

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	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

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