amount equal to the difference between
the tenant's rent and the prorated cost of operating that unit. The
commonwealth, acting through the department, may
make payments in advance on account of such deficiency in such
amounts and at such times as it deems proper. The prorated cost
of operations shall be computed on the basis of the operating
budget of the housing authority as approved by the department
with provisions for a full operating reserve. Said rentals together
with all other available moneys, revenues, income and receipts of
the authority, from whatever sources derived, and together with
the requisite annual contribution, will be sufficient (a) to pay, as
the same become due, the principal and interest on the bonds of
the authority; (b) to meet the cost of insurance and the payments
in lieu of taxes provided by section sixteen and to provide for
maintaining, operating and using the projects and the
administrative expenses of the authority; (c) to create, during not
less than the twelve years immediately succeeding its issuance of
any bonds, notes or other evidences of indebtedness, a reserve
sufficient to meet the largest principal and interest payments
which will be due on such bonds in any one year thereafter and
to maintain such reserve; and (d) to provide such tenant services
for residents of housing projects as the department may approve.

SECTION 2. Section thirty-eight of Chapter six of the Acts of
nineteen hundred and ninety-one is hereby repealed.

SECTION 3. The word "thirty-eight,", as appearing in the
second sentence of section ninety-five of chapter 6 of the Acts
of 1991, is hereby stricken.
SECTION 4. The Executive Office of Communities and Development shall promulgate regulations implementing this act within sixty days of it being signed into law, and the utility allowances and rent levels mandated by this act shall be in effect no later than ninety days of it being signed into law.