

ACTS, 1981. - Chap. 789.

SECTION 2. This act shall take effect as of January first, nineteen hundred and eighty-one.

Approved January 5, 1982.

Chap. 789. AN ACT TO PROVIDE FOR NEIGHBORHOOD REVITALIZATION AND FOR INCREASED HOUSING OPPORTUNITIES WITHIN THE COMMONWEALTH.

Be it enacted, etc, as follows:

SECTION 1. Section 1 of chapter 121B of the General Laws is hereby amended by inserting after the definition "Clearance project" the following definition:-

"Community development project", a work or undertaking on property which is publicly owned or managed for the installation, improvement, construction, alteration, enlargement, repair, rehabilitation, remodeling or reconstruction of buildings or other structures, facades, streets, roadways, thoroughfares, sidewalks, rail spurs, utility distribution system, water and sewer lines, parks, playgrounds, for site preparation and improvements, including demolition of existing structures, relocation assistance and for other like improvements necessary or desirable for the revitalization of the area in which the project is located or the acquisition of property on which any of the foregoing is being or will be undertaken.

SECTION 2. Clause (j) of section 26 of said chapter 121B, as amended by section 5 of chapter 477 of the acts of 1976, is hereby further amended by inserting after the word "projects", in line 13, the words:- ; and provided, further, that notwithstanding the provisions of any other law, where the funding for such project or any similar state or federally funded undertaking with respect to low-rent housing exceeds fifteen million dollars, the number of households living on the original site when funds are or were committed exceeds two hundred and a receiver has been appointed for the housing authority pursuant to section one hundred twenty-seven H of chapter one hundred eleven, the receiver shall award contracts for construction, reconstruction, installation, demolition, maintenance, alteration, remodeling or repair of any building as provided in sections forty-four A to forty-four H, inclusive, of chapter one hundred and forty-nine and the receiver shall not only prequalify general bidders as set forth in section forty-four D but shall also prequalify sub-bidders for all classes of work for which sub-bids are required in accordance with prequalification requirements the receiver shall establish. The receiver shall also include as a prequalification requirement for both general bidders and for sub-bidders for each

ACTS, 1981. - Chap. 789.

such contract that each general bidder and each sub-bidder be able to furnish labor that can work in harmony with all other elements of labor employed or to be employed on each contract.

SECTION 3. Clause (k) of said section 26 of said chapter 121B inserted by section 1 of chapter 884 of the acts of 1973, is hereby amended by striking out paragraph (5) and inserting in place thereof the following paragraph:-

(5) determined that the proceeds of such sale or other funds available to the housing authority for such project, or both, shall not be less than the amount necessary to pay in full the principle of and interest on the outstanding obligations of the housing authority with respect to such existing project if the whole is sold or not less than that percentage of such obligations which the original cost of the part sold bears to the total original cost of the entire existing project if a part is sold. Such amount of proceeds or other funds necessary to pay in full such obligations or percentage thereof shall be deposited in trust for the benefit of the holders of such outstanding obligations and until and unless all such obligations are paid and discharged in full said proceeds and other funds shall be expended solely for payment of principle and interest thereon; and.

SECTION 4. The first paragraph of section 39 of said chapter 121B, as most recently amended by section 4 of chapter 996 of the acts of 1977, is hereby further amended by adding the following sentence:- The provisions of the preceding two sentences shall apply also to any low rent housing project for families of low income undertaken pursuant to this chapter.

SECTION 5. Said chapter 121B is hereby further amended by inserting after section 57 the following section:-

Section 57A. (a) Any eligible city or town, acting by and through its municipal officers or by and through any agency designated by such municipal officers to act on their behalf, including but not limited to its urban renewal agency, may apply to the department for a grant in a specific amount to fund a specified community development project. Said grants shall be in addition to the assistance otherwise made available under this chapter and to other forms of local, state and federal assistance.

(b) No application for a community development action grant shall be made until a public hearing relating to the proposed community development project has been held after due notice before the appropriate municipal officers of the city or town. The department shall not approve any community development project unless it shall have found that:-

(1) The project area is a decadent, substandard or blighted open area.

ACTS, 1981. - Chap. 789.

(2) The project will be of public benefit, in the public interest and for a public purpose, consistent with the sound needs of the community as a whole, and any benefit to private entities or individuals will be indirect and incidental and not the purpose of the project.

(3) The project area would not be by private enterprise alone and without either government subsidy or the exercise of governmental powers be made available for redevelopment.

(4) The amount of the grant to be provided appears to be the minimum amount necessary to make the project feasible.

(5) The project will have a significant impact on the economic condition of the city or town, including the generation or retention of long-term employment.

(6) There exist firm commitments of private or other public resources in amounts sufficient, when added to the amount of the proposed grant, to render the project financially sound.

Within a reasonable time after application of a grant, the department shall give written notice to the applicant of its decision with respect to the application.

(c) The department may promulgate such rules and regulations as are necessary to effectuate the objectives of this section. In establishing criteria for the purpose of making grants under this section, the department shall include but not be limited to the following: -

(1) the comparative degree of economic distress among applicants;

(2) the comparative degrees of physical deterioration of the areas in question;

(3) demonstrated performance of the eligible entity in housing and community development programs;

(4) impact of the proposed community development project on the special problems of low and moderate income persons and minorities;

(5) the extent of financial participation by other public or private entities;

(6) the extent to which the project represents a special or unique opportunity to meet local priority needs;

(7) the impact of the proposed project on the residents, particularly those of low and moderate income, of the residential neighborhood, and on the neighborhood in which the project is to be located; and

(8) the feasibility of accomplishing the proposed project in a timely fashion within the grant amount available.

(d) The department shall give priority to applications for grants which promise to (1) provide substantial employment or

ACTS, 1981. - Chap. 789.

other direct benefit for low-income persons; (2) significantly improve the condition of a low-income neighborhood; (3) provide reinforcement for other housing or other community development-related investments by the commonwealth; or (4) combine the aforementioned characteristics.

SECTION 6. Section 1 of chapter 708 of the acts of 1966 is hereby amended by adding the following paragraph:-

(i) A "disposition agreement" shall mean an agreement between the mortgagor and MHFA contained in an instrument in recordable form, which agreement shall restrict the use of a development, to housing for low and moderate income persons or families, consistent with the provisions of this act, for a term equal to the original term of the mortgage loan.

SECTION 7. Section 2 of chapter 708 of the acts of 1966 is hereby amended by adding the following paragraph:-

It is further declared that the commonwealth is faced with serious deterioration of its housing stock. This deterioration exacerbates the shortage of decent housing that low or moderate income persons or families can afford. Deterioration of the housing stock also has adverse impacts on many neighborhoods where the housing is located, which may result in further proliferation of substandard housing with all its attendant consequences. Private enterprise cannot address the housing deterioration problem adequately unaided. The repair or rehabilitation by private owners of housing at an early state of deterioration, therefore, should be encouraged and assisted through provision of a low-cost financing program for moderate rehabilitation.

SECTION 8. Section 3 of said chapter 708, as most recently amended by chapter 263 of the acts of 1979, is hereby further amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

There is hereby created and placed in the department of community affairs a body politic and corporate to be known as the Massachusetts Housing Finance Agency, which shall not be subject to the supervision or control of the department of community affairs or of any department, commission, board, bureau, or agency of the commonwealth except to the extent and in the manner provided in this act. The MHFA is hereby constituted a public instrumentality, and the exercise by the MHFA of the powers conferred by this act shall be deemed and held to be the performance of an essential governmental function. Any law to the contrary notwithstanding the MHFA shall not be subject to the provisions of chapter thirty A of the General Laws.

SECTION 9. Section 4 of said chapter 708 is hereby amended

ACTS, 1981. - Chap. 789.

by the following clause:-

(v) Establish a program to finance or assist the financing of the moderate rehabilitation of existing housing and in connection therewith to make mortgage loans to finance such rehabilitation, to purchase, participate in the purchase of, or contract to purchase moderate rehabilitation loans, to enter into advance commitments for the purchase of, or participation in the purchase of moderate rehabilitation loans, to make loans to mortgage lenders who have entered into commitments to make moderate rehabilitation loans and to fund and operate an interest subsidy program. Such moderate rehabilitation loans shall be made upon the terms set forth in section five, except as expressly provided herein. The term "moderate rehabilitation loan" shall mean a loan to finance housing repairs or rehabilitation of less than a substantial nature, as defined by the MHFA, plus any building acquisition or mortgage refinancing allowed by the MHFA. Such moderate rehabilitation loans may be secured by either a first or senior lien or a second or junior lien upon the real property of which the project consists and the personal property attached to or used in connection with the acquisition, rehabilitation, and repair of the project or may be unsecured. MHFA may obtain or participate in loan insurance with governmental as well as private sources. MHFA may declare and establish rules and regulations respecting the grant or purchase of loans and the funding and operation of subsidy programs under this section, the regulation of borrowers and lenders including allocation of risk of loan defaults, the delineation of types of loans and neighborhoods to be covered by the program and other matters. MHFA may enter into agreements with local communities to facilitate the implementation of the program. MHFA may finance such moderate rehabilitation loan program by the sale of bonds or notes.

SECTION 10. Section 5 of said chapter 708 is hereby amended by adding the following paragraph:-

(i) The MHFA shall require, in the fulfillment of the purposes of this act, prior to or in connection with making or modifying a mortgage loan, contract, or agreement of any kind, including those in existence on the effective date of this paragraph, to which the MHFA is a party, that the mortgagor enter into a disposition agreement with the MHFA. No disposition agreement shall be unenforceable on account of lack of privity of estate or contract or lack of benefit to particular land or on account of the benefit thereof being assignable. A disposition agreement shall constitute an interest in land and shall run with the land and may be enforced by the MHFA and its successors and assigns by injunction or any remedy at law or in equity. The provisions

ACTS, 1981. - Chap. 789.

of a disposition agreement shall survive the foreclosure of any mortgage and shall be enforceable during the term of the disposition agreement. The MHFA and its successors and assigns may enter upon the land, at reasonable times, to ensure compliance with a disposition agreement. The MHFA and its successors and assigns may release a disposition agreement at any time if the MHFA determines that such release of the disposition agreement will be in the interest of furthering the purposes of this act.

SECTION 11. Section 4 of chapter 846 of the acts of 1974 is hereby amended by inserting after clause (w) the following clause:-

(w $\frac{1}{2}$) Designate, after review by the secretary of communities and development in accordance with the procedures applicable to neighborhood preservation programs, provided in section five, areas of chronic economic distress in the commonwealth, for purposes of section 103A(k) of the Internal Revenue Code of 1954, as amended under MHMFA standards established for such purpose.

SECTION 12. Section 5 of said chapter 846 is hereby amended by adding the following paragraph:-

The MHMFA shall submit all proposed rules and regulations provided for in the second paragraph to the joint committee on urban affairs and the house and senate committees on ways and means thirty days before promulgation of such rules and regulations and shall submit a list of participation agreements with banks to said committees on or before ten days after said monies are committed.

SECTION 13. The second paragraph of section 8 of said chapter 846, as amended by section 14 of chapter 793 of the acts of 1979, is hereby further amended by striking out the last sentence and inserting the following sentence:- The aggregate principal amount of notes or bonds of the MHMFA outstanding at any one time shall not exceed the sum of three hundred million dollars; provided that notes and bonds for the payment or redemption of which, either at or prior to maturity, refunding bonds shall have been issued pursuant to this section shall be excluded in the computation of outstanding notes and bonds.

SECTION 14. Said section 8 of said chapter 846 is hereby further amended by adding the following paragraph:-

The MHMFA shall be allocated, for purposes of section 103A (g) (4) of the Internal Revenue Code of 1954, as amended, one hundred per cent of the commonwealths ceiling for each calendar

ACTS, 1981. - Chap. 789.

year of the aggregate amount of qualified mortgage bonds, as defined in such Section 103A.

SECTION 15. Section 10 of said chapter 846 is hereby amended by adding the following paragraph:-

Notwithstanding the provisions of this section, the MHMFA may create and establish a Capital Reserve Fund for any issue of bonds which contains such provisions as are necessary to comply with the federal income tax requirements of the provisions of the Mortgage Subsidy Bond Tax Act of 1980, as in effect upon the date of enactment of this amendment and as later amended.

SECTION 16. To meet the expenditures necessary in carrying out the provisions of section fifty-seven A of chapter one hundred and twenty-one B of the General Laws, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth to an amount specified by the governor from time to time, but not exceeding, in the aggregate, the sum of seventeen million, five-hundred thousand dollars.

All bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Community Development Action Grant Loan, Act of 1981, and shall be issued for such maximum terms of years, not exceeding twenty years, as the governor may recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the Constitution of the Commonwealth, provided, however, that all such bonds shall be payable not later than June thirtieth, two thousand and six. All interest and payments on account of principal of such obligations shall be payable from the General Fund. Bonds and interest thereon issued under the authority of this section shall, notwithstanding any other provisions of this act, be general obligations of the commonwealth.

SECTION 17. The department of community affairs shall file a comprehensive plan to implement the provisions of sections one, five and sixteen of this act with the committee on urban affairs and the house and senate committees on ways and means no later than thirty days prior to the date when monies are to be allotted to the program established by such provisions. No such monies shall be allotted for such program until approval of such plan by each of the said committees shall have been received by said department.

SECTION 18. Section 10 of chapter 490 of the acts of 1980 is hereby repealed.

SECTION 19. The terms defined in section 1 of chapter 121B of the General Laws, whenever used in sections twenty and twenty-one of this act unless a different meaning clearly appears

from the context, shall have the meaning set forth in said section one.

SECTION 20. In addition to such sums as the department of community affairs may from time to time be authorized to expend pursuant to section 8 of chapter 4 of the acts of 1976 as amended, section 1 of chapter 694 of the acts of 1970 as amended or any provision of any other special or general law of the Commonwealth, and notwithstanding any aggregate or annual limitations on expenditures imposed by said section 1, section 34 of chapter 121B of the General Laws, or any provision of any other special or general law, the department shall be authorized in its discretion, to make expenditures pursuant to the following sentence on the conditions therein set forth.

The department of community affairs is hereby authorized to expend a sum not exceeding fifty million dollars (i) to fund grants pursuant to contracts for financial assistance for the purposes and in the manner set forth in section 34 of chapter 121B of the General Laws, (ii) to fund grants to housing authorities for housing projects undertaken under clause (j) of section 26 of said chapter 121B pursuant to contracts for financial assistance for the purposes and in the manner set forth in section 1 of chapter 694 of the acts of 1970, (iii) to repay and retire the principal amount of notes by housing authorities and guaranteed by the Commonwealth pursuant to said section 34 (iv) to pay accrued interest on any such notes for which an annual contribution has not been paid by the Commonwealth pursuant to said section (v) to pay the expenses of issuing and selling the bonds authorized by section twenty-one of this act, including without limitation all costs and fees incidental thereto, and (iv) to pay interest on said bonds for such period not in excess of two years as shall be deemed appropriate by the secretary of communities and development; provided, however, that the department shall make expenditures pursuant to this section only to provide for the development cost of residential units within housing projects and that the department shall not make any expenditures pursuant to this section unless the department has been notified by the United States Department of Housing and Urban Development, or its successor within the federal government, that all residential units with respect to which such expenditures are to be made, except for any unit which may be designated for use by a manager or custodian for the project, have been approved for subsidy payments pursuant to section 8 of the United States Housing Act of 1937 as amended in that an Annual Contributions Contract or an Agreement to

ACTS, 1981. - Chap. 789.

Enter into Housing Assistance Payments Contract, as such terms are used in the federal regulations applicable to said Section 8, shall have been executed with respect to such units in such housing project; and provided, further, that as a condition of making any such expenditures the department shall require that the housing authority which owns each such housing project pledge at least such a portion of the revenues to be derived from the units with respect to which such expenditures are to be made, including without limitation revenues consisting of subsidy payments pursuant to said section 8, as shall be determined in the opinion of the secretary of communities and development to be sufficient to cover, and such pledge shall secure, the full and final payment of the principal and redemption price of and interest and sinking fund installments on any bonds issued pursuant to section twenty-one of this act, such pledge to be made on such terms and conditions, in such manner and subject to such prior pledges or liens as said secretary shall prescribe or approve.

SECTION 21. To meet the expenditures authorized by section twenty of this act or to reimburse the treasury for funds advanced for such expenditures, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth to an amount to be specified by the governor from time to time, but not exceeding in the aggregate the sum of fifty million dollars. All bonds issued pursuant to this section shall be designated on their face "General Obligation - Federally Assisted Housing Bond." Such bonds may be issued and sold at par, premium, or discount. Section fifty-three of chapter twenty-nine shall not apply to any such sale.

Each issue of bonds pursuant to this section shall be for such term of years, not exceeding forty years, as the governor may recommend to the general court pursuant to section 3 of article LXII of the amendments to the constitution of the commonwealth, and the maturities of or sinking fund installments, if any, with respect to such bonds shall be scheduled, as nearly as is deemed practicable and prudent by the state treasurer, to coincide with the anticipated receipt of housing project revenues pledged to the payment of the bonds pursuant to section twenty of this act, as set forth in a certificate of the secretary of communities and development and the state treasurer.

In anticipation of the receipt of proceeds of such bonds, the treasurer may issue and sell temporary notes and renewals thereof in an amount outstanding at one time not in excess of the amount of bonds specified by the governor pursuant to this section, for a term not to exceed three years, including any

ACTS, 1981. - Chap. 789.

such renewals. The principal of and interest on such notes may be paid from the proceeds of said renewal notes or bonds and to the extent not so paid shall be paid from any other funds or receipts; provided that if and to the extent that the principal amount of such notes is paid from other than the proceeds of said renewal notes or bonds, the principal amount of said bonds which may be issued under this section shall be reduced by a like amount. Such notes and any renewals thereof shall be general obligations of the commonwealth.

There is hereby established and set up on the books of the commonwealth a separate fund to be known as the General Obligation - Federally Assisted Housing Bond Debt Service Fund. In making grants for housing projects pursuant to section twenty of this act the department shall provide by contract with the United States Department of Housing and Urban Development and with the housing authorities for the deposit into said Fund of the housing project revenues pledged pursuant to said section twenty, subject only to such conditions as may be imposed by said Department pursuant to Section 8 of the United States Housing Act of 1937 or the federal regulations applicable thereto. Act of 1937 or the federal regulations applicable thereto. All principal, interest and sinking fund payments, and any redemption premiums, on bonds issued pursuant to this section shall be paid from said Fund to the extent of available monies therein. Amounts on deposit in said Fund shall be invested in accordance with the provisions of chapter 29 of the General Laws and may be transferred to the General Fund at the end of each fiscal year upon certification to the state treasurer from the secretary of communities and development that such amounts are not required for payments described in the preceding sentence, taking into consideration deposits to the General Obligation - Federally Assisted Housing and Debt Service Fund reasonably anticipated during succeeding fiscal years. In the discretion of the state treasurer, sub-accounts within such Fund may be established from time to time with trustees under any trust indentures pursuant to which bonds authorized by this section are issued and amounts on deposit in such sub-accounts may be invested in accordance with the provisions of such indentures, notwithstanding any provisions of this section to the contrary; provided, however, that bonds issued hereunder shall be general obligations of the commonwealth payable from its general funds to which its full faith and credit is pledged for the payment of principal and interest when due.

SECTION 22. All sections of this act shall become effective upon its passage.

ACTS, 1981. - Chaps. 790, 791.

Approved January 11, 1982.
EMERGENCY LETTER - January 11, 1982 @ 1:43 P.M.

Chap. 790. AN ACT AUTHORIZING THE TOWN OF PROVINCETOWN TO USE RECEIPTS FROM CERTAIN PARKING RELATED ACTIVITIES TO REDUCE THE TAX LEVY OF PROVINCETOWN.

Be it enacted, etc., as follows:

SECTION 1. Notwithstanding the provisions of sections twenty-two A to twenty-two C, inclusive, of chapter forty and section fifty-three of chapter forty-four of the General Laws, the town of Provincetown is hereby authorized to use all receipts from the parking meters installed and lots maintained under the provisions of said sections twenty-two A to twenty-two C, inclusive, of said chapter forty to reduce the tax levy of the town of Provincetown or for parking related purposes or for both such purposes.

SECTION 2. This act shall be submitted for acceptance to the voters of the town of Provincetown at the next annual town election in the form of the following question which shall be placed on the official ballot to be used for the election of town officers, "Shall an act passed by the General Court in the year nineteen hundred and eighty-two, entitled 'An act authorizing the town of Provincetown to use receipts from certain parking related activities to reduce the tax levy of Provincetown' be accepted?"

If a majority of the votes in answer to said question is in the affirmative, the provisions of section one of this act shall thereupon take full effect, but not otherwise.

SECTION 3. This act shall take effect upon its passage.

Approved January 13, 1982.

Chap. 791. AN ACT AUTHORIZING THE TREASURER OF BERKSHIRE COUNTY TO PAY CERTAIN UNPAID BILLS.

Be it enacted, etc., as follows:

SECTION 1. The treasurer of the county of Berkshire, with the approval of the county commissioners of said county, is hereby authorized to pay certain unpaid bills, as set forth in a list on file in the office of the bureau of accounts in the depart-