

By Mr. Businger of Brookline, petition of John A. Businger and other members of the House for legislation to further regulate rents charged by housing authorities. Housing and Urban Development.

The Commonwealth of Massachusetts

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

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
5 paragraph: —

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
14 is required to pay more than twenty-seven percent of his income
15 for the combined cost of rents payments to the housing authority
16 and for reasonable consumption of necessary energy and utility
17 services. In order to carry out the purposes of the preceding
18 sentence, the department shall promulgate regulations governing
19 utility allowances that shall be provided to all tenants who pay
20 for energy and utilities, including but not limited to gas, electricity,
21 heating oil, and any fuel used for space heating. Utility allowances
22 shall vary by bedroom size, type of energy or utility service, geo-
23 graphic location of the unit, building type, and any special needs
24 of particular tenants. In calculating utility allowances, the depart-
25 ment shall use current prices as charged by vendors operating in

26 the commonwealth and shall allow for reasonable consumption
27 reflecting usage by the average family living in dwellings of com-
28 parable size and design. All utility allowances shall be updated
29 no less than annually. Nothing in this paragraph shall be inter-
30 preted to allow or require tenants to pay for such energy or utility
31 services, except as otherwise authorized by law. Any deficiency
32 in the budget of a housing authority caused by such reduced rental
33 shall be paid by the commonwealth to the housing authority in
34 an amount equal to the difference between the tenant's rent and
35 the prorated cost of operating that unit. The commonwealth,
36 acting through the department, may make payments in advance
37 on account of such deficiency in such amounts and at such times
38 as it deems proper. The prorated cost of operations shall be
39 computed on the basis of the operating budget of the housing
40 authority as approved by the department with provisions for a
41 full operating reserve. Said rentals together with all other available
42 moneys, revenues, income and receipts of the authority, from
43 whatever sources derived, and together with the requisite annual
44 contribution, will be sufficient (a) to pay, as the same become due,
45 the principal and interest on the bonds of the authority; (b) to
46 meet the cost of insurance and the payments in lieu of taxes
47 provided by section sixteen and to provide for maintaining, oper-
48 ating and using the projects and the administrative expenses of
49 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
6 into law.