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County Layout, a distance of 21 feet more or less to the point of the beginning.

The above described parcel contains 23 square feet, more or less.

All of the boundaries may be more specifically established by the commission based on a survey.

**SECTION 2.** No deed conveying by or on behalf of the commonwealth the property described in section 1 shall be valid unless such deed provides that said property shall be used for highway purposes.

**SECTION 3.** In the event that the property described in section 1 is not used for the purposes described in section 2 or if the aforementioned purpose ceases at any time upon notice by the commissioner, the parcels shall revert to the commonwealth under such terms and conditions as the commissioner may prescribe.

**SECTION 4.** The recipient of said conveyance of property shall assume the costs of appraisals, surveys and other expenses as deemed necessary by the commissioner for the conveyance of this property.

**SECTION 5.** The 1805 county layout of Neilson road laying outside the layout lines of the proposed alteration of Neilson road will be discontinued upon completion of the construction of Neilson road and the land under the discontinued portions of said 1805 county layout and abutting commonwealth land shall revert to the commonwealth.

**SECTION 6.** This act shall take effect upon its passage.

Approved August 7, 1998.

**Chapter 257. AN ACT RELATIVE TO THE DEVELOPMENT AND PRESERVATION OF AFFORDABLE HOUSING.**

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for the development and preservation of affordable housing, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted, etc., as follows:*

**SECTION 1.** To provide for a capital outlay program to rehabilitate and modernize state-owned public housing developments, to preserve the affordability and the income mix of state-assisted multifamily developments, to support home ownership and rental housing opportunities for low and moderate income citizens of the commonwealth, to stem urban blight through the implementation of housing stabilization programs, to support housing for the elderly, disabled and homeless, and to promote economic reinvestment through the funding of infrastructure improvements, the sums set forth in section 2, for the several purposes and subject to the conditions specified under the provisions of this act, are hereby made available from the General Capital Projects Fund, so-called, subject to the provisions of law regulating the disbursement of public funds.

SECTION 2.

*Department of Housing and Community Development.*

- 7004-8984 For the purposes of state financial assistance in the form of grants for projects undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided, that contracts entered into by the department for such projects may include, but shall not be limited to, projects providing for renovation, remodeling, reconstruction, redevelopment, and hazardous material abatement, including asbestos and lead paint, and for compliance with state codes and laws, the provision of day care facilities, learning centers and teen service centers and the adaptation of units for families and persons with disabilities; provided further, that priority shall be given to projects undertaken for the purpose of compliance with state codes and laws or for other purposes related to the health and safety of residents; provided further, that the department may, as a condition of bids on modernization work funded pursuant to the provisions of this item, direct housing authorities to require that all general contractors and subcontractors seek to train and employ eligible project residents in existing apprenticeship programs pursuant to regulations or guidelines established by the department, and to include in such programs, to the greatest extent possible, nonresidents from adjacent neighborhoods who are otherwise income-eligible to be residents under the provisions of said chapter 121B; provided further, that the department may require housing authorities to assist tenant organizations to obtain all available assistance and finances from local and federal programs that provide job training, scholarships and other sources in order to train existing or newly hired tenant employees; and provided further, that funds may be expended from this item to make such modifications to congregate housing units, so-called, as may be necessary to increase the occupancy rate of such units . . . . . \$187,000,000
- 7004-8985 For the purpose of state financial assistance in the form of community development action grants to be awarded pursuant to the provisions of section 57A of chapter 121B of the General Laws; provided, that not less than \$2,000,000 of the amount authorized for expenditure here-

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	in shall be used for projects in seriously distressed areas having a significant amount of vacant land or buildings, as defined by the department . . . . .	\$25,000,000
7004-8986	For the purpose of state financial assistance in the form of grants or loans for the Housing Innovations Fund Program established pursuant to section 12 . . . . .	\$21,000,000
7004-8987	For the purpose of state financial assistance in the form of grants or loans for the housing stabilization and investment program established pursuant to section 13; provided, that notwithstanding the provisions of said section 13 or any other general or special law to the contrary, not less than \$15,000,000 shall be expended from this item for state financial assistance by the commonwealth acting by and through the department of housing and community development for the purpose of preserving existing privately- owned state-assisted housing; provided further, that said housing shall be limited to housing where the prepayment of a state or federally assisted Massachusetts Housing Finance Agency mortgage would lead or has led to the termination of a use agreement for low income housing; provided further, that funds may be expended for a capital access reserve to provide loan guarantees to facilitate the purchase of property which is or was subject to prepayment of a state or federally assisted Massachusetts Housing Finance Authority mortgage; and provided, further, that the department of housing and community development may enter into a contract with the Massachusetts Housing Finance Authority to administer said program of loan guarantees . . . . .	\$41,000,000
7004-9980	For state financial assistance in the form of a grant or loan by the commonwealth acting by and through the department of housing and community development for a Capital Improvement and Preservation Fund for the purposes of preserving and improving existing privately-owned, state or federally assisted housing; provided, that said housing may be limited to housing where the prepayment of a state or federally-assisted Massachusetts Housing Finance Agency mortgage would lead or has led to the termination of a use agreement for low income housing or for which	

the United States Department of Housing and Urban Development has approved but not fully funded a plan of action to transfer the housing to a qualified tenant or tenant endorsed purchaser; provided further, that in allocating funds pursuant to this item, preference may be given to nonprofit organizations seeking to purchase property which is or was subject to prepayment of a state or federally assisted Massachusetts Housing Finance Agency mortgage; provided further, that said department, in consultation with nonprofit organizations and the Massachusetts Housing Finance Agency, shall identify those projects at greatest risk of prepayment and shall grant equal preference in allocating funds pursuant to this item to such developments; provided further, that at least one-half of the units in such housing shall be occupied and affordable to persons of income of 80 per cent or less of the area wide median income as determined by the federal Department of Housing and Urban Development; provided further, that the department shall preserve, not less than 10 per cent of the units in such housing as available and affordable to households with income of 50 per cent or less of the area wide median income as determined by said United States Department of Housing and Urban Development or such greater percentage of units as required by Massachusetts Housing Finance Agency regulations; provided further, that said department of housing and community development may enter into subcontracts with community development corporations, for-profit organizations, or nonprofit organizations to carry out the purposes of such grants and loans and may enter into contracts with the Massachusetts Housing Finance Agency; provided further, that a portion of the funds may be allocated in the form of predevelopment grants or loans to nonprofit purchasers of such housing; provided further, that such housing shall remain affordable for its useful life as determined by said department of housing and community development; and provided further, that said department of housing and community development shall promulgate regulations for the purposes of implementing the provisions of this item . . . . . \$20,000,000

7004-9981 For the recapitalization of the Massachusetts Housing Partnership Fund . . . . . \$2,000,000



**SECTION 3.** To meet the expenditures necessary in carrying out the provisions of section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, \$296,000,000. All bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Housing Preservation and Neighborhood Development Loan Act of 1998, and shall be issued for a maximum term of years, not exceeding 20 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 30, 2025. All interest and payments on account of principal on 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 4.** The state treasurer may borrow from time to time on the credit of the commonwealth such sums as may be necessary for the purpose of meeting payments authorized by section 2 and may issue and renew from time to time notes of the commonwealth therefor bearing interest payable at such time and at such rates as shall be fixed by the state treasurer. The notes shall be issued and may be renewed one or more times for such terms, not exceeding one year, as the governor may recommend to the general court in accordance with Section 3 of Article LXII of the Amendments to the Constitution of the Commonwealth, but the final maturities of such notes, whether original or renewal, shall be not later than June 30, 2005. Notes and interest thereon issued under the authority of this section shall be general obligations of the commonwealth.

**SECTION 5.** Item 3722-8891 of section 2 of chapter 494 of the acts of 1993 is hereby amended by inserting after the word "personnel", in line 27, the following words:- ; provided further, that notwithstanding the provisions of this item to the contrary, \$15,000,000 may be expended for the design, preparation of plans and construction of scattered site housing units, so-called, or the acquisition of other housing units for very low and low income individuals and families; provided, further, that affordability of such replacement housing shall, to the greatest extent possible, reflect the range of affordability of those units being replaced; provided, further, that funds may be expended from this item only to replace project based housing units, so-called, which have been deemed to be uninhabitable due to a failure of such units to meet life and safety code requirements, or to develop affordable housing units which are deemed necessary by the department of housing and community development as part of a development plan; provided, further, that said department of housing and community development shall promulgate regulations to implement the provisions of this item.

**SECTION 6.** The director of housing and community development shall submit on an annual basis, to the house and senate committees on ways and means, the joint committee on housing and urban development, and the house committee on long term debt and capital expenditures, a capital spending plan broken down by authorization item; provided, that said capital spending plan shall reflect a balanced allocation of capital funds authorized by this

act; and provided further, that said director may conduct a public hearing prior to the submission of said capital spending plan.

**SECTION 7.** The director of housing and community development shall investigate and study the effect on the quality and availability of open space of awards of financial assistance made pursuant to this act. Said study shall consider the ability of said department of housing and community development to incorporate a standard of open space as a factor in project review which is compatible with local needs, and shall seek to evaluate the per unit cost impact of such a standard. Said department shall develop and report such study to the joint committee on housing and urban development not later than 180 days after the effective date of this act.

**SECTION 8.** The director of housing and community development shall investigate the effects of expiring use restriction and expiration of section 8 contracts, so-called, on the availability of housing for low and moderate income persons in the commonwealth and shall develop and report to the joint committee on housing and urban development and the house and senate committees on ways and means, not later than 90 days after the effective date of this act, on federal policies or policies which are developed as a result of the implementation of this act relating to the provision of financial assistance to such properties. Said department shall develop strategies to maximize reliance on federal programs and financial resources to address expiring use restrictions caused by federal policy and shall weigh the costs and public benefits of providing financial assistance to such properties against the cost and public benefits of providing comparable low and moderate income housing opportunities through other means.

**SECTION 9.** The director of housing and community development shall study possible means to increase the occupancy of congregate housing units, so-called. Said study shall be submitted to the house and senate committees on ways and means and to the joint committee on housing and urban development not later than six months after the effective date of this act.

**SECTION 10.** Notwithstanding the provisions of any general or special law to the contrary, wherever feasible and cost effective, renovations or improvements to state-owned or state-assisted housing units paid for with funds authorized in section 2 shall maximize the use of recycled materials and the use of alternative energy sources.

**SECTION 11.** Notwithstanding the provisions of any general or special law to the contrary, renovations or improvements to state-owned or state-assisted housing units shall take into account the special needs of elderly and handicapped tenants so as to ensure ease of access by such tenants to bathroom facilities.

**SECTION 12.** The department of housing and community development may enter into contracts for state financial assistance in the form of grants or loans by the commonwealth acting by and through the department of housing and community development; provided, however, that grants made according to the provisions of this section may be made only to public or quasi-public agencies; provided further, that said department shall administer the Housing Innovations Fund Program for the purpose of facilitating the creation

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and retention of alternative forms of rental and ownership housing. Such forms of housing shall include, but not be limited to: single room occupancy units; limited equity cooperative housing; transitional housing for the homeless; battered women's shelters; mutual housing; housing acquired by nonprofit entities pursuant to Title II of the National Emergency Low Income Housing Preservation Act of 1987 and Title VI of the National Affordable Housing Act of 1990 and other innovative forms of housing; provided further, that at least one-half of the beneficiaries of such housing shall be persons whose income is less than 80 per cent of the area wide median income as determined from time to time by the United States Department of Housing and Urban Development. The department of housing and community development shall give preference to those projects which provide transitional and permanent housing for homeless individuals and families and disabled persons, as well as housing for elders and low income persons at imminent risk of homelessness due to the expiration of protections under chapter 282 of the acts of 1994. Any such loan program shall be administered by the department of housing and community development through contracts with authorities which shall include housing authorities and redevelopment authorities duly organized and existing in accordance with chapter 121B of the General Laws, and may also include community development corporations duly organized and existing in accordance with chapter 40F of the General Laws, the Massachusetts Housing Finance Agency, a body politic and corporate entity established by chapter 708 of the acts of 1966, the Community Economic Development Assistance Corporation, a body politic and corporate entity established by chapter 40H of the General Laws, and the government land bank, a body politic and corporate entity established by chapter 212 of the acts of 1975. Said organizations may, pursuant to the terms and conditions of said contracts with the department, directly issue loans for the purposes of said program, or may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws for such purposes. Loans issued directly or indirectly by such organizations shall be subject to the review and approval of the department.

Loans issued pursuant to this section shall be subject to the following provisions:

(1) such loans shall be limited to not more than 50 per cent of the financing of the total development costs;

(2) such loans shall only be issued when a contract or agreement for the use of the property for the purposes of such housing provides for the recording of a restriction in the registry of deeds or the registry district of the land court in the county in which the affected real property is located, for the benefit of said department, running with the land, that the land be used for the purpose of providing alternative forms of rental and ownership housing. Such property shall not be released from such restriction until the balance of the principal and interest for any such loan shall be repaid in full or until a mortgage foreclosure deed shall be recorded;

(3) such loans shall be issued for a term of up to 30 years during which time repayment may be deferred by the loan issuing authority, unless at the end of a fiscal year, cash collections from all sources in connection with such housing, except for contributions,



donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of such housing, including debt service, operating expenses, operating reserves and capital reserves. Such excess cash shall be paid to the commonwealth within 45 days of the end of such fiscal year, payable first to interest due hereunder and thereafter to principal advanced pursuant to such loan. If on the date such loans become due and payable to the commonwealth an outstanding balance exists, such loans may be extended for such periods, each period not to extend beyond ten years, as the department determines, provided that the project continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the department. In the event that the terms of repayment detailed in this item would cause a project authorized by this section to become ineligible to receive federal funds which would otherwise assist in the development of that project, the commissioner may waive the terms of repayment which would cause the project to become ineligible;

(4) interest rates for such loans shall be fixed at a rate to be determined by the director of housing and community development, in consultation with the state treasurer;

(5) expenditures from this section shall not be made for the purpose of refinancing outstanding mortgage loans for housing in existence prior to the effective date of this act unless such housing had previously received funding pursuant to item 3722-8879 of section 3 of chapter 226 of the acts of 1987 or item 3722-8899 of section 2 of chapter 494 of the acts of 1993;

(6) said department shall take due consideration of a balanced geographic plan for such alternative forms of housing when issuing such loans; and

(7) housing projects developed pursuant to this act shall not be refinanced during the term of a loan issued pursuant to this section unless the balance of the principal and interest for such loan is repaid in full at the time of such refinancing. Such housing project may be refinanced if such refinancing would result in a reduction of costs paid by the commonwealth. Any such refinanced loan shall be due and payable on a date not later than the date on which the original loan was due and payable, except in accordance with clause (3), or is necessary to effect extraordinary repairs or maintenance to be approved by the director of housing and community development.

The department of housing and community development shall promulgate regulations for the implementation of the housing loan program authorized by this section.

**SECTION 13.** The department of housing and community development may enter into contracts for state financial assistance in the form of grants or loans by the commonwealth acting by and through the department of housing and community development for projects undertaken for the housing stabilization and investment program, so-called. Said department shall administer the housing stabilization and investment program for the purpose of undertaking projects to develop and support affordable housing developments and homeownership affordability through the acquisition, preservation and rehabilitation of affordable housing; provided, however, that such program may include assistance for projects to stabilize and promote reinvestment in cities and towns including,



but not limited to, acquisition, rehabilitation and preservation of foreclosed and distressed properties and any other techniques necessary to achieve such reinvestment. Assistance provided through said program may be made in a manner which qualifies the assistance as a matching contribution under Section 220 of the HOME Investment Partnership Act Title II of the Cranston-Gonzalez National Affordable Housing Act, including, in the case of assistance provided in the form of a loan, a commitment to repay such loan to the commonwealth's HOME Investment Trust Fund established pursuant to Section 92.5000(o) of the regulations of the United States Department of Housing and Urban Development. Loans may be provided to any agency, department, board, commission, authority or instrumentality of the commonwealth or any political subdivision thereof, to housing authorities, community development corporations and limited equity cooperative housing corporations established pursuant to chapter 157B of the General Laws. Such recipients may enter into subcontracts to carry out the purposes of such contract with other for-profit or not-for profit organizations. Prior to providing assistance, the department shall find that: (1) the housing would not, by private enterprise alone and without government assistance, be available to lower income families and individuals; (2) the amount of the assistance appears to be the minimum amount necessary to make the housing development feasible; (3) with respect to rental housing, the operations of the owner and its articles of organization and by-laws and any changes to either, shall be subject to regulation by the department; and (4) the housing shall remain affordable for its useful life as determined by the department. Such housing shall be considered affordable, if during the first 20 years after assistance is first provided, substantially all of the assisted units shall be rented to or owned by families and individuals whose income at initial occupancy is equal to or less than 80 per cent of the median income as determined by the Secretary of Housing and Urban Development for the federal housing programs and that thereafter such units shall be rented or sold, subject to such restrictions on appreciation as determined by the department to be reasonable and necessary to maintain long term affordability, to families or individuals at incomes at or below 100 per cent of the median income.

Funds provided herein may be used for grants to cities and towns to assist with the costs of demolishing certain privately-owned vacant and abandoned buildings that have been found to be uninhabitable and not economically feasible to rehabilitate and which the city or town is authorized to demolish pursuant to sections 127A and 127B of chapter 111 of the General Laws or sections 6 to 9, inclusive, of chapter 143 of the General Laws, and the regulations promulgated pursuant to said chapters, or which have been taken by the city or town for taxes; provided, however, that any such demolition shall be undertaken in accordance with a neighborhood revitalization plan adopted by the city or town after a public hearing and after approval by the department which provides for the rehabilitation and development of housing in the areas in which such demolition is being undertaken; and provided further, that the department of housing and community development shall promulgate regulations for the purpose of implementing the provisions of this section including, but not limited to, grants to cities and towns for demolition of certain vacant and abandoned

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buildings and procedures for neighborhood revitalization plans; provided, however, that not more than \$3,000,000 may be expended for new construction of affordable housing.

Not more than \$10,000,000 may be expended in the form of loans by the commonwealth, acting by and through the department of housing and community development, for a Rental Property Emergency Fund Pilot Program for the purpose of the repair or replacement of major building systems, abate lead paint, asbestos or other environmental hazards or to complete other repairs or improvements as deemed necessary by the department for continued inclusion of housing rental units in the Massachusetts rental voucher program. Loans issued pursuant to this fund shall be subject to the following provisions: (1) owners shall demonstrate rental property management expertise or capacity satisfactory to the department in accordance with standards to be developed by the department; (2) such loans shall be limited to a level set by the department of housing and community development per qualifying unit which shall be defined as a unit then currently under lease through the Massachusetts rental voucher program; and (3) all units so assisted shall be kept at rents within the limits established by the Massachusetts rental voucher program for the duration of the loan. The department may enter into subcontracts with housing authorities or other quasi-public agencies having rental property management and training expertise to carry out the purpose of the program funded herein.

Notwithstanding the restrictions described in this section, funds provided for the Housing Stabilization and Investment Program shall be used for a revolving rehabilitation loan program to support the revitalization of certain abandoned or severely distressed privately-owned residential housing for which a court appointed, nonprofit receiver has been selected pursuant to the provisions of chapter 111 of the General Laws. Such program may include activities necessary to make essential repairs and to pay operating expenses necessary to maintain habitability of such housing units in order to prevent abandonment and deterioration of such housing in primarily low and moderate income neighborhoods. Such loans may be administered by the department of housing and community development through contracts with the Community Economic Development Assistance Corporation, a body politic and corporate entity established by chapter 40H of the General Laws, and through contracts with the Massachusetts Housing Partnership Fund, an instrumentality of the commonwealth established by section 35 of chapter 405 of the acts of 1985. Said recipients may enter into subcontracts to administer the purposes of such contracts with other for-profit or nonprofit organizations. The department of housing and community development shall promulgate regulations for the purpose of implementing the provisions of this section.

An amount not to exceed \$1,000,000 may be expended in the form of loans to nonprofit developers for the acquisition of property to provide or preserve affordable housing. Such program of loans may be administered by the department of housing and community development through contracts with said Community Economic Development Assistance Corporation. Such program may include acquisition, financing and other holding costs, interim management and operating costs, and may also be used by said Community

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Economic Development Assistance Corporation to secure, collateralize or reserve against other financing obtained said Community Economic Development Assistance Corporation to support such costs. At least one-half of the beneficiaries of such housing shall be persons of income less than 80 per cent of the area wide median income as determined by the United States Department of Housing and Urban Development.

Notwithstanding the restrictions described in this section, not more than \$12,000,000 of the funds provided for the Housing Stabilization and Investment Program may be used for the purposes of the Soft Second Mortgage program described in item 3322-8880 of section 2 of chapter 110 of the acts of 1993.

Within 120 days of the effective date of this section, the director of housing and community development shall develop a program to support the rehabilitation of owner-occupied one to four-family properties and the acquisition and rehabilitation of such properties by persons of low or moderate income and shall provide a report on such proposed program to the joint committee on housing and urban development. The program may include, but shall not be limited to, direct loans, loan guarantees and loan loss reserves and the objective of such program shall include the following: (1) projects shall rely, to the greatest extent possible, on bank financing and other taxable financing to support the costs of such acquisition and rehabilitation; (2) coordinating the delivery of such financing and related rehabilitation services with cities and towns that provide such assistance utilizing federal community development block grants, federal HOME funds, and other resources; (3) expediting and simplifying the process by which home buyers may obtain financial and technical assistance for such acquisitions and rehabilitation; and (4) ensuring that adequate provisions are in place to assure that rehabilitation is completed in a timely and professional manner and to protect homeowners from excessive acquisition and rehabilitation costs.

There is hereby established a Home Investment Trust Fund. Any money received from loan repayments pursuant to this section shall be deposited in said trust fund and may be expended by the department solely for the purposes set for herein.

**SECTION 14.** The costs of professional personnel directly involved in the planning, design and construction of projects funded by section 2, including costs incurred pursuant to section 5D of chapter 29 of the General Laws but excluding clerical and support personnel, may be charged to the authorizations in said section 2; provided, however, that said costs shall not be classified as administrative costs. An amount not to exceed 2 per cent of said authorizations may be expended by the department of housing and community development for administrative costs directly attributable to the programs funded by this act, including costs of clerical and support personnel. The director of said department shall file an annual spending plan with the fiscal affairs division and the house and senate committees on ways and means which details, by subsidiary, all personnel costs and administrative costs charged to expenditures made pursuant to this act.

**SECTION 15.** In making awards of financial assistance pursuant to this act or in seeking the participation of lending institutions in programs funded by this act, the director of housing and community development shall give special consideration to proposals that



promote the participation of banks and banking institutions that have received an outstanding, or high satisfactory, community investment rating in their most recent bank examination by state or federal bank regulators.

**SECTION 16.** Notwithstanding the provisions of any general or special law to the contrary, the unexpended balance of the following bond funded authorizations shall cease to be available for expenditure after the effective date of this act: 3722-8841, 3722-8842, 3722-8843, 3722-8846, 3722-8861, 3722-8862, 3722-8863.

**SECTION 17.** Notwithstanding the provisions of any general or special law to the contrary, the unexpended balance of the bond funded authorizations which exceed the amount below for each such item shall cease to be available for expenditure after the effective date of this act.

3722-7871 .....	\$1,900,000
3722-8872 .....	\$8,400,000
3722-8873 .....	\$3,800,000
3722-9950 .....	\$3,700,000

**SECTION 18.** There is hereby established a special commission to study the availability of housing for extremely-low to moderate income families and individuals in the city of Lowell with particular emphasis on households with annual income that reflects the present composition of the Julian D. Steele complex. Said commission shall investigate methods to replace the number of housing units at the Julian D. Steele complex, in said city of Lowell, with an equal or greater number of housing units affordable to households with annual incomes that reflect the present composition of residents in the Julian D. Steele complex in said city. Said commission shall consider opportunities to renovate said Julian D. Steele complex in an effort to improve the quality of the housing units at said complex as well as the quality of life for the residents of said complex. As methods to replace such housing, said commission shall consider the following options: (a) the renovation or improvement to all or part of said Julian D. Steele complex; (b) construction of publicly-owned scattered site housing units; (c) the acquisition of abandoned properties; (d) the use of properties to be seized by said city due to a failure of the owners of such properties to pay real estate taxes or other levies owed to said city; or (e) any other methods which will fulfill the objectives of maintaining the same or greater levels of housing units for extremely-low to moderate income families and individuals in said city of Lowell.

Said commission shall consist of three members of the senate, three members of the house of representatives, one from each branch shall serve as co-chairmen, the director of housing and community development or his designee, and one additional nonvoting member of the director's staff, and nine persons to be appointed by the governor, one of whom shall be the director of the John W. McCormack Institute of Public Affairs at the University of Massachusetts or his designee, one of whom shall be the city manager of the city of Lowell or his designee, one of whom shall be the executive director of the Lowell Housing Authority or his designee, one of whom shall be the president of the Julian D. Steele tenant council, two of whom shall be duly elected tenants of the Julian D. Steele complex, one of whom

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shall be a representative of a community housing and tenants' rights organization in said city of Lowell to be selected by the director of the department of housing and community development, one of whom shall be a representative from Citizen's Housing and Planning Association, Inc., and one of whom shall be the mayor of the city of Lowell or his designee.

Said commission shall file its recommendations together with recommendations for legislation, if any, with the house and senate clerks who shall forward the same to the house and senate committees on housing and urban development on or before November 15, 1998.

**SECTION 19.** Notwithstanding the provisions of any general or special law to the contrary, except as provided in sections 16 and 17 of this act, amounts authorized in chapter 748 of the acts of 1985, chapter 226 of the acts of 1987 and chapter 494 of the acts of 1993 shall be available to supplement the purposes established in this act to the extent that such previous authorizations shall be similar to the purposes established in this act.

**SECTION 20.** The secretary of administration and finance shall study the impact of chapter 30B of the General Laws on the implementation of this act and the implications of exempting projects funded herein from the provisions of said chapter 30B. Said secretary shall report the results of such study to the joint committee on state administration, the joint committee on housing and urban development, the house committee on long term debt and capital expenditures and the house and senate committees on ways and means not later than December 31, 1998.

*This bill was returned on August 7, 1998, by the Lieutenant Governor-Acting Governor to the House of Representatives, the branch in which said bill was originated, with his objections in writing to the following items therein:*

*Items Disapproved: SECTIONS 6, 7 and 9*

*The remainder of the bill was approved by the Lieutenant Governor-Acting Governor on August 7, 1998 at twelve o'clock and forty-five minutes, P.M.*

**Chapter 258. AN ACT REGULATING SET OFF OF MUTUAL DEBTS AND CREDITS INVOLVING AN INSOLVENT INSURER.**

*Be it enacted, etc., as follows:*

**SECTION 1.** Section 180C of chapter 175 of the General Laws, as appearing in the 1996 Official Edition, is hereby amended by adding the following paragraph:-

Mutual debts or mutual credits, whether arising out of one or more contracts between an insolvent insurer and another insurer, in connection with any action or proceeding under this chapter shall be set off and the balance shall be allowed or paid except as hereinafter provided. No set off shall be allowed in favor of any insurer where:

(1) the obligation of the insolvent insurer to the other insurer would not, as of the date of the filing of the petition for receivership, entitle the other insurer to share as a claimant in the assets of the insolvent insurer;