

Key Changes intended from Administration Draft:

- Added the preamble establishing that the City of Somerville is experiencing a housing crisis, and stating that the City government is passing housing stability legislation in order to maintain “public peace, health, safety, and general welfare.”
- Owner occupancy exemption for 1,2,3 units
- Notification to the City, but no city ROFR
- Shorter timeline for smaller buildings (1,2,3 units), including removal of 30 day extension for individuals to provide notice of intent after the initial period.
- Slightly shorter timeline for larger buildings (4+ units)
- Owners may require tenants to demonstrate that they are prequalified or pursuing financial assistance
- Tenants may not waive their ROFR rights in a lease but after a notice of intended sale, the sale can go through if all of the tenants sign a form provided by the city saying that they are not interested in exercising or assigning their right of first refusal (“Relinquishing” their rights).
- Removal of the definition of “immediate family member” because the exemption of owner occupied 1-2-3 unit housing accommodations no longer depends on whether there are family members living in the other units.
- Families can sell to spouses, siblings, children, grandchildren, or parents without triggering tenant right of first refusal.

AN ACT TO PREVENT DISPLACEMENT IN THE CITY OF SOMERVILLE BY PROVIDING  
TENANTS WITH AN OPPORTUNITY TO PURCHASE

WHEREAS there is a continuing housing crisis in the City of Somerville, exacerbating resident displacement, destabilizing communities, disrupting children's educations, threatening the stability of Somerville schools, undermining the health and vitality of our neighborhoods, and jeopardizing the diversity that Somervillians cherish; and

WHEREAS this continuing housing crisis has been thoroughly investigated and documented in two recent studies commissioned by the City: the [2015 Somerville Housing Needs Assessment](#), and analyses performed by the Metropolitan Area Planning Council (MAPC) to inform the work and December 2015 report of the [Sustainable Neighborhoods Working Group](#); and

WHEREAS the median listing price of houses in Somerville has increased by 40% (from \$500,000 to over \$700,000) in just the last four years ([Zillow](#)), and [Zillow's home value index](#) has increased by 84% (from \$346,000 to \$636,000) since the beginning of 2009; and

WHEREAS the [median Somerville rent](#) (\$2,600/month = \$31,200/year) -- not including heat or utilities -- represents 44% of the [median Somerville household income](#) (\$73,100), and 100% of the income of tenants working full time at \$15/hour; so that as of December 2015, 74% of Somerville residents could not afford the average rent in Somerville if they had to move from their current dwelling; and

WHEREAS the increasingly speculative real estate market is making it impossible for most tenants to become homeowners in the City of Somerville; and

WHEREAS there is a severely limited supply of affordable housing options for persons with modest incomes, as evidenced by the fact that the Housing Division receives an average of 41 qualified applications for each affordable inclusionary rental unit; by the fact that some 3400 persons applied to participate in a housing lottery for 35 new affordable rental units at 181 Washington St.; and by the consistent lack of success that Section 8 Housing Choice subsidy holders have in finding Somerville rentals where they can use their voucher; and

WHEREAS the loss of affordable rental housing stock, and the increasing threat of displacement has caused widespread fear and uncertainty among tenants, especially low and moderate income tenants -- particularly among family households, elderly tenants and tenants with disabilities on fixed incomes who are most vulnerable to displacement by the increased rents that inevitably follow property sales financed by higher-cost mortgages; and

WHEREAS these provisions to prevent resident displacement are required to preserve the public peace, health, safety, and general welfare;

NOW, THEREFORE the Board of Aldermen, in session assembled, hereby adopts the following home rule petition ensuring that, subject to the limitations and conditions described herein, tenants in rental housing that the property owner desires to sell shall be afforded a reasonable

opportunity to purchase, or assign their option to purchase, that housing accommodation at a fair market price that constitutes or matches a bona fide offer.

SECTION 1. (a) For the purposes of this Act, unless the context clearly requires otherwise, the following words shall have the following meanings:

“Bona fide offer,” a good faith written offer for the purchase of a covered housing accommodation, based on the current structure of the housing accommodations and any modifications an owner could make as of right under the current zoning, made by a party unrelated to and unaffiliated with the current owner of that property, for a fixed consideration payable upon delivery of the deed, which has been accepted by the owner, subject to terms and conditions, pursuant to a Purchase and Sale Agreement; provided, however, that a Purchase and Sale Agreement pertaining to a covered sale of a covered housing accommodation shall include a condition acknowledging the rights conferred by this Act. The owner shall have the burden of proof to establish that an offer to purchase constitutes a bona fide offer, as defined herein.

“Covered housing accommodation,” a building or buildings, structure or structures, or part thereof, located within the City of Somerville, hereinafter “the City,” rented or offered for rent for living or dwelling purposes, including, without limitation, houses, apartments, condominium units, cooperative units and other multifamily residential dwellings, but excluding the following:

- a housing accommodation comprised of 1, 2, or 3 units, at least one unit of which is owner-occupied, that is, serves as the primary residence of a natural person who has received the owner occupancy property tax exemption from the City for the three years immediately preceding the notice of intended sale;
- a group residence, homeless shelter, lodging house, orphanage, temporary dwelling structure, transitional housing, or publicly assisted housing as defined in section 1 of chapter 40T of the General Laws;
- public housing units managed by the local housing authority; federal public housing units that are subsidized and regulated under federal laws to the extent such applicable federal laws expressly preempt the provisions of this section;
- living accommodations in any hospital, skilled nursing facility, or health facility;
- any units held in trust on behalf of a developmentally disabled individual who permanently occupies the unit, or will occupy the unit upon turning 22 years of age, or a unit that is permanently occupied by a developmentally disabled parent, sibling, child, or grandparent of the owner of that unit; and
- any rental unit that is owned or managed by a college or university for the express purpose of housing students, faculty, or staff; and

“Covered sale,” any conveyance or transfer of an interest in real property comprising part or all of a covered housing accommodation, excepting transfers or conveyances deemed to be exempt, as defined herein.

“Covered tenant,” a person or group of persons entitled to possess or occupy a covered housing accommodation pursuant to a lease or tenancy at will, the right to occupy having been established for no less than six months at the time of delivery of the notice of intended sale of a housing accommodation, or the date upon which said notice should have been delivered; provided, however, that if a covered housing accommodation is vacant at the time of delivery of the notice of intended sale, the term “covered tenant” shall be construed to include such a person or group of persons who had legally resided in the unit for a period of at least six months, pursuant to a lease or tenancy at will, and whose tenancy concluded -- for reasons other than eviction for cause -- on or after a date that is twelve months prior to the date on which any advertisement, listing, or public notice was first made that said housing accommodation was available for purchase; provided, further, that if a covered tenant relinquishes the rights conferred on them by this legislation, or if a registered tenant association relinquishes those rights, a person or group of persons who might otherwise be deemed a covered tenant shall not be so deemed, until such time as the period of relinquishment ends, as defined herein.

“Exempt transfer or conveyance of a covered housing accommodation,” any instance in which an interest in the real property comprising part or all of a covered housing accommodation:

- Is being conveyed, transferred, or sold to a spouse, sibling, parent, child, or grandchild of the property owner, or other family member as defined by the city;
- Is being conveyed or transferred by means of eminent domain takings; mortgage deeds; deeds to or by the city or town in which such land is located; deeds which correct, modify, supplement or confirm a deed previously recorded; or tax deeds;
- Is being conveyed or transferred by means of deeds releasing any property which is a security for a debt or other obligation; deeds for division of property between owners without monetary consideration; foreclosures of mortgages and conveyances by the foreclosing parties; or deeds made pursuant to a merger of a corporation or by a subsidiary corporation to its parent corporation for no consideration other than the cancellation and surrender of capital stock of such subsidiary which do not change beneficial ownership; or
- Is property transferred into a revocable trust for no consideration where the grantor is the current beneficiary of the trust; property transferred by the trustee of a revocable trust if the transfer would otherwise be excluded under this Act if made by the grantor of the revocable trust; property transferred to court order or court-approved settlement; or property transferred by devise or otherwise as a result of death.

A non-exempt transfer subsequent to any exempt transfer or transfers shall be subject to the provisions of this Act.

“Failure to act in good faith,” behavior by an owner or covered tenant, registered tenant association, or their assignee that unreasonably limits the rights conferred by this Act or the rights of the property owner, subject to the provisions of this Act. Instances of a failure to act in good faith include, but are not limited to: (a) unreasonable delay or refusal by an owner to provide reasonable access to the property for inspections customarily arranged by a prospective buyer; (b) unreasonable delay or refusal by an owner to provide reasonable access to the

property for an appraisal, if such an appraisal is one of the terms and condition of the Purchase and Sale Agreement which triggered a notice of intended sale, or if the offer in said Purchase and Sale Agreement is found not to be a bona fide offer; (c) unreasonable delay or refusal by an owner to provide information commonly understood to be relevant for the underwriting of the building purchase; (d) unreasonable delay or refusal by a covered tenant, registered tenant association, or their assignee to demonstrate, prior to entering into a Purchase and Sale Agreement, that they have prequalified for a mortgage, and/or that they have initiated the process of applying for financial assistance that they will need and will likely be eligible for, in order to close on the purchase of the property; and/or (e) unreasonable delay or refusal by an owner to enter into or execute a Purchase and Sale Agreement, or the closing on a Purchase and Sale Agreement with a covered tenant, registered tenant association, or their assignee that has made an offer to meet the price and to substantially match the terms and conditions in the bona fide offer that triggered the notice of intended sale, except that an owner's delay or refusal to enter into a Purchase and Sale Agreement with a covered tenant, registered tenant association, or their assignee that has failed to act in good faith, as defined in clause (d) of this paragraph shall not be construed as having failed to act in good faith.

"Notice date of intended sale," the date that a notice of intended sale which complies with the requirements of this Act is delivered by hand or sent by certified mail to the tenants and the Office of Housing Stability within the City of Somerville's Office of Strategic Planning and Community Development (hereinafter "Office of Housing Stability").

"Notice of intended sale," a written notice in a form approved by the City of Somerville which shall include: (i) a copy of an executed Purchase and Sale Agreement specifying the purchase price and all terms and conditions of the proposed sale of a covered housing accommodation, and which constitutes a bona fide offer as defined herein; and (ii) a notice of the covered tenant's rights as conferred by this Act.

"Notice of prospective sale," a written notice by the owner of a covered housing accommodation, in a form approved by the City, which is delivered to the covered tenant(s) of that housing accommodation and to their registered tenant association, if one exists, which shall include: (i) a statement by the owner of a covered housing accommodation of the owner's future intention to sell said housing accommodation, (ii) a statement of the owner's asking price and any accompanying terms and conditions which the owner will seek to secure, and (iii) the deadline, if any, after which the owner plans to put the housing accommodation on the market, if the owner and the covered tenant(s), registered tenant association, or their assignee fail to execute a Purchase and Sale Agreement.

"Owner," a person, firm, partnership, corporation, trust, organization, limited liability corporation, or other entity, or its successors or assigns, that holds title to a housing accommodation.

"Registered tenant association," a group or entity representing at least two tenant households, including tenants who may have individually relinquished their rights under this Act, in a

multi-unit covered housing accommodation with five or fewer rental units, and at least one-third of the tenant households, including tenants who may have individually relinquished their rights under this Act, in a multi-unit covered housing accommodation with six or more rental units, which has the legal capacity to hold an interest in real property, and has delivered a registration statement attesting to same, on a form approved by the City of Somerville, to the Office of Housing Stability by hand or by certified mail. Upon delivering such a statement, which must occur within 30 days of the notice date of intended sale, such association shall be the sole representative of the tenants, and any prior notice of intended sale is deemed delivered to such association;

“Voluntarily relinquish the rights conferred by this Act,” (1) A covered tenant, registered tenant association, or their assignee shall be deemed to have voluntarily and temporarily relinquished the rights conferred by this Act:

(a) if they fail to meet one of the following deadlines specified and elaborated upon in Section 3 of this Act: (i) the deadline for submitting a Statement of Interest, (ii) the deadline for entering into a Purchase and Sale Agreement, or (iii) the deadline for closing on the purchase and sale of the housing accommodation; provided, however, that if that failure to meet a deadline is caused by a failure by the owner to act in good faith as defined herein, then the covered tenant, registered tenant association, or their assignee shall not be deemed to have failed to meet that deadline.

(b) if they provide written notification, on a form approved by the City, that they are not interested in purchasing the covered housing accommodation, and that they are not interested in assigning their rights under this Act to another entity, and that their signature attesting to these statements has been furnished voluntarily, and not under duress; provided, however, that (i) a lease or rental agreement governing occupancy of a covered housing accommodation may not include provisions requiring the person or persons occupying such housing accommodation pursuant to that lease or rental agreement to relinquish their rights under this Act; (ii) a covered tenant may not be asked to relinquish their rights under this Act prior to the earlier of (A) the date they confirmed receipt of the owner’s notice of prospective sale, if such notice was provided, and (B) the date they confirmed receipt of the notice of intended sale, if such notice was provided;

(iii) if the tenants in a covered housing accommodation with multiple units have formed a registered tenant association, only that registered tenant association is authorized to relinquish the rights conferred by this Act; and

(iv) if the covered tenants in a covered housing accommodation with multiple units have not formed a registered tenant association, no covered tenant may relinquish the rights conferred by this Act to any other covered tenant(s).

(2) In the case of properties with three or fewer units, the rights of a formerly covered tenant, tenant association, or assignee that had relinquished their rights shall be deemed to be revived on the one year anniversary of the date they were relinquished, and any Purchase and Sale Agreement executed between the owner of a covered housing accommodation and a prospective buyer on or after that anniversary date shall trigger the requirement for a notice of intended sale, as provide for herein, unless the prospective sale constitutes an exempt transfer

or conveyance. These same provisions shall apply to properties with four or more units, except that the revivification of the rights conferred by this Act shall occur on the eighteen month anniversary of the date they were relinquished.

## SECTION 2. Tenant Opportunity to Purchase

(a) Notwithstanding any general or special law to the contrary, in the City of Somerville, before a covered housing accommodation may be sold pursuant to a covered sale, as herein defined, the owner shall give a notice of intended sale to each covered tenant, and to any registered tenant association; and such notice shall be dated and shall specify the amount of any bona fide offer that the owner has conditionally accepted and the terms and condition of such offer which must be substantially matched; provided, however, that the terms and conditions which the covered tenant must match shall not be deemed to include (i) terms pertaining to the portion of the purchase price which is promised in cash and the portion which depends upon mortgage financing, or (ii) terms pertaining to forfeiture of the buyer's right to arrange for one or more customary inspections. Such notice shall be delivered by certified mail to each such covered tenant and registered tenant association, with a simultaneous copy to the Office of Housing Stability. If a covered housing accommodation contains more than one household unit, the owner shall also post a copy of such notice in a conspicuous place in a common area of the covered housing accommodation.

If the covered tenant, registered tenant association, or their assignee, believes that said notice of intended sale does not comply with the requirements stated above, then within 10 days of receipt of said notice, the covered tenant, registered tenant association, or their assignee shall send a written complaint to the owner and the Office of Housing Stability, using a form approved by the City, stating their belief that said notice is non-compliant, and stating the reasons for that belief. In turn, upon performing its due diligence to verify the facts and resolve the matter, the Office of Housing Stability shall notify the property owner and the complainant(s) as to whether said notice of intended sale satisfied the requirements of this Act, and if it did not, in what ways the notice was deficient, and the steps that should be taken to remedy the situation; provided, however, that such response by the Office of Housing Stability shall be mailed to those parties by certified mail within five business days of the date that the Office of Housing Stability received the complaint.

If no such notice of intent to sell has been provided to the covered tenant(s) or registered tenant association, and if the rights conferred by this Act have not been voluntarily relinquished by those tenant(s) or by a registered tenant association, and if the covered tenant(s) or registered tenant association believe that the lack of such notice violates their rights under this Act, any such aggrieved party(s) shall send a written complaint to the owner and the Office of Housing Stability, using a form approved by the City, stating their belief that the failure to send such a notice is a violation of the rights conferred by this Act, and stating the reasons for that belief. Upon performing its due diligence to verify the facts and resolve the matter, the Office of Housing Stability shall, by certified mail sent within 10 business days of receiving the complaint,

notify the property owner and the complainant(s) about its determination as to whether the property is a covered housing accommodation; whether the sale, transfer, or conveyance is a covered sale; whether the complainant(s) are justified in their complaint; and what actions must be taken, if any.

In any instance where an owner of a housing accommodation intends to sell, convey, or otherwise transfer an interest in that housing accommodation, but asserts that the property is not subject to the provisions of this Act, because it is not a covered housing accommodation as defined herein, or because the proposed transaction is an exempt transfer or conveyance, as defined herein, or because there are no covered tenants, as defined herein, the owner shall deliver by certified mail to the Office of Housing Stability and to each tenant or registered tenant association a Notice of Non-Applicability on a form approved by the City explaining their assertion that sale, transfer, or conveyance of the property is not subject to the requirements of this Act. Such notice shall be sent within five business days of entering into a Purchase and Sale Agreement or a conveyance or transfer which the owner believes is not subject to this Act; provided, however, that such Purchase and Sale Agreement or conveyance or transfer shall be explicitly made conditional upon the determination of the Office of Housing Stability as to whether such sale, transfer, or conveyance is subject to the provisions of this Act. Upon performing its due diligence to verify the facts and resolve the matter, the Office of Housing Stability shall, by certified mail within five business days of receiving the owner's Notice of Non-Applicability, inform the owner and the tenant(s), registered tenant association, or their assignee of its determination on the matter, by either issuing a Certificate of Non-Applicability or by requiring the owner to issue a notice of intended sale and otherwise adhere to the requirements of this act. An owner's failure to provide such Notice of Non-Applicability shall create a rebuttable presumption that the sale, transfer, or conveyance of the property is subject to the provisions of this Act, and that a notice of intended sale is required.

(b) Beginning with the day following the notice date of intended sale, the covered tenant(s), registered tenant association, or their assignee, shall have a right of first refusal, allowing them to purchase the covered housing accommodation for the same price and substantially the same terms and conditions as contained in the bona fide offer which triggered said notice of intended sale; provided, however, that the terms and conditions which the covered tenant(s), registered tenant association, or assignee must match shall not be deemed to include (i) terms pertaining to the portion of the purchase price which is promised in cash and the portion which depends upon mortgage financing, or (ii) terms pertaining to forfeiture of the buyer's right to arrange for one or more usual inspections. Said right of first refusal shall inure to the covered tenant, registered tenant association, or their assignee, for the time periods specified elsewhere in this Act.

(c) In any instance where the purchaser of a housing accommodation is not the tenant(s), registered tenant association, or their assignee, the owner shall provide evidence satisfying the Office of Housing Stability that the requirements of this Act have been complied with. Such evidence shall be contained in an Affidavit of Compliance, on a form approved by the City,

delivered by hand or certified mail to the Office of Housing Stability, within 7 days of the closing on the property or the transfer or conveyance of the deed. The Affidavit and accompanying evidence shall include, but not be limited to:

- (i) Documentation of compliance with the notice requirements of this Act, that is, if the owner seeks to enter into a covered sale of a covered housing accommodation, a proper notice of intended sale has been sent to the tenants or registered tenant association, if one exists, and that any rights conferred by this Act pursuant to that notice of intended sale have been exercised, or have lapsed, or have been voluntarily relinquished by the tenant(s), registered tenant association, or their assignee; or
- (ii) if no such notice has been sent, a currently valid Certificate of Non-Applicability, issued by the Office of Housing Stability, or documentation: (A) that the property is not a covered housing accommodation, and/or (B) that the transfer or conveyance does not constitute a covered sale, and/or, (C) that all of the tenant(s) or the registered tenant association voluntarily relinquished their rights, as defined in Section 1 of this Act, prior to the date of the Purchase and Sale Agreement which would have otherwise triggered a notice of intended sale.

Within ten business days of receiving said Affidavit, the Office of Housing Stability, upon performing its due diligence to verify the accuracy and adequacy of the Affidavit, shall, by certified mail to the owner, either convey a Certification of Compliance, if it determines that the requirements of this Act have been satisfied, or send a letter identifying the requirements which have and have not been met, and instructing the owner on the steps that must be taken to fully comply with the requirements for such Certification. An owner receiving a Certification of Compliance shall post a copy of that Certification in a prominent location in the building or buildings to which it pertains, and shall submit the original Certification, along with a copy of the Affidavit of Compliance to the Registrar of Deeds of Middlesex County, who shall file said documents with the property deed.

(d) During the time periods provided herein for the exercise of any right to purchase conferred by this Act, a covered tenant, registered tenant association, or their assignee shall have the right at reasonable times and upon reasonable notice, to enter upon the covered housing accommodation for the purpose of inspecting or testing the land and premises.

No owner shall unreasonably refuse to provide to a covered tenant, registered tenant association, or their assignee, information commonly understood to be relevant for the underwriting of the building purchase.

Failure of an owner to act in good faith, as defined in Section 1, shall have the effect of canceling the proximate deadline established by this Act and preventing the owner from closing on the sale of the covered housing accommodation with another buyer; except that an owner's refusal to enter into or execute a Purchase and Sale Agreement with a covered tenant, registered tenant association, or assignee that has failed to act in good faith, as also defined in Section 1, shall not be deemed a failure by that owner to act in good faith.

Nothing herein shall be construed to require an owner to provide financing to a covered tenant, registered tenant association, or their assignee.

(e) A covered tenant or registered tenant association, which has the right of first refusal hereunder, at its election, may assign its purchase rights to a qualified, eligible entity, as defined by city ordinance or regulation, for the purpose of: (i) operating the covered housing accommodation as an affordable housing property or, if available funding does not allow for subsidized rents, pursuant to lease agreements which prescribe rents that are not substantially higher than the rents charged by the seller of the property; provided, however, that nothing herein shall prohibit an assignee from increasing such rent to reasonably cover the cost of operating the housing accommodation; or (ii) serving in the role of interim property owner pursuant to the terms specified in clause (i), with the further understanding and expectation that the assignee will sell the property to the covered tenant(s) or registered tenant association at such time as said covered tenant(s) or registered tenant association is able to obtain the necessary financing.

If the rights conferred by this Act have been assigned by a covered tenant or a registered tenant association, the assignor shall, by certified mail on a form acceptable to the City, provide written notice of the assignment to the owner and to the Office of Housing Stability, and shall prominently post copies of such notice where the tenants of the covered housing accommodation are likely to see them.

(f) If after an owner has delivered a notice of intended sale required by this Act -- but before the transfer, conveyance, or sale of the covered housing accommodation has been fully executed -- there is a subsequent bona fide offer that results in a material change in the Purchase and Sale Agreement that triggered that notice of intended sale, the owner shall provide each covered tenant, registered tenant association, or their assignee with a new notice of intended sale, which shall have the effect of initializing the time periods for the exercise of the right of first refusal, as set forth in this Act. For the purposes of this subsection, a "material change" shall include, without limitation, a reduction in the purchase price of 10 percent or more, or a change in the terms and conditions which is materially more favorable to the prospective purchaser.

If the prospective buyer named in the Purchase and Sale Agreement that triggered the notice of intended sale defaults on or withdraws from that Purchase and Sale Agreement, and a subsequent offer is accepted by the owner, an entirely new notice of intended sale shall be forwarded to the covered tenant(s), registered tenant association, or their assignee, initializing the time periods for exercising the rights conferred by this Act.

### SECTION 3. Statement of Interest; Exercising Right to Purchase.

(A) Covered housing accommodations with 1, 2, or 3 units.

(1) The following provisions apply to a covered housing accommodation comprised of 1, 2, or 3 rental units:

(a) For a period of 30 days after the day following the mailing of any notice of intended sale which complies with this Act, a covered tenant or its assignee, shall have the option to jointly and/or individually provide the owner with a Statement of Interest which shall be a written notice in a form approved by the City of Somerville, which notice shall be sent by registered mail to the owner and the Office of Housing Stability. Said Statement of Interest shall include a clear expression of interest on the part of that covered tenant or registered tenant association to exercise the right to purchase or assign the right to purchase as provided in this Act.

(b) If a written Statement of Interest has been mailed in accordance with this section, the parties shall have no less than 30 days from the date of the mailing of that Statement of Interest to negotiate and execute a Purchase and Sale Agreement with the owner. If more than one individual covered tenant or more than one group of covered tenants submits a written Statement of Interest, the owner shall negotiate with each covered tenant or group of covered tenants separately, or jointly if the parties agree to negotiate jointly. For every day of delay in providing information by the owner as required by this Act, the deadline is extended by one day. If the owner is required to negotiate with more than one covered tenant or group of covered tenants pursuant to this section, the owner may decide which contract is more favorable, without liability to the other covered tenants or groups of covered tenants.

(c) Any Purchase and Sale Agreement shall provide a reasonable period of time of not less than the greater of (i) the period of time until closing specified in the bona fide offer, and (ii) 30 days from the execution of that Purchase and Sale Agreement in order for the covered tenant to secure financing and/or financial assistance; provided, however, that if a lending institution or agency estimates in writing that a decision with respect to financing or financial assistance will be made within 60 days of the date of the Purchase and Sale Agreement, the owner shall afford an extension of time consistent with that estimate.

(d) Should a covered tenant, registered tenant association, or assignee voluntarily relinquish the rights conveyed by this Act, as defined in Section 1, then the owner shall be free to consummate the sale of the property pursuant to the bona fide offer; provided, however, that if a closing on the property does not occur within one year after the date those rights were relinquished, then the owner shall be required to comply again with the terms of this Act, with respect to any revived or subsequent bona fide offer.

(B) Covered housing accommodations with 4 or more units.

(1) The following provisions apply to covered housing accommodations with four or more rental units:

(a) In order to exercise the rights conferred by this Act, tenants must form a registered tenant association.

(b) Within 30 days after the date of mailing of any notice of intended sale which complies with this Act, a registered tenant association, or its assignee may provide by certified mail to the owner and the Office of Housing Stability, a statement of interest which shall be a written notice in a form approved by the City which shall include a clear expression of interest on the part of the registered tenant association to purchase or assign the right to purchase as provided in this Act.

(c) If a written statement of interest has been mailed in accordance with this section, the parties shall have no less than 60 days from the date of the mailing of the statement of interest to execute a Purchase and Sale Agreement. For every day of delay in providing information by the owner as required by this Act, the deadline is extended by one day.

(d) Any Purchase and Sale Agreement shall provide a reasonable period of time of not less than the greater of: (i) the period of time until closing specified in the bona fide offer, and (ii) 90 days from the execution of said Purchase and Sale Agreement, in order for the registered tenant association or its assignee to secure financing and/or financial assistance; provided, however, if a lending institution or agency estimates in writing that a decision with respect to financing or financial assistance will be made within 120 days after the date of the Purchase and Sale Agreement, the owner shall afford an extension of time consistent with that written estimate.

(e) Should the registered tenant association or its assignee voluntarily relinquish the rights conveyed by this Act, then the owner shall be free to consummate the sale of the property pursuant to the bona fide offer, provided, however, that if a closing on the property does not occur within 18 months after the date those rights were relinquished, then the owner shall be required to comply again with the terms of this Act, with respect to any revived or subsequent bona fide offer.

#### SECTION 4.

(a) The purposes of this chapter favor resolution of ambiguity by any judicial or administrative body or officer toward protecting the legal rights of covered tenants to the maximum extent permissible under law. If this Act conflicts with another provision of law of general applicability, the provisions of this Act control.

(b) The right of a third party to purchase a housing accommodation is conditional upon exercise by a covered tenant, registered tenant association, or their assignee's rights under this Act. The time periods for negotiation of a Purchase and Sale Agreement and for the sale of a housing accommodation pursuant thereto under this Act are minimum periods, and the owner may afford a reasonable extension of such periods, without liability under a third party contract. Third party purchasers are presumed to act with full knowledge of the rights provided for under this Act.

(c) This law is in addition to and is not intended to abrogate any other right to purchase, or right of first refusal to purchase a housing accommodation, as provided by general or special law, or by City ordinance.

SECTION 5. The City of Somerville is authorized to provide a grant or loan, or otherwise provide assistance, from its affordable housing trust fund for the purposes of purchases of real property under this Act. These funds shall be used to establish and/or preserve the affordability of the covered housing accommodation, in perpetuity, or as long as legally permissible.

SECTION 6. Notwithstanding the terms and conditions of the bona fide offer which triggered the notice of intended sale, the owner shall not require the a covered tenant, registered tenant association, or assignee to pay a deposit in excess of the lesser of: (i) the deposit specified in the Purchase and Sale Agreement that triggered that notice of intended sale, (ii) 5 percent of the purchase price specified in that Purchase and Sale Agreement, or (iii) \$250,000.

SECTION 7. (a) The rights provided under this Act may not be waived, except as provided for in the definition in Section 1 of voluntarily relinquishing rights conferred by this Act. It is illegal for an owner to require a tenant to waive any rights provided to the tenant under this Act.

(b) An owner, covered tenant, group of covered tenants, registered tenant association, or their assignee may appeal a decision or determination by the Office of Housing Stability to the Director of the City's Office of Strategic Planning and Community Development or their designee, and the decision pursuant to such appeal shall be rendered and communicated to the parties within 10 business days of the filing date of that appeal; provided, however, that the period of time from the filing date of the appeal until the date on which the decision is rendered shall not count against a deadline defined in this Act, except in the case that an appeal by a covered tenant, group of covered tenants, registered tenant association, or their assignee is deemed by the Director or their designee to be dilatory, that is, without merit and intended to cause delay,.

(c) Any aggrieved owner, covered tenant, registered tenant association, or their assignee may seek damages, under the provisions of chapter 93A of the General Laws.

(d) The City of Somerville is authorized to enforce this Act and may promulgate ordinances, rules, regulations, and any forms necessary for implementation or enforcement. The City of Somerville may seek injunctive, declaratory, and compensatory relief in a court of competent jurisdiction.

SECTION 8. The Registrar of Deeds for Middlesex County shall require a Certification of Compliance issued by the Office of Housing Stability, and the Affidavit of Compliance that precipitated the awarding of that Certification of Compliance, in conjunction with the filing of any deed pertaining to the sale, transfer, or conveyance of a residential property located within the

boundaries of the City of Somerville, and said Certification and Affidavit shall become part of the public record and filed with the deed for that residential property.

SECTION 9. This Act shall take effect upon its passage.

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