

Summary of Housing Related Sections in 2022 Economic Development Bill

[H.4977](#), *An Act investing in future opportunities for resiliency, workforce, and revitalized downtowns (FORWARD)*

As reported out by the Joint Committee on Bonding, Capital Expenditures and State Assets on July 5, 2022.

The Bonding Committee made one substantive change to the Economic Development Bill in Section 120 concerning the exemption of public housing redevelopment projects from the filed sub-bid requirements. The change is highlighted in the table.

Section & Line Item	Topic	Description	Amount
§ 2A – 7002-8048	MassWorks	Capital authorization for infrastructure development program	\$400,000,000
§ 2A – 7002-8051	Redevelopment of Blighted Properties	Capital authorization for MassDevelopment program to improve, rehabilitate, or redevelop blighted, abandoned, vacant, or underutilized properties to eliminate blight, increase housing production, support economic development, and other activities	\$50,000,000
§ 2A – 7002-8052	Technical Assistance for Planning	Capital authorization for technical assistance grants for municipalities and regional applicants to support planning and local initiatives related to community development, housing production, and other activities	\$5,000,000
§ 2A – 7002-8054	Rural Community Grants	Capital authorization for rural and small towns with less than 7,000 residents to support economic development, job creation, and housing and climate resilience initiatives	\$10,000,000
§ 2B – 7004-0070	Community Based Housing	Capital authorization for the development of integrated housing for people with disabilities with priority for individuals who are in institutions or nursing facilities or at risk of institutionalization. Summary of changes to program: <ul style="list-style-type: none"> ● Funds could only be used for development of community based housing and could not be used for the redevelopment of housing 	\$32,100,000

Section & Line Item	Topic	Description	Amount
		<ul style="list-style-type: none"> ● Directs that housing built using these funds are for individuals with mental illness or intellectual disabilities; ● Removes requirement that any housing built using these funds be integrated housing but a preference will remain for integrated housing ● Allows DHCD, Department of Mental Health (DMH), and CEDAC to identify resources and guidelines for CBH grants to promote private housing development to provide for independent integrated living opportunities, to write down building and operating costs and to serve households at or below 15% of area median income (AMI) for the benefit of DMH clients ● Creates \$5 million pilot program of CBH or supportive housing loans to serve mentally ill homeless individuals in the current or former care of DMH 	
§ 2B – 7004-0073	Housing Stabilization Fund	Capital authorization for the acquisition, preservation, and rehabilitation of affordable housing, including foreclosed and distressed properties	\$73,100,000
§ 2B – 7004-0075	Public Housing Redevelopment Demonstration Program	Capital authorization for demonstration program that allows public housing authorities to use innovative public housing finance tools to leverage new funds and partners to rehabilitate public housing and reduce ongoing capital costs	\$19,300,000
§ 2B – 7004-0076	Housing Innovations Fund	Capital authorization to support the production of innovative and alternative forms of rental housing, including single person occupancy units, transitional and permanent housing for the unhoused, shelters for survivors of domestic violence, supportive housing, and housing for substance abuse recovery	\$29,500,000
§ 2B – 7004-0079	Housing at Transit Nodes	Capital authorization for program that supports the creation of smart growth, affordable housing near public transportation	\$11,700,000
§ 2B – 7004-0081	Public Housing	Capital authorization to help rehabilitate our state public housing stock. It allows local housing authorities to plan for capital improvements, renovations, abatement of hazardous materials, or to remodel homes for persons with disabilities.	\$95,200,000

Section & Line Item	Topic	Description	Amount
§ 2B – 7004-0084	Climate Resilient Housing	Capital authorization for program to support production and preservation of sustainable and climate resilient affordable multifamily housing	\$1,000,000
§ 2B – 7004-8026	40R Smart Growth Trust Fund	Capital authorization for the Chapter 40R smart growth trust fund	\$6,900,000
§§ 12–26	Brownfields Redevelopment Fund Program Changes	<ul style="list-style-type: none"> ● Removes definition of “economically distressed areas” to allow grants to be made to projects not tied to the Massachusetts Oil and Hazardous Material Release Prevention and Response Act ● Adjusts definition of “priority projects” to allow eligibility for projects that <u>will</u> receive substantial funds from the municipality even if those financial funds have not yet been received by the project ● Increases maximum award from \$500,000 to \$750,000 for projects to conduct environmental cleanup ● Increases maximum award from \$100,000 to \$250,000 for projects to conduct environmental site assessments ● Allows the grant applicant’s required 20% contribution to the project to be not only cash support but also in-kind services or other non-cash contribution ● Expands list of entities eligible for grants to add non-profit entities in connection with a project that has demonstrable public benefit ● Adds a preference for awards to be made to projects within 1 mile of an environmental justice population 	
§§ 33–81	40R Changes	Removes starter home zoning districts from Chapter 40R	
§ 83	Starter Home Zoning Districts – Ch. 40Y	<p>Creates Chapter 40Y for Starter Home Zoning Districts (“Districts”). Summary of changes to districts, as compared with 40R:</p> <ul style="list-style-type: none"> ● Districts no longer need to be in eligible locations as defined by 40R. Districts can be anywhere in a municipality and do not need to be tied to a smart growth location 	

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		<ul style="list-style-type: none"> ● Districts no longer needs to be at least 3 contiguous acres ● Districts will still be eligible for zoning incentive payments and \$3,000 production bonus payments for each home built from the 40R Smart Growth Trust Fund ● DHCD may revoke approval of district and any incentive payment if no building permit is issued for any starter homes in the district within 5 years. This is an increase from the 3 year time period 40R currently allows ● Districts will not be eligible for 40S payments for any increased school costs ● Districts may be enacted by a simple majority vote ● At least 50% of starter homes in a district must contain 3+ bedrooms and districts may not impose any age or other occupancy restrictions ● For any proposed development of 12+ starter homes, at least 10% of starter homes must be affordable for households at or below 110% AMI. 40R currently requires that at least 20% of units be affordable to those at 80% AMI, with the option for municipalities to exempt projects with 12 or fewer units from these affordability requirements 	
§§ 86–88, 94–96	Brownfields Tax Credit Extension	Extends the Brownfields Tax Credit program through 2028	
§§ 82, 89–92, 97–99	Housing Development Incentive Program (HDIP)	<ul style="list-style-type: none"> ● Raises HDIP project cap to \$3,000,000 ● Raises the cap on HDIP from \$10 million to \$57 million for 1 year and then sets it at \$30 million annually after that 	
§ 105	Receivership Statute	Reforms the current receivership statute to allow the sale of properties put into receivership to a nonprofit entity if that nonprofit agrees to rehabilitate the property for affordable sale to a first time home buyer whose income is not more than 120% AMI	
§ 106	Public Housing Reforms	Adds definition of “capital funds” to the public housing statute, ch. 121B	

Section & Line Item	Topic	Description	Amount
	– Capital Funds		
§ 107	Public Housing Reforms – Replacement Unit	Adds definition of “replacement unit” to ch. 121B to describe the former public housing units that will be the affordable housing units at the rehabilitated development.	
§ 108	Public Housing Reforms – Borrowing Against Capital Funds	Allows LHAs to borrow against their capital funds in order to leverage more resources for rehabilitation projects	
§ 109	Public Housing Reforms – Technical Amendment	Technical amendment to ch. 121B that clarifies that an LHA’s power to undertake the disposition of property includes a disposition by a means other than sale (e.g., long-term lease).	
§ 110	Public Housing Reforms	Revises the findings that DHCD must make to approve a sale or disposition of a public housing project to create greater opportunity for redevelopment of existing public housing, while adding a requirement for one-for-one replacement	
§ 111	Public Housing Reforms	Requires, as a condition of sale or disposition of an existing housing project, that the redevelopment partner enter into a binding land use restriction, requiring compliance with public housing restrictions with respect to replacement units in perpetuity, except in limited circumstances for projects utilizing federal low income housing tax credits.	
§ 112	Public Housing Reforms – Technical Amendment	Technical amendment to ch.121B	
§ 113	Public Housing Reforms – Technical Amendment	Technical change to ch. 121B to address powers of a housing authority when it is not financially feasible to maintain units to a reasonable program standard for occupancy even if the units have not yet fallen below that standard.	

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§ 114	Public Housing Reforms – Technical Amendment	Technical correction to make clear that section 26(p) applies to certain types of dispositions as well as demolition.	
§ 115	Public Housing Reforms – Vacancy Requirement	Changes the requirement that a unit must be determined to be vacant as of November 1, 2012, in order for a housing authority to seek DHCD approval to dispose of or demolish the unit to a requirement that the unit be vacant for a two year period before disposition or demolition.	
§ 116	Public Housing Reforms – Procuring Redevelopment Partners	Adds provisions permitting LHAs to procure developer partners for redevelopment projects through a competitive, qualifications-based procurement process that will allow the disposition of property to the selected developer without having to go through a separate land disposition process.	
§ 117	Public Housing Reforms	Exempts LHAs that do not own, lease, or manage any state-aided public housing units from DHCD oversight.	
§ 118	Public Housing Reforms – Retaining Proceeds	Allows LHAs to retain the proceeds of the sale of any housing authority land for the purpose of rehabilitating other LHA property	
§ 119	Public Housing Reforms – Conforming Change	Conforming change to allow disposition of LHA property	
§ 120	Public Housing Reforms – Filed Sub-bid Exemption	Exempts public housing redevelopment projects from ch. 149 filed sub-bid requirements but does not relieve such redevelopment from prevailing wage requirements. The Bonding Committee added a sentence requiring DHCD to request rates and updates from the Division of Labor Standards for these projects.	