

By Mr. Collaro of Worcester, petition of Andrew Collaro for legislation to establish a fund to produce and renovate rental and cooperative housing in the Commonwealth. Housing and Urban Development.

The Commonwealth of Massachusetts

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

AN ACT TO ESTABLISH A FUND TO PRODUCE AND RENOVATE RENTAL AND COOPERATIVE HOUSING IN THE COMMONWEALTH.

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 15B(9) of chapter 186 of the General
2 Laws is hereby repealed, and the following provisions are inserted
3 in place thereof:

4 (9) There is hereby established a fund on the books of the
5 commonwealth to be known as the Interest on Rental Deposits
6 Fund, hereinafter referred to as the fund. The purpose of this fund
7 shall be to provide monies, within the limits and in the manner
8 hereinafter described, to produce, rehabilitate, or maintain rental
9 or cooperative housing at least fifty percent of which shall be
10 available to households earning, at the time of initial occupancy,
11 less than eighty percent of the area wide median income, as
12 determined from time to time by the United States Department
13 of Housing and Urban Development.

14 The fund shall be organized as follows:

15 (a) The board of directors shall consist of members of the
16 Massachusetts Housing Partnership, hereinafter referred to as the
17 partnership, which is a private, non-profit corporation established
18 under chapter 180 of the General Laws, and whose members are
19 appointed by the governor. When the partnership meets as the
20 board of directors of the fund, it shall transact only business
21 related to the fund; and business related to the fund may be

22 transacted only when the partnership is meeting as the board of
23 directors of the fund.

24 (b) The board of directors shall have the authority to exercise
25 all powers of the fund. Said board shall have the authority to
26 make, amend, and repeal by-laws, rules, and regulations to govern
27 the management and affairs of the fund. A majority of the
28 members shall constitute a quorum for the purpose of conducting
29 the business of said board, and the board shall take all actions
30 by majority vote of those present and voting. The board shall meet
31 at least four times annually, and at such other times as may be
32 provided by its by-laws.

33 (c) The board of directors shall have the authority to enter into
34 such contracts and other agreements as it deems necessary or
35 beneficial to the proper management of the fund.

36 (d) Members of said board shall serve without compensation,
37 but shall be paid necessary expenses incurred in the discharge of
38 official duties related to the management of the fund.

39 (e) A copy of the by-laws, rules, and regulations, and any
40 amendments thereto, shall be filed with the state secretary and
41 with the secretary of communities and development as they are
42 adopted.

43 (f) The board may hire such staff as it deems necessary to carry
44 out its functions, and such staff shall be paid by the fund.

45 (g) The fund shall consist of interest earned on two types of
46 deposits collected from time to time by lessors of residential rental
47 property in the commonwealth in accordance with this section of
48 the General Laws: security deposits and rent paid in advance for
49 the last month of tenancy (hereinafter, the deposits). Lessors
50 collecting the deposits shall place such monies in interest-bearing
51 accounts in a bank or banks, located within the commonwealth,
52 selected by the board of directors in accordance with the
53 procedures described in this section. Banks selected to receive such
54 deposits shall pay interest to the fund on a regular basis, as
55 determined by the board, minus the five percent per year due to
56 tenants under the provisions of this section.

57 (h) Within three months of the effective date of this section,
58 and at least once every two years thereafter, the board of directors
59 shall distribute a request for bids to all banks in the
60 commonwealth, as defined in section 1 of chapter 167 of the

61 General Laws. This document will solicit bids from banks wishing
62 to receive, hold, and service the deposits in interest-bearing
63 accounts. In bidding for such deposits, banks will provide general
64 background on their corporation, describe services to be provided
65 to lessors, renters, and the board of directors, indicate a fee to
66 be charged for such services, indicate an interest rate (or procedure
67 for determining an interest rate) to be paid on the deposits, and
68 provide any and all other information as required by the board
69 of directors. The board of directors shall select one or more banks
70 based on the information provided by the bidders, plus other
71 information gathered by the board. Selections of the board shall
72 be final, and the activities of the board shall not be subject to the
73 provisions of chapter 30A of the General Laws.

74 (i) The board may negotiate and pay to selected banks a fee
75 for servicing the deposits. The fee may not be increased during
76 the term of a contract with a bank, and may be withheld only if
77 a bank fails to fulfill the obligations of its contract, and in such
78 a case only as long as the failure to fulfill said obligations continues.
79 A board vote shall be required to withhold payment of a servicing
80 fee.

81 (10) The provisions of this section shall not apply to any lease,
82 rental, occupancy or tenancy of one hundred days or less in
83 duration which lease or rental is for a vacation or recreational
84 purpose. The provisions of part (9) of this section shall not apply
85 to owner-occupied rental structures containing less than four
86 dwelling units, unless the owners of such structures choose to
87 participate in the procedures described therein.

1 SECTION 2. Section 15B(3)(a) of chapter 186 of the General
2 Laws is hereby amended by striking the words "a separate" from
3 line one thereof, and substituting the word "an".

(The text in this section is extremely faint and largely illegible. It appears to be a multi-paragraph document, possibly a report or a set of notes, covering several pages of text. The visible fragments include phrases such as 'The following information', 'The purpose of this document', and 'It is recommended'. The text is oriented vertically on the page.)

The following information is provided for your reference. The purpose of this document is to document the current status of the project. It is recommended that you review the attached documents and provide your feedback by the end of the week.

The project is currently on track, and we are making good progress. The following are the key findings from our recent analysis. We have identified several areas for improvement, and we are implementing a plan of action to address these issues.

It is recommended that you review the attached documents and provide your feedback by the end of the week. This will help us to ensure that the project is completed on time and to the highest quality.

We appreciate your cooperation and support in this regard. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,
 [Name]
 [Title]