

SUMMARY

S. 2850, Affordable Homes Act

On Thursday, June 27, 2024, the Massachusetts State Senate approved its version of the Healey-Driscoll Administration's Affordable Homes Act, S. 2850 – the housing bond bill.

Below is a summary of the substantive provisions of the bill:

- Amends the Zoning Act (G.L. c. 40A, § 6) to establish that adjacent lots under common ownership shall not be treated as a single lot, for local zoning purposes, if at the time of recording or endorsement the lots: (i) conformed to then existing requirements of area, frontage, width, yard or depth; (ii) are located in a zoning district that allows for single-family residential use; (iii) contain not less than 10,000 square feet in area; (iv) has a minimum of 75 feet of frontage; provided, however, that a home built on such a lot may not exceed 1850 square feet in heated living space, shall not contain fewer than 3 bedrooms, and shall not be used as a seasonable home or short-term rental.
- Amends the Zoning Act (G.L. c. 40A, § 3) to prohibit zoning ordinances and bylaws from banning or unreasonably restricting single accessory dwelling units in single-family residential zones; provided, however, that the ADU not exceed 900 square feet in area.
- Amends the Zoning Act (G.L. c. 40A, § 5) to permit the adoption of inclusionary zoning ordinances or bylaws by majority vote in towns or municipalities that require not more than 13 per cent of units be affordable and require a density bonus.
- Amends the Zoning Act (G.L. c. 40A, § 17) to increase the amount of the surety bond that maybe required to appeal the approval of a special permit, variance or site plan from \$50,000 to \$250,000.
- Amends the Zoning Act (G.L. c. 40A, § 17) to allow the court to award reasonable attorneys' fees against the party appealing from the decision of the board or special permit granting authority if the court finds that the appellant acted in bad faith or with malice in making the appeal to the court.
- Amends the Smart Growth and Housing Production Law (G.L. c. 40R, § 9) to double the amount of the density bonus payment from \$3,000 to \$6,000 for every smart growth unit or starter home unit built in a Smart Growth Zoning or Starter Home Zoning District;
- Amends the School Cost Reimbursement Law (G.L. c. 40S, § 1) to provide that municipalities that adopt a Starter Home Zoning District pursuant to Chapter 40Y are entitled to reimbursement from the commonwealth for the additional cost of educating children residing in a Starter Home Zoning District as they would be for children residing in a Smart Growth Zoning District.
- Increases the authorized community investment tax credit from \$12M to \$15M.
- Creates the Massachusetts homeownership tax credit to incentivize the production of homeownership units for families up to 120 per cent of the area median income.
- Allows 1 or more incentive percentage points to be provided for a school building project in a district that has adopted an overlay zoning district.
- Provides a process for tenants to petition the court to seal records for certain evictions.
- Requires that any fee a licensed real estate broker or salesperson be paid solely by the party, lessor or tenant who originally engaged and entered into a contract with the licensed broker or salesperson
- Updates the process for submitting land as a condominium by allowing landowners to record a master deed in the registry of deeds or file it if the title is registered.

- Allows landowners to withdraw registered land by filing a complaint and notice, subject to court approval and notification to all interest holders.
- Increases the Mass Housing Finance Agency borrowing cap to \$10,800,000.
- Creates a commission to recommend policy, programs and other investments to expand the supply of housing that is affordable to households earning less than 30% of the area median income.
- Creates a commission to recommend policy, programs, financial and other investments to expand the supply of sustainable, broadly affordable supportive senior housing.
- Changes the procedure for disposing of surplus real property by the Commonwealth by allowing the commissioner of the Executive Office of Housing and Livable Communities to determine and dispose of surplus property for affordable housing.
- Establishes a special commission to analyze, report and recommending draft policy or pilot programs to meaningfully address housing shortages in the Commonwealth; the members of the special commission include a representative of the HBRAMA.
- Establishes a special commission to study barriers to the development and production of starter homes as defined under section 1 of chapter 40Y of the General Laws; the members of the special commission include the president of the HBRAMA.
- Requires the Executive Office of Housing and Livable Communities, in consultation with the Executive Office for Administration and Finance and the Department of Revenue, to conduct a study on the feasibility and impact of allowing cities and towns to exempt new affordable housing developments from the limitations set forth in section 21C of chapter 59 of the General Laws.

The bill also authorizes \$5,196,000,000 in bond obligations to provide for housing development and improvements. Below is a summary of the bonding provisions:

- \$50M for the Early Education and Out of School Time Capital Fund for the development of eligible facilities for licensed early care and education and out of school time programs;
- \$60M for the Home Modification Program, to assist homeowners or tenants with a household member with blindness or severe disabilities in making modifications to their primary residence;
- \$70M for the development of community-based housing or supportive housing for individuals with mental illness and individuals with intellectual disabilities;
- \$55M for the development and redevelopment of community-based housing or supportive housing for persons with disabilities who are institutionalized or at risk of being institutionalized;
- \$800M for the Affordable Housing Trust Fund to create and preserve affordable housing for households whose incomes are not more than 110% of area median income;
- \$425M for the Housing Stabilization and Investment Trust Fund, supporting housing preservation, new construction, and rehabilitation;
- \$2B for the repair, rehabilitation, and renovation of public housing units;
- \$200M for a program to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled public housing that seek to reduce the need for future state modernization funding;
- \$200M to support innovative and alternative forms of rental housing including single person occupancy units, transitional and permanent housing for people experiencing homelessness, housing for seniors and veterans, and transitional units for persons recovering from substance use disorder;
- \$275M for innovative, sustainable, and green housing initiatives;
- \$100M for the Middle-Income Housing Fund administered by MassHousing;
- \$30M to support efforts to utilize state surplus land to address housing and other critical needs;
- \$1M for local housing initiatives;

- \$60M for the Housing Choice program, including \$25M specifically designated to assist MBTA communities in complying with the multi-family zoning requirement in section 3A of chapter 40A of the General Laws;
- \$20M for the Smart Growth Housing Trust Fund, providing incentive payments to communities that adopt smart growth housing districts;
- \$200M for the Commonwealth Builder program, administered by MassHousing, the production of for-sale, below market housing to expand homeownership opportunities for first-time homebuyers and socially and economically disadvantaged individuals in Gateway Cities and similar markets;
- \$25M for grants and technical assistance to communities for planning initiatives;
- \$375M for the HousingWorks infrastructure program, providing project-based grants to municipalities, including \$100M specifically for water, sewer, and septic improvements, \$50M for communities that have demonstrated continued effort to advance housing production beyond the minimum multi-family zoning requirement in the MBTA communities law, and \$50M for Community Preservation Act communities prioritized based on the percent of total CPA funds expended on housing;○ \$50M for the revitalization of neighborhoods and communities with properties in blighted or substandard conditions;
- \$50M for a Rural and Small Town Housing program;
- \$50M for a Seasonal Community Housing Innovation program;
- \$50M for a mid-sized communities housing program;
- \$50M for the Momentum Fund, administered by MassHousing, to accelerate development of mixed-income multifamily housing.

###