

SENATE No. 127

By Mr. Aylmer, a petition (accompanied by bill, Senate, No. 127) of John F. Aylmer for legislation to establish the Barnstable County housing finance authority for the purpose assisting in the provision of adequate family housing units for residents of low and moderate income. Counties.

The Commonwealth of Massachusetts

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

AN ACT ESTABLISHING THE BARNSTABLE COUNTY HOUSING FINANCE AUTHORITY FOR THE PURPOSE OF ASSISTING IN THE PROVISION OF ADEQUATE FAMILY HOUSING UNITS FOR RESIDENTS OF LOW AND MODERATE INCOME.

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. It is hereby found and determined that there is
2 an extreme shortage of individual family housing units for
3 families of low and moderate income in Barnstable County
4 and the provision for the means of acquisition, construction
5 and improvement of individual family housing units for resi-
6 dents of low, moderate, and limited income within the towns
7 of Barnstable County is a matter of urgent public need and
8 necessity. This shortage is inimical to the safety, health and
9 welfare of the residents and sound growth of the communities
10 therein. This public emergency, exigency and distress has not
11 been fully met by private builders and developers. Private
12 enterprise alone, without the assistance of this act, cannot
13 achieve the construction of decent safe and sanitary housing
14 at rentals and purchase prices which persons and families of
15 low and moderate income can afford in situations where
16 permanent betterment of living conditions is to be hoped for.
17 Moreover, experience has demonstrated that concentration of
18 low income persons and families even in standard structures
19 built with public subsidy does not eliminate undesirable social
20 conditions and does not permanently eliminate undesirable
21 slum conditions. It is, therefore, imperative that the cost of
22 mortgage financing, which materially affects rental levels in
23 units built by private enterprise be made lower so as to reduce

24 rental and purchase levels for those moderate and low income
25 persons and families displaced by public action or natural
26 disaster and that private enterprise be encouraged to build
27 housing which will prevent the recurrence of slum conditions
28 and assist in their permanent elimination by housing persons
29 of varied economic means in the same projects and neighbor-
30 hoods.

1 SECTION 2. As used in this act, the following words and
2 terms shall have the following meanings unless a contrary
3 intent is clearly indicated:

4 A. "Low Income Persons or Families" shall mean those
5 persons and families whose annual income is less than the
6 amount necessary to enable them to obtain and maintain
7 decent, safe and sanitary housing without the expenditure of
8 more than 25% of such income for basic shelter costs plus the
9 additional cost of heat and hot water.

10 B. "Annual Income" shall mean a family or person's gross
11 annual income less such reasonable allowances for dependents
12 and for medical expenses as the B.C.H.F.A. determines.

13 C. "Moderate Income Persons or Families" shall mean those
14 persons and families whose annual income is less than the
15 amount necessary to enable them to obtain decent, safe and
16 sanitary housing in the private housing market and whose
17 income is in excess of the limits set for admission to public
18 housing developments sponsored by local housing authorities.

1 SECTION 3. To accomplish the purposes of this act there is
2 hereby created the Barnstable County Housing Finance
3 Authority (herein called the Authority) which is hereby con-
4 stituted a public instrumentality and the exercise by the
5 B.C.H.F.A. of the powers conferred by this act shall be de-
6 termined and held to be the performance of an essential
7 governmental function.

1 SECTION 4. The Authority shall be governed and its powers
2 exercised by a Board of Trustees (herein called the "Board"),
3 consisting of 7 individuals of recognized business or pro-
4 fessional ability to be appointed by the Barnstable County
5 Selectmen's Association for initial terms of one, two, three,
6 four and five years from the date of appointment. Successor
7 members of the Board shall be appointed for terms of four

8 years and such appointees shall be eligible for appointment to
9 one additional four-year term. The Board shall elect a chair-
10 man, a vice-chairman and a secretary and a treasurer. The
11 said Board of Trustees is responsible for all areas of financial
12 responsibility of the agency including the issuance of bonds
13 and notes, investment procedures, the fixing of debt services
14 and debt retirement, the establishing of cost schedules and
15 other areas of financial concern as appropriate.

1 SECTION 5. There shall be created a Board of Directors
2 (hereby called the Directors) consisting of 7 members to be
3 appointed as follows:

4 Two (2) by the Barnstable County Commissioners, two (2)
5 by election from eligible applicants for the program who are
6 in the low income category, two (2) by election from eligible
7 applicants for the program who are in the moderate income
8 category, and one (1) to be elected by the previously selected
9 members of the Board of Directors. The term of office of each
10 director shall be four (4) years except that initial terms of
11 one, two and three years shall be assigned to three (3) mem-
12 bers of the Board of Directors at the first meeting by lot. The
13 Board shall elect a chairman, a vice-chairman and a secretary.
14 The Board of Directors shall be charged with the administra-
15 tive responsibilities including tenant selection, rent collection
16 and administrative staffing and other areas of general admin-
17 istrative responsibility.

1 SECTION 6. There shall be a Joint Board of the agency made
2 up of the membership of the Board of Trustees and the
3 membership of the Board of Directors. The Joint Board shall
4 hold public meetings on a regular basis but not less than nine
5 (9) per year. The Joint Board may also hold special hearings
6 to consider variances on tenant selection procedures, any
7 change in rules, regulations, contract or lease terms and other
8 such matters to come before it.

1 SECTION 7. The Authority shall have the power to contract
2 and be contracted with, to sue and to be sued; fix and adopt
3 a corporate seal; to adopt such rules and regulations as the
4 Board of Trustees may deem necessary to the exercise of any
5 powers reasonably necessary to the exercise of the powers
6 herein expressly granted.

7 The Authority may plan to undertake the acquisition, con-
8 struction or improvement of individual family housing units
9 for residents of low and moderate income within the towns
10 of Barnstable County; lease such accommodations for periods
11 not in excess of five years with options to lessees or tenants
12 to purchase before or after such five year period, grant, sell
13 convey or deliver possession of such property in accordance
14 with such terms and conditions as it may determine, and shall
15 have the power to make mortgage loans for the purpose of
16 aiding any such lessee or tenant, to purchase the property
17 occupied by such lessee or tenant, subject to such regulations
18 as the Board of Trustees may make as to interest rates,
19 maturity dates and other terms and conditions.

20 The Authority may borrow money for its corporate pur-
21 poses and may issue and sell from time to time, either at
22 public or private sale, its bonds, notes or other evidences of
23 indebtedness for such purposes. Such bonds, notes or other
24 evidence of indebtedness may be at such interest rate or rates,
25 be stated to mature at such time, be redeemable before matur-
26 ity at such premium, all in such form and executed in such
27 manner as the Board of Trustees shall determine.

1 SECTION 8. Upon the request of the Board of Trustees, filed
2 in writing with the Treasurer of the Commonwealth and
3 describing the indebtedness to be incurred, the Commonwealth
4 shall guarantee the payment of the interest upon and the
5 principal amount of the indebtedness so desired. The princi-
6 pal amount so guaranteed shall not exceed five million dol-
7 lars; and such guarantee shall be executed on such note, bond
8 or other evidence of indebtedness, by the Commonwealth of
9 Massachusetts, Department of Community Affairs.

1 SECTION 9. The Authority shall take no action in the exer-
2 cise of the powers granted by the Act unless and until it shall
3 first receive the written request of the Board of Selectmen of
4 the town desiring the Authority to exercise its powers within
5 the corporate limits of such town. In making any such request,
6 the Board of Selectmen of the town making such request shall
7 determine alone, or in cooperation with the Board the need in
8 such town for the housing to be made available under this Act.

1 SECTION 10. This act shall take effect upon its passage.