

**REPRESENTATIVE GALE D. CANDARAS**  
**OUTLINE OF PREPARED REMARKS TO THE RENTAL HOUSING ASSOCIATION**  
**OF GREATER SPRINGFIELD**

**Salvatore's Restaurant – Springfield, MA**  
**February 9, 2006**

Good evening and thank you for inviting me to speak to this distinguished group tonight.

I am here to share with you information regarding pending legislation pertaining to three areas of concern to many rental property owners. The first pertains to proposed amendments to the Rent Withholding Statutes, the second addresses changes proposed to the Termination of Tenancy Statutes and third, we'll discuss the Housing Bond Bill's Housing Stabilization Fund and Affordable Housing Trust Fund projects slated for Springfield.

A number of petitions relative to the escrowing of withheld rent have been filed by both chambers during the last two legislative sessions. These petitions would amend current law pertaining to rent withholding as found in Chapter 239, section 8 of the General Laws. They address the issue of protecting rental property owners from a dishonest tenant who purportedly creates code violations in order to withhold rent and/or delay an eviction. Often, this type of scenario then leads to the tenant moving out while still owing several months of rent against a judgment that the landlord will most likely never be able to collect.

A public hearing on this issue was held in June 2005 by the Joint Committee on Housing, resulting in Study Order 4409, which authorized the Committee on Housing to investigate certain Senate and House documents concerning landlords and tenants. In October, House Bill 1795, sponsored by Rep. Robert Fennell, House 1844 and several other related bills, including those from the Senate side, were reported out favorably by the Joint Committee on Housing. It is my hope that the legislature will debate this important issue before the conclusion of this year's session.

Bills relative to the Termination of Tenancies include House 3215 sponsored by Representative Broadhurst and 3157 by Rep. Kafka by request. H3215 would change the current law regarding notice to quit for nonpayment of rent from a fourteen day to a seven day termination notice by the landlord. This legislation would apply to both estate for years and at-will tenancies. An exception would apply if the tenant has not received a termination notice within the last year. In this case, the tenant may pay the rent in full within five days after receiving the eviction notice and not be evicted. This changes current law which allows payment in full within ten days of receipt of the termination notice. This bill was heard last June and no further activity has occurred since then.

H3157 is a new bill filed via a by-request petition, which addresses tenants who engage in serious or repeated lease violations. The current law in Chapter 139, section 19, allows landlords to annul and void a tenant's lease and to seek an immediate court order against a tenant to vacate the rental unit and provides for injunctive relief against a tenant of a temporary or permanent nature. This is known as a speedy eviction process against tenants who commit

certain acts and only applies to tenants who have engaged in certain unlawful activity such as the possession or sale of controlled substances, certain crimes, or the use or threat of use of force in certain subsidized housing. The H3157 petition would expand the scope, allowing landlords the use of this process for tenants who commit serious or repeated violations of a lease agreement. The bill also amends the jurisdiction of the housing court to exempt landlord eviction through section 19 of Chapter 139. This would permit a landlord to pursue this civil action through a local district court, a regional housing court or a superior court located in the district where the dwelling unit is located without having the case transferred to a housing court if one is available. This bill was also heard last June and there is no further activity to report at this time.

The Housing Bond Bill's Housing Stabilization Fund (HSF) and Affordable Housing Trust Fund (AHTF) have several projects intended for Springfield.

Operated through the Department of Housing and Community Development (DHCD), HSF helps non-profit and for-profit housing developers purchase, preserve and rehabilitate affordable housing in urban, suburban and rural areas. An important component of the program is homeownership development and first-time homeownership support. New to this program is a requirement that HSF must pay special attention to the preservation of expiring use developments. HSF is solely administered by DHCD (Department of Housing and Community Development) and is not subject to review by the commonwealth development coordinating council.

Housing built with this fund must be affordable to households at or below 80% of median income. The bill further targets 25% of the funds to households with incomes of not more than 30% of area median income. The bill also sets aside \$5 million for elderly housing. HSF can be the sole source of public funding or combined with other public funds for the preservation of existing housing. Under current DHCD guidelines, each application for funding housing rehabilitation must be approved by the city or town the project where the town is located.

Housing built or preserved with HSF remains affordable for at least 40 years. After 40 years, additional terms of affordability are imposed by DHCD guidelines. If the housing development is sold or disposed of, DHCD or its assignee has a right of first refusal to purchase the property.

**Housing Stabilization Fund**

Better Homes for Springfield-Neighborhood Homes (Homeownership)	\$503,500	104 units
Springfield NRI-Six Corners Neighborhood (Homeownership)	\$700,741	17 units
Northern Star Dev. Corp.-170 Central Street (Rental)	\$540,102	9 units
Friends of the Homeless-501 Worthington (Rental)	\$312,000	18 units
National Enterprises Inc. - Federal Street Apts. (Rental)	\$253,500	50 units
MASS NO II, LLC - Parkview Apts. (Rental)	\$303,500	20 units

Spring Meadow Tenants - Spring Meadow (Rental)	\$353,500	50 units
Valley Real Estate - St. James Manor (Rental)	\$503,500	48 units
Northern Educ. Serv. - State Street Housing (Rental)	\$453,500	15 units

The Affordable Housing Trust Fund is jointly administered by DHCD and MassHousing; the purpose of the AHTF is to create and preserve housing affordable to households with incomes up to 110% of the area median. Both for-profit and not-for-profit developers can participate in funding from the AHTF. The AHTF is designed to make awards to eligible projects after all other funding sources have been exhausted. Housing units financed by the AHTF must remain affordable for at least 30 years. Additionally, the AHTF sets aside \$5 million each year for the repair and modernization of existing state assisted public housing. A portion of the AHTF is used to administer the fund and to provide pre-development assistance to non-profit developers of affordable housing. This assistance includes payment for architectural, legal, appraisal, consultant and other pre-development fees.

The bill contains an emergency preamble and becomes effective upon passage. However, the bonds may not be issued until the Governor files legislation to set the term of the bond notes.

### **Affordable Housing Trust Fund**

Belle-Franklin Apartments (Family)	64 aff units	68 tot units	\$127,525
Franklin Street Apartments (Family)	36 aff units	36 tot units	\$450,000
NewCourt Terrace (Mixed)	42 aff units	45 tot units	\$667,612
High Street Commons Apartsmnts (Family)	55 aff units	55 tot units	\$700,000
Phoenix Project A (Home Ownership)	6 aff units	6 tot units	\$250,000