

TRANSFER FEE FOR AFFORDABLE HOUSING!

FY2021-2022 LEGISLATION-An Act empowering cities and towns to impose a fee on certain real estate transactions to support affordable housing

S.868: Sponsored by **Senator Joanne Comerford**, serving Hampshire, Franklin and Worcester

H.1377: Sponsored by **Representative Mike Connolly**, serving Cambridge and Somerville

From Greater Boston to the Cape and Islands to the Pioneer Valley, cities and towns are grappling with the adverse effects of rapidly escalating home prices on their communities' economy, workforce, quality of life, and social identity. Longtime local residents are being displaced by higher income buyers or speculators, and housing demand far outstrips supply in many communities across Massachusetts. As a result, forced overcrowding is causing severe public health consequences, exacerbated by the pandemic.

A local option real estate transfer fee would be an effective, efficient and equitable tool for raising necessary revenue for affordable housing in communities across the Commonwealth. Find more information on the bill and the Transfer Fee for Affordable Housing Coalition here-
<https://www.realestatetransferfee.org/>

KEYS TO THE BILL

GIVES MUNICIPALITIES A CRITICAL FUNDING TOOL FOR THE CREATION AND PRESERVATION OF AFFORDABLE HOUSING

Authorizes a transfer fee of between 0.5% and 2% on real estate transactions **above** the **statewide median sale price** for single family homes (currently~ \$529,000) or the **county median sale price** if a locality's median is lower than the statewide median. All funds raised by a municipality's transfer fee would go towards **affordable housing** preservation and/or creation.

ALLOWS FOR BROAD & LOCALLY-DETERMINED EXEMPTIONS

Mandates certain exemptions, including on properties below 100% of the state or county median sale price, and **allows cities and towns to tailor additional exemptions** to meet their specific community needs.

DISCOURAGES SPECULATIVE SALES

Municipalities are also authorized to charge a fee of up to 6% for **speculative sales** (properties sold within 1 year at a price 3 times the state median sale price).

REQUIRES LOCAL DECISION-MAKING PRIOR TO ADOPTION

Each municipality seeking to adopt a transfer fee would have to engage in a **local process** to determine if a transfer fee is right for their municipality, and, if so, what exemptions, terms and conditions are appropriate based on local prices and market conditions.

WIDELY USED TOOL TO GENERATE REVENUE

Boston, Brookline, Concord, Nantucket, Provincetown, Truro, Chatham and Somerville have all filed Transfer Fee Home Rule Petitions, with Arlington, Cambridge, Northampton, Wellfleet and others working toward filing as well. These HRP's would all be permissible if our enabling bill were to be approved. **This growing demand for local authority to respond to the housing crisis makes transfer fee enabling legislation the logical path forward.** In addition, **37** states and the District of Columbia assess real estate transfer fees for a variety of uses- this is a reliable and widely-used tool.

The growing list of supporters of our Real Estate Transfer Fee Bill includes:

- ACKNow
- Action for Equity, INC
- Allston Brighton Community Development Corporation
- Amherst Community Connections
- Amherst Municipal Affordable Housing Trust
- Andover Community Trust
- Asian Community Development Corporation
- Berkshire County Branch- NAAPC
- Berkshire County Regional Housing Authority
- Berkshire Regional Planning Commission
- Boston Building Trades Council
- Boston Neighborhood Community Land Trust
- Boston Tenants Coalition
- Boston Worker's Circle
- Brazilian Worker Center Inc.
- Brookline for Everyone
- Brookline Improvement Coalition
- Cambridge Residents Alliance
- Central Berkshire Habitat for Humanity
- Central Massachusetts Housing Alliance
- Chinese Progressive Association
- Citizen's Housing and Planning Association (CHAPA)
- City Life Vida Urbana
- Coalition to Create the Martha's Vineyard Housing Bank
- Community Action Agency of Somerville
- Community Development Partnership
- Community Teamwork
- Concord Housing Foundation
- Congregation B'nai Israel Tikkun Olam Committee
- Department of Veteran's Affairs- City of Somerville
- Dudley Street Neighborhood Initiative
- Dukes County Health Council
- Eliot Community Health Services - Homeless Services
- Equitable Arlington
- Equal Justice in Needham
- First Parish in Brookline
- Franklin County Continuing the Political Revolution
- Fresh Pond Residents Alliance
- Greater Boston Food Bank
- Green Cambridge
- Greening Greenfield
- Heading Home
- Healthy Aging Martha's Vineyard
- Health Imperatives
- Homeowners Rehab Inc. of Cambridge
- HomeStart
- Housing Corporation of Arlington
- Housing Families
- Institute for Policy Studies
- Island Housing Trust
- Jamaica Plain Progressives
- Jewish Alliance for Law and Social Action
- Just-A-Start
- Lawrence CommunityWorks
- LISC Boston
- Lynn United for Change
- Male Engagement Network
- Martha's Vineyard Commission

- Massachusetts Affordable Housing Alliance
- Massachusetts Association of Community Development Corporations (MACDC)
- Massachusetts Association for Community Action (MASSCAP)
- Massachusetts Association of Regional Planning Agencies
- Massachusetts Communities Action Network
- Massachusetts Coalition for the Homeless
- Massachusetts Coalition to Prevent Gun Violence
- Mass General Brigham
- Massachusetts Law Reform Institute
- Massachusetts Public Health Association
- Massachusetts Senior Action Cambridge/Somerville Chapter
- Massachusetts Alliance of HUD Tenants
- Mayor Katjana Ballantyne/City of Somerville
- Mayor Tom Bernard/City of North Adams
- Metropolitan Area Planning Council
- Metro West Collaborative Development
- Nantucket Civic League
- Natick Affordable Housing Trust
- North Shore Community Development Coalition
- Our Revolution Medford
- Our Revolution Somerville
- PACE Inc.
- Planned Parenthood Advocacy Fund
- Preservation of Affordable Housing, Inc. (POAH)
- Progressive Massachusetts
- Real Estate Cafe
- Right to the City Boston
- Rural Development Inc.
- Safe Medford
- Somerville Community Corporation
- Somerville Community Land Trust
- Somerville Homeless Coalition
- Somerville Stands Together
- Somerville YIMBY
- South Shore DSA
- Springfield No One Leaves
- Stow Municipal Affordable Housing Trust
- The Food Bank of Western Massachusetts
- The Linden Letter
- The Welcome Project
- Those Who Can, For Those In Need (Winthrop)
- Valley CDC
- Western Mass. Network to End Homelessness
- Worcester Community Action Council

To get your organization added to the list or for any questions, please reach out to Hannah Carrillo at hcarrillo@somervillema.gov