

Massachusetts House of Representatives Bill Summary

Bill #: H.2294
Title: An Act relative to voluntary municipal right of first refusal
Sponsor: Rep. Bradley Jones
Committee: Municipalities and Regional Government
Hearing Date: July 29, 2025

Current Law: MGL Chapter 40H relates to the Community Economic Development Assistance Corporation (CEDAC). Section 4 lists the powers of a CEDAC. Section 5 concerns technical and financial assistance; eligible organizations; standards; preference to certain projects.

The section authorizes such corporations to provide technical and financial assistance to particular eligible organizations for projects intended to contribute to the public purposes of this chapter. The law lists the criteria that may be used to consider eligibility for such assistance, and preference is given to those proposals that meet and even exceed those criteria.

Summary: Section 1 of the bill amends Section 5 of MGL Chapter 40H by inserting a new clause (3) which further defines eligibility preference to receive technical and financial assistance for an economic development project.

The new clause adds a provision which would give preference to projects that involve using a municipality's right of first refusal to purchase property to be used as affordable housing.

The program would be a local option that matches or funds municipalities that seek to purchase property subject to sale under the law governing Community Economic Development Assistance Corporations and contains three or less units and mid-size multifamily buildings. The department of housing and community development would have right of first refusal to acquire the property in the municipality's own name pursuant to regulations to be developed by the Executive Office of Housing and Livable Communities. In order to obtain the right of first refusal the following conditions must be met:

- (i) The owner of the building signed an agreement to notify the municipality once they have an offer on their property when they sell it.
- (ii) The municipality is given 120 days to inspect the building and make an offer on the building that matches or is greater than the sale price.

(iii) The municipality in coordination with a community partner will purchase the building at the sale price and maintain it as deed restricted affordable housing in perpetuity.

(iv) Each owner who qualifies will be given \$500 per qualified unit, not to exceed \$10,000, plus the cost incurred at the registry for recording the document; provided however, total payments from the program shall not exceed \$5,000,000.

The corporation shall notify the owner of its intention to exercise this right no later than 10 days before the date of sale or any adjournment of the sale. Failure of the corporation to notify the owner as provided herein shall extinguish the right of first refusal under this section.

The department shall promulgate regulations for the administration of this program.