



# The Commonwealth of Massachusetts

## AUTHORIZING THE CITY OF SOMERVILLE TO REGULATE RENT IN RESIDENTIAL DWELLING UNITS

# AN ACT

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

### SECTION 1: Findings and Purpose.

WHEREAS: the City of Somerville (“the City”) is undergoing an emergency with respect to housing, in that there is an insufficient supply of housing affordable to its residents; and

WHEREAS: Residents have seen rents continue to raise, sometime at exorbitant rates; and

WHEREAS: Income of Somerville residents has not kept pace with increasing rental costs; and

WHEREAS: The City wishes to enact this legislation to protect residents from excessive rent increases and evictions which pose serious threats to the public health, safety and generally welfare, including housing insecurity, rent burden, homelessness, and displacement; and

WHEREAS: The City seeks to address the housing emergency described above through legislation to stabilize rents and prevent evictions.

**SECTION 2: Power for local rent regulation.** The City may, by ordinance, regulate the rent in residential dwelling units and provide for reasonable exemption from such regulation:

- (a) This section shall not apply to the following types of residential properties or residential circumstances:
  - (i) Properties with 3 or fewer dwelling units in which one of the dwelling units is the owner’s principal residence;
  - (ii) Dwelling units which were created as a result of ground up new construction and for which the first residential certificate of

occupancy was issued not more than twelve months prior to the passage of a local ordinance authorized hereunder shall be exempt for a period of 15 years from the date at which such certificate of occupancy was issued;

- (iii) Dwelling units with (a) rent subject to regulation by a public authority or a public housing-affiliated limited liability corporation or other similar public housing affiliated corporate entity, such that rent is based on a percentage of tenant income and (b) project-based rental subsidies where rent is based on a percentage of tenant income. Occupancy by tenants with mobile vouchers in otherwise non-exempt units does not render a unit exempt;
  - (iv) Dwelling units in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property;
  - (v) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, or licensed residential care facility for the elderly;
  - (vi) Units in hotels, motels, or other facilities occupied by transient guests; and
  - (vii) Dormitories owned and operated by an institution of higher education.
- (b) In addition to the exemptions described in (a) above, the City in its discretion may, create an exemption for vulnerable seniors who vacated their owner-occupied unit in their two or three family property, for health or other reasons beyond their immediate control. The City may by ordinance, order, or regulation define any necessary terms to effectuate this exemption.
- (c) The City, on an annual basis, may set an annual maximum percentage rent increase for rental units covered by this Section, based on the increase in the consumer price index if any, plus two percent, but in no event shall an annual increase be greater than 5%. "Consumer price index" refers to the annual 12-month average change in the Consumer Price Index for All Urban Consumers, Boston-Cambridge-Newton (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor in September of the prior calendar year.
- (d) For rental dwelling units covered by this section, the rent amount in place 12 months prior to the effective date of the ordinance shall serve as the base rent upon which any annual rent increase shall be applied. If the dwelling unit is vacant on the effective date of the ordinance, the last rent amount charged

shall serve as the base rent. If there was no previous rent amount, or if no rent has been charged for at least five years prior to the effective date of the ordinance, the rent amount the owner first charges shall serve as the base rent.

- i. The City may by ordinance, order, or regulation, establish a process for setting the base rent for any unit that no longer qualifies for an exempt status under section 2(a).
  - ii. The City may by ordinance, order, or regulation, establish minimum standards and procedures for owners and tenants of any unit under section 2(a) that is converted to a non-exempt unit.
- (e) The City may provide for fair return standards for the regulation of rent, which may include but are not limited to, changes to permissible rental rates based upon certain maintenance and capital costs, utility costs for which the owner is responsible, and rapid increases in property taxes.
- (f) The City may set tenant notification and rental registration requirements as necessary to effectuate this section.
- (g) The City shall establish or designate an administrator or board to promulgate regulations pursuant to this section and to govern and administer local rent regulation.

**Section 3: Just cause eviction protections** The provisions of this Section shall be applicable to all rental housing accommodations in the City; provided however, that the City may provide for exemptions from the provisions of this Section and any such exemptions shall be included in an ordinance adopted by the City. Unless otherwise exempt, a property owner must establish just cause in order to recover possession of residential leased premises within the City as determined by the Housing Court, District Court, or other Court of competent jurisdiction. At a minimum just cause for eviction shall include the following grounds:

- (a) The tenant has failed to pay the rent to which the owner is entitled;
- (b) The tenant has committed a substantial violation of a material lease term or term of the tenancy;
- (c) The tenant is causing substantial damage to the leased unit;
- (d) The tenant engages in criminal activity that threatens the health and safety of other residents, or persons lawfully on the premises;
- (e) The owner seeks in good faith to recover possession of a leased unit for the owner's own use and occupancy or for the use and occupancy by the owner's spouse, children, grandchildren, great grandchildren, parents, grandparents,

aunts, uncles, nieces, nephews, brothers, sisters, fathers-in-law, mothers-in-law, sons-in-law, or daughters-in-law;

(f) The owner seeks to remove the unit from the rental market to convert to cooperative or condominium; and

(g) The owner seeks to demolish or convert to non-residential use.

**SECTION 4: Relocation plans and payments:** The City may, by ordinance, create requirements for relocation plans and tenant relocation payments where an owner(s) seeks to remove a tenant for reasons set forth in Sections 3(e) and (g).

**SECTION 5: Severance Clause.** The determination or declaration that any provision of this Act is beyond the authority of the general court or is preempted by law or regulation shall not affect the validity or enforceability of any other provisions.

**SECTION 6: Effective Date.** This act shall take effect immediately upon signing by the Governor.

