

Local Option Transfer Fee Legislation to Fund Affordable Housing

From Greater Boston to the Cape and Islands to the Pioneer Valley, cities and towns are grappling with the adverse effects of escalating home prices on their communities' economy, workforce, quality of life, and social identity. In many cities and towns, longtime local residents are being displaced by wealthy buyers or speculators often purchasing their second or third home or investment property. Housing demand in many communities across Massachusetts simply far outstrips supply.

The state has taken meaningful action to fund housing efforts, but more action is undeniably needed. Empowering cities and towns to address this crisis locally is a critical next step. **Transfer fees are an incredibly effective, efficient and equitable tool for raising necessary revenue for affordable housing in communities across the Commonwealth.**

Consensus legislation: The Transfer Fee Coalition, an advocacy group consisting of organizations and community leaders from across the Commonwealth, came together to draft transfer fee consensus legislation. The Coalition is working with legislators in both the House and the Senate to have the Consensus Bill filed in both chambers this legislative session. The Consensus Bill would do the following:

- Authorize municipalities to charge a fee of between 0.5% and 2% for all real estate transactions above either the statewide median sale price for single family homes (currently ~ \$480,000) or the county median sale price for single family homes if a locality's median is lower than the statewide median (this allows as many municipalities as possible to utilize this tool if their communities elect to do so)
 - 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)
- Allow municipalities to set parameters specific to their community's needs, such as particular exemptions and/or a threshold amount higher than the baseline set by the legislation (the state or county median is the minimum, municipalities can raise the threshold if that suits their community and housing market)
 - **All funds** raised by a municipality's transfer fee would go towards **affordable housing** preservation and creation in that municipality
 - As this is only enabling legislation, an extensive **community process** would still need to take place in each locality

Real estate transfer fees are a widely used revenue generating vehicle. According to a 2018 update by the National Council of State Legislatures, real estate transfer fees were assessed in 37 states (statewide, by counties, and/or by jurisdictions) and the District of Columbia. Home Rule Petitions for real estate transfer fees are now pending at the State House for Boston, Brookline, Concord, Nantucket, Provincetown, Somerville and Truro and are being considered by many other localities that desperately need revenue for affordable housing. This growing demand for local authority to respond to the housing crisis makes transfer fee enabling legislation the logical path forward. **The growing list of organizations from around the Commonwealth that have signed on in support of Transfer Fee Enabling legislation can be found on page 2. We thank all of those organizations!**

The growing list of supporters of our proposed Transfer Fee Consensus Bill includes:

- ✓ Berkshire County Regional Housing Authority
- ✓ Boston Building Trades Council
- ✓ Boston Tenants Coalition
- ✓ Brazilian Worker Center Inc.
- ✓ Cambridge Residents Alliance
- ✓ Chinese Progressive Association
- ✓ City Life Vida Urbana
- ✓ Community Action Agency of Somerville
- ✓ Concord Housing Foundation
- ✓ Eliot Community Health Services - Homeless Services
- ✓ Equitable Arlington
- ✓ Franklin County Continuing the Political Revolution
- ✓ Fresh Pond Residents Alliance
- ✓ Green Cambridge
- ✓ Heading Home
- ✓ Homeowners Rehab Inc. of Cambridge
- ✓ HomeStart
- ✓ Housing Corporation of Arlington
- ✓ Housing Families
- ✓ Institute for Policy Studies
- ✓ Jamaica Plain Progressives
- ✓ Just-A-Start
- ✓ Lynn United for Change
- ✓ Massachusetts Affordable Housing Alliance
- ✓ Massachusetts Association of Community Development Corporations (MACDC)
- ✓ Massachusetts Communities Action Network
- ✓ Massachusetts Homeless Coalition
- ✓ Massachusetts Law Reform Institute
- ✓ Massachusetts Senior Action Cambridge/Somerville Chapter
- ✓ Massachusetts Alliance of HUD Tenants
- ✓ Mayor Joseph Curtatone/City of Somerville
- ✓ Metropolitan Area Planning Council
- ✓ Metro West Collaborative Development
- ✓ Our Revolution Somerville
- ✓ Preservation of Affordable Housing, Inc. (POAH)
- ✓ Progressive Massachusetts
- ✓ Real Estate Cafe
- ✓ Right to the City Boston
- ✓ Rural Development Inc.
- ✓ Somerville Community Corporation
- ✓ Somerville Community Land Trust
- ✓ Somerville Homeless Coalition
- ✓ Somerville Stands Together
- ✓ The Welcome Project
- ✓ Those Who Can, For Those In Need (Winthrop)
- ✓ Western Mass. Network to End Homelessness