HOUSE . . . . . No. 3694

By Mr. Brodeur of Melrose, a petition (accompanied by bill, House, No. 3694) of Paul A. Brodeur (with the approval of the mayor and board of aldermen) relative to the transfer of certain properties from the housing authority of the city of Melrose to the affordable housing corporation of said city. Housing. [Local Approval Received.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act AnAct relative to the transfer of certain properties from the Melrose housing authority to the Melrose affordable housing corporation .

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Be it enacted by the Senate and House in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Definitions. Capitalized terms used in this Act have the meanings set forth below:

"Authority" shall mean the Melrose Housing Authority created pursuant to chapter 121B of the General Laws.

"Disposition Properties" shall mean those two parcels located in the City of Melrose known and numbered as 165 Trenton Street and 499-501 Lebanon Street, respectively, both of which are currently state-aided community residences owned by the Authority.

"Invested Disposition Proceeds" shall mean any of the net sale proceeds received by MAHC from any sales of the Disposition Properties that are later invested by MAHC in the acquisition or development of MAHC-owned low and moderate income housing in the City of Melrose.

"MAHC" shall mean the Melrose Affordable Housing Corporation, a non-profit corporation organized pursuant to chapter 181 of the General Laws.

SECTION 2. Notwithstanding chapters 30B and 121B of the General Laws or any other general or special law to the contrary, and notwithstanding any contract or agreement existing

18 between the Commonwealth and the Authority, the Authority may transfer fee ownership of the
19 Disposition Properties to MAHC for one dollar ($1.00) and such transfer of ownership shall
20 terminate any restrictions on use or transferability that may encumber any of the Disposition
21 Properties in any way because of the Authority's having been the record owner of the
22 Disposition Properties. Outstanding state housing bond funds of which the proceeds were
23 invested in the Disposition Properties need not be repaid to the Commonwealth at the time of
24 transfer to MAHC or at the time of any subsequent sale of either or both of the Disposition
25 Properties by MAHC so long as the net proceeds from any sales of the Disposition Properties are
26 used for the purposes described in Section 3 below.

27 SECTION 3. After transfer of the Disposition Properties from the Authority to MAHC,
28 MAHC shall actively market the Disposition Properties for sale and shall be allowed to sell the
29 Disposition Properties through one or more sales to any arms-length third party at a sale price to
30 be approved in writing by the Authority provided that the first $379,763 of net proceeds
31 generated by such sales of the Disposition Properties shall be remitted to the Authority which
32 shall deposit the funds received into an interest-bearing account separate from its current State or
33 Federal program accounts and use such funds for the repair of its public low-income family
34 units. No future State funding or subsidy for the Authority shall be reduced in any way on
35 account of the transfer of the Disposition Properties to MAHC or the funds remitted to the
36 Authority by MAHC from MAHC's sale of the Disposition Properties. The net proceeds from
37 any sales by MAHC of the Disposition Properties not remitted to the Authority shall be used by
38 MAHC to increase the number of low and moderate housing units owned by MAHC within the
39 City of Melrose. However, MAHC may at any time elect to remit some or all of the remaining
40 net sale proceeds from any sales of the Disposition Properties back to the Authority which shall
41 utilize any such additional proceeds in the same manner as described in the first sentence of this
42 Section 3.

43 SECTION 4. At the time of the transfer of the Disposition Properties to MAHC, the
44 Authority and MAHC shall enter into a written agreement that requires all net proceeds from any
45 sales by MAHC of the Disposition Properties not remitted to the Authority to be used only for
46 the acquisition or development by MAHC of one or more properties as low and moderate income
47 housing within the City of Melrose. Further, whenever MAHC uses any Invested Disposition
48 Proceeds to acquire or develop a property, MAHC and the Authority shall enter into a recorded
49 affordability restriction enforceable by the Authority for each such property acquired or
50 developed by MAHC with Invested Disposition Proceeds that restricts such property to use for
51 low and moderate income housing only and that requires repayment to the Authority of the
52 Invested Disposition Proceeds relating to such property if any of the units in such property fails
53 to be maintained for occupancy only by low or moderate income families. Also, any state or
54 federally chartered bank, credit union or lending agency holding a mortgage on any such
55 property will be entitled, in connection with a foreclosure or deed-in-lieu of foreclosure of such
56 mortgage, to obtain and record a release from the Authority of the affordability restriction as to

57 such property by paying to the Authority the amount of Invested Disposition Proceeds that
58 MAHC has previously invested in such property.

59 SECTION 5. This Act shall take effect upon its passage.