

The Commonwealth of Massachusetts

SENATE, April 7, 1977.

The committee on Urban Affairs, to whom was referred so much of the recommendations of the Executive Office of Communities and Development (House, No. 11) as relates to providing grants to cities and towns for the purpose of creating a revolving loan account for housing rehabilitation (House, No. 21) reports the accompanying bill (Senate, No. 1493) (Representatives Cusack of Arlington and McDowell of Dennis dissenting.)

For the Committee,

JOSEPH F. TIMILTY

The Commonwealth of Massachusetts

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

AN ACT TO PROVIDE GRANTS TO CITIES AND TOWNS FOR THE PURPOSE OF CREATING A REVOLVING LOAN ACCOUNT FOR HOUSING REHABILITATION.

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. *Declaration of Public Necessity.* It is hereby
2 found that as a result of increases in cost of construction,
3 rehabilitation, taxes, costs of utilities and maintenance,
4 together with increases in costs of municipal services, together
5 with economic factors adversely affecting employment, a com-
6 bination of circumstances has resulted increasing the burdens
7 of home ownership and the maintenance of housing units
8 available for rental. This combination of circumstances has
9 most adversely affected particular neighborhoods in cities and
10 towns where the process of neighborhood blight, once started,
11 tends to accelerate in such neighborhoods. The net result is a
12 decrease in the number of decent, safe and sanitary dwelling
13 units available for low- and moderate-income persons and
14 families.

15 Neighborhoods just entering into the deteriorating process
16 can be stabilized and revitalized, the process of decay arrested,
17 deteriorating dwelling units rehabilitated, and returned to the
18 housing stock of decent safe and sanitary housing units if the
19 necessary instruments can be promptly established and funds
20 to demolish, selectively, other units at interest rates which
21 are at a level where such actions become economically feasible
22 and in areas where private lending sources do not make such
23 loans available, or do so only at interest rates which make
24 such actions economically unfeasible.

25 It is hereby further found that the authority and powers
26 conferred under this act, and the expenditures of public
27 moneys pursuant thereto constitutes a serving of a valid
28 public purpose and that the enactment of the provisions here-

29 inafter set forth is in the public interest and is hereby so
30 declared to be such as a matter of determination by the
31 general court.

1 SECTION 2. Chapter 23B of the General Laws is hereby
2 amended by adding after Section 10A a new Section 10B
3 which shall read as follows:

4 *Section 10B.* State Financial Assistance to Cities and Towns
5 for Housing Rehabilitation. The Commonwealth, acting by
6 and through the Department of Community Affairs may enter
7 into contracts with cities and towns for state financial assist-
8 ance in the form of grants by the Commonwealth to fund
9 programs to be operated through a revolving loan account.
10 The municipality may administer the program or contract
11 with a local housing authority or other non-profit for the
12 administration of the program. No individual grant to a muni-
13 cipality with a population over 50,000 shall exceed two million
14 dollars. No individual grant to a municipality with a popula-
15 tion under 50,000 shall exceed one million dollars.

16 Such loans shall be for the rehabilitation of existing housing
17 units and shall be operated through a revolving loan account.
18 Structures eligible under this program must be owner occupied
19 and shall not exceed six units in size. Housing units so re-
20 habilitated must be owned, or rented to low or moderate
21 income households.

22 Grants shall be made for the purpose and selective demoli-
23 tion of housing units where it is deemed that such units
24 cannot be rehabilitated. Funds received by the municipalities
25 as reimbursement for their loans or as interest, shall be used
26 to continue to implement the purposes of this section.

27 Subject to the review and approval of the General Court,
28 the Secretary of Community Affairs shall establish guidelines
29 to implement the purposes of this program, and to provide for
30 close and continuous oversight of the execution of the pro-

31 gram to insure that the public purposes are continuously
32 observed.

1 SECTION 3. Grants to implement programs provided for
2 under Section 2 of this act shall be made out of any un-
3 expended funds provided for under Section 34 of the General
4 Laws as amended by Chapter 4 of the Acts of 1976. Any funds
5 so granted and not utilized for the purposes of the grant shall
6 be returned to such unexpended funds and not to the general
7 fund. The Department may expend up to \$75,000 in any one
8 fiscal year, from the funds committed for such grants for
9 administrative expenses of the state in implementing and
10 monitoring this program.