

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 **affordablehousing** 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 and Somerville have all filed Transfer Fee Home Rule Petitions, with Arlington, Cambridge, Chatham, Northampton, Wellfleet and others all 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 | Equal Justice in Needham | Massachusetts Senior Action Cambridge/Somerville Chapter |
| Amherst Municipal Affordable Housing Trust | Franklin County Continuing the Political Revolution | Massachusetts Alliance of HUD Tenants |
| Berkshire County Regional Housing Authority | Fresh Pond Residents Alliance | Mayor Joseph Curtatone/City of Somerville |
| Boston Building Trades Council | Greater Boston Food Bank | Metropolitan Area Planning Council |
| Boston Neighborhood Community Land Trust | Green Cambridge | Metro West Collaborative Development |
| Boston Tenants Coalition | Greening Greenfield | North Shore Community Development Coalition |
| Brazilian Worker Center Inc. | Heading Home | Our Revolution Somerville |
| Cambridge Residents Alliance | Homeowners Rehab Inc. of Cambridge | Preservation of Affordable Housing, Inc. (POAH) |
| Central Massachusetts Housing Alliance | HomeStart | Progressive Massachusetts |
| Chinese Progressive Association | Housing Corporation of Arlington | Real Estate Cafe |
| Citizen's Housing and Planning Association (CHAPA) | Housing Families | Right to the City Boston |
| City Life Vida Urbana | Institute for Policy Studies | Rural Development Inc. |
| Coalition to Create the Martha's Vineyard Housing Bank | Jamaica Plain Progressives | Somerville Community Corporation |
| Community Action Agency of Somerville | Just-A-Start | Somerville Community Land Trust |
| Community Development Partnership | Lawrence CommunityWorks | Somerville Homeless Coalition |
| Community Teamwork | Lynn United for Change | Somerville Stands Together |
| Concord Housing Foundation | Massachusetts Affordable Housing Alliance | Somerville YIMBY |
| Department of Veteran's Affairs- City of Somerville | Massachusetts Association of Community Development Corporations (MACDC) | South Shore DSA |
| Dudley Street Neighborhood Initiative | Massachusetts Association of Regional Planning Agencies | Springfield No One Leaves |
| Dukes County Health Council | Massachusetts Communities Action Network | The Welcome Project |
| Eliot Community Health Services - Homeless Services | Massachusetts Coalition for the Homeless | Those Who Can, For Those In Need (Winthrop) |
| Equitable Arlington | Massachusetts Law Reform Institute | Western Mass. Network to End Homelessness |
| | Massachusetts Public Health Association | 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

Last updated October 4, 2021