

HOUSE No. 1350

The Commonwealth of Massachusetts

PRESENTED BY:

Jay D. Livingstone and Rob Consalvo

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to guarantee a tenant’s first right of refusal.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>	<i>1/20/2023</i>
<i>Rob Consalvo</i>	<i>14th Suffolk</i>	<i>1/20/2023</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>1/20/2023</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>	<i>1/25/2023</i>
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>	<i>1/25/2023</i>
<i>Steven Owens</i>	<i>29th Middlesex</i>	<i>1/25/2023</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>1/30/2023</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>1/31/2023</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>1/31/2023</i>
<i>Jon Santiago</i>	<i>9th Suffolk</i>	<i>2/6/2023</i>
<i>Samantha Montaño</i>	<i>15th Suffolk</i>	<i>2/8/2023</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>2/9/2023</i>
<i>Adrian C. Madaro</i>	<i>1st Suffolk</i>	<i>2/13/2023</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>2/14/2023</i>
<i>Carol A. Doherty</i>	<i>3rd Bristol</i>	<i>2/20/2023</i>
<i>Erika Uytterhoeven</i>	<i>27th Middlesex</i>	<i>2/22/2023</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Worcester and Middlesex</i>	<i>2/23/2023</i>
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>2/27/2023</i>

<i>Brandy Fluker Oakley</i>	<i>12th Suffolk</i>	<i>3/9/2023</i>
<i>Carlos González</i>	<i>10th Hampden</i>	<i>3/20/2023</i>
<i>Lydia Edwards</i>	<i>Third Suffolk</i>	<i>3/23/2023</i>
<i>Mindy Domb</i>	<i>3rd Hampshire</i>	<i>4/11/2023</i>
<i>Peter Capano</i>	<i>11th Essex</i>	<i>4/11/2023</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>4/19/2023</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>4/27/2023</i>
<i>Shirley B. Arriaga</i>	<i>8th Hampden</i>	<i>5/9/2023</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>8/30/2023</i>
<i>Estela A. Reyes</i>	<i>4th Essex</i>	<i>10/19/2023</i>
<i>Ryan M. Hamilton</i>	<i>15th Essex</i>	<i>10/27/2023</i>
<i>Judith A. Garcia</i>	<i>11th Suffolk</i>	<i>11/20/2023</i>
<i>William F. MacGregor</i>	<i>10th Suffolk</i>	<i>11/27/2023</i>
<i>Danillo A. Sena</i>	<i>37th Middlesex</i>	<i>1/31/2024</i>

HOUSE No. 1350

By Representatives Livingstone of Boston and Consalvo of Boston, a petition (accompanied by bill, House, No. 1350) of Jay D. Livingstone, Rob Consalvo and others relative to tenant’s first right of refusal. Housing.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act to guarantee a tenant’s first right of refusal.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 1. Chapter 184 of the General Laws as appearing in the 2020 Official Edition is
2 hereby amended by adding after section 21, the following new section:

3 Section 21A: Municipal Local Option for a Tenant’s Opportunity to Purchase

4 (a) For the purposes of this section, the following words shall, notwithstanding any
5 general or special law to the contrary, or unless the context clearly requires otherwise, have the
6 following meanings:

7 "Affiliate" an entity owned or controlled by an Owner or under common control with the
8 Owner.

9 “Auction” or "Public Auction", the sale of a Housing Accommodation, under power of
10 sale in a Mortgage Loan, by public bidding.

11 “Borrower", a mortgagor of a Mortgage Loan.

12 "Deed in Lieu," a deed for the collateral property, that the Mortgagee accepts from the
13 Borrower in exchange for the release of the Borrower's obligation under the Mortgage Loan.

14 "Department", Department of Housing and Community Development, or its successor
15 agency.

16 "Designee", a nonprofit organization established pursuant to chapter 180, a local housing
17 authority, or a controlled nonprofit or for-profit Affiliate of either such entity; provided that the
18 parent organization has requisite experience in developing, owning and/or operating residential
19 real estate and with the financial capacity to secure the financing of the purchase transaction;
20 provided that any purchase by a Designee under this section shall be for the purpose of the use of
21 the property as Long-Term Affordable Housing set out in a recorded restriction.

22 "Foreclosure," a proceeding to terminate a Borrower's interest in property instituted by
23 the Mortgagee.

24 "Housing Accommodation," a building or buildings, structure or structures, or part
25 thereof, rented or offered for rent for living or dwelling purposes, including, without limitation,
26 houses, apartments, condominium units, cooperative units and other multi-family residential
27 dwellings; provided, however, that a Housing Accommodation shall not include a group
28 residence, homeless shelter, lodging house, orphanage, temporary dwelling structure or
29 transitional housing; and provided, further that a Housing Accommodation shall not include 1-4
30 unit Borrower-occupied Housing Accommodation if the Borrower is domiciled in the Housing
31 Accommodation at the initiation of the Short-sale, Deed in Lieu, or Foreclosure process.

32 “Immediate Family Member”, the parent, offspring, sibling, or spouse of the Owner, or a
33 trust in which the beneficiaries immediately after the creation are the Owner and the parent,
34 child, sibling and/or spouse of the Owner.

35 “Long-Term Affordable Housing”, for rental housing: housing where forty percent of the
36 housing units are affordable to households with incomes at or below sixty percent of the Area
37 Median Income as established by the U.S. Department of Housing and Urban Development
38 (AMI), and where these restrictions shall be in effect for at least thirty years and recorded in a
39 deed restriction; for homeownership housing: housing where all units are both (a) set at prices
40 affordable to, and (b) limited to purchase by, buyers whose incomes are at or below 100 percent
41 of the AMI, and at least fifty percent of the units are both (a) set at prices affordable to, and (b)
42 limited to purchase by, buyers with incomes at or below eighty percent of the AMI, and where
43 these restrictions shall be in effect for at least thirty years and recorded in a deed restriction.

44 "Member", a natural person who is a member of a Tenant Association.

45 "Minimum Tenant Participation”, the minimum percentage of Tenant-occupied housing
46 units that must participate as Members of the Tenant Association, which shall be 51 per cent of
47 the Tenant-occupied housing units. The Minimum Tenant Participation percentage shall be
48 calculated (rounded up) based on the number of Tenant-occupied housing units in a property,
49 rather than the number of individual Tenants. If there is more than 1 Tenant residing in a unit,
50 any of the Tenants in the unit may participate as Members of the Tenant Association for the unit
51 to be counted towards the participating percentage of units. The Minimum Tenant Participation
52 will be presumed to have been achieved for a period of 1 year after it is initially established.

53 "Mortgage Loan," a loan secured wholly or partially by a mortgage on a Housing
54 Accommodation.

55 "Mortgagee," an entity to whom property is mortgaged, the mortgage creditor or lender
56 including, but not limited to, mortgage servicers, lenders in a mortgage agreement and any agent,
57 servant or employee of the Mortgagee or any successor in interest or assignee of the Mortgagee's
58 rights, interests or obligations under the mortgage agreement.

59 "Owner", a person, firm, partnership, corporation, trust, organization, limited liability
60 company or other entity, or its successors or assigns, that holds title to real property.

61 "Purchaser", a party who has entered into a purchase contract with an Owner and who
62 will, upon performance of the purchase contract, become the new Owner of the property.

63 "Purchase Contract", a binding written agreement whereby an Owner agrees to sell
64 property including, without limitation, a purchase and sale agreement, contract of sale, purchase
65 option or other similar instrument.

66 "Sale", an act by which an Owner conveys, transfers or disposes of property by deed or
67 otherwise, whether through a single transaction or a series of transactions, within a 3 year period;
68 provided, that a disposition of housing by an Owner to an Affiliate of such Owner shall not
69 constitute a Sale.

70 "Short-Sale," a Sale approved by the Mortgagee to a bona fide Purchaser at a price that is
71 less than the Borrower's existing debt on the Housing Accommodation.

72 "Successor", the entity through which a Tenant Association may take title to the
73 residential property, including any of the following: (i) a non-profit or for-profit entity

74 controlled by the Tenant Association; or (ii) a limited equity cooperative organized under
75 Chapter 157B or non-profit corporation organized under Chapter 180, in either case controlled
76 by the Tenants of the property; or (iii) a joint venture between any of the entities in (i) or (ii) and
77 another party (including non-profit and for-profit entities) with: (a) the requisite experience in
78 acquiring, developing and owning residential property, and (b) the financial capacity to secure
79 financing of the purchase transaction; any such joint venture shall be for the purpose of the use
80 of the property as Long-Term Affordable Housing set out in a recorded restriction.

81 "Tenant", a person entitled to possession or occupancy of a rental unit within residential
82 housing, including a subtenant, lessee and sublessee.

83 "Tenant Association", an organization with a membership limited to present Tenants of a
84 property that: (i) is registered with, or if no registry exists has provided a letter stating its
85 formation to, the municipality that has adopted an ordinance consistent with this section; or (ii) is
86 a non-profit organization incorporated under chapter 180; provided that an organization shall not
87 be a Tenant Association if there is evidence that it was organized by the Owner.

88 "Third-Party Offer", an offer to purchase the mortgaged property for valuable
89 consideration by an arm's length Purchaser; provided, that a Third-Party Offer shall not include
90 an offer by the Borrower or the Tenants.

91 "Third-party Purchaser", a Purchaser that is not the Tenant Association at the property, or
92 its Designee, Successor, or an Affiliate.

93 (b) A city or town may adopt this section in the manner provided in section 4 of chapter
94 4. The acceptance of this local option by a municipality shall take effect no later than 180 days
95 after such adoption. A city or town may at any time revoke the acceptance of this section in the

96 manner provided in section 4 of chapter 4. The revocation shall not affect agreements relative to
97 Tenants' rights to purchase that have already been asserted, that is, when a Tenant Association,
98 its Successor, Designee or Assignee, have submitted an offer to the Owner, or executed the
99 proposed purchase contract or other agreement acceptable to both parties, prior to the revocation.

100 (c) A city or town's ordinance or bylaw accepting this Section may contain provisions
101 that establish:

102 additional tenancy protections for Tenant households that do not participate in the Tenant
103 Association;

104 additional penalties, municipal enforcement authority, and enforcement mechanisms, in
105 addition to recorded restrictions, for enforcing the ordinance and provisions of this section,
106 and/or rules and regulations implementing this section;

107 mandated use of a standard purchase contract, prepared or approved by the municipality
108 and consistent with this Section, for Owners to provide to the Tenant Association, its Designee
109 or Successor, under paragraph (d)(4);

110 for housing transferred under this section, additional affordability restrictions on the total
111 percentage of affordable units, the level of affordability, and/or the length of time such
112 restrictions shall be in place; and/or

113 creating confidentiality agreement forms for Owners to use to protect against the public
114 disclosure of information provided pursuant to subsection (d)(5)(ii).

115 (d) In any city or town that adopts the provisions of this section:

116 (i) an Owner of a residential building shall notify the municipality and each Tenant
117 household, in writing by hand delivery and United States' mail, of the Owner's intention to sell
118 the property, with copy of the municipality's prepared summary of the ordinance adopted
119 hereunder, which shall include a reference to the lists in (ii).

120 (ii) The municipality shall maintain a list of qualified affordable housing developers and
121 of qualified technical assistance providers for residents and provide these lists to the residents.

122 A Tenant Association with the Minimum Tenant Participation may select a Successor
123 entity or a Designee to act on its behalf as purchaser of the property and shall give the Owner
124 and the municipality notice of its selection.

125 (i) An Owner of a residential building, unless the Owner is exempt from this Section and
126 it is the Owner's burden to provide proof of qualification for an exemption, shall provide to the
127 Tenant Association with Minimum Tenant Participation (if such association exists) or its
128 Successor or Designee, an opportunity to purchase the property pursuant to the time periods
129 contained in this Section, but no Owner shall be under any obligation to enter into an agreement
130 to sell such property to the Tenant Association, its Successor or Designee under this subsection
131 (d)(3).

132 (ii) A Tenant Association with the Minimum Tenant Participation, or its Successor or
133 Designee, may, within 30 days after receipt of the Owner's intention to sell, submit an offer to
134 the Owner to purchase the property. Failure to submit an offer within thirty days shall constitute
135 an irrevocable waiver of the Tenants' rights under this paragraph (3). An Owner also may accept
136 an offer and execute a purchase contract with a third party during this thirty-day period, subject
137 to paragraphs (4) to (7), inclusive.

138 Upon execution of any purchase contract with a third party, the Owner shall, unless the
139 Owner can prove they are exempt from this Section, within 7 days, submit: a copy of the
140 executed contract and proof that the deposit toward the purchase has been paid by the third party
141 along with a proposed purchase contract for execution by Tenant Association or its Successor, or
142 Designee (collectively, “the Purchase Documents”), and if no Tenant Association or Successor
143 or Designee exists, the Owner shall provide the Purchase Documents to the municipality and
144 provide a summary of the Purchase Documents (including purchase price, amount and schedule
145 of deposits, length of due diligence/ deposit refundability period, and closing date) to each
146 Tenant household, by hand delivery and United States' mail.

147 If (i) at least 30 days has passed from the Tenant households’ receipt of notice of the
148 Owner’s intention to sell (provided for in (d)(1)) and their receipt of the summary of the
149 Purchase Documents, and if a Tenant Association, with or without Minimum Tenant
150 Participation, or its Successor or Designee does not exist, then the Owner may immediately
151 proceed with the purchase contract with the third party;

152 if (ii) less than 30 days have passed and no Tenant Association with Minimum Tenant
153 Participation has been formed, the Tenants shall have 45 days after the receipt of the summary of
154 the Purchase Documents, to form a Tenant Association with Minimum Tenant Participation,
155 select a Designee or Successor it they choose, and have the Tenant Association or its Successor
156 or its Designee execute the proposed purchase contract or such other agreement as is acceptable
157 to both parties; and

158 (iii) in all other cases, if the Tenant Association, or its Successor or, its Designee, elect to
159 purchase the property, the Tenant Association, or its Successor, or its Designee, shall within 21

160 days after the receipt of the third-party purchase contract and the proposed purchase contract,
161 execute the proposed purchase contract or such other agreement as is acceptable to both parties.

162 The time periods set forth in this subsection may be extended by agreement between the
163 Owner and the Tenant Association, its Successor or its Designee. Except as otherwise specified
164 in subsection (5), the terms and conditions of the proposed purchase contract offered to the
165 Tenant Association, Successor, or its Designee, shall be the same as those of the executed third-
166 party purchase contract. The Tenant Association or its Successor or Designee must include
167 reasonable evidence of Minimum Tenant Participation with its proposed purchase contract.

168 Any purchase contract offered to, or proposed by, the Tenant Association, its Successor
169 or its Designee shall provide at least the following terms: the earnest money deposit shall not
170 exceed the lesser of: the deposit in the third-party purchase contract; 5 per cent of the Sale price;
171 or \$250,000; provided, however, that the Owner and the Tenant Association, or its Successor, or
172 its Designee, may agree to modify the terms of the earnest money deposit; provided, further, that
173 the earnest money deposit shall be held under commercially-reasonable terms by an escrow
174 agent selected jointly by the Owner and the Tenant Association, its Successor or its Designee;
175 the Owner must provide the following information, documentation, and permissions, within 20
176 days of the date of the purchase contract of the Tenant Association, its Designee or Successor:
177 the current rent roll by unit size without tenant names or other identifying information; the
178 expiration date of every lease (if there is a lease); documentation of all operating expenses for the
179 prior two years, including utilities, insurance premiums, bills for repairs, and capital
180 improvements; permission to inspect all common and maintenance service areas of the property,
181 including roof, boiler room, electrical and telecommunications rooms; permission to conduct
182 inspections and tests for the presence of lead paint and asbestos; and permission to do tests for

183 regulated environmental toxins on unbuilt areas of the property, if required by the lender of the
184 Tenant Association, or its Designee or Successor; the contract will contain all reasonable
185 contingencies, including financing, marketability of title, and appraisal contingencies; the earnest
186 money deposit shall be refundable for not less than 60 days from the date of execution of the
187 purchase contract or such greater period as provided for in the third-party purchase contract (due
188 diligence period); provided, however, that if the Owner unreasonably delays the buyer's ability to
189 conduct due diligence during the 60 day period, the earnest money deposit shall continue to be
190 refundable for an additional period of one day for every day beyond 20 days that the Owner has
191 not complied with the provisions of subsection (5) (ii) above. After the expiration of the
192 specified time period, the earnest money deposit shall become non-refundable but shall continue
193 to be a deposit toward the full purchase price.

194 real estate broker commissions or fees that are associated with the third-party purchase
195 transaction shall be payable upon the closing of the purchase.

196 Closing date: The Tenant Association or its Successor, or Designee, shall have 60 days
197 for a property of 1 to 5 units, 75 days for a property of 6 to 20 units, and 120 days for a property
198 of 21 or more units, from execution of the purchase contract to perform all due diligence, secure
199 financing for and close on the purchase of the building; provided, however, that if the Owner
200 unreasonably delays the buyer's ability to conduct due diligence, the closing date shall be
201 extended for an additional period of one day for every day beyond the required 30 days that the
202 Owner has not complied with the provisions of subsection (d) (5) (ii) above. Failure to exercise
203 the purchase option by the closing date shall constitute a waiver of the purchase option by the
204 Tenant Association, its Successor, or its Designee. The closing date may be extended by
205 agreement of both parties.

206 If the Tenant Association, its Designee or Successor, do not exercise their purchase
207 option the Owner may proceed with the sale to the third-party. If the closing date in the third-
208 party contract is extended, for each such extension, the Owner shall provide the municipality and
209 the Tenant Association, Designee or Successor a notarized amendment to the purchase contract
210 extending the date of the closing. Within 7 days of the termination of the third-party purchase
211 contract the Owner shall notify the municipality and the Tenant Association, its Designee or its
212 Successor of the termination. Said notice shall trigger the provisions of paragraphs (d)(1) through
213 (d)(7) of this Section.

214 In any instance where the Tenant Association, its Designee or Successor, is not a
215 successful purchaser, an Owner shall provide evidence of compliance with this Section by filing
216 a affidavit of compliance signed under the penalty of perjury with the municipality, the
217 Department, and the official records of the county where the property is located within seven
218 days of the Sale.

219 The Tenant Association, Successor, or its Designee shall ensure that their purchase of the
220 property will not result in the displacement of any Tenant households existing at the time of
221 purchase based solely on their choice not to participate in the purchase of the property.

222 Any property acquired under this subsection, that is not subject to a Long-Term
223 Affordable Housing requirement, shall be for the purpose of use of the property as: (i) Long-
224 Term Affordable Housing set out in a recorded restriction; (ii) cooperative housing subject to a
225 covenant, satisfactory to the municipality in form and substance and having a term of not less
226 than twenty years, that a majority of residential units be occupied by Tenant-stockholders as their
227 primary residence; or (iii) condominium units subject to a covenant, satisfactory to the

228 municipality in form and substance and having a term of not less than twenty years, that a
229 majority of units be occupied by unit Owners as their primary residence. For purposes of (ii) and
230 (iii) of this requirement, Owner-occupied or Tenant-stockholder occupied includes (i) a person in
231 military service on active duty who intends to occupy the residential unit when not on active
232 duty, and (ii) a disabled occupant where the Owner/Tenant-stockholder is a their parent or legal
233 guardian.

234 This subsection (d) shall not apply to the following:

235 Property that is the subject of a government taking by eminent domain or a negotiated
236 purchase in lieu of eminent domain; a proposed below-market Sale to an organization organized
237 under Section 501(c)(3) of the Internal Revenue Code where the property shall be used or
238 developed as Long-Term Affordable Housing; any Sale of publicly-assisted housing, as defined
239 in section 1 of chapter 40T; rental units in any hospital, skilled nursing facility, or health facility;
240 rental units in a nonprofit facility that has the primary purpose of providing short term treatment,
241 assistance, or therapy for alcohol, drug, or other substance abuse; provided, that such housing is
242 incident to the recovery program, and where the client has been informed in writing of the
243 temporary or transitional nature of the housing; rental units in a nonprofit facility that provides a
244 structured living environment that has the primary purpose of helping homeless persons obtain
245 the skills necessary for independent living in a permanent housing and where occupancy is
246 restricted to a limited and specific period of time of not more than 24 months and where the
247 client has been informed in writing of the temporary or transitional nature of the housing at its
248 inception; public housing units owned or managed by or with a ground lease from the local
249 housing authority;

250 any residential property where the Owner, who owns it directly or through an Affiliate,
251 can show that (i) the Owner is a natural person(s), which natural person(s), together and/or
252 separately, own, either directly and/or through an Affiliate(s), fewer than 10 residential rental
253 units in the municipality.

254 Any unit that is held in trust on behalf of a disabled individual who permanently occupies
255 the unit, or a unit that is permanently occupied by a disabled parent, sibling, child, or grandparent
256 of the Owner of that unit; any property that is owned by a college or university that is occupied
257 exclusively by students; any Sale to an Immediate Family Member of the Owner for a total
258 purchase price at or below the current assessed value of the property; a transfer by devise,
259 descent, or operation of law upon the death of a natural person; a Sale of a newly constructed
260 property for which the initial certificate of occupancy was issued no earlier than three years prior
261 to the date of the purchase contract between a buyer and the party to which the certificate of
262 occupancy was issued; a property of one to four units, where the owner actually maintains and
263 occupies one of the units as his/her residence; any residential property where the Owner directly
264 or indirectly through an Affiliate owns only one unit in the property; or any property with more
265 than 50 residential units, where the median rent of the property is at least 150% of the median
266 rent of the municipality as determined by the most recent American Community Survey of the
267 Census Bureau.

268 The Department shall enforce this subsection (d) and shall promulgate rules and
269 regulations necessary for enforcement. The Department shall provide municipalities with sample
270 purchase contracts incorporating the requirements of this Section that an Owner can provide to a
271 Tenant Association, its Designee or Successor.

272 (e) Short-Sales. In any city or town that adopts the provisions of this Section:

273 An Owner, other than the Owner of a 1- 4 unit Owner-occupied property, shall give
274 notice to each Tenant household of a Housing Accommodation of the intention to sell the
275 Housing Accommodation by way of Short-Sale to avoid Foreclosure. Such notice shall be mailed
276 by regular and certified mail, with a simultaneous copy to the attorney general, and the
277 municipality adopting this section within 2 business days of the Owner's submission of a request
278 or application to the Mortgagee for permission to sell the Housing Accommodation by way of
279 Short-Sale or to accept a Deed in Lieu. This notice shall also include a notice of the rights
280 provided by this section.

281 No Mortgagee may accept any Third-Party Offers or deem the Owner's application for
282 Short-Sale submitted for review unless and until: the Mortgagee receives documentation in a
283 form approved by the attorney general demonstrating that the Tenants of the Housing
284 Accommodation have been informed of the Owner's intent to seek a Short-Sale or Deed in Lieu
285 and the Tenants have had the opportunity to express their interest in exercising a right of first
286 refusal within 60 days or the opportunity to assigned their right of first refusal, or the Tenants
287 have waived those rights. If Tenants have not affirmatively expressed their interest in exercising
288 a right of first refusal or in assigning that right within 60 days, or have not affirmatively waived
289 that right within 60 days, the Tenants' rights are deemed waived.

290 Before a Housing Accommodation may be transferred by Short-Sale or Deed in Lieu, the
291 Owner, other than the Owner of a 1-4 unit owner-occupied property shall notify each Tenant
292 household, with a simultaneous copy to the attorney general and the municipality adopting this
293 section, by regular and certified mail, of any bona fide offer that the Mortgagee intends to accept.

294 Before any Short-Sale or transfer by Deed in Lieu, the Owner shall give each Tenant household
295 such a notice of the offer only if households constituting at least 51 per cent of the households
296 occupying the Housing Accommodation notify the Owner, in writing, that they collectively
297 desire to receive information relating to the proposed Sale. Tenants may indicate this desire
298 within the same notice described in paragraph (2). Any notice of the offer required to be given
299 under this subsection shall include the price, calculated as a single lump sum amount and of any
300 promissory notes offered in lieu of cash payment.

301 A Tenant Association representing at least 51 per cent of the households occupying the
302 Housing Accommodation that are entitled to notice under the preceding paragraph (3) shall have
303 the collective right to purchase, in the case of a Third-Party Offer that the Mortgagee intends to
304 accept, provided that it: submits to the Owner reasonable evidence that the Tenants of at least 51
305 per cent of the occupied units in the Housing Accommodation have approved the purchase of the
306 Housing Accommodation, submits to the Owner a proposed purchase and sale agreement on
307 substantially equivalent terms and conditions within 60 days of receipt of notice of the offer
308 made under the preceding paragraph (3), obtains a binding commitment for any necessary
309 financing or guarantees within an additional 90 days after execution of the purchase and sale
310 agreement, and closes on such purchase within an additional 90 days after the end of the 90-day
311 period described in clause (iii).

312 No Owner shall unreasonably refuse to enter into, or unreasonably delay the execution or
313 closing on a purchase and sale with Tenants who have made a bona fide offer to meet the price
314 and substantially equivalent terms and conditions of an offer for which notice is required to be
315 given pursuant to paragraph (3). Failure of the Tenants to submit such a purchase and sale
316 agreement within the first 60-day period, to obtain a binding commitment for financing within

317 the additional 90-day period or to close on the purchase within the second 90-day period, shall
318 serve to terminate the rights of such Tenants to purchase. The time periods herein provided may
319 be extended by agreement. Nothing herein shall be construed to require an Owner to provide
320 financing to such Tenants. A Tenant Association that has the right to purchase hereunder, at its
321 election, may assign its purchase right hereunder to the city or town in which the Housing
322 Accommodation is located, or the housing authority of the city or town in which the Housing
323 Accommodation is located, or an agency of the commonwealth, nonprofit, community
324 development corporation, affordable housing developer, or land trust. A right to purchase
325 hereunder shall be for the purpose of maintaining the use of the Housing Accommodation as
326 permanently affordable rental housing.

327 The right of first refusal created herein shall inure to the Tenants for the time periods
328 hereinbefore provided, beginning on the date of notice to the Tenants under paragraph (1). The
329 effective period for such right of first refusal shall begin anew for each different offer to
330 purchase that the Mortgagee intends to accept. The right of first refusal shall not apply with
331 respect to any offer received by the Owner for which a notice is not required pursuant to said
332 paragraph (3).

333 In any instance where the Tenants are not the successful purchaser of the Housing
334 Accommodation, the Mortgagee shall provide evidence of compliance with this section by filing
335 an affidavit of compliance signed under the penalty of perjury with the attorney general, and the
336 registry of deeds for the county and district where the property is located within 7 days of the
337 Sale.

338 The attorney general shall enforce this subsection (e) and shall promulgate rules and
339 regulations necessary for enforcement. The attorney general may seek injunctive, declaratory,
340 and compensatory relief on behalf of Tenants and the Commonwealth in a court of competent
341 jurisdiction. The attorney general shall post a sample intent to sell notice, sample proof of notice
342 to Tenants, sample notice of offer, and other necessary documents.

343 (f) Foreclosures. In any city or town that adopts the provisions of this Section:

344 When a Mortgagee seeks to foreclose, the Mortgagee shall provide copies of all
345 Foreclosure notices required by Chapter 244, sections 14 and 35A, or any other applicable
346 Foreclosure law, by regular and certified mail to the Tenants of the Housing Accommodation
347 and to the municipality adopting this Section. The Mortgagee shall also provide Tenants and the
348 municipality, by regular and certified mail, with a copy of any Complaint filed in Land Court and
349 any Order of Notice issued by the Land Court, pursuant to the Service Members Civil Relief Act
350 if applicable, within five (5) days of issuance.

351 The Mortgagee shall provide each Tenant household and the municipality adopting this
352 Section, by regular and certified mail, a copy of any and all Notices of Sale published pursuant to
353 Section 14 of chapter 244.

354 No later than 5 business days before the Foreclosure Auction of a Housing
355 Accommodation, the Tenants shall inform the Mortgagee, in writing, if a Tenants Association
356 representing at least fifty-one percent of the households occupying the Housing Accommodation
357 or an entity to which they have assigned their right of first refusal intend to exercise their right of
358 first refusal at Auction and desire to receive information relating to the proposed Auction.

359 A Tenants Association representing at least fifty-one percent of the households
360 occupying the Housing Accommodation or their assignee may exercise their collective right to
361 purchase the Housing Accommodation, in the event of a Third-Party Offer at Auction that the
362 Mortgagee receives, provided that the Tenants Association submits to the Mortgagee reasonable
363 evidence that the Tenants of at least fifty-one percent of the occupied homes in the Housing
364 Accommodation have approved the purchase of the Housing Accommodation, submits to the
365 Mortgagee a proposed purchase and sale agreement on substantially equivalent terms and
366 conditions to that received by the Mortgagee in the Third-Party Offer within sixty days of receipt
367 of notice of the bid made under paragraph (3) of this section, obtains a binding commitment for
368 any necessary financing or guarantees within an additional ninety days after execution of the
369 purchase and sale agreement, and closes on such purchase within an additional ninety days after
370 the end of the ninety-day period under clause (iii).

371 No Mortgagee shall unreasonably refuse to enter into, or unreasonably delay the
372 execution or closing on a purchase and sale with Tenants who have made a bona fide offer to
373 meet the price and substantially equivalent terms and conditions of a bid received at Auction.
374 Failure of the Tenants to submit such a purchase and sale agreement within the first sixty day
375 period, to obtain a binding commitment for financing within the additional ninety day period or
376 to close on the purchase within the second ninety-day period, shall serve to terminate the rights
377 of such Tenants to purchase. The time periods herein provided may be extended by agreement.

378 Nothing herein shall be construed to require a Mortgagee to provide financing to such
379 Tenants. A Tenant Association which has the right to purchase hereunder, at its election, may
380 assign its purchase right hereunder to the city, town, housing authority, or agency of the
381 commonwealth, nonprofit, community development corporation, affordable housing developer,

382 or land trust; a right to purchase hereunder shall be for the purpose of maintaining the use of the
383 Housing Accommodation as permanently affordable rental housing.

384 If there are no third-party bids at Auction for the Housing Accommodation, the Tenants
385 shall have a right of first refusal whenever the Mortgagee seeks to sell the Housing
386 Accommodation. The Tenants shall be notified of any offers the Mortgagee intends to accept and
387 shall be given an opportunity to meet the price and substantially the terms of a Third-Party Offer
388 based on the same time line described in paragraph (4).

389 The right of first refusal created herein shall inure to the Tenants for the time periods
390 herein before provided, beginning on the date of notice to the Tenants under paragraph (1).

391 In any instance where the Tenants are not the successful purchaser, the seller of such unit
392 shall provide evidence of compliance with this Section by filing an affidavit of compliance
393 signed under the penalty of perjury with the attorney general, the Department, and the official
394 records of the county where the property is located within seven days of the Sale.

395 The attorney general shall enforce this subsection (f) and shall promulgate rules and
396 regulations necessary for enforcement. The attorney general may seek injunctive, declaratory,
397 and compensatory relief on behalf of Tenants and the Commonwealth in a court of competent
398 jurisdiction. The attorney general shall post a sample intent to sell notice, sample proof of notice
399 to Tenants, sample notice of offer, and other necessary documents.

400 (h) Any notice required by this section, except notice provided by a Tenant Association
401 to the municipality, shall be deemed to have been provided when delivered in person or mailed
402 by certified or registered mail, return receipt requested, to the party to whom notice is required;
403 except that with respect to providing notice to Tenants, notice shall be deemed to have been

404 provided when either: (i) the notice is delivered in hand to the Tenant or an adult member of the
405 Tenant's household; or (ii) the notice is sent by first class mail and a copy is left in or under the
406 door of the Tenant's dwelling unit. A notice to the affected municipality shall be sent to the chief
407 executive officer.

408 (i) It is illegal for an Owner or their agent to take any action to evict, threaten, coerce, or
409 retaliate against a Tenant or Tenants in order to avoid application of this Section.

410 (j) A Tenant, Tenant Association, or Successor, Designee or assignee shall not solicit or
411 accept payment or any other consideration for assigning or waiving any rights under this section.

412 (k) Aggrieved Tenants, Tenant Associations, Designees, Successors, assignees, and
413 municipalities may seek damages under chapter 93A and may file a complaint with the attorney
414 general, and may also file a court complaint for equitable and/or monetary relief, including but
415 not limited to damages of a percentage of the sales price and/or injunctive relief in the form of
416 specific performance. Nothing in this Section shall be construed to limit or constrain in any way
417 the rights Tenants currently have under applicable laws, including but not limited to chapters 186
418 and 186A. At all times, all parties must negotiate in good faith.