

# HOUSING BOND BILL SUMMARY – HOUSE WAYS & MEAN VERSION

**Title:** AN ACT FINANCING THE PRODUCTION AND PRESERVATION OF HOUSING FOR LOW AND MODERATE INCOME RESIDENTS

**Number:** H.4134

**Sponsors:** Rep. Kevin G. Honan & Sen. Linda Dorcena Forry

**Prior History:** 9/25/2017: Reported favorably out of Joint Committee on Housing  
 1/11/2018: Reported favorably out of House Committee on Bonding, Capital Expenditures & State Assets  
 1/22/2018: Reported out of the committee on House Ways and Means  
 1/24/2018: Scheduled for House debate

**CURRENT LAW:**

*Chapter 129 of the Acts of 2013 – An Act Financing the Production and Preservation of Housing for Low and Moderate Income Residents:* Five year authorization of housing bond accounts. These accounts fund affordable housing, housing for people with disabilities or mental illness, housing built in transit oriented locations, and permanent and transitional housing for people experiencing homelessness. These accounts also fund affordable housing preservation, public housing modernization, home modifications, and early education and out of school time organizations.

In addition to funding housing bond accounts, this law extends authorization of the state low income housing tax credit at \$20 million per year from 2015 to 2020.

**PROPOSED CHANGES TO CURRENT LAW:**

**Section 1 & 2**

Makes the following amounts available to fund a five year capital outlay program for housing:

Line Item	Fund	Summary	Authorization
7004-0049	Home Modification Loan Program (HMLP)	Home modification program for homeowners or tenants with a household member with blindness or a severe disability to improve the accessibility of their primary residence.	\$ 60,000,000
7004-0050	Facilities Consolidation Fund (FCF)	Facilities Consolidation Fund for the development of community based housing or supportive housing serving individuals with mental illness and individuals with intellectual disabilities.	\$ 65,000,000
7004-0051	Community Based Housing (CBH)	Community Based Housing program for the development and redevelopment of community based housing and supportive housing for individuals with disabilities who are institutionalized or at risk of being institutionalized, and are not eligible for assistance under the FCF.	\$ 55,000,000

<b>Line Item</b>	<b>Fund</b>	<b>Summary</b>	<b>Authorization</b>
7004-0052	Affordable Housing Trust Fund (AHTF)	Affordable Housing Trust Fund for the development and preservation of community affordable and mixed income housing.	\$ 400,000,000
7004-0053	Housing Stabilization Fund (HSF)	Housing Stabilization and Investment Trust Fund for projects that develop and support affordable housing developments and homeownership affordability in urban, suburban, and rural areas, through the acquisition, rehabilitation, new construction and preservation of affordable housing.	\$ 150,000,000
7004-0054	Public Housing - General	Funding for the modernization of public housing including projects providing for capital improvements, renovation, remodeling, reconstruction, redevelopment and hazardous material abatement, adaptations for compliance with the ADA, day care facilities, learning centers and teen service centers, and the adaption of units for persons with disabilities.	\$ 600,000,000
7004-0055	Public Housing Demonstration Program	Funding for a five year demonstration program for cost effective revitalization of state family and elderly and disabled public housing.	\$ 50,000,000
7004-0056	Housing Innovations Trust (HIF)	Housing Innovations Trust Fund for the development of alternative forms of rental and ownership housing. 25% of funds must be used for projects that benefit families and individuals with incomes not more than 30% of area median income.	\$ 100,000,000
7004-0057	Capital Improvement and Preservation Fund (CIPF)	Capital Improvement Preservation Fund for the preservation and improvement of existing privately owned, state or federally assisted housing.	\$ 125,000,000
7004-0058	Commercial Area Transit Node Housing Program (CATNHP)	Commercial Area Transit Node Housing Program for the development of residential housing units and mixed use developments located in neighborhood commercial areas. 50% of the housing built in these projects must benefit persons with incomes not more than 80% of area median income.	\$ 50,000,000
3000-0400	Early Education and Out of School Time Capital Fund	Early Education and Out of School Time Capital Fund for the development of eligible facilities for early care and education and out of school programs. 25% of families served must be eligible for public subsidy.	\$ 45,000,000
<b>TOTAL</b>			\$ 1,700,000,000

### **Sections 3 & 4 – Early Education and Out of School Time Capital Fund**

Amends the definition of “eligible facility” to require that 50% of families served by early care and education and out of school programs be eligible for public subsidy. The current law has a lower requirement of 25%. Also amends the definition of “eligible organization” to require that organizations serve families who are eligible for public subsidy at the time of application for funds.

### **Sections 5-7, 12-14 – Brownfields Tax Credit**

Extends the Brownfields Tax Credit for five years until 2023. Also makes a technical change to a regulation reference.

### **Sections 8, 11, 19 – Massachusetts Low Income Housing Tax Credit (LIHTC)**

Extends the \$20 million annual allocation for the state LIHTC program for five years until 2025. After 2025, the annual allocation will sunset down to \$10 million. Also strikes language that prevented projects with funding from the Capital Improvement and Preservation Fund from receiving tax credits.

### **Sections 9-10, 15-16, 20, 29 – Community Investment Tax Credit**

Extends the community investment tax credit through 2025. Enables Department of Housing and Community Development (DHCD) to allocate to community partners up to 2.5% of the total credits available each year. Allows DHCD to waive that cap if it determines it would not be able to fully allocate the credits.

### **Section 17 – Capital Improvement and Preservation Fund**

Allows an eligible property acquired to preserve or improve the property to remain eligible for funds regardless of actions taken by the purchaser to renew or extend state or federal contracts or subsidies.

### **Section 18 – MassHousing**

Authorizes MassHousing to provide services outside of Massachusetts in three ways: (1) contract administration services in connection with any HUD multifamily rental subsidy program; (2) loan servicing for one to four family residential mortgage loans, provided the majority of loans serviced are secured by mortgages on property located in Massachusetts; and (3) loan servicing related to residential mortgage loans in partnership with governmental or quasi-governmental agencies.

### **Sections 21-22 – Housing Development Incentive Program Tax Credit**

Extends authorization of the housing development incentive tax credit program at \$10 million per year from 2019 to 2024.

### **Section 23**

Requires the Secretary of Housing & Economic Development and the Secretary of Administration & Finance to submit a report to the Legislature on the progress of all projects and expenditures related to funds made available in this bill. This report must be submitted bi-annually for six years from the effective date of the bill.

**Section 24**

Authorizes the State Treasurer to issue and sell bonds of the Commonwealth in an amount specified by the Governor not to exceed \$1,700,000,000.

**Section 25**

Grants the Department of Housing and Community Development an option to purchase any housing units assisted by the Facilities Consolidation Fund or the Community Based Housing program within 120 days after the expiration of affordability restrictions.

**Section 26**

Requires the director of the Department of Housing and Community Development to submit a capital plan for fiscal years 2019 to 2023 to the Secretary of Administration in Finance and the Legislature by July 1, 2018.

**Section 27**

Requires private entities engaged with projects receiving funds in this bill to properly classify their workers and comply with all laws concerning workers' compensation, health insurance coverage, unemployment insurance, social security taxes, and income taxes.

**Section 28**

Requires the 2013 bond authorizations that are unexpended and unencumbered to be made unavailable 90 days after the effective date of the bill.