

HOUSE No. 4074

The Commonwealth of Massachusetts

PRESENTED BY:

Erika Uytterhoeven

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 authorizing the city of Somerville to enact Right to Purchase Legislation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Erika Uytterhoeven</i>	<i>27th Middlesex</i>	<i>8/18/2023</i>

HOUSE No. 4074

By Representative Uyterhoeven of Somerville, a petition (accompanied by bill, House, No. 4074) of Erika Uyterhoeven (with the approval of the mayor and city council) that the city of Somerville be authorized to establish a program to provide certain tenants and entities the right to purchase the residential property in which the tenants reside when that residential property is being offered for sale. Housing. [Local Approval Received.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act authorizing the city of Somerville to enact Right to Purchase Legislation.

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

1 PREAMBLE

2 The City of Somerville is herein authorized to enact a local ordinance for the purposes of
3 preserving affordable housing, providing tenant stability, and maintaining the general welfare of
4 Somerville residents. The ordinance will : (a) afford certain tenants and entities the right to
5 purchase the residential property in which the tenant(s) reside(s), when that residential property
6 is being offered for sale; and (b) set forth the manner in which that right to purchase shall be
7 effectuated, as well as establish remedies for violations. The ordinance shall contain substantially
8 the same language set forth in this Act, and may also contain additional language, terms and
9 provisions consistent with effectuating the purposes of this Act.

10 SECTION I: DEFINITIONS

11 For purposes of this Act, the following words shall have the following meanings:

12 “Bona Fide offer”- an offer made with honest and serious intent in an arm’s length
13 transaction for a fixed consideration.

14 “City” - the City of Somerville, Massachusetts.

15 “City Designee” - a nonprofit organization established pursuant to chapter 180 of the
16 General Laws, a public land trust, or other entity that has been designated by the City to acquire
17 residential properties and to maintain those properties as affordable housing pursuant to a deed
18 restriction, with terms as prescribed by the City.

19 “Covered property” - residential property located in the City of Somerville that is not
20 exempt from this Act pursuant to Section 4 of this Act.

21 “Owner” - a person, firm, partnership, corporation, trust, organization, limited liability
22 company or other entity or its successors or assigns that holds title to Residential Property as
23 defined herein.

24 “Purchase and Sale ” - a written agreement whereby an Owner agrees to sell property
25 including, without limitation, a purchase and sale agreement, contract of sale, purchase option, or
26 other similar instrument.

27 “Residential Property” - a building structure, or one or more units therein, designed and
28 equipped for human habitation and located within the City of Somerville.

29 “Sale” - an act by which an Owner conveys, transfers or disposes of property by deed or
30 otherwise, whether through a single transaction or a series of transactions; provided that a

31 disposition of housing by an Owner to an affiliate of such Owner shall not constitute a sale and a
32 transfer.

33 “Tenant” - a person or a household consisting of one or more persons that has entered
34 into a written lease or rental agreement with the owner for possession of a dwelling unit, or a
35 person or household consisting of persons that has paid rent to the owner of a lawful dwelling
36 unit and whose rent payment has been accepted by said owner, and that is residing in said
37 dwelling unit at the time of notification under Section 2(a) of this Act. If there is more than one
38 tenant or tenant household included in such a lease, or separately paying rent to the owner of a
39 dwelling unit, each such tenant or tenant household may exercise the rights granted under this
40 Act.

41 “Tenant Association” - an unincorporated organization with a minimum participation of
42 35% of all Tenants within a building or group of buildings being sold as a single parcel. The
43 tenants of such building or buildings shall have signified their intent to participate in the Tenant
44 Association by signing a form provided by the City.

45 “Tenant Association Designee” - a nonprofit organization established pursuant to chapter
46 180 of the General Laws, a public land trust, or a Tenant Cooperative as defined herein which
47 has been duly selected by the members of a Tenant Association, as defined herein, for the
48 purpose of acquiring the residential property occupied by the tenants.

49 “Tenant Cooperative” - a duly formed cooperative limited equity cooperative housing
50 corporation as defined in Section 4 of chapter 157B of the General Laws.

51 SECTION 2: TENANT OPPORTUNITY TO PURCHASE

52 (a)Notification of Tenants and the City: An owner of a covered property shall, within two
53 (2) business days of accepting, subject to the provisions under this Act and any Ordinance
54 promulgated hereunder, a bona fide offer to purchase that property, notify the municipality and
55 each Tenant that resides in that property, in writing by hand delivery and U.S. mail, that said
56 Owner (i) is selling the property, (ii) has received a bona fide offer for that property and (iii) is
57 offering to sell the property to the Tenant, Tenant Association, Tenant Association Designee, the
58 City, or City Designee for the price specified in the bona fide offer. Such notification shall
59 include a copy of the City’s summary of this Act and any Ordinance promulgated hereunder and
60 any associated forms. Any receipt and conditional acceptance by an owner of an offer of a
61 reduced price of a previously received bona fide offer shall be considered a new bona fide offer
62 and all provisions of this Act in any Ordinance promulgated hereunder shall apply to such new
63 bona fide offer.

64 Nothing herein shall prohibit a Tenant, Tenant Association, the Tenant Association’s
65 Designee, the City, or the City’s Designee from making the initial offer to purchase any property
66 whether or not any previous offer on the property has been made. In the event that the City or the
67 City’s Designee makes the initial offer to purchase the property, the Tenant or the Tenant
68 Association or Tenant Association’s Designee shall have the same right to purchase provided
69 under this Act and shall have priority for such purpose over the City or City Designee.

70 In the event that a unit is being converted to the condominium form of ownership such
71 that the provisions of Ordinance No.2019-06, the Somerville Condominium/Cooperative
72 Conversion Ordinance are triggered and provide the tenant with the right to purchase the unit
73 they are living in, the provisions of Ordinance No. 2019-06, the Somerville

74 Condominium/Cooperative Conversion Ordinance shall apply instead of the right to purchase
75 provisions herein.

76 (b)Statement of Interest

77 (i) In the case of a covered property being sold as an individual condominium unit, the
78 Tenant shall, within fifteen (15) business days of said notification, notify the Owner and the City
79 using a Statement of Interest form approved by the City (“Statement of Interest”) as to whether
80 or not that Tenant wishes to purchase the property at the price specified in the bona fide offer, or
81 wishes to delegate its rights under this Ordinance to the City or City Designee.

82 (ii) In the case of a covered property consisting of more than one but less than seven
83 dwelling units, a Tenant Association shall within fifteen (15) business days of said notification,
84 notify the Owner and the City using a Statement of Interest form as to whether or not that Tenant
85 Association wishes to purchase the property at the price specified in the bona fide offer, or
86 wishes to delegate its rights under this Ordinance to a Tenant Association Designee.

87 (iii) In the case of a covered property consisting of seven (7) or more dwelling units, a
88 Tenant Association shall within thirty (30) days of said notification, notify the Owner and the
89 City using a Statement of Interest form as to whether or not that Tenant Association wishes to
90 purchase the property at the price specified in the bona fide offer, or wishes to delegate its rights
91 under this Ordinance to a Tenant Association Designee.

92 (iv) In regards to any covered property, the City or City Designee shall have the same
93 amount of time as provided herein to a Tenant or Tenant Association or Tenant Association
94 Designee to notify an owner of its interest in purchasing a covered property at the price specified
95 in the bona fide offer, using the Statement of Interest form.

96 SECTION 3: PURCHASE AND CLOSING ON THE PROPERTY

97 (a)The Tenant or Tenant Association or Tenant Association Designee filing a Statement
98 of Interest with respect to a covered property shall have ten (10) business days from the due date
99 for filing its Statement of Interest to negotiate a purchase and sale agreement with that owner and
100 to notify the City of the outcome of that negotiation. Both the Owner and the Tenant or Tenant
101 Association or Tenant Association Designee shall be obligated to negotiate in good faith.

102 (b)The City or the City Designee shall have twenty (20) business days from the due date
103 for filing its Statement of Interest to negotiate a purchase and sale agreement with that owner.
104 This extended period allows the City or City Designee to negotiate a purchase and sale
105 agreement at the point that the Tenant, Tenant Association, or Tenant Association Designee has
106 declined or otherwise failed to do so. Both the Owner and the City or the City Designee shall be
107 obligated to negotiate in good faith.

108 (c)A purchase and sale agreement negotiated pursuant to subparagraph (a) or (b) shall
109 allow for contingencies including, at a minimum, that (i) the agreement is subject to inspection
110 of the property, and (ii) the agreement is subject to the ability of the buyer to obtain financing.

111 (d)A purchase and sale agreement negotiated by the owner and a Tenant, Tenant
112 Association, or Tenant Association Designee may be assignable to the City or City Designee
113 with the consent of that Tenant, Tenant Association, or Tenant Association Designee and the
114 City or City Designee. Likewise, a purchase and sale agreement negotiated by the owner and the
115 City or City Designee may be assignable to a Tenant, Tenant Association, or Tenant Association
116 Designee with the consent of that Tenant, Tenant Association, or Tenant Association Designee
117 and the City or City Designee.

118 (e)The parties to a purchase and sale agreement shall have ninety (90) days to close on
119 the sale of the property unless such period of time is extended by mutual agreement of the
120 parties.

121 (f)If the Tenant or Tenant Association has entered into a purchase and sale agreement
122 with the Owner but is unable to close on the sale of the property, the contract may be assigned to
123 the City or City Designee, at the option of the City or City Designee. In such case, the Owner
124 and the City or City Designee may, by mutual agreement, extend the deadline for closing.

125 SECTION 4: EXEMPTIONS

126 For the purposes of this Act, the term “covered property” shall not apply to the following:

127 (a)One, two or three unit residential properties which are owner occupied as the owner’s
128 principle place of residence;

129 (b)Any sale of property by an Owner to a spouse, sibling, parent, child, or grandchild;

130 (c)Property that is the subject of a government taking by eminent domain or a negotiated
131 purchase in lieu of eminent domain;

132 (d)Any sale of publicly assisted housing, as defined in section 1 of chapter 40T of the
133 General Laws;

134 (e)Rental units in any hospital, skilled nursing facility or health facility;

135 (f)Rental units in a non-profit facility that has the primary purpose of providing short
136 term treatment, assistance, or therapy for alcohol, drug or other substance abuse providing that

137 such housing is incident to the recovery program, and where the client has been informed in
138 writing of the temporary or transitional nature of the housing;

139 (g)Rental units in a nonprofit facility which provides a structured living environments
140 that has the primary purpose of helping homeless persons obtain the skills necessary for
141 independent living in permanent housing and where occupancy is restricted to a limited and
142 specific period of time not more than twenty-four months and where the client has been informed
143 in writing of the temporary or transitional nature of the housing at the inception;

144 (h)Public housing units managed by Somerville Housing Authority;

145 (i)Any units which are held in trust on behalf of a disabled individual who permanently
146 occupies the unit, or a unit that is permanent occupied by a developmentally disabled parent,
147 sibling, child or grandparent of the owner of the unit; and

148 (j)Any rental unit that is owned or managed by a college or university exclusively for the
149 express purpose of housing students.

150 SECTION 5: TENANT STABILITY

151 An owner shall not evict a tenant or tenants or otherwise terminate a tenancy without just
152 cause if such eviction is for the purpose of avoiding application of this law. Any rights provided
153 under this act are not waivable except as provided in this Act and any provision of any lease or
154 other written agreement to the contrary shall be null and void.

155 SECTION 6: EFFECTIVE DATE

156 This act shall take effect upon its passage.