

HOUSE No. 297

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to neighborhood stabilization and economic development.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>1/17/2025</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>1/30/2025</i>
<i>Rodney M. Elliott</i>	<i>16th Middlesex</i>	<i>2/4/2025</i>
<i>Christopher Hendricks</i>	<i>11th Bristol</i>	<i>2/5/2025</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>3/5/2025</i>

HOUSE No. 297

By Representative Cabral of New Bedford, a petition (accompanied by bill, House, No. 297) of Antonio F. D. Cabral and others relative to neighborhood stabilization and economic development. Community Development and Small Businesses.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 227 OF 2023-2024.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act relative to neighborhood stabilization and economic development.

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 3 of chapter 70B of the General Laws, as appearing in the 2022
2 Official Edition, is hereby amended by inserting after the colon, in line 21, the following words:
3 “neighborhood stabilization,”.

4 SECTION 2. Section 1 of chapter 121A, as so appearing, is hereby amended by replacing
5 the definitions of “decadent area”, “sub-standard area”, and “project” with the below definitions
6 of those terms, and inserting the following additional definitions after the definition of “project”-

7 “Decadent area”, an area, including a spot rehabilitation property, which is detrimental to
8 safety, health, morals, welfare or sound growth of a community because of the existence of a
9 building or buildings which are out of repair, physically deteriorated, unfit for human habitation,

or obsolete, or in need of major maintenance or repair, or because much of the real estate in recent years has been sold or taken for non-payment of taxes or upon foreclosure of mortgages, or because a building or buildings have been torn down and not replaced and in which under existing conditions it is improbable that the building or buildings will be replaced, or because of a substantial change in business or economic conditions, or because of inadequate light, air, or open space, or because of excessive land coverage, or because diversity of ownership, irregular lot sizes or obsolete street patterns make it improbable that the area will be redeveloped by the ordinary operations of private enterprise, or by reason of any combination of the foregoing conditions.

“Sub-standard area”, an area, including a spot rehabilitation property, upon which there is a dwelling or wherein dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light, or sanitation facilities, or any combination of these factors, are detrimental to safety, health, morals, welfare or sound growth of a community.

“Project”, any undertaking consisting of the construction in one or more specified blighted open, decadent or sub-standard areas of decent, safe and sanitary residential, commercial, industrial, institutional, recreational or governmental buildings and such appurtenant or incidental facilities as shall be in the public interest, and the operation and maintenance of such buildings and facilities after construction. A “project” may include as incidental thereto any one or more of the following:— (a) acquisition and assembly of the land (and buildings and structures and other improvements thereon, if any) within a blighted open, decadent or sub-standard area or areas; (b) clearance of the land within a blighted open, decadent or sub-standard area or areas; (c) acquisition, assembly and clearance of land, buildings or

structures not in themselves blighted, decadent, or sub-standard if their inclusion is necessary for the clearance, redevelopment, reconstruction or rehabilitation of a blighted open, decadent or sub-standard area or areas; and (d) installation, construction, and reconstruction of public and private ways, public utilities and services, and site improvements essential to the preparation of blighted open, decadent or sub-standard area or areas for beneficial development or redevelopment.

“Spot Blight Project Sponsor”, a community development corporation certified under chapter 40H; a bona-fide non-profit organization, established under chapter 180 that has, in the determination of the housing board, satisfactory and sufficient experience in the construction or rehabilitation of residential or non-residential buildings, the creation or provision of affordable housing, the restoration of abandoned property, the revitalization and improvement of neighborhoods, or a similar purpose; a redevelopment authority established under chapter 121B; or a partnership of two or more of any of the foregoing; that is approved under this chapter to rehabilitate a spot rehabilitation property.

“Spot Rehabilitation Property”, a residential single-family home, a residential building with not more than four separate units, a commercial property under 10,000 square feet with a building or buildings thereon, or any building under 10,000 square feet with a mix of residential and commercial uses that meets the following criteria: (a) the building or buildings on the property have been vacant for the last twelve months, (b) construction has not begun pursuant to a building permit that has been issued to conduct rehabilitation of the building or buildings on the property for the purpose of making the property habitable or useable for commercial purposes, and (c) the municipality has made a determination that the building or buildings are distressed, upon consideration of the following: the building or buildings are out of repair,

56 physically deteriorated, unfit for human habitation, or obsolete, or in need of major maintenance
57 or repair, or because the building has been sold or taken for non-payment of taxes or upon
58 foreclosure of mortgages.

59 “Spot Rehabilitation Project”, any project, the subject of which consists exclusively of
60 spot rehabilitation properties.

61 SECTION 3. Chapter 121A of the General Laws, as so appearing, is hereby further
62 amended by deleting section 7A and inserting in its place the following:

63 Section 7A. A corporation organized under section three or an insurance company or a
64 group of insurance companies or a savings bank or group of savings banks operating under this
65 chapter or a spot blight project sponsor may purchase or lease from a housing authority,
66 redevelopment authority, municipality or other public body real estate acquired by such
67 authority, municipality or public body for land assembly and redevelopment or urban renewal
68 purposes under chapter 121B, upon such terms and conditions, consistent with this chapter, as
69 shall be approved by the housing board and may erect and maintain a project upon the land so
70 acquired. Such corporation shall not be required to offer its stock to the owners of the real estate
71 within the location of the project and such owners have no preferential right to subscribe thereto;
72 but in all other respects the provisions of this chapter shall be applicable to corporations acting
73 thereunder and their projects.

74 SECTION 4. Section 11 of chapter 121A, as so appearing, is hereby further amended by
75 inserting the following paragraph after the third paragraph:

76 A spot blight project sponsor shall have the power, with the approval of the local
77 municipality, to sell, exchange, give or otherwise transfer in whole or in part the land or interests

therein, including air rights, leased or acquired by it under this chapter, with the buildings or other structures thereon, constituting a project or portion hereunder to any entity identified in the foregoing paragraph, or may sell or lease the spot rehabilitation property to any individual or group of individuals intending to use said property for residential use.

SECTION 5. Chapter 121A of the General Laws, as so appearing, is hereby further amended by inserting after section 18D the following section:

Section 18E. A spot blight project sponsor may undertake on land owned or to be acquired by it one or more spot rehabilitation projects under this chapter, or acquire spot rehabilitation projects or any severable portion thereof from corporations, individuals or entities authorized to undertake or acquire spot rehabilitation projects under this chapter, and the provisions of this chapter, specifically including the powers granted by sections six A and eleven and the procedures set forth in section 18B shall, to the extent applicable, apply to such spot blight project sponsor and such spot rehabilitation projects, excepting the following:

(a) The term “corporation” as used in section 6A, 7A, section 10, section 11, section 12, section 13, section 14, and section 15 shall be deemed to mean spot blight project sponsor with respect to spot blight projects.

(b) Section 3 shall not be applicable to such spot blight project sponsor; and provided further, a spot blight project sponsor may undertake more than one spot rehabilitation project.

(c) Section 5 shall not be applicable to a spot blight project; provided, however, that the spot blight project sponsor shall submit an application for the approval of a spot rehabilitation project, in the form required pursuant to section five to the municipality for its approval.

99 (d) So much of section 6 as relates to the agreement of association shall not be applicable
100 to such spot blight project sponsor. The first, eighth, ninth, and tenth paragraphs of section six
101 shall not be applicable to a spot blight project. The municipality where the spot blight project is
102 located shall have full responsibility for approval of the proposed spot blight project as set forth
103 in the second through seventh paragraphs of section 6. The municipality shall transmit its final
104 decision to the housing board for record keeping purposes only.

105 (e) The second paragraph of section 6B shall not be applicable to such spot blight project
106 sponsor, except that the planning board at least fourteen days before the day of the hearing shall
107 mail a notice to each owner of land that is within the proposed spot blight project. If service
108 cannot be made, then service shall be made by posting a copy of the notice upon a portion of the
109 property facing a public way, by publication of a copy of the notice in one newspaper of general
110 circulation, and posting on the municipality's website.

111 (f) Section 7 shall not be applicable to such spot blight project sponsor.

112 (g) So much of section 8 as provides that "Every such corporation shall be deemed to
113 have been organized to serve a public purpose" shall be construed to mean "Every such project
114 shall be deemed to have been undertaken to serve a public purpose". The term "housing board"
115 as used in section eight shall be deemed to mean "municipality".

116 (h) Section 9 shall not be applicable to such spot blight project sponsor.

117 (i) The term "shall" as used in the first and third paragraphs of section 10 shall be deemed
118 to mean "may" with respect to a spot blight project sponsor. A spot blight project sponsor that
119 elects to forego the tax exemptions provided under section 10 shall not be required to comply

with the other provisions of that section, and shall not be required to obtain signatures of a majority of the assessors under section 6A.

(j) So much of section 15 as relates to reducing the indebtedness of a corporation shall apply only to indebtedness incurred in connection with a spot rehabilitation project. The term “operating and maintenance expenses” shall be deemed to include rehabilitation costs, including any principal and interest on loans used for the project, and costs other than direct rehabilitation costs, as well as a developer’s fee to the spot blight project sponsor, which fee shall not exceed 20% of the combined cost of acquisition and rehabilitation of the spot rehabilitation property.

(k) The provisions of sections 5, 6A, and 11 shall, as modified by this section 18E, apply to a spot rehabilitation project whether said spot rehabilitation project is in Boston, Springfield or another municipality.

SECTION 6. Section 2 of chapter 21E, as so appearing, is hereby amended by striking section (f) within the definition of “Owner,” or “Operator”, and inserting in its place the following:

(f) A redevelopment authority, redevelopment agency, community development corporation, economic development and industrial corporation, or a spot blight project sponsor pursuant to chapter 121A shall not be deemed an owner or operator if all of the following requirements are met:

(1) the redevelopment authority, redevelopment agency, community development corporation, economic development and industrial corporation or spot blight project sponsor has acquired its portion of the site in accordance with the provisions of chapter 40F, chapter 121A, chapter 121B or chapter 121C or any applicable special acts;

(2) no act or failure of duty of the redevelopment authority, redevelopment agency, community development corporation, economic development and industrial corporation or spot blight project sponsor or of any employee or agent thereof, caused or contributed to, or exacerbated any release or threat of release of oil or hazardous material at or from the site;

(3) the redevelopment authority, redevelopment agency, community development corporation, economic development and industrial corporation or spot blight project sponsor satisfies all of the following conditions:

a) notifies the department in compliance with this chapter and regulations promulgated thereto upon obtaining knowledge of a release or threat of release of oil or hazardous material for which notification is required pursuant to this chapter and regulations promulgated pursuant thereto;

b) provides reasonable access to the site or portion of the site under its control to employees, agents and contractors of the department for all purposes authorized by this chapter, and to other Persons for the purpose of conducting response actions pursuant to this chapter and regulations promulgated thereto;

c) takes reasonable steps (i) to prevent the exposure of people to oil or hazardous material by fencing or otherwise preventing access to the portion of the site under its ownership or possession, and (ii) to contain any further release or threat of release of oil or hazardous material from a structure or container under its ownership or possession;

d) if there is an imminent hazard at or from the portion of the site under its control, controls the potential risk to public health, safety, welfare, or the environment at or from the site

by taking immediate response actions at the portion of the site under its ownership or possession, in compliance with this chapter and regulations promulgated thereto;

e) conducts any response action undertaken at the site in compliance with this chapter and regulations promulgated thereto; and

f) acts diligently to sell or otherwise to divest itself of ownership or possession of its portion of the site in accordance with the provisions of chapter 40F, chapter 121A½, chapter 121B or chapter 121C, or any applicable special acts. Whether the redevelopment authority, redevelopment agency, community development corporation, economic development and industrial corporation or Project Sponsor is acting or has acted diligently to sell or otherwise to divest itself of ownership or possession of its portion of the site shall be determined by considering the same criteria applicable to secured lenders set forth in subclause (iii) of subparagraph (F) of clause (5) of paragraph (c).

(4) if the redevelopment authority, redevelopment agency, community development corporation, economic development and industrial corporation or spot blight project sponsor acquired ownership or possession of a site or portion of a site prior to the effective date of this act, the redevelopment authority, redevelopment agency, community development corporation, economic development and industrial corporation or spot blight project sponsor notifies the department of any releases of oil or hazardous material of which it has knowledge in accordance with section 7 and the regulations promulgated thereunder, and shall meet the requirements in clause (3) of this paragraph relative to such releases within six months of being notified by the department of the requirements in this paragraph.

SECTION 7. Chapter 121A of the General Laws, as so appearing, is hereby amended by adding the following section:

Section 20. There shall be a commission to study strategies to improve the quality of the housing stock in weak markets with the goal of making these properties safer, more accessible to residents with disabilities, and more resilient to climate change. The commission's review shall include, but not be limited to---the use of guidance documents to consistently grant relief from building codes in common circumstances where appropriate; provisions to reduce the time and cost associated with obtaining variances in circumstances that are consistent with these guidance documents; dissemination of creative strategies to use new technologies to address common challenges bringing older structures up to code; the deployment of energy efficiency programs, Home Modifications Grants, elevator and sprinkler funds, and other resources to help building rehab projects in weak markets meet health and safety standards.

The commission shall consist of: 2 members of the Senate, 1 of whom shall represent a Gateway Municipality as defined in section 3A of chapter 23A of the General Laws and shall serve as co-chair; 2 members of the House of Representatives, 1 of whom shall represent a Gateway Municipality and shall serve as co-chair; 2 members appointed by the governor, 1 of whom shall represent the Massachusetts Association of Community Development Corporations; and 1 of whom shall represent the Rural Policy Advisory Commission; and 6 members appointed by the Secretary of Housing and Economic Development: one of the appointive members shall be an architect licensed to practice in the commonwealth; one of the appointive members shall be a licensed building inspector; one of the appointive members shall be a Gateway Municipality housing director; one of the appointive members shall be a fire official from a Gateway Municipality; 2 of the appointive members shall be selected after consultation with advocacy

207 groups on behalf of persons with disabilities. The commission shall file a report of its findings
208 and recommendations, including, but not limited to, legislative, regulatory, and procedural
209 changes, with the clerks of the senate and house of representatives, the chairs of the joint
210 committee on housing not later than December 31, 2026.