

By Mr. Businger of Brookline, petition of John A. Businger and other members of the General Court relative to regulating the management and operation of publicly subsidized housing rentals. Housing and Urban Development.

**The Commonwealth of Massachusetts**

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

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,  
2 as most recently amended by section thirty-eight of chapter 6 of  
3 the Acts of 1991, is hereby further amended by striking out the  
4 first paragraph and inserting in place thereof the following para-  
5 graph: —

6 Upon the completion or acquisition of a housing project by a  
7 housing authority, it shall be maintained and operated by such  
8 authority. It is hereby declared to be the policy of this common-  
9 wealth that each housing authority shall manage and operate  
10 decent, safe and sanitary dwelling accommodations at the lowest  
11 possible cost, and that no housing authority shall manage and  
12 operate any such project for profit. To this end an authority shall  
13 fix the rentals for dwelling units in its projects so that no tenant is  
14 required to pay more than twenty-seven percent of his income for  
15 the combined cost of rent payments to the housing authority and  
16 for reasonable consumption of necessary energy and utility serv-  
17 ices. In order to carry out the purposes of the preceding sentence,  
18 the department shall promulgate regulations governing utility  
19 allowances that shall be provided to all tenants who pay for  
20 energy and utilities, including, but not limited to, gas, electricity,  
21 heating oil, and any fuel used for space heating. Utility  
22 allowances shall vary by bedroom size, type of energy or utility  
23 service, geographic location of the unit, building type, and any

24 special needs of particular tenants. In calculating utility  
25 allowances, the department shall use current prices as charged by  
26 vendors operating in the commonwealth and shall allow for rea-  
27 sonable consumption reflecting usage by the average family living  
28 in dwellings of comparable size and design. All utility allowances  
29 shall be updated no less than annually. Nothing in this paragraph  
30 shall be interpreted to allow or require tenants to pay for such  
31 energy or utility services, except as otherwise authorized by law.  
32 Any deficiency in the budget of a housing authority caused by  
33 such reduced rental shall be paid by the commonwealth to the  
34 housing authority in an amount equal to the difference between  
35 the tenant's rent and the prorated cost of operating that unit. The  
36 commonwealth, acting through the department, may make pay-  
37 ments in advance on account of such deficiency in such amounts  
38 and at such times as it deems proper. The prorated cost of opera-  
39 tions shall be computed on the basis of the operating budget of the  
40 housing authority as approved by the department with provisions  
41 for a full operating reserve. Said rentals together with all other  
42 available moneys, revenues, income and receipts of the authority,  
43 from whatever sources derived, and together with the requisite  
44 annual contribution, will be sufficient (a) to pay, as the same  
45 become due, the principal and interest on the bonds of the authori-  
46 ty; (b) to meet the cost of insurance and the payments in lieu of  
47 taxes provided by section sixteen and to provide for maintaining,  
48 operating and using the projects and the administrative expenses  
49 of the authority; (c) to create, during not less than the twelve years  
50 immediately succeeding its issuance of any bonds, notes or other  
51 evidences of indebtedness, a reserve sufficient to meet the largest  
52 principal and interest payments which will be due on such bonds  
53 in any one year thereafter and to maintain such reserve; and (d) to  
54 provide such tenant services for residents of housing projects as  
55 the department may approve.

1 SECTION 2. The Executive Office of Communities and  
2 Development shall promulgate regulations implementing this act  
3 within sixty days of it being signed into law, and the utility  
4 allowances and rent levels mandated by this act shall be in effect  
5 no later than one-hundred and twenty days of it being signed into  
6 law.