

**HOUSE . . . . . No. 3017**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Denise Provost***

*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 to preserve affordable housing through a local option tenant's right to purchase.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Jose F. Tosado</i>	<i>9th Hampden</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>
<i>Paul R. Heroux</i>	<i>2nd Bristol</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>

**HOUSE . . . . . No. 3017**

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By Ms. Provost of Somerville, a petition (accompanied by bill, House, No. 3017) of Denise Provost and others for legislation to authorize municipalities to grant tenants of residential buildings with three or more units the right of first refusal to purchase such buildings at fair market value. Housing.

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**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

An Act to preserve affordable housing through a local option tenant's right to purchase.

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

1 Chapter 184 of the General Laws is hereby amended by the addition of a new section  
2 21A, as follows:

3 1. In any city or town which votes to adopt the provisions of this section, tenants of  
4 residential buildings with three (3) or more units, or their designees, as set forth herein, shall  
5 have the right of first refusal to purchase such buildings at fair market value, for the purpose of  
6 maintaining affordable housing and preventing tenant displacement.

7 2. At the time of execution of an agreement for the purchase and sale of a residential  
8 building with three (3) or more units, except for an owner-occupied building with three (3) units,  
9 the owner/seller of the building must give written notice of the agreed-upon sale to all tenants  
10 aged 18 or over, and to the municipality, in such form as shall be specified by ordinance or

11 bylaw. The price specified in a good faith, arm's length purchase and sale agreement shall be  
12 prima facie evidence of the fair market value of the property.

13 3. The tenants, or any such non-profit housing entity as the tenants may form or formally  
14 designate, shall have forty-five (45) days in which to make a deposit to the owner, equal to five  
15 per cent (5%) of the agreed-on sales price, as set forth in the purchase and sale agreement, which  
16 shall be held in escrow by the seller's agent or attorney. The tenants, or their designee, shall also  
17 execute a purchase and sale agreement with the seller, which shall have priority over the original  
18 purchase and sale agreement, contingent on financing.

19 4. The tenants or their designee shall have an additional one hundred and twenty (120)  
20 days from execution of the purchase and sale agreement to secure financing for and close the  
21 purchase of the building.

22 5. Tenants may assign or transfer their right of first refusal to an owners' cooperative, a  
23 community development corporation, a land trust, or such other non-profit housing organization  
24 as will hold the property in perpetuity as limited-equity affordable housing. Such assignment  
25 transfer shall be in writing, on a form specified by the municipality.

26 6. Any municipality which votes to adopt the provisions of this section and which is not  
27 otherwise authorized to establish a housing trust fund, which shall be a revolving fund, is hereby  
28 so authorized. Funds from including, but not limited to, linkage fees, gifts or bequests, and duly  
29 authorized community preservation act funds, may be deposited in the housing trust fund. Any  
30 municipality which has a housing trust fund may authorize a grant or loan from the fund for  
31 purposes of purchases of real property under this section.

32           7. Any owner of any a residential building with three (3) or more units, including an  
33 owner-occupied building with three (3) units, may offer in writing to sell such building to the  
34 tenants or their designee at any time. In such a case, fair market value shall be negotiated  
35 between buyer and seller based on one or more professional appraisals. Once a price is agreed to,  
36 the parties shall proceed with the transaction as set forth in subsections 3 through 5 of this  
37 section.