

The Commonwealth of Massachusetts



THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE DEPARTMENT

STATE HOUSE • BOSTON 02133

MICHAEL S. DUKAKIS
GOVERNOR

May 21, 1986

To the Senate and House of Representatives:

I am filing herewith for your consideration a recommendation for a supplemental appropriation for fiscal year 1986, in the amount of \$100,000,000. This appropriation would be funded through a portion of the estimated year end surplus.

The recommendation submitted today would provide funding for the Homeownership Opportunity Program.

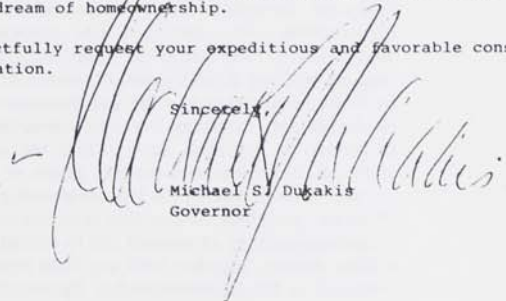
This Legislature has been among the strongest in the nation in its support of efforts to increase the supply of decent housing in the Commonwealth. You are acutely aware of the challenge we face in ensuring housing opportunities for all citizens. The resurgence of the Massachusetts economy has resulted both in the highest level of housing construction in a decade and the hottest housing market in any area of the United States. The median sale price of a single-family home in greater Boston increased to \$144,800 last year, and statistics for the first quarter of this year show further increases, as well.

As many of you have personally witnessed, an ever increasing number of young families are unable to afford to buy their first home. Increasingly, grown children are finding it impossible to live in or near the community in which they were raised. A family needs an income well over \$60,000 simply to purchase a median-priced home in greater Boston, even with today's lower mortgage rates.

With such an overwhelming need for affordable housing, the proposed recommendation will provide a critically needed infusion into the production of single-family homes, condominiums, or cooperatives. We have estimated that such an investment will serve to assist some 12,000 moderate income households realize the dream of homeownership.

I would respectfully request your expeditious and favorable consideration of this recommendation.

Sincerely,


Michael S. Dukakis
Governor

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Six.

AN ACT MAKING APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE THE THIRTIETH, NINETEEN HUNDRED AND EIGHTY-SIX TO PROVIDE FOR SUPPLEMENTING CERTAIN EXISTING APPROPRIATIONS AND FOR CERTAIN OTHER ACTIVITIES AND PROJECTS.

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. To provide for supplementing certain items in
2 the general appropriation act and for certain other activities and
3 projects, the sums set forth in section two and hereby appropriated
4 for the several purposes and subject to the provisions of law
5 regulating the disbursement of public funds and the conditions
6 pertaining to appropriations in chapter one hundred and forty of
7 the acts of nineteen hundred and eighty-five, for the fiscal year
8 ending June thirtieth, nineteen hundred and eight-six or for such
9 period as may be specified, the sums so appropriated to be in
10 addition to any other amounts available for said purposes.

1 SECTION 2.

2 EXECUTIVE OFFICE OF COMMUNITIES AND
3 DEVELOPMENT

3722-9092 For a Homeownership Opportunity Program to develop homeownership opportunities for moderate income persons and families; provided, that such program shall include the following: (1) write-down of interest rates for first-time homebuyers, (2) front-end loans for pre-construction costs, including site planning and land acquisition, (3) infrastructure grants or loans needed to support housing development, (4) technical assistance to facilitate homeownership, (5) and innovative approaches to design and financing for homeownership, including cooperatives; provided, further that the secretary may enter into contracts, and provide grants or loans for the purpose of undertaking the Homeownership Opportunity Program; provided, further that revenues received by the Commonwealth in an amount not to exceed one hundred million dollars, together with any loan repayment made pursuant to the Homeownership Opportunity Program,

shall be placed in a fund to be known as the Homeownership Opportunity Fund to be applied solely to defray the costs and associated expenses of such program; and provided, further that this appropriation shall expire June thirtieth, nineteen hundred and eight seven

100,000,000.

